

HB

329

HFIN

FILE

Valdez Operating Costs FY 99
(full year)

| | Pers. Svcs. | Travel | Contract | Supplies | Equip. | Gratuities | TOTAL |
|--|-------------|--------|-----------|----------|--------|------------|-----------|
| MEDICAL EXPENSES | | | | | | | |
| 2-Nurse II salaries | \$ 120.0 | | | | | | |
| 1-Nurse III salaries | \$ 64.0 | | | | | | |
| Physician's Services | | | \$ 50.0 | | | | |
| Total | \$ 184.0 | \$ - | \$ 50.0 | \$ - | \$ - | \$ - | \$ 234.0 |
| TREATMENT EXPENSES | | | | | | | |
| Treatment Contract | | | \$ 624.0 | | | | |
| Total | \$ - | \$ - | \$ 624.0 | \$ - | \$ - | \$ - | \$ 624.0 |
| ADMINISTRATIVE EXPENSES | | | | | | | |
| WAN Charges | | | \$ 1.5 | | | | |
| Network Charges | | | \$ 4.1 | | | | |
| Data Comm. Costs | | | \$ 1.2 | | | | |
| Total | \$ - | \$ - | \$ 6.8 | \$ - | \$ - | \$ - | \$ 6.8 |
| CORRECTIONAL EXPENSES | | | | | | | |
| Superintendent salary | \$ 75.0 | | | | | | |
| Admin. Assistant salary | \$ 49.0 | | | | | | |
| Admin Clerk salary | \$ 41.7 | | | | | | |
| 1-PO II salary | \$ 58.8 | | | | | | |
| 6-CO II salaries | \$ 346.0 | | | | | | |
| 4-CO III salaries | \$ 254.8 | | | | | | |
| Admin. Travel/PerDiem | | \$ 3.5 | | | | | |
| Prisoner Transport | | \$18.5 | | | | | |
| Drug Test Retakes | | | \$ 3.6 | | | | |
| Food Services Contract | | | \$ 360.0 | | | | |
| Phone Costs | | | \$ 30.0 | | | | |
| Alarm System Hookup | | | \$ 1.2 | | | | |
| Postage Costs | | | \$ 2.9 | | | | |
| Vehicle Costs | | | \$ 15.1 | | | | |
| Freight/Express Costs | | | \$ 4.6 | | | | |
| Advertising and Printing | | | \$ 6.9 | | | | |
| Subscriptions | | | \$ 0.5 | | | | |
| Maint. & Repair (incl. Snow rem) | | | \$ 15.1 | | | | |
| 2 Copier Lease | | | \$ 9.9 | | | | |
| Postage Equipment Lease | | | \$ 3.2 | | | | |
| Staff Training | | | \$ 5.0 | | | | |
| Risk Management | | | \$ 5.0 | | | | |
| Other Services | | | \$ 4.0 | | | | |
| General Office Supplies | | | | \$ 12.4 | | | |
| Inmate Clothing/Toiletries | | | | \$ 10.7 | | | |
| Non-Food Kitchen Supplies | | | | \$ 7.7 | | | |
| Staff Uniforms | | | | \$ 4.8 | | | |
| Audio/Visual Supplies | | | | | \$ 0.2 | | |
| Drug Testing Supplies | | | | | \$16.4 | | |
| Computer Software | | | | | \$ 2.5 | | |
| Ammunition | | | | | \$ 1.5 | | |
| Atheletic Supplies | | | | | \$ 2.0 | | |
| Security Items | | | | | \$ 3.3 | | |
| Repair/Maint Supp. (cleaning chem) | | | | | \$13.0 | | |
| Misc. Supplies | | | | | \$ 2.5 | | |
| Repair Supplies | | | | | \$10.0 | | |
| Inmate Gratuities | | | | | | \$ 32.0 | |
| Personnel Vacancy Adjustment | \$ (23.3) | | | | | | |
| Total | \$ 802.0 | \$22.0 | \$ 467.0 | \$ 35.6 | \$51.4 | \$ 32.0 | \$1,410.0 |
| DOA/General Services and Supply | | | | | | | |
| | | | | | | | \$ 385.2 |
| TOTAL ALL COSTS | \$ 986.0 | \$22.0 | \$1,147.8 | \$ 35.6 | \$51.4 | \$ 32.0 | \$2,660.0 |

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FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 329

| | | | |
|------------------------------------|---|----------------------|-------------------------------|
| Revision Date (Note if correction) | 5/2/98 | Dept. Affected | Corrections |
| Title | An Act amending the definition of a correctional facility to include a therapeutic treatment center;... | BRU | Administration and Operations |
| Sponsor | Rules by Request | Component | Office of the Commissioner |
| Requester | House Finance Committee | Component Serial No. | #0694 |

