

**ALASKA STATE LEGISLATURE
HOUSE STATE AFFAIRS STANDING COMMITTEE**

April 1, 2003

8:01 a.m.

MEMBERS PRESENT

Representative Bruce Weyhrauch, Chair
Representative Jim Holm, Vice Chair
Representative Bob Lynn
Representative Paul Seaton
Representative Ethan Berkowitz

MEMBERS ABSENT

Representative Nancy Dahlstrom
Representative Max Gruenberg

COMMITTEE CALENDAR

HOUSE CONCURRENT RESOLUTION NO. 5

Establishing a task force to make recommendations regarding a new design for the official seal of the State of Alaska.

- MOVED HCR 5 OUT OF COMMITTEE

HOUSE BILL NO. 134

"An Act authorizing the Department of Corrections to enter into agreements with municipalities for new or expanded public correctional facilities in the Fairbanks North Star Borough, the Matanuska-Susitna Borough, Bethel, and the Municipality of Anchorage."

- HEARD AND HELD

HOUSE BILL NO. 161

"An Act allowing expenses of the correctional industries program that may be financed from the correctional industries fund to include the salaries and benefits of state employees."

- HEARD AND HELD

HOUSE BILL NO. 183

"An Act relating to retirement contributions and benefits under the public employees' retirement system of certain juvenile detention employees and juvenile correctional institution employees."

- HEARD AND HELD

PREVIOUS ACTION

BILL: HCR 5

SHORT TITLE:LEGIS. TASK FORCE ON DESIGN OF STATE SEAL

SPONSOR(S): REPRESENTATIVE(S)JOULE

Jrn-Date	Jrn-Page		Action
02/03/03	0118	(H)	READ THE FIRST TIME - REFERRALS
02/03/03	0118	(H)	CRA, STA, FIN
03/06/03		(H)	CRA AT 8:00 AM CAPITOL 124
03/06/03		(H)	Moved Out of Committee
03/06/03		(H)	MINUTE(CRA)
03/07/03	0461	(H)	CRA RPT 5DP 1AM
03/07/03	0461	(H)	DP: ANDERSON, WOLF, KOOKESH, CISSNA,
03/07/03	0461	(H)	MORGAN; AM: SAMUELS
03/07/03	0461	(H)	FN1: (LEG)
03/07/03	0477	(H)	COSPONSOR(S): ANDERSON
03/27/03		(H)	STA AT 8:00 AM CAPITOL 102
03/27/03		(H)	Scheduled But Not Heard
04/01/03		(H)	STA AT 8:00 AM CAPITOL 102

BILL: HB 134

SHORT TITLE:CORRECTIONAL FACILITY EXPANSION

SPONSOR(S): REPRESENTATIVE(S)STOLTZE

Jrn-Date	Jrn-Page		Action
02/26/03	0306	(H)	READ THE FIRST TIME - REFERRALS
02/26/03	0306	(H)	STA, FIN
03/13/03		(H)	STA AT 8:00 AM CAPITOL 102
03/13/03		(H)	Scheduled But Not Heard
04/01/03		(H)	STA AT 8:00 AM CAPITOL 102

BILL: HB 161

SHORT TITLE:CORRECTIONAL INDUSTRIES PROGRAM EXPENSES

SPONSOR(S): RLS BY REQUEST OF THE GOVERNOR

Jrn-Date	Jrn-Page		Action
03/05/03	0431	(H)	READ THE FIRST TIME - REFERRALS
03/05/03	0431	(H)	STA, FIN
03/05/03	0432	(H)	FN1: (COR)

03/05/03	0432	(H)	GOVERNOR'S TRANSMITTAL LETTER
03/11/03		(H)	STA AT 8:00 AM CAPITOL 102
03/11/03		(H)	Scheduled But Not Heard
04/01/03		(H)	STA AT 8:00 AM CAPITOL 102

BILL: HB 183

SHORT TITLE: PERS BENEFITS FOR JUV INSTIT EMPLOYEES

SPONSOR(S): REPRESENTATIVE(S) WEYHRAUCH

Jrn-Date	Jrn-Page		Action
03/10/03	0491	(H)	READ THE FIRST TIME - REFERRALS
03/10/03	0491	(H)	STA, FIN
04/01/03		(H)	STA AT 8:00 AM CAPITOL 102

WITNESS REGISTER

REPRESENTATIVE REGGIE JOULE

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Testified as sponsor of HCR 5.

JOHN GREELY, Staff

to Representative Reggie Joule

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HCR 5.

REPRESENTATIVE BILL STOLTZE

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Testified as sponsor of HB 134.

PORTIA PARKER, Deputy Commissioner

Office of the Commissioner - Juneau

Department of Corrections

Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 134.

JERRY BURNETT, Director

Administrative Services

Department of Corrections

Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 134; presented HB 161.

DEVON MITCHELL, Debt Manager
Treasury Division
Department of Revenue
Juneau, Alaska

POSITION STATEMENT: During the hearing on HB 134, discussed issues relating to the state's credit and revenue bonds with the municipalities and answered questions.

JOHN DUFFY, Manager
Matanuska-Susitna Borough
Palmer, Alaska

POSITION STATEMENT: Testified on behalf of the Matanuska-Susitna Borough in support of HB 134.

LINDA SYLVESTER, Staff
to Representative Bruce Weyhrauch
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced HB 183 on behalf of Representative Weyhrauch, sponsor.

GUY BELL, Director
Division of Retirement & Benefits
Department of Administration
Juneau, Alaska

POSITION STATEMENT: Answered questions regarding retirement systems and addressed the fiscal note during the hearing on HB 183.

BERNARD GATEWOOD
Alaska Juvenile Correctional Officers Association (AJCOA)
Fairbanks, Alaska

POSITION STATEMENT: During the hearing on HB 183, asked that juvenile correctional officers be included in the 20-year retirement.

ACTION NARRATIVE

TAPE 03-34, SIDE A

Number 0001

CHAIR BRUCE WEYHRAUCH called the House State Affairs Standing Committee meeting to order at 8:01 a.m. Representatives Holm, Seaton, and Weyhrauch were present at the call to order. Representatives Lynn and Berkowitz arrived as the meeting was in progress.

HCR 5-LEGIS. TASK FORCE ON DESIGN OF STATE SEAL

Number 0139

CHAIR WEYHRAUCH announced that the first order of business was HOUSE CONCURRENT RESOLUTION NO. 5, Establishing a task force to make recommendations regarding a new design for the official seal of the State of Alaska.

Number 0163

REPRESENTATIVE REGGIE JOULE, Alaska State Legislature, sponsor of HCR 5, gave a PowerPoint presentation. Saying there is no symbol of Alaska older than the state seal, he offered his belief that it is time to modernize it. Thus HCR 5 would create a task force of eight citizens to provide for a focal point of public involvement in designing a new seal. After the task force reports back to the legislature in January [2004], the legislature will decide whether to adopt the new design and commission the engraver.

