

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

March 11, 2003

3:35 p.m.

MEMBERS PRESENT

Senator Gary Stevens, Chair
Senator John Cowdery, Vice Chair
Senator Fred Dyson
Senator Gretchen Guess
Senator Lyman Hoffman

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE JOINT RESOLUTION NO. 7

Expressing support for Vancouver, British Columbia's, bid for the 2010 Olympic Winter Games and the Paralympic Winter Games.

MOVED SJR 7 OUT OF COMMITTEE

SENATE JOINT RESOLUTION NO. 9

Expressing confidence in and support for all members of the military, their families, and employers of members of the National Guard.

MOVED CSSJR 9 (STA) OUT OF COMMITTEE

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."

HEARD AND HELD

SENATE BILL NO. 99

"An Act expressing legislative intent regarding privately operated correctional facility space and services; relating to the development and financing of privately operated correctional facility space and services; authorizing the Department of Corrections to enter into an agreement for the confinement and care of prisoners in privately operated correctional facility space; and providing for an effective date."

HEARD AND HELD

PREVIOUS ACTION

SJR 7 - See Labor and Commerce minutes dated 3/4/03
SJR 9 - No previous action to record.
SB 65 - See State Affairs minutes dated 2/20/03
SB 99 - No previous action to record

WITNESS REGISTER

Mark Riehle
Staff to Senator Cowdery
Alaska State Capitol, Room 101
Juneau, AK 99801-1182
POSITION STATEMENT: Introduced SJR 7

Senator Con Bunde
Alaska State Capitol, Room 506
Juneau, AK 99801-1182
POSITION STATEMENT: Sponsor SJR 9

Senator Lyda Green
Alaska State Capitol, Room 516
Juneau, AK 99801-1182
POSITION STATEMENT: Sponsor SB 65

Mary Bowery
No address provided
POSITION STATEMENT: Testified on SB 65

Frank Smith
No address provided
POSITION STATEMENT: Testified on SB 65

David Katzeek
Alaska Native Brotherhood #2
650 Glacier Highway
Juneau, AK 99801
POSITION STATEMENT: Testified on SB 65

Ron Swanson
Mat-Su Borough representative
350 E. Dahlia
Palmer, AK 99645
POSITION STATEMENT: Testified on SB 65

Ronald Wilson

3330 Sparrow Ct
Palmer, AK 99645

POSITION STATEMENT: Testified on SB 65

Daniel Colang
4423 Woodriver Dr.
Fairbanks, AK 99701

POSITION STATEMENT: Supports SB 65

Dean Rand
No address provided

POSITION STATEMENT: Testified on SB 65

Senator Con Bunde
Alaska State Capitol, Room 506
Juneau, AK 99801-1182

POSITION STATEMENT: Sponsor SB 99

Frank Prewitt
Cornell Company representative
No address provided

POSITION STATEMENT: Testified on SB 99

Marvin Wiebe
Senior Vice President Cornell Company
No address provided

POSITION STATEMENT: Testified on SB 99

ACTION NARRATIVE

TAPE 03-7, SIDE A

CHAIR GARY STEVENS called the Senate State Affairs Standing Committee meeting to order at 3:35 p.m. Present were Senators Hoffman, Dyson and Chair Gary Stevens. Senators Cowdery and Guess arrived momentarily.

The first order of business was SJR 7.

#SJR 7

SJR 7-VANCOUVER'S BID FOR 2010 WINTER GAMES

MARK RIEHLE, staff to Senator Cowdery and the World Trade Committee, described SJR 7 as an expression of support for Vancouver British Columbia's bid for the 2010 Olympic Games and the Paralympic Games. Vancouver is competing to host the games with Pyeongchang, Korea, and Salzburg, Austria. The

International Olympic Committee (IOC) will award the bid to one of the three cities in July 2003.

If Vancouver is successful, Alaska is certain to see economic benefits. In particular, Alaska stands to benefit in the tourism and winter recreation sectors due to overall worldwide exposure of the Pacific Northwest region. As an example, the entire Western region of the mainland U.S. received an estimated \$1 billion economic boost from the 2000 winter games in Salt Lake City.

Alaska and British Columbia share close economic, government, sporting, cultural and family ties along a lengthy common border. The primary goal of this resolution is to strengthen these ties through this formal resolution of support.

Passage of this resolution will mean more than simple neighborly expression of support because, traditionally, the IOC gives weight to such resolutions when making its bid determination.

