

ALASKA LEGISLATURE

2649

HOUSE and SENATE FINANCE COMMITTEE FILES, 2003-2004

CITY OF PALMER, ALASKA

RESOLUTION NO. 1264

A RESOLUTION OF THE CITY OF PALMER IN SUPPORT OF THE CONCEPT OF ESTABLISHING MULTIPLE, MUNICIPAL OWNED, STATE OPERATED PRISONS.

WHEREAS, the State of Alaska recognizes the pressing need to reduce overcrowding in its prisons and bring home the 800 plus prisoners that are presently housed in out-of-state correctional facilities; and

WHEREAS, the State of Alaska expends approximately \$20 million annually to transport and house prisoners in out-of-state facilities; funds if expended in the State of Alaska could significantly benefit state and local economies; and

WHEREAS, the development of new or expanded prisons in Alaska's municipalities would benefit Alaskans by providing much needed construction and permanent, year-round prison jobs; and

WHEREAS, maintaining prisoners within the state allows for them to be closer to their families and culture which enhances the potential for prisoner rehabilitation; and

WHEREAS, expansions of many of Alaska's existing prisons can be accomplished more cost effectively than by constructing new prisons; and

WHEREAS, Alaska State Department of Corrections has a long-standing history of providing consistent correctional practices that protect the public's safety, allow for community participation through government-to-government transactions and address statewide and regional correction needs.

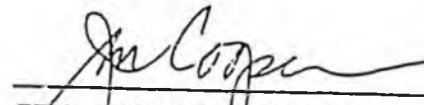
NOW, THEREFORE, BE IT RESOLVED, the City of Palmer supports the general concept of a comprehensive statewide approach to prison development, where the financial and clinical benefits of expanding existing prisons are equally considered with the development of new prisons; and

BE IT FURTHER RESOLVED, that new or expanded prisons be owned by the municipalities and operated by the Alaska State Department

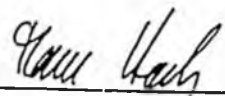
Resolution No. 1264 - Continued

of Corrections under a long-term lease with the relevant municipalities including the Matanuska-Susitna Borough.

Adopted by the City of Palmer this 26th day of February, 2002.



JIM COOPER, MAYOR



THOMAS HEALY, CTY CLERK



RECEIVED
FEB 24 2003

RESOLUTION 03-04

**A RESOLUTION OF THE COUNCIL FOR THE CITY OF HOUSTON, ALASKA
IN SUPPORT OF THE CONCEPT OF ESTABLISHING MULTIPLE,
MUNICIPAL OWNED, STATE OPERATED PRISIONS.**

WHEREAS, the State of Alaska recognizes the pressing need to reduce overcrowding in its prisons and bring home the 900 plus prisoners that are presently housed in out-of-state correctional facilities; and

WHEREAS, the State of Alaska expends approximately \$20 million annually to transport and house prisoners in out-of state facilities; funds that if expended in the State of Alaska could significantly benefit state and local economies; and

WHEREAS, the development of new or expanded prisons in Alaska's municipalities would benefit Alaskans by providing much needed construction and permanent, year-round prison jobs;; and

WHEREAS, maintaining prisoners within the State allows for them to be closer to their families and culture which enhances the potential for prisoner rehabilitation; and

WHEREAS, expansions of many of Alaska's existing prisons can be accomplished more cost effectively than by constructing new prisons; and


WHEREAS, the State of Alaska Department of Corrections has a long-standing history of providing consistent correctional practices that protect the public's safety, allow for community participation through government-to government transactions and address statewide and regional correction needs.

NOW, THEREFORE BE IT RESOLVED that the Council of the City of Houston, Alaska, supports the concept of a comprehensive approach to prison development, where the financial and clinical benefits of expanding existing prisons are equally considered with the development of new prisons; and

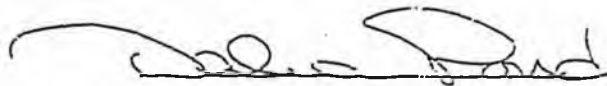
BE IT FURTHER RESOLVED that new or expanded prisons be owned by the

municipalities and operated by the State of Alaska Department of Corrections under a long-term lease with the relevant municipalities including the City of Houston, Alaska.

ADOPTED by a duly constituted quorum of the City Council for the City of Houston, Alaska on this 13th day of February, 2003.


