

Department of Corrections
FY21 Conference Committee Book - Significant Transactions
(\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	Amount Enacted	Comment
1	Administration and Support / Various	Recruitment and Retention	\$136.8 Gen Fund (UGF)	\$536.8 Gen Fund (UGF) 3 PFT Positions	<p>The legislature accepted the Governor's proposals to add authority in Administration and Support for recruitment efforts and to pay for officer applicant medical exams. Additionally, the legislature established a new allocation under Administration and Support called Recruitment and Retention, and added \$400.0 UGF and three PFT positions to bolster that effort.</p> <p>Administration and Support - \$536.8 UGF Total and 3 PFT Positions Office of the Commissioner: \$75.0 UGF to Expand Recruitment Outreach Administrative Services: \$61.8 UGF for Officer Applicant Medical Exams Recruitment and Retention: \$400.0 UGF Total and 3 PFT Positions</p> <p>Fiscal Analyst Comment: The Department will establish the added positions to serve as 'recruitment officers'.</p>
2	Population Management / Institution Director's Office	Add Positions and Authority for Copying Incoming Inmate Mail	\$415.7 Gen Fund (UGF) 4 PFT Positions	\$415.7 Gen Fund (UGF) 4 PFT Positions	<p>This expanded program function includes funding for four permanent full-time employees who will photocopy incoming inmate mail and provide inmates with the photocopies instead of originals in order to reduce the transmittal of contraband which can be embedded in the materials of mail components. The funding includes \$248.4 UGF in personal services for the four employees and \$167.3 UGF in services for ongoing photocopier machine contracts.</p>
3	Population Management / Institution Director's Office	Add Authority for Additional Drug Dog to Combat Contraband	\$253.2 Gen Fund (UGF)	\$253.2 Gen Fund (UGF)	<p>Added UGF authority will provide annual services related to a new drug dog that will be employed in an effort to reduce the trafficking of contraband in Alaska State prisons. The Department currently has one drug dog in service, and this increment will allow the Department to expand the existing program to add a second drug dog.</p> <p>Fiscal Analyst Comment: The Department informed the legislature that \$69.0 of this increment represented one-time costs associated with the drug dog, which includes the purchase and initial training of the dog, as well as the cost of up-fitting a vehicle for a K9 occupant. The remaining \$184.0 represents ongoing costs including quarterly training, veterinary and regular care, annual equipment, chargeback costs, vehicle lease costs, and personal services costs for the animal's handler.</p> <p>Please see Item 4 regarding added federal receipt authority for revenues generated under the Equitable Sharing Program. The addition of a second drug dog creates the potential for greater participation in the Equitable Sharing</p>

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3	Population Management / Institution Director's Office	Add Authority for Additional Drug Dog to Combat Contraband	\$253.2 Gen Fund (UGF)	\$253.2 Gen Fund (UGF)	(continued) Program, which in turn may generate revenue through liquidated seized assets and asset forfeiture.
4	Population Management / Institution Director's Office	Add Authority for Potential Equitable Sharing Program Revenue	\$150.0 Fed Rcpts (Fed)	\$150.0 Fed Rcpts (Fed)	Under the Equitable Sharing Program, the State is eligible to receive funds that are generated through liquidated and seized assets resulting from state assistance with federal law enforcement. Fiscal Analyst Comment: On October 31, 2019, the Legislative Budget and Audit Committee approved an FY20 Revised Program Legislative (RPL) in the Institution Director's Office allocation for \$150.0 in federal receipts to allow the Department to receive and expend funds through the Equitable Sharing Program. The legislature also approved an FY19 supplemental for the same amount and purpose. This increment establishes the federal receipt authority in the Department's base budget, avoiding the need to request this item as an RPL or supplemental in the future. Please see Item 3 regarding an increment for \$253.2 UGF for a second drug dog (in addition to one drug dog already in service within the Department), which may increase participation in the Equitable Sharing Program, thereby generating additional federal revenues.
5	Population Management / Anchorage Correctional Complex	Sec 9(c), HB234 Add Carryforward Language in Population Management Supplemental	\$8,025.7 Fed Rcpts (Fed)	\$8,025.7 Fed Rcpts (Fed)	This carryforward language applies to federal man-day revenues, which the Department estimates to be \$8,025.7. The funds can be expended within the Population Management appropriation. The Department reports that the funds will be used to accommodate the growth in the inmate population and associated administrative costs.
6	Population Management / Palmer Correctional Center	FY20 Lapse Extension to FY21 Reopening the Palmer Correctional Center	n/a	n/a	In 2019, the legislature passed HB 49 adding new crimes and longer sentences, which is expected to increase the inmate population. At that time, the Alaska prison system was already approaching its maximum capacity. The legislature included an FY20 language appropriation of \$16,669.1 Power Cost Equalization (PCE) funds and instructed the Department to reopen the State-owned Palmer Correctional Center which had been shuttered in 2016. This language appropriation is a one-time item, and the legislature extended the lapse date through FY21, allowing the Department to continue to leverage the FY20 PCE appropriation in order to complete any necessary work to reopen the facility.