It is likely Alaskan small business owners-from bed and breakfast establishments to microbreweries to fish processors-will realize the primary economic benefit of a successful 2010 bid by Vancouver and Whistler B.C.

SENATOR COWDERY asked him to elaborate on how Alaskan businesses would benefit.

MR. RIEHLE replied small businesses would have the opportunity to distribute brochures.

There were no further questions.

SENATOR DYSON made a motion to move SJR 7 from committee with individual recommendations and zero fiscal note.

There being no objection, it was so ordered.

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#SJR 9

SJR 9-SUPPORTING MEMBERS OF MILITARY

CHAIR GARY STEVENS asked for a motion to adopt the committee substitute (CS) for SJR 9 as the working document.

SENATOR FRED DYSON made a motion to adopt CSSJR 9 (STA) \I Kurtz 3/7/03 version as the working document.

There being no objection, it was so ordered.

SENATOR CON BUNDE, resolution sponsor, urged the committee to join him in an expression of confidence in and support for all members of the military and their families as they participate in the defense of our country.

The committee substitute reflects title changes for General Chandler and General Campbell.

SENATOR JOHN COWDERY noted some Alaskans who are also members of the military have had difficulty qualifying for a permanent fund dividend after they return from active duty then leave the state for extended vacations. He labeled this a disservice and expressed hope the situation would be changed.

He made a motion to move CSSJR (STA) 9 \I version from committee with individual recommendations and zero fiscal note.

There being no objection, it was so ordered.

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#SB 65

SB 65-CORRECTIONAL FACILITY EXPANSION

CHAIR GARY STEVENS announced he did not intend to move SB 65 from committee that day. Senator Green introduced the bill during a previous hearing and he asked if she had additional comments.

SENATOR LYDA GREEN, bill sponsor, restated the need for additional prison facilities in the state. The proposed plan offers the opportunity to add to existing facilities, which would consolidate services without adding new administration.

She noted the amounts referred to in the letter from the Department of Revenue and the figures shown on the Department of Correction fiscal note have caused confusion. She added, "Revenue feels that the state might ought to be the person doing

the actual bonding; whereas the communities feel like they are perfectly capable of doing that."

There were no questions for Senator Green.

CHAIR GARY STEVENS noted there were a number of people waiting to testify.

MARY BOWERY testified via teleconference. She has extensive first hand knowledge of private prisons in the state of Tennessee. Following are points regarding a comparative study of private and state prisons in Tennessee:

- As per contract, only healthy inmates were assigned to the private prison
- \$4,000 medical cap per inmate per year in private prison
- Only medium custody or lower inmates assigned to private prison
- State prison required to have an emergency response team
- Private prison was able to fill empty beds with inmates from other states
- If Tennessee inmates were injured by inmates from other states, Tennessee was liable for the medical and legal costs
- The state was required to handle an escape from the private prison because the private prison had no legal jurisdiction to handle the escape. State taxpayers were not reimbursed for the expense
- The private prison had a turnover rate of 100 percent in two years with 62.9 percent in the first six months
- The private prison had more idle inmates because there were fewer jobs for inmates and fewer educational or rehabilitation opportunities and programs
- The private prison had increased incident reports of violent acts

CHAIR GARY STEVENS asked what position she held with the Tennessee prison system.

MS. BOWERY replied she was a correctional counselor III with a wide range of jobs including parole work in a 400 inmate housing unit.

There were no further questions for Ms. Bowery.

MR. FRANK SMITH testified via teleconference in support of SB 65. He has worked in substance abuse programs, has visited prisons the world over and is familiar with the facilities Senator Green envisions. He advised he sent the Chair a copy of his recently published chapter on Native Americans in private prisons.

The prison proposed in SB 65 is superior to the Whittier option because Sutton has far better access, it addresses the desperately needed expansions to the Bethel and Fairbanks prison, and it would present a great savings to the state. Having been involved in prison research for the last 30 years, he felt qualified to advise members of the importance of bringing prisoners closer to home. In fact, "That connection with family and support systems in the community is absolutely the most important thing in keeping Native Alaskans from going back to jail."

The Tennessee study referred to in earlier testimony indicated that the state saved just 38 cents per prisoner per day. Guards in the private prisons were making very poor wages compared to state correctional officers while the CEO's in private prisons were making about two thirds of a million dollars.

CHAIR GARY STEVENS announced individual testimony would be limited to five minutes.

SENATOR COWDERY asked if the cost of housing prisoners was important.