Dale Adams, Mayor

ATTEST:


Daleann Pond, City Clerk



SB

65

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/17/03

REPORTED OUT
APR 9 2004
SENATE FINANCE
COMMITTEE
SENATE BILL NO. 65

FURTHER:

DATE TURNED IN TO OFFICE: 29 April 2004

Finance Committee considered

SB 65 CORRECTIONAL FACILITY EXPANSION

"An Act authorizing the Department of Corrections to enter into agreements with municipalities for new or expanded public correctional facilities in the Fairbanks North Star Borough, the Matanuska-Susitna Borough, Bethel, and the Municipality of Anchorage."

and recommends:

- be replaced with _____ CS SB 65 (FIN)
- adopt previous _____ CS CS forthcoming (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
Corrections	4/29/04	2600		

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Tom Hoff</i>	✓			
<i>Michael C. Elton</i>			✓	
<i>Ben Stearns</i>	✓			
<i>Paul Ryan</i>				
COCHAIR: <i>Lynne Brun</i>	✓			
COCHAIR: <i>Gary Hill</i>	✓			

APR 29 2004

SENATE FINANCE
COMMITTEE

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CSSB65(e)-DOC-04-29-(
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Corrections
Title Correctional Facility Expansion RDU Administration & Operations
Component _____
Sponsor Senator Green
Requester _____ Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services	235.0	243.2	3,052.2	14,448.3	23,703.9	24,438.5
Travel	7.0	8.0	154.7	235.8	315.8	315.8
Contractual	5.0	5.0	1,960.1	976.5	(12.1)	(12.1)
Supplies	6.0	7.0	1,382.6	2,939.7	4,435.3	4,495.3
Equipment	7.0	0.0	34.0	34.0	34.0	34.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	154.6	511.6	868.5	868.5
Miscellaneous	0.0	0.0	4,005.0	16,703.0	14,177.0	14,177.0
TOTAL OPERATING	260.0	263.2	10,743.2	35,848.9	43,582.4	44,317.0

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

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	260.0	263.2	10,743.2	35,848.9	43,582.4	44,317.0
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 (Specify Type--Do not abbreviate)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	260.0	263.2	10,743.2	35,848.9	43,582.4	44,317.0

Estimate of any current year (FY2004) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time	3	3	43	327	327	327
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This bill authorizes the Department of Corrections to enter into twenty-five year lease agreements with the Fairbanks North Star Borough, Matanuska-Susitna Borough, Bethel, Municipality of Anchorage, and the City of Seward for up to a total of 1,744 beds at state correctional facilities and a new state correctional facility.

The above contractual line has been reduced by the current cost of the Out of State Contract. The \$43,582,400 increased annual costs of incarceration and lease payments can be further offset by moving any remaining prisoners housed at the out of state contract facility (Florence Correctional Center) back to Alaska and housing them in the new beds created by this bill. Assuming that in FY09, 500 additional prisoners, at \$70.00 per day x 365 days = \$12,775,000 of savings that can be applied to the cost of new beds. The FY2009 estimated annual net cost of these projects is \$30,807,400.

(continued on page 2 of 2).

Prepared by: Jerry D. Burnett, Director Phone (907) 465-3339
Division Administrative Services Date/Time 4/29/04 3:13 PM
Approved by: Portia C.K. Parker, Deputy Commissioner Date 4/29/2004
Agency Department of Corrections

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. CSSB65(e)-DOC-04-29-C

ANALYSIS CONTINUATION

Assume that the local government agencies will fund the costs of the new or expanded correctional facilities construction through local/AIDEA bond sales backed by the state leases. Costs of construction for Fairbanks, Anchorage, Seward, and Mat-Su facilities not to exceed \$135,000 per bed. Annual lease payments not to exceed \$14,600 per bed for Fairbanks, Anchorage, and Seward and not to exceed \$11,600 for Mat-Su. The Bethel facility costs of construction are not to exceed \$155,000 per bed and annual lease costs payments not to exceed \$16,700.

DOC will require three project management positions during the planning and construction phase.

Annual Lease Costs, by Facility (shown in miscellaneous line):

Fairbanks Correctional Center: 80 new beds = \$1,076,000

Matanuska-Susitna Borough: 1,200 new beds = \$10,172,000

**Matanuska-Susitna Borough alternate option of 2,251 new beds = \$15,261,200*

Spring Creek Correctional Center: 144 beds = \$1,076,000

Yukon-Kuskokwim Correction Center: 120 beds = \$1,853,000

Anchorage Jail: no lease payment (if appropriated, federal funds used for construction)

Dillingham Community Jail expansion of 17 beds = \$149,100

Kodiak Community Jail expansion of 6 beds = \$149,100

Additionally, security and life/safety staff and institutional staffing necessary to support the 1,744 new prisoner beds in Alaska is based on about 5 prisoners per 1 staff. Thus, 327 new staff will be needed to support these additional prisoner beds statewide.