REPRESENTATIVE JOULE surmised that most Alaskans probably don't realize the current seal is the second one to represent the government of Alaska. In 1885 the first appointed governor, John Kinkead, designed a seal for the military district of Alaska; in use approximately 25 years, it depicted the northern lights, icebergs, and "an Alaska Native or two." He said the only place he knows of where the district seal is still in use is on the mantel of the fireplace of the governor's house, where it was uncovered from under many layers of paint when the house was restored in the 1980s.

Number 0366

REPRESENTATIVE JOULE said then-Governor Walter Clark decided in 1910 that the district seal was inappropriate for several reasons, including its depiction of icebergs, northern lights, and Natives. Governor Clark hired a man to draw a rough sketch to include more modern developments in Alaska; the result is the design that was sent to Washington, D.C., for approval in 1910. Around that time, however, someone in the Department of the Interior commissioned a more refined drawing and sent that back to Alaska. Governor Clark then commissioned an engraver to cast the new seal, and it was delivered to the Secretary of Alaska on February 25, 1911. In 1913, the seal was changed again when the word "district" was changed to "territory." He said, "At

statehood, this seal became the official state seal and remained so as part of the statutes."

Number 0518

REPRESENTATIVE JOULE referred to an article in the April 1911 edition of the Alaska-Yukon Magazine that announced the new seal. It read as follows [original punctuation provided]:

The Territory of Alaska will not permit any one to forget that development and industrial progress are its chief concern. Not even will public documents, bearing the signature of the territorial chief executive, be permitted [any] longer to convey, to those who take note of them, the ancient conception of the country as a land of Arctic temperature and the home of an unique race of aborigines. Gov. Walter E. Clark has had prepared a new official seal for the Territory that will typify modern Alaska, as he conceives it. While the general design of the old seal is retained in the new, the whole effect has been to emphasize the important industries of the Territory, and to present them on the whole according to their relative importance. The center of the seal shows a range of mountains in the distance, above which appears the rising sun, typifying in this instance the dawn of the commercial and industrial era in Alaska.

In the middle distance on the left is a large ore mill and a wharf, with a train of ore cars and a spur track leading toward the mill. In the harbor adjacent is a large steamship, typifying commerce, and in another part of the harbor is a fishing vessel, representing one of the great industries. The forests, also, appear in the middle distance on the left to represent the lumber industry and resources; and there is a harvest scene to typify agriculture.

Around the circumference of the seal appear the words: "The Seal of the District of Alaska," the two lines of which are separated on one side by salmon and on the other side by a fur seal in place of the conventional stars that are usually employed for this purpose.

REPRESENTATIVE JOULE said those words from 1911 explain why the official seal of Alaska looks the way it does. However, Alaska

is a far different place today, which leads to the question of whether its seal should reflect those changes. For example, in 1910 Anchorage did not exist, and the state has outgrown several industries and [developed new ones]. For example, do urban Alaska and the oil and gas industry belong on the state seal? And is the horse and plow the best representation of agriculture in Alaska? Representative Joule noted that in 1910 [half] the population of Alaska was Native, and yet any depiction of Alaska Natives was dropped from the seal by Governor Clark. He added, "We have time to fix that omission."

Number 0760

REPRESENTATIVE JOULE said in 1885 and 1910, the idea of public involvement in designing a seal was not considered. The legislature can fix that oversight and provide a valuable learning experience for Alaskan residents. He said HCR 5 "asks all of us to use our imaginations." Saying Governor Clark had looked to the future, Representative Joule asked that [the legislature] do the same now by asking what symbols might have currency with residents of Alaska 100 hundred years from now.

Number 0821

REPRESENTATIVE JOULE showed the committee some other state logos, included in the handout of the PowerPoint presentation, including an Alaska Department of Fish & Game logo in use from 1962 until 1977, and the ensuing black-and-white logo that dropped the totem pole design. He noted that the design changed again in 2001, when color was added and the lines were altered. He also showed the committee the logo used by the Department of Health & Social Services (DHSS), which was commissioned in the early 1990s after extensive public involvement. In response to a question by Chair Weyhrauch, he confirmed that the commissioner of the DHSS was the one whose idea it was to [have a seal designed with public involvement].

Number 0925

JOHN GREELY, Staff to Representative Reggie Joule, Alaska State Legislature, in response to follow-up questions by Chair Weyhrauch, offered to find out the history behind [the DHSS seal]. He explained that the images discussed [on pages 3 and 4 of the PowerPoint handout] are examples of state symbols.

Number 1017

REPRESENTATIVE JOULE referred to the state seals of Hawaii, Montana, and Idaho [page 5 of the PowerPoint handout]. He noted that Hawaii's seal was adopted at statehood; an individual changed the Montana seal without any regard to the thoughts of the legislature; and the Idaho seal was the only official seal designed by a woman, Emma Edwards Green, who took part in a contest sponsored by the Idaho legislature shortly after statehood in 1890 and won a \$100 prize. In 1957, he noted, the Idaho legislature updated the seal by adding symbols of the state's main industries: mining, agriculture, and forestry. Representative Joule said [HCR 5] would seek out public involvement from people of all ages.

REPRESENTATIVE JOULE referred to the fiscal note of [\$53,000]. He mentioned a letter to the First Alaskans Institute requesting a partnership in getting this funded to get it underway. Noting that the House Community and Regional Affairs Standing Committee had suggested seeking a partnership, he indicated he'd asked members of that committee to forward names of potential donors with regard to underwriting the cost.

CHAIR WEYHRAUCH asked if a decision of "no change" is a potential outcome [of the task force].

REPRESENTATIVE JOULE answered that it's possible, but he doubts it would happen. He said aviation is a huge part of Alaska's history. Referring to the omission of [symbols] of Alaska Natives, he listed the following groups: Inupiat, Yupik, Athabascan, Tlingit, Haida, Tsimshian, and Aleut. He asked, "Is there one that would capture them all?"

Number 1478

MR. GREELY mentioned suggestions over the years regarding room on the rim of the seal and allowing [design features] to be added without changing the [existing design] of the seal. He indicated there are different ways of approaching a new design and said it will be interesting to see what the public does if it has a chance to weigh in.

CHAIR WEYHRAUCH asked how the House Community and Regional Affairs Standing Committee meeting went during its hearing on HCR 5 and whether anyone had testified on the issue.

REPRESENTATIVE JOULE answered no. He mentioned a letter of support from the Heritage Foundation in Anchorage.

Number 1560

CHAIR WEYHRAUCH asked Representative Seaton for his comments as cosponsor of the resolution.

REPRESENTATIVE SEATON said the fiscal note will be taken up in the House Finance Committee. He said he thinks public involvement and bringing in the history of and foresight for the State of Alaska are good things. He likened [the designing of the state seal] to that for the state flag.

Number 1600

REPRESENTATIVE SEATON moved to report HCR 5 out of committee with individual recommendations and the accompanying fiscal note. There being no objection, HCR 5 was reported from the House State Affairs Standing Committee.

HB 134-CORRECTIONAL FACILITY EXPANSION

[Contains discussion of SSHB 55]

CHAIR WEYHRAUCH announced that the next order of business was HOUSE BILL NO. 134, "An Act authorizing the Department of Corrections to enter into agreements with municipalities for new or expanded public correctional facilities in the Fairbanks North Star Borough, the Matanuska-Susitna Borough, Bethel, and the Municipality of Anchorage."

