

CHAPTER 87
IOWA STATE INDUSTRIES

H. F. 57

AN ACT to revise the statutes governing Iowa state industries, to establish a state prison industries advisory board, and to authorize the director of the division of adult corrections to lease facilities on the grounds of any state adult correctional institution to a private corporation for the purpose of operating a venture employing inmates of that institution, and requiring competitive bid specifications of state agencies and governmental subdivisions be written to allow as many vendors as possible to submit bids.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. NEW SECTION. STATEMENT OF INTENT. It is the intent of this Act that there be made available within the state correctional institutions opportunities for employment of inmates in meaningful jobs at wages commensurate with those paid persons employed in similar jobs outside the correctional institutions, with the following objectives:

1. To develop within those inmates willing to accept and persevere in such employment:

a. Positive attitudes which will enable them to eventually function as law-abiding, self-supporting members of the community;

b. Good work habits that will assist them in eventually securing and holding gainful employment outside the correctional system; and

c. To the extent feasible, marketable skills that can lead directly to gainful employment upon release from a correctional institution.

2. To enable those inmates willing to accept and persevere in such employment to:

a. Provide or assist in providing for their dependents, thus tending to strengthen the inmates' family ties while reducing the likelihood that inmates' families will have to rely upon public assistance for subsistence;

b. Make restitution, as the opportunity to do so becomes available, to the victims of the offenses for which the inmates were incarcerated, so as to assist the inmates in accepting responsibility for the consequences of their acts;

c. Make it feasible to require that such inmates pay some portion of the cost of board and maintenance in a correctional institution, in a manner similar to what would be necessary

if they were employed in the community; and

d. Accumulate savings so that such inmates will have funds for necessities upon their eventual return to the community.

Sec. 2. NEW SECTION. DEFINITIONS. As used in this division:

1. "Industries board" means the state prison industries advisory board.

2. "Iowa state industries" means prison industries that are established and maintained by the division of adult corrections, in consultation with the industries board, at or adjacent to the state's adult correctional institutions.

3. "State director" means the director of the division of adult corrections of the department of social services, or that director's designee.

Sec. 3. NEW SECTION. PRISON INDUSTRIES ADVISORY BOARD.

1. There is established a state prison industries advisory board, consisting of seven members selected as prescribed by this subsection.

a. Five members shall be appointed by the governor for terms of four years beginning July first of the year of appointment. They shall be chosen as follows:

(1) Three members shall represent agriculture and the manufacturing and construction industries, respectively, with particular reference to the roles of their constituencies as potential employers of inmates and former inmates of the state's correctional institutions.

(2) One member shall represent labor organizations, membership in which may be helpful to former inmates of the state's correctional institutions who seek to train for and obtain gainful employment.

(3) One member shall represent agencies, groups and individuals in this state which plan and maintain programs of vocational and technical education oriented to development of marketable skills.

b. One member each shall be designated by and shall serve at the pleasure of the state director and the state board of parole, respectively.

c. Upon the resignation, death or removal of any member appointed under paragraph a of this subsection, the vacancy shall be filled by the governor for the balance of the unexpired term. In making the initial appointments under that paragraph, the governor shall designate two appointees to serve terms of two years and three to serve terms of four

years from July 1, 1977.

2. Biennially, the industries board shall organize by election of a chairperson and a vice chairperson, as soon as reasonably possible after the new appointees have been named. Other meetings shall be held at the call of the chairperson or of any three members, as necessary to enable the industries board to discharge its duties. Board members shall be reimbursed for expenses actually and necessarily incurred in the discharge of their duties, and those members not state employees shall also be entitled to forty dollars per diem for each day they are so engaged.

3. The state director shall provide such administrative and technical assistance as is necessary to enable the industries board to discharge its duties. The industries board shall be provided necessary office and meeting space at the seat of government.

Sec. 4. NEW SECTION. DUTIES OF INDUSTRIES BOARD. The industries board's principal duties shall be to promulgate and adopt rules and to advise the state director regarding the management of Iowa state industries so as to further the intent stated by section one (1) of this Act.

