

MINUTES
SENATE FINANCE COMMITTEE
April 16, 2003
9:04 AM

TAPES

SFC-03 # 54, Side A
SFC 03 # 54, Side B
SFC 03 # 55, Side A

CALL TO ORDER

Co-Chair Gary Wilken convened the meeting at approximately 9:04 AM.

PRESENT

Senator Gary Wilken, Co-Chair
Senator Lyda Green, Co-Chair
Senator Con Bunde, Vice Chair
Senator Robin Taylor
Senator Donny Olson
Senator Ben Stevens
Senator Lyman Hoffman

Also Attending: TOM CHAPPLE, Director, Division of Air and Water Quality, Department of Environmental Conservation; JOHN KUTERBACH, Program Manager, Air Permits, Division of Air and Water Quality, Department of Environmental Conservation; MARK ANTRIM, Commissioner, Department of Corrections; JERRY BURNETT, Director, Division of Administrative Services, Department of Corrections; DEE HUBBARD, Sterling Resident and Citizen Activist;

Attending via Teleconference: *teleconference participants testifying on the FY 04 Operating Budget are listed in the body of the minutes in the order they testified* From an off net location: MARILYN CROCKET, Deputy Director, Alaska Oil and Gas Association; From Anchorage: STEVE MULDER, Assistant Attorney General, Environmental Section, Civil Division, Department of Law; JIM LECRONE, Retired Correctional Officer, testified via teleconference from Anchorage

SUMMARY INFORMATION

HB 75-APPROP: OPERATING BUDGET/LOANS/FUNDS
HB 76-APPROP:MENTAL HEALTH BUDGET

The Committee heard public testimony and the bill was held in Committee.

HB 160-EMISSION CONTROL PERMIT PROGRAM

The Committee heard from the Department of Environmental Conservation and the Department of Law. The bill moved from Committee.

SB 65-CORRECTIONAL FACILITY EXPANSION

The Committee heard from the Department of Corrections and members of the public. An amendment was adopted and the bill was held in Committee.

HB 59-CLEANUP OF ILLEGAL DRUG SITES

This bill was scheduled but not heard.

Senator Olson introduced Close-up participants visiting from communities in his election district.

#HB75

#HB76

CS FOR SS FOR HOUSE BILL NO. 75(FIN) am(brf sup maj fld)
"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; and providing for an effective date."

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 76(FIN)
"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

Offnet public testimony

ROGER JENKINS testified via teleconference from an offnet site in Nikolai to suggest a wholesale sales tax.

FRANK KELTY, Resource Analyst, City of Unalaska, testified via teleconference from an offnet location regarding the Department of Public Safety patrol vessels and the areas they oversee. He spoke to the importance of the fisheries these vessels protect.

RICK KINGIKOWSKY, Member, Unalaska City School Board, testified via

teleconference from an offnet location in Unalaska about reductions to education funding. He asserted that school districts across the State have made significant efforts to meet accountability requirements.

GEORGE HILLER testified via teleconference from an offnet location in Central to the importance of the Power Cost Equalization program to rural residents. He warned of the consequences of failing to subsidize the program.

ANDY DURNY, Employee, City of Nulatto, testified via teleconference from an offnet site in Nulatto that permanent fund should be utilized for state services rather than paying annual dividends to state residents.

DR. MICHAEL DICKENS, Superintendent, Skagway City School District, testified via teleconference from an offnet site in Skagway about the budget for education and the impact reduced funding would have on students.

Senator Taylor asked if the witness's suggestion is to include the Learning Opportunity Grants (LOG) in the education foundation formula.

Dr. Dickens agreed this was an option.

This concluded the public testimony for these bills.

Co-Chair Wilken ordered the bill HELD in Committee.

#HB160

CS FOR HOUSE BILL NO. 160(FIN)

"An Act relating to the emission control permit program; relating to fees for that program and to the accounting of receipts deposited in the emission control permit receipts account; and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

Co-Chair Wilken stated that this bill, introduced at the request of the Governor, "establishes standardized air permit conditions based on best management practices. The legislation differentiates between major and minor sources air pollution and focuses the Department of Environmental Conservation accordingly. Senate companion bill 116 passed out of Senate Resources with a

recommendation of seven 'do passes'."

TOM CHAPPLE, Director, Division of Air and Water Quality, Department of Environmental Conservation, testified that the Governor is committed to resource development as well as protecting the environment. Mr. Chapple asserted these are not exclusive goals. He told of a legal dispute "to ensure that Alaska's rights are not eroded", relating to a mining operation with the federal Environmental Protection Agency (EPA) that is currently under consideration by the United States Supreme Court.