Expenditures/Revenues (Thousands of Dollars)

| OPERATING EXPENDITURES | FY 99 | FY 00 | FY 01 | FY 02 | FY 03 | FY 04 |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Personal Services | 739.5 | 986.0 | 986.0 | 986.0 | 986.0 | 986.0 |
| Travel | 49.5 | 22.0 | 22.0 | 22.0 | 22.0 | 22.0 |
| Contractual | 1,326.4 | 1,533.0 | 1,535.7 | 1,538.4 | 1,541.1 | 1,543.9 |
| Supplies | 131.5 | 87.0 | 87.0 | 87.0 | 87.0 | 87.0 |
| Equipment | 141.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Land & Structures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Grants & Claims | 24.0 | 32.0 | 32.0 | 32.0 | 32.0 | 32.0 |
| Miscellaneous | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL OPERATING | 2,412.4 | 2,660.0 | 2,662.7 | 2,665.4 | 2,668.1 | 2,670.9 |

| | | | | | | |
|-----------------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|-----------------------------|--|--|--|--|--|--|

| | | | | | | |
|-------------------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES () | | | | | | |
|-------------------------------|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

| FUND SOURCE | FY 99 | FY 00 | FY 01 | FY 02 | FY 03 | FY 04 |
|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 1002 Federal Receipts | 133.9 | 133.9 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1003 GF Match | 44.6 | 44.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1004 GF | 2,233.9 | 2,481.5 | 2,662.7 | 2,665.4 | 2,668.1 | 2,670.9 |
| 1005 GF/Program Receipts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1037 GF/Mental Health | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Specify Type) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL | 2,412.4 | 2,660.0 | 2,662.7 | 2,665.4 | 2,668.1 | 2,670.9 |

Estimate of any current year (FY98) cost: 0.0

POSITIONS

| POSITIONS | FY 99 | FY 00 | FY 01 | FY 02 | FY 03 | FY 04 |
|-----------|-------|-------|-------|-------|-------|-------|
| Full-time | 17 | 17 | 17 | 17 | 17 | 17 |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

The Valdez Therapeutic Community will be a sixty bed, six to ten month intensive residential substance abuse treatment program for minimum and medium custody level prisoners within the DOC. Male prisoners will be referred from Alaska's correctional institutions around the state. The DOC will maintain security while a contracted treatment provider will be responsible for delivery of the treatment program.

This fiscal analysis assumes that facility operations will start on 10/1/98 of FY99 and only incur 3 quarters of operational costs during that fiscal year. FY99 and FY00 Federal Funds are based on a limited two year Federal RSAT Grant which requires a 33% GF Match. FY99 also includes all one-time "Start Up" costs associated with Medical, Treatment, Administrative D&WP, and Correctional operations (e.g., library, clothing, bedding, furniture, correctional equipment, etc.) Program Evaluation will be funded through the Federal RSAT grant with technical assistance provided by the Office of Justice Programs. This fiscal note does not contain inflationary costs except for a 2% Cost Index increase on annual lease payments. (Continued)

| | | | |
|--------------|---|-------|----------|
| Prepared by | Dwayne Peeples, Director | Phone | 465-3339 |
| Division | Administrative Services | Date | 5/2/98 |
| Approved by: | Commissioner Margaret M. Pugh <i>Margaret M. Pugh</i> | Date | 5/2/98 |
| Agency | Department of Corrections | | |

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Fiscal Note

Valdez Therapeutic Community

Page 2

Costs Featuring 60 Inmates:

| | Start-Up Costs (FY99 One Time) | On-Going Annual Costs |
|---------------------------|-----------------------------------|----------------------------------|
| Inmate Health /Medical | \$20.0 | \$234.0 |
| Inmate Programs/Treatment | \$61.3 | \$624.0 |
| Design & Outcome | \$40.0* | \$0.0 |
| Admin. Services/D&WP | \$40.0 | \$6.8 |
| Institution Operations | \$162.4 | \$1,410.0 |
| DOA/GSS | \$0.0 | \$385.2 2% CPI Increase Annually |
| TOTALS | \$323.7 | \$2,660.0 |