In addition, the industries board in consultation with the state director shall submit to the 1978 Session of the Sixty-seventh General Assembly, on or before the date it convenes, a report stating:

1. What types of industrial endeavors it is appropriate for Iowa state industries to maintain in order to further the objectives stated in section one (1) of this Act and to meet the needs of the state; and

2. Whether, and to what extent, it is necessary to maintain the requirements of section eight (8) of this Act regarding mandatory purchases from Iowa state industries by the state and its political subdivisions, in order for Iowa state industries to achieve and maintain viability.

Sec. 5. NEW SECTION. DUTIES OF STATE DIRECTOR. The state director, with the advice of the industries board, shall:

1. Conduct market studies and consult with public bodies and officers who are listed in section seven (7) of this Act, and with other potential purchasers, for the purpose of determining items needed and design features desired or required by potential purchasers of Iowa state industries products.

2. Receive, investigate and take appropriate action upon

any complaints from potential purchasers of Iowa state industries products regarding lack of cooperation by Iowa state industries with public bodies and officers who are listed in section seven (7) of this Act, and with other potential purchasers.

3. Establish, transfer and close industrial operations at state correctional institutions, as deemed advisable to maximize opportunities for gainful employment of inmates and to adjust to actual or potential market demand for particular products.

4. Establish and from time to time adjust, as necessary, levels of pay for inmates employed by Iowa state industries.

5. Coordinate Iowa state industries, and other opportunities for gainful employment available to inmates of adult correctional institutions, with vocational and technical training opportunities and apprenticeship programs, to the greatest extent feasible.

6. Promote, plan, and when deemed advisable, assist in the location of privately owned and operated industrial enterprises on the grounds of adult correctional institutions, pursuant to section ten (10) of this Act.

Sec. 6. NEW SECTION. AUTHORITY OF STATE DIRECTOR NOT IMPAIRED. Nothing in this Act shall be construed to impair the authority of the state director over the adult correctional institutions of this state, nor over the inmates thereof. It is, however, the duty of the state director to obtain the advice of the industries board to further the intent stated by section one (1) of this Act.

Sec. 7. NEW SECTION. PRICE LISTS TO PUBLIC OFFICIALS. The state director shall cause to be prepared from time to time classified and itemized price lists of the products manufactured by Iowa state industries. Such lists shall be furnished to all boards of supervisors, boards of directors of school corporations, city councils, and all other state, county, city and school departments and officials empowered to purchase supplies and equipment for public purposes.

Sec. 8. NEW SECTION. PURCHASE OF PRODUCTS.

1. No product appearing in the price lists prepared pursuant to section seven (7) of this Act shall be purchased by any department or agency of state government from any other source, except:

a. When the purchase is made under emergency circumstances, which shall be explained in writing by the public

body or officer who made or authorized the purchase if the state director so requests; or

b. When Iowa state industries is unable to furnish needed articles, comparable in both quality and price to those available from alternative sources, within a reasonable length of time. Any disputes arising between a purchasing authority and Iowa state industries regarding similarity of articles, or comparability of quality or price, or the availability of the product shall be referred to the director of the department of general services, whose decision shall be subject to appeal as provided in section eighteen point seven (18.7) of the Code.

2. The state director shall adopt and update as necessary rules setting specific delivery schedules for each of the products manufactured by Iowa state industries. These delivery schedules shall not apply where a different delivery schedule is specifically negotiated by Iowa state industries and a particular purchaser.

Sec. 9. NEW SECTION. INDUSTRIES REVOLVING FUND--USES.

1. There is established in the treasury of the state a permanent Iowa state industries revolving fund. This revolving fund shall be created by the transfer thereto of all moneys in the revolving fund formerly established under section two hundred forty-six point twenty-six (246.26) as that section appeared in the Code of 1977 and prior editions, and shall be maintained by depositing therein all receipts from the sale of products manufactured by Iowa state industries, and from sale of any property of Iowa state industries found by the state director to be obsolete or unneeded.