Mr. Chapple stressed this technical legislation would not change the air quality standards relative to the protection of public health, but would rather change the permitting process "to be more responsive to our economic development, while also preserving our excellent air quality."

Mr. Chapple stated this legislation would change the terminology used in Alaska to match national terminology. He exemplified "contaminant", a term utilized in the State, would be replaced with "pollutant", a national term. He expressed this would simplify the process of adopting federal "rules" and increases understanding by Department staff, the regulating community and consultants. He predicted this would result in efficiencies.

Mr. Chapple continued that this bill distinguishes between major and minor sources of pollution for the purposes of permitting, pointing out that current State statute addresses all pollution as major sources. He listed major sources as oil and gas development, larger mines, power plants in most cities and rural hub communities, military bases and seafood processing plants. He then listed minor sources as many rural community power plants, asphalt plants, rock crushers, and fuel storage tanks. He explained that this bill would allow the Department to streamline the permitting process for minor sources and implement standardized conditions. He predicted this would also improve efficiencies.

Mr. Chapple furthered that this legislation would change the structure of permit fees, to "accomplish more predictable and reliable fees."

Mr. Chapple informed that this legislation represents the recommendations of a working group comprised of "the oil and gas community, mining industry, military, seafood processors and power industries" made the previous summer.

Senator Olson understood the intent to streamline the permitting process. He asked how this would affect operations of existing

industries.

Mr. Chapple replied that this bill would result in timelier permitting. He commented on the irony that the EPA has recently adopted changes to its permitting laws that are consistent with the permits the State granted to the mining operation in the case currently before the US Supreme Court.

Senator Hoffman asked if this legislation addresses the sulfur emissions from aircraft.

Mr. Chapple replied that this bill is unrelated to aircraft.

Senator Taylor referenced Sections 33 and 34 on page 17 of the committee substitute, surmising that these provisions would create a dedicated fund within the Department. He cited the language stipulating that all funds generated from permit fees may only be utilized to cover the "reasonable direct and indirect" costs required to support the permit program. He asked if this would also provide receipt authority to expend those funds without legislative authority.

Mr. Chapple responded that receipt authority would be requested though the operating budget process. He noted this bill changes the fund management and accounting structure. He reported that the Clean Air Protection fund was appropriated \$2.7 million for the current fiscal year to support the program.

Senator Taylor asked how this legislation would improve efficiency in issuance of permits.

Mr. Chapple answered that by streamlining the process to better match the federal permitting guidelines for larger industries, uncertainties would be removed and dialog improved. He noted that the Department has reviewed the processes employed in other states to identify efficient methods. He furthered that the Department has not been timely in permitting due to inefficiencies and inadequate staffing levels. He informed that to improve timeliness, contractors would be utilized during periods when more permits are pending.

Senator Taylor requested a quantitative example of the length of time required to issue a permit under the existing statute compared to the length of time required under the proposed statute.

Mr. Chapple listed the construction permit, which is required before construction begins, and the operating permit, which is issued after construction is completed and pertains to ongoing

operations. He reported that construction permits are usually issued 254 days after application and that the goal is to reduce the amount of time to between 90 and 110 days. He remarked that this bill, the subsequent regulatory changes, as well as adequate staffing assignments would allow this goal to be reached. He expressed this would be "responsive to resource development and our business needs in Alaska."

Senator Hoffman asked if a sectional analysis is available for this legislation. He also asked for an explanation of the proposed terminology change of "facility" to "stationary sources".

JOHN KUTERBACH, Program Manager, Air Permits, Division of Air and Water Quality, Department of Environmental Conservation, explained the change in definition from "facility" to "stationary sources" is intended to make the State terminology consistent with the federal terminology as well as that of "most other jurisdictions". He pointed out that the federal definition does not specify property as a designator for the facility and also considers a stationary source using the standard industrial code in determining whether a permit is required, which differ from the State definition. He stated that this differences hamper the Department's ability to use federal case law and decisions rendered in other jurisdictions when making determinations in Alaska.

Mr. Kuterbach assured that most facilities that currently require a major permit would continue to require such, although technical difference would occur in the grouping of those operations. He was unable to predict which specific facilities would have permit requirement changes.

Senator Taylor opined that differences in permit types are insignificant, given the limited industrial development in the State and therefore questioned the length of time required to issue permits.

