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RECEIVED
MAR 13 P.M.

March 7, 1991

Representative Lincoln
Health, Ed. and Social Services
P.O. Box V
Juneau, Alaska 99811

Dear Representative Lincoln:

It is my understanding the State Administration has submitted a bill (HB166) that will allow the continuation of Chapter 32, Correctional Industries, and satisfy the sunset clause that will affect this bill if not acted upon.

Though I applaud the efforts of the Administration and Legislature to deal with this ever mounting problem, I do see a need to alter a portion of this act to minimize the negative impact this legislation creates on my business and other Alaskan businesses.

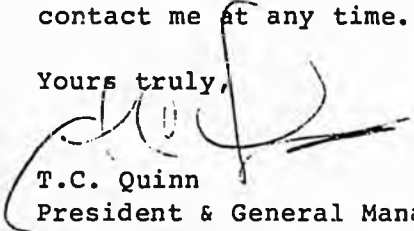
Presently, the Correctional Industries Program creates a mandatory purchasing situation by the State of Alaska with Correctional Industries as it relates to the purchase of office furniture. I have gone along with some of the intended reasons as to the merits of this program except for it's recent entry into the Panel System work station concept. If this is allowed to continue, private business will be totally excluded from providing it's products to the State Of Alaska.

I suggest that a portion of the particular Section be eliminated as an alternative to requiring that the program/products/services undertaken by Correctional Industries *MUST not create a negative impact in the private sector. I am suggesting Section 33.32.030 be repealed and item (c) in it's entirety be remove from the Statute. It would also seem practical that public hearings be held when there is an attempt to expand the program in any manner.

It is my understanding Senator Jim Duncan is in the process of submitting a bill dealing with the problem to which I refer.

If I can provide further information in this matter, please feel free to contact me at any time.

Yours truly,



T.C. Quinn
President & General Manager

* See Sec. 33.32.015 Item (3) "minimal impact"

P.O.

Misc. Correspondence

586-2830 - FAX (907) 463-3650

NFIB Alaska

National Federation of
Independent Business

POSITION PAPER

OF

NATIONAL FEDERATION OF INDEPENDENT BUSINESS
(NFIB/ALASKA)

TO THE

HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

MARCH 25, 1991

ON

HB 166

AN ACT CONTINUING THE CORRECTIONAL INDUSTRIES PROGRAM.

State Office
9159 Skywood Lane
Juneau, AK 99801
(907) 789-4278



The Guardian of
Small Business

Madam Chairman, members of the Health, Education and Social Service Committee, my name is Resa Jerrel, and I represent the National Federation of Independent Business - NFIB/Alaska.

NFIB/Alaska is comprised of 5,240 small and independent business owners. The legislative agenda of NFIB/Alaska is determined by our ballot. The ballot is our annual poll of our membership on a series of issues deemed critical to small business. A majority vote, of the members in response to the poll, sets our policy and position on legislative issues. We then share the results of our poll with the legislature and administration. There is not enough space on the annual poll to place every possible issue to our membership. Therefore, we also use the three previous years ballot results as guidance on issues. I have attached a copy of the results of our 1988 and 1991 NFIB/Alaska questions regarding unfair competition.

Currently the Department of Corrections, Correctional Industries Program, is in the Agriculture, Butcher, Office Furniture, Office Panels/Systems, Metal Products, Auto Body Repair, Garment Making and Laundry Businesses. This puts them in direct competition with small businesses.

The Correctional Industries Commission was designed to provide general policy direction for the Program. The Commission has eight members with one from private industry, agriculture, general public, ex-offender and two representatives from organized labor. The Commissioner of Administration serves on the Commission and the Commissioner of Corrections serves as the chairperson. They are required to meet at least four times a year.

In two sections of the statutes AS 33.32.015 (4) and AS 33.32.30(b) the Commission is to determine that an employment project "will have minimal negative impact on an existing private industry or labor force in the state."

