

HB

149

Alaska State Legislature

Interim:

Legislative Affairs Agency, LIC
145 Main St. Loop, Second Floor
Kenai, AK 99611
Phone: (907) 283-7223



Session:

State Capitol, Room 432
Juneau, AK 99801-1182
Phone: (907) 465-3779
Fax: (907) 465-2833

Representative Mike Chenault District 9

SPONSOR STATEMENT FOR HOUSE BILL 149

House Bill 149 was introduced simply to transfer the authority to construct a private prison from Ft. Greely/Glennallen area to the Kenai Peninsula Borough.

This will create a construction project worth an estimated *67 Million Dollars*, and will provide the Kenai/Nikiski area with an additional stable economic base. In addition the State of Alaska has been supplementing the economy of Florence, Arizona upwards of 20 million dollars per year. It would only make sense to bring those dollars back to Alaska.

Currently I am putting together the specific cost multiplier benefits that will occur when the facility is constructed in Kenai. Future direct economic impacts as a result of stable economic development will be an important portion of the study that will be available in a few days.

Thank you for your time and consideration. If you have any questions please call Sue in my office at 465-3779.

REVISED 03/03 10 A.M.

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
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Kenai Peninsula Borough Private Prison Proposal

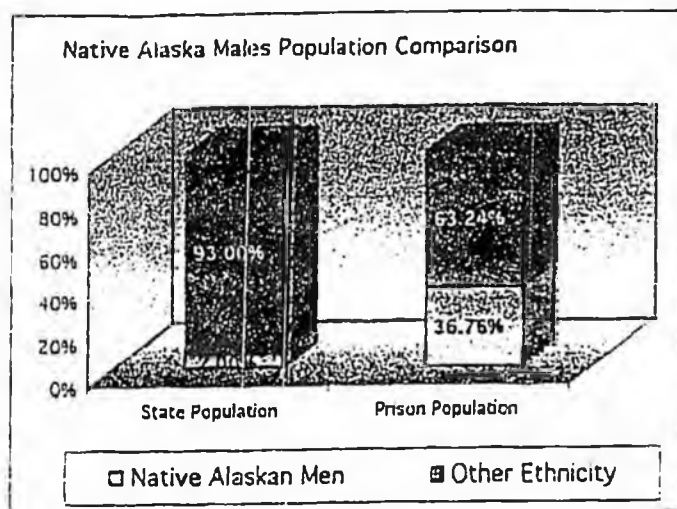
LEGISLATIVE HISTORY

In 1995 all of Alaska's prisons and jails were at, or over emergency capacity. The State was found in contempt of court and the Department of Corrections was ordered to reduce inmate populations to court approved levels. As a stopgap measure, the Department entered into a contract to house Alaska prisoners in a privately owned and operated prison in Arizona. Today, more than 800 Alaska prisoners are housed in Arizona, resulting in an annual loss to the Alaska economy of \$18 million in operating funds and roughly 250 jobs.

The social cost to Alaska is even more significant. More than 300 of the prisoners housed in Arizona are Alaska Natives. Many of these offenders are from remote regions of Alaska, far removed from the cultural support systems necessary for rehabilitation.

This hardship affects all Alaskan prisoners housed "outside", but the disparate impact upon Native Alaskans calls into question a problem of grave social consequence: Alaska Native males make up only seven percent of Alaska's general population, yet Alaska Native men comprise a tragic thirty-seven percent of Alaska's prison population. These offenders do not fit conventional patterns of criminality and they do not respond to standard correctional programs. Except for the ravages of alcohol, most Alaska Native offenders could lead productive lives.

The problem of out-of-state incarceration is compounded by the extraordinarily high cost of building and staffing State operated prisons and jails. The Alaska Legislature confronted these issues head on in 1998 and 1999 by authorizing the construction and operation of a private prison



in Alaska, on Fort Greely, near Delta Junction (HB53, SB 141). The enabling legislation was intended to bolster the economy of that region, after base closure, by returning the prisoners housed in Arizona.

The Delta prison plan enabled the Department of Corrections to petition the Superior Court for relief from monitoring imposed by the Cleary Final Settlement Agreement. The Department submitted a plan citing the Delta Junction prison as the centerpiece of its prison population management strategy. The court approved the Department's plan to return the prisoners held in Arizona to Alaska by 2003. The court released the Department from Cleary oversight after seventeen continuous years of monitoring and litigation.

Fort Greely will officially close in July 2001, but complications associated with the transition of the base facilities as well as uncertainties associated with the proposed National Missile Defense System have derailed any hope of developing a prison on Fort Greely for the foreseeable future.

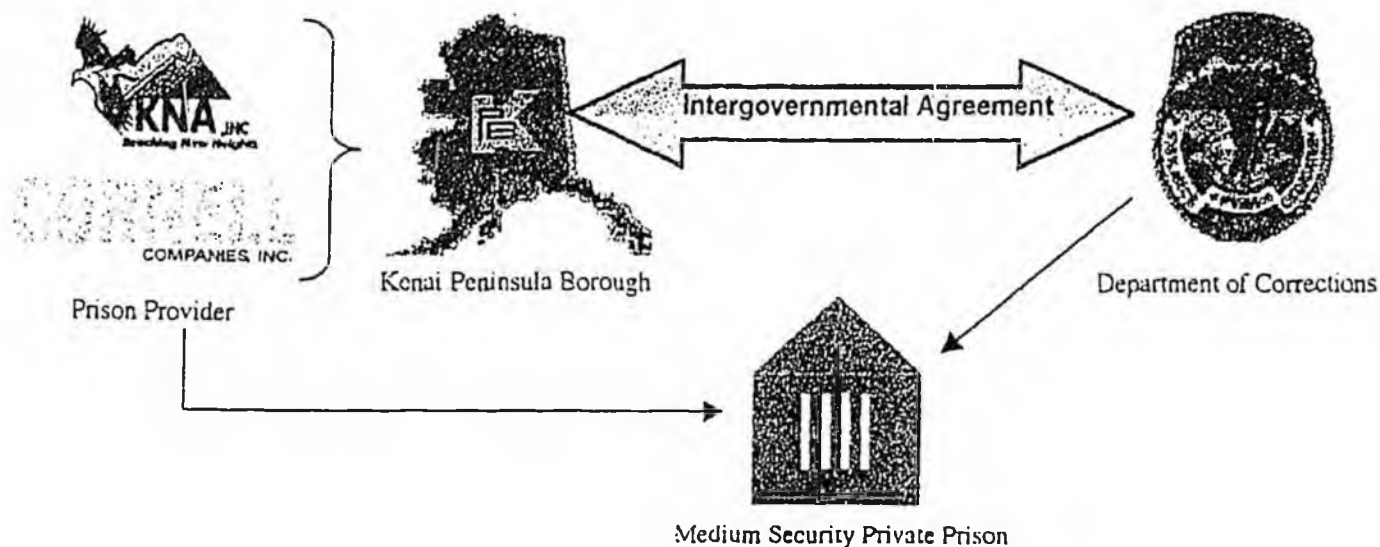
The Issue

Failure of the Delta Junction prison leaves serious matters of social and economic policy unresolved and exposes the State of Alaska to the possible, if not probable, risk of:

- ★ Renewed court monitoring of the DOC
- ★ Renewed court sanctions for prison overcrowding.
- ★ Class action or individual lawsuits for impairing the rehabilitation rights of Alaska prisoners housed in Arizona.
- ★ Class action or individual lawsuits for disparate treatment of Alaska Native prisoners.

