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194

Technical sk.

man. HESS + finance

fiscal note ~~DA 355.5~~

0 FY 84 580.5 FY85 728.5 FY86 708.7 FY87 770.9

Governor's bill

✓ got carrier - Beirne will carry

DHSS wants

148.1 Prisoner Treatment Program HB 457

355.5 Prisoner Industries HB 194

~~500~~ ~~University~~ ~~within~~ ~~state~~

~~1355.5~~

COMMITTEE REPORT
HOUSE

2/3

2/19/81

FURTHER: FINANCE

(5)

Date: 2/1/82

Mr. Speaker:

The Committee on HEALTH, EDUCATION & SOCIAL SERVICES has had HB 194

"An Act relating to prisoner employment and correctional industries; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 194 (New) same title
 new title
- and recommends it do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Bette Cato
Silly Smith
Terry Martens, ch

Terry Martens
 VIO CHAIRMAN

COMMITTEE REPORT

3/12

HOUSE

Revised

(11)

FURTHER:

2/3/82

Date: Mar 11, 1982

Mr. Speaker:

The Committee on FINANCE has had HB 194

"An Act relating to prisoner employment and correctional industries; and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 194 (HESS) same title
 new title
and ^{replaces} recommends do pass w/attached amendment
- AND attaches a "Letter of Intent" New Fiscal Note (#355.5)
- reports it back without recommendation - Suppl No. 24
- referred to the new E Committee

MEMBERS SIGNING DO PASS

MEMBERS HAVING OTHER RECOMMENDATIONS:

Albert P. Adams, Ch.

R. Bethinworth

Franklin

Robert Keene

Jim Cotton Cotton

Joseph (Chuck) Wuk Chuck Wuk

Russ Muckers

Jan Fuller Fuller

MONTGOMERY

Albert P. Adams
CHAIRMAN

A M E N D M E N T

Offered in the HOUSE

By Finance Committee

To: CS HOUSE BILL NO. 194 (HESS)

 SENATE BILL NO.

AMENDMENT: Page 3 Line 1

Before "use" insert "subject to the Fiscal Procedures Act
(AS 37.05),"

HB 194 TITLE & SPONSOR SUMMARY

14:31 3/12/82 PAGE 1 OF 2

AMENDED TITLE:

AN ACT RELATING TO PRISONER EMPLOYMENT AND CORRECTIONAL INDUSTRIES; AND PROVIDING FOR AN EFFECTIVE DATE

PRIME SPONSOR: HOUSE RULES COMMITTEE.

CO-SPONSORS:

CURRENT STATUS: 2/03/82 IN (H) FINANCE

HB 194 HOUSE ACTION
DATE SEQ PAGE

14:32 3/12/82 PAGE 2 OF 2

LEGISLATIVE ACTION

DATE	SEQ	PAGE	LEGISLATIVE ACTION
02/19/81	01	0303	FIRST READING -- COMMITTEE REPORTS
02/19/81	02	0303	GOV TRANSMITTAL LETTER
02/19/81	03	0303	GOV F/NOTE HSE SUPPL #9
02/03/82	04	0227	HESS -- CS03 FINANCE RULES

**** ** ** *** ** *

I. REQUEST
 Bill/Resolution No. CSHB 194 (HESS) Page 1 of 3
 Title An Act Relating to prisoner employment and correctional industries
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Health & Social Services
 Program Category Affected Offender Confinement, Reformation & Supervision
 BRU, Program, Or Subprogram(s) Affected Adult Confinement, Prison Industries
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		39.8	127.3	374.8	364.9	397.7
200 TRAVEL		21.8	23.8	19.7	21.5	23.4
300 CONTRACTUAL		10.9	11.9	13.0	14.1	15.5
400 COMMODITIES		100.0	150.0	163.5	178.2	194.3
500 EQUIPMENT		150.0	200.0	100.0	25.0	25.0
600 LAND & STRUCTURES		-	-	-	-	-
700 GRANTS, CLAIMS, ETC.		33.0	67.5	97.5	105.0	114.4
TOTAL	-0-	355.5	580.5	728.5	708.7	770.3