Operating Costs:

| | FY99 | Annually FY00-FY04 | Notes |
|---|------------------|-----------------------|--------------------------------------|
| Institutions/Operating | | | |
| Pers. Svcs | \$601.5 | \$802.0 | 14 PFT Staff Personal Services |
| Travel | \$49.5 | \$22.0 | FY99 Includes \$33.0 start up funds |
| Contractual Svcs | \$353.3 | \$467.0 | Includes \$360.0 for Food Contracts |
| Supplies | \$104.9 | \$87.0 | FY99 Includes \$ 39.6 start up funds |
| Equipment | \$86.8 | \$0.0 | FY99 Includes \$ 86.8 start up funds |
| Grants | \$24.0 | \$32.0 | Inmate Gratuities/wages |
| Total | <u>\$1,220.0</u> | <u>\$1,410.0</u> | |
| Inmate Health Care | | | |
| Pers. Svcs | \$138.0 | \$184.0 | 3 PFT Staff Personal Services |
| Contractual Svcs | \$37.5 | \$50.0 | On-call Doctor Services |
| Supplies | \$20.0 | \$0.0 | Pharmacy & Medical start up |
| Total | <u>\$195.5</u> | <u>\$234.0</u> | |
| Inmate Programs | | | |
| Contractual Svcs | \$508.0 | \$624.0 | Treatment (11 contract positions) |
| Supplies | \$6.6 | \$0.0 | Office Supplies |
| Equipment | \$54.7 | \$0.0 | Furniture, PCs, Cabinets, etc. |
| Total | <u>\$569.3</u> | <u>\$624.0</u> | |
| Administrative Services/Data & Word Processing | | | |
| Contracts | \$45.1 | \$6.8 | Establish Network System |
| Total | <u>\$45.1</u> | <u>\$6.8</u> | |
| DOA/General Services & Supply | | | |
| Leasing | \$382.5 | \$385.2 | 2% CPI Increase Annually FY00-FY04 |
| Total | <u>\$382.5</u> | <u>\$385.2</u> | |
| Grand Total | \$2,412.4 | \$2,660.0 | |

*Note: Program evaluation funded with RSAT grant.

5/4/98 eve

**Institutions Inmate/Day Cost Comparison
Institutional Costs
(Based on FY97 Actual Operating Costs adjusted to include FY98 COLA Increase)**

| Institution | Annual Cost | Cleary Emergency | Mandays | Institution Costs Per Bed | Inmate Programs | Inmate Hlth Care | lv. of Admin. & Support | Statewide Indirect | Totals |
|---|------------------------|------------------|----------------|---------------------------|-----------------|------------------|-------------------------|--------------------|-----------------|
| Anvil Mountain CC | \$3,990,005.26 | 104 | 37,960 | \$105.11 | \$3.78 | \$13.81 | \$4.51 | \$5.23 | \$132.24 |
| Cook Inlet CC | \$9,412,557.68 | 403 | 147,095 | \$63.99 | \$3.78 | \$13.81 | \$4.61 | \$5.23 | \$91.12 |
| Fairbanks CC | \$7,015,027.48 | 200 | 73,000 | \$96.10 | \$3.78 | \$13.81 | \$4.61 | \$5.23 | \$123.23 |
| Hiland/Meadow Creek CC | \$7,514,182.78 | 299 | 109,135 | \$68.85 | \$3.78 | \$13.81 | \$4.51 | \$5.23 | \$95.98 |
| Ketchikan CC | \$2,659,199.44 | 53 | 19,345 | \$137.46 | \$3.78 | \$13.81 | \$4.61 | \$5.23 | \$164.59 |
| Lemon Creek CC | \$6,085,882.75 | 170 | 62,050 | \$98.08 | \$3.78 | \$13.81 | \$4.61 | \$5.23 | \$125.21 |
| Matanuska-Susitna CC | \$2,825,712.41 | 85 | 31,025 | \$91.08 | \$3.78 | \$13.81 | \$4.51 | \$5.23 | \$118.21 |
| Palmer CC | \$8,894,824.76 | 348 | 127,020 | \$70.03 | \$3.78 | \$13.81 | \$4.51 | \$5.23 | \$97.16 |
| Sixth Avenue CC | \$3,946,071.63 | 108 | 39,420 | \$100.10 | \$3.78 | \$13.81 | \$4.61 | \$5.23 | \$127.23 |
| Spring Creek CC | \$13,953,174.25 | 486 | 177,390 | \$78.66 | \$3.78 | \$13.81 | \$4.51 | \$5.23 | \$105.79 |
| Wildwood CC | \$8,294,056.94 | 343 | 125,195 | \$66.25 | \$3.78 | \$13.81 | \$4.51 | \$5.23 | \$93.38 |
| Yukon-Kuskokwim CC | \$3,966,880.19 | 92 | 33,580 | \$118.13 | \$3.78 | \$13.81 | \$4.61 | \$5.23 | \$145.26 |
| Totals/ Current Statewide Averages | \$78,5E7,575.57 | 2891 | 982,216 | \$79.98 | \$3.78 | \$13.81 | \$4.61 | \$5.23 | \$107.11 |
| Proposed Harborview Therapeutic | \$1,795,200.00 | 60 | 21,900 | \$77.31* | \$3.78 | \$13.81 | \$4.51 | \$4.66 + \$0.69 | \$104.66 |
| Legislative Intent: HCS CSSB 107(FIN) am H, Chapter 100 SLA 97 Section 74 (a): | | | | | | | | | |
| The sum of \$400,000 is appropriated from the federal receipts crime funds to the Department of Corrections for a therapeutic treatment community program of up to 100 beds in Valdez where cost (exclusive of treatment costs) will not exceed the statewide average cost per day for correctional institutions." | | | | | | | | | |
| Institutions' cost calculations based on FY97 actual expenditures adjusted for the 1998 COLA increase | | | | | | | | | |
| * The additional \$4.66 in daily lease costs that cover capital-type items outside the Department's usual operating expenses for its other institutions, e.g., amortization, major maintenance and repair depreciation, etc. are shown in the "statewide indirect" column -- where such costs are shown in the department's budget for its other institutions. | | | | | | | | | |
| **The program costs specific to the Valdez Therapeutic Community will be an additional \$28.49 per bed per day | | | | | | | | | |
| ***Note that if the therapeutic community is not used, 60 more inmates will have to be sent to Arizona at a daily cost of \$53.50 + transportation (averages to approx. \$1.00 a day) and it will cost \$265,000 a year to leave the facility empty (cost of heat, electricity, repairs, snow removal, and one maintenance person) which equals \$12.10 a day when spread over 60 inmates; thus, it would cost \$66.60 per day not to use the facility. | | | | | | | | | |

