



SB2480

Measure Title:	RELATING TO CORRECTIONAL FACILITY COMMISSARIES.
Report Title:	Correctional Facility Commissaries; Auditor; Appropriation (\$)
Description:	Appropriates funds for the auditor to conduct an audit of the correctional facility commissaries.
Companion:	
Package:	None
Current Referral:	PSM, WAM
Introducer(s):	NISHIHARA, BAKER, KEITH-AGARAN, KIDANI, WAKAI, Espero

DAVID Y. IGE
GOVERNOR



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TESTIMONY ON SENATE BILL 2480
RELATING TO
CORRECTIONAL FACILITY COMMISSARIES
by
Nolan P. Espinda, Director

Senate Committee on Public Safety, Intergovernmental, and Military Affairs
Senator Clarence Nishihara, Chair
Senator Will Espero, Vice Chair

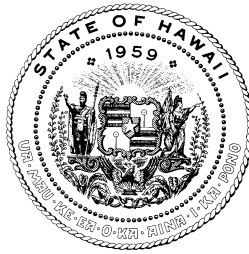
Tuesday, February 2, 2016; 1:20 p.m.
State Capitol, Room 229

Chair Nishihara, Vice Chair Espero, and Members of the Committee:

The Department of Public Safety (PSD) would like to offer comments on Senate Bill (SB) 2480 Relating to Correctional Facility Commissaries.

At the present time, PSD has no contracts for commissary services in force, so there are no contracts to audit. This fiscal year, the Department tasked Hawaii Correctional Industries to audit and assess commissary processes statewide. Based on the findings, they will develop a consistent, transparent process for commissary services for all correctional facilities statewide. A proposal will be developed with the goal of implementing the process prior to the end of the current fiscal year.

Thank you for the opportunity to present this testimony.



**TESTIMONY OF JAN K. YAMANE, ACTING STATE AUDITOR,
ON SENATE BILL NO. 2480
RELATING TO CORRECTIONAL FACILITY COMMISSARIES**

Senate Committee on Public Safety, Intergovernmental, and Military Affairs

February 2, 2016

Chair Nishihara, Vice Chair Espero, and Members of the Committees:

Thank you for the opportunity to comment on Section 2 of this bill. SB 2480 requests the Auditor to conduct an audit of the correctional facility commissaries in the State whose services are provided under a contract with the Department of Public Safety.

Section 2 would appropriate money out of the audit revolving fund to conduct the audit. We have concerns about this funding mechanism because such moneys are already committed to conduct financial statement audits of the various departments and agencies, including the State's Comprehensive Annual Financial Report (CAFR). We request that funding be appropriated out of the general fund.

Thank you again for the opportunity to offer comments on Section 2 of SB 2480. I am available to answer any questions you may have.

COMMUNITY ALLIANCE ON PRISONS

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COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL & MILITARY AFFAIRS

Sen. Clarence Nishihara, Chair

Sen. Will Espero, Vice Chair

Tuesday, February 2, 2016

1:20 p.m.

Room 229

STRONG SUPPORT for SB 2480 - AUDIT OF COMMISSARIES

Aloha Chair Nishihara, Vice Chair Espero and Members of the Committee!

My name is Kat Brady and I am the Coordinator of Community Alliance on Prisons, a community initiative promoting smart justice policies in Hawai'i for almost two decades. This testimony is respectfully offered on behalf of the 6,000 Hawai'i individuals living behind bars or under the "care and custody" of the Department of Public Safety. We are always mindful that approximately 1,400 of Hawai'i's imprisoned people are serving their sentences abroad thousands of miles away from their loved ones, their homes and, for the disproportionate number of incarcerated Native Hawaiians, far from their ancestral lands.

SB 2480 appropriates funds for the auditor to conduct an audit of the correctional facility commissaries.

Community Alliance on Prisons is in strong support of this bill. Commissary price gouging has been an ongoing problem. To our knowledge there has never been an audit or even an accurate accounting of commissary operations at correctional facilities. We hope that this audit covers all Hawai'i facilities as well as Saguaro Correctional Center in Eloy, AZ.

The commissary prices are inordinately high, in our humble opinion. Over the years we have received letters from families and incarcerated individuals with proof of the usurious prices charged for things that we can buy in Long's for much less. For example, a typewriter ribbon from the manufacturer is \$6; however the individuals at Saguaro are only permitted to buy the same typewriter ribbons at the commissary for \$13.

