

SR

116

SENATE COMMITTEE REPORT

FURTHER:

4/29/87

DATE TURNED INTO OFFICE \_\_\_\_\_

Mr. President:

FINANCE Committee considered SB 116

continuing the correctional industries program; efd.

and recommen

4/30/87

repla  
 or ad

me title  
ew title

attac

*Zero attached*

do pass

*fiscal note with*

do not

no reco

*new 3/19/87 note from*

individ

*Corrections.*

further

letter of intent adopted \_\_\_\_\_

Committee  attached or  adopted fiscal note(s)

new  updated or  previous  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Chairman signature and recommendation

Committee Backup Attached

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 4/1/87 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

\*\*FISCAL NOTE(S) ATTACHED 1 \*\*  
IN ACCORDANCE WITH AS 24.08.035 \* Gov's FN  
(see below)

DATE TURNED INTO OFFICE 4/29/87

Mr. President:

HESS

Committee considered SB 116

continuing the correctional industries program; efd.

and recommended:

replace with CS \_\_\_\_\_  same title  
 attached amendment(s) and  new title

may do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted and attached

\*\* Committee  attached or  adopted fiscal note(s)  
 zero  fiscal impact - previous Gov's

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Wentford with intent letter  
Josephson with intent letter  
Rick Halford " " "

Paul Grish, Do Pass w/ letter of intent  
Chairman signature and recommendation

Committee Backup Attached

# Alaska State Legislature

SENATOR PAUL FISCHER, Chairman  
SENATOR JOE JOSEPHSON, Vice Chairman  
SENATOR LLOYD JONES  
SENATOR JAY KERTULLA  
SENATOR RICK HALFORD



P. O. BOX V  
ROOM 508  
STATE CAPITOL  
(907) 465-3762

## Senate Committee on Health, Education and Social Services

### HESS COMMITTEE LETTER OF INTENT (SB 116)

The Committee on Health, Education and Social Services, to which was referred for consideration SB 116, reports SB 116 with a "do pass" recommendation.

The Committee received testimony in which concern was expressed that the Industries program of the Department of Corrections, by continuation and expansion, could compete with the private sector and cause thereby a loss of employment opportunities in the workplace. Concern was also voiced that the industries program could cause a loss of employment in the public sector also.

In recommending passage of SB 116, the Committee recognizes the importance of work experience as part of the goal of inmate rehabilitation set forth in the Constitution of the State of Alaska. However, the Committee expects the Department to remain sensitive to the concerns of private entrepreneurs and workers in the private and public sectors. Thus, the Industries program should concentrate on activities which, but for the program, would not occur at all in Alaska, or which benefit the State government itself and could be performed otherwise only at prohibitive cost to the State.

The Committee understands, for example, that the Mount McKinley Meat and Sausage Plant is to be operated by the Industries program in contemplation of ultimate operation and management by a private entrepreneur. By operating and maintaining the facility in the meantime, the Industries program affords work experience for inmates, reduces the cost of food for the corrections system, and allows time for the development of a viable, privately operated, facility which would otherwise not exist.

Similarly, the Committee understands that but for the furniture assembly program at Kenai, the State would probably be dealing with furniture manufacturers out-of-state.

The Committee understands that the Department; before expanding the Industries program to include activities or projects not currently performed, will, on a case-by-case basis, involve the public, afford an opportunity for public notice and comment, inform the legislature, and adhere to the criteria set forth above.

Introduced: 2/10/87  
Referred: Health, Education and Social  
Services and Finance

wo00707s

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2

SENATE BILL NO. 116

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act continuing the correctional industries  
7 program; and providing for an effective date."

8

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

9

\* Section 1. Section 7, ch. 53, SLA 1982 is repealed.

10

\* Sec. 2. This Act takes effect immediately in accordance with AS 01.-

11

10.070(c).

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

REQUEST: \_\_\_\_\_

Bill Version: \_\_\_\_\_  
Publish Date: \_\_\_\_\_

Revision Date:       TALL        
Title: Continuing the Correctional  
Industries Program #773-87-0070  
Sponsor: Governor  
Requestor: Dept. of Corrections

Agency Affected: Department of Corrections  
BRU: Administration and Support  
Components: Correctional Industries Admin.  
Correctional Industries Production Cost