Number 1683

REPRESENTATIVE BILL STOLTZE, Alaska State Legislature, sponsor of HB 134, told the committee the unfortunate reality Alaska faces is the need for more prison beds. [The legislature] has different options for how to solve this need. He credited Senator Lyda Green for her work on the Senate side on the issue. He remarked, "I'm pushing the bill on this side to assist her effort and [have] become attached to it since then."

REPRESENTATIVE STOLTZE said the bill covers expansion [of prison beds] in several areas of the state, including Anchorage, Fairbanks, Bethel, and the Matanuska-Susitna area, which will have the major expansion. Probably receiving the most attention will be the Sutton expansion, he predicted, saying a facility there is the right facility in the right place, and is supported by the public. He said he thinks that through the healthy process of competition with the private prison industry, the

[Department of Corrections (DOC)] has done a good job of reducing costs and putting together a good proposal, including documentation of how it can be accomplished.

REPRESENTATIVE STOLTZE noted what the number of beds for each facility would be as follows: Sutton, 1,250; Anchorage, 200; Fairbanks, 80; and Bethel, 120. The spaces added in Anchorage would be leased by the federal government, by U.S. Marshals. That would be federal money providing Alaskan jobs, he added, and would make the current Anchorage facility more efficient.

Number 1874

REPRESENTATIVE STOLTZE referred to a color-copy handout [compiled by DOC]; the first page shows where the facilities are located. He pointed to the "Inmate Population Statistics" [top of page 2], which shows that by the year 2007, the total will be 5,500. Referring to [the "Institution Activity 1997-2002" chart on the bottom of page 2], which shows admissions, transfers, and the average daily count, he indicated that is what the debate centers around with regard to private-versus-public prison initiatives. He clarified that the competition is in regard to housing people. He complimented DOC for lowering costs in construction, which lowers the fiscal note. He mentioned a proposed committee substitute (CS) [unspecified version].

Number 2080

CHAIR WEYHRAUCH said the options regarding prisons are as follows: SSHB 55, which would authorize the construction of a private prison in Whittier; HB 134, the bill now being presented by Representative Stoltze, supporting expansion of existing facilities; and "the do-nothing option." He commented that there is a lot of confusing information on the issue, including some scare tactics that are not credible. He said one thing that isn't clear to him is the economic impact on the state. He requested from Representative Hawker [one of two sponsors of SSHB 55] and Representative Stoltze a holistic view of how all the options overlay, in order for the committee to decide the best policy option for the state to consider.

REPRESENTATIVE STOLTZE opined that those are legitimate concerns.

Number 2207

REPRESENTATIVE HOLM said he has visited jails, and each room is no more than 8 by 12 feet. He noted that the plans show a cost of \$110,000, \$135,000, and \$155,000 per bed. Saying it doesn't take that much concrete to build a room. He added, "I don't know, given out particular financial circumstance, that we need to be building the Taj Mahal to house prisoners." He said he is uncomfortable with this kind of expense. He asked Representative Stoltze to comment.

REPRESENTATIVE STOLTZE responded that he knows that the private sector has expensive costs, as well. He deferred further comment to the deputy commissioner of DOC.

Number 2355

PORTIA PARKER, Deputy Commissioner, Office of the Commissioner - Juneau, noted that the \$155,000 is for the Bethel expansion project. She explained that the cost of doing construction in that rural area is higher. The Anchorage extension will be federally funded; it won't affect the general fund or the fiscal note. The Fairbanks facility is more expensive at \$135,000. She explained that the per-bed costs include the cost of the entire facility. In response to a question by Chair Weyhrauch, she clarified that the per-bed cost covers the cost of the construction only for the entire facility, not the operating costs, for example.

Number 2434

JERRY BURNETT, Director, Administrative Services, Department of Corrections, added that the per-bed cost also includes the cost of design, utilities, and new fencing - "all the soft and hard costs of construction."

CHAIR WEYHRAUCH surmised, "To the turnkey."

MR. BURNETT concurred. He commented that the plan is similar to one used in other places in the U.S.

Number 2467

REPRESENTATIVE HOLM asked Mr. Burnett if he would provide the committee with a square-foot cost.

CHAIR WEYHRAUCH asked if the standard for the industry is per square-foot or per bed.

MS. PARKER answered both.

Number 2500

REPRESENTATIVE BERKOWITZ asked for comparisons of construction costs in Alaska with the following: elsewhere in the country, a private office building in Anchorage, and some of the University construction.

MR. BURNETT said the cost of construction is just over \$400 per square foot.

REPRESENTATIVE LYNN remarked that a decent residential home in Anchorage, not including the garage, costs about \$100 per square foot.

MR. BURNETT offered to produce the numbers that Representative Berkowitz had previously requested. He noted that the plan for Alaska was based upon a 35 percent higher cost than similar projects built in the Lower 48.

Number 2586

CHAIR WEYHRAUCH asked if it is correct to assume that a policy issue implicit in [HB 134] is that a larger correctional facility is much more economic than building smaller facilities in many parts of the state.

REPRESENTATIVE STOLTZE answered in the affirmative. He noted that the state already owns the land and that the plans are "in a site that's not going to be contentious."

REPRESENTATIVE BERKOWITZ commented that "class A" office space costs \$200 to \$300 per square foot to construct. He asked what added elements in a prison would cause the costs to go up.

MR. BURNETT replied that there are a number of specialized materials used in a prison facility such as automatic doors, special prison toilets and showers, hardware that has to be very durable, and solid concrete walls versus sheetrock, for example.

Number 2665

CHAIR WEYHRAUCH noted that a policy question which the legislature must address is whether to house prisoners in Alaska or Outside. He questioned at what point "critical mass" is reached and a decision must be made.

REPRESENTATIVE STOLTZE remarked that the Arizona facility seems to have value as an "escape valve" now; however, it can't meet Alaska's needs regarding bookings. He said much shorter-term [inmates] are being sent to the Arizona facility. Predicting that it won't be much longer before that facility won't be able to meet Alaska's needs, he mentioned the added cost of transferring prisoners back and forth.

Number 2743

REPRESENTATIVE BERKOWITZ said one problem he has always had about sending prisoners Outside is that it means exporting capital; dollars are not circulating within the economy. He asked if any analysis has been done regarding the cost to the state's economy because of the Arizona facility when the "multiplier effect" is included.

REPRESENTATIVE STOLTZE answered, "I don't know that number. I know the one on the face is \$20 million, and that certainly multiplies that." He opined that there's a point at which the value of the state's having its own institutions must be considered.

REPRESENTATIVE BERKOWITZ said that's what he was suggesting.

CHAIR WEYHRAUCH reiterated that the policy decision is in regard to the economic benefit to the state of building a prison in Alaska, whether it's public or private.

REPRESENTATIVE STOLTZE said he wants to see the jobs in the state. He posited that it is probably better in the long term for the state to own its own facility.

