

DAVID Y. IGE
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No. _____

TESTIMONY ON SENATE BILL 2630, SENATE DRAFT 1, HOUSE DRAFT 1
RELATING TO PUBLIC SAFETY

By

Nolan P. Espinda, Director

House Committee on Finance
Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair

Friday, April 1, 2016; 11:00 a.m.
State Capitol, Conference Room 308

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

The Department of Public Safety (PSD) **supports** Senate Bill (SB) 2630, Senate Draft (SD) 1, House Draft (HD) 1, which would allow committed persons to produce approved products and crafts that may be sold to the public through Hawaii Correctional Industries (HCI) and to permit such products to be sold to the general public.

The Department notes that in the course of several redrafts, Paragraph 10 of Section 354D-4 has come to address the "articles and products deemed appropriate for sale by the Director pursuant to Paragraph 6", which, in the original version of the bill, had referred to inmate-crafted "hobby" type items and not HCI-produced items as now delineated in Paragraph 6 of HD 1. It is important to note that inmates receive wages for their work in producing the goods approved for sale by the Director and not proceeds.

Since other statutes address the distribution of inmates' income for restitution, and in order to maintain the distinction between HCI-produced and individually-crafted items, we respectfully request the Committee delete Paragraph 10 in its entirety.

The Department acknowledges the addition of a new Part II in HD 1 as dramatically expanding the scope and overall intent of the original SB 2630. Although we appreciate the funding of the described feasibility study directed to DBEDT, we feel the necessity to pronounce that it should not be at the expense of derailing the bill as originally intended. We welcome the study as an add-on, however, our priority remains the legalization of the commercial sale of HCI products.

Thank you for the opportunity to provide this testimony.



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

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Statement of
LUIS P. SALAVERIA
Director

Department of Business, Economic Development, and Tourism
before the

HOUSE COMMITTEE ON FINANCE

Friday, April 1, 2016
11:00am

State Capitol, Conference Room 308

in consideration of
SB 2630, SD1, HD1
RELATING TO PUBLIC SAFETY.

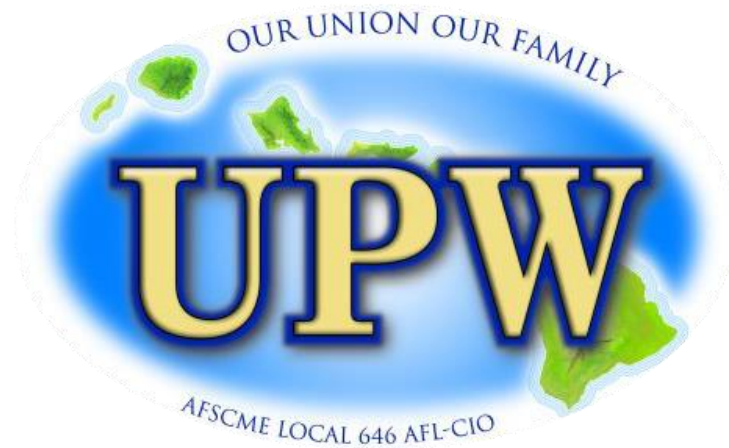
Chair Luke, Vice Chair Nishimoto and Members of the Committee on Finance.

The Department of Business, Economic Development, and Tourism (DBEDT) offers comments on SB 2630, SD1, HD1. DBEDT appreciates the intent of this bill, but we have concerns regarding Section 4 of the HD1 version tasking DBEDT's Community-Based Economic Development Program (CBED) with conducting a study to determine the feasibility of establishing a training and mentoring program for qualified prison inmates, to be called the Reentry Academy for Training and Entrepreneurial Resources (RAFTER), to facilitate their reentry into society.

DBEDT's CBED Program assists community organizations in, primarily disadvantaged and rural based communities, to develop economic programs and projects. Assessing a training and mentoring program for qualified inmates to facilitate re-entry into society is beyond the scope of CBED's capabilities. Such an assessment would have to be contracted out and it would cost approximately \$75,000 to conduct.

We defer to the Department of Labor and Industrial Relations, the Department of Public Safety and other appropriate government entities for their expertise in the subject matter of this bill.

Thank you for the opportunity to provide this written testimony.