Community Alliance on Prisons received a very detailed list comparing the prices between CCA and Halawa on the same items and the percentage differential therein from a person living at Saguaro. He referenced the Department of Public Safety Policy No. COR.02.01 3. [Pricing Items](#)¹.

¹ Public Safety Policy No. COR.02.01 3. [Pricing Items](#), Effective 7/16/08, page 3 of 5.

<http://dps.hawaii.gov/wp-content/uploads/2012/10/COR.02.01.pdf>

Of the 30 items on this list, the prices averaged 68% higher at CCA. For example, 'Pens' were listed at a cost almost 300% higher! The comparison sheet sent to us is Attachment #1.

Not only are the prices extraordinarily high, but the individuals imprisoned there pay 9.7% AZ tax rate² (6.7% state tax plus 3% City of Eloy tax), and 4% to victim restitution in addition to the 25% deducted from their accounts monthly. The 2014 Eloy Arizona Sales Tax Rate form is Attachment #2.

Individuals living at Saguaro have asserted, "It appears that retail purchases of tangible personal property at the commissary would be subject to the 9.7% tax rate **but purchases of food for home consumption would be only subject to the city tax rate of 3%.**"

Arizona Revised Statutes 42-5074 http://modelcitytaxcode.az.gov/ARS/ARS_42_5074.htm

A. The retail classification is comprised of the business of selling tangible personal property at retail. The tax base for the retail classification is the gross proceeds of sales or gross income derived from the business. The tax imposed on the retail classification does not apply to the gross proceeds of sales or gross income from:

9. Sales of food, drink and condiment for consumption within the premises of any prison, jail or other institution under the jurisdiction of the state department of corrections, the department of public safety, the department of juvenile corrections or a county sheriff.

Community Alliance on Prisons supports victim restitution. Our concern is that when prices are so high and some individuals immediately lose 40% of their funds, it creates a thriving atmosphere for an underground market.

What services are provided to Hawai'i's incarcerated people through the profits made on commissary items? Who determines how they are allocated?

An audit is long overdue. Please support full disclosure of annual revenues and expenditures for the last 5 years, an inventory of items sold, criteria for item selected for sale, methodology behind the pricing of items, and any contracts or agreements with other vendors.

Community Alliance on Prisons took to heart Governor Ige's promise that his administration would be "*honest, transparent, accountable and responsive*". Hawai'i must demand the same from the vendors with whom the state contracts to provide services to Hawai'i's incarcerated population living in their facilities.

Mahalo for this opportunity to testify.

² Material received by Community Alliance on Prisons, February, 2015.

From: mailinglist@capitol.hawaii.gov
To: [PSMTestimony](#)
Cc: leilani.maxera@gmail.com
Subject: *Submitted testimony for SB2480 on Feb 2, 2016 13:20PM*
Date: Monday, February 01, 2016 9:09:06 AM

SB2480

Submitted on: 2/1/2016

Testimony for PSM on Feb 2, 2016 13:20PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Leilani Maxera	The CHOW Project	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
To: [PSMTestimony](#)
Cc: blawaiianlvr@icloud.com
Subject: Submitted testimony for SB2480 on Feb 2, 2016 13:20PM
Date: Monday, February 01, 2016 10:29:45 AM

SB2480

Submitted on: 2/1/2016

Testimony for PSM on Feb 2, 2016 13:20PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
De MONT R. D. CONNER	Ho'omana Pono, LLC.	Support	Yes

Comments: We are in FULL SUPPORT of this bill, since part of the work that we do is to provide support for those incarcerated to have access to the government & social services. As an ex-con, I got to say that this has been a long time coming. As someone who has done his incarcerated "tour of duty": Tennessee, Minnesota, Mississippi, and both Florence & Saguaro facilities in Arizona, I can tell you that commissary in those facilities are top-notch in terms of providing goods that help to sustain our ability to eat, since meals are minimal (& quite frequently not desired for consumption.). The commissaries there also provide our ability to purchase clothing & appliances that is used to enhance our living conditions. In Halawa, the commissary could be a major avenue for some of the funds generated to go towards victims compensation, etc. However, the way commissary is run, it's as if the State doesn't want to generate funds for other Department uses. For example, while Halawa has increased how much an inmate may purchase which is up to \$250.00, the inmate is lucky if he could receive even half of that. It is in the public's best interest to learn how Halawa has been handling its commissary services, so ideas can be offered on how to fix this on-going problem. Please pass this bill.