The bill provides for federal receipt authority for up to \$30,000,000. The authorization to expand the Anchorage Jail facility by 200 beds may only occur if federal funds are received and the Alaska State Legislature appropriates the funds.

For the purposes of this fiscal note, it is assumed that a private option would only be built if less costly than the public option. It is also assumed that the 2251 bed facility would be built only if operating costs reduced from other facilities would allow for the option to be built without total departmental costs exceeding the 1200 bed option.

End.

Attention: Traci/Deb/Kim

Of Senator Green's office

RE: CS SB 65 (FIN)

Date: 4/30/04 Time: 8:20 AM

The attached Senate Finance CS incorporates the amendment(s) your boss sponsored. Please review and approve so the bill can be forwarded to the Senate Secretary.

The CS is your copy.

Amend #7

Thanks,

Senate Finance Secretary

Mindy #4935

Robin #2618

Approved: KHC

(please initial)

Return ASAP

1 Department of Corrections, not later than July 1, 2006, is authorized to enter into an
2 agreement with the City of Whittier for the purpose of acquiring correctional facility space for
3 ~~a minimum of 25~~ term not to exceed years and services for contractual periods of not greater than five years for
4 persons who are committed to the custody of the commissioner of corrections. Before
5 entering into any contract for correctional space or services with the City of Whittier under
6 this section, the Departments of Corrections and Administration shall first conduct a
7 feasibility study to determine whether the state can provide these services for the same or less
8 cost than a third-party operator. An agreement may be entered into under this section only if
9 the feasibility study determines that the state cannot provide these services for the same or
10 less cost.

11 (b) The agreement entered into under this section is predicated on and must provide
12 for an agreement between the City of Whittier and one or more private third-party contractors
13 under which private, for profit or nonprofit third-party contractors construct and operate the
14 facility by providing for custody, care, and discipline services for persons committed to the
15 custody of the commissioner of corrections under authority of state law. In an agreement with
16 the City of Whittier, the commissioner of corrections shall require that the city procure one or
17 more private third-party operators through a competitive bid process. The City of Whittier
18 shall follow state procurement procedures for procurement of land, design, construction, and
19 operation of a facility. The commissioner of corrections shall approve the facility design
20 before entering into an agreement.

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

23 (1) the agreement must cover a minimum of 1200 beds and a maximum of
24 2,251 prison beds, and, subject to (2) of this subsection, the payments by the Department of
25 Corrections must be sufficient to cover all capital and operating costs, not including inmate
26 transportation, based on per diem operating charges for a minimum 1,200 prison beds;

27 (2) the agreement must provide that the obligation of the Department of
28 Corrections to make payments under the agreement is subject to annual appropriation of funds
29 by the legislature;

30 (3) the agreement must contain terms providing that the commissioner of
31 corrections may direct the City of Whittier, after notice and reasonable opportunity to cure, to

SENATE FINANCE COMMITTEE
~~4/29/2003~~ COMMITTEE ACTION

Bill Number	SB 65		
Amendment	#7		
Motion	adopt		
<u>Motion by</u>	Green		
<u>Objection by</u>	none		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Dyson			
Senator Hoffman			
Senator Olson			
Senator Stevens			
Senator Bunde			
Co-Chair Green			
Co-Chair Wilken			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	Pass		



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

FAX COVER SHEET

DATE: 29 April 2004 TIME: 3:20 pm

TO: Legal Services

NUMBER OF PAGES, INCLUDING COVER SHEET: 2

FROM: MINDY ROWLAND
SENATE FINANCE COMMITTEE SECRETARY
PHONE: 465-4935
FAX: 465-2187

NOTES: Final Please!

CS SB 65 (FIN) 23-LS0392\ E

Luckhaupt 4/28/04

Plus one amendment - attached (#7)

Call if any questions

Thx
Mindy

CS FOR SENATE BILL NO. 65(FIN)

**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION**

BY THE SENATE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATORS GREEN, Therriault, Seelins, Guess, Hoffinan, Ellis, French

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to correctional officers, parole officers, and probation officers;
2 authorizing the Department of Corrections to enter into agreements with municipalities
3 for new or expanded public correctional facilities in the Fairbanks North Star Borough,
4 the Matanuska-Susitna Borough, Bethel, the Municipality of Anchorage, and the City of
5 Seward; relating to the development and financing of privately operated correctional
6 facility space and services; authorizing the Department of Corrections to enter into an
7 agreement with the City of Whittier for the confinement and care of prisoners in
8 privately operated correctional facility space if the state cannot provide those services
9 for the same or less cost; giving notice of and approving, and authorizing the entry into
10 and issuance of certificates of participation for, the upgrade, expansion, and
11 replacement of certain jails in Dillingham and Kodiak; and providing for an effective
12 date."

