

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version: SB 126
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB126-DOC-IDO-4-5-25
Title: CORRECTIONAL FACILITIES; PLACEMENT
Sponsor: YUNDT
Requester: (S)STA

Department: Department of Corrections
Appropriation: Population Management
Allocation: Institution Director's Office
OMB Component Number: 1381

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2026	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2026 Request	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
OPERATING EXPENDITURES	FY 2026	FY 2026					
Personal Services	***		***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	***	0.0	***	***	***	***	***

Fund Source (Operating Only)

None							
Total	***	0.0	***	***	***	***	***

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2025) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2026) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? no
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Not applicable; initial version.

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Division:	Administrative Services	Date:	04/05/2025
Approved By:	April Wilkerson, Deputy Commissioner	Date:	04/05/25
Agency:	Department of Corrections		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

BILL NO. SB126

Analysis

This legislation would allow the Department of Corrections' (Department) Commissioner to reduce the cost of housing prisoners by investigating two alternative housing options: (1) consolidating existing facilities, or (2) designating placement of a prisoner at an out-of-state facility. If out-of-state placement is selected, prisoners with more than seven years remaining on their term of imprisonment would need to be housed exclusively apart from prisoners who are not residents of Alaska. The legislation also directs the Department to annually estimate the cost savings resulting from the alternative housing option selected and include those cost savings as part of the information compiled and submitted by the Department under AS 37.07.050 and allows the legislature to appropriate an amount equal to the annual cost savings estimate provided in that report for education purposes.

There are several factors that make it difficult for the Department to determine the fiscal impact from this legislation.

Before the Department can determine the cost of alternative housing options, a solicitation via a request for information (RFI) and/or request for proposal (RFP) for out-of-state placement is needed to determine where the offender population with more than seven years remaining to serve can be housed. The Department will also need to determine which classification of offenders would best be suited for out-of-state placement to properly solicit for services. The dynamics of out-of-state housing is complicated by the higher risk classification and mental health needs of inmates that would be housed by the RFP contractor, which is needed before the Department can identify facilities consolidation and determine which facilities remain open after a contract is awarded. With the varied cost structure of each facility, an out-of-state housing arrangement could require a significant population shift within the remaining facilities that could materially increase prisoner transportation costs.

Further complications exist when identifying consolidation of existing facilities. Based on current design and usage, all but three facilities are utilized as "booking facilities" for offender intake. The Department's capacity (hard beds) is counted higher than called for by professional guidelines. Currently, the Department includes beds located in segregation, recreation, and program spaces in their capacity counts. Professional guidelines recommend not counting these beds in the Department's capacity and suggest a five percent vacancy factor for available beds to provide Department management enough flexibility to respond to its mission, population characteristics, programs, and operational policies and needs.

Additionally, there are collective bargaining agreement requirements for contracting out work currently performed by classified employees when there is consideration of a facility closure, as well as investigating the economic impact of a closure with impacted communities. Once a final determination was made, and based on the facility selected for closure, the cost of the out-of-state contract compared to the facility that would need to be closed could be substantially different than originally determined.

Based on the above, the Department submits an indeterminate fiscal note.