The Proposal

The Kenai Natives Association and their partner Cornell Companies have teamed with the Kenai Peninsula Borough to offer the State Department of Corrections a viable alternative to the Delta Junction prison plan.



The Plan

The Kenai Peninsula Borough (KPB) has completed a competitive procurement similar to the procedures established in the State Procurement Code to select a private, third party contractor to promote, design, build and operate the prison for the first five years.

Having one private entity provide the design, construction and operation of the prison

minimizes the financial risk to the State. Design/build contracts avoid the risk of contractor claims arising from cost overruns by

transferring the responsibility for design and construction to one private entity. Having the same entity responsible for operation ensures that the private party bears the risk of operating the prison under the reimbursement budget created by the intergovernmental agreement between the State and the Borough. Allocating

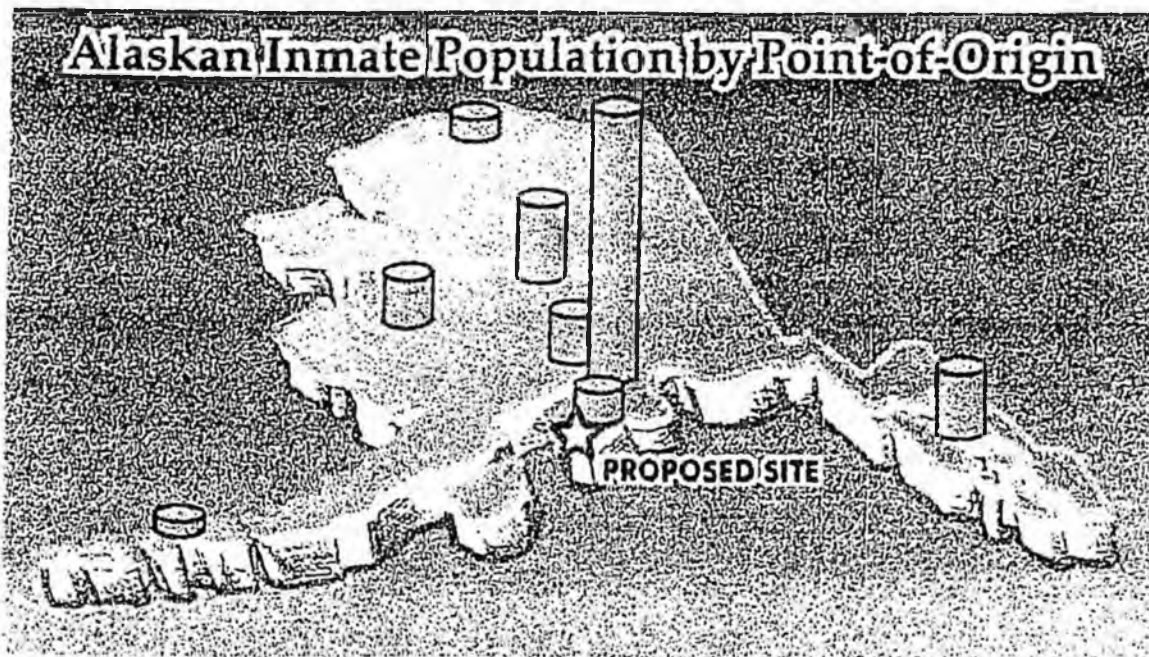
that risk to one developer imposes proper market incentives to make cost effective decisions in design and construction that will lower operating expense (e.g. maintenance, staffing efficiency, materials).

The KPB will finance construction through the sale of tax exempt bonds. The bonds will be secured by an intergovernmental agreement to lease eight hundred prison beds for a period of twenty years.

When one private company is responsible for designing, building and operating a prison, financial risk to the State is minimized.

The prison will be located on Kenai Natives Association land adjacent to the existing state operated Wildwood

Correctional Center. Cornell Companies of Alaska will operate the prison during the first five-year term with indigenous, culturally relevant programs augmented by the Kenai Natives Association in cooperation with other Native corporate and tribal stakeholders.



The Mission

The proposed prison will be built and operated to the highest standards of the correctional industry, as well as existing standards unique to the Alaska Department of Corrections. But the guiding intent and mission of this facility is to

exceed the general security and program requirements of the DOC by offering the Alaska Native community the opportunity to take responsibility for programs designed to reduce recidivism among Alaska Native peoples.

Economic and Social Benefits

- ★ Materials, goods and services for an 800 bed prison construction project;
- ★ 300-400 prevailing wage construction jobs;
- ★ 250 ± permanent Alaska prison jobs;
- ★ \$18 million per year returned to the Alaska economy;
- ★ Diminished State exposure to legal liability;
- ★ Alaska Native Empowerment;
- ★ Economic and social benefits of reduced recidivism among Alaska Natives; and
- ★ Enhanced opportunity for rehabilitation of all Alaska prisoners returned from Arizona.

ALASKA FEDERATION OF NATIVES, INC.
 1577 C Street, Suite 300, Anchorage, Alaska 99501
 907-274-3611 Fax 907-276-7989

Board of Directors
 Board Resolution 00-07

TITLE: IN SUPPORT OF A PRIVATE PRISON ON KENAI NATIVE ASSOCIATION, INC. (KNA) WILDWOOD PROPERTY

WHEREAS: the Kenai Native Association, Inc. (KNA) has undertaken the development of a private prison to be located on their Wildwood property; and

WHEREAS: the State of Alaska has a critical need for prison beds to alleviate the current overcrowding in the prison system; and

WHEREAS: the State is currently sending Alaska prisoners to serve their time at a private prison in Arizona because of the overcrowding situation; and

WHEREAS: Alaska Native males comprise 37% of the male prison population and of the 1,500+ prisoners sent to Arizona approximately 37% of these individuals are Alaska Natives; and

WHEREAS: having Alaska Native males so far from their homes and villages place an undue hardship upon their families and deprives them of cultural considerations while serving their sentences; and


WHEREAS: the State of Alaska spends over \$16 million per year to keep these prisoners in Arizona when the funds would be better spend supporting a private Alaskan prison at Wildwood; and

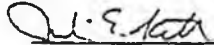
WHEREAS: the proposed private prison facility being developed by KNA would be more adept at meeting the cultural and rehabilitative needs of the Alaska Native prisoners; and

WHEREAS: the completion of this facility will assist in the effort to bring our people home from confinement in Arizona;

NOW THEREFORE BE IT RESOLVED that the Alaska Federation of Natives Board of Directors does fully endorse and support the Kenai Native Association, Inc. in the development of their private prison project.

