

2025 SENATE INDUSTRY AND BUSINESS

SB 2066

2025 SENATE STANDING COMMITTEE MINUTES

Industry and Business Committee Fort Union Room, State Capitol

SB 2066
1/8/2025

Relating to the sale of products made in prison industries.

11:00 a.m. Chairman Barta called the hearing to order.

Members Present: Chairman Barta, Vice Chairman Boehm, Senators Enget, Kessel, Klein.

Discussion Topics:

- Prison industries-made products availability
- State & private business competition

11:00 a.m. Rick Gardner, Director of Rough Rider Industries, ND Department of Corrections & Rehabilitation testified submitted testimony in favor #28104.

11:41 a.m. Andrea Pfennig, Vice Presidents of Government Affairs for the Greater North Dakota Chamber testified in opposition and submitted testimony #28152.

11:57 a.m. Chairman Barta closed the hearing.

Joan Bares, Committee Clerk

SENATE INDUSTRY AND BUSINESS COMMITTEE**SENATOR JEFFREY BARTA, CHAIR****JANUARY 8, 2025**

**RICK GARDNER, DIRECTOR, ROUGH RIDER INDUSTRIES
NORTH DAKOTA DEPARTMENT OF CORRECTIONS AND REHABILITATION
PRESENTING TESTIMONY IN SUPPORT OF SENATE BILL 2066**

Good morning, Chairman Barta and members of the Industry and Business Committee. My name is Rick Gardner, and I am the Director of Rough Rider Industries (RRI). I am here on behalf of the North Dakota Department of Corrections and Rehabilitation (DOCR) to provide testimony in support of Senate Bill 2066.

North Dakota Century Code Section 12-48-03.1 authorizes the DOCR prison industries to make goods to be purchased directly by governmental agencies, including federal, state, and tribal agencies and political subdivisions for use in official business, and by nonprofit organizations, and through wholesale or retail outlets possessing a valid sales tax permit, and for products manufactured under the Prison Industries Certification Program (PIECP), in interstate commerce. RRI may also sell commissary items and RRI-made clothing to residents. Senate Bill 2066 expands RRI's ability to sell prison industry-made products by adding the authority for intrastate¹ sales directly to North Dakota state government employees.

¹ Interstate sales, such as the sale of products to a North Dakota state employee living in Arizona, are not included in the current bill draft due to additional federal requirements for interstate commerce of prison industry products.

Twenty-eight states provide their prison industries programs with the authority to sell directly to government employees. As I will explain, this is solid public policy as it benefits state employees, positively impacts public safety, and reduces state government costs.

Senate Bill 2066 allows state employees to have access to the same quality office products at home as they have in their offices, without incurring any additional costs to the state. This benefits state employees and supports the reduction of costs to state government for work injuries sustained due to inadequate office furniture.

Increased sales of RRI products resulting from Senate Bill 2066 would also help sustain necessary projects relied upon by the residents of the NDDOCR for job skills training in our correctional industries program. RRI's program objective is to provide adults in custody the opportunity to develop employability skills that increase their chances of obtaining meaningful employment upon reentry. Employability skills include technical skills training such as welding, metal and wood fabrication, sewing and upholstery, as well as instilling soft skills or people skills which are mannerisms individuals learn, practice, and improve upon throughout a lifetime. Soft skills learned would include dependability, effective communication, problem solving, and teamwork to name a few.

RRI has between 150-200 individuals working in our program at any given time. This represents approximately 13% of the incarcerated men's population. Revenues generated from the sale of RRI products and services sustain all correctional industry programs. RRI provides training and learning opportunities in a variety of skill sets and trades, while utilizing the latest in manufacturing technologies and production

equipment. Manufacturing industries and trades offered inside RRI include furniture and metal fabrication, seating, upholstery, CAD and graphic design, signs, license plates, laser cutting and engraving, sandblasting, wet or powder paint, sewing and garment, plastic bags, welding, sandbag filling for state construction projects, livestock care through a partnership with the North Dakota State University Hettinger Research Extension Center, and correctional commissary.

