

THE HOUSE OF REPRESENTATIVES
Monday, April 7, 2008

Committee Substitute for
ENGROSSED
Senate Bill No. 1964

COMMITTEE SUBSTITUTE FOR ENGROSSED SENATE BILL NO. 1964 - By: CORN of the Senate and COOKSEY AND TIBBS of the House.

An Act relating to prisons and reformatories; amending 57 O.S. 2001, Sections 513, 513.1, as amended by Section 6, Chapter 294, O.S.L. 2006, 537 and 549, as last amended by Section 8, Chapter 294, O.S.L. 2006 (57 O.S. Supp. 2007, Sections 513.1 and 549), which relate to the Oklahoma Corrections Act of 1967; updating language; clarifying procedure for disbursement of funds to discharged prisoners; deleting petty cash fund amounts for specified facilities; creating certain fund; authorizing certain persons to limit the amount for the petty cash fund; prescribing rules and procedures for use of certain fund; requiring development of written policies for petty cash disbursements; clarifying duties of certain Board; providing for the establishment of canteen operations at correctional facilities; modifying procedures for canteen operations; requiring disbursements be made by vouchers and payable through certain entity; providing procedure for disposal of records; modifying accounting procedures; making certain purchases exempt from The Oklahoma Central Purchasing Act; directing profits be used for certain purpose; creating the Department of Corrections Inmate and Employee Welfare and Canteen System Support Revolving Fund; stating purpose of fund; stating expenditure requirements; providing for transfer of certain cash balances; providing for deposit of profits into certain fund; clarifying canteen procedures for disbursements; modifying duties of the State Board of Corrections; authorizing investment of certain funds; providing procedures for inmate interest-bearing savings accounts; requiring approval for transferring certain funds; requiring implementation of rules and procedures for certain accounts and transfer of funds; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

1 SECTION 1. AMENDATORY 57 O.S. 2001, Section 513, is amended to read as
2 follows:

3 Section 513. A. When any prisoner shall be discharged from the institution, the
4 warden or superintendent shall furnish ~~him~~ the prisoner with proper and necessary
5 clothing and a railroad or bus ticket to ~~his~~ the home community of the prisoner within
6 the State of Oklahoma, if it is not in the county in which the institution is located; and if
7 ~~his~~ the home community of the prisoner is outside the State of Oklahoma, the warden or
8 superintendent may furnish the necessary tickets to ~~his~~ the home community of the
9 prisoner or the county in which the sentence was imposed; and if ~~he~~ the inmate trust
10 account of the prisoner does not have at least a credit balance of Fifty Dollars (\$50.00) ~~to~~
11 ~~his credit~~, the warden ~~or~~, superintendent or Chief Financial Officer may furnish such
12 additional sum from the petty cash fund as will afford ~~him~~ the prisoner Fifty Dollars
13 (\$50.00).

14 B. Funds necessary to provide said clothing, transportation and Fifty Dollars
15 (\$50.00) allowed in subsection A of this section shall be drawn from a petty cash fund ~~to~~
16 ~~be established at each institution of~~ by the Oklahoma Department of Corrections
17 pursuant to Section 513.1 of this title. ~~Said petty cash fund shall be governed by the~~
18 ~~rules and regulations established by the Oklahoma State Budget Office.~~

19 SECTION 2. AMENDATORY 57 O.S. 2001, Section 513.1, as amended by
20 Section 6, Chapter 294, O.S.L. 2006 (57 O.S. Supp. 2007, Section 513.1), is amended to
21 read as follows:

1 Section 513.1 ~~Maximum amounts in petty cash funds.~~

2 ~~The maximum amounts that may be maintained in petty cash funds, established in~~
3 ~~accordance with the provisions of Section 513 of this title, are as specified below:~~