MR. SMITH replied it is important.

SENATOR COWDERY asked whether the State could build competitively and why exporting prisoners rather than building in Alaska wasn't an acceptable alternative.

MR. SMITH reiterated the importance of proximity to families for inmates. Also, training and staff stability help in the rehabilitative process and private prisons have greater than 50 percent annual staff turnover compared to less than 15 percent staff turnover in public prisons. Admittedly it may be cheaper to house inmates in private prisons outside Alaska, but the conditions in some private prisons are deplorable and some private contracts have been rescinded due to poor conditions. It's been suggested that moving prisons to Mexico would be even cheaper, but you get what you pay for.

SENATOR COWDERY asked about safety and how many escapees the Arizona prison has had.

MR. SMITH cited the example in which the court found that six Alaskan inmates were justified in escaping from the Arizona facility to get away from bad conditions. The court also found the private prison had no legal authority to confine Alaskans in Arizona.

SENATOR COWDERY said his informal inmate poll indicated most inmates preferred to remain in Arizona.

MR. SMITH spoke to an article in the Anchorage Daily News that tracked visiting rates in Arizona. It found just four of 825 Alaskan inmates were getting regular visits. Also, he has 150 pages of affidavits from Alaskan prisoners who were confined to the Central Arizona Detention Facility in Florence describing two unimaginable guard riots.

SENATOR COWDERY said, "Well I guess it's our role to get the best bang for the buck and it's not our role to coddle our prisoners necessarily, but they got to be treated humane. I don't want to waste any more time on this, thank you."

There were no further questions of Mr. Smith.

MR. DAVID KATZEEK gave testimony in both Tlingit and English.

This particular bill, whether it's private or whether it's public-I would strongly encourage the legislators to take a look at what you have in your hands and ask yourselves a question. What will history say of me when I served in the Legislature and the majority of the people that have been placed in prison are my people? Building prisons doesn't really solve the major problem. Prisons with rehabilitative programs and projects are the type of things that can turn things around. You're talking about money. If you're talking about money then I would encourage you to take a look at the recidivism rate and find out how much you're getting double dipped by one particular prisoner over and over and over again. The other question I would ask is, Are we living in an addictive society where we continue to do the same thing over and over and over and over and over.... and over again expecting different results and yet getting the same

kind of results over again? And then somebody comes and says, "Let's build another prison."

Have you heard a little baby crying whose daddy is incarcerated and who maybe started off in getting into trouble by drinking? Put yourself in the position of that individual. Have you heard the kid crying in prison whose grandmother passed away whose grandfather passed away that they can't go and see? I am not in favor of the state building facilities where you're going to have a state run program where you're listening to a special interest group and believe me when I'm saying this, that special interest group will be following me and looking at me because I'm saying something that's contrary to what the general rule is.

I'm here to plead with you noble people. You are noble people just like I am and just like those individuals that are placed in prison. I ran a brief demonstration that I would call a beta-tested program using our Tlingit culture and how we interacted with one another. I called the prisoners that I met with-and I was doing this voluntarily with respect to the Alaska Native Brotherhood Camp II-and I called them Aan Yuxu Saani. I called them noble people. Those individuals that were incarcerated went back to their counselors and other people and said, "You know what this guy called us? Noble." They were white guys. They were saying, "Nobody had ever called us noble before." Tears running down their face. Some of these guys are now out providing for their families and doing good work. The point I'm making to you is building prisons is not necessarily the solution. Building prisons with respect to institutions that will allow us to develop the kind of programs-Why do I say us? I'm saying Native people. When we become responsible, as Native people, for our own people, we are beginning to get healed. So what will history say of you? That you built a big prison over in Fairbanks that didn't do anything?

MR. KATZEEK said this is the third year he has come to ask legislators to look beyond the bars and cement to the human beings. Although it is difficult to talk about prisons for his people, he came to testify because he loves his people. He can see and feel and understand the rage of his or any people whose traditional lifestyle is so changed, but building bigger prisons

isn't the answer. "Look for prisons that will be able to meet the need that history will record that you had compassion and mercy on your fellow man."

CHAIR GARY STEVENS thanked Mr. Katzeek for his testimony and asked if there were any questions.

SENATOR COWDERY commented that about one third of the Alaska Native inmates he met in Arizona had committed crimes against Caucasians and about two thirds had committed crimes against other Alaska Natives. He said, "A crime is a crime and you can have compassion but I, you got to have compassion for the victims and the victims families too."

