

ENROLLED SENATE
BILL NO. 1964

By: Corn of the Senate

and

Cooksey and Tibbs of the
House

An Act relating to prisons and reformatories; amending 57 O.S. 2001, Sections 513, 513.1, as amended by Section 6, Chapter 294, O.S.L. 2006, 537 and 549, as last amended by Section 8, Chapter 294, O.S.L. 2006 (57 O.S. Supp. 2007, Sections 513.1 and 549), which relate to the Oklahoma Corrections Act of 1967; updating language; clarifying procedure for disbursement of funds to discharged prisoners; deleting petty cash fund amounts for specified facilities; creating certain fund; authorizing certain persons to limit the amount for the petty cash fund; prescribing rules and procedures for use of certain fund; requiring development of written policies for petty cash disbursements; clarifying duties of certain Board; providing for the establishment of canteen operations at correctional facilities; modifying procedures for canteen operations; requiring disbursements be made by vouchers and payable through certain entity; providing procedure for disposal of records; modifying accounting procedures; making certain purchases exempt from The Oklahoma Central Purchasing Act; directing profits be used for certain purpose; creating the Department of Corrections Inmate and Employee Welfare and Canteen System Support Revolving Fund; stating purpose of fund; stating expenditure requirements; providing for transfer of certain cash balances; providing for deposit of profits into certain fund; clarifying canteen procedures for

disbursements; modifying duties of the State Board of Corrections; authorizing investment of certain funds; providing procedures for inmate interest-bearing savings accounts; requiring approval for transferring certain funds; requiring implementation of rules and procedures for certain accounts and transfer of funds; requiring posting of certain interest; providing for remittance of certain interest; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 57 O.S. 2001, Section 513, is amended to read as follows:

Section 513. A. When any prisoner shall be discharged from the institution, the warden or superintendent shall furnish ~~him~~ the prisoner with proper and necessary clothing and a railroad or bus ticket to ~~his~~ the home community of the prisoner within the State of Oklahoma, if it is not in the county in which the institution is located; and if ~~his~~ the home community of the prisoner is outside the State of Oklahoma, the warden or superintendent may furnish the necessary tickets to ~~his~~ the home community of the prisoner or the county in which the sentence was imposed; and if ~~he~~ the inmate trust account of the prisoner does not have at least a credit balance of Fifty Dollars (\$50.00) ~~to his credit~~, the warden ~~or~~, superintendent or Chief Financial Officer may furnish such additional sum from the petty cash fund as will afford ~~him~~ the prisoner Fifty Dollars (\$50.00).

B. Funds necessary to provide said clothing, transportation and Fifty Dollars (\$50.00) allowed in subsection A of this section shall be drawn from a petty cash fund ~~to be established at each institution of~~ by the Oklahoma Department of Corrections pursuant to Section 513.1 of this title. ~~Said petty cash fund shall be governed by the rules and regulations established by the Oklahoma State Budget Office.~~

SECTION 2. AMENDATORY 57 O.S. 2001, Section 513.1, as amended by Section 6, Chapter 294, O.S.L. 2006 (57 O.S. Supp. 2007, Section 513.1), is amended to read as follows:

Section 513.1 ~~Maximum amounts in petty cash funds.~~

~~The maximum amounts that may be maintained in petty cash funds, established in accordance with the provisions of Section 513 of this title, are as specified below:~~

	Maximum Amount
Department of Corrections	\$1,000.00
Jim E. Hamilton Correctional Center (Hodgen)	\$2,000.00
Mack H. Alford Correctional Center	\$2,500.00
Howard C. McLeod Correctional Center (Farris)	\$2,000.00
Lexington Assessment and Reception Center	\$2,500.00
Oklahoma State Penitentiary (McAlester)	\$8,000.00
Oklahoma State Reformatory (Granite)	\$3,000.00
R.B. "Dick" Conner Correctional Center (Hominy)	\$3,000.00
Joe Harp Correctional Center (Lexington)	\$3,000.00
Jess Dunn Correctional Center (Taft)	\$3,500.00
James Crabtree Correctional Center (Helena)	\$2,000.00
Mabel Bassett Correctional Center (Oklahoma City)	\$2,000.00
John Lilley Correctional Center (Boley)	\$2,000.00
Oklahoma City Community Corrections Center	\$2,000.00
Clara Waters Community Corrections Center (Oklahoma City)	\$2,000.00