So how does employment for incarcerated individuals impact public safety and reduce state government costs? Listed below are some employment statistics:

1. A study of formerly incarcerated found that employment was the single most important factor in decreasing recidivism.
2. 85%-89% of the formerly incarcerated who are rearrested are unemployed.
3. Recidivism rates were nearly cut in half for returning citizens with a full-time job compared to similar residents who are unemployed.
4. Nationwide, recidivism rates range from about 31% to 70%, but the recidivism rates for formerly incarcerated people who found employment shortly after their release is less than 9%.
5. The NDDOCR's recidivism rate is 37.6%. RRI's recidivism rate is 8.6%.

RRI's job skills training program provides many benefits to the state to include:

1. Increasing the learning and work rehabilitative opportunities for incarcerated individuals. Teaching and instilling valuable job skills to this population has been proven to lessen the cost of incarceration. Correctional Industry programs report significant reductions in recidivism

rates for participants. A 2015 study conducted by the Washington State Institute for Public Policy found for every \$1 spent on correctional industries, \$4.77 is saved in future criminal justice costs attributable to the reduction in recidivism.

2. Fewer work opportunities make for a less safe prison environment, along with having an increase in cost to the state government. RRI's training programs offset the need to spend additional taxpayer dollars for offender supervision and alternative programming costs.
3. Providing work opportunities allow RRI participants to send a portion of their earnings home to support their families, offsetting the need for additional taxpayer public assistance programs. It also increases the participant's ability to contribute to their financial obligations from their earnings.

Sales to governmental agencies make up 52% of RRI's total revenue. Our furniture and seating revenue from governmental agency sales is 55%. RRI has limited access to eligible clientele. Giving state employees the opportunity to purchase directly from RRI not only provides a benefit to state workers, but it also helps sustain RRI training programs while developing essential employability skills to incarcerated individuals.

Mr. Chairman and committee members, I ask that you support Senate Bill 2066. Mr. Chairman, I would be happy to answer any questions at this time. Thank you.



GREATER NORTH DAKOTA CHAMBER
SB 2066
Senate Industry & Business Committee
Chair Jeff Barta
January 8, 2025

Mr. Chairman and members of the Committee, my name is Andrea Pfennig, and I am the Vice President of Government Affairs for the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization, with membership represented by small and large businesses, local chambers, and trade and industry associations across the state. We stand in **opposition** of Senate Bill 2066.

GNDC recognizes the benefits of Rough Rider Industries and the impacts the program has on reducing recidivism rates and providing job skills training. However, in its current form, this bill enables the state to compete with private businesses.

In our 2024 ND Economics and Employer Survey of our membership, 70% of respondents indicated they were having trouble hiring employees. Labor availability has been identified as the top business concern facing companies in North Dakota and Rough Rider Industries offers a talent pool.

Based on these factors, a study regarding how Rough Rider Industries can be supported by the state in a thoughtful and strategic manner that enables them to expand their mission while working in cooperation, rather than competing, with private industry may be beneficial.

Thank you for your consideration.

2025 SENATE STANDING COMMITTEE MINUTES

Industry and Business Committee Fort Union Room, State Capitol

SB 2066
1/29/2025

A bill relating to the sale of products made in prison industries.
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4:49 p.m. Chairman Barta opened the hearing.

Members present: Chairman Barta, Vice-Chair Boehm, Senator Klein, Senator Kessel, Senator Enget

Discussion Topics:

- Committee Action

4:49 p.m. Senator Klein moved a Do Not Pass.

4:50 p.m. Senator Boehm seconded the motion.

Senators	Vote
Senator Jeff Barta	Y
Senator Keith Boehm	Y
Senator Mark Enget	Y
Senator Greg Kessel	Y
Senator Jerry Klein	Y

Motion passed 5-0-0.

Senator Klein will carry the bill.

4:51 p.m. Chairman Barta adjourned the meeting.

Audrey Oswald, Committee Clerk

REPORT OF STANDING COMMITTEE
SB 2066 ([25.8053.01000](#))

Industry and Business Committee (Sen. Barta, Chairman) recommends **DO NOT PASS** (5 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). SB 2066 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.