5-4-98 eve
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Institutions Inmate/Day Cost Comparison
Institutional Costs
 (Based on FY99 Operating Budget Costs with no COLA adjustment)

| Institution | Annual Cost | Clearly Emergency | Mandays | Institution Costs Per Bed | Inmate Programs | Inmate Hlth Care | Div. of Admin. & Support | Statewide Indirect | Totals |
|--|------------------------|-------------------|----------------|---------------------------|-----------------|------------------|--------------------------|--------------------|-----------------|
| Anvil Mountain CC | \$3,871,100.00 | 104 | 37,960 | \$101.98 | \$3.78 | \$13.61 | \$4.51 | \$5.23 | \$129.11 |
| Cook Inlet CC | \$9,163,000.00 | 403 | 147,095 | \$62.29 | \$3.78 | \$13.61 | \$4.51 | \$5.23 | \$89.42 |
| Fairbanks CC | \$6,975,800.00 | 200 | 73,000 | \$95.56 | \$3.78 | \$13.61 | \$4.51 | \$5.23 | \$122.69 |
| Hiland/Meadow Creek CC | \$7,200,400.00 | 299 | 109,135 | \$65.98 | \$3.78 | \$13.61 | \$4.51 | \$5.23 | \$93.11 |
| Ketchikan CC | \$2,587,300.00 | 53 | 19,345 | \$133.75 | \$3.78 | \$13.61 | \$4.51 | \$5.23 | \$167.88 |
| Lemon Creek CC | \$5,942,800.00 | 170 | 62,050 | \$95.77 | \$3.78 | \$13.61 | \$4.51 | \$5.23 | \$122.90 |
| Matanuska-Susitna CC | \$2,725,300.00 | 85 | 31,025 | \$87.84 | \$3.78 | \$13.61 | \$4.51 | \$5.23 | \$114.97 |
| Palmer CC | \$8,500,100.00 | 348 | 127,020 | \$66.92 | \$3.78 | \$13.61 | \$4.51 | \$5.23 | \$94.05 |
| Sixth Avenue CC | \$3,845,100.00 | 108 | 39,420 | \$97.54 | \$3.78 | \$13.61 | \$4.51 | \$5.23 | \$124.67 |
| Spring Creek CC | \$13,749,200.00 | 486 | 177,390 | \$77.51 | \$3.78 | \$13.61 | \$4.51 | \$5.23 | \$104.64 |
| Wildwood CC | \$8,213,600.00 | 343 | 125,195 | \$65.61 | \$3.78 | \$13.61 | \$4.51 | \$5.23 | \$92.74 |
| Yukon-Kuskokwim CC | \$3,972,700.00 | 92 | 33,580 | \$118.31 | \$3.78 | \$13.61 | \$4.51 | \$5.23 | \$145.44 |
| Unallocated House Reduction | (\$721,100.00) | | | | | | | | |
| Totals: FY99 Budget Averages | \$76,025,300.00 | 2691 | 982,215 | \$77.40 | \$3.78 | \$13.61 | \$4.51 | \$5.23 | \$104.53 |
| Proposed Harborview Therapeutic | \$1,795,200.00 | 60 | 21,900 | \$77.31* | \$3.78 | \$13.61 | \$4.51 | \$4.68 + \$0.69 | \$104.56 |
| Legislative Intent: HCS CSSB 107(FIN) am H, Chapter 100 SLA 97 Section 74 (a) : The sum of \$400,000 is appropriated from the federal receipts crime funds to the Department of Corrections for a therapeutic treatment community program of up to 100 beds in Valdez where costs (exclusive of treatment costs) will not exceed the statewide average cost per day for correctional institutions." | | | | | | | | | |
| Institutions' cost calculations based on FY99 operating budget figures, with no adjustment for COLA increases | | | | | | | | | |
| * The additional \$4.66 in daily lease costs that cover capital-type items outside the Department's usual operating expenses for its other institutions, e.g., amortization, major maintenance and repairs, depreciation, etc. are shown in the "statewide indirect" column -- where such costs are shown in the department's budget for its other institutions. | | | | | | | | | |
| **The program costs specific to the Valdez Therapeutic Community will be an additional \$28.49 per bed per day | | | | | | | | | |
| ***Note that if the therapeutic community is not used, 60 more inmates will have to be sent to Arizona at a daily cost of \$53.50 + transportation (averages to approx. \$1.00 a day) and it will cost \$265,000 a year to leave the facility empty (cost of heat, electricity, repairs, snow removal, and one maintenance person), which equals \$12.10 a day when spread over 60 inmates; thus, it would cost \$66.60 per day not to use the facility. | | | | | | | | | |

