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Bill Analysis
Legislative Service Commission

H.B. 235

125th General Assembly
(As Introduced)

Reps. Willamowski, Schaffer

BILL SUMMARY

- Requires the Ohio Penal Industries, Central Food Warehouse, and Agribusiness operated by the Department of Rehabilitation and Correction to be self-sufficient and the Auditor of State to monitor these operations.

CONTENT AND OPERATION

Purchases in general

Existing law requires the Department of Administrative Services (DAS), insofar as possible, to make all purchases of supplies and services for specified state agencies from the Department of Rehabilitation and Correction (DRC) in the exercise of DRC's functions in managing state institutions (R.C. 125.02). Existing law also prohibits any "articles or supplies" manufactured by prisoner labor in state correctional institutions from being purchased from any other source for the state or its institutions unless DRC first certifies, on requisition made, that the "articles" cannot be furnished through DRC's prisoner labor programs (R.C. 5147.07).

The bill amends the latter provision to also refer to *services* and *agricultural products* derived from DRC prisoner labor programs and to consistently refer to articles, supplies, services, and agricultural products. It also *specifically* ties the DAS purchase authority for supplies and services to the expanded prohibition against making purchases other than through DRC's prisoner labor programs if possible. (R.C. 125.02(B) and 5147.07(A).)

Establishing of prices

Existing law requires DRC, subject to the approval of the Office of Budget and Management (OBM), to establish prices at which all labor and services performed, all agricultural products produced, and all articles manufactured in

state correctional institutions (see **COMMENT**) must be furnished to the state, political subdivisions, public institutions of the state and political subdivisions, and private persons. These prices must be uniform to all and not higher than the usual market price charged for similar labor, services, agricultural products, and articles. (R.C. 5120.28(A).)

The bill requires DRC's setting of those prices to *be reviewed by DAS* in addition to being approved by OBM. It also prohibits DRC from furnishing a particular type of labor, service, agricultural product, or article unless DRC can furnish it (1) at a price that is at or below the usual market price and (2) in such a manner that DRC makes a profit at each state correctional institution furnishing that labor, service, agricultural product, or article. (R.C. 5120.28(A).)

State support

The bill directs the General Assembly to support prisoner labor programs only with amounts appropriated from the Services and Agricultural Fund and the Ohio Penal Industries Manufacturing Fund, both of which are created under existing law to finance the operation of prisoner labor programs. The bill also prohibits the General Assembly from appropriating or transferring any amounts to either of those funds from the General Revenue Fund or any other fund (R.C. 5147.07(B)) and requires the Auditor of State to monitor the sale of articles, supplies, services, and agricultural products derived from the use of prisoner labor to ensure the revenues they generate and their price schedules are determined with adequate internal controls (R.C. 5147.07(C)).

COMMENT

DRC sells services, agricultural products, and articles derived from prisoner labor in state correctional institutions through the Ohio Penal Industries, Central Food Warehouse, and Agribusiness.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	06-25-03	p. 957

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