Adopted this 19th day of December, 2000

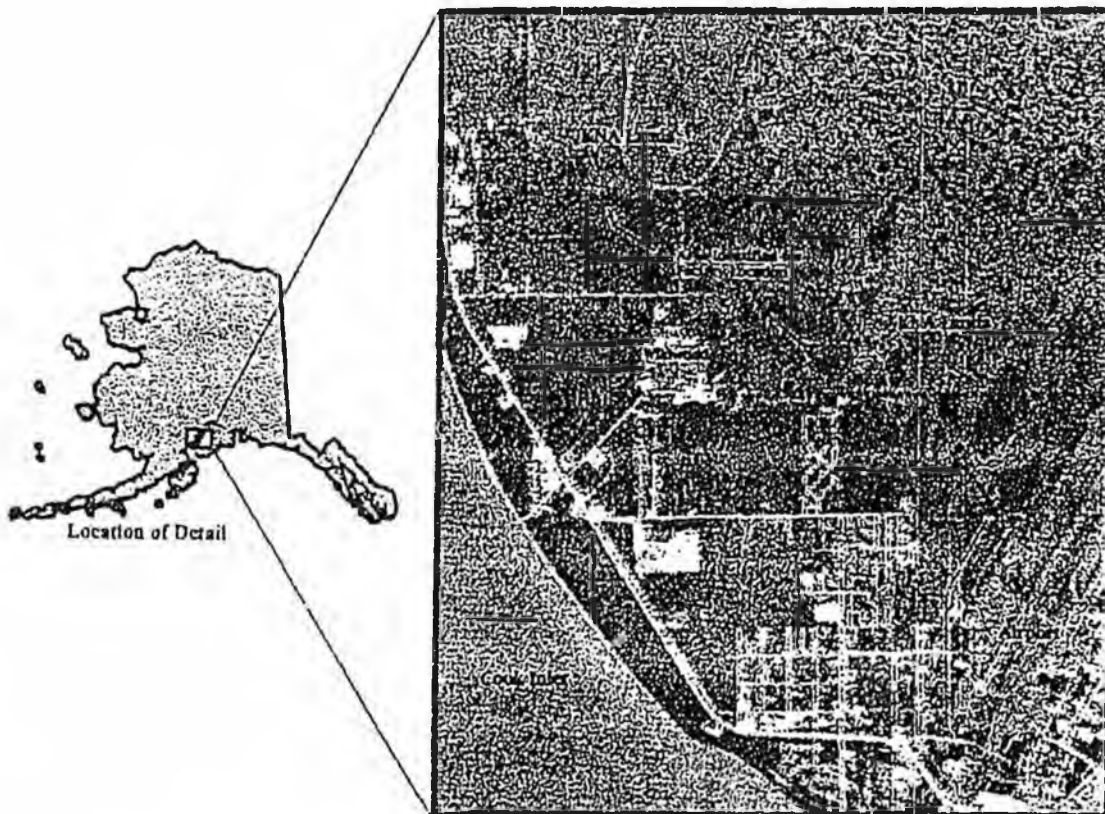
Corporate Seal: 


 Julie E. Kirka, President

The Site

The Kenai Natives Association owns several hundred acres of land abutting the Kenai Airport and Wildwood Correctional Center. Sixty to one hundred acres near the Wildwood Correctional Center will be used for the new prison. The Kenai Natives Association land has been identified as meeting and, in many cases exceeding, State and national site criteria for

prisons. If a proposed road from the airport to the site is approved, inmates can be transported to and from Wildwood and the new facility without entering the City of Kenai. Co-locating the new facility in close proximity to the existing State operated facility will facilitate program, operational and security efficiency.



Site Advantages

**Adjacent to
Wildwood
Correctional Center**

- Neighborhood Acceptance
- Potential Sharing of Services with WCC
- Common Security

Accessibility

- Secure Access to Airport
- Good Highway Transportation

Existing Utilities

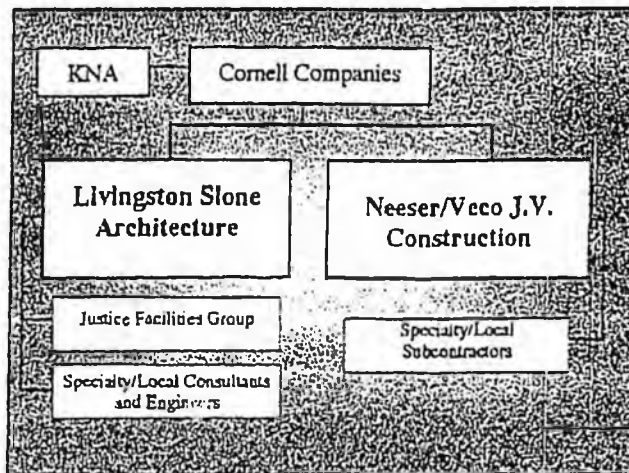
Readily Developable Site

Large Parcel Allows Optimum Security

Close to Community Services

The Design and Construction Team

The principal design and construction contractors will be three Alaska corporations: Livingston Slone Inc., VECO Alaska, Inc. and Neeser Construction, Inc. Each company has individually, and through joint ventures, participated in the design, construction and project management of



many of Alaska's largest public projects including the new Anchorage Jail, The Elmendorf Military Mall and the Alaska SeaLife Center. The prime contractors will subcontract services from local companies as well as correctional facility design specialists Justice Facilities Group of Olympia, Washington.



The Operator

Cornell Companies of Alaska will operate the proposed prison for the initial first five-year term of the contract with the State. Cornell is the largest private company currently providing correctional services in Alaska. Cornell is one of the top three private corrections companies in the United States

and the only company offering juvenile and adult secure, pre-release and treatment programs.

Cornell operates 72 facilities in 13 states and the District of Columbia with a total service capacity of 14,845 prison, jail, pre-release and treatment beds.