FUNDING (Thousands of Dollars)

		*	*	*	*	*
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

* See Analysis, Paragraph I

POSITIONS

		1	2	4	-0-	-0-
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Assumptions:

A. Staff

- It is anticipated that seven additional shop supervisors will be needed to fully implement the Prison Industries Program. The seven shop supervisors would be hired during the next three fiscal years, on the following schedule:

Roger C. Lange

IV. DATE February 4, 1982 PREPARED BY Roger C. Lange
 AGENCY Division of Adult Corrections
 PHONE 465-3376

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

Jeanne C. Clark, Acting Director
Division of Management & Budget

<u>DATE</u>	<u>LOCATION</u>	<u># OF POSITIONS</u>
July, 1982	Palmer	1
July, 1983	Juneau	2
Oct., 1984	Eagle River	2
Oct., 1984	Fairbanks	2

A. The positions will all be Range 16. - Shop Supervisors; FY 1983 cost is computed as follows:

Monthly Salary \$2556

Annual Salary	\$30,672
Variable Benefits	5,101
Supplemental Benefits	7,880
Health Benefits	2,196
Total	\$39,849

B. Travel

1. Board travel consists of 4 board meetings to be held at institutions with industries programs. It is assumed an average of 6 board members will attend each meeting, with 4 requiring air travel. It is assumed each meeting will be of a three day duration. \$10,560.
2. Public Hearings will be conducted at @ Board meeting whenever possible. However two meetings a year in addition may be needed in FY 83 and FY 84 for start up of industries. \$5,280
3. Staff travel of \$6,000 is included for supervision of the program.

C. Contractual funds are included for specialized services not available from state agencies plus long distance telephone and postage costs. It is assumed that the cost for additional heat and electricity will be absorbed by the institutions conducting the industries programs.

D. Commodities funds are to purchase raw materials needed in the manufacturing of products.

E. Funds to purchase equipment will be needed in significant amounts for the first three years for the new product/service lines, as they are developed.

F. Funds requested in Grants and Claims is for the payment to inmates of wages earned. The following table represents the estimates of persons in the program, average wages, etc.

<u>FISCAL YEAR</u>	<u>FULL TIME INMATES</u>	<u>DAYS PER YEAR WORKED</u>	<u>HOURS PER DAY WORKED</u>	<u>AVE. HOURLY WAGE</u>	<u>TOTAL WAGES</u>
1983	40	250	7.5	\$.44	\$33,000
1984	75	250	7.5	.48	67,500
1985	100	250	7.5	.52	97,500
1986	100	250	7.5	.56	105,000
1987	100	250	7.5	.61	114,375

G. Capital expenditures are addressed in the Governor's Capital budget, as follows:

FY 1983	Juneau Prison Industries Building	\$1,248,500
FY 1983	Eagle River Prison Industries	1,306,200
FY 1983	Fairbanks Prison Industries	1,542,000
FY 1985	Palmer Prison Industries Remodel	200,000

The above costs are, therefore, not included in the fiscal note.

H. Inflation

It is assumed that there will be a uniform 9% inflation rate through FY 1986.

I... Funding identification has not been made as the proposed legislation is not specific as to the manner program receipts are to be handled. Funding could be identified as all general funds or a combination of general funds and program receipts.

Without knowing what specific industries are to be developed or the time frame in which goods or services are available to the specified consumers, no estimate of program receipts can be made at this time. It is assumed, however, that all program receipts will either be identified as part of the funding or deposited directly into the state treasury.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HOUSE BILL NO. 194 (Page 1 of 2)
 Title An Act Relating to Prison Industries
 Requested by _____ Date _____

II. FISCAL DETAIL

Department of Health and Social Services - Division of Adult Corrections
 Agency Affected _____
 Program Category Affected Offender Confinement, Reformation & Supervision
 BRU, Program, or Subprogram(s) Affected Adult Confinement, Prison Industries
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES			40.4	110.2	324.2	366.5
200 TRAVEL			1.0	3.3	8.3	9.0
300 CONTRACTUAL						
400 COMMODITIES			.2	.6	1.5	1.6
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
800 Misc. - Revolving Fund			500.0			
TOTAL			541.6	114.1	334.0	377.1