Mr. Chapple assured that not every permit issuance requires 254 days, giving examples of general permits for asphalt plants and rock crushers that are handled rapidly. He stated that the longer time periods are related to more complex projects, such as a mine or oil and gas development needing a Review for Significant Deterioration of Air Quality. He stressed that industry representatives are aware of these time requirements and plan accordingly.

Senator Taylor asked if the permits in question also apply to those "sources that move", such as a large ship.

Mr. Chapple answered that this permitting rule generally applies to stationary sources with exceptions including portable oilrigs and portable asphalt plants. He stated that this program does not cover ships unless that ship is part of a permanent facility, such as a near shore-based seafood processing plant. He noted that the State is prohibited from imposing air quality regulations to aircraft, which are regulated by the EPA.

Senator Hoffman asked whether fees would be imposed or increased as a result of this legislation.

Mr. Chapple affirmed that fees would change. He informed that the current hourly rates for "a direct service on a permit review" would become a flat rate, although he expected the amount paid for a permit would be reduced due to the efficiencies gained. He continued that emission fees could increase. He told of significant discussions on this matter.

Senator Hoffman asked the current fee amounts.

Mr. Chapple listed the hourly fee of \$78, qualifying that he was unable to predict the amount of the proposed fee. He indicated that the total fees of average projects would be reviewed to determine a reasonable amount for the flat fee. He explained a correlation between the amount of emissions measured and the amount of the emissions fee imposed. He reported that because emissions have been reduced the fees paid have also reduced, and although this is positive, the amount of revenue collected does not cover the operating costs of the program.

Senator Olson asked why these changes were not implemented earlier to avoid the "dire straits" of promoting resource development.

Mr. Chapple informed that the original statute was created nine years prior in 1993 and that the permitting procedures were adopted five years ago. He stated that three years ago serious problems were identified and internal reviews and benchmark analyses of other states were conducted.

Senator B. Stevens asked if the designation of major or minor project was applied to both the construction permit and the operating permit.

Mr. Kuterbach replied that only major projects would require both an operating and a construction permit. The minor permit program would apply to the construction and operation of minor sources or minor modifications to a major source.

Senator B. Stevens clarified that major sources are governed by different regulations than minor sources.

Mr. Chapple affirmed.

AT EASE 9:43 AM / 9:43 AM

Senator Hoffman referenced Section 23 of the committee substitute and asked what the proposed changes would accomplish. The language on page 11, lines 18 - 26 read as follows.

Sec. 23 AS 46.14.200 is amended to read:

Sec. 46.14.200. Review of permit action. A person who has a private, substantive, legally protected interest under state law that may be adversely affected by the permit actions, the owner or operator, or, if a public comment process is required or solicited, a person who participated in the public comment process may request an adjudicatory hearing under the department's adjudicatory hearing procedures. After the issuance of an adjudicatory hearing decision, a party to the hearing may obtain judicial review of that decision as provided in the Alaska Rules of Appellate Procedure.

New Text Underlined

Mr. Chapple relayed that it was "envisioned" that some of the minor permits would not have a public comment process. Therefore, he stated that this language would retain the right to appeal for those projects that involve a public comment process.

Senator Hoffman clarified that under current statute, public comment is required and the proposed language allows the Department to determine whether the public would have an opportunity to comment.

Mr. Chapple affirmed.

Co-Chair Green offered a motion to report the bill from Committee with individual recommendations and accompanying fiscal note.

MARILYN CROCKET, Deputy Director, Alaska Oil and Gas Association, testified via teleconference from an off net location to emphasize this legislation represents the recommendations of the stakeholder group that met to address the permitting issue. She stated that the Association supports the bill.

Senator Taylor noted that the provision of Section 23 provides

"jurisdictional grant of opportunity" for stakeholders and asked if it also provides an individual the right to request a public comment hearing.

STEVE MULDER, Assistant Attorney General, Environmental Section, Civil Division, Department of Law, testified via teleconference from Anchorage, and agreed the Section provides the right to request a hearing. However, he emphasized that the requestor of the hearing must demonstrate that a decision on the issuance of the permit would impact him. He clarified that the "commenter" is not required to have ownership interest in the property but rather "could have standing if they're an adjacent property owner or they're a user of parklands in the vicinity."

Senator Taylor characterized those who own neighboring property as having a legally protected interest and has "every right to be there" as a truly affected party in the matter. He compared this to others, who occasionally visit a nearby park, and he determined these parties do not have the same legal qualification.

