

HB

53

AMENDMENT

OFFERED IN THE SENATE
TO: CS HB 53 (RLS) (title am)

BY SENATOR SHARP

29

✓ Page 3, line 14, after "corrections"

Adopted

delete: "may"
insert: "shall"

2b

✓ Page 4, line 6, after "exceed"

Construction

insert: "\$125,000 per bed and a total of"

\$146,000

X

Page 4, line 7, after "payment"

delete: "should not exceed"
insert: "may not exceed \$12,000 per bed and a total of"

operation

\$16,700

L

Page 4, line 9, after "facility"

delete: "should"
insert: "may"

Adopted

Tim -

SAT 3-28

Larry Stevens of Sen. Sharp's office brought this by today, saying the S. FIN C.S. incorrectly left this out of the bill version. Said they will amend on the floor. Tim

1 of Anchorage for the replacement of the Sixth Avenue Correctional Center in Anchorage with
2 a new Anchorage jail facility.

3 (b) The authorization given by (a) of this section is subject to the following
4 conditions:

5 (1) the lease may provide for a maximum of 400 beds;

6 (2) the capital cost may not exceed \$146,000 per bed and a total of
7 ^{Amend 3 Phillips} \$56,000,000;

8 (3) the annual lease payment should not exceed \$16,700 per bed and a total
9 ^{Amend 3 Phillips} of \$6,400,000, with a total lease payment over the 20-year lease not to exceed ^{Amend 3 Phillips} \$128,000,000;

10 (4) the initial additional annual operating cost of the facility may not increase
11 more than \$6,000,000 as a result of replacement;

12 (5) the agreement to lease must contain terms providing that the commissioner
13 of corrections may terminate for cause any contract for operating the facility;

14 (6) to limit costs for transporting prisoners from Anchorage, the location
15 selected for the replacement jail facility must be located within one mile of the courthouse in
16 Anchorage or within one mile of the Cook Inlet Pretrial Facility.

17 * Sec. 6. APPLICABILITY. The provisions of AS 33.30.031(a) do not apply to an
18 agreement to lease a correctional facility in accordance with the provisions of sec. 4 of this
19 Act.

20 * Sec. 7. This Act takes effect immediately under AS 01.10.070(c).

Amend 3
Sheet 27

Amend 3
Page 27

SENATE CS FOR CS FOR HOUSE BILL NO. 53(FIN)
 IN THE LEGISLATURE OF THE STATE OF ALASKA
 TWENTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 3/26/98
 Referred: Rules

Sponsor(s): REPRESENTATIVE MULDER

A BILL

FOR AN ACT ENTITLED

1 "An Act expressing legislative intent without the force of law concerning
 2 correctional facility space and the Cleary v. Smith case; adding, as a general
 3 power of municipalities, the power to provide for, and enter into agreements
 4 concerning the confinement and care of prisoners; relating to authorizing the
 5 Department of Corrections to enter into agreements to lease facilities for the
 6 confinement and care of prisoners with the City of Delta Junction and with the
 7 Municipality of Anchorage; and providing for an effective date."

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

9 * Section 1. LEGISLATIVE INTENT. (a) It is the intent of the legislature to work with
 10 the Department of Corrections to reduce the population in state prisons.

11 (b) The legislature recognizes the February 5, 1998, order by the superior court in
 12 Cleary v. Smith, 3AN-S81-5274 Civ.

13 (c) The legislature appreciates and understands the court's analysis of the Department

1 of Corrections' submission of December 19, 1997.

2 (d) The legislature expects the governor to direct the attorney general to undertake all
3 available means to dissolve or modify the settlement agreements, orders, and decisions in
4 Cleary v. Smith, 3AN-S81-5274 Civ.

5 (e) The legislature intends to support the commissioner of corrections' actions to
6 secure additional capacity for the confinement and care of persons held under authority of
7 state law by

8 (1) acquiring additional capacity at reasonably priced community residential
9 centers;

10 (2) acquiring additional capacity in reasonably priced out-of-state facilities
11 under the authority granted in AS 33.30.031;

12 (3) using community jails more extensively as a temporary relief of
13 overcrowding of state institutions;

14 (4) using other reasonable and cost effective alternatives to confinement
15 reviewed and approved by the legislature.

16 * Sec. 2. AS 29.35.010 is amended by adding a new paragraph to read:

17 (15) provide facilities or services for the confinement and care of
18 prisoners and enter into agreements with the state, another municipality, or any person
19 relating to the confinement and care of prisoners.

20 * Sec. 3. AS 29.35.020(a) is amended to read:

21 (a) To the extent a municipality is otherwise authorized by law to exercise the
22 power necessary to provide the facility or service, the municipality may provide
23 facilities for the confinement and care of prisoners, parks, playgrounds, cemeteries,
24 emergency medical services, solid and septic waste disposal, utility services, airports,
25 streets (including ice roads), trails, transportation facilities, wharves, harbors and other
26 marine facilities outside its boundaries and may regulate their use and operation to the
27 extent that the jurisdiction in which they are located does not regulate them. A
28 regulation adopted under this section must state that it applies outside the municipality.

