

**HOUSE BILL NO. 428**

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Introduced: 1/17/96

Referred: Judiciary, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act giving notice of and approving a lease-purchase agreement for  
2 construction and operation of a correctional facility in the Third Judicial District,  
3 and setting conditions and limitations on the facility's construction and operation."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 \* **Section 1.** NOTICE AND APPROVAL OF LEASE-PURCHASE AGREEMENT. (a)

6 To provide for the construction and operation of a new correctional facility in order to relieve  
7 overcrowding of existing correctional facilities, the Department of Administration, on behalf  
8 of the Department of Corrections, may enter into a lease-purchase agreement with a private  
9 third-party contractor under AS 33.30.031 for the construction and operation of a correctional  
10 facility in the Third Judicial District that will house persons who are committed to the custody  
11 of the commissioner of corrections. The project approval given by this subsection is subject  
12 to the conditions of (b) of this section and to the following limitations:

13 (1) the total construction and related costs of establishing the correctional  
14 facility may not exceed \$100,000,000;

1 (2) the total lease payments for the full term of the agreement may not exceed  
2 \$200,000,000 and the anticipated annual amount of the rental obligation to be paid by the  
3 Department of Corrections under the lease must be reasonably commensurate with that total;  
4 and

5 (3) at the end of the term of the lease-purchase agreement, the state shall own  
6 the correctional facility.

7 (b) The correctional facility to be constructed and operated under the notice and  
8 approval given in (a) of this section

9 (1) must be designed and constructed so as to house, in separate housing,  
10 (A) female prisoners; and  
11 (B) male prisoners held under conditions that are appropriate for  
12 prisoners who have been classified under AS 33.30.011(2) as other than maximum  
13 custody; the correctional facility may not be constructed to house prisoners who are  
14 classified as maximum custody;

15 (2) may not contain a total population of more than 1,000 prisoners, but must  
16 be designed and constructed so as to allow expansion of the facility to a greater capacity;

17 (3) may be constructed only under a public construction project labor  
18 agreement between the building construction contractor and one or more building trade unions;  
19 the labor agreement must provide

20 (A) a no-strike and no-slowdown pledge by the union or unions;  
21 (B) a commitment on the part of the construction contractor to hire  
22 through local union hiring halls; and  
23 (C) a provision allowing not more than 15 percent of the construction  
24 contractor's workforce on the public construction project to be composed of persons  
25 who are not members of the union or unions; and

26 (4) may not be operated by the state except temporarily when  
27 (A) the private third-party contractor with whom the state has entered  
28 into an agreement to operate defaults in performance under the contract and state  
29 operation is reasonably necessary to ensure the facility's continued operation; or  
30 (B) the state is unable to contract with a private third-party contractor.

31 (c) If required by the commissioner of corrections as a condition of the correctional

1 facility's operation, in the award of a contract for the operation of the correctional facility to  
2 be constructed and operated under the notice and approval given in (a) of this section, the  
3 Department of Administration shall require that persons employed by the contractor as  
4 correctional officers in the facility meet the requirements of AS 18.65.130 - 18.65.290 that are  
5 applicable to correctional officers.

6 (d) If directed by the commissioner of corrections as a condition of the correctional  
7 facility's operation, in the award of a contract for the operation of the correctional facility to  
8 be constructed and operated under the notice and approval given in (a) of this section, the  
9 Department of Administration shall require the contractor to seek, obtain, and maintain  
10 accreditation of the correctional facility. This requirement is effective only when, as a matter  
11 of policy, the commissioner of corrections seeks and obtains accreditation of state correctional  
12 facilities. Accreditation under this subsection shall be under standards of accreditation  
13 applicable to correctional facilities that are not more stringent than those applicable to state  
14 correctional facilities operated by the Department of Corrections.

15 (e) Subsection (a) of this section constitutes the notice and approval required by  
16 AS 36.30.085.

17 \* **Sec. 2.** Nothing in this Act precludes operation of the correctional facility described in  
18 sec. 1(a) of this Act by a private third-party contractor comprised of persons employed by the  
19 Department of Corrections.