STATE OF ALASKA

DEPARTMENT OF CORRECTIONS

TONY KNOWLES, GOVERNOR

REPLY TO:

PO BOX 112000
JUNEAU, ALASKA 99811-2000
PHONE (907) 465-3376

April 1, 1998

Representative Gene Therriault, Co-Chair
House Finance Committee
State Capitol, Room 511
Juneau, Alaska 99801

Dear Representative Therriault:

I respectfully request a hearing on House Bill 329, "An Act amending the definition of correctional facility to include a therapeutic center..."

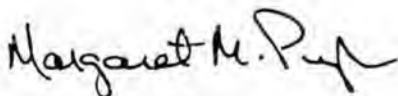
The Department of Corrections is excited about the possibility of operating an in-prison intensive substance abuse program often referred to as a Therapeutic Community or treatment center. This model of substance abuse treatment has recently been evaluated and shows a consistent reduction in recidivism rates for inmates who are chronic substance abusers

This legislation would amend the definition of "correctional facility" to include a therapeutic treatment center. In addition it would require conveyance of the title to the Harborview Developmental Center in Valdez to the City of Valdez. And finally, sets out conditions that are required in order for the conveyance to take place.

The Department of Corrections has planned for a sixty-bed treatment center in the Valdez facility. Based on other experiences from around the country, I believe this would be a positive step towards reducing the recidivism rate, and more importantly reducing the number of victims of substance abuse related crime. The current plan includes an evaluation component that will be in place before the first inmate enters treatment. It will encompass process information as well as outcome data.

Thank you for your consideration.

Sincerely,



Margaret M. Pugh

CC: Pat Pourchot, Legislative Director
Office of the Governor

LEGAL SERVICES

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LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 23, 1998

SUBJECT: SB 246 - Harborview Development Center (W.O. 20-GS2045A)

TO: Representative Eldon Mulder
Attn: Denny DeWitt

FROM: Gerald P. Luckhaupt *gpl*
Legislative Counsel

You have asked if sec. 1 of the above-referenced bill is essential to the transfer of the Harborview Development Center as is contemplated by the bill. It is my opinion that sec. 1 is not necessary. Section 1 of the bill adds "therapeutic treatment center" to the definition of "correctional facility" in AS 33.30.901(4).¹ It is my opinion that a "therapeutic treatment center" is already encompassed within the definition of "correctional facility." From my understanding of the term and as it is used in the bill, a "therapeutic treatment center" is "a prison, jail, camp, farm, half-way house, group home, or other placement designated by the commissioner for the custody, care, and discipline of prisoners," albeit, possibly, a specialized type of "correctional facility." I see no compelling need that would require the addition of this specialized term (that is not defined) to the broad definition of correctional facility already existing in statute.

GPL:jdr
98-265.jdr

¹That provision provides:

'correctional facility' or 'facility' means a prison, jail, camp, farm, half-way house, group home, or other placement designated by the commissioner for the custody, care, and discipline of prisoners; a 'state correctional facility' means a correctional facility owned or run by the state.

