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ADMINISTRATIVE REGULATION NUMBER 480 **OPR: ACI**

PRISON INDUSTRIES ENHANCEMENT CERTIFICATION PROGRAM

I. GENERAL

This Alabama Department of Corrections (ADOC) Administrative Regulation (AR) establishes the responsibilities, policies, and procedures for the Prison Industries Enhancement Certification Program (PIECP).

II. POLICY

It is the policy of ADOC to provide prison industry projects designed to place inmates in working and training environments in which they are able to acquire marketable skills and earn money to off-set the cost of incarceration, make payments for restitution to their victims, provide support for their families, and prepare for their release from prison.

III. DEFINITIONS AND ACRONYMS

A. **Alabama Correctional Industries (ACI) Director**: A person appointed by the Commissioner to direct a work training prison program using inmate labor in a structured environment, created to manufacture goods and provide services for sale to city, county, state, and federal agencies.

B. **Bureau of Justice Assistance (BJA)**: A grant providing component of the Office of Justice Programs, U.S. Department of Justice which governs and regulates the PIECP.

C. **Cost Accounting Center (CAC)**: A distinct PIECP goods production unit of the ACI program that is managed as a separate accounting entity under the authority of a PIECP certificate holder. All CAC's must operate in compliance with the provisions set forth in 18 U.S.C. §1761(c), and all guidelines and administrative directives issued by BJA.

D. **Deductions**: Amounts subtracted from an inmate's gross wages, the total of which cannot exceed 80%. Only the following deductions are authorized by BJA for PIECP workers:

1. Federal and State income taxes;

2. Social Security and Medicare deductions;

3. Court-ordered payments:

   a. Restitution;

   b. Alabama Crime Victim's Compensation Fund;

   c. Spousal and/or child support; and

4. Reimbursement of incarceration costs.

E. **Facility**: Any institution or center operated or contracted by the ADOC.

F. **Federal Minimum Wage**: The lowest possible wage that can be paid to private sector employees under the Fair Labor Standards Act.

G. **Gross Wages (Income)**: The income of an individual based upon the number of hours worked times the hourly rate before the deduction of allowable expenses and taxes.

H. **Inmate**: An offender committed to the custody of the ADOC for service of a term of imprisonment.

I. **Inmate Job Assignment System (JAS)**: A module within the Inmate Management System that facilitates the development of employer and inmate profiles. JAS provides the institution's Job Review Board (JRB) with sufficient information to recommend and approve a list of jobs for an inmate and assign or remove an inmate from a job.

J. **Inmate Trust Fund (ITF)**: Funds belonging to an inmate during their term of incarceration.

K. **Job Description**: A written task statement developed for each potential inmate work group assignment to be utilized within a PIECP work project and submitted to the Alabama Department of Labor for a wage determination.

L. **Job Review Board (JRB) for PIECP**: An ADOC committee responsible for assignment of inmates to job vacancies within a PIECP project. The Board is

typically comprised of the Warden/designee, a Classification Specialist, the Inmate Control System (ICS) Officer, and the ACI Director/designee.

M. **Locality**: The geographic area impacted by the presence of a PIECP work project.

N. **Mandatory Savings**: A savings account in which the CAC may deposit and maintain a specified portion of the 20% gross remainder of inmate earnings from private industry employment until the inmate's release from custody. Mandatory savings programs are at the discretion of the PIECP Certificate Holder.

O. **National Environment Policy Act (NEPA)**: A Congressional Act that requires the review of all federally regulated projects as to their environmental impact.

P. **Net Income**: The balance of all wages received by an individual after the deduction of allowable expenses and taxes.

Q. **Piece Work Compensation**: Wages paid where the rate is associated with the completion of a task or individual item produced.

R. **PIECP Cost Accounting Center (CAC) Management Model**: The private sector partner that owns and operates the CAC by controlling the hiring, firing, training, supervision, and payment of the inmate work force. Under this model, the ADOC assumes no major role in industries operations, does not direct production, and exercises minimum control over inmate labor performance. These functions are performed by the private sector partner Code of Alabama 1975 § 14-7-22.1.