Mr. Mulder spoke to Department regulations relating to adjudicatory hearings and commissioner determinations of whether the requestor is impacted and would be adversely affected by the Department's decision.

Senator Taylor requested this information be provided to his office and he indicated he might offer an amendment on the subject when the bill is before the full Senate.

There was no objection and CS HB 160(FIN) MOVED from Committee with zero fiscal note #2 from the Department of Environmental Conservation.

AT EASE 9:51 AM / 9:52 AM

#SB65

SENATE BILL NO. 65

"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."

This was the first hearing for this bill in the Senate Finance Committee.

Co-Chair Wilken stated that this bill "authorizes the Department of Corrections to enter into a twenty-five year lease agreement with the Fairbanks North Star Borough, the Mat-Su Borough, Bethel, and Anchorage for a total of 1,160 beds at State correctional facilities and a new State correctional facility."

Co-Chair Green referenced the sponsor statement.

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Co-Chair Green emphasized the need for additional prison beds. She reminded of the over 650 prisoners currently housed outside the State, which she characterized as "the least of the worries". She explained the primary concern is the need for additional pretrial facilities in Bethel and Fairbanks due to the significant expense incurred in transporting prisoners between holding facilities and court proceedings. She furthered that the need exists for a larger complex, informing that it has been determined the most efficient method to accomplish this would be to expand existing facilities.

Co-Chair Green shared that under the provisions of this legislation local governments would issue bonds to generate revenue for the construction costs. Under a release agreement with the Department of Corrections, she stated that the Department would oversee the operations of the facilities, as is the current practice.

Co-Chair Green remarked that Sutton is a preferable location for expansion because of the existing minimum and medium security facilities. The presence of the two facilities, she stated would provide "immediate backup" in the event of additional needs or emergencies. She furthered that inmates in this location are in close proximity to hospitals, courts and the city of Anchorage "in tolerable instances."

Co-Chair Green stressed that regardless of whether additional prisons are constructed in Alaska the State would incur \$40 to \$45 million in debt within four years for the care of prisoners. She explained this is due to the need to contract with private prisons to house inmates. She pointed out that these funds "leave" the State and that the funds could instead be used to employ Alaskans if additional prison space were constructed in Alaska.

Co-Chair Green for adoption of CS SB 65, 23-LS0392\S as a working draft.

There was no objection and the committee substitute was ADOPTED as a working draft.

Amendment #1: This amendment lowers the maximum annual lease payment for the proposed facility from \$14,600 to \$11,000 per bed. The amended language in Section 1, on page 2 line 19 of the committee substitute reads as follows.

(2) if construction of a new facility of a new facility is authorized, the municipality shall initially own the facility, and the state shall enter into a long-term lease-purchase not to exceed 25 years with the municipality to operate the facility and to receive ownership of the facility at the end of the lease; the annual lease payment for a new facility may not exceed \$11,000 a bed;

Co-Chair Green moved for adoption.

Co-Chair Wilken objected for an explanation.

Co-Chair Green explained this amendment conforms the \$11,000 amount to language contained elsewhere in the committee substitute.

Senator B. Stevens asked how the reduction in the annual lease payment was achieved.

Co-Chair Green replied this change is the result of an "overall calculation".

MARK ANTRIM, Commissioner, Department of Corrections testified to the ongoing process to make the project more cost efficient since this bill was first introduced.

Senator B. Stevens asked why the maximum lease payment amount authorized for the Bethel facility was not reduced as well.

JERRY BURNETT, Director, Division of Administrative Services, Department of Corrections, replied that although the estimated cost to operate the facility in the Mat-Su area was reduced, the facilities located in the other areas remains unchanged.

Senator B. Stevens clarified that the operating cost would be \$16,000 per bed annually at the Bethel facility, \$14,600 at the Anchorage location, and \$11,000 at the Mat-Su location.

Mr. Burnett affirmed.

Senator B. Stevens asked why the Mat-Su and Anchorage amounts were

different.

Mr. Burnett responded that construction of the Anchorage facility would be 100 percent federally funded.

Mr. Antrim furthered that the differing figures also reflect different construction costs, as well as the different missions of the three facilities. He explained that the Anchorage Jail is a "booking facility" and that the "booking function" is the most expensive activity of the Department.

Co-Chair Green added that examination of operating costs of existing facilities across the State demonstrates variation depending on the mission and size of a facility and type of inmates housed. She pointed out that the Mat-Su facility is less costly to operate because of the number of inmates housed and also because it is not generally used as a pretrial facility.