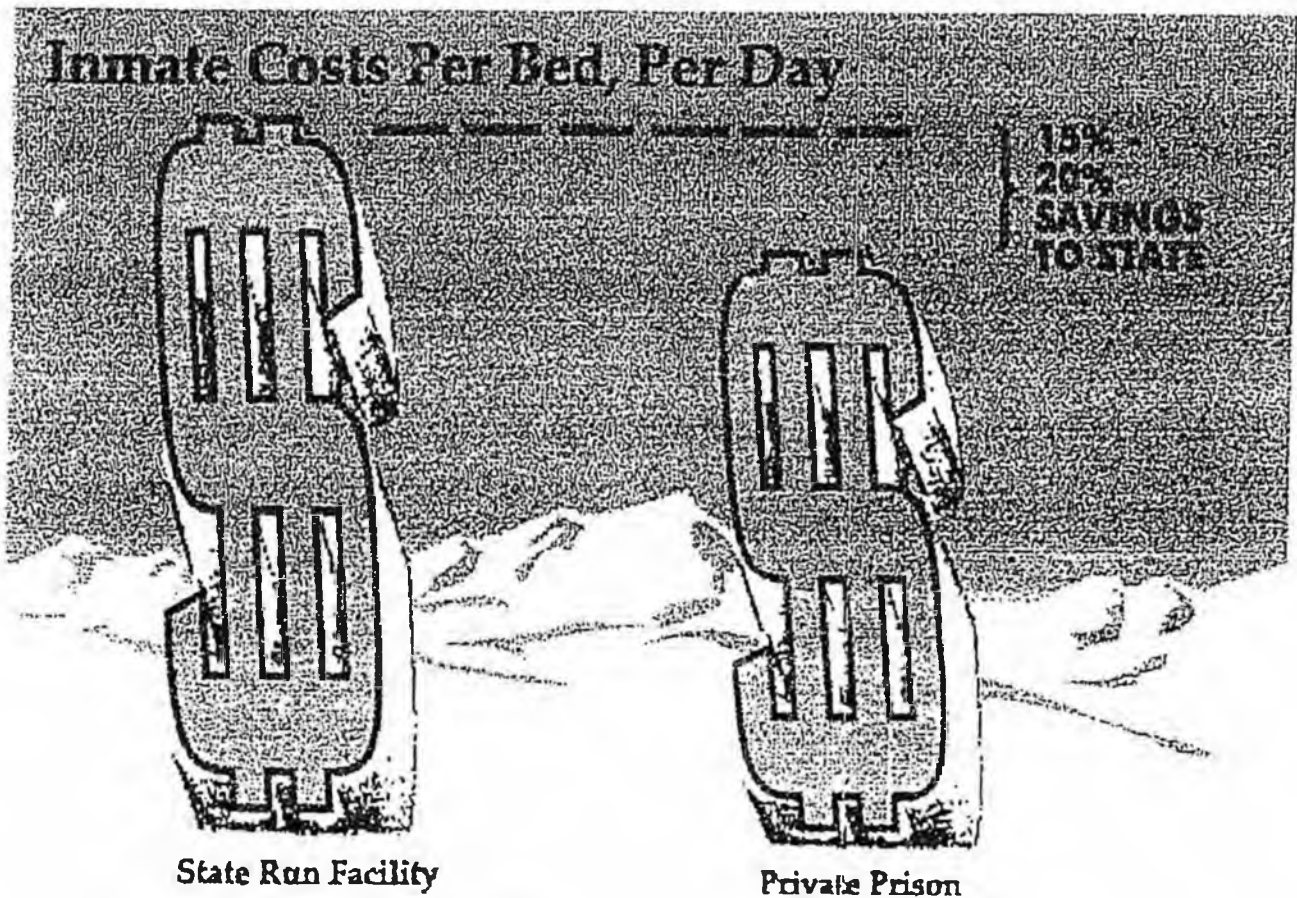


*Kenai Peninsula Borough
Private Prison*

The Cost

A publicly financed, privately built and operated facility will save the State from twelve to twenty percent of the cost of similar facilities operated by the State. Additionally, the savings in a private

facility includes debt service, a cost never factored into the average daily operating cost of State prisons and jails.



Bill History/Action Display



BILL: HB 53 SHORT TITLE: LEASE-PURCHASE CORRECTIONAL FACILITIES
 BILL VERSION: SCS CSHB 53(FIN) AM S
 SPONSOR(S) : REPRESENTATIVES(S) MULDER

CURRENT STATUS: CHAPTER 15 SLA 98 STATUS DATE: 4/24/98
 EFFECTIVE DATE OF LAW 4/25/98

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

Full Text

Fiscal Note Info

Committee Action With Bill History

Jrn-Date	Jrn-Page	Action
1/13/97	<u>41</u>	(H) PREFILE RELEASED 1/10/97
1/13/97	<u>41</u>	(H) READ THE FIRST TIME - REFERRAL(S)
1/13/97	<u>41</u>	(H) STATE AFFAIRS, FINANCE
2/19/97	<u>406</u>	(H) JUD REFERRAL ADDED
2/21/97	<u>428</u>	(H) STA REFERRAL WAIVED
4/04/97	<u>985</u>	(H) JUD RPT CS(JUD) 2DNF 4NR
4/04/97	<u>985</u>	(H) DNP: CROFT, BERKOWITZ
4/04/97	<u>985</u>	(H) NR: GREEN, JAMES, BUNDE, PORTER
4/04/97	<u>985</u>	(H) 3 FNS (REV, DOT, COR)
4/04/97	<u>985</u>	(H) ZERO FISCAL NOTE (ADM)
2/18/98	<u>2343</u>	(H) FIN RPT CS(FIN) NT 6DP 1NR
2/18/98	<u>2344</u>	(H) DP: THERRIAULT, HANLEY, MULDER, MARTIN,
2/18/98	<u>2344</u>	(H) KOHRING, DAVIS; NR: GRUSSENDORF
2/18/98	<u>2344</u>	(H) LETTER OF INTENT WITH FIN REPORT
2/18/98	<u>2345</u>	(H) INDETERMINATE FISCAL NOTE (COR)
2/18/98	<u>2345</u>	(H) 2 ZERO FISCAL NOTES (ADM, REV)
3/04/98	<u>2492</u>	(H) RLS RPT CS(RLS) NT 3DP 3NR
3/04/98	<u>2493</u>	(H) DP: KOTT, PHILLIPS, PORTER; NR: NICHOLIA
3/04/98	<u>2493</u>	(H) ELTON, WILLIAMS
3/04/98	<u>2493</u>	(H) LETTER OF INTENT WITH RLS REPORT
3/04/98	<u>2494</u>	(H) INDETERMINATE FISCAL NOTE (COR) 2/18/98
3/04/98	<u>2494</u>	(H) 2 ZERO FNS (ADM, REV) 2/18/98
3/04/98	<u>2501</u>	(H) RULES TO CALENDAR 3/4/98
3/04/98	<u>2501</u>	(H) READ THE SECOND TIME
3/04/98	<u>2502</u>	(H) RLS CS ADOPTED UNAN CONSENT
3/04/98	<u>2502</u>	(H) AM NO 1 WITHDRAWN
3/04/98	<u>2503</u>	(H) AM NO 2 FAILED Y10 N28 E2
3/04/98	<u>2504</u>	(H) AM NO 3 FAILED Y8 N29 E2 A1
3/04/98	<u>2505</u>	(H) AM NO 4 FAILED Y10 N28 E2
3/04/98	<u>2505</u>	(H) AM NO 5 FAILED Y11 N27 E2
3/04/98	<u>2507</u>	(H) AM NO 6 FAILED Y8 N25 E2 A5
3/04/98	<u>2508</u>	(H) AM NO 7 FAILED Y9 N25 E2 A4
3/04/98	<u>2509</u>	(H) AM NO 8 OFFERED
3/04/98	<u>2509</u>	(H) AM TO AM 8 ADOPTED UNAN CONSENT
3/04/98	<u>2509</u>	(H) AM NO 8 AS AMENDED FAILED Y10 N26 E2 A2
3/04/98	<u>2510</u>	(H) ADVANCED TO THIRD READING 3/6 CALENDAR