S. **PIECP Work Project**: A prison industry work initiative entailing private sector partnerships authorized by Code of Alabama 1975 § 14-7-6 *et seq*.

T. **Prevailing Wage**: A rate of pay within a wage scale common to a particular job classification and locality. A wage representing that 10 percent of workers in that locality receive a lower wage and ninety percent received a higher wage. BJA recognizes the 10th Percentile Wage as the prevailing or appropriate wage for all PIECP workers unless a training wage and training period have been approved.

U. **Prison Industry Enhancement Certification Program (PIECP/PIE)**: A program authorized under 18 U.S.C. §1761(c) and administered by the ADOC that requires certification by the Department of Justice, Bureau of Justice Assistance (BJA).

V. **Private Sector Partner**: A private individual, enterprise, partnership, or corporation with whom the ADOC contracts or agrees to furnish inmate labor.

W. **Standard Occupation Classification (SOC) Code**: A job classification code applicable to a system used by federal statistical agencies to classify workers into occupational categories for the purpose of collecting, calculating, or disseminating data.

X. **Wages**: Payment to an inmate for labor or other services rendered while working on a PIECP project.

IV. RESPONSIBILITIES

A. The Chief Financial Officer (CFO) is responsible for:

1. Selection of the ACI Director.

2. Coordinating the PIECP work projects with ADOC and other outside agencies.

B. The ACI Director is responsible for:

1. Ensuring that the PIECP certificate holder and the PIECP CACs are implemented, operated, and fulfilling all reporting requirements in accordance with 18 U.S.C. §1761(c) and the BJA guidelines, State laws, and this policy.

2. Issuing a press release, in conjunction with the ADOC Public Information Officer (PIO), stating such intent and to provide written notice to various trade associations in Alabama calling for a public hearing of all interested parties.

3. Distributing of notice of intent to implement PIECP to the local Chamber of Commerce, appropriate trade organizations, and appropriate local labor union central bodies or similar labor organizations (electrical, plumbing, etc.).

4. Collaborating with Warden/designee on logistics of implementing PIECP.

5. Appointing an ACI Program Director to manage the PIECP.

6. Establishing a schedule for the payment of all deductions from an inmate's gross wages.

7. Ensuring the implementation of BJA approved policies that provide appropriate workman's compensation coverage.

8. Determining the reporting format and frequency of providing pay information to inmates.

9. Determining the method of accounting, maintenance, and availability of all records regarding PIECP work projects.

10. Recommending PIECP work projects with ADOC and other outside agencies to the CFO.

11. Developing/modifying related SOPs for the PIECP program.

C. The Warden or designee shall be responsible for:

1. Coordinating with ACI Director/ACI Program Director/designee with respect to logistics of implementing the PIECP project.

2. Developing/modifying institutional SOPs, as necessary, for the implementation of this regulation and to ensure that the standards and practices are followed.

3. Ensuring inmate applications for PIECP are submitted to JRB and entered into the inmate records.

4. Ensuring compliance with 18 U.S.C. §1761(c) and BJA guidelines, State laws and ADOC policies that all appropriate deductions are withheld from PIECP inmate's wages and net wages are deposited to their ITF accounts.

D. The Correctional Industries Program Director assigned to oversee PIECP projects is responsible for:

1. Coordinating with the Warden on the development of pertinent PIECP SOPs and ensuring that adequate resources and accommodations are provided and available.

2. Drafting a notice of intent to the local Chamber of Commerce, appropriate trade organizations, and appropriate local labor union central bodies or similar labor organizations requesting comments, concerns, recommendations, and names of private business and local labor organizations that would potentially be affected by the project.

3. Requesting the Alabama Department of Labor (ADOL), or other appropriate agency, provide a written analysis of the potential impact that the proposed PIECP project may have on private labor in the locality in which the project will be performed.

4. Developing a full job description for each proposed inmate work group that will be participating in the PIECP project.

5. Coordinating with the Warden/designee to ensure job employment criteria associated with each individual PIECP project is included in the PIECP project SOP.

6. Ensuring, when possible, that inmates selected for assignment to the PIECP project have the specific skill set requirements requested by Private Sector Partner.