The Correction Industries Program is having a growing impact on existing private industry. With only one member on the Commission from the private sector, five from other walks of life and two bureaucrats it easy to see why the Program is having a growing negative impact on business. At the present time the Commission is not fulfilling the statutory obligation of making sure a project "will have minimal negative impact on an existing private industry..."

NFIB/Alaska would suggest that the Commission be allowed to sunset. In the ensuring one year wind down period, see if they can work more cooperatively with private business.

NFIB/Alaska would like to offer some alternatives:

First, require them to hold hearings when they propose either entering into a new area of industry or expanding the scope of an

existing industry. They could better inform the public of their hearings. Their most recent hearing was published in the news paper. The notice did not specify the location of the hearing in Juneau. The first time I called, I was informed that they "thought" it was going to be in the Commissioners office, could I call back. Second, the legislature could eliminate the statute that requires the state to purchase goods and services from the program. Both of these are being proposed in the other body. If you would like to take a look at that bill - it is SB 184. If you are interested, it will be heard for the first time April 3rd.

Also, instead of selling directly to the State of Alaska, they could offer their products directly to private businesses. This would allow the Program to not only indirectly sell to the State but, potentially their products could be purchased by other customers serviced by the private retailer. This way they would be fulfilling their goal of training the inmates, act like a true manufacturer and small business would not be faced with unfair competition from the state.

The following is the result of the 1988 NFIB/Alaska ballot question regarding unfair competition:

Should legislation be enacted to restrict the commercial activities of government entities so they are not permitted to compete with existing private enterprises?

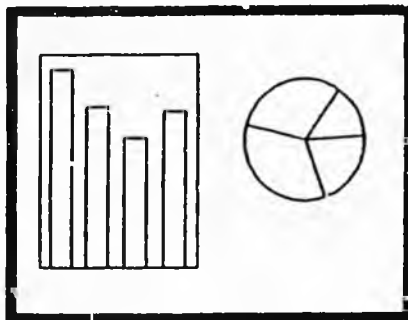
Yes 78% No 12% Undecided 10%

More recently, the following is the result of the 1991 NFIB/A ballot question on this issue:

Should the legislature establish a Private Enterprise Preservation Task force in order to study and recommend legislation to limit competition with private business by state and local government?

Yes 67% No 23.1% Undecided 9.9%

ALASKA CORRECTIONAL INDUSTRIES Presentation



to the
17th Legislature

Lloyd Hames, Commissioner
Rich Bentson, Director
Wally Roman, General Manager

FY 92

HB NO. 166

Dept. of Corrections Position Paper

STATE OF ALASKA
Department of Corrections
LEGISLATIVE POSITION PAPER
Lloyd Hames, Commissioner

P.O. Box 'T', Juneau, AK 99801-2000 (907) 466-8878

Carl Kiehl, Legislative Liaison

HOUSE BILL NO. 166
ALASKA CORRECTIONAL INDUSTRIES
"SUNSET" LEGISLATION

The Alaska Correctional Industries (ACI) is dedicated to the rehabilitation of prisoners by providing employment in realistic work experiences. The jobs provide prisoners a chance to develop good work habits through a monetary reward for a job well done. The realistic work experience allows for an acquisition of skills and a sense of self-worth. Also important is the fact that ACI provides a strong management tool for providing meaningful activity thus reducing inmate idleness.

Currently, all 50 states, the federal government and Canada operate correctional industries programs. Nationwide, correctional industries has expanded into a \$600+ million industry, employing 57,400 inmates. Approximately 10% of the nation's incarcerated population is actively involved in a industries program.

An average of 150 Alaska prisoners are involved in ACI within its eight industrial operations. This is roughly 6% of the total prison population.

The products and services produced by ACI are available to local, state, federal government, school districts, non-profit organizations and designated wholesalers. In FY 90, ACI generated approximately \$2 million in gross sales. To accomplish this, ACI purchased \$1,352,907.00 from 262 Alaskan Vendors; this represents 83% of ACI purchases.

As of February, ACI has generated \$1.2 million this fiscal year and projects gross sales of \$2.3 million.

Besides becoming a viable program, ACI is addressed in the Cleary Suit. It states the Department shall maintain industries in as many sentenced facilities as possible.