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	554.1	547.3	1032.5	1230.1	1326.2	1372.3
TRAVEL	24.4	31.7	32.7	33.7	34.7	35.7
CONTRACTUAL	182.1	362.1	844.6	910.0	1011.8	1141.4
SUPPLIES	554.6	1030.7	1694.4	1860.0	2035.2	2229.6
EQUIPMENT	-0-	-0-	275.0	125.0	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	128.0	251.4	285.0	330.0	345.0	345.0
MISCELLANEOUS	[200.0*]					
<b>TOTAL OPERATING</b>	<b>1443.2</b>	<b>2223.2</b>	<b>4164.2</b>	<b>4488.8</b>	<b>4752.9</b>	<b>5124.0</b>

CAPITAL						
---------	--	--	--	--	--	--

REVENUE	1175.0	2000.0	3315.0	3875.0	4240.0	4645.0
---------	--------	--------	--------	--------	--------	--------

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	571.6	564.8	1050.5	1248.7	1345.3	1392.0
FEDERAL FUNDS						
OTHER CORR. IND.	871.6	1658.4	3113.7	3240.1	3407.6	3732.0
<b>TOTAL</b>	<b>1443.2</b>	<b>2223.2</b>	<b>4164.2</b>	<b>4488.8</b>	<b>4752.9</b>	<b>5124.0</b>

**POSITIONS:**

FULL-TIME	11.0	11.0	19.0	22.0	23.0	23.0
PART-TIME						
TEMPORARY						

**ANALYSIS : (Attach a separate page if necessary)**

\*NON ADD - This is amount of a loan from the Dept. of Natural Resources under an RSA to provide for start up costs of the Palmer Meat Plant. For detail of revenue estimates and staffing beyond 1988, see attached.

Salary costs are increased 3.5% per year over FY88 to accommodate merit increases; other line items are projected using a 3% cost-of-living increase annually.

Prepared by: Susie Riley Phone: 465-3376  
Division: Program Budget Analyst Date: 1/14/87

Approved by Commissioner: William W. Loring Date: 1/15/87  
Agency: Department of Corrections

**Distribution (by preparer):**

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

sh 116

Current file entry: 1533 hours, January 12, 1986

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

Title: Continuing the Correctional Industries Program  
# 773-87-0070

EXPENDITURES/REVENUE

OPERATING	FY87	FY88	FY89	FY90	FY91	FY92
PERSONAL SERVICES	11	14	19	22	23	23
Administrative						
Industries Mngr	1	1	1	1	1	1
Market/Sales Mngr.	1	1	1	1	1	1
Accountant	1	1	1	1	1	1
Production Managers						
Juneau:						
Bakery - PMII	1	1	1	1	1	1
Laundry- PMI	1	1	1	1	1	1
Other - PMI	1	1	1	1	1	1
Palmer:						
Farm - PMII	1	1	1	1	1	1
Auto - PMI	1	1	1	1	1	1
Meat - PMII	1	1	1	1	1	1
Bakery - PMI			1	1	1	1
Signs - PMI			1	1	1	1
Kenai:						
Metal - PMII	1	1	1	1	1	1
Furnit - PMI	1	1	1	1	1	1
Mfg/Und- PMI			1	1	1	1
Mfg/Und- PMI					1	1
Fairbanks:						
Mail Sv- PMI			1	1	1	1
Undeter- PMII				1	1	1
Seward:						
Sewing - PMI			1	1	1	1
Mfg/Und- PMII			1	1	1	1
Mfg/Und- PMI				1	1	1
Nome:						
Mfg/Und- PMI			1	1	1	1
Bethel:						
Mfg/Und- PMI			1	1	1	1
Ketchikan:						
Mfg/Und- PMI				1	1	1