Number 2851

REPRESENTATIVE BERKOWITZ said the state might be putting \$20 million into Arizona right now; however, if the investment were put into Alaska - even if [running its own prison] was, on the surface, more expensive - the state would be getting some kind of return, based on property and corporate taxes and the benefit to the municipalities. He asked that those calculations be included in the analysis he'd requested previously.

Number 2881

MR. BURNETT referred to an economic impact assessment [included in the committee packet] that was prepared for the Matanuska-Susitna Borough by Northern Economics Inc.

REPRESENTATIVE STOLTZE remarked that he has tried not to dwell on things that benefit the Matanuska-Susitna ("Mat-Su") Borough; he opined that the issue is a larger, statewide concern.

Number 2910

REPRESENTATIVE SEATON asked Representative Stoltze, "Are you including booking facilities in the Mat-Su at all, or is this strictly older facilities?"

REPRESENTATIVE STOLTZE mentioned Mat-Su and said there is a pre-trial facility not too far from there. He said, "The Anchorage facility is the more appropriate function for the Anchorage area, and the Bethel facility also performs that function." He added that the Sutton facility is a longer-term facility.

MR. BURNETT, in response to a request for clarification from Representative Seaton, stated, "One thing that an Outside facility cannot economically handle is short-term prisoners and pre-sentence prisoners."

TAPE 03-34, SIDE B

Number 2981

MR. BURNETT indicated transportation costs for sending prisoners to an Outside facility are greater than the savings from [holding them in Alaska]. He said he has been working on trying to do an accurate analysis "to get a number which is the maximum at any point we could economically send out." He mentioned some data-quality issues and specific sentence times. He said currently his best estimate is about 1,500 inmates who may meet long enough sentence requirements to send Outside. He said some [inmates] have mental illness or other health or behavioral reasons why they can't be sent. He noted that at some point, the state is spending more money to send [inmates] Outside. He added, "It would make little sense to send someone to Arizona for a 4-month sentence, and right now we've [been] sending people that have a 14-month sentence."

MS. PARKER clarified that the state is getting to where it doesn't have a lot of options to send additional inmates to Arizona and still have it be cost-effective. She noted that an effort is made to consolidate the number of transports [for

purposes of saving money]. Regarding the Bethel and Fairbanks expansions, she said, "Those are almost 90 to 100 percent pre-sentence." The prisoners being transported out of Bethel for hearings in superior court or additional court appearances, for example, have to be transported right back because they haven't been sentenced yet.

Number 2839

CHAIR WEYHRAUCH asked why the Anchorage facility, but not the Bethel facility, is federally funded.

MS. PARKER explained that the U.S. Marshals requested the capacity in Anchorage, where most of their federal detainees are. She said [the state] has a contract [with the U.S. Marshals] to supply 80 beds at a per-diem rate; however, that takes up space in a state correctional facility. She noted that the federal detainee number is expected to increase from 120 to about 200, which is why [the U.S. Marshals] are going through the federal government to request additional funds to add on to the Anchorage jail.

Number 2789

REPRESENTATIVE SEATON said he has heard that the state transfers [inmates with] medical problems to Arizona when possible, because it is less expensive to treat them there. He inquired about the distance to medical facilities from Sutton, for example, versus Anchorage.

REPRESENTATIVE STOLTZE responded that the Sutton facility is probably within 15 minutes of the Palmer facility for Valley Hospital, where a \$80-million to \$90-million hospital expansion is underway. He noted that the other option [is the proposed private prison facility] in Whittier, which is farther from Anchorage and requires a trip fraught with more potential delays than a trip on the expressway between Palmer and Anchorage, or from Sutton to downtown Palmer.

REPRESENTATIVE SEATON said DOC has said its prisoner base is [in] Anchorage; therefore, all the other locations would be away from that base. He said he is trying to figure out the amount of time that will be necessary to transfer [prisoners] for court appearances, for example. He said although he is not opposed to this project, he is trying to look at the overall policy regarding where the majority of Alaska's prison housing should

be sited. One consideration is this, he noted: that which is economical to build may not be economical to operate.

Number 2620

MR. BURNETT reminded Representative Seaton that the facility in Sutton would primarily be used for long-term, stable prisoners, so the transportation in and out would be less frequent. He also noted that it would be sited next to a medium-security and a minimum-security facility; therefore, some of the staff could be used mutually. He noted that an Alaska State Trooper attachment and a court are in Palmer, a few minutes away.

Number 2566

REPRESENTATIVE SEATON said he'd like to see an analysis of where the prison population is being generated and how many times transports are necessary. He predicted that what may happen, because of the growth of the prison population, is that Alaska may soon be sending [inmates] back to Arizona, and Alaska will be stuck with the shorter-term prisoners who can't be transported back and forth from Arizona.

Number 2433

REPRESENTATIVE HOLM asked for clarification of the difference in needs between pre-sentence and pre-trial prisoners as it pertains to duration of time and the facility, for example.

MR. BURNETT responded that pre-trial [prisoners] are clearly short-term, but couldn't answer whether there is a difference in the facility use between the two. He said pre-sentence [prisoners] typically are still awaiting sentence after a criminal proceeding; that wait is usually short-term, and long-term custody has not yet been determined. In response to a follow-up question by Representative Holm, he explained that pre-trial [prisoners] have a "higher need." For example, he noted that the people coming in are often unstable and a higher security level is needed. Also, there are booking needs.

REPRESENTATIVE STOLTZE offered his belief that more attention is given to a pre-trial [prisoner] than at any other level.

Number 2407

MS. PARKER remarked that there are prisoners in Anchorage and Fairbanks who are there for 16 to 18 months awaiting trial and

sentencing. She added, "So, you try not to move them, because you know we're going to have to move them right back."

REPRESENTATIVE STOLTZE, based on the 15 "ride-alongs" that he has done, said the higher level of staffing is necessary. He explained, "These guys are drugged up or hopped up, and they don't want to go in through that first locking door." He added that he has seen some "pretty wild and wooly scenes."

Number 2353

REPRESENTATIVE HOLM returned to the subject of cost of construction. He asked, "Who's the fox that's watching the hen house?" He opined that the State of Alaska has a tendency to overbuild, that it has been give a lot of free license by architects and engineers who get more [money] the bigger the structure is. He asked who the watchdog is for the people of Alaska. He opined that the state needs to be building adequate buildings, protecting its population, and incarcerating appropriately; however, it doesn't need to be building the finest facilities man can possibly build.

Number 2268

CHAIR WEYHRAUCH remarked that he knows inadequate building methods have resulted in the state's having infrastructure, maintenance, and repair bills that don't get funded later on. He said it's a conundrum.

MR. BURNETT said any construction that the state does will involve a competitive bid situation. He noted that DOC came up with the \$135,000 per-bed cost at its first consideration, based on standard construction estimates and working with [the Department of Transportation & Public Safety (DOT&PF)]. He referred to a blueprint [hanging on the wall] provided by one of the largest private prison companies, and he said [the department] would like to find ways to build cheaper [than the cost proposed for the plan in the blueprint].