The Hawaii State House of Representatives
The Twenty-Eighth Legislature
Regular Session of 2016

COMMITTEE ON FINANCE

Representative Silvia Luke, Chair
Representative Scott Nishimoto, Vice Chair

DATE OF HEARING: Friday, April 1, 2016
TIME OF HEARING: 11:00 a.m.
PLACE OF HEARING: Conference Room 308

TESTIMONY ON SB2630, SD1, HD1 RELATING TO PUBLIC SAFETY

By Dayton M. Nakanelua,
State Director of the United Public Workers,
AFSCME, Local 646, AFL-CIO

My name is Dayton M. Nakanelua, state director of the United Public Workers, AFSCME, Local 646, and AFL-CIO (UPW). The UPW is the exclusive representative for approximately 11,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 01 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties.

SB2630, SD1, HD1 authorizes the Hawaii Correctional industries to sell inmate-made products and services on the open market to the general public with specific provisions for the collection, deposit and disbursement of the funds from the sales. The UPW supports this bill.

Thank you for the opportunity to submit this testimony.

COMMUNITY ALLIANCE ON PRISONS

P.O. Box 37158, Honolulu, HI 96837-0158

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COMMITTEE ON FINANCE

Representative Sylvia Luke, Chair

Representative Scott Nishimoto, Vice Chair

Friday, April 1, 2016

11:00 a.m.

Room 308

SUPPORT for HCI and Open Sales of HCI Products & Crafts - Prefer HB 2188 HD2

Aloha Chair Luke, Vice Chair Nishimoto 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.

During the Public Safety hearing last month, Community Alliance on Prisons testified that the Senate bill was too confusing and contained unnecessary language. We preferred the House bill (HB 2188) because it was more straightforward and clear.

After the hearing and when we read the committee report, we were really happy about this bill that is so important for successful reentry. However, when I read the bill I was shocked that it did not do what we understood was to happen as described at the decisionmaking. During decisionmaking, I took notes and understood the Chair to say they were gutting SB 2630 and inserting HB 2188 HD2 and added the RAFTER feasibility study by DBEDT.

The original purpose of the bill was pretty straightforward: to change a section of law to allow HCI to sell their products (which are incredibly beautiful, by the way) to the public rather than only to state and federal agencies.

"§354D-4 Powers and duties of the director. Under the supervision of the director or the director's designee, the administrator of the correctional industries program shall:

(6) ~~[Use labor services]~~ Conduct industries or enterprises for the employment of qualified, able-bodied inmates in the manufacture or production of ~~[goods]~~ articles and products deemed appropriate for sale by the director and the provision of services for sale to the public or that ~~[are]~~ may be needed for the construction, operation, ~~[or]~~ maintenance, or use of any office, department, institution, or agency supported in whole or in part by ~~[the State, the counties,]~~ a state and its political subdivisions or the federal government;

~~[(7) Sell all goods and services to the State, the counties, or the federal government;~~

Community Alliance on Prisons is in strong support of the work that Hawai'i Correctional Industries (HCI) does to help individuals learn the skills to successfully reintegrate back to their communities. We know several people who have worked for HCI and are successful in the community because of the work ethic that HCI promotes and the skill sets that they acquired.

We do prefer HB 2188 HD2 version of this bill with language that is much more straight-forward and clear.

SUPPORT HCI!

HCI is a self-sustaining program that is finally back on track with a dynamite administrator who is committed to helping incarcerated individuals develop marketable job skills and a good work ethic. The core values of the program, WORK THAT CHANGES LIVES, as stated on their website <http://hawaiici.org/> are:

- KULEANA – Responsibility. We accept our responsibilities, and we will be held accountable.
- MĀLAMA – Stewardship. Serve, honor, protect, and care for resources; maintain fiduciary responsibility.
- KŪLIA I KA NU'U – Achievement. We pursue excellence in all we do. Strive to reach the summit.
- KA LĀ HIKI OLA – Optimism. We think positively.
- HO'OMAU – Perseverance.

These are exactly the values that “corrections” should be fostering, which is why this program is such a success. I have spoken to men who were in the program and many are now leading successful lives and contributing to their families and communities because of this values-based approach to rehabilitation.

This important bill changes the statute and allows open market sales of the products and crafts made by the people in the HCI program. This is great!

We hope the committee understands the importance of this program and supports the people in it who are working to change their lives! Please support HCI and the men and women working there.

Hawai'i needs to nurture programs like HCI, not muddy the waters with confusing language.