MR. KATZEK replied he was pleased Senator Cowdery said that because it "documents the frustration with respect to an individual in their community who can't provide with dignity for their families."

SENATOR COWDERY responded, "Whose fault is that now?"

MR. KATZEK replied there are a variety of issues such as subsistence and limited entry that make it difficult for individuals to provide. To solve that he would say, "You are a human being and the most important thing in being a human being is to be able to listen attentively to your spirit, to your heart, to your soul, to your mind. And work from being who we are as people. That doesn't forgive the person for doing something that's wrong. That's acknowledging a human being, like you acknowledged me today. I really appreciate it because you recognized me, you acknowledged me and you accepted me. It doesn't mean that you agree with what I'm saying, but the honor of letting me sit here regardless of where I come from or my background is a principle in any human relationship and interaction."

There were no further questions for Mr. Katzeek.

CHAIR GARY STEVENS called Ron Swanson to testify.

MR. RON SWANSON, community development director for the Mat-Su Borough, testified the borough assembly passed a resolution supporting municipal owner state operated prisons on February 18, 2003. The development of newer and expanded prisons in Alaska municipalities would benefit Alaskans by providing construction and permanent year around prison jobs. Also, housing prisoners in the state would allow prisoners to be

closer to their families and culture and would enhance rehabilitation.

The Mat-Su Borough has three correctional facilities with a total of 585 beds. The Palmer Correction Facility at Sutton, the Mat-Su Pretrial Facility in Palmer, and the Point MacKenzie Facility have provided stable and well paying jobs for Alaskans. The Sutton Facility would be expanded to 1,200 beds and was originally planned and constructed with enough land for the expansion. The combination of the prison expansion, an increased recreation and tourism base at Hatcher Pass, and a new regional hospital and mental health facility would diversify the borough economy.

The Department of Corrections would operate the facilities under long-term lease agreements with local boroughs and cities. Tax-exempt revenue bonds would be used to finance the facilities and would be secured by assignment of lease payments payable to the boroughs and cities. Bond proceeds would be used to finance construction and expense to issue the bonds. The state would have responsibility for design and construction of the facilities through construction management agreements. As owners of the facilities, cities and boroughs would accept liability not covered by insurance.

There were no questions asked of Mr. Swanson.

MR. RONALD WILSON stated he has been a state employee and corrections officer for over 19 years, but he was representing himself. He said private prisons have not proven they can provide correctional services more cheaply than their public counterpart and any private prison cost savings comes through reduced staff expenses. Public employees have background checks, psychological evaluations, attend and pass the correctional officer academy, and meet Alaska Pay Standard Council requirements. He asked, "If your going to place twice as many inmates in one facility as you have ever done before, why wouldn't you want the staff in that facility to meet the requirements that [correction] officers now have to meet?"

SIDE B
4:25 pm

He quoted findings from several studies that indicated private prisons did not measure favorably compared to state run facilities and outlined specific examples of private failures in Alaska.

There were no questions asked of Mr. Wilson.

MR. DANIEL COLANG expressed support for SB 65. He said he has been employed by Department of Corrections for eleven years, but the views expressed were his own.

His father, a World War II veteran, always encouraged him to vote because thousands of Americans died on the battlefield to safeguard that right. Because Alaskans have voted against private prisons two times, he asked the committee to honor that request.

There were no questions asked of Mr. Colang.

MR. DEAN RAND, long term Whittier resident, testified via teleconference that he was not in favor of locating a private prison in Whittier.

CHAIR GARY STEVENS advised the committee was hearing SB 65.

MR. RAND said he realized that and he just wanted members to have a more accurate picture regarding the amount of community support for a private prison in Whittier because, Cornell Company has "steamrolled into and over the citizens of Whittier." Community support for a private prison in Whittier is "questionable at best."

There was no further testimony on SB 65.

CHAIR GARY STEVENS announced he would hold SB 65 in committee until Thursday. If members agreed, it was his intention to move the bill from committee at that time.

SENATOR GUESS asked whether public testimony was closed or would it be taken on Thursday.

CHAIR GARY STEVENS advised public testimony could be given on Thursday.

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#SB 99

SB 99-CORRECTIONAL FACILITIES

SENATOR CON BUNDE, bill sponsor, advised some Whittier residents asked him to offer the bill as one possible alternative of doing "if

not more, at least the same for less." He paraphrased from the sponsor statement:

Senate Bill 99 authorizes the Department of Corrections to enter into an agreement with the City of Whittier for a 1,200 bed [medium] security correctional facility and services for a period of 25 years.