3/06/98	<u>2544</u>	(H)	READ THE 3RD TIME CSHB 53 (RLS) (TITLE AM)
3/06/98	<u>2544</u>	(H)	RETURN TO SECOND FOR AM 9 UNAN CONSENT
3/06/98	<u>2544</u>	(H)	AM NO 9 ADOPTED UNAN CONSENT
3/06/98	<u>2545</u>	(H)	...CHANGES TITLE OF LEGISLATION
3/06/98	<u>2545</u>	(H)	AUTOMATICALLY IN THIRD READING
3/06/98	<u>2545</u>	(H)	PASSED Y30 N5 E5
3/06/98	<u>2545</u>	(H)	EFFECTIVE DATE(S) SAME AS PASSAGE
3/06/98	<u>2545</u>	(H)	{H} ADOPTED RLS LETTER OF INTENT
3/06/98	<u>2553</u>	(H)	TRANSMITTED TO (S)
3/09/98	<u>2789</u>	(S)	READ THE FIRST TIME - REFERRAL(S)
3/09/98	<u>2789</u>	(S)	FINANCE
3/26/98	<u>3006</u>	(S)	FIN RPT SCS WITH SAME TITLE
3/26/98	<u>3006</u>	(S)	2DP 1DNP 1DNP/AM 3NR
3/26/98	<u>3007</u>	(S)	DP: PHILLIPS, DONLEY; DNP: ADAMS
3/26/98	<u>3007</u>	(S)	DNP/AM: TORGERSON, NR: PARNELL,
3/26/98	<u>3007</u>	(S)	SHARP, PEARCE
3/26/98	<u>3007</u>	(S)	(H) LETTER OF INTENT WITH FIN REPORT
3/26/98	<u>3007</u>	(S)	(H) ZERO FNS (ADM, REV)
3/26/98	<u>3007</u>	(S)	FN (COR)
3/31/98	<u>3069</u>	(S)	RULES TO CALENDAR & 2DNP 3/31/98
3/31/98	<u>3071</u>	(S)	READ THE SECOND TIME
3/31/98	<u>3071</u>	(S)	FIN SCS ADOPTED UNAN CONSENT
3/31/98	<u>3072</u>	(S)	AM NO 1 FAILED Y7 N12 E1
3/31/98	<u>3073</u>	(S)	AM NO 2 ADOPTED UNAN CONSENT
3/31/98	<u>3073</u>	(S)	AM NO 3 FAILED Y8 N11 E1
3/31/98	<u>3074</u>	(S)	ADVANCED TO THIRD READING UNAN CONSENT
3/31/98	<u>3074</u>	(S)	READ THE 3RD TIME SCS CSHB 53 (FIN) AM S
3/31/98	<u>3074</u>	(S)	(S) ADOPTED (H) LETTER OF INTENT
3/31/98	<u>3075</u>	(S)	PASSED Y12 N7 E1
3/31/98	<u>3075</u>	(S)	EFFECTIVE DATE ADPTD Y19 N- E1
3/31/98	<u>3075</u>	(S)	ADAMS NOTICE OF RECONSIDERATION
4/01/98	<u>3095</u>	(S)	RECON TAKEN UP - IN THIRD READING
4/01/98	<u>3095</u>	(S)	(S) ADOPTED (H) LETTER OF INTENT
4/01/98	<u>3095</u>	(S)	PASSED ON RECONSIDERATION Y13 N7
4/01/98	<u>3096</u>	(S)	EFFECTIVE DATE ADPTD Y20 N-
4/01/98	<u>3098</u>	(S)	TRANSMITTED TO (H) AS AMENDED
4/02/98	<u>2848</u>	(H)	HELD UNDER UNFINISHED BUSINESS
4/02/98	<u>2858</u>	(H)	CONCUR AM OF (S) Y31 N2 E3 A4
4/02/98	<u>2860</u>	(H)	EFFECTIVE DATE(S) SAME AS PASSAGE
4/07/98	<u>2915</u>	(H)	MANIFEST ERROR
4/07/98	<u>2915</u>	(H)	2:20 PM 4/7/98 TRANSMITTED TO GOVERNOR
4/27/98	<u>3266</u>	(H)	SIGNED INTO LAW 4/24 CHAPTER 15 SLA 98
4/27/98	<u>3267</u>	(H)	EFFECTIVE DATE OF LAW 4/25/98

Similar Subject Match or Exact Subject MatchCONSTRUCTIONCONTRACTORSCORRECTIONSLEASESMUNICIPALITIESPUBLIC WORKSBill Root: [Display History/Action](#)[Clear Bill Root](#)[Return to BASIS Main Menu\(20th Legislature\)](#)[Return to the Legislature Home Page](#)

BASIS Last Updated 12/31/98

AMENDMENT #1

OFFERED IN THE HOUSE

BY REPRESENTATIVE HAYES

TO: HB 149

1 Page 1, line 13, through page 2, line 2:

2 Delete "agreement to lease entered into under this section is predicated on and must
3 provide for an agreement between the Kenai Peninsula Borough and a private third-party
4 contractor under which the private third-party contractor constructs and operates the facility
5 by providing for"

6 Insert "Kenai Peninsula Borough is expected to enter into an agreement with a private
7 third-party contractor for the operation of the facility. This agreement must provide for the"

8

9 Page 2, line 5:

10 Delete "a competitive process similar to the procedures"

11 Insert "the competitive process"

Not submitted

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HOUSE STATE AFFAIRS COMMITTEE

STATE CAPITOL, ROOM 102
465-4963

MEMORANDUM

COMMITTEE MEMBERS

Rep. John Coghill
Chairman
Room 102
465-3719

Rep. Hugh Fate
Vice-Chair
Room 416
465-4976

Rep. Jeannette James
Room 214
465-3743

Rep. Gary Stevens
Room 428
465-4925

Rep. Peggy Wilson
Room 409
465-3824

Rep. Harry Crawford
Room 426
465-3438

Rep. Joe Hayes
Room 422
465-3466

Date: March 19, 2001

To: Members of House State Affairs Committee

From: Rynnieva Moss, Committee Aide
House State Affairs Committee

A handwritten signature in cursive script, appearing to read "R. Moss".

Re: HB 149 Subcommittee Meeting

My apologies for not being as thorough as normal but I can not find the file on my laptop where I took notes.

The Subcommittee appointed by Chairman Coghill met Thursday, March 15th at 3:00 p.m. The Subcommittee was chaired by Representative James and other committee members included Representatives Joe Hayes and Hugh Fate. Other persons attending the meeting included Mark Higgins of the Kenai Peninsula Borough, Frank Prewitt of Cornell Corrections, Denny Dewitt from Representative Mulder's office, Deven Mitchell of Department of Revenue, Cathe Heroy of Representative Hayes' office, Barbara Cotting of Representative James' office, Brenda Balash of Representative Fate's office, Margot Knuth of the Department of Corrections, and Sean Cockerham of the Fairbanks News-Miner.

The Subcommittee recommended that the HB 149 be returned to full committee without any recommended changes for passage. It also recommended that if Representative Hayes would like his amendment approved, he could present it to the full committee on Tuesday.



HOUSE STATE AFFAIRS COMMITTEE

STATE CAPITOL, ROOM 102

465-4963

MEMORANDUM

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HB 149

Amendment #4

Hayes

page 2 line 16 delete

Sec. 2 repealer

Hayes Coghill Yeas

A M E N D M E N T

OFFERED IN STATE AFFAIRS

BY REPRESENTATIVE HAYES

TO: HB 149

1 Page 2, line 16

2 Delete: All of Section 2

3

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15

16 Failed 2 yeas Hayes, Coghill

17 5 nays Crawford, Fate, Stevens, Wilson, James

18

AMENDMENT

By

OFFERED IN THE HOUSE
HB 149

Line 15, page 2

Add:

(4) The cost of construction per bed shall not be more than the Anchorage Jail project.