Mahalo for this opportunity to testify.

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 30, 2016 2:21 PM
To: FINTestimony
Cc: tabraham08@gmail.com
Subject: *Submitted testimony for SB2630 on Apr 1, 2016 11:00AM*

SB2630

Submitted on: 3/30/2016

Testimony for FIN on Apr 1, 2016 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Troy Abraham	Individual	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
Sent: Wednesday, March 30, 2016 5:20 PM
To: FINTestimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for SB2630 on Apr 1, 2016 11:00AM*

SB2630

Submitted on: 3/30/2016

Testimony for FIN on Apr 1, 2016 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 31, 2016 7:02 AM
To: FINTestimony
Cc: maukalani78@hotmail.com
Subject: Submitted testimony for SB2630 on Apr 1, 2016 11:00AM

SB2630

Submitted on: 3/31/2016

Testimony for FIN on Apr 1, 2016 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
E. Ileina Funakoshi	Individual	Support	No

Comments: MAHALO FOR SB2630 SD1 HD1. HARDLY A BILL IS PASSED THAT CAN BE A MOTIVATING AND TRAINING FACTOR FOR THE INCARCERATED AS THIS BILL PROVIDES. I HUMBLY ASK FOR THE PASSAGE OF THIS BILL.

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Aloha -

I support SB2630/HB2188 that authorizes Hawaii Correctional Industries to sell inmate-made products and services on the open market to the general public.

By allowing the public to support inmates who are learning and practicing trade skills in a way that contributes to society and the economy is empowering for the entire community. Inmates are more likely to feel like productive and contributing members of this society, which then will likely have a profound impact on his/her psyche going forward. Over the long-term, inmates with transferrable skills have a greater chance of breaking the recidivism cycle, saving Hawaii's taxpayers on average \$45k per year PER inmate! Apply that savings to our schools and programs for our young people!

By allowing the public to purchase inmate-made products, the public will be supporting local and supporting a create cause - two very marketable selling points. Businesses will purchase goods as a social responsibility and to demonstrate community support. This bill is a win-win and I strongly support it.

Sincerely,

Tricia Dang

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 30, 2016 7:56 PM
To: FINTestimony
Cc: georgina808@gmail.com
Subject: Submitted testimony for SB2630 on Apr 1, 2016 11:00AM

SB2630

Submitted on: 3/30/2016

Testimony for FIN on Apr 1, 2016 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Georgina Mckinley	Individual	Support	No

Comments: I support SB2630 SD1 HD1, which would allow Hawaii Correctional Industries to sell inmate-made products & services on the open market, to the general public.

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From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 31, 2016 2:20 PM
To: FINTestimony
Cc: mura.da.actor@gmail.com
Subject: *Submitted testimony for SB2630 on Apr 1, 2016 11:00AM*

SB2630

Submitted on: 3/31/2016

Testimony for FIN on Apr 1, 2016 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Wendell Murakawa	Individual	Support	Yes

Comments:

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LATE

BEFOUR THE HOUSE AND SENATE COMMITTEE ON PUBLIC SAFETY

The Honorable Representative Gregg Takayama
Chair, House Committee on Public Safety

The Honorable Representative Kyle Yamashita
Vice Chair, House Committee on Public Safety

The Committee Members of the House and Senate Committee on Public Safety

Testimony in favor of the resolution for RAFTOR

S.B. 2630 Hearing on 4/1/16 at 2 PM, RM 308

Testimony of Peter V. Herndon

Practice Director for Herndon Business Consulting, LLC

Team Member: RAFTER

REENTRY ACADEMY for TRAINING and ENTREPRENEURIAL RESOURCES

(RAFTOR)

Chairman Takayama and Vice Chair Yamashita, and Members of the House Committee on Public Safety:

My name is Peter V. Herndon, Practice Director for Herndon Business Consulting, LLC and a team member of (RAFTOR).

A summary of the program concept and key components follows;

Summary

This proposal is to fund a comprehensive feasibility study to establish the Re-entry Academy for Training and Entrepreneurial Resources (RAFTOR). RAFTER will train

qualifying inmates who have the aptitude, desire, and skill set to own, operate, and run their own small business through entrepreneurial training and mentorship programs. RAFTER will incorporate state of the art vocational training and mentoring programs to train qualifying inmates for jobs that have a future in the State of Hawaii. This will focus on the tourism industry and construction. In addition, and key to the success of the program RAFTER will provide life skills training. This is a critical piece for all three of the above items. This vital piece of the program will be modeled after and similar to a very successful program called the "Vital Issues Project" which has been adopted by many State departments of Corrections and Public Safety. Jim Brown, the former Pro Football star uses a spin-off of the Vital Issues Project life skills program in his AMER.I.CAN life skills program which is used throughout the Department of Corrections facilities in the State of California.