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6	Population Management / Palmer Correctional Center	FY20 Lapse Extension to FY21 Reopening the Palmer Correctional Center	n/a	n/a	<p>(continued)</p> <p>In FY20, the legislature provided \$483.4 PCE for half of a year of utilities costs for the Palmer facility. This was replaced by \$483.4 in UGF in FY21, but the Department will need an additional \$483.4 in FY22 to fully fund the facility's utility costs.</p> <p>Fiscal Analyst Comment: The Department did not immediately proceed with reopening the Palmer facility in FY20, and instead announced the intent to reduce costs by sending prisoners to privately-owned prisons outside of Alaska. In December 2019, the Department issued a public Request for Proposals (RFP) to explore the possibility and cost of sending inmates out of state, which was later withdrawn prior to the award of any contracts. During the 2020 legislative session, the Department announced that it would no-longer pursue sending prisoners to private prisons, and would instead work towards reopening the Palmer Correctional Center. The Governor's Amended budget reflected this change in course by removing its requested increment for Out-of-State Contractual services.</p> <p>The Department reports using FY20 funding to initiate the process of reopening the Palmer facility, and an estimated \$7,165.0 will be used for deferred maintenance and security upgrades that are required before the facility can house inmates. This project is being managed by the Department of Transportation and Public Facilities (DOT&PF) Statewide Public Facilities agency, and is currently approaching the end of the design phase. Construction and security upgrade contracts should be in place by late summer and early fall of 2020. The current projection for reopening is August of 2021, which means that it is unlikely that the facility will be ready for inmates in FY21.</p> <p>At the conclusion of FY21, the unexpended and unobligated balance of these language appropriation funds will lapse back to the PCE fund, and the legislature will need to reinstate annual operating costs for the Palmer facility.</p>

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7	Health and Rehabilitation Services / Physical Health Care	Replace Funding Source to Align with Anticipated Revenue	Net Zero \$5,800.1 Gen Fund (UGF) (\$5,800.1) Rest Just (Other)	Net Zero \$5,800.1 Gen Fund (UGF) (\$5,800.1) Rest Just (Other)	<p>The amount of Restorative Justice Account funds (formerly known as Permanent Fund Dividend Criminal funds) available for appropriation in FY21 is significantly less than the FY20 amount due to low inmate counts from the Department of Corrections in the 2018 calendar year.</p> <p>Fiscal Analyst Comment: The availability of Restorative Justice Account funds for appropriation is outlined under AS 43.23.048. The calculation is based on Department of Corrections counts of incarcerated felons and misdemeanants, and Department of Public Safety counts of sentenced felons. These counts represent individuals who are ineligible for a Permanent Fund Dividend based on their criminal convictions, in accordance with AS 43.23.005(d). Those forfeited funds are then available in the subsequent budget cycle for appropriation to eligible agencies, including the Department of Corrections. The Restorative Justice Account fund has historically demonstrated significant volatility based on fluctuations in the number of ineligible Alaskans, and in the amount of the Permanent Fund Dividend that is distributed each year.</p>
8	Health and Rehabilitation Services / Reentry Unit	Establish a New Reentry Unit Program with Added Positions and Authority	\$746.1 Gen Fund (UGF) 3 PFT Positions	\$746.1 Gen Fund (UGF) 3 PFT Positions	<p>This item adds funding for three new PFT positions and provides added funding for two existing PFT positions that are transferred in from other appropriations/allocations. A Project Manager position was also added in the FY21 Adjusted Base as a position adjustment. All six positions will be funded with the \$746.1 UGF increment. The funding that was previously associated with the transferred positions remains in their original allocations.</p> <p>Add: 2 PFT Program Coordinators 1 PFT Criminal Justice Tech II</p> <p>Position Adjustment in the FY21 Adjusted Base: 1 PFT Project Manager (added as a position adjustment in the FY21 Adjusted Base)</p> <p>Transfer: 1 PFT Project Manager from the Office of the Commissioner 1 PFT Program Coordinator I from Goose Creek Correctional Center</p>

