

Article 14.

Correction Enterprises.

§ 148-128. Authorization for Correction Enterprises.

The Division of Correction Enterprises is established as a division of the Department of Adult Correction. The Division of Correction Enterprises may develop and operate industrial, agricultural, and service enterprises that employ incarcerated offenders in an effort to provide them with meaningful work experiences and rehabilitative opportunities that will increase their employability upon release from prison. Enterprises operated under this Article shall be known as "Correction Enterprises." (2007-280, s. 1; 2011-145, s. 19.1(h), (j); 2017-186, ss. 2(yyyyyyyyy), 3(a); 2021-180, s. 19C.9(kkkk).)

§ 148-129. Purposes of Correction Enterprises.

Correction Enterprises shall serve all of the following purposes to:

- (1) Provide incarcerated offenders a work and training environment that emulates private industry.
- (2) Provide incarcerated offenders with training opportunities that allow them to increase work skills and employability upon release from prison.
- (3) Provide quality goods and services.
- (4) Aid victims by contributing a portion of its proceeds to the Crime Victims Compensation Fund.
- (5) Generate sufficient funds from the sale of goods and services to be a self-supporting operation. (2007-280, s. 1.)

§ 148-130. Correction Enterprises Fund.

(a) All revenues from the sale of articles and commodities manufactured or produced by Correction Enterprises shall be deposited with the State Treasurer to be kept and maintained as a special revolving working-capital fund designated "Correction Enterprises Fund."

(b) Revenue in the Correction Enterprises Fund shall be applied first to capital and operating expenditures, including salaries and wages of personnel necessary to develop and operate Correction Enterprises and incentive wages for inmates employed by Correction Enterprises or participating in work assignments established by the Division of Prisons. Of the remaining revenue in the Fund, five percent (5%) of the net proceeds, before expansion costs, shall be credited to the Crime Victims Compensation Fund established in G.S. 15B-23 as soon as practicable after net proceeds have been determined for the previous year. At the direction of the Governor, the remainder shall be used for other purposes within the State prison system or shall be transferred to the General Fund.

(c) The Correction Enterprises Fund shall be the source of all incentive wages and allowances paid to inmates employed by Correction Enterprises and inmates participating in work assignments established by the Division of Prisons. (2007-280, s. 1; 2011-145, s. 19.1(j); 2017-186, s. 2(zzzzzzz); 2021-180, s. 19C.9(r).)

§ 148-131. Powers and responsibilities.

In order to fulfill the purposes set forth in G.S. 148-129, the Division of Correction Enterprises of the Department of Adult Correction is authorized and empowered to take all actions necessary in the operation of its enterprises, including any of the following actions to:

- (1) Develop and operate industrial, agricultural, and service enterprises either within prison facilities or outside the prison facilities.
- (2) Plan and establish new industrial, agricultural, and service enterprises so long as any new enterprise is specifically approved by the Governor as required by G.S. 66-58(f).
- (3) Employ inmates and any other personnel that may be necessary in the operation of Correction Enterprises.
- (4) Expand, diminish, or discontinue any enterprise operating under its authority.
- (5) Purchase any machinery, equipment, materials, and supplies required in the operation of its enterprises.
- (6) Market and sell the goods and services produced by Correction Enterprises.
- (7) Determine the prices at which products and services produced by inmate labor shall be sold.
- (8) Execute and enter into contracts.
- (9) Establish and operate an enterprise that complies with all applicable federal laws and guidelines required by the federal Prison Industry Enhancement Certification Program (Justice Assistance Act of 1984: Public Law 98-473, Section 819).
- (10) Establish policies and procedures regarding the operation of Correction Enterprises.
- (11) Take any action necessary and appropriate for the effective operation of its enterprises, so long as that action complies with applicable State and federal laws. (2007-280, s. 1; 2011-145, s. 19.1(j); 2017-186, s. 2(aaaaaaaaaa); 2021-180, s. 19C.9(III).)

§ 148-132. Distribution of products and services.

The Division of Correction Enterprises of the Department of Adult Correction is empowered and authorized to market and sell products and services produced by Correction Enterprises to any of the following entities:

- (1) Any public agency or institution owned, managed, or controlled by the State.
- (2) Any county, city, or town in this State.
- (3) Any federal, state, or local public agency or institution in any state of the union.
- (4) An entity or organization that has tax-exempt status pursuant to section 501(c)(3) of the Internal Revenue Code. Products purchased by an entity pursuant to this subdivision may not be resold.
- (5) Any current employee or retiree of the State of North Carolina, member, employee, or retiree of the North Carolina National Guard, or of a unit of local government of this State, verified through federal or State-issued identification, or through proof of retirement status, but purchases by a State employee or retiree, National Guard member, employee, or retiree, or local governmental employee or retiree may not exceed two thousand five hundred dollars (\$2,500) during any calendar year. Products purchased by State employees or retirees, National Guard members, employees or retirees, and local governmental employees and retirees under this section may not be resold.
- (5a) Any individual currently incarcerated within a Department of Adult Correction facility.

- (6) Private contractors when the goods purchased will be used to perform work under a contract with a public agency. (2007-280, s. 1; 2009-451, s. 19.16; 2011-145, ss. 18.14, 19.1(j); 2013-289, s. 6; 2017-154, s. 1; 2017-186, s. 2(bbbbbbbbbb); 2021-180, s. 19C.9(mmmm); 2022-58, s. 15; 2023-121, s. 4(a).)

§ 148-133. Inmate wages and conditions of employment.

(a) The Secretary shall adopt rules for the administration and management of personnel policies for inmates who work for Correction Enterprises, including wages, working hours, training requirements, and conditions of employment. The Secretary shall adopt rules to ensure that inmates participating in the Prison Industry Enhancement Certification Program comply with all applicable federal rules and regulations.

(b) No inmate working for Correction Enterprises shall be paid more than five dollars (\$5.00) per day unless specifically approved by the Secretary of the Department of Adult Correction or applicable State or federal laws require a higher salary. Inmates who are employed as part of the Prison Industry Enhancement Certification Program shall be paid in accordance with applicable federal rules and regulations. (2007-280, s. 1; 2022-58, s. 13(b), (c).)

§ 148-134. Preference for Division of Prisons of Department of Adult Correction products.

All departments, institutions, and agencies of this State that are supported in whole or in part by the State shall give preference to Correction Enterprises products in purchasing articles, products, and commodities that these departments, institutions, and agencies require and that are manufactured or produced within the State prison system and offered for sale to them by Correction Enterprises. No article or commodity available from Correction Enterprises shall be purchased by any State department, institution, or agency from any other source unless the prison product does not meet the standard specifications and the reasonable requirements of the department, institution, or agency as determined by the Secretary of Administration or the requisition cannot be complied with because of an insufficient supply of the articles or commodities required. The provisions of Article 3 of Chapter 143 of the General Statutes respecting contracting for the purchase of all supplies, materials, and equipment required by the State government or any of its departments, institutions, or agencies under competitive bidding shall not apply to articles or commodities available from Correction Enterprises. The Division of Correction Enterprises of the Department of Adult Correction shall be required to keep the price of such articles or commodities substantially in accord with that paid by governmental agencies for similar articles and commodities of equivalent quality. (2007-280, s. 1; 2011-145, s. 19.1(h), (j); 2017-186, s. 2(ccccccccc); 2021-180, s. 19C.9(nnnn).)