FISCAL NOTE

Bill Version: HB 329

(H) Publish Date: 1/16/98

STATE OF ALASKA

1998 LEGISLATIVE SESSION

Revision Date: (Note if correction)
 Title: "An Act amending the definition of correctional facility to include a therapeutic treatment center..."
 Sponsor: Rules Committee
 Requestor: Governor

Department Affected: Administration
 BRU: General Services
 Component: Purchasing
COMPONENT SERIAL NO. 60

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING EXPENDITURES | FY 99 | FY 00 | FY 01 | FY 02 | FY 03 | FY 04 |
|------------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|-----------------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|-----------------------------|--|--|--|--|--|--|

| | | | | | | |
|-------------------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES () | | | | | | |
|-------------------------------|--|--|--|--|--|--|

FUND SOURCE: (Thousands of Dollars)

| | | | | | | |
|--------------------------|-----|-----|-----|-----|-----|-----|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| OTHER | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY 98) cost: \$ none

POSITIONS:

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

ANALYSIS: (Attach a separate page if necessary.) The bill authorizes transfer of excess real property and improvements of the Harborview Development Center in Valdez to the City of Valdez. Under the terms of the transfer, the City of Valdez must agree to convert a portion of the facility to a therapeutic treatment center and lease it to the Department of Corrections. Up to 60 inmates qualifying for therapeutic treatment would be housed in the treatment facility. The fiscal note is based on the following assumptions:

1. All funds necessary to complete improvements are with either the City of Valdez and/or the Department of Corrections.
2. Transfer of the property occurs on June 30, 1998.
3. No monetary consideration is received at transfer.
4. Funding for payment of the lease and all other operating costs is with the Department of Corrections.

Prepared by: Dugan Petty, Director
 Division: General Services

Phone: 465-2250
 Date: _____

Approved by Commissioner: Mark Bover
 Agency: Department of Administration

Date: 1/17/98

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FISCAL NOTE

Bill Version: 18329
(H, Publish Date: 1/16/98)

**STATE OF ALASKA
1998 LEGISLATIVE SESSION**

| | | |
|--|-----------------|-------------------------------|
| Revision Date (Note if correction) | Dept. Affected | Corrections |
| Title | BRU | Administration and Operations |
| facility to include a therapeutic treatment center,... | Component | Office of the Commissioner |
| Sponsor | Rules Committee | |
| Requester | Governor | Component Serial No. #0694 |

Expenditures/Revenues (Thousands of Dollars)

| OPERATING EXPENDITURES | FY 99 | FY 00 | FY 01 | FY 02 | FY 03 | FY 04 |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Personal Services | 787.3 | 1,049.7 | 1,049.7 | 1,049.7 | 1,049.7 | 1,049.7 |
| Travel | 49.5 | 22.0 | 22.0 | 22.0 | 22.0 | 22.0 |
| Contractual | 1,326.4 | 1,533.0 | 1,535.7 | 1,538.4 | 1,541.1 | 1,543.9 |
| Supplies | 131.5 | 87.0 | 87.0 | 87.0 | 87.0 | 87.0 |
| Equipment | 141.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Land & Structures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Grants & Claims | 24.0 | 32.0 | 32.0 | 32.0 | 32.0 | 32.0 |
| Miscellaneous | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL OPERATING | 2,460.2 | 2,723.7 | 2,726.4 | 2,729.1 | 2,731.8 | 2,734.6 |

| | | | | | | |
|-----------------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|-----------------------------|--|--|--|--|--|--|

| | | | | | | |
|-------------------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES () | | | | | | |
|-------------------------------|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

| FUND SOURCE | FY 99 | FY 00 | FY 01 | FY 02 | FY 03 | FY 04 |
|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 1002 Federal Receipts | 133.9 | 133.9 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1003 GF Match | 44.6 | 44.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1004 GF | 2,281.7 | 2,545.2 | 2,726.4 | 2,729.1 | 2,731.8 | 2,734.6 |
| 1005 GF/Program Receipts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1037 GF/Mental Health | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (Specify Type) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL | 2,460.2 | 2,723.7 | 2,726.4 | 2,729.1 | 2,731.8 | 2,734.6 |

Estimate of any current year (FY98) cost: 0.0

POSITIONS

| | | | | | | |
|-----------|----|----|----|----|----|----|
| Full-time | 18 | 13 | 18 | 18 | 18 | 18 |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

The Valdez Therapeutic Community will be a sixty bed, six to ten month intensive residential substance abuse treatment program for minimum and medium custody level prisoners within the DOC. Male prisoners will be referred from Alaska's correctional institutions around the state. The DOC will maintain security while a contracted treatment provider will be responsible for delivery of the treatment program.