In summary, ACI has become a major factor in keeping State dollars at home. The main value, however, is ACI has been returning productive citizens to society. By providing greater numbers of prisoners work opportunities and teaching a positive work ethic, ACI has reduced recidivism and the cost of incarceration.

FISCAL NOTE:

ZERO
ATTACHED

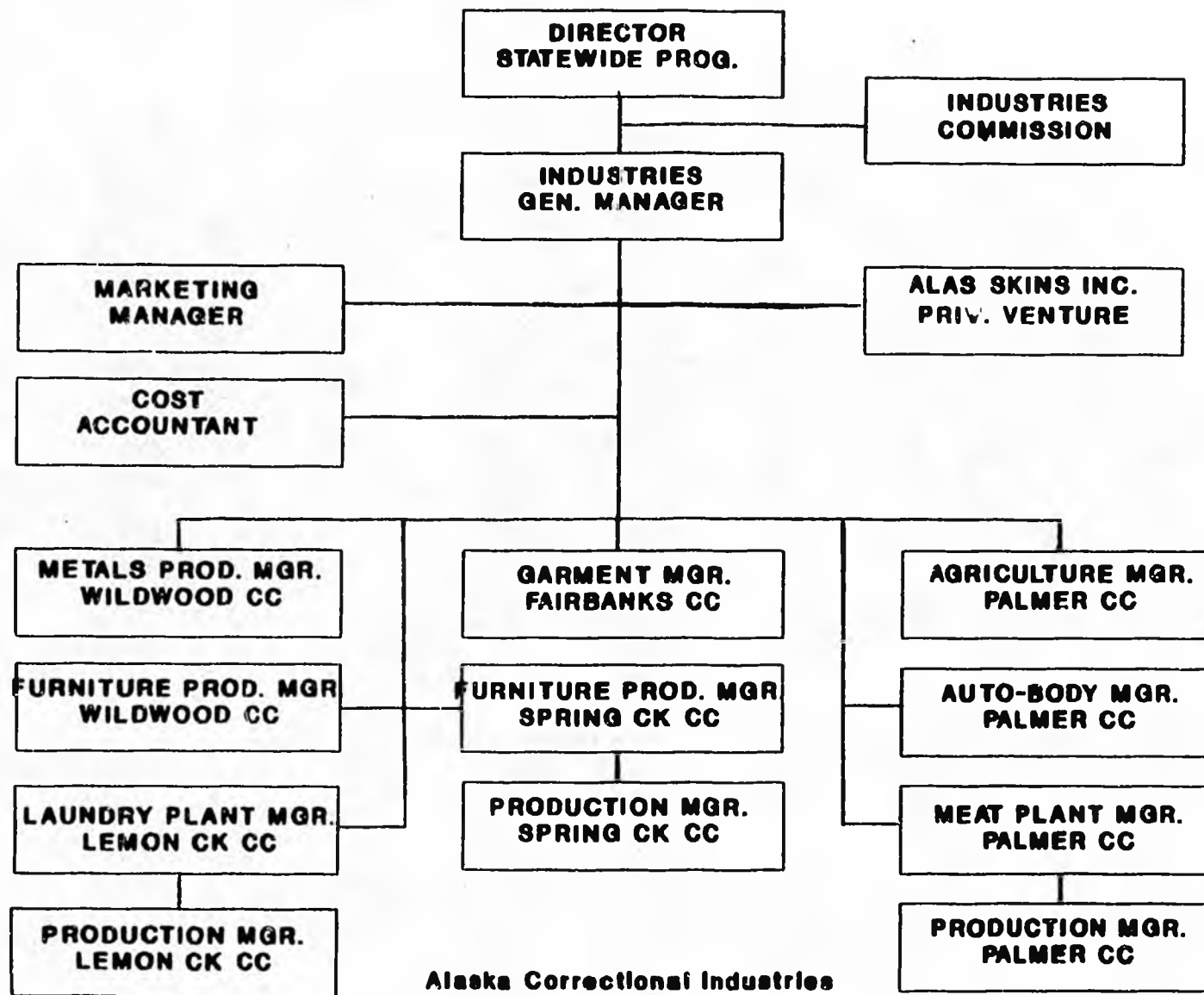
APPROVED:

Lloyd Hames

Commissioner

DATE:

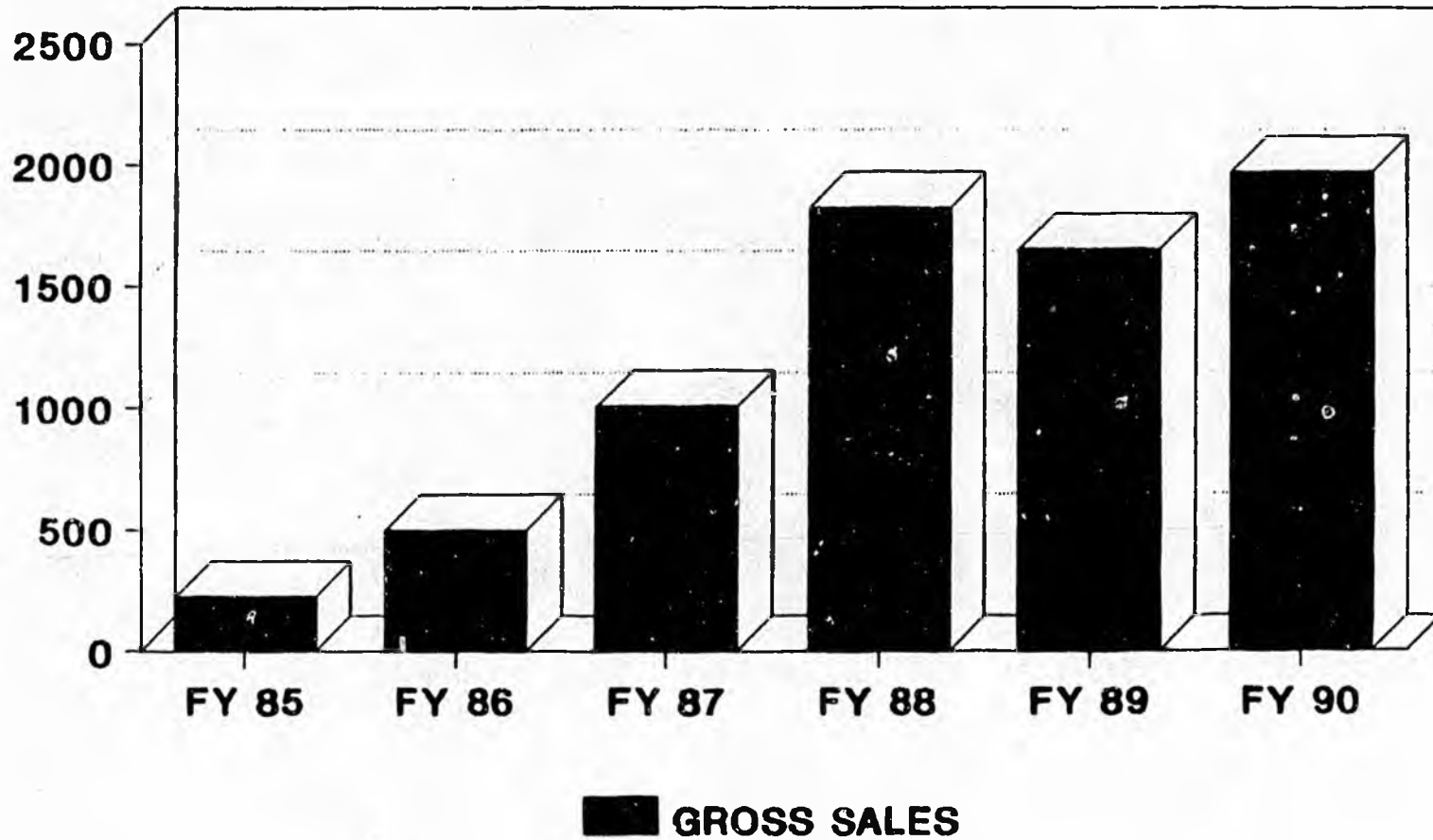
4/6/91



Alaska Correctional Industries
Organizational Chart
Statewide Programs

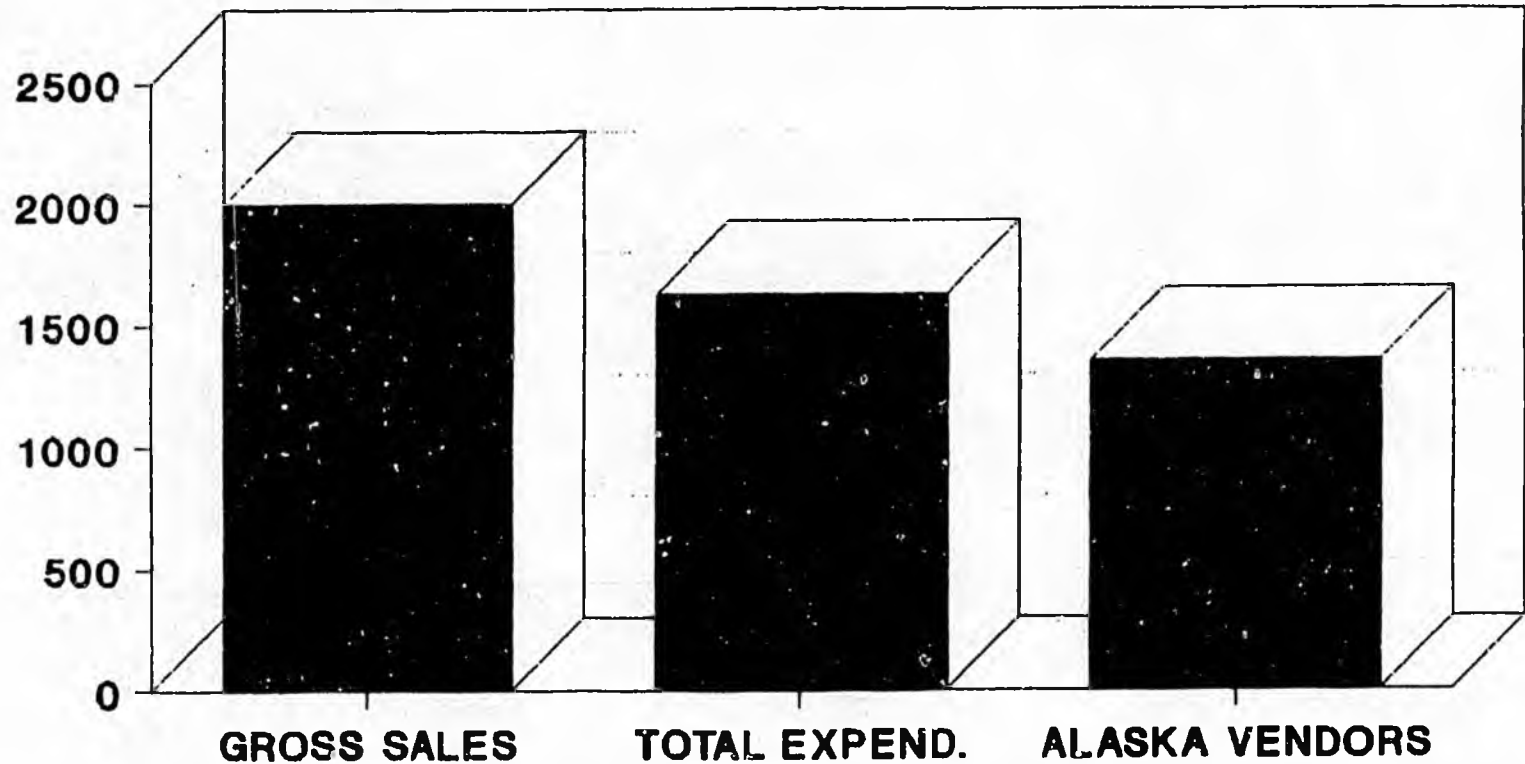
CORRECTIONAL INDUSTRIES

Annual Sales



In Thousands

CORRECTIONAL INDUSTRIES FY 90 SALES



262 ALASKAN VENDORS USED
OR
83% OF ALL
PURCHASES

■ ACI ACTIVITY

IN THOUSANDS

ALASKA CORRECTIONAL INDUSTRIES PROGRAM

COMMISSION MEMBERS

GOVERNMENT MEMBERS:

Millet Keller, Commissioner
Department of Administration
P.O. Box C, MS 0200, Juneau, Alaska 99811
Juneau Office: 465-2200

Lloyd Hanes, Commissioner
Department of Corrections
P.O. Box T, Juneau, Alaska 99811-2000
Juneau Office: 465-3376
Anch. Office: 561-4426

LABOR REPRESENTATIVES:

James Carroll
Ironworker's Union
315 5th Ave., Fairbanks, Alaska 99701
Fbx. Office: 456-6960

AnnaBell Stevens
Laundry & Dry Cleaning Local 333
825 E. 8th Ave., Anchorage, Alaska 99501
Anch. Office: 279-1124

BUSINESS REPRESENTATIVE:

Roger Lewis
635 Main Street, Juneau, Alaska 99801
Juneau Office: 586-1700

AGRICULTURAL REPRESENTATIVE:

Joan Koponen
710 Chena Ridge, Fairbanks, Alaska 99709
Fbx. Office: 479-6782

PUBLIC REPRESENTATIVE:

Calvin Williams
P.O. Box 200332, Anchorage, Alaska 99520
Anch. Office: 786-8585

EX-OFFENDER REPRESENTATIVE:

James L. Hesson
601 West Willoughby, Juneau, Alaska 99801
Juneau Office: 463-5577

December 19, 1990

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. H.B. 166

Revision Date: _____ Department Affected: Corrections

Title: "An Act continuing the corr. industries program; and...effective date" BRU: _____

Component: _____

Sponsor: _____

Requestor: Governor COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Tom Sutton, Director *TS 3/22/91* Phone: (907)465-3376

Division: Administrative Services Date: 03-22-91

Approved by Commissioner: _____

Agency: Department of Corrections Date: 03-22-91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

THE FOLLOWING DOCUMENT MAY NOT FILM
LEGIBLY BECAUSE OF THE POOR QUALITY OF THE
ORIGINAL

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* DELIVER TO: LHSCHES
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* ORIGINAL
* SENT: 03/26/91 TIME: 09:55
* FROM: LIUCLAI
* SUBJECT: 91-03-128;FS,BLOOD ETC.,3-26
* PRINT DATE: 03/26/91 TIME: 11:18
*
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SUBJECT LINE TO READ: TC NO.; FLNFS;SHORT SUBJECT;DATE

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TNC NO: 91-03-128
DATE: 03-26-91
SPONSOR: H HESS
SUBJECT: HCR 16, SCR 17, HB 211, HB 43, HB 163
MODERATOR: LANI
SITE: ANCHORAGE

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FINAL STATS

TO TESTIFY

NAME\ REPRESENTING	ADDRESS	PHONE	BILL NO.
1. ANNABELL STEVENS	2906 W 30TH	279-1124	HB 166
2. DALE GOODLOE	BLOOD BANK OF AK.	563-3110	SCR17,HB211

Interim Pres. AK Cads + Moms

3. GARY MAXWELL	2225 ARCTIC BLVD.	274-7358	HB 43
4. ROLAND GOWER, MD	2841 DEBARR #41	279-3564	SCR 17, HB211

TO OBSERVE:

NAME\ REPRESENTING	ADDRESS	PHONE	BILL NO.
1. VICKIE MONINSKI	15720 SOUTHPARK LP.	346-1460	SCR17,HB211
2. TED MONINSKI	BOX 102776	346-1460	
3. GEOFF FEILER	4128 WRIGHT ST,	561-0083	SCR17,HB211
4. LINDA WEBBER, PH D	1227 W 9TH, #200	276-4910	

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TESTIFIED: 3
UNABLE: 1 (ROLAND GOWER, MD)
OBSERVED: 4
TOTAL: 8

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STARTING TIME: 7:30 A.M. ENDING TIME: 10:00 A.M.

