

MINUTES
HOUSE STATE AFFAIRS COMMITTEE

DATE: Monday, March 19, 2018

TIME: 9:30 A.M.

PLACE: Room EW40

MEMBERS: Chairman Loertscher, Vice Chairman Monks, Representatives Luker, Crane, Palmer, Barbieri, Holtzclaw, Harris, Armstrong, Giddings, Manwaring, Zito, Scott, Smith, Kloc (Tway)

**ABSENT/
EXCUSED:** None

GUESTS: Kevin Mickelson, ICI, Henry Atencil, Director, Idaho Correctional Industries (ICI), Dan Romero, IdaPac, Shaun Fickes, Owner, Greyloch Cabinetry

Chairman Loertscher called the meeting to order at 9:31 a.m.

MOTION: **Rep. Smith** made a motion to approve the minutes of the March 7, and March 15, 2018 meeting. **Motion approved by voice vote.**

H 711: **Rep. Palmer** presented **H 711**, legislation to remove a provision regarding the board entering into contracts, that inmates in the state prison be employed in rendering services and in production and manufacturing articles, materials, and supplies needed by any public institution or agency of the state or political subdivision, including counties, districts, municipalities, schools, nonprofit organizations, and other public use. Inmates may be employed in rendering services, producing and manufacturing articles, materials, and supplies as needed for use by the federal government department, agency or corporation. The board may contract with other state and federal penal institutions and out of state governmental entities for production, manufacture, exchange, sale, or purchase of goods and merchandise manufactured or produced by inmates of the Idaho state penitentiary, or any state or federal penal institution. Contracts entered into must comply with pricing requirements in section 20-418, Idaho Code. The board shall make all reasonable efforts to ensure non-inmate workers are not displaced when determining prices. There are no direct sales with consumers.

Kevin Mickelson, General Manager, ICI, **Henry Atencil** Director, ICI, and **Dan Ramero**, Idaho Pacific Lumber Co. spoke **in opposition** to **H 711**, stating this is a training program to teach technical and life skills to people who need to become part of society and return to the state and pay taxes. This legislation would eliminate the Pie Program, including all programs, license plates, and agriculture programs. In response to committee questions about competing with outside markets, Mr. Mickelson stated ICI is competitive in the market. ICI inmates are trained to work in places with whom they are in competition. No tracking of the effectiveness of this program, nor job placement, is available. Mr. Ramero stated all of the companies he works with bring employees from out of state.

Shaun Fickes, owner, Greyloch Cabinets, spoke **in support** of **H 711**, stating a large amount of money is invested in training his employees. ICI doesn't have to invest in machinery, buildings, and ICI inmate employees are paid 1/50 of the cost of his employees, a disadvantage for his business. He would like to grow his business, and needs a larger building. The government pays one work hour for what he pays 40 work hours. The second largest cabinet manufacture in the valley, Greyloch hasn't benefited from ICI training program.

Kevin Mickelson, stated ICI is totally self funded and has a large overhead. In response to questions from the committee, Mr. Mickelson replied his overhead is higher than the private industry, though there is no unemployment insurance, or medical costs for employees. A private employer has a larger pool to hire from. ICI sales staff is divided into territories to market and sell products. ICI's only goal is to train and give people skills.

Rep. Palmer said \$250,000 is not small to a business owner. The language added to **H 711** is already in the Agriculture Work Program.

Debbie Field, Board of Corrections, spoke **in opposition** of **H 711**, stating the same classes are being offered in other places. This gives inmates hope and an opportunity to give back. It has helped control violence in other prisons.

Rep. Monks spoke **in support** of **H 711** stating overhead is not the same. It isn't appropriate for government to compete with other businesses. The pool for employees inside the prison is probably greater than outside.

MOTION: **Rep. Monks** made a motion to send **H 711** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep.(s) Tway, Smith, Giddings, Barbieri, Chairman Loertscher** requested to be recorded as voting **NAY**. **Rep. Palmer** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 2:50 p.m.

Representative Loertscher
Chair

Jayne Feik Spinato
Secretary