

**CS FOR HOUSE BILL NO. 428(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 2/29/96

Referred: Rules

Sponsor(s): HOUSE FINANCE COMMITTEE

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the authority of the Department of Corrections to contract  
2 for facilities for the confinement and care of prisoners, and annulling a regulation  
3 of the Department of Corrections that limits the purposes for which an agreement  
4 with a private agency may be entered into; and giving notice of and approving  
5 a lease-purchase agreement for the design, construction, and operation of a  
6 correctional facility in the Third Judicial District, and setting conditions and  
7 limitations on the facility's design, construction, and operation."

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

9 \* **Section 1.** AS 33.30.031(a) is amended to read:

10 (a) The commissioner shall determine the availability of state correctional  
11 facilities suitable for the detention and confinement of persons held under authority of  
12 state law or under agreement entered into under (e) of this section. If the  
13 commissioner determines that suitable state correctional facilities are not available, the

1 commissioner may enter into an agreement with a public or private agency to provide  
2 necessary facilities, **subject to the following:**

3 **(1) the commissioner may not enter into an agreement with a**  
4 **public or private agency that is unable to provide a degree of custody, care, and**  
5 **discipline to the extent required by the laws of this state;**

6 **(2) correctional** [. CORRECTIONAL] facilities provided through  
7 agreement with a public agency for the detention and confinement of persons held  
8 under authority of state law may be in this state or in another state;

9 **(3) correctional** [. CORRECTIONAL] facilities provided through  
10 agreement with a private agency

11 **(A)** must be located in this state unless the commissioner finds  
12 in writing that

13 **(i)** [(1)] there is no other reasonable alternative for  
14 detention in the state; and

15 **(ii)** [(2)] the agreement is necessary because of health  
16 or security considerations involving a particular prisoner or class of  
17 prisoners, or because an emergency of prisoner overcrowding is  
18 imminent;

19 **(B) may provide for the detention and confinement of all**  
20 **persons held by the commissioner under authority of state law, whether**  
21 **charged with or convicted of felonies or misdemeanors, without regard to**  
22 **the custody classifications for prisoners as determined by the**  
23 **commissioner, unless the security of the facility is inconsistent with those**  
24 **custody classifications; and**

25 **(C) may not be administratively restricted or limited by the**  
26 **commissioner to use only for prisoners involved in certain rehabilitative or**  
27 **treatment programs authorized by law.** [THE COMMISSIONER MAY  
28 NOT ENTER INTO AN AGREEMENT WITH AN AGENCY UNABLE TO  
29 PROVIDE A DEGREE OF CUSTODY, CARE, AND DISCIPLINE SIMILAR  
30 TO THAT REQUIRED BY THE LAWS OF THIS STATE.]

31 \* Sec. 2. NOTICE AND APPROVAL OF LEASE-PURCHASE AGREEMENT. (a) To

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

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

11 (2) the total lease payments for the full term of the agreement may not exceed  
12 \$200,000,000 and the anticipated annual amount of the rental obligation to be paid by the  
13 Department of Corrections under the lease must be reasonably commensurate with that total;  
14 and

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

17 (b) The correctional facility to be designed, constructed, and operated under the notice  
18 and approval given in (a) of this section

19 (1) must be designed and constructed so as to house, in separate housing,  
20 female prisoners and male prisoners;

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

23 (3) may not be operated by the state except temporarily when  
24 (A) the private third-party contractor with whom the state has entered  
25 into an agreement to operate defaults in performance under the contract and state  
26 operation is reasonably necessary to ensure the facility's continued operation; or

27 (B) the state is unable to contract with a private third-party contractor.

28 (c) If required by the commissioner of corrections as a condition of the correctional  
29 facility's operation, in the award of a contract for the operation of the correctional facility to  
30 be designed, constructed, and operated under the notice and approval given in (a) of this  
31 section, the Department of Administration shall require that persons employed by the

1 contractor as correctional officers in the facility meet the requirements of AS 18.65.130 -  
2 18.65.290 that are applicable to correctional officers.

3 (d) Subsection (a) of this section constitutes the notice and approval required by  
4 AS 36.30.085.

5 \* **Sec. 3. CONSTRUCTION OF CORRECTIONAL FACILITY UNDER PROJECT**  
6 **LABOR AGREEMENT.** (a) The purpose of this section is to enable the state to meet its  
7 obligation to improve the care and custody of the prisoners for which it is responsible at an  
8 early date through the completion of construction of a major correctional facility by structuring  
9 labor relations at the job site of the correctional facility in the interests of industrial harmony  
10 and in a way that makes optimal use of construction resources.

11 (b) Notwithstanding any restrictions that may be applicable under AS 36.30, the  
12 correctional facility described in sec. 2 of this Act may be constructed only under a public  
13 construction project labor agreement between the building construction contractor and one or  
14 more building trade unions; the labor agreement must provide

15 (1) a no-strike and no-slowdown pledge by the union or unions;

16 (2) a commitment on the part of the construction contractor to hire through  
17 local union hiring halls; and

18 (3) a provision allowing not more than 15 percent of the construction  
19 contractor's workforce on the public construction project to be composed of persons who are  
20 not members of the union or unions.

21 \* **Sec. 4.** Nothing in sec. 2 of this Act precludes operation of the correctional facility  
22 described in sec. 2(a) of this Act by a private third-party contractor comprised of persons  
23 employed by the Department of Corrections.

24 \* **Sec. 5.** 22 AAC 05.300(e) is annulled.