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9	Various	Replace Funding Source to Align with Anticipated Revenue	Net Zero (\$5,200.0) Gen Fund (UGF) \$5,200.0 RcdvsmFund (DGF)	Net Zero (\$5,200.0) Gen Fund (UGF) \$5,200.0 RcdvsmFund (DGF)	<p>Increased availability of Recidivism Reduction funds in FY21 has allowed the replacement of general fund dollars in multiple appropriations. Recidivism Reduction funds are generated through taxation on the marijuana industry. The FY21 budget includes increased Recidivism Reduction fund authority with corresponding general fund reductions in the following appropriations and allocations for a net zero effect:</p> <p>Health and Rehabilitation Services: \$3,278.6 total Substance Abuse Treatment Program - \$1,103.6 Sex Offender Management Program - \$2,000.0 Domestic Violence Program - \$175.0</p> <p>Offender Habilitation: \$1,420.1 total Education Programs - \$814.1 Vocational Education Programs - \$606.0</p> <p>Recidivism Reduction Grants: \$501.3 total Recidivism Reduction Grants - \$501.3</p> <p>Fiscal Analyst Comment: Revenue generated through taxation on the sale of marijuana may fluctuate from year to year based on industry performance and the rate of taxation. For this reason, the Recidivism Reduction fund source may need to be replaced in future years depending on the availability of these funds.</p>
10	Various	GA Increases in Fixed Costs	\$4,354.3 Gen Fund (UGF)	\$4,354.3 Gen Fund (UGF)	<p>The legislature approved a Governor's amended budget increment to protect against projected FY21 shortfalls due to increases in fixed costs, including the cost of services provided by the centralized Shared Services of Alaska and the Office of Information Technology under the Department of Administration.</p> <p>Administrative Services: \$317.3 UGF - Human resources and Shared Services of Alaska Information Technology MIS: \$837.0 UGF - Office of Information Technology Services Health & Rehabilitation Director's Office: \$3,200.0 UGF - Risk Management, Personnel, Office of Information Technology Services, and Shared Services of Alaska</p>

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11	Various	Fund Change to Replace Power Cost Equalization Fund with General Fund	Net Zero \$7,495.1 Gen Fund (UGF) (\$7,495.1) PCE Endow (DGF)	Net Zero \$7,495.1 Gen Fund (UGF) (\$7,495.1) PCE Endow (DGF)	<p>In FY20, the legislature funded fiscal notes using the Power Cost Equalization Endowment (PCE) fund as a one-time fund source for multiple ongoing items in the base budget. Because these PCE funds remained in the FY21 adjusted base, the Governor's FY21 proposal replaced these funds with UGF.</p> <p>The legislature approved this fund change for PCE funding tied to two pieces of legislation that were passed in 2019: HB 49 - Crimes; Sentencing; Drugs; Theft; Reports (Ch 4 FSSLA2019), and HB 14 - Assault; Sex Offenses; Sent. Aggravator (Ch 11 SLA2019).</p> <p>Population Management Institution Director's Office \$3,511.9 UGF / (\$3,511.9) PCE Endow DGF (HB 49) \$524.5 UGF / (\$524.5) PCE Endow DGF (HB 14)</p> <p>Statewide Probation and Parole \$127.8 UGF / (\$127.8) PCE Endow DGF (HB 49)</p> <p>Parole Board \$77.3 UGF / (\$77.3) PCE Endow DGF (HB 14)</p> <p>Health and Rehabilitation Services Physical Health Care \$3,253.6 UGF / (\$3,253.6) PCE Endow DGF (HB 49)</p> <p>Fiscal Analyst Comment: HB 49 also included fiscal notes for costs related to the reopening of the Palmer Correctional Center (see Item 6) provided in FY20 using PCE funds. The legislature extended the use of these funds into FY21 as the Department continues to work towards reopening the facility. These funds were provided in the language section of the bill, which means that it was a one-time appropriation not built into the base budget. For this reason, those PCE funds are not included in the fund swap.</p>

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12	Various	Second Year Cost Increases Related to Crimes; Sentencing; Drugs; Theft; Reports (Ch4 FSSLA2019 (HB49))	\$23,533.2 Gen Fund (UGF)	\$23,533.2 Gen Fund (UGF)	<p>Fiscal note outyear projections for HB 49 Crimes; Sentencing; Drugs; Theft; Reports included significant cost increases in FY21 due to the anticipated increase in the inmate population resulting from the passage of this legislation.</p> <p>Population Management Institution Director's Office: \$14,810.8 UGF</p> <p>Health and Rehabilitation Services Physical Health Care: \$8,722.4 UGF</p> <p>Fiscal Analyst Comment: These increased costs were calculated based on an average daily rate per inmate using either a marginal rate which covers the expense of a new inmate in an existing facility, or a full daily rate which would apply to a new facility that is not currently included in the calculation of average cost. The fiscal notes were originally calculated using a combination of both rates, including the lower marginal rate for new inmates in existing open facilities, and a full daily rate for inmates that would be in the Palmer facility if it had opened. Because the facility has not yet reopened, the original basis for these calculations is no-longer relevant. The legislature approved the increment based on the Department's advice that the increased authority would be required to cover costs for inmate care, regardless of the original basis of the calculation.</p> <p>HB 49 fiscal notes also included one-time costs related to reopening the Palmer Correctional Center (see Item 6) funded in FY20-FY21 using PCE funds. The Department projects that the facility may be reopened in August of 2021. The legislature will need to provide an increment in FY22 for the operations of the facility.</p>
13	Various	Fund Source Change of 25% of UGF to CBR	n/a	<p>Net Zero</p> <p>\$82,780.4 CBR Fund (UGF) (\$82,780.4) Gen Fund (UGF)</p>	<p>The legislature funded 25% of numbers section UGF items directly from the Constitutional Budget Reserve (CBR). Both CBR and general fund are considered UGF fund sources, so this change will have no impact on the agency's operations.</p>