Together these programs are designed to reduce the recidivism rate in Hawaii and provide a second chance opportunity for inmates to become productive and tax paying contributors to society upon release from prison.

Upon completion of this feasibility study, RAFTER will seek Federal, State, and local grants and funding to jump start this unique small business development program. In addition, RAFTER will work with the private sector to enter into long term support and mentoring relationship with private sector industrial, commercial, and government contractors who share a common vision to provide a second chance for prisoners who are seeking to start their own businesses.

RAFTER is a unique program that ultimately will reduce the burden of tax payers and the State of Hawaii.

The Hawaii prison system is filled beyond capacity and in most cases may be in violation or on the edge of meeting federal housing requirements. Although there is much discussion to build more bed space no concrete plan has been approved so that any relief is at least 5-10 years away.

The re-entry of persons who have completed their incarceration has always been a difficult problem for a variety of reasons.

- Skills that were useful in the past are no longer economically sound.
- The inmates suffer from the reality of going back into society, as do the communities into which they are released. In a large number of cases, individuals have acquired nonproductive habits, lack a professional trade and are not motivated to seek traditional employment.
- Most inmates lack the necessary skills and training to be hired for a meaningful job that produces adequate pay to lead a more normal lifestyle.
- Newly acquired useful and employable skill will improve the confidence to reenter society.

Currently, 1,370 prisoners are housed on the mainland and the balances of 2,227 are in Hawaii facilities.

The reentry efforts are more difficult for these returning inmates.

Approximately 49.6% or 2 out of every 4 convicted felons return to prison within a year in Hawaii (from the Department of Public Safety). The gross number of prisoners is anticipated to grow, thus straining further an overburdened system.

All programs will be administered by the Department of Public Safety and RAFTER will be offered to the qualified prisoners towards the end of incarceration selected by their demonstration of good time and behavior and in accordance with past practices. Prisoners, who qualify, can choose to enroll in RAFTER. The condition of their continuing in the program is to be in compliance with all program requirements. This is a strict tolerance environment and any infraction will result in returning the prisoner to serve the remaining term in a facility. One strike and you're out.

In conjunction with the Department of Public Safety, evaluations and recommendations that would be processed at the transferring facility would include:

- Type of charges
- Past or present classifications
- Criminal Record
- Drug abuse history

- Physical and mental health evaluation
- Possessing a GED or higher education
- Prior trade certificate or license

Per the current protocol and consistent with past practice, drug testing would be on a 100% basis weekly for the inmates and staff to maintain a drug free environment.

During their term at RAFTER, they will learn employable skills that allow the prisoner to reenter society as a qualified worker.

This proposal incorporates four components which work together:

1) Small Business Development Training and Mentoring:

RAFTER will offer a pilot program for small business development for prisoners this state of the art concept which emphasizes the national movement toward self-sufficiency by owning your own business and will be offered on a selective basis to prisoners who possess the desire, skill set, and aptitude for business ownership. This innovative program will provide entrepreneurial training/coaching/mentoring for prisoners who desire to open their own businesses upon re-entry into society.

RAFTER is uniquely qualified to provide this small business and entrepreneurial training and has done similar small business development programs for the US Small Business Administration and the US Department of Defense. The Department of Defense awarded principals of RAFTER national training and technical assistance contracts for women owned and minority owned companies to increase minority and women entrepreneur participation in government business. The RAFTER Small Business Development team also has worked on a collaborative basis with organizations such as the US Department of Commerce Minority Business Development Center Programs; the US Veterans Administration; and the US Small Business Retired Executives Program (SCORE). Principals of RAFTER have served on The Hawaii Hotel Association; the Hawaiian Tourism Authority; The Hawaiian Visitors Bureau; and a 20 career with Hilton Hotels, starting as a prep cook and eventually General Manager of the Kauai Hilton. Other principals of RAFTER served as the Director-Equipment Division for Grace Pacific

and worked closely with many of the major Hawaii Trade Unions. RAFTER will endeavor to work with the University of Hawaii and will seek collaborative relationships with other public and private sector groups dedicated to the development and training of small business owners and entrepreneurs.

