

1.1 moves to amend H.F. No. 1082, the delete everything amendment
1.2 (H1082DE6), as follows:

1.3 Page 15, after line 29, insert:

1.4 "ARTICLE 3
1.5 CORRECTIONS

1.6 Section 1. Minnesota Statutes 2024, section 241.27, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 1b. **Definition.** "Private business" means all entities organized under the laws of
1.9 this state or a foreign jurisdiction, but does not include governmental units.

1.10 Sec. 2. Minnesota Statutes 2024, section 241.27, subdivision 6, is amended to read:

1.11 **Subd. 6. Reports and financial statements.** (a) MINNCOR shall include its full costs
1.12 for inmate wages and the money it receives from the department for inmate confinement
1.13 costs in its annual financial statements and reports. In addition, MINNCOR shall disclose
1.14 in its annual report:

1.15 (1) how the money it receives from the department for inmate confinement costs affects
1.16 its profitability; and

1.17 (2) a calculation of the profitability of each contract MINNCOR has with private
1.18 businesses consistent with the requirements set forth in subdivision 7, paragraph (a).

1.19 (b) MINNCOR must post on the agency's public-facing website the Prison Industry
1.20 Enhancement Certification Program wage for each region of the state where MINNCOR is
1.21 contracting with a private business.

2.1 Sec. 3. Minnesota Statutes 2024, section 241.27, subdivision 7, is amended to read:

2.2 Subd. 7. **Interactions with private businesses.** (a) MINNCOR must participate in the
2.3 United States Bureau of Justice Assistance's Prison Industry Enhancement Certification
2.4 Program (PIECP). When implementing the PIECP, MINNCOR must:

2.5 (1) calculate the PIECP wage which is the prevailing wage rate for each region of the
2.6 state where MINNCOR is contracting with a private business based on the Department of
2.7 Employment and Economic Development's wage survey and set the rate at the 50th percentile
2.8 for each region;

2.9 (2) separately track wages paid to inmates at either the PIECP wage or the non-PIECP
2.10 wage which is a wage rate that is exempt from the PIECP's prevailing wage requirement;

2.11 (3) not use a blended wage rate that combines PIECP wages and non-PIECP wages when
2.12 assessing and evaluating contract costs, profitability, and potential partnerships with private
2.13 businesses; and

2.14 (4) classify and document each inmate's MINNCOR position as either a PIECP wage
2.15 position or a non-PIECP wage position.

2.16 (b) MINNCOR must not subsidize private businesses, including but not limited to using
2.17 the costs of confinement to offset contract costs, to manipulate a contract's profitability
2.18 calculation, or to otherwise reduce a private business' operating expenses.

2.19 (c) MINNCOR must account for all labor, manufacturing, general, and administrative
2.20 costs when establishing standard contract rates.

2.21 (d) MINNCOR must recapture the fair market value for use of Department of Corrections
2.22 floor space and storage that is dedicated to a private business.

2.23 (e) When entering into a contract and calculating labor costs, MINNCOR must use the
2.24 prevailing wage rate for the industry in which the inmates are working as determined by
2.25 the Department of Employment and Economic Development.

2.26 (f) Before entering a contract with MINNCOR, a private business must disclose to
2.27 MINNCOR the total number of full-time equivalent positions it employs, and must update
2.28 that number at least quarterly during the contract term. The number of positions filled by
2.29 incarcerated persons under a contract with the private business may not exceed four
2.30 incarcerated persons for every one full-time equivalent employee of the business.

2.31 ~~(a)~~ (g) MINNCOR shall use revenue contracts or purchase orders on forms approved
2.32 by the Department of Administration whenever it allows private businesses to use inmate

3.1 labor. MINNCOR shall determine whether to use a revenue contract or a purchase order
3.2 according to criteria that the Department of Corrections has approved having taken into
3.3 account the recommendations of the legislative auditor contained in its 2009 report on
3.4 MINNCOR.

3.5 ~~(b)~~ (h) MINNCOR shall develop a uniform method to report sales and expenditure data
3.6 related to individual labor arrangements with private businesses. MINNCOR shall review
3.7 the data annually to assess how the arrangements, both individually and collectively, affect
3.8 MINNCOR achieving its goals of high inmate participation in industry and profitability.

3.9 Sec. 4. Minnesota Statutes 2024, section 241.27, is amended by adding a subdivision to
3.10 read:

3.11 Subd. 9. **Displacement of private sector workers; verification.** The commissioner of
3.12 employment and economic development must verify that each PIECP contract MINNCOR
3.13 enters will not result in the displacement of employed private sector workers in the geographic
3.14 region in which MINNCOR facilities are located and the geographic region where the private
3.15 business is located.

3.16 **EFFECTIVE DATE.** This section is effective July 1, 2027."

3.17 Renumber the sections in sequence