FUNDING (Thousands of Dollars)

GENERAL FUND			541.6	114.1	334.0	377.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME			1	3	7	7
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Assumptions:

A. Staff

- It is anticipated that seven additional shop supervisors will be needed to fully implement the Prison Industries Program. The seven shop supervisors would be hired during the next three fiscal years, on the following schedule:

Roger C. Lange

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Prepared by: Roger C. Lange Date: December 30, 1979
 Division/Office: Adult Corrections PH: 465-3376
 Department of Health & Social Services

<u>Date</u>	<u>Location</u>	<u># of Positions</u>
July, 1981	Palmer	1
July, 1982	Eagle River	1
January, 1983	Juneau	1
July, 1983	Juneau, Palmer, Fairbanks	3
October, 1983	Juneau	1

2. The positions will all be Range 16 - Shop Supervisors; FY 1982 cost is computed, as follows:

Monthly Salary \$2640	
	Annual Salary \$31,680
	Variable Benefits 5,243
	Supplemental Benefits 1,942
	Health Benefits 1,560
	<u>Total 40,425</u>

B. Revolving Fund

The bill would authorize a revolving fund, for which \$500,000 is requested. This fund would be used to purchase industries equipment and the raw materials necessary for the manufacture of products. Inmate labor costs will be paid from this fund. Receipts from the sale of products would be deposited into the revolving account so that the program could gradually expand without additional appropriations. The fund will also be used to replace worn-out and obsolete equipment.

It is a long range goal to have the entire cost of the Prison Industry Program to be paid from the revolving fund, including the salary and related costs of the staff. It is not possible to project at this time when the self-sustaining level might be achieved.

C. Inflation

It is assumed that there will be a uniform 9% inflation rate through FY 1985.

14B 194

February 18, 1981

The Honorable Jim Duncan
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill which would provide for the creation of certain industries within our present correctional system. The purpose of the bill is to provide appropriate employment for prisoners, consistent with proper penal administration, and to direct prisoner effort toward self-betterment, financial responsibility, and the creation or improvement of job skills that can be used upon release.

The commissioner of health and social services would be empowered to establish the necessary mechanisms for correctional industries and would be responsible for marketing the products and services. Sales would be made to governmental agencies and to private non-profit organizations. Prices to be charged for the products and services provided would be determined by the commissioner, and the program would be exempt from collective bargaining and the provisions of AS 23.

Wages for work done by prisoners would be determined by the commissioner and would be credited to the individual prisoners. Disbursement of a portion of these wages would be made so as to allow the state to recover any related violent crime compensation award made and to pay any restitution order or court award against the prisoner for damages arising out of the criminal conduct. The prisoner could also be made to pay for care of his dependents. The prisoner may then opt to buy personal items, retain the balance of earnings until his release, or for another proper purpose.

A correctional industries commission would be established to hold public hearings to provide an opportunity for persons or organizations who may be affected by the

program to contribute ideas. The commission would then make recommendations to the commissioner regarding the industries program. The commission would have representatives from private industry, labor, agriculture, the public, the state government, and one ex-offender.

This bill also includes provisions dealing with institutional employment of prisoners in general. They declare a policy of the state that prisoners be productively employed while imprisoned; list the types of employment, one of which is the correctional industries program; provide for earnings as determined appropriate by the commissioner; and provide for the forfeiture of all or a portion of earnings of prisoners who escape as determined appropriate by the commissioner. Section 4 of the bill would repeal three provisions which would be inconsistent with and superseded by the statutes in this bill. (However, existing AS 41.20.110(b), on trail and campsite work by prisoners, is left intact.)

It is suggested that, if this bill passes, the revisor of statutes should relocate the "general provisions" article of AS 33.30 to the end of the chapter.

Sincerely,

S/SSH

Jay S. Hammond
Governor