Kate Barnard Community Corrections Center (Oklahoma City)	\$2,000.00
Tulsa Community Corrections Center	\$2,000.00
Muskogee Community Corrections Center	\$2,000.00
Lawton Community Corrections Center	\$2,000.00
Enid Community Corrections Center	\$2,000.00
Union City Community Corrections Center	\$2,000.00
Jackie Brannon Correctional Center	\$3,000.00
William S. Key Correctional Center (Fort Supply)	\$3,000.00
Dr. Eddie Walter Warrior Correctional Center (Taft)	\$3,000.00
Northeast Oklahoma Correctional Center (Vinita)	\$3,000.00
Charles E. "Bill" Johnson Correctional Center	\$3,000.00

To satisfy the requirements of subsections A and B of Section 513 of this title, and to timely acquire goods and services that cannot be secured through normal purchasing and invoice processes, there is hereby created a petty cash fund within the Department of Corrections. The Director of State Finance and the Director of the Department of Corrections are authorized to fix the maximum amount of the petty cash fund, and the Director of State Finance shall prescribe the rules and procedures for the administration of the petty cash fund. The Department of Corrections is directed to develop a written policy to specify which units, facilities and institutions within the Department are authorized to make disbursements from the petty cash fund.

SECTION 3. AMENDATORY 57 O.S. 2001, Section 537, is amended to read as follows:

Section 537. A. There shall be established a Canteen System Board of Directors for all canteen system services operated within the Department of Corrections. The members of the Canteen System Board shall be appointed by the Director of the Department of Corrections. All canteen system operations shall be under the control of the Canteen System Board and shall operate pursuant to written guidelines established by the Board. The overall canteen operation composed of all correctional facility canteen operations, inmate telephone systems and inmate electronic mail systems shall be collectively called the Canteen System and such system shall be required to be self-supporting from sales receipts.

B. Each correctional facility may have a canteen system operation. The directors of each Each facility canteen system when established shall be the facility head and two directors appointed by the facility head require the warden of such facility or a designee to oversee the day-to-day canteen system operations according to the guidelines set by the Canteen System Board. The business manager Chief Financial Officer of the Department shall act as custodian of all canteen system funds and be responsible for all expenditures from the canteen system accounts. The Chief Financial Officer shall make daily deposits of cash all sales receipts in an agency special account approved by the Special Agency Account Board the canteen system accounts. Canteen funds may system profits generated by items or services for resale shall be identified monthly by the Chief Financial Officer and transferred periodically from one the canteen fund special system account to another canteen fund special account upon an affirmative vote by the Board of Directors. All disbursements made from the account shall be by voucher signed by two of the directors of the canteen the Department of Corrections Inmate and Employee Welfare and Canteen System Support Revolving Fund. All disbursements made from the canteen system account shall be by voucher approved by the Chief Financial Officer and shall be payable through the Office of the State Treasurer. Documentation of each disbursement shall be kept on permanent file at each institution by the Department. Accounting Canteen system records may be disposed of in accordance with the records disposition schedule approved by the Archives and Records Commission. The Department shall notify the State Records Administrator thirty (30) days in advance of its intent to dispose of any canteen records. The Department shall follow accounting procedures in accordance with state fiscal accounting procedures

~~shall be followed~~ in administering canteen system funds. All profits from the canteen ~~operations~~ system shall be used exclusively for the benefit of the inmates of the various institutions and personnel of the Department of Corrections and support of canteen system operations as determined by the ~~canteen~~ Canteen System Board of Directors pursuant to subsection A of this section.

C. Employees utilized in the operation of the canteen services at each institution shall be state employees. Inmates may work in the a correctional facility canteen operations. Reimbursement and shall receive reimbursement for ~~said such work shall be accomplished~~ through the institution incentive pay program.