This fiscal analysis assumes that facility operations will start on 10/1/98 of FY99 and only incur 3 quarters of operational costs during that fiscal year. FY99 and FY00 Federal Funds are based on a limited two year Federal RSAT Grant which requires a 33% GF Match. FY99 also includes all one-time "Start Up" costs associated with Medical, Treatment, Administrative D&WP, and Correctional operations (e.g., library, clothing, bedding, furniture, correctional equipment, etc.) Program Evaluation will be funded through the Federal RSAT grant with technical assistance provided by the Office of Justice Programs. This fiscal note does not contain inflationary costs except for a 2% Cost Index increase on annual lease payments. (Continued)

Prepared by Dwayne Peeples, Director
 Division Administrative Services
 Approved by: Commissioner Margaret M. Pugh
 Agency Department of Corrections

Phone 465-3339
 Date 1/15/98
 Date 1-15-98

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Fiscal Note
Valdez Therapeutic Community
Page 2

Costs Featuring 60 Inmates:

| | Start-Up Costs (FY99 One Time) | On-Going Annual Costs |
|---------------------------|-----------------------------------|---|
| Inmate Health /Medical | \$20.0 | \$234.0 |
| Inmate Programs/Treatment | \$61.3 | \$624.0 |
| Design & Outcome | \$40.0* | \$0.0 |
| Admin. Services/D&WP | \$40.0 | \$6.8 |
| Institution Operations | \$162.4 | \$1,473.7 |
| DOA/GSS | <u>\$0.0</u> | <u>\$385.2</u> 2% CPI Increase Annually |
| TOTALS | \$323.7 | \$2,723.7 |

| Operating Costs: | FY99 | Annually FY00-FY04 | Notes |
|---|------------------|-----------------------|--------------------------------------|
| Institutions/Operating | | | |
| Pers.Svcs | \$649.3 | \$865.7 | 15 PFT Staff Personal Services |
| Travel | \$49.5 | \$22.0 | FY99 Includes \$33.0 start up funds |
| Contractual Svcs | \$353.3 | \$467.0 | Includes \$360.0 for Food Contracts |
| Supplies | \$104.9 | \$87.0 | FY99 Includes \$ 39.6 start up funds |
| Equipment | \$86.8 | \$0.0 | FY99 Includes \$ 86.8 start up funds |
| Grants | \$24.0 | \$32.0 | Inmate Gratuities/wages |
| Total | <u>\$1,267.8</u> | <u>\$1,473.7</u> | |
| Inmate Health Care | | | |
| Pers. Svcs | \$138.0 | \$184.0 | 3 PFT Staff Personal Services |
| Contractual Svcs | \$37.5 | \$50.0 | On-call Doctor Services |
| Supplies | \$20.0 | \$0.0 | Pharmacy & Medical start up |
| Total | <u>\$195.5</u> | <u>\$234.0</u> | |
| Inmate Programs | | | |
| Contractual Svcs | \$508.0 | \$624.0 | Treatment (11 contract positions) |
| Supplies | \$6.6 | \$0.0 | Office Supplies |
| Equipment | \$54.7 | \$0.0 | Furniture, PCs, Cabinets, etc. |
| Total | <u>\$569.3</u> | <u>\$624.0</u> | |
| Administrative Services/Data & Word Processing | | | |
| Contracts | \$45.1 | \$6.8 | Establish Network System |
| Total | <u>\$45.1</u> | <u>\$6.8</u> | |
| DOA/General Services & Supply | | | |
| Leasing | \$382.5 | \$385.2 | 2% CPI Increase Annually FY00-FY04 |
| Total | <u>\$382.5</u> | <u>\$385.2</u> | |
| Grand Total | \$2,460.2 | \$2,723.7 | |

*Note: Program evaluation funded with RSAT grant.

HD 327

TONY KNOWLES
GOVERNOR



P O Box 110001
Juneau Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 16, 1998

The Honorable Gail Phillips
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker *Gail* Phillips:

Nearly 80 percent of all crimes committed in Alaska involve substance abuse. Ensuring safe, healthy communities for Alaskans means having treatment programs designed to reduce the number of people who are victimized by persons under the influence of alcohol or drugs. In line with that effort, this bill authorizes the transfer of the Harborview Developmental Center to the City of Valdez for conversion, in part, to a therapeutic treatment center. The Department of Corrections would then lease the facility from the City of Valdez, which has agreed to invest considerable resources into the necessary conversion.

The Department of Corrections currently has three types of inmate substance abuse programs: substance abuse education, education plus an introduction to treatment, and institutional outpatient treatment. The department needs to complete its continuum of care by establishing an intensive in-prison program that treats the most severe substance abusers.

The Department of Corrections proposes to use a part of the soon-to-be-vacated facility for an intensive substance abuse treatment program, commonly referred to as a "therapeutic community". In 1997, the United States Department of Justice reported studies show consistent reductions in recidivism rates for offenders who complete such programs while in prison. That would also result in fewer crime victims.

There are currently between 90 and 110 incarcerated inmates who need and qualify for therapeutic community treatment. This bill would provide financing for 60 new corrections beds in Valdez and, thus would help ease the pressure on a severely overcrowded correctional system. This legislation also keeps with art. I, sec. 12, of the Alaska Constitution, which mandates criminal administration be based on the principle of

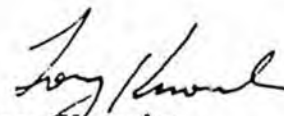
The Honorable Gail Phillips
January 16, 1998
Page 2

reformation. Anticipated costs for fiscal year 1999 would be approximately \$2.5 million, of which \$569,000 is planned for treatment. Annual costs thereafter are estimated at \$2.7 million.