Alaska needs a new prison and the ultimate question is whether the prison is in Alaska or another state. Currently the state prison system is operating over capacity and the population is projected to rise.

Given the current fiscal challenge in the state, a private prison offers the best value for scarce dollars. In addition to being the only economically viable choice, building a prison will bring benefit to the state, both economically and socially. Previous testimony demonstrates the benefit of having prisoners closer to their families and other support.

SB 99 will provide investment for future economic growth by creating more than 500 direct and indirect union scale construction jobs and more than 450 permanent, direct and indirect, jobs for Alaskans associated with prison operations for the 25 year lease authorized by the legislation.

By locating the prison in Whittier, that community will have an anchor industry to generate vital economic benefits for an economically disadvantaged rural community.

A majority of Whittier residents, maybe not the most vocal but the majority, have indicated at least to me their support for a private prison in their community.

I think SB 99 makes sense for Alaska's economy and her citizens and would encourage your careful scrutiny and support.

SENATOR LYMAN HOFFMAN referred to the construction cap placed on SB 65 and asked why there was no such cap in SB 99.

SENATOR BUNDE wasn't sure why a cap would be placed on private enterprise.

SENATOR JOHN COWDERY asked if the prison would be financed through bonds.

SENATOR BUNDE replied that's his understanding.

SENATOR COWDERY noted bonds are carefully scrutinized to make sure they would be paid back.

SENATOR BUNDE said the question is moot if the bonds aren't viable.

There were no further questions asked of Senator Bunde.

MR. FRANK PREWITT advised he was a former commissioner of the Department of Correction with about 20 years in public service. SB 99 proposes a city owned, but privately managed 1,200 bed prison that is founded upon the same sound correctional practices as the state run facility proposed by SB 65. Both capture efficiency through design and economy of scale and both are located where construction costs are relatively low, where wages and benefits are the lowest in the state, and within 50 miles of the most sophisticated and plentiful fire, life, safety, program, housing and human resources in the state.

Management and cost are the substantive differences between the proposals. Private contractor, Cornell Companies, would manage the Whittier prison while Sutton would be operated by the state. Daily capital and operating costs at Sutton are estimated to be \$110 per prisoner while Whittier costs would be just \$94 per prisoner per day. The \$94 includes inmate programs, major medical, staff recruiting and training, equipment, facility maintenance and all other capital and operating expenses. The only cost above the \$94 would be transportation of prisoners to the prison and the cost to monitor the contract. The Department of Corrections transports prisoners between facilities and the State Troopers take prisoners to court.

The perception that SB 65 and SB 99 are competing bills is incorrect and neither bill standing alone will solve the prison bed shortage issue. The Department of Corrections projects a need for over 1,600 prison beds by 2006. For the last 20 years there has been need for an additional 200 prison beds each year

and there is nothing to suggest that will change in the near term.

If the Whittier prison is authorized this year, the doors could open in two years while the Sutton prison wouldn't open for four or five years. "It's a simple matter of timing and inflation. The two bills don't compare; nor do they compete." The Whittier proposal is the only immediate in-state solution, but a project such as the Sutton proposal and a modest expansion of regional jails needs to be in place to fix the long-term shortage.

Governor Murkowski said his primary mission is good paying jobs and reducing government spending and growth. The Whittier prison accomplishes all those objectives. Wages and benefits are lower than with the state, but they are "good, solid private sector wages and benefits." The facility costs less because the private sector has a different overhead structure and can build for less.

He referred to the cost comparison table in tab 3 of the "State of Alaska Projected Prison Bed Demand & Cost Analysis" booklet. After comparing the costs, he asked members to review the March 6, 2003 "Whittier Prison Project Economic Impact" report by economist, David Reaume. Mr. Reaume argues the economic stimulus and benefit to the state exceeds the extra expenditure of housing Alaska prisoners in state.

Alaska Natives represent close to 40 percent of the prison population in Alaska yet SB 99 is the only bill that has an express provision in the body of the law to provide culturally relevant programs for Natives. Cornell Companies has made a commitment to team with the Native community to provide this type of programs for Native offenders

SENATOR HOFFMAN said Native inmates in the Arizona prison report the culturally relevant programs were not working. To have potlatches, they are required to raise private funds, but they receive no cooperation when they ask for an accounting of the funds raised. He asked if such practices would take place if a private facility were built in Alaska.

