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(11)

Date referred: 3/17/88

FURTHER REFERRALS:

DATE: 3/22/88

The Finance Committee has considered HB 473

"An Act amending the composition and membership of the Correctional Industries Commission; and providing for an effective date."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note
- zero with analysis same as previous zero fiscal note published 3/4/88

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

POURCHOT [Signature]

LARSON [Signature]

SWACK-HAMMER [Signature]

BOYER [Signature]

RIEGER [Signature]

FRANK [Signature]

ADAMS [Signature] - No Rec

BEARD [Signature] - No Rec

DAVIS [Signature] NO REC

[Signature]
Chairman's signature

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act amending the composition and membership."
Sponsor: Rep Swackhammer
Requestor: Gruenberg and Bover

Agency Affected: Department of Corrections
BRU: _____
Components: Correctional Industries - Production Cost

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

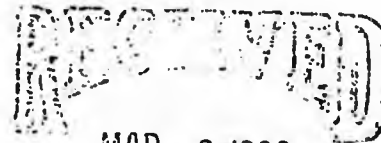
FULL-TIME						
PART-TIME						
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS : (Attach a separate page if necessary)

The travel and per diem costs associated with adding a member to the Correctional Industries Commission will be funded through the Correctional Industries Revolving Fund.

Susan E. Knighton
Prepared by: Susan E. Knighton, Director Phone: 465-3376
Division: Administrative Services Date: 2-26-88
Susan Humphrey-Barnett
Approved by Commissioner: Susan Humphrey-Barnett Date: 2-26-88
Agency: Department of Corrections

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)



MAR 2 1988

1 IN THE HOUSE

BY SWACKHAMMER, GRUENBERG
AND BOYER

2

HOUSE BILL NO. 473

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act amending the composition and membership of

7

the Correctional Industries Commission; and providing

8

for an effective date."

9

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10

* Section 1. AS 33.32.070(a) is amended to read:

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(a) The Correctional Industries Commission is established to

12

provide general policy direction to the correctional industries pro-

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gram through the commissioner of corrections. The commission consists

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of eight [SEVEN] members, six [FIVE] of whom are to be appointed by

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the governor to serve staggered terms of four years. The appointed

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members must include one [A] representative each from [OF] private

17

industry, [ORGANIZED LABOR,] agriculture, and the general public; [,

18

AND] one ex-offender; and two representatives from organized labor,

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one of whom shall be from the building trades and one of whom shall be

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from the service industries. The commissioner of administration is

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also a member, as is the commissioner of corrections who is to serve

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as chairperson.

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* Sec. 2. AS 33.32.070(b) is amended to read:

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(b) The Correctional Industries Commission shall meet at least

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four times during each fiscal year and may hold additional meetings at

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the call of the chairperson. Five [FOUR] members of the Correctional

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Industries Commission constitute a quorum and a vote of a majority of

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the quorum is necessary for the transaction of the business of the

29

commission.

1 * Sec. 3. TERM OF OFFICE OF EXISTING ORGANIZED LABOR REPRESENTATIVE.

2 (a) Notwithstanding AS 33.32.070(a), as amended by sec. 1 of this Act, the
3 representative of organized labor serving on the Correctional Industries
4 Commission on the effective date of this Act may continue to serve for the
5 duration of the term to which the person was appointed.

6 (b) As soon as practicable after the effective date of this Act, the
7 governor shall specify whether the representative of organized labor serv-
8 ing on the Correctional Industries Commission under (a) of this section on
9 the effective date of this Act is appointed from the building trades or
10 from the service industries.

11 * Sec. 4. TERM OF OFFICE OF NEW LABOR REPRESENTATIVE. (a) After
12 making the designation required by sec. 3(b) of this Act, the governor
13 shall appoint the second labor representative authorized by AS 33.32.-
14 070(a), as amended by sec. 1 of this Act.

15 (b) Notwithstanding the requirement of a four-year term of office set
16 out in AS 33.32.070, the governor shall specify the term of the labor
17 representative appointed under (a) of this section, but the term may not
18 extend beyond June 30, 1991.

19 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

REQUEST:

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Title: "An Act amending the composition and membership."
Sponsor: Rep Swackhammer
Requestor: Gruenberg and Boyer

Agency Affected: Department of Corrections
BRU: _____
Components: Correctional Industries - Production Cost

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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS : (Attach a separate page if necessary)

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Prepared by: Susan E. Knighton, Director Phone: 465-3376
Division: Administrative Services Date: 2-26-88
Approved by Commissioner: Susan Humphrey-Barnett Date: 2-26-88
Agency: Department of Corrections

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
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Impacted Agency(ies)

RECEIVED
MAR 2 1988

HB 473

REPRESENTATIVE
C.E. "SWACK" SWACKHAMMER

Alaska State Legislature



House of Representatives

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MEMORANDUM

TO: All Interested Parties
FROM: Rep. C.E. Swackhammer
DATE: February 12, 1988
TOPIC: House Bill 473

Last session, the 15th Legislature passed a bill keeping Correctional Industries. House Bill 473 has been introduced by me to assure the industries program in corrections remains viable, productive and noncompetitive with private industry and labor in Alaska.