REPRESENTATIVE HOLM said that is the answer he wanted to hear.

MR. BURNETT said the department's facility person has been tasked with looking at better and cheaper ways to build.

MS. PARKER added, "And we've directed them not to go out and redesign, [but] to look at what's working in other areas of the country. This company's also built for ... prisons and for ...

a lot of state facilities." She said the department doesn't want anything above and beyond the absolute needs of the facility, but is looking for a good facility at the lowest possible cost.

Number 2156

REPRESENTATIVE STOLTZE said he is willing to cut corners on prisoner comfort, but not on personnel safety.

Number 2138

REPRESENTATIVE BERKOWITZ asked what alternative to "hard beds" the department may be exploring. For example, he listed the following: ankle bracelets, house arrests, "soft beds," and "Nygren."

MS. PARKER responded that when the current administration came in, there were plans already in place for using electronic monitoring. She mentioned a classification process whereby the probation officer works with the central classification to determine the appropriate [conditions of release], including electronic monitoring and being released into [community residential care] (CRC) and halfway houses. She said the department is implementing that to the greatest extent it thinks possible while still protecting the public.

REPRESENTATIVE BERKOWITZ asked, "Did you tell me what percentage of prisoners are on this sort of alternative?"

MS. PARKER, with input from Mr. Burnett, provided the following estimates from last week: 168 on electronic monitoring, 730 in community residential care, and 4,000 on probation and parole.

REPRESENTATIVE BERKOWITZ noted that those numbers are under direct supervision of the department. He asked what percentage are in hard beds and what percentage aren't.

MR. BURNETT replied that of the people in direct supervision of the department, less than half are in hard beds at this time.

REPRESENTATIVE BERKOWITZ asked if the department has had significant problems with those who aren't.

MS. PARKER offered his understanding that Representative Berkowitz was asking about those people who are considered to be in the custody of the department, including those in electronic

monitoring, CRCs, halfway houses, and institutions. She said, "The percentage in our institutions would be much higher." She added, "Community residential centers - same as a halfway house."

Number 1950

DEVON MITCHELL, Debt Manager, Treasury Division, Department of Revenue, in response to a request by Chair Weyhrauch to describe his job and how he can be helpful to the committee on this issue, revealed that he is currently working on the \$461 million general obligation to the state that was authorized November 5, 2002. Noting that the state bond committee is charged with monitoring the state's credit, he said the issue presently being discussed by that committee - in addition to other proposals to build additional prison space - impacts the state's credit. He explained:

This particular proposal would have ... three municipal entities issuing lease revenue bonds that would be backed by a revenue stream that would be provided by the general fund of the state. And so, as such, if you were a person interested in buying these pieces of paper, you're going to look at where the money comes from, follow it right back to the general fund, and that's where I would be of some assistance to the committee, if you had questions on ... that front.

CHAIR WEYHRAUCH asked Mr. Mitchell if he has done any comparative analysis regarding the state's indebtedness because of its use of a private prison facility Outside, or in regard to the proposed private prison in Whittier or the prison construction proposed in HB 134.

MR. MITCHELL responded that the state has not incurred any debt for the Arizona facility because it is contract-based. The two proposals presently in the legislature [HB 134 and SSHB 55] will have fiscal impact. He noted that there are some constraints in the legislation related to the private facility [SSHB 55] that are of concern. First, there isn't a dollar amount identified for the capital portion of [SSHB 55]; thus there is a concern that this leaves a lot of leeway for a city like Whittier to try to interpret it. Also, [SSHB 55] has a minimum required term on the financing of 25 years, which also is a concern to the department.

MR. MITCHELL offered the background that the states in aggregate are in a negative period right now regarding credit ratings. Approximately half are looking at downgrades or have been downgraded, he said, because there is an imbalance between spending and revenues by about \$100 billion across the states due to a decline in the economy and the reliance of people on capital gain receipts that have "gone away." He said, "The State of Alaska, I believe, is quite fortunate to be able to maintain our credit ratings with our upcoming sale." He noted that the State of Alaska is much more stable; however, any additional use of the state's credit needs to be carefully considered.

REPRESENTATIVE BERKOWITZ asked, "Have you analyzed the numbers for the Arizona facility at all?"

MR. MITCHELL answered no.

CHAIR WEYHRAUCH said he doesn't know if anyone present has done so, but that information is available in the SSHB 55 file.

Number 1750

REPRESENTATIVE BERKOWITZ mentioned Arizona and \$20 million. He indicated that [the State of Alaska] is paying for the profits, as well as the Arizona taxes. He mentioned [paying] "above and beyond the operating costs." He added, "And that number, to me, would be interesting."

CHAIR WEYHRAUCH told Mr. Mitchell it is good to know he is available as a resource.

REPRESENTATIVE SEATON mentioned state bonds and revenue bonds as the two ways of financing a facility. He asked, "Is your analysis that if an equal amount was spent on these, is there a difference in the impact upon the state's bond rating or on its credit rating from those two different sources?"

MR. MITCHELL asked whether Representative Seaton was referring to the two proposals before the legislature.

REPRESENTATIVE SEATON answered yes. He added, "To make it easy, just think of them as being the identical amount of money, if we don't have the amount specified in the Whittier one. ... What I'm trying to do is figure out if ... you think that there's going to be a different influence from revenue bonds with the municipalities, or state bond indebtedness."

MR. MITCHELL responded that he believes the current proposals have a fairly similar financing mechanism; it would either be Whittier with a private prison issuing debt or, "with this bill, the other municipalities." He said:

If your question is, would I ... personally be more comfortable if it was the State of Alaska issuing the debt, I'd say yes, because it's the State of Alaska's credit and, as such, who knows it better? A municipality doesn't know the State of Alaska like the State of Alaska knows the State of Alaska. The reading analysts that are going to look at the credit are the folks that I deal with on a fairly regular basis.

If your question was, is there a cost difference in the credit prospectus, I think this is going to be state supported obligation, and so that means that each year the legislature's going to come in and say, "Are we going to appropriate money to continue to have that building in wherever to house prisoners" - recognizing that there's some additional things that might happen to you besides losing that prison if you fail to appropriate. So there is an essentiality issue and an ability to use your facility, and so that's a consideration when these folks are looking at this. Obviously, the case has been made that we have a clear need for ... prison space in the state of Alaska. And so, I think there is an essentiality otherwise.

Number 1540

REPRESENTATIVE SEATON asked, if there were two set of bonds being issued, whether one of those two sources would have a lower interest rate.

MR. MITCHELL replied that he'd tend to argue that because of name recognition, a State of Alaska issuance would produce a lower interest rate than a City of Whittier issuance would, even though the credit is fundamentally the same. He added, "It would be incremental."

Number 1470

REPRESENTATIVE BERKOWITZ asked if there is a difference between rates, generally, on revenue versus general obligation bonds.

MR. MITCHELL answered yes. He explained that the state's general obligation bond rating is "Aa-Aa2." He added:

The type of ratings that we ... achieve with state-supported obligations, like what's being considered, are in the A1, "A-plus" category. And so there's an additional cost, which, depending on the market you're in, would range -- ... well, 20 to 25 basis points would be the additional cost of not putting your full faith and credit on the line.