7. Coordinating with the ADOL, or other appropriate agency, regarding compensation paid for work of a similar nature to PIECP work project in the locality.

8. Collaborating with the Private Sector Partner to establish a wage plan that incorporates data obtained from the ADOL for each occupational specialty (SOC category) identified and locality of the PIECP project.

9. Working with Private Sector Partner to develop policies and procedures for plant operations and workforce management.

10. Submitting to the ADOL, or other appropriate agency, annual requests to provide or confirm determinations of prevailing wages for each job classification (SOC category) within an active PIECP operation.

11. Coordinating with Private Sector Partner to ensure goals and objectives of the PIECP operation are being met.

12. Serving as a liaison between the ADOC and the Private Sector Partner.

13. Ensuring the implementation of any new PIECP work project will not: result in significant displacement of employed workers, utilize skills or trades in which there is a surplus of available and gainful labor in the locality, impair existing private sector contracts for services.

E. The ADOC Information Technology Director shall be responsible for providing statistical data on the PIECP projects as requested.

F. The Private Sector Partner is responsible for:

1. Compliance with the rules and regulations governing the PIECP.

2. Compliance with federal and state wage laws.

3. Ensuring all work performed under PIECP project is in compliance with the guidelines of the Occupational Safety & Health Administration (OSHA).

4. Providing all equipment required for PIECP project and the appropriate maintenance of such equipment.

5. Ensuring all Private Sector Partner employees receive training with respect to ADOC operational regulations and pertinent institutional standard operating procedures (SOPs).

6. Ensuring all Private Sector Partner employees comply with all applicable laws, policies and regulations pertaining to Prison Rape Elimination Act (PREA), in accordance with AR 454, *Inmate Sexual Assault and Harassment Awareness (Prison Rape Elimination Act (PREA)*).

V. PROCEDURES

A. Contracting with Private Sector Partner:

1. Once a potential Private Sector Partner is identified, the ACI Director will discuss accommodations for the desired work project with ADOC CFO, Executive Staff and local warden(s).

2. ACI Director/designee collaborates with Private Sector Partner candidate to determine resource needs and job classes involved.

3. ACI Director shall consult with representatives of local businesses and local union central bodies or similar labor organizations that would potentially be affected by the project. Notification shall include a general description of the PIECP work project and location, including an explanation that federal law requires this consultation.

4. ACI Director shall submit recommendations for the establishment of a PIECP work project and the supporting documentation for review by the CFO,

5. ADOC Commissioner/designee shall provide approval to proceed with project.

6. ACI Director/designee shall contact ADOL or appropriate agency to determine wage scales for the job classes in the locality of the intended PIECP project.

7. ACI Director/designee shall develop a proposal to present to PIECP partner candidate for provision of labor and resources.

8. ACI Director/designee shall provide a notice of intent to the local Chamber of Commerce, appropriate trade organizations, and appropriate local labor union central bodies or similar labor organizations.

9. ACI Director/designee shall conduct negotiations and submit the recommended contract to the CFO for review, approval, and signature.

B. Inmate Workforce Selection for PIECP Project:

1. Inmates interested in participating in PIECP shall complete appropriate sections of ADOC Form 480-A, *Prison Industries Enhancement Certification Program Inmate Application,* and submit it to facility Classification Supervisor/Specialist following facility SOPs.

2. Upon the Warden's recommendation and when job vacancies exist, the JRB for PIECP shall review inmate applications for the project and select potential candidates.

3. Names of the inmates selected for job assignment shall be forwarded to the Warden/designee for final approval and placement on the PIECP project roster sheets.

4. Inmates selected for placement on the PIECP shall complete ADOC Form, 480-B, *Prison Industries Enhancement Certification Program Inmate Participation Agreement*, and submit it to the facility Classification Supervisor/Specialist.

5. Applications will be entered into the inmate record by the Classification staff.

C. Compensation of PIECP Inmate Workforce:

1. A list of job descriptions by locality of operation shall be submitted to ADOL for review.

2. ADOL will determine prevailing wage in the locality for that specific type of employment using standard occupational classifications as a guide (i.e., custodian, warehouseman, machine operator, shipping and receiving clerk, etc.).