D. ~~The operations of the~~ All correctional facilities canteen service system operations and canteen system accounts shall be the subject ~~of~~ to an annual audit by the Office of the State Auditor and Inspector. Reports of the audit shall be provided to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the Legislative Service Bureau, the Department of Corrections, and to the warden of the concerned institution.

E. Merchandise and services to be purchased for resale purchased and sold or distribution through a correctional facilities' the canteen as established in this section system, inmate telephone equipment or services, and inmate electronic mail equipment and services shall be purchased by voucher drawn against canteen system accounts and all such purchases of goods and services shall be exempted from the provisions of The Oklahoma Central Purchasing Act. All revenues from canteen operations, inmate telephone system services and inmate electronic mail system operations shall be used exclusively for the benefit of the inmates of the various institutions and personnel of the Department of Corrections as determined by the Canteen System Board of Directors.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 537.1 of Title 57, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created in the State Treasury a revolving fund for the Department of Corrections to be designated the "Department of Corrections Inmate and Employee Welfare and Canteen

System Support Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all profits generated from the canteen system, any inmate telephone system and any inmate electronic mail system. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Department of Corrections and the Canteen System Board of Directors for the benefit of inmates of the various institutions and personnel of the Department and to support canteen system operations according to written Department policy, welfare budget limitations, and upon approval of the Canteen System Board. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment. All expenditures from this fund shall comply with the applicable provisions of The Oklahoma Central Purchasing Act, unless specifically exempted by subsection E of Section 537 of Title 57 of the Oklahoma Statutes.

B. All cash balances credited to the various Department canteen fund accounts that were previously budgeted and approved for inmate and staff welfare expenditures prior to November 1, 2008, but are not encumbered or expended as of June 30, 2008, shall be transferred to the Department of Corrections Inmate and Employee Welfare and Canteen System Support Revolving Fund upon implementation of the Department of Corrections consolidated canteen, trust and restitution accounting system. Effective November 1, 2008, profits generated from the canteen system, any inmate telephone systems, and any inmate electronic mail systems shall be identified and deposited in the Department of Corrections Inmate and Employee Welfare and Canteen System Support Revolving Fund.

SECTION 5. AMENDATORY 57 O.S. 2001, Section 549, as last amended by Section 8, Chapter 294, O.S.L. 2006 (57 O.S. Supp. 2007, Section 549), is amended to read as follows:

Section 549. A. The State Board of Corrections shall have the following powers and duties with respect to the operation of prison industries, the Construction Division, and administration of inmate trust funds:

1. The power to make leases or other contracts consistent with the operation of prison industries, and to set aside land or facilities for the use of such industry;

2. The power to establish conditions for expenditures by the Department of Corrections from the Industries Revolving Fund;

3. The power to negotiate wages and working conditions on behalf of prisoners working in prison industries or prisoners working in the Construction Division. Pay grades for the Construction Division "on-the-job training" inmate crews shall be as follows:

- a. Pay Grade "A" - Inmate Worker,
- b. Pay Grade "B" - Inmate Worker,
- c. Pay Grade "C" - Apprentice,
- d. Pay Grade "D" - Skilled Craft;

4. The power to collect wages and other receipted funds on behalf of the inmate, to apportion inmate wages and funds in accordance with the law; and the duty to preserve those wages and funds reserved for the inmate in an account for his or her benefit, and to establish procedures by which the inmate can draw funds from this account under the conditions and limitations and for the purposes allowed by law;

5. The duty to establish the percentages of such wages ~~and other receipted funds~~ which shall be available for apportionment to inmate mandatory savings; to the inmate for his or her personal use; to the lawful dependents of the inmate, if any; to the victim of the inmate's crime; for payment of creditors; for payment of costs and expenses for criminal actions against such inmate; and to the Department of Corrections for costs of incarceration. Provided, that not less than twenty percent (20%) of such wages ~~and funds~~ shall be placed in an account, and shall be payable to the prisoner upon his or her discharge. Funds from this account may be used by the inmate for fees or costs in filing a civil or criminal action as defined in Section 151 et seq. of Title 28 of the Oklahoma Statutes

or for federal action as defined in Section 1911 et seq. of Title 28 of the United States Code, 28 U.S.C., Section 1911 et seq.; and