Number 1410

JOHN DUFFY, Manager, Matanuska-Susitna Borough, thanked the committee for addressing overcrowded prisons and Representative Stoltze for sponsoring HB 134. He said the Matanuska-Susitna Borough, the cities of Palmer and Wasilla, and their local chambers of commerce support HB 134. He explained that the borough believes investing in expansion of its existing publicly owned and operated facilities is the most appropriate approach to relieve overcrowding of those facilities. He said HB 134 will allow prisoners to be closer to their families and support network, thereby increasing the chances of rehabilitation; Alaskans will benefit from increased jobs and business opportunities, state funds will be invested in Alaskan communities, and a multiplier effect from these investments will allow those communities to develop their infrastructure when it's based on local economies.

MR. DUFFY returned to the economic impact assessment, page 3-3, and asked members to look at tables [3-1 and 3-2] at their leisure. He remarked, "We identified the economic impact with each facility, as well as the entire economic impact throughout the state." He gave examples showing that approximately \$250 million would be generated during the construction phase, as well as \$73 million generated in sales and services throughout the state during the operation phase.

Number 1253

MR. DUFFY reported that the borough has adequate health care facilities. He reiterated Representative Stoltze's earlier mention of an upcoming expansion of a [hospital] facility by building a 76-bed facility, with the ability to expand to 130

beds. He said there is a district court facility in Palmer, as well as other support systems near the Sutton facility. [HB 134 was held over.]

HB 161-CORRECTIONAL INDUSTRIES PROGRAM EXPENSES

Number 1136

CHAIR WEYHRAUCH announced that the next order of business was HOUSE BILL NO. 161, "An Act allowing expenses of the correctional industries program that may be financed from the correctional industries fund to include the salaries and benefits of state employees."

Number 1099

JERRY BURNETT, Director, Administrative Services, Department of Corrections (DOC), presented HB 161, saying it is a simple bill that allows for the correctional industry's product revenues to pay for state employees' salaries. Current state statute allows for the correctional industry's revenues to pay for all other administrative costs of the program. He revealed that state employees' salaries in "this program" are approximately \$960,000 in fiscal year (FY 04) general fund revenues. He said the administration would like the ability to use the revenues from the correctional industry's product sales to pay for those state employees' salaries, thus reducing the general-fund cost of the program.

MR. BURNETT noted that the correctional industry has eight "product service" enterprises operating now: Juneau Commercial Laundry, Fairbanks Garment/Flat Goods Shop, Kenai Office Furniture Systems Plant, Eagle River Garment Shop, Kenai Metals Plant, Seward Wood Furniture Plant, Palmer Auto Body Shop, and Juneau Staph Guard [Hospital Laundry]. He said 14 state employee product managers work for DOC in those industries, and approximately \$4.1 million in product revenues is generated annually. In response to a question by Chair Weyhrauch, he said he guesses that [the Juneau Staph Guard Hospital Laundry] is in cooperative with Alaska Laundry; it provides sterile laundry services to the hospital and medical clinics.

Number 0843

CHAIR WEYHRAUCH noted that [page 1, beginning on line 10] would amend [AS 33.32.020(a)] as follows:

The commissioner of corrections shall prepare a report annually on all activities and balances of the fund and notify the legislature that the report is available.

CHAIR WEYHRAUCH asked if the report for 2003 has been prepared yet.

MR. BURNETT replied that he hasn't seen it and doesn't know the status. In further response, he said it would be a communication from the commissioner. He added that the information is in [the department's] detailed budget documents, ["Component: Correctional Industries Product Cost," included in the committee packet]. He also confirmed that [the information in the budget documents] is more or less where the commissioner's report is derived from.

Number 0745

REPRESENTATIVE BERKOWITZ stated his understanding that prison industries provide goods and services to the state. He asked, "Shouldn't that be reflected somewhere in the fiscal note?"

MR. BURNETT answered that it would only be reflected in the fiscal note if there were a change in prices or cost to the state as a result of HB 161. He said that isn't the intent. In further response, he said there is net income; there is approximately \$300,000 in the product cost fund available at the end of this fiscal year.

REPRESENTATIVE BERKOWITZ asked how much furniture is sold [that is made by the prison industry], for example, and what the equivalent commercial cost would be.

MR. BURNETT said he didn't know, but offered to provide that information. He conveyed his belief that the industry's prices are competitive at this point. He remarked, "We need to work on our marketing and get [the product] out." He added that there is the potential for other customers besides the state.

REPRESENTATIVE BERKOWITZ related his understanding that [the industry can sell to] the following: an agency of the federal government, a political subdivision of the state, other states or their political subdivisions, and nonprofit organizations.

Number 0657

MR. BURNETT said, "We are also allowed to sell to ... private individuals [and] private companies if we are not competing with private industry in that venture."

REPRESENTATIVE BERKOWITZ responded, "That being the case, I'm curious why the approach of the administration here is so sudden - why there's not a transition provided for in this legislation."

MR. BURNETT replied that the fiscal policy driving [the bill] is that general fund spending needs to be reduced. He said the department believes there are significant opportunities to increase revenues within this component.

REPRESENTATIVE BERKOWITZ asked how the department plans to do that when it gets rid off the 14 people who are currently managing the program.

MR. BURNETT answered that the fiscal note shows that the department would be replacing the money and paying the people with product revenues, rather than getting rid of the 14 people.

REPRESENTATIVE BERKOWITZ responded as follows:

I'm a little confused. The current cost is \$960,000. You're having \$150,000 coming in. It would seem to me, when [there is] \$810,000 in debts, that you're not going to be able to afford all the people [who] are currently in the program. If you can't pay people who are in the program, how are you going to continue to expand the program and market it?

Number 0548

Mr. BURNETT answered that Representative Berkowitz was making some assumptions that aren't necessarily correct. One is in regard to the \$150,000. He mentioned \$300,000 in seed money to start paying people. He added, "So we would need to develop additional revenues beyond the current net revenues, somewhere in the neighborhood of \$660,000, to ... retain all 14 of these people for this year."

REPRESENTATIVE BERKOWITZ asked if [DOC] has a plan to do that.

MR. BURNETT said he isn't personally in charge of this program, but believes the commissioner has been working with "some entities. He added, "We are working on that very plan." In

further response, Mr. Burnett confirmed that the plan isn't complete yet.

Number 0457

REPRESENTATIVE BERKOWITZ said it seems one reasons for having this program - which is on thin ice with lack of a plan at this point - is for the rehabilitation of prisoners. He commented, "I was wondering what plans the administration has, the department has, to continue the rehabilitation efforts at the eight correctional industries' product service enterprises - what you will do to facilitate rehabilitation, which is a constitutional mandate."

MR. BURNETT related his understanding that, at this point, there is no intent to eliminate any of these programs specifically; therefore, he believes the programs would continue to the extent possible. He noted that the commissioner has been in contact with the Department of Labor & Workforce Development (DLWD) and has been working with them regarding job rehabilitation, which is also in the Alaska correctional industry statute. He mentioned job-training programs and said, "So we would be actively looking for any opportunities to continue rehabilitation."