Mr. Antrim informed that pretrial facilities must be build to be indestructible, explaining that when first arrested, people are most combative.

Senator Bunde referenced the spreadsheet titled "Department of Corrections FY 2008 Prison Bed Cost Comparison" [copy on file], which lists the costs of housing inmates at a private facility located in Arizona, a private facility located in Alaska, and a public prison located in Alaska. He compared the operating/capital costs per day of \$94 per inmate at a private prison in Alaska to \$51.36 operating costs for a public prison. He relayed that arguments in favor of a private prison in Alaska attest that wages would be lower than those paid by the State.

Senator Taylor asked the relation of construction expenses to future lease amounts, asserting that operating expenses of other facilities have not been based on construction costs.

Co-Chair Wilken the question applies to bill itself rather than to the amendment.

Co-Chair Wilken removed his objection to the adoption of the amendment and the amendment was ADOPTED.

Mr. Antrim gave testimony to the bill, referencing a handout, titled "Department of Corrections" [copy on file]. He attested that the State of Alaska is "approaching crisis level", noting that the inmate facilities operate at 98 to 100 percent of capacity on any given day. He reported that currently four of the 13 facilities were over capacity. He opined that operating the facilities at

levels close to full capacity is advisable given that the State also contracts with private facilities located outside the State to house inmates.

Mr. Antrim indicated the chart titled "Inmate Population Statistics," included in the handout, is based on an accurate mathematical model, and the "Institution Activity 1997-2002" bar graph shows the large number, over 30,000, of inmate "bookings" each year. He informed that 20,000 of the bookings involve people new to the Department system. He also pointed out the large number of annual transfers, which he explained as movement between facilities. He compared the amount of bookings and transfers to the Average Daily Count, or static population of 3,055.

Mr. Antrim clarified the information on the bar graph for Co-Chair Wilken, showing that in the year 2000, the Department conducted over 30,000 admissions to all facilities, 22,000 transfers between facilities and that the total population was over 3,000. He stated that the average daily count has not changed significantly since no new construction has occurred to increase capacity.

Senator Bunde asked why the significant number of transfers is conducted.

Mr. Antrim stated that inmate transfers are the Department's effort to "balance accounts" between the overcrowded facilities. He detailed the daily process of analyzing the population of each facility and determining which inmates would be transferred to which locations to ensure each facility remain below its capacity level. He reiterated this is an expensive process.

Senator Bunde surmised that the rate of recidivism is considerable given that only 3,000 remain incarcerated.

Mr. Antrim agreed the recidivism rate is high.

Senator Bunde asked the percentage of inmates booked who are found not guilty or are not sentenced to jail terms.

Mr. Antrim stated he would provide the information, noting the number varies each year. He estimated approximately one-third of the bookings are the result of recidivism based on the 20,000 new bookings.

Senator Hoffman noted the Department has little control over the number of bookings and the average daily count. He detailed the process by which an inmate at the Bethel facility is transferred to another facility due to overcrowding in Bethel, and subsequently

transferred back for each court hearing. He asked the expected reduction of transfers that would result from the proposed construction.

Mr. Antrim assured a reduction would occur, although he did not know the exact amount. He explained that a large number of transfers occur between the Bethel area facility and outlying villages and that due to the large percentage of pretrial inmates, those inmates must be transferred to Anchorage to create space for new arrestees. He stated this situation exists in Nome as well. He predicted that additional beds at the two facilities would reduce the number of transfers necessary.

Senator Hoffman furthered that the expansion would also allow correctional officers to remain at the facilities rather than accompanying transferring inmates.

Mr. Antrim clarified that Alaska State Troopers execute the transfers of pretrial detainees with the expenses incurred by the Department of Public Safety. He indicated that the transfer figures listed in the handout represent both pretrial detainees and other inmates transferred to reduce overcrowding, which the Department of Corrections is responsible for. He noted that the data in the handout is intending to show the institutional activity and that expansion of the Bethel and Nome facilities would result in cost reductions to the Department of Public Safety as well as the Department of Corrections.

Senator Taylor asked the percentage of the transfers that are necessary to avoid overcrowding.

Mr. Antrim was uncertain and qualified that the number of necessary transfers varies daily. He assured that efforts are made to conduct transfers as "economically possible". He stated that almost half of the inmates housed at the Lemon Creek Correctional Center in Juneau are from the Anchorage area and are housed in Juneau to make space available in Anchorage for inmates from other outlying areas. He characterized the transfer process as "quite a shell game".