Alaska's economic downswing has made it necessary to address potential problems of the correctional industry negatively impacting free enterprise. To assist in this effort, HB473 changes the composition of the Corrections Industry Commission by adding another member from labor. Currently, the commission calls for one member of organized labor, at this time the member is from the building trades. It is felt that, although corrections industry may impact the construction trades, it is more likely to affect service oriented laborers. For this reason, HB 473 specifically designates that a member from the building trades be supplemented by a representative of the service trades in Alaska.

Corrections and I have had extensive interaction with labor representatives over the past few months. We have come to a consensus that the additional labor member will greatly enhance the industries program, while protecting the "free-world" enterprise.

It is for this reason, I respectfully solicit your support for this piece of legislation.

CORRECTIONAL INDUSTRIES IN ALASKA

The Corrections Industry program started in the Palmer Correctional Center. It is composed of a potato farm which produces potatoes for state institutions. It employs 2 or 3 inmates during the winter and as many as 15 during the summer, through harvest time in October. Palmer also has a body and fender shop which does repairs to state vehicles only; it employs 4 to 6 offenders.

The Palmer area is also the locale of a slaughter house operated by offenders. The facility was reclaimed from private enterprise which had been funded through state loans. The initial reaction to the operation was negative, with the greatest amount of negative input coming from meat processors and cold storage operations in Anchorage. The intent of the slaughterhouse is to primarily provide a service for Alaskan ranchers and dairy cull stock in the Matanuska Valley. The operation has been struggling, the processor "hurdle" has been overcome; they are now purchasing wholesale meats from the corrections operated plants.

Lemon Creek Correctional Center, in Juneau, houses a laundry facility which provides laundry services to the Alaska Marine Transportation System. Prior to its opening, laundry services were provided through a facility in Prince Rupert, British Columbia. It is a state of the art facility which has been operating at a profit. It employs XX offenders.

Two years ago it was suggested that the laundry wholesale laundry in Southeast. Because of negative reaction on the part of organized labor, the idea was scrapped.

Lemon Creek was also the site of a bakery which provided bake goods to the Marine Transportation System. Previous to its opening, the bake goods were provided by a Seattle firm. The bakery no longer exists and has returned to Seattle. A report of the closing of the bakery follows.

Wildwood Correctional Center has a metal fabrication industry which employs as many as 60 offenders. Its primary products are furniture and bear-proof trash containers used by the park service.

Uniquely, the industry received the contract to provide the secure furniture for the new facility soon to open in Seward, Spring Creek Correctional Center.

Wildwood CC Industries also makes top of the line office furniture. At one time it manufactured more than 200 models. There had been no

complaints from the private sector until the major decline in Alaska's economy. Because of slowing sales, statewide retailers asked corrections to reconsider the scope and magnitude of their operations. Through cooperative agreement, corrections reduced its furniture line to less than twenty models.

The Department of Corrections is currently seeking industries for Fairbanks Correctional Center and Spring Creek.

The Department recently received negative press regarding the prospects of doing data processing in the Fairbanks facility. This is not to be an industry program, but the comments were directed at it. The data processing issue has been tabled, with assurances by corrections that nothing would be done without complete support of the Fairbanks delegation.

LEMON CREEK CORRECTIONS BAKERY REPORT: In the Summer of 1987, a steward on the Alaska Marine Transportation System informed the Dept. of Transportation and Public Facilities that he had received information from an undisclosed source that the bakery products were contaminated. This contamination was allegedly human excretions. A large staple was also allegedly been implanted at the facility.

DOT/PF immediately stopped receiving products from Lemon Creek and conducted an investigation. The Alaska State Troopers were called into the investigation. The supervisors and inmates in the bakery industry volunteered to take polygraph tests regarding their activities in the bakery.

There was absolutely no evidence of foul play by staff or inmates; they were exonerated of any charges. The steward never disclosed his source of information.

Because of the negative press and potential spin-off of the accusations, the Department of Corrections has cancelled the bakery industry. The Department is speculating on moving the equipment to Southcentral Alaska to provide bakery goods to correctional facilities in the Anchorage Bowl Area.