2. The Iowa state industries revolving fund shall be used only for the following purposes:

a. Establishment, maintenance, transfer or closure of industrial operations, or vocational, technical and related training facilities and services for inmates, at adult correctional institutions, as authorized by the state director in consultation with the industries board.

b. Payment of all costs incurred by the industries board, including but not limited to per diem and expenses of its members, and of salaries, support and maintenance of Iowa state industries. Payments from the revolving fund authorized by this subsection shall be made in the same manner as payments from appropriations for salaries, support and maintenance of the institutions under the jurisdiction of the state director.

3. The Iowa state industries revolving fund shall not be used for the operation of farms at any adult correctional institution unless such farms are operated directly by Iowa state industries.

4. The fund established by this section shall not revert to the general fund of the state at the end of any annual or biennial period.

Sec. 10. NEW SECTION. PRIVATE INDUSTRY ON GROUNDS OF CORRECTIONAL INSTITUTIONS.

1. Any other provision of the Code to the contrary notwithstanding, the state director may, after obtaining the advice of the industries board, lease one or more buildings or portions thereof on the grounds of any state adult correctional institution, together with the real estate needed for reasonable access to and egress from the leased buildings, for a term not to exceed twenty years, to a private corporation for the purpose of establishing and operating a factory for the manufacture and processing of products, or any other commercial enterprise deemed by the state director to be consistent with the intent stated in section one (1) of this Act.

2. Each lease negotiated and concluded under subsection one (1) of this section shall include, and shall be valid only so long as the lessee adheres to, the following provisions:

a. All persons employed in the factory or other commercial enterprise operated in the leased property, except the lessee's supervisory employees and necessary training personnel approved by the industries board, shall be inmates of the institution where the leased property is located who are approved for such employment by the state director and the lessee.

b. The factory or other commercial enterprise operated in the leased property shall observe at all times such practices and procedures regarding security as the lease may specify, or as the state director may temporarily stipulate during periods of emergency.

c. The factory or other commercial enterprise operated in the leased property shall be deemed a private enterprise and subject to all the laws and lawfully adopted rules of this state governing the operation of similar business enterprises elsewhere.

3. Except as prohibited by applicable provisions of the United States Code, inmates of adult correctional institutions

of this state may be employed in the manufacture and processing of products for introduction into interstate commerce, so long as they are paid no less than the prevailing minimum wage.

Sec. 11. NEW SECTION. INMATE MAINTENANCE EMPLOYEES' PAY SUPPLEMENT REVOLVING FUND. There is established in the treasury of the state a permanent adult correctional institutions inmate maintenance employees' pay supplement revolving fund, consisting solely of money paid as board and maintenance by inmates employed by Iowa state industries, or employed pursuant to section ten (10) of this Act. The fund established by this section shall be used only to supplement the pay of inmates who perform maintenance work within and about the adult correctional institutions. Payments made from such fund shall supplement and not replace all or any part of the pay otherwise received by, and shall be equably distributed among such inmates. The employment of inmates to perform such maintenance functions shall, to the greatest extent feasible, be in accord with the intent stated in section one (1) of this Act.

Sec. 12. Effective July 1, 1978, and notwithstanding any other provisions of this Act, goods made available by Iowa State Industries shall be restricted to items, materials, supplies and equipment which are formulated and/or manufactured by Iowa State Industries and shall not include goods, materials, supplies or equipment which are merely purchased by Iowa State Industries for repacking or resale.

Sec. 13. Chapter two hundred sixteen (216) and sections two hundred forty-six point twenty-one (246.21), two hundred forty-six point twenty-four (246.24), two hundred forty-six point twenty-six (246.26), two hundred forty-six point twenty-seven (246.27) and two hundred forty-six point twenty-eight (246.28), Code 1977, are repealed.

Approved July 8, 1977