

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version:	HB 402
Fiscal Note Number:	1
(H) Publish Date:	3/5/2018

Identifier: DOC-COMM-3-01-18  
 Title: ESTABLISH CORRECTIONAL INDUSTRIES PROGRAM  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: GOVERNOR

Department: Department of Corrections  
 Appropriation: Administration and Support  
 Allocation: Office of the Commissioner  
 OMB Component Number: 694

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates				
	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>OPERATING EXPENDITURES</b>							
Personal Services							
Travel	6.2		6.2	6.2	6.2	6.2	6.2
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>6.2</b>	<b>0.0</b>	<b>6.2</b>	<b>6.2</b>	<b>6.2</b>	<b>6.2</b>	<b>6.2</b>

**Fund Source (Operating Only)**

1004 Gen Fund (UGF)	6.2		6.2				
1005 GF/Prgm (DGF)				6.2	6.2	6.2	6.2
<b>Total</b>	<b>6.2</b>	<b>0.0</b>	<b>6.2</b>	<b>6.2</b>	<b>6.2</b>	<b>6.2</b>	<b>6.2</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2018) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2019) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
 If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version/comments:**

Initial version

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Division:	Administrative Services - Department of Corrections	Date:	03/01/2018 10:30 AM
Approved By:	Dean Williams, Commissioner	Date:	03/01/18
Agency:	Department of Corrections		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

## Analysis

This legislation amends AS 33.30.191(e) authorizing the Commissioner of Corrections to establish correctional industries programs and also establishes a correctional industries board.

AS 33.30.195 is added allowing the commissioner to establish and administer correctional industries programs. This includes entering into contracts or cooperative agreements with public agencies, private organizations, or individuals for the productive employment of prisoners. This legislation also allows the commissioner to sell products or services to a public agency, private industry, or individuals as well as requires the commissioner to determine the prices at which the products and services are to be sold.

AS 33.30.196 establishes a Correctional Industries Board that will provide general policy direction to the commissioner when implementing the correctional industries programs. The board consists of four members and requires the board to meet at least quarterly. It is anticipated that travel will be required for these board members at a minimum of two trips per board member annually. It is estimated that \$6,200.00 would be needed annually to meet the costs of this travel and is broken out as follows:

\$3,960.00 - airfare (8 trips annually x \$495.00 = \$3,960.00)  
 \$1,520.00 - hotel (8 nights x \$190.00 = \$1,520.00)  
\$ 720.00 - per-diem (16 days per diem x \$45.00 per day = \$720.00)  
 \$6,200.00 - annual total

General funds are requested to cover the travel necessary for the first two years, and then switching to general fund program receipts as industries generate revenues.

Passage of this legislation would provide opportunities to inmates to receive actual employment experience, be productive while serving their time, and allow them to learn new skills. The public would also benefit by being able to purchase quality product or services that may not otherwise be available in the area.

This legislation will have minimal financial impact on the Department of Corrections as there are no contracts or cooperative agreements in place or identified at this time; however, future general fund program receipt authority will be requested as contracts or cooperative agreements are entered into and industries, products, and services are identified and implemented.