(5) The cost of daily operation per bed shall not be more than Spring Creek Correctional Center.

Amendment

OFFERED TO THE HOUSE

TO: HB 149

Page 1, line 13, through page 2, line 15:

1 Delete "The agreement to lease entered into under this section is predicated on and
2 must provide for an agreement between the Kenai Peninsula Borough and a private
3 third-party contractor under which the private third-party contractor constructs and
4 operates the facility by providing for custody, care, and discipline services for persons
5 held by the commissioner of corrections under authority of state law. The
6 commissioner of corrections shall require in the agreement with the Kenai Peninsula
7 Borough that the Kenai Peninsula Borough procure the private third-party operator
8 through a competitive process similar to the procedures established in AS 36.30
9 (State Procurement Code)."

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

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

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

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

20 * Sec. 2. Section 4, ch. 15, SLA 1998, and sec. 6, ch. 35, SLA 1999, are repealed.
21

22 Insert "The agreement to lease entered into under this section is predicated on and
23 must provide for an agreement between the Kenai Peninsula Borough and a private
24 third-party contractor under which separate bids will be submitted for:

25 (1) A private third party contractor constructs that facility; and

26 (2) A private third party contractor operates the facility by providing for custody,
27 care, and discipline services for persons held by the commissioner of corrections
28 under authority of state law.

29 (c) The authorization given by (a) and (b) of this section is subject to the
30 following conditions:

31 (1) The commissioner of corrections shall require in the agreement with the Kenai
32 Peninsula Borough that the Kenai Peninsula Borough procure the private third
33 party operator(s) through the competitive process established in AS 36.30 (State
34 Procurement Code).

35 (2) the lease must provide a minimum of 800 prison beds;

36 (3) the agreement to lease must contain terms providing that the commissioner
37 of corrections may terminate for cause a contract with a private third-party
38 contractor operating the facility in accordance with the provisions of (b) of this
39 section;

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

43 * Sec. 2. Section 4, ch. 15, SLA 1998, and sec. 6, ch. 35, SLA 1999, are
repealed.

From Legislative Ethics Statute.

AS 24.60.030(e) A legislator may not directly, or by authorizing another to act on the legislator's behalf,

- (1) agree to, threaten to, or state or imply that the legislator will take or withhold a legislative, administrative, or political action, **including support or opposition to a bill**, employment, nominations, and appointments, as a result of a person's decision to provide or not provide a political contribution, donate or not donate to a cause favored by the legislator, or provide or not provide a thing of value;

(Emphasis added)

Sec. 24.60.030. Prohibitions related to conflicts of interest and unethical conduct.

(a) A legislator or legislative employee may not

(1) solicit, agree to accept, or accept a benefit other than official compensation for the performance of public duties; this paragraph may not be construed to prohibit lawful solicitation for and acceptance of campaign contributions or the acceptance of a lawful gratuity under AS 24.60.080;

(2) use public funds, facilities, equipment, services, or another government asset or resource for a nonlegislative purpose, for involvement in or support of or opposition to partisan political activity, or for the private benefit of either the legislator, legislative employee, or another person; this paragraph does not prohibit

(A) limited use of state property and resources for personal purposes if the use does not interfere with the performance of public duties and either the cost or value related to the use is nominal or the legislator or legislative employee reimburses the state for the cost of the use;

(B) the use of mailing lists, computer data, or other information lawfully obtained from a government agency and available to the general public for nonlegislative purposes;

(C) telephone or facsimile use that does not carry a special charge;

(D) the legislative council, notwithstanding AS 24.05.190, from designating a public facility for use by legislators and legislative employees for health or fitness purposes; when the council designates a facility to be used by legislators and legislative employees for health or fitness purposes, it shall adopt guidelines governing access to and use of the facility; the guidelines may establish times in which use of the facility is limited to specific groups; or

(E) a legislator from using the legislator's private office in the capital city during a legislative session, and for the five days immediately before and the five days immediately after a legislative session, for nonlegislative purposes if the use does not interfere with the performance of public duties and if there is no cost to the state for the use of the space and equipment, other than utility costs and minimal wear and tear, or the legislator promptly reimburses the state for the cost; an office is considered a legislator's private office under this subparagraph if it is the primary space in the capital city reserved for use by the legislator, whether or not it is shared with others;

(3) knowingly seek, accept, use, allocate, grant, or award public funds for a purpose other than that approved by law, or make a false statement in connection with a claim, request, or application for compensation, reimbursement, or travel allowances from public funds;

(4) require a legislative employee to perform services for the private benefit of the legislator or employee at any time, or allow a legislative employee to perform services for the private benefit of a legislator or employee on government time; it is not a violation of this paragraph if the services were performed in an unusual or infrequent situation and the person's services were reasonably necessary to permit the legislator or legislative employee to perform official duties;

(5) use or authorize the use of state funds, facilities, equipment, services, or another government asset or resource for the purpose of political fund raising or campaigning; this paragraph does not prohibit

(A) limited use of state property and resources for personal purposes if the use does not interfere with the performance of public duties and either the cost or value

related to the use is nominal or the legislator or legislative employee reimburses the state for the cost of the use;

(B) the use of mailing lists, computer data, or other information lawfully obtained from a government agency and available to the general public for nonlegislative purposes;

(C) telephone or facsimile use that does not carry a special charge;

(D) storing or maintaining, consistent with (b) of this section, election campaign records in a legislator's office; or

(E) a legislator from using the legislator's private office in the capital city during a legislative session, and for the five days immediately before and the five days immediately after a legislative session, for nonlegislative purposes if the use does not interfere with the performance of public duties and if there is no cost to the state for the use of the space and equipment, other than utility costs and minimal wear and tear, or the legislator promptly reimburses the state for the cost; an office is considered a legislator's private office under this subparagraph if it is the primary space in the capital city reserved for use by the legislator, whether or not it is shared with others.

(b) A legislative employee may not on government time assist in political party or candidate activities, campaigning, or fund raising. A legislator may not require an employee to perform an act in violation of this subsection.

(c) Unless approved by the committee, during a campaign period for an election in which the legislator or legislative employee is a candidate, a legislator or legislative employee may not use or permit another to use state funds, other than funds to which the legislator is entitled under AS 24.10.110, to print or distribute a political mass mailing to individuals eligible to vote for the candidate. In this subsection,

(1) a "campaign period" is the period that

(A) begins 90 days before the date of an election to the board of an electric or telephone cooperative organized under AS 10.25, a municipal election, or a primary election, or that begins on the date of the governor's proclamation calling a special election; and

(B) ends the day after the cooperative election, municipal election, or general or special election;

(2) a mass mailing is considered to be political if it is from or about a legislator, legislative employee, or another person who is a candidate for election or reelection to the legislature or another federal, state, or municipal office or to the board of an electric or telephone cooperative.

(d) A legislator, legislative employee, or another person on behalf of the legislator or legislative employee, or a campaign committee of the legislator or legislative employee, may not distribute or post campaign literature, placards, posters, fund-raising notices, or other communications intended to influence the election of a candidate in an election in public areas in a facility ordinarily used to conduct state government business. This prohibition applies whether or not the election has been concluded. However, a legislator may post, in the legislator's private office, communications related to an election that has been concluded.