29 * Sec. 4. AUTHORIZATION TO LEASE CORRECTIONAL FACILITY SPACE WITH
30 THIRD-PARTY CONTRACTOR OPERATION. (a) To take advantage of the unique
31 opportunity to use surplus military facilities on the road system that are becoming available

1 through the United States Army's realignment of Fort Greely's mission, to prevent and
2 ameliorate economic hardship in the Delta region occasioned by that realignment and the
3 consequent reduction in forces and civilian employment at Fort Greely, and to relieve
4 overcrowding of existing correctional facilities within the state and the extensive use of out-of-
5 state correctional facilities to house Alaska inmates, the Department of Corrections may enter
6 into an agreement with the City of Delta Junction to lease space within a correctional facility
7 in buildings currently located on the realigned Fort Greely military reservation that will house
8 persons who are committed to the custody of the commissioner of corrections. The agreement
9 must provide that the state agrees to lease the space for a minimum of 20 years.

10 (b) The agreement to lease entered into under this section is predicated on and must
11 provide for an agreement between the City of Delta Junction and a private third-party
12 contractor under which the private third-party contractor operates the facility by providing for
13 custody, care, and discipline services for persons held by the commissioner of corrections
14 under authority of state law. The commissioner of corrections shall require in the agreement
15 with the City of Delta Junction that the City of Delta Junction procure the private third-party
16 operator through a process similar to the procedures established in AS 36.30 (State
17 Procurement Code).

18 (c) The authorization given by (a) of this section is subject to the following
19 conditions:

20 (1) the lease must provide a minimum of 800 prison beds;

21 (2) the agreement to lease must contain terms providing that the commissioner
22 of corrections may terminate for cause a contract with a private third-party contractor
23 operating the facility in accordance with the provisions of (b) of this section;

24 (3) the commissioner may not enter into an agreement with an agency unable
25 to provide or cause to be provided a degree of custody, care, and discipline similar to that
26 required by the laws of this state.

27 * Sec. 5. AUTHORIZATION TO LEASE CORRECTIONAL FACILITY SPACE WITH
28 MUNICIPALITY OF ANCHORAGE. (a) To relieve overcrowding of existing correctional
29 facilities in the state, the extensive use of out-of-state correctional facilities, the specific
30 overcrowding of Anchorage pretrial facilities, and to replace the Sixth Avenue Correctional
31 Center, the Department of Corrections may enter into a lease agreement with the Municipality

1 of Anchorage for the replacement of the Sixth Avenue Correctional Center in Anchorage with
2 a new Anchorage jail facility.

3 (b) The authorization given by (a) of this section is subject to the following
4 conditions:

5 (1) the lease may provide for a maximum of 400 beds;

6 (2) the capital cost may not exceed \$146,000 per bed and a total of
7 \$56,000,000;

8 (3) the annual lease payment should not exceed \$16,700 per bed and a total
9 of \$6,400,000, with a total lease payment over the 20-year lease not to exceed \$128,000,000;

10 (4) the initial additional annual operating cost of the facility may not increase
11 more than \$6,000,000 as a result of replacement;

12 (5) the agreement to lease must contain terms providing that the commissioner
13 of corrections may terminate for cause any contract for operating the facility;

14 (6) to limit costs for transporting prisoners from Anchorage, the location
15 selected for the replacement jail facility must be located within one mile of the courthouse in
16 Anchorage or within one mile of the Cook Inlet Pretrial Facility.

17 * Sec. 6. APPLICABILITY. The provisions of AS 33.30.031(a) do not apply to an
18 agreement to lease a correctional facility in accordance with the provisions of sec. 4 of this
19 Act.

20 * Sec. 7. This Act takes effect immediately under AS 01.10.070(c).



Official Business

Alaska State Legislature

House of Representatives

RULES COMMITTEE

State Capitol, Rm. 204
Juneau, AK 99801-1182
(907) 465-3764

Letter of Intent

It is the intent of the Legislature that the contract signed pursuant to the authority provided in HB 53 should require that:

1. The prison meet American Correctional Association standards;
2. Guards employed in the prison meet the same training standards that are required of prison guards in AS 18.65.130 - 18.65.290;
3. The contract between the City of Delta Junction and the prison operating entity should be for durations of no longer than five years. It may be renewable; and
4. The contract for operation of the facility provide for the removal of the contractor for non performance.
5. The agreement to lease the facility must provide a fixed rate per each bed day, adjusted annually during the term of the lease according to an appropriate index. The fixed rate for the first year must include all capital and operating costs and may not exceed \$70.00 per bed each day. The fixed rate will cover the same daily costs that are covered in the current contract between the Corrections Corporation of America contract and the Department of Corrections for beds in Florence, AZ (agency contract # 2054863, ASPs # 95-0100).