4		Maximum Amount
5	Department of Corrections	\$1,000.00
6	Jim E. Hamilton Correctional Center (Hodgen)	\$2,000.00
7	Mack H. Alford Correctional Center	\$2,500.00
8	Howard C. McLeod Correctional Center (Farris)	\$2,000.00
9	Lexington Assessment and Reception Center	\$2,500.00
10	Oklahoma State Penitentiary (McAlester)	\$8,000.00
11	Oklahoma State Reformatory (Granite)	\$3,000.00
12	R.B. "Dick" Conner Correctional Center (Hominy)	\$3,000.00
13	Joe Harp Correctional Center (Lexington)	\$3,000.00
14	Jess Dunn Correctional Center (Taft)	\$3,500.00
15	James Crabtree Correctional Center (Helena)	\$2,000.00
16	Mabel Bassett Correctional Center (Oklahoma City)	\$2,000.00
17	John Lilley Correctional Center (Boley)	\$2,000.00
18	Oklahoma City Community Corrections Center	\$2,000.00
19	Clara Waters Community Corrections Center (Oklahoma City)	\$2,000.00
20	Kate Barnard Community Corrections Center (Oklahoma City)	\$2,000.00
21	Tulsa Community Corrections Center	\$2,000.00
22	Muskogee Community Corrections Center	\$2,000.00

1 Department of Corrections. All canteen system operations shall be under the control of
2 the Canteen System Board and shall operate pursuant to written guidelines established
3 by the Board. The overall canteen operation composed of all correctional facility canteen
4 operations, inmate telephone systems and inmate electronic mail systems shall be
5 collectively called the Canteen System and such system shall be required to be self-
6 supporting from sales receipts.

7 B. Each correctional facility may have a canteen system operation. ~~The directors of~~
8 ~~each~~ Each facility canteen system when established shall be the facility head and two
9 ~~directors appointed by the facility head~~ require the warden of such facility or a designee
10 to oversee the day-to-day canteen system operations according to the guidelines set by
11 the Canteen System Board. ~~The business manager~~ Chief Financial Officer of the
12 Department shall act as custodian of all canteen system funds and be responsible for all
13 expenditures from the canteen system accounts. The Chief Financial Officer shall make
14 daily deposits of ~~cash~~ all sales receipts in ~~an agency special account approved by the~~
15 ~~Special Agency Account Board~~ the canteen system accounts. Canteen funds ~~may~~ system
16 profits generated by items or services for resale shall be identified monthly by the Chief
17 Financial Officer and transferred periodically from one the canteen fund special system
18 ~~account to another canteen fund special account upon an affirmative vote by the Board of~~
19 ~~Directors.~~ ~~All disbursements made from the account shall be by voucher signed by two of~~
20 ~~the directors of the canteen~~ the Department of Corrections Inmate and Employee
21 Welfare and Canteen System Support Revolving Fund. All disbursements made from the
22 canteen system account shall be by voucher approved by the Chief Financial Officer and

1 shall be payable through the Office of the State Treasurer. Documentation of each
2 disbursement shall be kept on ~~permanent file at each institution~~ by the Department.
3 ~~Accounting~~ Canteen system records may be disposed of in accordance with the records
4 disposition schedule approved by the Archives and Records Commission. The
5 Department shall notify the State Records Administrator thirty (30) days in advance of
6 its intent to dispose of any canteen records. The Department shall follow accounting
7 procedures in accordance with state fiscal accounting procedures ~~shall be followed in~~
8 administering canteen system funds. All profits from the canteen ~~operations system~~
9 shall be used exclusively for the benefit of the inmates of the various institutions and
10 personnel of the Department of Corrections and support of canteen system operations as
11 determined by the ~~canteen~~ Canteen System Board of Directors pursuant to subsection A
12 of this section.

13 C. Employees utilized in the operation of the canteen services at each institution
14 shall be state employees. Inmates may work in ~~the~~ a correctional facility canteen
15 ~~operations.~~ Reimbursement and shall receive reimbursement for said such work shall be
16 ~~accomplished~~ through the institution incentive pay program.

17 D. ~~The operations of the~~ All correctional facilities canteen ~~service system~~
18 operations and canteen system accounts shall be ~~the~~ subject ~~of~~ to an annual audit by the
19 Office of the State Auditor and Inspector. Reports of the audit shall be provided to the
20 Governor, the Speaker of the House of Representatives, the President Pro Tempore of the
21 Senate, the Legislative Service Bureau, the Department of Corrections, and to the
22 warden of the concerned institution.