(e) A legislator may not directly, or by authorizing another to act on the legislator's behalf,

(1) agree to, threaten to, or state or imply that the legislator will take or withhold a legislative, administrative, or political action, including support or opposition to a bill, employment, nominations, and appointments, as a result of a person's decision to provide or

not provide a political contribution, donate or not donate to a cause favored by the legislator, or provide or not provide a thing of value;

(2) state or imply that the legislator will perform or refrain from performing a lawful constituent service as a result of a person's decision to provide or not provide a political contribution, donate or not donate to a cause favored by the legislator, or provide or not provide a thing of value; or

(3) unless required by the Uniform Rules of the Alaska State Legislature, take or withhold official action or exert official influence that could substantially benefit or harm the financial interest of another person with whom the legislator is negotiating for employment.

(f) A legislative employee may not serve in a position that requires confirmation by the legislature. A legislator or legislative employee may serve on a board of an organization, including a governmental entity, that regularly has a substantial interest in the legislative activities of the legislator or employee if the legislator or employee discloses the board membership to the committee. A legislator or legislative employee who is required to make a disclosure under this subsection shall file the disclosure with the committee by the deadlines set out in AS 24.60.105 stating the name of each organization on whose board the person serves. The committee shall maintain a public record of the disclosure and forward the disclosure to the appropriate house for inclusion in the journal. This subsection does not require a legislator or legislative employee who is appointed to a board by the presiding officer to make a disclosure of the appointment to the committee if the appointment has been published in the appropriate legislative journal during the calendar year.

(g) Unless required by the Uniform Rules of the Alaska State Legislature, a legislator may not vote on a question if the legislator has an equity or ownership interest in a business, investment, real property, lease, or other enterprise if the interest is substantial and the effect on that interest of the action to be voted on is greater than the effect on a substantial class of persons to which the legislator belongs as a member of a profession, occupation, industry, or region.

(h) An employee who engages in political campaign activities other than incidental campaign activities during the employee's work day shall take leave for the period of campaigning. Political campaign activities while on government time are permissible if the activities are part of the normal legislative duties of the employee, including answering telephone calls and handling incoming correspondence.

History -

(Sec. 1 ch 36 SLA 1984; am Sec. 27 ch 85 SLA 1988; am Sec. 8 ch 167 SLA 1988; am Sec. 3 ch 127 SLA 1992; am Sec. 13 - 18 ch 74 SLA 1998)

Amendment Notes -

The first 1988 amendment, effective June 2, 1988, added "or" at the end of former paragraph (c)(1).

The second 1988 amendment, effective June 18, 1988, repealed former subsection (e), which related to activities which were not conflicts of interest.

The 1992 amendment, effective January 11, 1993, rewrote this section.

The 1998 amendment, effective January 1, 1999, in subsection (a), in paragraph (2) rewrote the introductory language, rewrote subparagraphs (A)-(C), added subparagraphs (D) and (E), and in paragraph (5) rewrote subparagraphs (A)-(C) and added subparagraphs (D) and (E); rewrote subsections (c), (d), and (g), added the last three sentences in subsection (f), and added subsection (h).

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1
 Bill Version: HB 149
 () Publish Date: 2/26/01

Title: An Act relating to correctional facility space and to authorize the DOC to enter into agreement.....
 Sponsor: _____
 Requester: State Affairs/ Finance
 Dept. Affected: CORRECTIONS
 BRU: Administration and Operations
 Component: Office of the Commissioner
 Component Number: 694

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	71.0	71.0	71.0	326.0	255.0	255.0
Travel	5.0	5.0	5.0	5.0	0.0	0.0
Contractual	85.0	75.0	75.0	95.0	90.0	90.0
Supplies	1.5	1.5	1.5	1.5	0.0	0.0
Equipment	3.0	0.0	45.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous				1,210.4	477.5	477.5
TOTAL OPERATING	165.5	152.5	197.5	1,637.9	822.5	822.5

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	165.5	152.5	197.5	1,637.9	822.5	822.5
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	165.5	152.5	197.5	1,637.9	822.5	822.5

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time	1	1	1	10	10	10
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill allows the Commissioner of the Department of Corrections to enter into a Twenty-Year agreement predicated on an agreement with a private third-party contractor who will construct and operate the facility by providing for custody, care, and discipline for persons held by the commissioner of corrections under authority of state law. The agreement must be for a minimum of 800 prison beds and contain terms providing the commissioner of corrections may terminate for cause, and the commissioner may not enter into an agreement with an agency unable to provide or cause to be provided a degree of custody, care, and discipline similar to that required by the laws of Alaska.

DOC will require a Long-term Project position- Facilities Manager I to interface with the local government project during design and construction phases and through 1st year operations. Position costs \$71.0 per year through FY2005 and requires an additional \$14.5 of support costs for FY2002 and \$11.5 for FY2003-2005.

(CONTINUED ON PAGE 2 of 2)

Prepared by: Candace Brower Phone 465-4652
 Division: Administrative Services Date/Time 3/14/2001 3:45PM
 Approved by: Margaret M. Pugh, Commissioner Date 3/14/01
 Agency: Department of Corrections

For distribution information, call the Governor's Legislative Office

House Bill 149

"An Act relating to correctional facility space and to authorize the DOC to enter into agreement..."

Publish Date: 2/26/01

Page 2

As Corrections Group North has noted, "Management problems in private prisons are the result of poorly drafted contracts [and] lack of oversight." The Department of Corrections (DOC) requires funds to enable the Agency to hire a professional who will negotiate the necessary prisoner care and operational contracts with the Kenai Peninsula Borough and its third party Representative. These contracts are to ensure they provide a degree of custody, care, and discipline similar to that required by the laws of this state. Estimate approximately \$185 per hour X 430 hours = \$79,950 or \$80.0. This is the estimated amount that the Municipality of Anchorage spent on their contract negotiations for the New Anchorage Jail. The Department assumes that all necessary contracts would be completed in FY2002.

The DOC also requires funds to enter into a professional service agreement for contract compliance monitoring services for the new Kenai Jail. The DOC must be assured that the Third-Party Operator of the facility complies with all of its contractual requirements to prevent and defend against potential litigation and/or liability for the State of Alaska. Monitoring services would include development of the monitoring instrument to include all aspects of correctional practice, on-going monthly monitoring, and reporting requirements. The Department estimates approximately \$100 per hour X 700 hours per year = \$70.0 per year beginning in FY2003.

State oversight of the new Kenai Facility will require the following additional 4 Permanent full-time state staff in the Department's budget for the life of the contract: (Assume that staff will begin work FY2005)

Two Probation Officer II's @ \$65.0 per year = \$130.0
1 Nurse II @ \$65.0 per year
1 Internal Auditor II @ \$60.0 year
Support costs for 4 Positions @ \$5.0 per position = \$20.0

Data processing equipment will be needed to support DOC oversight staff and to interface with the new Kenai Jail with the Department's Management Information System. Data processing PC's, office equipment, miscellaneous equipment including the WAN/LAN connection. \$45.0 in FY2004

The DOC Transportation Section will require: four (4) additional Prisoner Transportation Officers based at the Kenai Jail (\$65.0 each X 4 = \$260.0) and one Officer in the Anchorage Central Office (\$60.0); safety and operating equipment for the five officers (\$14.9 Total One-Time); a new Van to transport prisoners back and forth from the Kenai Jail (\$30.0 one-time); travel and transportation funds to move prisoners from out of state to Kenai (one-time expenses of \$688.0); travel and transportation costs to handle routine needs at the facility (annual expenses estimated at \$12,500 per month X 12 months = \$150.0); and contractual services funds for miscellaneous equipment to support new officers, such as radios and weapons. (\$7.5).