REPRESENTATIVE BERKOWITZ asked if the budget makes provision for expenditure of the \$300,000 that's in reserves.

MR. BURNETT answered yes.

REPRESENTATIVE BERKOWITZ asked what would happen if that [\$300,000] were exhausted.

MR. BURNETT reiterated that the department intends to do everything possible to increase product revenues. Barring that, he said, it would have to look at other alternatives to providing the service.

REPRESENTATIVE BERKOWITZ asked when the plan would be ready. He requested that Mr. Burnett make it available to the committee at that point.

MR. BURNETT said, "To the extent that that plan becomes available, I see no reason why we couldn't provide it to you." He noted that the manager of the correctional industries is planning to retire this month; therefore, recruiting will begin for a new manager. He said part of the previously discussed

plan will "come with the new correctional industries manager." In response to a comment by Chair Weyhrauch, he noted that the commissioner who is working on some of the information that the committee has asked to receive is presently out of town.

Number 0177

REPRESENTATIVE HOLM asked Mr. Burnett to explain the purpose of correctional industries.

MR. BURNETT defined correctional industries as "a mix of job training and activities for inmates in the correctional institutions." He explained that [the inmates] produce goods and services that are intended to "pay for themselves," and they achieve some job skills that hopefully are marketable upon their release. He noted also that the jobs keep the inmates busy, and a busy inmate is "better" to keep track of than those who are idle.

Number 0092

REPRESENTATIVE HOLM referred to the page marked "78" in the previously indicated "Correctional Industries Product Cost" handout [the "Component Financial Summary" page]. He asked if he interpreted correctly that it shows a budget component of over \$4 million.

MR. BURNETT said that is correct. He explained that this amount would be the total program [cost] in FY 04. In response to a follow-up question, he noted that the sales this year were approximately \$150,000 more than the costs - "the programs, less the state employees, which are not paid for."

TAPE 03-35, SIDE A

Number 0001

MR. BURNETT, in response to additional follow-up questions, clarified that the employees presently aren't paid for by product revenues, but are paid for by general fund dollars. They are listed under "professional industries administration." He said, "We would like to use product cost revenues to pay the state employees who manage the program."

REPRESENTATIVE HOLM noted that there is only \$150,000 more than production costs; therefore, there is a shortfall.

MR. BURNETT [agreed that there is a shortfall] without producing additional revenues; in order to continue the programs, DOC would have to produce additional product revenue. In further response, he said DOC needs to have the authorization [from the legislature] to pay its state employee product managers from [product revenues] so that when the department is able to produce additional revenues, it can use that money rather than general fund money to pay those state employees.

REPRESENTATIVE HOLM surmised, "Then this is a precursor to being able to function this way."

MR. BURNETT said, "Right. We want to function as a full enterprise fund so that it pays all its own costs."

REPRESENTATIVE HOLM said he agrees with that.

Number 0200

REPRESENTATIVE SEATON said he has no problems with the authorization to use excess funds to pay salaries and benefits; however, if the outcome of adopting HB 161 might be that if the excess revenues are not sufficient, the managers and, therefore, the program - which is an integral part of rehabilitating the people in the states prisons - are eliminated, then he would be opposed to it. He said it is important to remember that the people in prison will be back out on the street, and rehabilitation is [an important] goal.

Number 0374

CHAIR WEYHRAUCH related his understanding that it isn't the intent of those introducing the bill to do away with the programs if there are no funds; rather, it is to allow the flexibility to pay salaries and benefits of state employees from proceeds of the fund.

MR. BURNETT concurred.

CHAIR WEYHRAUCH asked if it would be all right with the administration if the committee included a letter with the bill [stating the sentiments that have been discussed].

MR. BURNETT responded, "I can't speak to that at this point."

Number 0428

REPRESENTATIVE SEATON said he would like the administration to [respond] to the committee regarding whether they would receive and agree with a letter [of intent] from the committee. He said, "I think that's a fundamental policy issue that we need to decide here. And if we are misunderstanding or miscommunicating with the administration on the outcome of this program, I need that before I could go forward." [HB 161 was held over.]

The committee took an at-ease from 9:43 a.m. to 9:44 a.m.

HB 183-PERS BENEFITS FOR JUV INSTIT EMPLOYEES

Number 0525

CHAIR WEYHRAUCH announced that the last order of business was HOUSE BILL NO. 183, "An Act relating to retirement contributions and benefits under the public employees' retirement system of certain juvenile detention employees and juvenile correctional institution employees."

Number 0610

LINDA SYLVESTER, Staff to Representative Bruce Weyhrauch, Alaska State Legislature, introduced HB 183 on behalf of Representative Weyhrauch, sponsor. She noted that Alaska's current statutes provide that peace officers and fire fighters are entitled to a 20-year retirement. However, juvenile justice officers participate in a 30-year retirement system. The proposed legislation would add them to the statute governing the retirement system of peace officers and fire fighters. Ms. Sylvester said it is the belief of the sponsor and [those in the juvenile justice system] that this group was erroneously left out of the 20-year retirement system, and it is time to correct the inequity.

MS. SYLVESTER said the Division of Juvenile Justice provides the people of the state with a wide range of restorative justice services in which juvenile offenders are held accountable. Furthermore, they work to repair the harm to those impacted by their crimes, and they provide offenders and their families with opportunities to develop new skills in order to be productive, contributing members of society. Ms. Sylvester noted that over the past several years, the legislature has funded construction and operation of new juvenile correctional facilities, in support of the public safety component of the division's restorative justice mission. However, buildings in and of

themselves don't make a community safer; rather, it is the people who staff these facilities. She explained:

This staff is charged with guarding, controlling, and confronting the most hardened juvenile offenders. The employees who work with juvenile delinquents face the same dangers and hazards as adult correctional officers. The job title of these people, ... "youth counselors," [belies] what actually goes on in their field. The public mistakenly believes that these people see kids in offices by appointment to counsel them. And nothing could be further from the truth. These workers provide 24-hour correctional care and custody related to the incarceration of people against their will.

Number 0783

MS. SYLVESTER explained the duties of juvenile officers:

Each day the youth counselors are involved in a chain of custody with other law enforcement personnel across the state. These kids are brought to the facilities in handcuffs in the back of police cars; they've been arrested for a crime. They arrive at the facilities in an angry, agitated, assaultive state. Oftentimes they are violent or intoxicated. The officers turning these youths over to the youth counselors are given ... body armor, guns, and chemical deterrents in order to deal with the offenders. Youth counselors are not given any of these things; they use their skill and their training and the relationships that they've formed with the kids, in order to conduct their duty safely.

These counselors also exchange custody of minors between facilities. They accept custody from juvenile probation officers out in the field who are in a 20-year retirement system; oftentimes, they assist in those arrests, as juvenile probation officers request their assistance. Some of these [youth] offenders are charged with very serious and violent crimes, and they spend between 30 and ... 90 days inside the detention facilities before being transferred to an adult facility.