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From: mailinglist@capitol.hawaii.gov
To: [PSMTestimony](#)
Cc: maukalani78@hotmail.com
Subject: Submitted testimony for SB2480 on Feb 2, 2016 13:20PM
Date: Friday, January 29, 2016 9:49:17 AM

SB2480

Submitted on: 1/29/2016

Testimony for PSM on Feb 2, 2016 13:20PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
E. Ileana Funakoshi	Individual	Comments Only	No

Comments: Sen. Clarence Nishihara, Chair Sen. Will Espero, Vice Chair Tuesday, February 2, 2016 1:20p.m. Room 229 STRONG SUPPORT SB 2480 - AUDIT OF CORRECTIONAL COMMISSARIES Aloha Chair Nishihara, Vice Chair Espero and Committee Members: I am e. Ileana funakoshi, a long time resident of our great state of Hawai`I. First of all, I want to thank the committee for patiently listening to our testimonies for the incarcerated who ask us to be their voice. We also ask the Department of Public Safety to bear with us because we do not oppose their operation. We are merely giving information so both sides can amicably resolve our concerns. I strongly support the audit of the correctional commissaries because the prices they pay for goods are much higher than what we pay. Their Christmas packages they buy annually contains very meager items. On top of paying higher prices, they pay an 18% AZ tax and a 4% fee into the Victims Fund. Is there a check and balance in the distribution of the money. Is there accountability that the profits are being used for its intended purpose? Aloha and Mahalo, e. Ileana funakoshi

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From: [Marlene Uesugi](#)
To: ["E. Funakoshi"](#)
Cc: [Wayne Nakatsu](#); [nishihara1 - Lara](#)
Subject: RE: CORRECTION AND OTHER TID BITS
Date: Friday, January 29, 2016 3:52:59 PM

Hi Elaine,

Because Senator Espero is now the Vice Chair of Public Safety, we no longer coordinate the PSM hearings and all testimonies is now routed to Senator Nishihara's office.

I will forward this over to them.

Please call me if you have any questions.

Marlene Uesugi

Office Manager for:

Senator Will Espero, Vice President of the Senate

Phone: (808) 586-6360

Phone Direct: (808) 586-6823

Email: uesugi@capitol.hawaii.gov

From: E. Funakoshi [mailto:maukalani78@hotmail.com]

Sent: Friday, January 29, 2016 1:05 PM

To: Marlene Uesugi

Subject: CORRECTION AND OTHER TID BITS

On sb 2480 made an error. Pls change to SUPPORT.

THANK HIM FOR CALENDAR & MODEL. JUST LOVE IT.

Ref my email on THE MANY WAYS THE INMATES.... - PLS tell Sen. Espero that I forgot to put in a comment on the phone bill - they pay 25 cents per MINUTE if its still the same as before.

They earn 25 cents an HOUR for jobs they perform (there are some exceptions where they might make 35 cents or 50 cents an hour, depending on the type of job.

The commissary money is handled by one person - and the inmates believe he's not honest.

They used to get special holiday foods, especially on Hawaiian holidays, but that stopped. They usually get chicken on Monday but if Tuesday is a holiday, they won't get chicken. They'll get it on Tuesday as special holiday food.

They think the Legislature funded to build a Music Room. for the Hawaiians who love to sing and play instruments It was built, but its not open because they don't have staff. The guard has multiple jobs, i.e., Coach, music room.

Ted Sakai told them he got them a 60" TV but they only got a 30" TV. On his visit there, he asked where the 60" TV was. He's not there so can't verify this.

From: mailinglist@capitol.hawaii.gov
To: [PSMTestimony](#)
Cc: theede@hawaii.rr.com
Subject: *Submitted testimony for SB2480 on Feb 2, 2016 13:20PM*
Date: Tuesday, February 02, 2016 5:44:50 AM

SB2480

Submitted on: 2/2/2016

Testimony for PSM on Feb 2, 2016 13:20PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Teri Heede	Individual	Support	No

Comments:

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