Senator Taylor commented on the amount of "juggling" required and the "horrendous" cost of these efforts. He surmised the only solution would be adequate facilities in each community and that construction one or more large facility in one location would not address the issue. He shared that when he served as a judge, he chose community service over incarceration as sentencing to avoid the expense of inmate transfer.

Senator Olson asked whether private prisons should be part of the

discussion.

Senator Bunde asked if the projected inmate population figures take into account the aging of the general population as well as the possibility that the population in Alaska could decline in the event of a discontinuation of the permanent fund dividend program or increased taxation.

Mr. Burnett explained that the data utilizes the Department of Labor and Workforce Development demographic statistics as well as further analysis conducted by the Department of Corrections.

Mr. Antrim next addressed a bar graph in the handout titled "Comparison of Facilities with Varying Missions" listing the different costs of four existing correctional facilities based on their mission, and another page in the handout, which reads as follows.

General Specs
Draft CS SB 65

- 1250 beds
- 1000 medium custody beds (est.)
- 190 close custody beds (est.)
- 60 maximum/segregation beds

Mr. Antrim spoke to other pages in the handout, which lists the total cost of this legislation as \$94.94: \$51.36 for operating costs, \$22.92 for capital costs and \$20.66 "other direct costs", assuming a 25-year term in debt issue. He indicated these figures apply to a proposed facility located in Sutton within the Mat-Su Borough.

Senator Taylor asked how the capital costs were determined.

Mr. Burnett responded that the amounts are "based on the language of SB 65 that would have the Department entering into a lease for this facility". He clarified that the capital cost would be included in the State's cost and that the estimated capital cost of \$22.92 assumes that the total capital cost for a 1250-bed facility is \$132 million financed with a revenue bond for 25 years.

Mr. Antrim indicated this is detailed on the page titled "Estimated Debt Service."

Senator Taylor asked who would own the facility.

Mr. Burnett replied that under the provisions of this bill, the facilities would be a lease/purchase arrangement with the State paying the Borough lease and assuming ownership at the end of the lease term.

Senator Taylor asked if the Borough would earn a profit from the lease.

Mr. Burnett answered it would not.

Senator Bunde asked for a breakdown of the "other costs" indicated.

Mr. Burnett replied that the earlier referenced "Prison Bed Cost Comparison" spreadsheet details these costs for inmate programs, medical costs, administrative costs and statewide direct costs.

Senator Bunde calculated the medical costs at \$11.88.

Mr. Burnett detailed the estimates of medical staffing levels comparing differed scenarios.

Senator B. Stevens asked how the \$22.92 capital cost listed on the handout relates to Amendment #1.

Mr. Burnett responded that this amount only relates to the proposed facility in the Mat-Su Borough.

Senator B. Stevens calculated the daily amount at \$30.

Mr. Burnett stated he would review the figures, but pointed out the \$11,000 limit adopted in the amendment is a maximum amount.

Mr. Antrim interjected that the "Estimated Debt Service" spreadsheet calculates \$30.62 for a 15-year debt term, and stated that if the term were lengthened, the daily amount would be reduced.

Mr. Antrim then referenced the pages titled "Bethel Expansion", "Fairbanks Expansion" and "Anchorage Expansion" as showing justification for the projects. He noted the presence of a Superior Court in Bethel, resulting in a number of pretrial detainees at that location and the United States Marshall's expected increase in the number of federal detainees housed in Anchorage and Juneau. He also indicated diagrams illustrating the expansions in the Fairbanks Correctional Center and the Anchorage Jail.

SFC 03 # 55, Side A 10:41 AM

JIM LECRONE, Retired Correctional Officer, testified via teleconference from Anchorage, about the dangers of prison overcrowding.

DEE HUBBARD, Sterling Resident and Citizen Activist, testified in person in support of this legislation.

Senator Olson asked of Mr. Lecrone ever feared for his life as a result of overcrowding.

Mr. Lecrone informed that he was stationed in lesser security facilities and although wrestling occurred, he never feared for his life.

Senator Olson asked if weapons were therefore not found on inmates.

Mr. Lecrone corrected that inmates were found to have weapons and described these weapons.

Senator Taylor requested a comparison of the number of escapees and assaults committed by Alaskan inmates at the private prison in Arizona versus public facilities in Alaska.

Co-Chair Wilken ordered the bill HELD in Committee.

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ADJOURNMENT

Co-Chair Gary Wilken adjourned the meeting at 10:51 AM