In addition to custody transfer, some of the kids stay in the facilities until they're 20 years old. In that situation, the youth counselors are actually dealing with housing adults in their facilities. Also, as mandated by statute, youth counselors make independent arrests in the community in pursuit of the juveniles that have absconded from the facilities or from an escort to a medical or service transport.

The duties of the youth counselor position requires solid training and excellent skill development in handling resistive clients. They have to have a peak mental and physical condition; ... these are ... qualities that tend to wane as we age. ... These are the exact reasons why the State of [Alaska] made a policy decision ... [regarding] the fire fighters and police officers to give them an opportunity to retire early, because these jobs are very dangerous and hazardous, and they have a short lifespan. And it's not the same type of a deal as sitting at a desk and working with your brain.

Number 1000

GUY BELL, Director, Division of Retirement & Benefits, Department of Administration, testified that HB 183 would convert juvenile correctional officers from the "30-and-out" system to the "20-and-out" retirement system presently offered to police officers and fire fighters. It would grant that service retroactive to each individual's date of hire as a juvenile correctional officer, he noted, by allowing him/her to claim that service but not pay the full actuarial cost. He stated, "The difference in what they would have contributed ... as peace officers, versus other employees, is required of them, but that doesn't cover the full cost to the retirement system of making this conversion."

MR. BELL turned to the fiscal note, which he described as self-explanatory. He said it adds an annual cost to the state of just over \$1 million; the reason is included in the fiscal note. He explained, "The cost is spread across state employee salaries, so we don't show a dollar amount in the columns; we show an asterisk because it's a rate that each employer will need to pay on personal services."

Number 1100

CHAIR WEYHRAUCH asked what other employees are now allowed [retirement after] 20 years.

MR. BELL listed fire fighters, police officers, probation officers, and adult correctional officers. He said there was a short period when fisheries biologists and certain other Alaska Department of Fish & Game (ADF&G) employees were in the 20-and-out system; however, they were removed in approximately 1983.

Number 1158

REPRESENTATIVE BERKOWITZ asked about other states.

MR. BELL explained that each [state's] retirement system has its own criteria for improved retirement benefits or earlier retirement provisions, for example. He said some states do offer peace officers 20-year retirement, while some offer them 25-year retirements. In terms of the definition of "peace officer," Mr. Bell told Representative Berkowitz he'd have to do some analysis and get back to him regarding that.

Number 1202

REPRESENTATIVE HOLM asked if the committee was considering the issue of a 20-year retirement at a 37.5-hour workweek or a 40-hour workweek.

MR. BELL said he didn't know.

Number 1275

BERNARD GATEWOOD, Alaska Juvenile Correctional Officers Association (AJCOA), who works as superintendent of the Fairbanks Youth Facility, Division of Juvenile Justice, Department of Health and Social Services (DHSS), listed his past positions as a Youth Counselor I and II, which he said are equivalent to DOC's Correctional Officer I and II, respectively, and as a Youth Counselor III at the Johnson Youth Center in Juneau and in a facility in Anchorage. He mentioned being a unit leader, equivalent to a lieutenant in DOC.

MR. GATEWOOD said AJCOA is a group of dedicated and determined juvenile justice workers and supporters whose sole mission is to correct an inequity that has existed for many years: the omission of youth counselors, unit leaders, and superintendents of juvenile institutions from the 20-year peace officer retirement system. He elaborated:

It is kind of incredible to me that we're not included in the 20-year system, because we have the law on our side through the statutes. The statutes clearly ... identify youth counselors as peace officers with respect to process, service, and making arrests ... [under] AS 47.12.270. And the facts are that youth counselors do the exact same things that correctional officers in DOC do.

In the statutes, again, [AS] 18.65.290, it talks about the definition of a correctional officer being appointed by the commissioner of corrections, their duties being to provide custody, care, security, control, and discipline of persons charged or convicted of offenses against the state. And that's the same thing that youth counselors do, with a slight difference: juveniles are not convicted; they are "adjudicated," and it's the same thing as being convicted. And we are not appointed by the commissioner of corrections because we're in the Department of Health and Social Services.

But you don't differentiate on the benefits between the commissioner of DOC and [DHSS]; they get the same benefits package. And that's what we're asking for. It seems as though we have been handcuffed - excuse the pun - by the term "youth counselor." [We] think that's a very misleading term; it doesn't really identify exactly what we do. We are, in fact, juvenile correctional officers. It seems as though sometimes we were left out of the family inheritance because we have a different name.

There's a large disparity between workers of the same duties, just in different departments. We urge you to correct this inequity. Do the right thing: put us in the 20-year retirement system, just like probation officers, just like correctional officers, whose work is the same as ours.

Number 1528

MR. HOLM thanked Mr. Gatewood for a prior tour he had given him through his facility. He asked Mr. Gatewood to compare the threat involved with youths versus adults.

MR. GATEWOOD said the threat that youth counselors face on a daily basis is similar to what the adult correctional officers face and, in some cases, similar to what a police officer faces. For example, kids come to the facility in handcuffs, brought by police officers or state troopers. Sometimes they are revved up on drugs, very angry, and impulsive; oftentimes, they are suffering from mental illnesses and don't process information the way someone else might. For the most part, he said, they are unsure of what their future holds.

MR. GATEWOOD told the committee that when a youth counselor goes to a youth's room in the morning, he/she doesn't know what exactly what [will happen]. He revealed that youth counselors have been struck, have been the subject of plots to escape, and have received bodily harm. He explained that the kids fashion knives out of any kind of sharp object. A day for a youth counselor can be quite dangerous, he concluded.

MR. GATEWOOD said youth counselors who work on the unit with the kids work a 40-hour week; it's rare for them to have a [Saturday and Sunday] off. Shifts run from 7 a.m. to 3 p.m., 3 p.m. to 11 p.m., and 11 p.m. to 7 a.m. He told the committee that the unit leaders and the superintendents work a 37.5-hour week. In response to a question by Representative Seaton, Mr. Gatewood clarified that those in the administrative portion work the 37.5-hour workweek, while those who work hands-on with the kids work 40-hour weeks.

Number 1759

REPRESENTATIVE SEATON asked how the job performed by the youth counselors compares with working at the Alaska Psychiatric Institute (API).

MR. GATEWOOD answered that he doesn't know, but said a number of kids in the youth correctional facilities have to be transferred to API for various reasons. Reiterating that the juvenile justice system sees a number of kids who suffer from mental illnesses, he said, "Generally, we try to deal with them in the facilities, just through caring and concern and humane treatment. But sometimes their illnesses are just too great for us to deal with and we do have to transfer them to API for a brief respite/evaluation."

Number 1815

REPRESENTATIVE LYNN recalled from being a [police officer] that juveniles were often far more dangerous than the same-sized adult.

CHAIR WEYHRAUCH asked the committee to consider, as a policy, whether [youth correctional officers] should be included in the same category as fire fighters, probation officers, police officers, and adult correctional officers. He noted that there may be a fiscal issue to consider later. [HB 183 was held over.]

ADJOURNMENT

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 10:03 a.m.