3. The ADOC shall request the ADOL to establish a wage plan that begins at the federal or state (whichever is higher) minimum wage as a training wage and progressively move upwards to the prevailing and higher wage levels, as the worker gains job skills and productivity. The ADOC and ADOL will agree upon a reasonable time frame for training based upon the complexity of the job tasks.

4. In accordance with 18 U.S.C. §1761(c), an inmate participating in a PIECP work project shall be compensated for actual work performed, that is not

less than the amount paid for work of a similar nature in the locality in which the work is to be performed.

a. In no case shall compensation paid be less than federal minimum wage.

b. An inmate who works more than forty (40) hours per work week shall be paid compensation for those hours worked in excess of forty (40) at a rate equal to one and one half (1½) times the base hourly compensation rate.

c. If the Commissioner, or his designee, determines that the ADOC shall pay an inmate piece work compensation for their participation in a particular PIECP work project, the piece work compensation rate shall be determined and established by converting the piece work compensation to an hourly wage equivalent. Piece work compensation shall not result in the inmate drawing less than the equivalent to federal minimum wage for each hour worked regardless of the inmate's level of production nor less than one and one half (1 ½) times the equivalent to federal minimum wage for each hour worked in excess of a forty (40) hour work week regardless of the inmate's level of production.

d. In the absence of available rate information, the Commissioner, or his designee, may establish compensation at the federal minimum wage rate or at a piece work compensation equivalent.

5. Wage scale information shall be forwarded to the ADOC Commissioner/ Designee for review and approval.

D. Inmate Wage Deductions:

1. Only certain deductions are authorized by the BJA from a PIECP workers gross wages. (See Section III. D.)

2. The Commissioner/designee shall determine a percentage, not to exceed 40%, to be deducted from inmate wages to offset the cost of the inmate's incarceration while participating in PIECP.

3. Charges for inmate incarceration, together with other deductions, shall not exceed eighty percent (80%) of the inmate's gross earnings. Whenever deductions exceed 80% of the inmate's gross earnings, the amount deducted for inmate incarceration shall be reduced in such a manner that inmate's deductions do not exceed 80% of gross earnings.

4. Victim's Compensation and Victim's Restitution deductions, assessed from an inmate participating in a PIECP program, may total between five percent (5%) and twenty (20%) of the inmate's gross wages. The percentage to be deducted for Victim's Compensation shall be established by the Commissioner or designee according to the wages paid and anticipated deductions.

5. Payment of spousal support or child support when ordered by the Court may be deducted directly from an inmate's gross earnings and deducted from an inmate's ITF account.

6. If certain job classifications utilized by the Private Sector Partner require trade certification (welding, freon, hazmat), all costs of certificate attainment may be borne by the inmate worker.

7. After deductions, remainder of wages shall be deposited into inmate's ITF account.

E. Worker's Compensation Eligibility/Unemployment Compensation:

1. An inmate participating in a PIECP work project who is injured on the job in a work-related incident may receive benefits from workers compensation insurance provided by the Private Sector Partner, third party insurance obtained by Correctional Industries, or via an internal plan funded by the Correctional Industries Revolving Fund. Any compensation plan implemented shall comply with BJA guidelines.

2. An inmate who has continuing work-related disabilities may be eligible for disability benefits following release from incarceration only. Post release claims of disability shall be referred to the Alabama Board of Adjustment for determination.

3. An inmate that is terminated from the PIECP for any reason including release from prison or other discharge from the program shall not be eligible to receive unemployment compensation.

F. Reporting Requirements:

1. Quarterly reports detailing wages and deductions are required to be filed with the BJA or their designated PIECP auditing contractor. The format for this report is ADOC Form *480-C, PIECP-CAC Quarterly Statistical Report.*

2. By rule the BJA is required to audit each approved PIECP- CAC project every two years to ensure provisions set forth in 18 U.S.C. §1761(c), and all guidelines and administrative directives are being met. The following

information is generally required to be submitted to BJA or to their contracted auditor upon notification of a pending audit:

a. Copies of inmate payrolls;

b. Annual confirmation letter from ADOL that wage scales are up to date;

c. List of job categories (SOC codes) at project startup;

d. Any changes to legislation authorizing ADOC's PIECP;

e. Inmate complaints.

