
NOVEMBER 1990 BALLOT

PROPOSITION 139: **Prison Inmate Labor. Tax Credit. Initiative Constitutional Amendment.**

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SUMMARY OF KEY PROVISIONS

This measure amends Section 5, Article XIV of the California Constitution to allow state and local inmates to perform work for private organizations.

State prison and local jail officials would be able to contract with private organizations for the use of inmate labor. State prison contracts would be governed by rules and regulations established by the director of the Department of Corrections, and jail contracts would be governed by local ordinances.

This measure also creates an advisory board within the Department of Corrections to enter into joint venture programs with public and private organizations and businesses to employ inmates. Companies that participate in the program would be allowed to lease property on prison grounds at or below market rates and would be able to sell the products and services produced to the public.

Additionally, the measure establishes provisions regarding inmate wages, tax credits, and the use of inmates to replace striking workers.

Proposition 139 may be amended by the Legislature with a two-thirds roll call vote in each house, or by a statute that becomes effective only when approved by the voters.

ANALYSIS OF POLICY IMPACT

Section 5, Article XIV of the California Constitution prohibits contracting with any private agency for the use of state prison or local jail inmate labor. This amendment was adopted in 1972 to prevent the use of convict labor as slave labor. During the early years of California, convicts were used by railroads and farmers to perform free labor, and in many cases, in dangerous conditions. Proposition 139 would change that policy.

Currently, if inmates produce a product, the product can only be sold to state or local government. With the adoption of this amendment, products and services produced by the programs would be available for sale to the public.

The purpose of this constitutional amendment is to remove these restrictions to allow prisoners to pay part of their upkeep and restitution to their victims. Products and services produced by the programs would be available for sale to the public.

BACKGROUND

Currently, some inmates in state prison and local jails participate in various work programs.

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Of the 91,000 inmates incarcerated in the state prison system, approximately 37,000 (41 percent) are working. Of that number, 8,000 work in prison industries such as metal fabrication, farming textiles, micrographics and others. The remainder perform support services related to the operation of the prison system.

State prison inmates who participate in work programs earn credit to reduce the amount of time they spend in prison. Work programs also provide inmates an opportunity to earn money for use upon release from prison. Inmates in local jails may receive similar credits.

FISCAL IMPACT

It now costs taxpayers \$20,000 per year to maintain an inmate in state prison. These costs cover food, clothing, shelter, medical and dental expenses, and security.

This measure would likely result in net savings to the state through:

- reduction in the amount of time inmates would spend in prison as a result of work credits earned in the joint venture program,
- deduction of a portion of prison inmates' wages to offset the cost of incarceration, and
- decreased state and local costs due to additional family support payments reducing public assistance costs.

These savings would be partially offset by lost state revenues, due to the employer tax credit, which would exceed inmate income tax payments, and possible additional administrative costs to operate the program.

The amount of the savings would depend on the number of inmates employed, the wages paid, and the extent to which the state withholds inmate wages to offset the cost of incarceration.

It is not possible to estimate the impact of the measure on local governments, since local ordinances relating to jail labor are not required to contain specific fiscal provisions.

Indirect fiscal effects on state and local governments will depend on such factors as the number of jobs lost in the private sector and the profits of firms choosing to use inmate labor.

SUPPORT/OPPOSITION ARGUMENTS

Proponents argue that when it comes to the cost of crime, it is the criminal who owes a debt to society and not the taxpayer. Taxpayers would save

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because a portion of inmates' wages would go toward paying part of their room and board, taxes, and compensation for victims of their crime.

The greatest savings, proponents say, would be the reduction of prisoners returning to the correctional system. Prisoners would learn good work habits and skills that would help them get jobs after they are released, making it less likely they would return to crime.

Opponents argue that Proposition 139 will cost taxpayers up to \$343 million a year and compromise the security of thousands of Californians.

They contend the wages the state would collect from inmates would be more than offset by the expenses and subsidies to the corporations using such labor.

The employment of inmates would worsen the current crisis of high unemployment by taking positions from the private sector. The work program will not provide lasting skills for the inmates.

Public danger would be increased because inmates would be employed outside of the security settings. They could have access to personal information on members of the public served through the program.

KNOWN POSITIONS

Support

George Deukmejian, Governor, State of California
Don Novey, President, California Correctional Peace Officers Association
Doris Tate, President, Coalition of Victims Equal Rights
Pete Wilson, U.S. Senator, State of California
Dan Lungren, Candidate for Attorney General

Opposition

John F. Henning, Executive Secretary-Treasurer, California Labor Federation
Albin J. Gruhn, President, California Labor Federation, AFL-CIO
Charles P. Gillingham, Sheriff of Santa Clara County
Michael Hennessey, Sheriff of San Francisco
Melvin H. Jones, President, Association for Los Angeles Deputy Sheriffs

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