This bill is one more step the state can take to reduce the number of victims of crimes resulting from an offender's substance abuse, provide intensive treatment to reduce repeat criminal behavior, and provide new beds for a severely overcrowded correctional system.

I urge your quick and favorable action so the Department of Corrections can begin occupancy by September, 1998.

Sincerely,



Tony Knowles
Governor

FISCAL NOTE

Bill Version: HB 329
(H) Publish Date: 1/16/98

STATE OF ALASKA 1998 LEGISLATIVE SESSION

Revision Date: _____ Dept Affected: Natural Resources
 Title: An Act amending the definition of correctional BRU: Resource Development
facility to include a therapeutic treatment center, ... Component: Land Development
 Sponsor: Rules Committee
 Requestor: Governor Knowles Component Serial No. 431

(Thousands of Dollars)

| Expenditures/Revenues | FY99 | FY00 | FY01 | FY02 | FY03 | FY04 |
|---------------------------------------|------|------|------|------|------|------|
| OPERATING EXPENDITURES | | | | | | |
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CAPITAL EXPENDITURES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CHANGE IN REVENUES (fund code) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

(Thousands of Dollars)

| FUND SOURCE | FY99 | FY00 | FY01 | FY02 | FY03 | FY04 |
|--------------------------|------|------|------|------|------|------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (Specify Type) | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY98) cost: \$ none

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

There is no anticipated additional fiscal impact for the Department of Natural Resources as a result of passage of this legislation.

Prepared by: Jane Angvik, Director Phone: 269-8503
 Division: Land Date: 8-Jan-98
 Approved by Commissioner: [Signature] Date: 1/16/98
 Agency: Natural Resources

FISCAL NOTE

No: 2

STATE OF ALASKA
1998 LEGISLATIVE SESSION

B. Version: HB 329

(H) Publish Date: 1/16/98

Revision Date: _____
 Title: An act amending the definition of correctional facility to include therapeutic... ..
 Sponsor: Rules Committee
 Requestor: Governor's Office

Dept. Affected: Health and Social Services
 BRU: Administrative Services
 Component: Health Planning and Facilities Management
 COMPONENT SERIAL NO. 2020
 See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

| OPERATING | FY98 | FY00 | FY01 | FY02 | FY03 | FY04 |
|------------------------|------------|------------|------------|------------|------------|------------|
| PERSONAL SERVICES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TRAVEL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CONTRACTUAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| SUPPLIES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EQUIPMENT | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| LAND & STRUCTURES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| GRANTS, CLAIMS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|-----------------------------|-----|-----|-----|-----|-----|-----|
| CAPITAL EXPENDITURES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|-----------------------------|-----|-----|-----|-----|-----|-----|

| | | | | | | |
|--------------------------------|-----|-----|-----|-----|-----|-----|
| CHANGES IN REVENUES () | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|--------------------------------|-----|-----|-----|-----|-----|-----|

FUND SOURCE

(Thousands of Dollars)

| | | | | | | |
|--------------------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1003 GF Match | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1004 GF | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1005 GF/Program Receipts | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1037 GF/Mental Health | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (please specify) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

POSITIONS:

| | | | | | | |
|-----------|------|------|------|------|------|------|
| FULL-TIME | none | none | none | none | none | none |
| PART-TIME | none | none | none | none | none | none |
| TEMPORARY | none | none | none | none | none | none |

Estimate of any current year (FY98) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

After conveyance of Harborview, the City of Valdez would then lease back a portion of Harborview to the Department of Corrections for a therapeutic drug and alcohol program for Alaska inmates. If the Legislature does not fund the therapeutic treatment center program, the City of Valdez won't be able to takeover ownership of the Harborview facility. That would mean that the Harborview facility would remain in State ownership with the Department of Health and Social Services. Effective July 1, 1998 the Department of Health and Social Services has no operating funds to operate the Harborview facility in the Asset Protection mode. It is estimated that annual operating costs for Harborview after July 1, 1998 in the Asset Protection mode (one maintenance person, utility and heating costs, etc.) would be approximately \$265 thousand dollars.

There is one further complication. The City of Valdez has expressed concern that if the Legislature fails to appropriate funds for the Department of Corrections therapeutic treatment program, the Valdez Community Hospital, located in the Harborview building, could close, resulting in serious health care implications for the local community.

5/18
 Prepared by: Janet Clarke
 Division: Administrative Services

Approved by Commissioner: Karen Perdue, Commissioner
 Agency: Department of Health & Social Services

Phone: 465-3015
 Date: 01/08/98

Date: 1/12/98

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