

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB231
 (S) Publish Date: 3/22/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Corrections
 Title An Act relating to correctional facilities BRU Administration and Operations
 Component ALL
 Sponsor Senator Green, Elton
 Requester Senate C&RA Committee Component No. #0694

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	284.0	294.7	305.8	317.3	0.0	0.0
Travel						
Contractual	159.1	0.0	0.0	18,971.2	18,971.2	18,971.2
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous	83.6	70.0	70.0	53,401.1	53,331.1	53,331.1
TOTAL OPERATING	526.7	364.7	375.8	72,689.6	72,302.3	72,302.3

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	526.7	364.7	375.8	72,689.6	72,302.3	72,302.3
1156 Receipt Services						
1037 GF/Mental Health						
1050 PFD Fund						
TOTAL	526.7	364.7	375.8	72,689.6	72,302.3	72,302.3

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time	4	4	4	329	325	325
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill authorizes the Department of Corrections to enter into twenty-year lease agreements with the Fairbanks North Star Borough, Matanuska-Susitna Borough, City and Borough of Juneau, Bethel, Ketchikan Gateway Borough, Seward, and Kenai Peninsula Borough for up to 1,136 beds at state correctional facilities.

Assume that the local government agencies will fund the costs of the new or expanded correctional facilities construction through local bond sales backed by the state leases. Costs of construction not to exceed \$155,000 per bed. Cost of annual lease payments to each facility may not exceed \$16,700 per bed.

DOC will require four (4) long-term Project positions- Facilities Manager I to interface with each of the local government projects during design and construction phases and through 1st year operations.

(CONTINUED ON PAGE 2 of 2)

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 Division Administrative Services Date/Time 3/19/02 5:10 PM
 Approved by: Margaret M. Pugh, Commissioner Date 3/19/02
 Agency Department of Corrections

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BILL NO. SB231 #1

ANALYSIS CONTINUATION

Each of the positions costs \$71.0 for the first year, second and subsequent years will include a 3.75% performance incentive (annual merit adjustment) built in per the provisions of current labor contracts. Personal services costs are to run through FY2006. Each of these new positions also require \$20.9 of support costs for FY2003 and \$17.5 for FY2004-2006 (Shown in Miscellaneous Line of Fiscal Note). Funds will be used for travel (on-site monitoring of construction, etc), contractual services (communication, printing/binding, etc), commodities (consumable office supplies, etc), and one-time first year equipment (pc's, printers, etc).

The Department of Corrections (DOC) also requires funds to enable the Agency to hire a professional contractor to negotiate and execute necessary lease contracts with the seven (7) local governments. Estimate approximately \$185 per hour X 860 hours = \$159,100 or \$159.1 (Shown in Contractual Line of FN). The Municipality of Anchorage spent about \$80.0 on their prison contract negotiations for their new 400-bed Anchorage Jail. Assume all necessary contracts would be completed in FY2003.

Assume that the First Year FY2003 will be for Architectural and Design, construction to be completed in FY2004 & FY2005, with new operations to commence FY2006.

Annual Lease Costs, by Facility (Shown in Contractual Services Line):

Fairbanks Correctional Center: 100 new beds X \$16,700 per bed = \$1,670,000
Matanuska-Susitna Correctional Center: 370 new beds X \$16,700 per bed = \$6,179,000
Lemon Creek Correctional Center: 64 new beds X \$16,700 per bed = \$1,068,800
Yukon-Kuskokwim Correctional Center: 96 new beds X \$16,700 per bed = \$1,603,200
Ketchikan Correctional Center: 100 new beds X \$16,700 per bed = \$1,670,000
Spring Creek Correctional Center: 150 new beds X \$16,700 = \$2,505,000
Wildwood Correctional Center: 256 new beds X \$16,700 = \$4,275,200

Additionally, security and life/safety staff and institutional staffing necessary to support these 1,136 new offender beds is based on 3.5 offenders per 1 staff. Thus, 325 new staff will be needed to support these additional offender beds statewide. Cost of these staff are included in the daily cost of care for each facility X the number of new beds at each facility, as follows (Cost of Care includes Institutional costs, Inmate Health & Programs, Admin. Support, and Indirect):

(Shown in Miscellaneous Line of Fiscal Note)

Fairbanks CC: 100 Beds X \$131.37 per day X 365 days = \$5,014,005
Matanuska-Susitna CC: 370 Beds X \$126.76 per day X 365 days = \$17,118,938
Lemon Creek CC: 64 Beds X \$139.25 per day X 365 days = \$3,252,880
Yukon-Kuskokwim CC: 96 Beds X \$162.18 per day X 365 days = \$5,682,787
Ketchikan CC: 100 Beds X \$185.74 per day X 365 days = \$6,779,510
Spring Creek CC: 150 Beds X \$111.53 per day X 365 days = \$6,106,268
Wildwood CC: 256 Beds X \$100.35 per day X 365 days = \$9,376,704

The \$72,302.2 annual costs of incarceration and lease payments can be offset by moving any remaining offenders housed at the Out of State contract facility (Central Arizona Detention Center) back to Alaska and housing them in the new beds created by this bill. Assuming that there will be at least 585 offenders left in Arizona, at \$65 per day X 365 days = \$13,879.1 of savings that can be applied to the new bed costs.

The Department of Corrections has twelve (12) state institutions statewide holding a maximum capacity of 2,702 offenders and an emergency capacity of 2,786 offenders. The institutions have a replacement value of over \$376,000,000. This bill expands the maximum bed capacity by approximately 40%. Assuming each bed cost \$155,000 per, the additional value to facilities for the new 1,136 beds is \$176,080,000 or an increase of approximately 46%. Joint ownership of existing state facilities will need to be discussed with Department of Administration and the Department of Transportation & Public Facilities who controls the structures, and with the Department of Natural Resources who owns the public land. There will be considerable issues to the concept of providing dual ownership of state-owned public facilities to local governments.

End.