

**CORRECTIONAL INDUSTRIES ACT (EXCERPT)**  
**Act 15 of 1968**

**800.331 Intent of act; correctional industries as total self-supporting system; methods of purchasing and accounting.**

Sec. 11.

(1) It is the intent of this act to do all of the following:

(a) Provide adequate, regular, diversified, and suitable employment for inmates of the state for the purpose of enhancing job skills consistent with proper penal purposes.

(b) Utilize the labor of inmates for self-maintenance and for reimbursing the state for expenses incurred by reason of their crimes and imprisonment, and for employment in private manufacturing or service enterprises established under section 7a.

(c) Provide a means for inmates to earn wages for support of their families, reimbursement to the state for part of the cost of their imprisonment, restitution to crime victims, and other purposes consistent with their imprisonment.

(d) Effect the requisitioning and disbursement of correctional industries products and services directly through established state authorities without possibility of private profits and without any intermediating financial considerations, appropriations, or expenditures.

(e) Permit the management of correctional industries to operate in a manner as similar as possible to similar private industrial operations.

(2) Within 5 years after October 1, 1980, correctional industries shall be changed from a system that requires intermediating financial assistance to a total self-supporting system.

(3) The governor shall require the director of the department of management and budget to establish suitable methods of purchasing and accounting, which shall provide as may be necessary or advisable for all of the following:

(a) The purchasing and supply of supplies and materials necessary for the institutional manufacture or production of correctional industries products.

(b) Crediting correctional industries accounts and debiting accounts of consuming institutions or departments for products requisitioned and disbursed, at prices fixed to recapture all direct and indirect costs. In addition, the methods of purchasing, accounting, and pricing may provide for the setting of a margin in excess of direct and indirect costs, which may be expended for purposes consistent with this act.

(c) The purchase of all commodities or requirements other than correctional industries products as provided in this act, by competitive bidding or other methods established by law or approved practice. All agencies, offices, and departments of this state shall order goods from correctional industries if the goods are produced by correctional industries of this state, are comparable in price and quality to the goods normally purchased by governmental agencies, and can be supplied in a reasonable time period as determined by the department of management and budget.

(d) An equitable basis to be proposed by the department of corrections and approved by the department of management and budget for determining costs between the correctional institutions and correctional industries that requires the institutions to absorb that portion of the supervisory costs that directly relate to custody and security responsibilities.

**History:** 1968, Act 15, Imd. Eff. Apr. 5, 1968 ;-- Am. 1980, Act 245, Eff. Oct. 1, 1980 ;-- Am. 1996, Act 537, Imd. Eff. Jan. 13, 1997