2) Visitor Industry Training leading to Placement:

Through the development of teaming relationship with the visitor and resort hotel food service industries RAFTER will offer hands on training for qualified prisoners and may incorporate existing culinary programs in cooperation with the Hawaii Hotel Association and the UH community colleges. KCCC and the women's correctional facility in Kailua had such a program in the past.

Visitor industry training can include:

- Hotel management and operations
- Culinary arts
- Food service
- Housekeeping
- Laundry
- Engineering
- Maintenance
- Stewarding
- Health and Beauty
- Landscape and gardening
- Painting and interior design
- Pool maintenance

3) Vocational and Trade Training leading to placement:

Real Time teaming relationships with Hawaii based labor unions and the construction industry. Many trade union have invested serious asserts to training facilities and programs. RAFTER will partner with the unions and use existing facilities and programs

when appropriate. With the current construction needs the trade unions would prefer to train and assist with job placement for their new members.

The vocational and trade training can include;

- Carpentry
- Plumbing
- Electricity
- Heavy Equipment
- Sheet metal
- Framing
- Cabinets and bathrooms
- Glass, stone and granite installation
- Roofing
- Crane operation
- Carpet and flooring installation

4) Life Skills Training

This vital piece of the program will be modeled after and similar to a very successful program called the "Vital Issues Project" which has been adopted by many State departments of Corrections and Public Safety. Jim Brown, the former Pro Football star uses a spin-off of the Vital Issues Project life skills program in his AMER.I.CAN life skills program which is used throughout the Department of Corrections facilities in the State of California.

The life skills training can include;

- Personal hygiene
- Grooming
- Safe working environment
- Dressing for success
- Exercise
- Time management

- Reading, writing and arithmetic
- Healthy eating habits
- Dealing with relationships and family life
- Responsible finances

RAFTER Central Core Management

RAFTER will have a central core of management that will define job descriptions and duties.

Hotel personnel-in-training will rotate through the different responsibilities they will need to master when they reenter their communities. RAFTER will develop teaming relationship with the visitor and resort hotel industry and create training leading to employment for jobs that actually exist in Hawaii.

Vocational skills will be taught in the classroom and during hands on training. Successful candidates can be employed in the facility and or in the community. These prisoners will be individuals seeking to be productive citizens upon reentering the community and better their lives.

RAFTER will also provide employment assistance at the end of their incarceration.

A budget of \$150,000 is requested the sum appropriated may be expended by DBEDT/CBED for the feasibility to develop a comprehensive business plan for the RAFTER leading to a pilot project. This feasibility study will identify and incorporate similar programs which have worked successfully in other regions of the US and will be adapted to the unique requirements and culture of Hawaii. The feasibility study will work with the private sector partners and with the labor unions in Hawaii whose support and partnership will be critical to the success for this program. The feasibility study will also identify other sources of long term funding including a combination of Federal, State and local funding with an emphasis on partnerships with private sector commercial and foundation support. The study budget would incorporate 4 primary tasks allocating \$37,500 to each as follows;

- 1) Entrepreneurial small business mentoring and establishing.

Page 7

- 2) Real time Hawaii based training leading to jobs in the visitor and tourism industry.
- 3) Real time teaming relationships with Hawaii labor unions and the construction industry.
- 4) Life skills training similar to with a very successful program called the "Vital Issues Project" which has been adopted by many State departments of Corrections and Public Safety as a model. Jim Brown, the former Pro Football star uses a spinoff of the Vital Issues Project.....life skills program in his AMER.I.CAN life skills program which is used throughout the Department of Corrections facilities in the State of California.

Respectively Submitted;



Peter V. Herndon

Herndonconsulting@hawaii.rr.com

808-221-2601

From: mailinglist@capitol.hawaii.gov
Sent: Friday, April 01, 2016 9:59 AM
To: FINTestimony
Cc: lady.flach@gmail.com
Subject: *Submitted testimony for SB2630 on Apr 1, 2016 11:00AM*

LATE

SB2630

Submitted on: 4/1/2016

Testimony for FIN on Apr 1, 2016 11:00AM in Conference Room 308

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

Comments:

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