1 E. Merchandise and services to be purchased for resale ~~purchased and sold or~~
2 distribution through a correctional facilities' the canteen as established in this section
3 system, inmate telephone equipment or services, and inmate electronic mail equipment
4 and services shall be purchased by voucher drawn against canteen system accounts and
5 all such purchases of goods and services shall be exempted from the provisions of The
6 Oklahoma Central Purchasing Act. All revenues from canteen operations, inmate
7 telephone system services and inmate electronic mail system operations shall be used
8 exclusively for the benefit of the inmates of the various institutions and personnel of the
9 Department of Corrections as determined by the Canteen System Board of Directors.

10 SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma
11 Statutes as Section 537.1 of Title 57, unless there is created a duplication in numbering,
12 reads as follows:

13 A. There is hereby created in the State Treasury a revolving fund for the
14 Department of Corrections to be designated the "Department of Corrections Inmate and
15 Employee Welfare and Canteen System Support Revolving Fund". The fund shall be a
16 continuing fund, not subject to fiscal year limitations, and shall consist of all profits
17 generated from the canteen system, any inmate telephone system and any inmate
18 electronic mail system. All monies accruing to the credit of the fund are hereby
19 appropriated and may be budgeted and expended by the Department of Corrections and
20 the Canteen System Board of Directors for the benefit of inmates of the various
21 institutions and personnel of the Department and to support canteen system operations
22 according to written Department policy, welfare budget limitations, and upon approval of

1 the Canteen System Board. Expenditures from the fund shall be made upon warrants
2 issued by the State Treasurer against claims filed as prescribed by law with the Director
3 of State Finance for approval and payment. All expenditures from this fund shall comply
4 with the applicable provisions of The Oklahoma Central Purchasing Act, unless
5 specifically exempted by subsection E of Section 537 of Title 57 of the Oklahoma
6 Statutes.

7 B. All cash balances credited to the various Department canteen fund accounts that
8 were previously budgeted and approved for inmate and staff welfare expenditures prior
9 to November 1, 2008, but are not encumbered or expended as of June 30, 2008, shall be
10 transferred to the Department of Corrections Inmate and Employee Welfare and Canteen
11 System Support Revolving Fund upon implementation of the Department of Corrections
12 consolidated canteen, trust and restitution accounting system. Effective November 1,
13 2008, profits generated from the canteen system, any inmate telephone systems, and any
14 inmate electronic mail systems shall be identified and deposited in the Department of
15 Corrections Inmate and Employee Welfare and Canteen System Support Revolving
16 Fund.

17 SECTION 5. AMENDATORY 57 O.S. 2001, Section 549, as last amended by
18 Section 8, Chapter 294, O.S.L. 2006 (57 O.S. Supp. 2007, Section 549), is amended to
19 read as follows:

20 Section 549. A. The State Board of Corrections shall have the following powers and
21 duties with respect to the operation of prison industries, the Construction Division, and
22 administration of inmate trust funds:

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

1 1. The power to make leases or other contracts consistent with the operation of
2 prison industries, and to set aside land or facilities for the use of such industry;

3 2. The power to establish conditions for expenditures by the Department of
4 Corrections from the Industries Revolving Fund;

5 3. The power to negotiate wages and working conditions on behalf of prisoners
6 working in prison industries or prisoners working in the Construction Division. Pay
7 grades for the Construction Division “on-the-job training” inmate crews shall be as
8 follows:

9 a. Pay Grade “A” - Inmate Worker,

10 b. Pay Grade “B” - Inmate Worker,

11 c. Pay Grade “C” - Apprentice,

12 d. Pay Grade “D” - Skilled Craft;

13 4. The power to collect wages and other receipted funds on behalf of the inmate, to
14 apportion inmate wages and funds in accordance with the law; and the duty to preserve
15 those wages and funds reserved for the inmate in an account for his or her benefit, and to
16 establish procedures by which the inmate can draw funds from this account under the
17 conditions and limitations and for the purposes allowed by law;

18 5. The duty to establish the percentages of such wages ~~and other receipted funds~~
19 which shall be available for apportionment to inmate mandatory savings; to the inmate
20 for his or her personal use; to the lawful dependents of the inmate, if any; to the victim of
21 the inmate’s crime; for payment of creditors; for payment of costs and expenses for
22 criminal actions against such inmate; and to the Department of Corrections for costs of

