

2023 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1065

2023 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee Pioneer Room, State Capitol

HB 1065
1/6/2023

Relating to the sale of prison industries-made products.

Chairman Schauer called the meeting to order at 10:44AM.

Chairman Austen Schauer, Vice Chairmen Bernie Satrom, Reps. Landon Bahl, Claire Cory, Jeff A. Hoverson, Jorin Johnson, Karen Karls, Scott Louser, Carrie McLeod, Karen M. Rohr, Vicky Steiner, Steve Vetter, Mary Schneider. All present.

Discussion Topics:

- Employees working from home
- Home office spaces provided by the state government
- Impact of COVID-19 on RRI communication and sales
- Work opportunities for incarcerated individuals
- Sales to government employees
- Demand for prison-industries products
- Authorized retailers
- Self-sustainment
- Pay for correctional-industries inmates
- Industry competition with the private sector

Rick Gardner, Director of Rough Rider Industries on behalf of the North Dakota Department of Corrections and Rehabilitation, introduced HB 1065 with supportive testimony (#12343).

Chairman Schauer closed the hearing on HB 1065.

Rep. Vetter moved a do pass on HB 1065.

Seconded by Rep. McLeod.

Roll Call Vote:

Representatives	Vote
Representative Austen Schauer	Y
Representative Bernie Satrom	Y
Representative Landon Bahl	N
Representative Claire Cory	Y
Representative Jeff A. Hoverson	N
Representative Jorin Johnson	Y
Representative Karen Karls	Y
Representative Scott Louser	N
Representative Carrie McLeod	Y
Representative Karen M. Rohr	N
Representative Mary Schneider	Y

Representative Vicky Steiner	N
Representative Steve Vetter	Y

Motion carried 8-5-0

Carried by Rep. Vetter.

Chairman Schauer adjourned the meeting at 11:18AM.

Phillip Jacobs, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1065: Government and Veterans Affairs Committee (Rep. Schauer, Chairman)
recommends **DO PASS** (8 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING). HB
1065 was placed on the Eleventh order on the calendar.

TESTIMONY

HB 1065

**HOUSE GOVERNMENT AND VETERANS AFFAIRS COMMITTEE
REPRESENTATIVE AUSTEN SCHAUER, CHAIR
JANUARY 6, 2023**

**RICK GARDNER, DIRECTOR, ROUGH RIDER INDUSTRIES
NORTH DAKOTA DEPARTMENT OF CORRECTIONS AND REHABILITATION
PRESENTING TESTIMONY IN SUPPORT OF HOUSE BILL 1065**

Good morning, Chairman Schauer and members of the Government and Veterans Affairs Committee. My name is Rick Gardner, and I am the Director of Rough Rider Industries (RRI). I am here on behalf of the North Dakota Department of Corrections and Rehabilitation (DOCR) to provide testimony in support of House Bill 1065.

North Dakota Century Code Section 12-48-03.1 authorizes the DOCR prison industries to make goods to be purchased directly by governmental agencies, including federal, state, and tribal agencies and political subdivisions for use in official business, and by nonprofit organizations, and through wholesale or retail outlets possessing a valid sales tax permit, and for products manufactured under the Prison Industries Certification Program (PIECP), in interstate commerce. RRI may also sell commissary items and RRI-made clothing to residents. House Bill 1065 expands RRI's ability to sell prison industry-made products by adding the authority for intrastate¹ sales directly to North Dakota state government employees.

¹ Interstate sales, such as the sale of products to a North Dakota state employee living in Arizona, are not included in the current bill draft due to additional federal requirements for interstate commerce of prison industry products.

Thirty of other states already provide their prison industries programs with the authority to sell directly to government employees. As I will explain, this is solid public policy; it benefits state employees, positively impacts public safety, and supports the reduction of state government costs.

When the pandemic hit, North Dakota State Government embraced the trend toward remote work to help employees stay safe during the pandemic; to increase employee satisfaction, productivity and retention; and to manage costs during an economic downturn. While COVID-19 may come and go, we expect that the trend towards working from home is here to stay.

North Dakota state employees working from home were not fully prepared to move their entire office and workspace to their homes. I personally worked from home for six weeks and utilized a makeshift desk--a table and kitchen chair--during this timeframe. Ergonomics were not given much consideration when setting up my workspace. Computer positioning, desk and monitor height, and a properly designed chair and seating position all were sacrificed. After a few weeks, I could not wait to get back to my office. I have heard the same story from numerous other state employees who were in the same situation. I can tell firsthand that there is a difference between functioning at home versus working at home in the comfortable, safe, and productive manner that my office provides.

House Bill 1065 allows state employees to have access to the same quality office products at home as they have in their offices, without incurring any additional costs to the state. This benefits state employees and supports the reduction of costs to state government for work injuries sustained due to inadequate office furniture.

Increased sales of RRI products resulting from House Bill 1065 would also help sustain necessary projects relied upon by the residents of the DOCR for job skills training in our correctional industries program. RRI's program objective is to provide adults in custody the opportunity to develop work skills that increase their chances of obtaining meaningful employment upon reentry. RRI has between 150-200 individuals working in our program at any given time, which represents approximately 13% of the incarcerated men's population. Revenues generated from the sale of RRI products and services sustain all correctional industry programs. RRI provides training and learning opportunities in a variety of skill sets and trades, while utilizing the latest in manufacturing technologies and production equipment. Manufacturing industries and trades offered inside RRI include furniture and metal fabrication, seating, upholstery, CAD and graphic design, signs, license plates, laser cutting and engraving, sandblasting, wet or powder paint, sewing and garment, plastic bags, welding, sandbag filling for state construction projects, livestock care through a partnership with the North Dakota State University Hettinger Research Extension Center, and correctional commissary.

RRI's job skills training program provides many benefits to the state to include:

1. Increasing the learning and work rehabilitative opportunities for incarcerated individuals. Teaching and instilling valuable job skills to this population has been proven to lessen the cost of incarceration.

Correctional Industry programs report significant reductions in recidivism rates for participants. A 2015 study conducted by the Washington State Institute for Public Policy found for every \$1 spent on correctional

industries, \$4.77 is saved in future criminal justice costs attributable to the reduction in recidivism.

2. Fewer work opportunities make for a less safe prison environment, along with having an increase in cost to the state government. RRI's training programs offset the need to spend additional taxpayer dollars for offender supervision and alternative programming costs.
3. Providing work opportunities allow RRI participants to send a portion of their earnings home to support their families, offsetting the need for additional taxpayer public assistance programs. It also increases the participant's ability to contribute to their financial obligations from their earnings.

Sales to governmental agencies make up 52% of RRI's total revenue. Our furniture and seating revenue from governmental agency sales is 55%. RRI has limited access to eligible clientele. RRI projects a significant decrease in agency furniture and seating needs due to telework. Giving state employees the opportunity to purchase directly from RRI not only provides a benefit to state workers, but it also helps sustain RRI training programs in the face of decreased demand from RRI's current client base.

Mr. Chairman and committee members, I ask that you support House Bill 1065.

Mr. Chairman, I would be happy to answer any questions at this time. Thank you.