3. Monthly reports for each ADOC PIECP-CAC project shall be developed as necessary, detailing the information outlined in Sections V. F. 1. and V. F. 2. of this policy, as well as any other statistical information required by the ADOC's Research and Planning (R&P) Division and shall be filed with the ACI Director.

G. Prior to implementation of any PIECP-CAC, the agency will comply with the National Environmental Policy Act (NEPA) for compliance and review.

H. The Commissioner reserves the right to modify, suspend or cancel any provision herein in part or entirety, without advance notice, unless prohibited by law.

VI. DISPOSITION

Any forms used will be disposed of and retained according to the Departmental Records Disposition Authority (RDA).

VII. FORMS

A. ADOC Form 480-A, *Prison Industries Enhancement Certification Program Inmate Participation Application.*

B. ADOC Form 480-B, *Prison Industries Enhancement Certification Program Inmate Participation Agreement.*

C. ADOC Form 480-C, *PIECP-CAC Quarterly Statistical Report.*

VIII. SUPERSEDES

This Administrative Regulation supersedes AR 480, *Prison Industries Enhancement Certification Program,* dated May 04, 2015, and any changes.

IX. PERFORMANCE

A. Code of Alabama 1975 § 14-7-6 through 14-7-23.

B. ADOC *Classification Manual*.

C. AR 454, *Inmate Sexual Assault and Harassment Awareness (Prison Rape Elimination Act (PREA))*

D. OMB No.112H.1-0329, U.D. Department of Justice (DOJ), Office of Justice Programs (OJP), Bureau of Justice Assistance (BJA) Technical Assistance Program, page 4.

John Q. Hamm
Commissioner

Alabama Department of Corrections

PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM
INMATE PARTICIPATION APPLICATION

I. Candidate Information:

Date: _____ Completed by: _____

Name: _____
Dorm/Bed: _____ Offense: _____
AIS: _____ Sentence: _____
DOB: _____ EOS/Parole: _____

Disciplinary History (past 12 months) _____ Detainers: _____

SAP Completed: ☐ Yes ☐ No GED/High School Completed: ☐ Yes ☐ No

Other programs completed: _____
_____

II. PIECP Job Review Board Recommendation:

Classification: _____ Date: _____

Approved: ☐ Denied: ☐

Comments: _____
_____

III. PIECP Job Review Board Recommendation:

Warden/Designee: _____ Date: _____

Approved: ☐ Denied: ☐

Comments: _____
_____

IV. PIECP Job Review Board Recommendation:

ACI Director/Designee: _____ Date: _____

Approved: ☐ Denied: ☐

Comments: _____

ADOC Form 480-A to AR 480

PRISON INDUSTRIES ENHANCEMENT CERTIFICATION PROGRAM INMATE PARTICIPATON AGREEMENT

I _____, AIS #_____, hereby agree to the terms and conditions regarding the disposition of wages I may receive in the Prison Industries Enhancement Certification Program (PIECP), and I understand that my participation in this program is completely voluntary. I recognize the privileges of working while continuing to serve my sentence and agree to abide by the terms and conditions set forth in this agreement.

As a voluntary participant, I understand that the ADOC Commissioner shall specify the deductions from my wages received under PIECP in accordance with Code of Alabama 1975 § 14-7-22.1(c), in the following priority:

1. Federal and State Income Taxes.
2. Social Security deductions.
3. Court ordered payments:
   a. Restitution.
   b. Alabama Crime Victim's Compensation Fund.
   c. Spousal or Child Support.
4. Percentage for reimbursement of incarceration costs.
5. Remainder to Inmate's ITF account.

In accordance with the PIECP guidance, total deductions shall not exceed eighty percent (80%) of gross wages. Additional court-ordered deductions may be taken from net wages.

