



State of Wisconsin
1997 - 1998 LEGISLATURE

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**SENATE SUBSTITUTE AMENDMENT 1,
TO 1997 SENATE BILL 260**

March 24, 1998 – Offered by COMMITTEE ON HEALTH, HUMAN SERVICES, AGING,
CORRECTIONS, VETERANS AND MILITARY AFFAIRS.

1 **AN ACT** *to amend* 303.01 (2) (em); and *to create* 303.01 (5m) and 303.01 (11) of
2 the statutes; **relating to:** the operation of private businesses in state prisons.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 **SECTION 1.** 303.01 (2) (em) of the statutes, as affected by 1997 Wisconsin Acts
4 27 and 36, is amended to read:

5 303.01 **(2)** (em) Lease space, with or without equipment, within the precincts
6 of state prisons, as specified in s. 302.02, or within the confines of correctional
7 institutions operated by the department for holding in secure custody persons
8 adjudged delinquent, to not more than 6 private businesses to employ prison inmates
9 and institution residents to manufacture products or components or to provide
10 services for sale on the open market. The department shall comply with s. 16.75 in
11 selecting businesses under this paragraph. The department may enter into a

1 contract under this paragraph only with the approval of the joint committee on
2 finance. The department shall consult with appropriate trade organizations and
3 labor unions prior to issuing requests for proposals and prior to selecting proposals
4 under this paragraph. Each such private business may conduct its operations as a
5 private business, subject to the wage standards under sub. (4), the disposition of
6 earnings under sub. (8), the displacement and reporting requirements under sub.
7 (5m), the requirements for notification and hearing under sub. (1) (c), the
8 requirement for prison industries board approval under s. 303.015 (1) (b) and the
9 authority of the department to maintain security and control in its institutions. The
10 private business and its operations are not a prison industry. Inmates employed by
11 the private business are not subject to the requirements of inmates participating in
12 prison industries, except as provided in this paragraph;

13 **SECTION 2.** 303.01 (5m) of the statutes is created to read:

14 303.01 **(5m)** DISPLACEMENT. (a) No private business under sub. (2) (em) may
15 conduct operations under that subsection if any of the following occur:

16 1. The private business employs prison inmates or institution residents in
17 skills, crafts or trades in which there exists a surplus of available gainful labor in the
18 locality in which the prison inmates or institution residents are to perform the skills,
19 crafts or trades.

20 2. The manufacturing, production or other work-related functions of the
21 employes of the private business who are not prison inmates or institution residents
22 are reduced as a result of the employment of prison inmates or institution residents.
23 A reduction in functions under this subdivision shall not include any reduction in
24 overtime work performed by the employes.

1 3. The hourly wages or fringe benefits of the employes of the private business
2 who are not prison inmates or institution residents are reduced as a result of the
3 employment of prison inmates or institution residents.

4 4. The employment of prison inmates or institution residents impairs a
5 collective bargaining agreement covering employes of the private business who are
6 not prison inmates or institution residents.

7 5. The private business employs prison inmates or institution residents to
8 perform manufacturing, production or other work-related functions that can be
9 performed by employes of the private business who have been laid off by the private
10 business.

11 6. The private business employs prison inmates or institution residents in lieu
12 of employing persons at a reasonable wage who are not prison inmates or institution
13 residents.

14 7. The employment of prison inmates or institution residents restricts the
15 promotional opportunities of qualified employes of the private business who are not
16 prison inmates or institution residents.

17 (b) Any private business that is determined by the department to have violated
18 par. (a) shall immediately cease conducting operations under sub. (2) (em).

19 (c) Each private business that conducts operations under sub. (2) (em) shall
20 report quarterly to the joint committee on finance on the number of persons it
21 employs who are not prison inmates or institution residents.

22 **SECTION 3.** 303.01 (11) of the statutes is created to read:

23 303.01 (11) **CONTRACTS.** The department may not enter into a contract to
24 purchase or lease equipment that has a value of \$10,000 or more for use by a private
25 business under this section without the approval of the joint committee on finance.