Cost: \$1,210.4 (\$477.5 Annually starting in FY2005 and \$732.9 One-Time in FY2005.)

The DOC cannot presently calculate the new contractual service funds that will be needed to pay for the prisoner beds at the new Kenai Jail because sufficient information is not yet available. HB 149 only addresses the need for 800 beds for a minimum of 20 years agreement. We cannot speculate what the costs per day would be for each of the 800 beds. Thus, we can only submit an indeterminate amount for these services.

Alaska State Legislature

House of Representatives



Official Business

State Capitol
Juneau, AK. 99801-1182

Representative Mike Chenault

Alaska State Capitol, Room 432
Juneau, Alaska 99801-1182
Phone 907-465-3779
Fax 907-465-2833

MEMORANDUM

To: Representative John Coghill, Chair
State Affairs Committee

From: Representative Mike Chenault, Sponsor

Date: March 7, 2001

Subject: Request for hearing – HB 149 “An Act relating to correctional facility space and to authorizing the Department of Corrections to enter into an agreement to lease facilities for the confinement and care of prisoners within the Kenai Peninsula Borough.”

Please schedule HB 149 for a hearing in the House State Affairs Committee
For Thursday, March 15th or at your earliest convenience.

HB 149 allows the Kenai Peninsula Borough to enter into a contract for a private prison.
A Sponsor Statement will be provided as soon as possible.

Please contact my staff aide, Sue Wright, at extension 3779 if you require
additional information.

Distributed
By
Senator
WARD

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COMPASS: *Points of view from the community*

Prison plan warrants backing

By FRANK PREWITT

In uncharacteristically blunt fashion, Byron Mallot recently condemned acts of violence against Alaska Natives and the failure of state policymakers to look directly into the face of racism in Alaska. It seems most Alaska Natives have patiently trusted that equal distribution of justice and resources would eventually find its way to the Native community. Finally, in the shadow of violence, the sleeping giant of self-determination appears to be waking.

Frozen paint balls of bias first burst in the face of the Kenai Natives Association last summer, when the skeleton of inequality tumbled from a closet in the state justice system. Rick Segura, president and CEO of the Kenai Natives Association, was exploring business opportunities for his small Native corporation, when he discovered that only 7 percent of Alaska's general population are Native males, but 37 percent of Alaska's prison population are Native men. A few phone calls later, Rick learned that over 300 Alaska Natives are imprisoned in the desert of Arizona, far from the cultural and behavioral support systems necessary for rehabilitation, victims of a stop-gap measure to relieve in-state prison overcrowding, now inexcusably in its seventh year.

While these men have committed serious crimes, Rick found that few Alaska Native prisoners fit conventional patterns of criminal behavior and most do not respond to conventional correctional programs. His research confirmed what Rick had always suspected: Except for the ravage of alcohol, most Native prisoners would have led and can, again, lead productive lives.

How tragic to commit a violent crime, harbor little or no recollection of the event, and live in exile with only pain and remorse as your cellmates.



The economic benefits for all Alaskans are many: local consumption of materials, goods and services associated with a major construction project; over 300 construction jobs; roughly 250 permanent prison jobs; and over \$20 million annually spent in Alaska, rather than Arizona.

Rick doesn't excuse his brothers' behavior, but he is concerned that the state seems ill-equipped or unable to break the cycle of destruction. The Alaska Judicial Council and University of Alaska Justice Center have repeatedly reported on cultural bias in our judicial system. Yet, simply put, we Alaskans continue to incarcerate more of our indigenous neighbors, per capita, than any other state, by overwhelming margins.

The Kenai Natives Association cannot fix the state justice system, but their board of directors has decided that they can commit their limited resources to reducing recidivism among Alaska Natives.

This month the Kenai Natives Association teamed with Cornell Companies and the Kenai Peninsula Borough to offer the state an alternative to out-of-state incarceration. The borough intends to sell bonds to finance a privately built and operated prison on Kenai Natives Association land adjacent to the existing, state-operated, Wildwood Correctional Center. The prison will be built to the highest standards of the industry and meet, or exceed, the security standards of the state Department of Corrections. Beyond conventional programs offered by the state, KNA's vision is to offer the Alaska Native community the opportunity to take responsibility for programs designed to target and eliminate the re-

volving door of Native incarceration.

The economic benefits for all Alaskans are many: local consumption of materials, goods and services associated with a major construction project; over 300 construction jobs; roughly 250 permanent prison jobs; and over \$20 million annually spent in Alaska, rather than Arizona.

The social benefits for all Alaskans are even more compelling: empowering Alaska Natives as stakeholders in the healing of their fathers, sons and brothers, as well as returning all Alaskan offenders imprisoned in Arizona nearer to the support systems necessary to effect life changing behavior.

On Dec. 19, 2000, the board of directors of the Alaska Federation of Natives passed a resolution which states, in part: "The AFN Board of Directors does fully endorse and support the Kenai Natives Association Inc. in the development of their private prison project."

As neighbors, we can all take a small step toward reconciliation by supporting the Kenai Natives Association. As a society, we have nothing to lose and everything to gain by seeking new solutions to old problems.

■ Frank Prewitt is an Anchorage attorney and former commissioner of the Department of Corrections under Walter J. Hickel. He consults for Cornell Corrections and the Kenai Natives Association.

COMMITTEE: HOUSE STATE AFFAIRS

SUBJECT:
~~HB 3-DEPOSITS TO THE PERMANENT FUND~~
 HB 149

DATE: March 13, 2001



PLEASE SIGN IN

PLEASE PRINT: NAME & TITLE	ADDRESS (MAILING & ZIP)	PHONE	REPRESENTING (No Acronyms, Please)	DO YOU WANT TO TESTIFY ?
LEONARD J. J. L.	6014 Bull Way	280-3104	ANA'S CAMP #2	
Mike Wertz	3410 Woodhill Ave	586-4740	" "	Yes
Garage Knuth		465-4338	Dyer Corporation	Yes
Richard Spaura	215 Fiddler's Alley Kenai	283-4891	R. NA INC.	Yes
David Joseph	5579 Coast St	780/1815	self	Yes
MARVIN J. WIERE SENIOR VICE PRESIDENT	188 VIA LATA VENTURA, CA 92083	805-660-1985	CORNING COMPANIES INC	Yes - to answer questions
Georg Wright	320 W. Willowlby St-100 Juneau	586-2049	ALASKA NATIVE SCATTERED CAMP #2	Yes
Frederic O. Ben	736 Gold St Juneau	586 3363	self	Yes
Kathleen Stewart	1665 1st St Juneau	586-1392	ANA'S	Yes
Alfred McKelvey	1013 21713, Juneau 99801	586 2061	ANA'S Camp / Camp	Yes