6. The power to invest funds held by the Department of Corrections on behalf of each inmate in an interest-bearing account with the interest accruing and payable to the Crime Victims Compensation Revolving Fund, as provided in Section 142.17 of Title 21 of the Oklahoma Statutes. The interest from each inmate's savings account shall be payable to the Crime Victims Compensation Revolving Fund, at such intervals as may be determined by the Board, in addition to any other payments to such fund required by the inmate's sentence or otherwise by law. An inmate shall not have the right, use or control of any interest derived from any funds placed in a mandatory savings account;

7. The power to invest funds held by the Department of Corrections on behalf of each inmate in a commingled offender interest-bearing account held by the Office of the State Treasurer. The State Treasurer shall post interest to this account monthly. The Department of Corrections, at such intervals as may be determined by the Board, will credit interest to the inmate based on the pro rata account balance of the inmate. Deposits into the inmate interest-bearing account will only be allowed when the trust fund draw account of the inmate has a balance in excess of One Hundred Dollars (\$100.00). Inmate mandatory savings account balances will not be used to determine the eligibility of the inmate to participate in the interest-bearing savings account. Inmates who participate in the interest-bearing account will only be allowed to transfer funds from their interest-bearing account to their draw account once every ninety (90) days. All inmate transfers from the interest-bearing account of the inmate to the draw account of the inmate must be approved by appropriate Department staff prior to transfer. All transfers of funds from an inmate interest-bearing account to external recipients must be reviewed and approved by appropriate Department staff prior to transfer. The Department will define in policy those rules and procedures that govern inmate interest-bearing account deposits and funds transfers; and

8. The power to invest canteen system, offender restitution and other offender-related collections by the Department of Corrections in a commingled interest-bearing account held by the Office of the State Treasurer and invested as prescribed by Section

89.2 of Title 62 of the Oklahoma Statutes. The State Treasurer shall post interest to this account monthly. By the 15th of each month, the proportionate share of the interest from the canteen system, offender restitution and other offender-related collections, excluding that portion of the interest payable to the Victims Compensation Revolving Fund and any interest payable to inmates for the inmate interest-bearing account, shall be remitted to the State Treasurer from the Department of Corrections for deposit into the General Revenue Fund.

B. The State Board of Corrections shall cause to be placed in an account income from the inmate's employment and any other income or benefits accruing to or payable to and for the benefit of said inmate, including any workers' compensation or Social Security benefits.

1. From this account the State Board of Corrections may charge for costs of incarceration any inmate working in private prison industries or any other inmate for costs of incarceration not to exceed fifty percent (50%) of any deposits made to said account, unless said deposits were from a workers' compensation benefit.

2. From this account, the State Board of Corrections may charge any inmate for costs of incarceration, an amount equivalent to one hundred percent (100%) of any deposits from a workers' compensation benefit to said account.

3. The Department of Corrections shall pay into the Crime Victims Compensation Revolving Fund, Section 142.17 of Title 21 of the Oklahoma Statutes, an amount equal to five percent (5%) of the gross wages earned by inmates working in a private prison industries program, said amount to be paid from the amount deducted for cost of incarceration.

4. Withdrawals and deposits shall be made according to rules and regulations established by the State Board of Corrections.

C. The Department of Corrections may assess costs of incarceration against all inmates beginning on September 1, 1992. Such costs shall be a debt of the inmate owed to the Department of Corrections and may be collected as provided by law for collection of any other civil debt. In addition to the provisions of this

section authorizing expenditure of inmate trust funds for costs of incarceration, any monies received for costs of incarceration shall be deposited in the Department of Corrections Revolving Fund.

SECTION 6. This act shall become effective November 1, 2008.

Passed the Senate the 6th day of May, 2008.

Presiding Officer of the Senate

Passed the House of Representatives the 24th day of April, 2008.

Presiding Officer of the House
of Representatives