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Alaska State Legislature

House of Representatives

COMMITTEE ON HEALTH, EDUCATION
AND SOCIAL SERVICES

DATE: *March 26, 1991*

PLACE: Capitol Room 106

SUBJECT OF MEETING:

~~HB 166~~ *Extend Correctional Industries Program*

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
✓ <i>WALLY ROMAN</i>	<i>Dept of Corrections</i>	<i>Box T Juneau, Alaska</i>		<i>586-6489</i>	<i>465-3376</i>	<input checked="" type="radio"/> Y <input type="radio"/> N	<i>HB/66</i>
✓ <i>Ted Quinn</i>	<i>Capital Office Supply</i>	<i>223 Seward St. Juneau</i>	<i>99801</i>		<i>586-2830</i>	<input checked="" type="radio"/> Y <input type="radio"/> N	<i>HB/66</i>
✓ <i>Charles Campbell</i>	<i>Standing Compliance monitor "Clear y"</i>	<i>3020 Douglas Hwy Juneau, AK 99801</i>		<i>586-5793</i>		<input checked="" type="radio"/> Y <input type="radio"/> N	<i>HB 166</i>
✓ <i>JOE POSEN</i>	<i>Juneau Chamber of Commerce</i>	<i>124 W 5th St Juneau</i>		<i>6-6420</i>		<input checked="" type="radio"/> Y <input type="radio"/> N	<i>HB 166</i>
✓ <i>ROGER W. LEWIS</i>	<i>Correctional Industries Commission</i>	<i>635 Main St. Juneau</i>	<i>99801</i>	<i>586-6898</i>	<i>586-1700</i>	<input checked="" type="radio"/> Y <input type="radio"/> N	<i>HB 166</i>
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
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						<input type="radio"/> Y <input type="radio"/> N	



Alaska State Legislature

House of Representatives

COMMITTEE ON HEALTH, EDUCATION
AND SOCIAL SERVICES

SUBJECT OF MEETING:

DATE:

PLACE: Capitol Room 106

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
SHERRIE GOLL	AK WOMEN'S LOBBY	P.O. BOX 22156 Jno	99802		463-6744	Y <input type="radio"/> N <input checked="" type="radio"/>	IN SUPPORT OF HR 27
BEVERLY FLETCHER	AK NETWORK ON DV/SA	130 SEWARD ST. # 301	99802		586-3050	Y <input type="radio"/> N <input checked="" type="radio"/>	IN SUPPORT OF HR 27
V. JOE POOR	JUNEAU CHAMBER OF COMMERCE	124 W 5 TH ST	99801		6-6420	Y <input checked="" type="radio"/> N <input type="radio"/>	HB 166
✓ Resa Terrel	NFIB	9159 Skywood - JUNEAU	99801		9-4278	Y <input checked="" type="radio"/> N <input type="radio"/>	HB 166
Ted Quinn / Terry Quinn	CAPITAL OFFICE SUPPLY	223 Seward Street JUNEAU	99801		586-2830	Y <input checked="" type="radio"/> N <input type="radio"/>	HB 166
						Y <input type="radio"/> N <input type="radio"/>	
						Y <input type="radio"/> N <input type="radio"/>	
						Y <input type="radio"/> N <input type="radio"/>	
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						Y <input type="radio"/> N <input type="radio"/>	



Alaska State Legislature

House of Representatives

COMMITTEE ON HEALTH, EDUCATION
AND SOCIAL SERVICES

SUBJECT OF MEETING:
~~HB166 EXTEND CORRECTIONAL INDUSTRIES~~
~~PROGRAM~~

DATE: March 25, 1991

PLACE: Capitol Room 106

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
WALLY ROMAN	Dept of Corrections	Box T Juneau		586-6489	465-3376	Y	N	HB 166
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	