REVENUE	FY87	FY88	FY89	FY90	FY91..	FY92
<b>Industries:</b>						
<b>Juneau:</b>						
Bakery	\$ 125K	\$ 125K	\$ 125K	\$ 130K	\$ 135K	\$ 140K
Laundry	175K	195K	200K	210K	220K	225K
Mfg/Und		25K	35K	40K	45K	50K
<b>Palmer:</b>						
Farm	\$ 75K	85K	90K	90K	95K	100K
Auto Body	80K	90K	100K	100K	110K	125K
Meat Plant	200K	1,000K	1,200K	1,300K	1,400K	1,500K
Bakery			200K	400K	425K	450K
Sign Shop	20K		60K	75K	85K	90K
<b>Kenai:</b>						
Metal	\$ 380K	\$ 250K	\$ 400K	\$ 300K	\$ 300K	\$ 300K
Furniture	120K	180K	180K	180K	200K	240K
Mfg/Undeterm.			50K	75K	100K	100K
Mfg/Undeterm.					50K	75K
<b>Fairbanks:</b>						
Mail Servicing	\$	\$	\$ 400K	\$ 500K	\$ 500K	\$ 500K
Mfg/Undeterm.				50K	75K	100K
<b>Seward:</b>						
Sewing Ops	\$	\$ 50K	\$ 125K	\$ 150K	\$ 150K	\$ 200K
Mfg/Undeterm.			100K	150K	150K	175K
<b>Nome:</b>						
Mfg/Undeterm.	\$	\$	\$ 25K	\$ 50K	\$ 75K	\$ 100K
<b>Bethel:</b>						
Mfg/Undeterm.	\$	\$	\$ 25K	\$ 50K	\$ 75K	\$ 100K
<b>Ketchikan:</b>						
Mfg/Undeterm.	\$	\$	\$	\$ 25K	\$ 50K	\$ 75K
<hr/>						
<b>REVENUE TOTALS:</b>	<b>\$1,175K</b>	<b>\$2,000K</b>	<b>\$3,315K</b>	<b>\$3,875K</b>	<b>\$4,240K</b>	<b>\$4,645K</b>

STEVE COWPER  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

2/16

February 9, 1987

The Honorable Jan Faiks  
President of the Senate  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

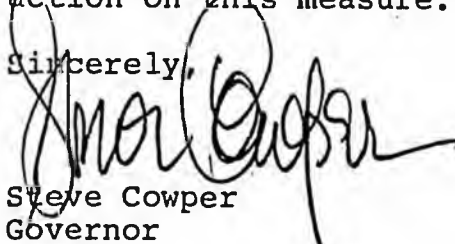
Dear Senator Faiks:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill continuing the correctional industries program created by ch. 53, SLA 1982. (The correctional industries program was enacted as AS 33.30.400 -- 33.30.490, but was renumbered in 1982 as AS 33.32.010 -- 33.32.090 by the revisor of statutes.)

The correctional industries program has been successful in expanding and showing a profit despite reduced funding. The program, which presently provides jobs for approximately 80 inmates, has reduced inmate idleness, provided meaningful jobs and marketable skills to inmates, and has provided inmates with earnings to help meet their obligations. The program showed a 10 percent profit in FY 86, returning money to the state general fund and thereby reducing the cost of incarceration in state institutions. Last year's enactment of AS 33.32.017 to provide for "free-venture" cooperative industries will provide for expanded markets and flexibility in developing new jobs for inmates and private-sector companies.

The bill repeals the section of ch. 53, SLA 1982, which would terminate the program on July 1, 1987. In light of the program's overall success, I urge your continued support and your prompt and favorable action on this measure.

Sincerely,

  
Steve Cowper  
Governor

Need good  
copy of  
letter of  
contract

ALASKA STATE LEGISLATURE

15TH Legislature 1ST Session

SENATE BILL NO. 116

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act continuing the correctional industries program; and providing for an effective date."

Introduced in the Senate 2/10, 1987.

HISTORY IN THE SENATE

19 87

Read first time and referred to Committee on

2 10

HESS AND FINANCE

Reported back with HESS recommendation that *do pass with letter of intent to Finance.*

Read second time and

Read third time and

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reconsideration

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reported correctly engrossed  
Signed by President  
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reconsideration

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reported correctly engrossed  
Signed by Speaker  
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No. ....

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

**REQUEST:** \_\_\_\_\_ Bill Version: SB116  
 \_\_\_\_\_ Publish Date: \_\_\_\_\_  
 Revision Date: 3/19/87 Agency Affected: Department of Corrections  
 Title: "An act continuing the Correctional Industries program" BRU: Administration and Support  
 Sponsor: Governor Components: Correctional Industries  
 Requestor: Department of Corrections Administration and Correctional Industries Product Cost

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0

<b>CAPITAL</b>	0	0	0	0	0	0
----------------	---	---	---	---	---	---

<b>REVENUE</b>	0	0	0	0	0	0
----------------	---	---	---	---	---	---

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:**

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

**ANALYSIS : (Attach a separate page if necessary)**

None

*S. Knighton*

Prepared by: Susan Knighton, Research Analyst IV Phone: 465-3376  
 Division: Administrative Services Date: 3/19/87  
 Approved by Commissioner: *William W. Ludwig for* Susan Humphrey-Barnett Date: 3/19/87  
 Agency: Department of Corrections

**Distribution (by preparer):**

Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)  
 Senate Secretary

**RECEIVED**  
MAR 20 1987

LEGISLATIVE FINANCE