1. I understand that the number of hours worked in the PIECP is not guaranteed and I will be paid only for those hours worked.
2. I understand that I may be required to work various shifts and a reasonable amount of overtime.
3. I understand and agree that my continued employment with the PIECP is at the will of the Director of the Correctional Industries Division of ADOC and that I may be terminated from the PIECP for any reason.
4. I understand that should I be transferred out of the PIECP and assigned to another work detail within the institution/facility/center, my pay will revert to the inmate wage scale for that assignment.
5. I understand that institution/ facility/center work assignments, not related to the PIECP, are not voluntary and I will be expected to work as assigned within the institution / facility / center.
6. I understand that I am not guaranteed the same institution/facility/center job held prior to entering the PIECP.
7. I understand and agree that I am not an employee of the Private Sector Partner engaged in the PIECP to which my labor is being provided as part of this program.

PRISON INDUSTRIES ENHANCEMENT CERTIFICATION PROGRAM
INMATE PARTICIPATION AGREEMENT (continued)

8. I understand I am not considered an employee of the State of Alabama and I am not eligible for state benefits, currently or upon release from prison.

9. I understand and agree that I am not entitled to any benefits of the Private Sector company, currently or upon release from prison.

10. I agree that should I have any grievance or complaint relating to my participation with or termination from the PIECP; I will address my complaint to the Warden or the Correctional Industries Director and NOT with the Private Sector company.

11. I understand that I will not receive unemployment compensation in the event of my termination from participating in this program for any reason whether voluntary or involuntary.

12. I agree that in order to work in the PIECP, I must provide proof of obtaining a High School Diploma or GED, or I must be actively attending school, working toward a GED. If for any reason I am dismissed from school, I will be terminated from my PIECP job assignment.

13. I agree that in order to work in the PIECP, I must be disciplinary free (of medium, high and severe-level offenses) for a period of six (6) months. If during my employment I am found guilty of a medium or higher offense, I will be terminated from the PIECP.

I understand and agree that if I should violate any of these conditions or rules of PIECP, or my continued placement in the PIECP is not in the best interest of the ADOC, or any investigation is warranted, I may be removed from the privileges of PIECP. Placement in the PIECP is a privilege, and not a right.

I certify that I have read, or had read to me, this agreement in its entirety, and that I fully understand and will abide by these terms and conditions. I understand that the ADOC Prison Industries Enhancement Certification Program (PIECP) is completely voluntary, and by participating I agree to the terms of this agreement. I further understand that ADOC rules and policies apply to me while I am assigned in the PIECP.

In witness thereof, I have voluntarily signed this agreement in the presence of an ADOC representative.

_____	_____
(Inmate's Signature)	(Date)

_____	_____	_____
(Correctional Industries Typed Name)	(Correctional Industries Signature)	(Date)

Alabama Department of Corrections

PIECP-CAC QUARTERLY STATISTICAL REPORT

Reporting Quarter Dates: _____ through _____

Name of Cost Accounting Center: _____

PIECP Management Model: Employer

INSTITUTION Name and Address: _____

(1) Total inmate labor hours worked during quarter: _____ Hours

(2) Total number of inmates employed during quarter: _____ Total Inmates

(3) Total quarterly gross wages paid: $ _____

Hourly wage range $ _____

(or) Piece work rate $ _____

(4) Total quarterly contributions to Federal taxes: $ _____

(5) Total quarterly contributions to State taxes: $ _____

(6) Total quarterly contributions to Social Security (FICA and Medicare) $ _____

(7) Total quarterly contributions to other taxes: $ _____

SUB-TOTAL of taxes paid this quarter (#4 thru #7) **$** _____

(9) Total quarterly contributions to victims' programs: $ _____

(10) Total quarterly contributions to room and board: $ _____

(11) Total quarterly contributions to family support: $ _____

SUB-TOTAL of PIECP deductions (#9 thru #11) **$** _____

(13) Total quarterly contributions to mandatory savings: $ _____

(14) Since the last quarterly report, have you materially changed the scope, processes or products associated with this Cost Accounting Center? Y / N If Yes, please explain:

_____

_____

_____

Certified correct by: Name (print) _____ *Title:* _____

Signature: _____ *Date:* _____

Telephone No: _____ *Email Address:* _____

ADOC Form 480-C to AR 480