MR. PREWITT replied Corrections Corporation of America operates the facility in Arizona and Cornell Companies is a different company. Cornell Companies recognizes that nothing has been done to curb the incarceration and recidivism rate of Native Alaskans. It is their intention to involve the Native community

by teaming with Native corporations to explore new ways of doing business because the old ways have not worked.

SENATOR COWDERY asked if Cornell Companies would be interested in bidding for the design, construction and operation of the prison proposed in SB 65.

MR. PREWITT replied, "If you're suggesting that the Department of Corrections could put out a competitive bid to design and operate a facility at Sutton rather than having that be state operated, that's something that Cornell Companies and Corrections Corporation of America and several other companies most assuredly would respond to it."

4:50 pm

CHAIR GARY STEVENS noted members had other commitments at 5:00 pm and announced the hearing would be continued on Thursday.

SENATOR GUESS asked whether pharmaceuticals were included in the major medical program.

MR. PREWITT replied pharmaceuticals were included; there is confusion over the cost and "the fiscal note attached to this House [Senate] bill is the result of their [Department of Corrections] analysis of the contract between Cornell Companies and the City of Whittier as well as the intent language in the bill itself where the intent language says, 'similar services to Arizona' when Arizona major medical pharmaceuticals are not included in that. It is our intent that they are included. We tried to address that in the 'not to exceed \$94' per diem language. As for the contract with Whittier, that's in the process. That particular contract was based upon last year's legislation, which was different."

SENATOR GUESS referred to language in Section 2, subparagraph (A) regarding adjusting per diem cost that states, "costs not incurred until full occupancy;" and asked whether he was familiar with that clause.

MR. PREWITT said that is a "ramp up" provision and Mr. Wiebe from Cornell Companies could provide an explanation.

CHAIR GARY STEVENS asked Mr. Prewitt, Mr. Wiebe, Mr. Butler, Mr. Wilson, Mr. Burnett and Mr. Wright whether they would be able to attend the Thursday hearing. After receiving affirmative nods, he announced there was time for a few more questions.

SENATOR GUESS said her previous question could wait. She then asked, "Who decides which type of prisoners would be in a private facility and which type would be in a public [facility]?" She was more concerned with how and where inmates with significant and critical medical conditions such as HIV and cancer would be assigned.

MR. PREWITT wanted Mr. Wiebe to respond.

SENATOR GUESS said she could wait for an answer until Thursday.

MR. PREWITT replied it is up to the Department of Corrections when prisoners are assigned to and removed from the facility, but certainly a contractor wouldn't want a population with a 100 percent disability.

SENATOR HOFFMAN asked whether he had reviewed the 3/10/03 fiscal note provided with SB 99.

MR. PREWITT replied they had reviewed the fiscal note from the Department of Corrections that had a number "somewhere over \$50 million."

SENATOR HOFFMAN asked if they agree with the findings.

MR. PREWITT replied they do not agree. "The \$94 per diem rate includes all costs to the Department of Corrections as I testified except for the cost to bring the prisoner to the door and monitor the contract. \$94 a day times 1,200 times 365 is \$41 million." The Department of Corrections and the bill sponsor need to dialog.

SENATOR HOFFMAN advised he could save his questions for the Finance Committee if that was the wish of the Chair.

CHAIR GARY STEVENS replied he would prefer that he direct finance questions to that committee.

There were no further questions of Mr. Prewitt.

MR. MARVIN WIEBE, Senior Vice President Cornell Companies, introduced his company as a partner with state departments of correction. They compete for contracts with their competitors and, as in this instance, with state correction departments. As a company they try to meet the particular needs of each state.

Cornell Companies has been in business a number of years, is traded on the NYSE, and has about 16,000 people under supervision in 14 different states and the District of Columbia. They have operated in Alaska since 1998 and have 160 staff members that supervise nearly 600 offenders in prison or community residential centers. They have been working closely with the Alaska Native Brotherhood to focus on Native Alaska programs. Alcoholism is much more difficult to solve than any other addiction problems and is particularly difficult in Native cultures. It is a major issue and they need the help of Alaska Natives to provide meaningful, helpful, and culturally relevant solutions.

There was no further testimony on SB 65.

CHAIR GARY STEVENS held SB 65 in committee.

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There being no further business to come before the committee, Chair Gary Stevens adjourned the meeting at 5:00 pm.