1 incarceration. Provided, that not less than twenty percent (20%) of such wages ~~and~~
2 ~~funds~~ shall be placed in an account, and shall be payable to the prisoner upon his or her
3 discharge. Funds from this account may be used by the inmate for fees or costs in filing a
4 civil or criminal action as defined in Section 151 et seq. of Title 28 of the Oklahoma
5 Statutes or for federal action as defined in Section 1911 et seq. of Title 28 of the United
6 States Code, 28 U.S.C., Section 1911 et seq.; ~~and~~

7 6. The power to invest funds held by the Department of Corrections on behalf of
8 each inmate in an interest-bearing account with the interest accruing and payable to the
9 Crime Victims Compensation Revolving Fund, as provided in Section 142.17 of Title 21 of
10 the Oklahoma Statutes. The interest from each inmate's savings account shall be
11 payable to the Crime Victims Compensation Revolving Fund, at such intervals as may be
12 determined by the Board, in addition to any other payments to such fund required by the
13 inmate's sentence or otherwise by law. An inmate shall not have the right, use or control
14 of any interest derived from any funds placed in a mandatory savings account; and

15 7. The power to invest funds held by the Department of Corrections on behalf of
16 each inmate in a commingled offender interest-bearing account held by the Office of the
17 State Treasurer. The State Treasurer shall post interest to this account monthly. The
18 Department of Corrections, at such intervals as may be determined by the Board, will
19 credit interest to the inmate based on the pro rata account balance of the inmate.
20 Deposits into the inmate interest-bearing account will only be allowed when the trust
21 fund draw account of the inmate has a balance in excess of One Hundred Dollars
22 (\$100.00). Inmate mandatory savings account balances will not be used to determine the

1 eligibility of the inmate to participate in the interest-bearing savings account. Inmates
2 who participate in the interest-bearing account will only be allowed to transfer funds
3 from their interest-bearing account to their draw account once every ninety (90) days.
4 All inmate transfers from the interest-bearing account of the inmate to the draw account
5 of the inmate must be approved by appropriate Department staff prior to transfer. All
6 transfers of funds from an inmate interest-bearing account to external recipients must be
7 reviewed and approved by appropriate Department staff prior to transfer. The
8 Department will define in policy those rules and procedures that govern inmate interest-
9 bearing account deposits and funds transfers.

10 B. The State Board of Corrections shall cause to be placed in an account income
11 from the inmate's employment and any other income or benefits accruing to or payable to
12 and for the benefit of said inmate, including any workers' compensation or Social
13 Security benefits.

14 1. From this account the State Board of Corrections may charge for costs of
15 incarceration any inmate working in private prison industries or any other inmate for
16 costs of incarceration not to exceed fifty percent (50%) of any deposits made to said
17 account, unless said deposits were from a workers' compensation benefit.

18 2. From this account, the State Board of Corrections may charge any inmate for
19 costs of incarceration, an amount equivalent to one hundred percent (100%) of any
20 deposits from a workers' compensation benefit to said account.

21 3. The Department of Corrections shall pay into the Crime Victims Compensation
22 Revolving Fund, Section 142.17 of Title 21 of the Oklahoma Statutes, an amount equal to

1 five percent (5%) of the gross wages earned by inmates working in a private prison
2 industries program, said amount to be paid from the amount deducted for cost of
3 incarceration.

4 4. Withdrawals and deposits shall be made according to rules and regulations
5 established by the State Board of Corrections.

6 C. The Department of Corrections may assess costs of incarceration against all
7 inmates beginning on September 1, 1992. Such costs shall be a debt of the inmate owed
8 to the Department of Corrections and may be collected as provided by law for collection of
9 any other civil debt. In addition to the provisions of this section authorizing expenditure
10 of inmate trust funds for costs of incarceration, any monies received for costs of
11 incarceration shall be deposited in the Department of Corrections Revolving Fund.

12 SECTION 6. This act shall become effective November 1, 2008.

13 COMMITTEE REPORT BY: COMMITTEE ON JUDICIARY AND PUBLIC SAFETY,
14 dated 04-03-08 - DO PASS, As Amended and Coauthored.