Handwritten signature of Pete Kott in cursive script.

Chair, Pete Kott

Handwritten date "3-2-98" in cursive script.

Date

House Adopted 3/6/98



REPRESENTATIVE ELDON MULDER
DISTRICT 23 • MULDOON & FORT RICHARDSON
ALASKA STATE LEGISLATURE • HOUSE OF REPRESENTATIVES
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Sponsor Statement

House Bill 53

Senate Finance Committee Substitute

HB 53 does three things:

1. Expresses the Legislature's intent to assist in reducing the occupancy of state prisons that are seriously over emergency capacity;
2. Encourages the commissioner of corrections to contract with the City of Delta Junction to provide prison space on the realigned Ft. Greely; and
3. Authorizes a lease with the Municipality of Anchorage to replace the obsolete Sixth Avenue Jail

House Bill 53 includes Legislative intent expressing the will of the Legislature to assist in resolving the overcrowding of the prison facilities in Alaska. It acknowledges the most recent court order in the *Cleary* case, suggests activities that could help relieve overcrowding, and asks the administration to revisit the *Cleary* settlement agreement with the intent of relieving inappropriate obligations on the state.

House Bill 53 encourages and authorizes the Department of Corrections to enter a contract with the City of Delta Junction for use of prison beds at a prison on the deactivated Fort Greely military reservation. This Committee Substitute responds to the request from Delta Junction and the U. S. Army to assist in the conversion of Ft. Greely to a prison. The community held a vote and 62% supported the new use.

The conversion of Ft. Greely into a prison will preserve the economic life of the Delta region and save the U. S. taxpayers almost \$50 million in demolition costs. It will also provide desperately needed prison beds so we can return our prisoners from Arizona and spend the money we currently spend in Arizona in Alaska, providing Alaskan jobs. The bill requires that

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Delta Junction use a process similar to the state procurement code in securing an operator for the prison.

Finally, HB 53 authorizes a lease with the Municipality of Anchorage to replace the Sixth Avenue Jail with a new jail facility. The Sixth Avenue Jail is a 35 year old facility that is worn out and extremely overcrowded. The capital cost for the jail is limited to \$56 million.

Data indicates that the jail population will continue to grow, exacerbating the problem. The physical plant is not worth the cost of major remodel or renovation. Both Anchorage and the Department of Corrections have set this replacement as one of their top priorities. The new facility must be located within one mile of either the Anchorage Court House or the Cook Inlet Pretrial Facility.

The Senate Finance Committee adopted the House Rules Committee letter of intent recommending components that the Legislature would like to see in the operating contract between the City of Delta Junction and its operating contractor. The items include quality control issues and daily costs.

Sectional Analysis

Section 1. Expresses Legislative intent to work with the administration to reduce the population in state prisons. It recognizes the February 5, 1998, court order in the *Cleary* case and requests the administration to work to terminate the Cleary Final Settlement Agreement. It suggests four means of reducing prison population that the legislature believes should be pursued.

Section 2. Authorizes municipalities to provide or enter into agreements to provide prison services.

Section 3. Adds provision of facilities for the confinement and care of prisoners to the extraterritorial jurisdiction of municipalities.

Section 4. States findings of special circumstances and needs and:

- Authorizes the Department of Corrections to contract with the City of Delta Junction for prison space at a facility on Fort Greely,
- Requires the lease for the facilities with the City of Delta be for a minimum of 20 years,
- Requires operator of the facility be a private third party contractor,
- Specifies the facility should be at least 800 beds,

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- allows the Commissioner of Corrections to terminate the operating contractor for cause,
- Provides that the commissioner may not enter into a contract if the agency is unable to provide the level of custody required by law, and
- Requires Delta Junction to use a procurement process similar to the State Procurement Code.

Section 5. Authorizes the Department of Corrections to lease from the Municipality of Anchorage a replacement for the Sixth Avenue Jail, with the following conditions:

- Maximum capacity of 400 beds;
- Maximum capital cost of \$146,000 per bed or a total of \$56,000,000;
- Maximum annual lease of \$16,700 per bed or a total of \$6,400,000 with total maximum 20 year lease cost of \$128,000,000;
- Maximum initial annual operating cost increase of \$6,000,000; and
- A clause in the lease that allows the commissioner to terminate an operating contract for cause.

Section 6. Provides that when contracting as authorized in Section 4 the Commissioner is exempt from AS 33.30.031 (a) which means:
(a) the Commissioner of Corrections is not required to make a finding that suitable state facilities are not available, and the specification of the ability to provide services is waived. The requirement of ability to serve the level of care required by law is maintained by language in Section 4 (c) (3).

Section 5. Provides an immediate effective date.