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

2 * Section 1. AS 18.65.290(2) is amended to read:

3 (2) "correctional officer" means a person

4 (A) appointed by the commissioner of corrections whose
5 primary duty under AS 33.30 is to provide custody, care, security, control, and
6 discipline of persons charged or convicted of offenses against the state or held
7 under authority of state law; or

8 (B) employed in a correctional facility in this state whose
9 primary duty is to provide custody, care, security, control, and discipline
10 of persons charged or convicted of offenses or held under authority of law;

11 * Sec. 2. AS 18.65.290(5) is amended to read:

12 (5) "parole officer" means a person appointed by the commissioner of
13 corrections or employed by a correctional facility in this state to perform the duties
14 of supervising the parole of prisoners under AS 33.16;

15 * Sec. 3. AS 18.65.290(7) is amended to read:

16 (7) "probation officer" means a person appointed by the commissioner
17 of corrections or employed by a correctional facility in this state to perform the
18 duties of a probation officer under AS 33.05.

19 * Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section to
20 read:

21 **AUTHORIZATION TO LEASE CORRECTIONAL FACILITY SPACE WITH**
22 **MUNICIPALITIES.** (a) To relieve overcrowding of existing correctional facilities in the
23 state and the extensive use of out-of-state correctional facilities, the Department of
24 Corrections, not later than July 1, 2009, may enter into agreements with the following
25 municipalities for new or expanded correctional facilities:

26 (1) Fairbanks North Star Borough - expansion of existing facility by up to 80
27 beds;

28 (2) Matanuska-Susitna Borough - construction of new facility with a minimum
29 of 1,200 beds up to a maximum of 2251 beds;

30 (3) Bethel - expansion of existing facility by up to 120 beds;

31 (4) Municipality of Anchorage - expansion of Anchorage Jail by up to 200

1 beds;

2 (5) City of Seward - expansion of existing Spring Creek Correctional Center
3 by up to 144 beds.

4 (b) The authorizations given by (a) of this section are subject to the following
5 conditions:

6 (1) the average capital cost for all beds may not exceed \$135,000 a bed for
7 (a)(1), (2), (4), and (5) of this section and \$155,000 a bed for (a)(3) of this section, adjusted
8 for inflation each year at a rate equal to the percentage increase in the Consumer Price Index
9 for urban wage earners and clerical workers for Anchorage, Alaska, during the previous
10 calendar year as determined by the Bureau of Labor Statistics, United States Department of
11 Labor;

12 (2) if construction of a new facility is authorized, the municipality shall own
13 the facility, and the state may enter into a long-term lease not to exceed 25 years with the
14 municipality to operate the facility; the annual lease payment for a new facility may not
15 exceed \$11,600 a bed;

16 (3) if expansion of an existing facility is authorized, the state shall enter into a
17 joint ownership agreement with the municipality of the expanded facility, enter into a long-
18 term lease not to exceed 25 years of the municipality's interest in the facility, and operate the
19 facility; payments under the lease may not exceed \$16,700 a bed for the Bethel facility and
20 \$14,600 a bed for the Fairbanks, Anchorage, and Seward facilities;

21 (4) the agreement to lease must contain terms providing that the commissioner
22 of corrections may terminate for cause any contract for operating the facility;

23 (5) the commissioner may not enter into an agreement under (a) of this section
24 if any bonds issued for projects under (a) of this section are rated below investment grade.

25 (c) The authorization given by (a)(4) of this section is subject to the following
26 condition: expansion of the facility may only occur if the expansion is funded by up to
27 \$30,000,000 in federal receipts.

28 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
29 read:

30 **AUTHORIZATION TO CONTRACT FOR CORRECTIONAL FACILITY SPACE**
31 **AND SERVICES WITH THIRD-PARTY CONTRACTOR FOR OPERATION.** (a) The

1 Department of Corrections, not later than July 1, 2006, is authorized to enter into an
2 agreement with the City of Whittier for the purpose of acquiring correctional facility space for
3 a term not to exceed 25 years and services for contractual periods of not greater than five
4 years for persons who are committed to the custody of the commissioner of corrections.
5 Before entering into any contract for correctional space or services with the City of Whittier
6 under this section, the Departments of Corrections and Administration shall first conduct a
7 feasibility study to determine whether the state can provide these services for the same or less
8 cost than a third-party operator. An agreement may be entered into under this section only if
9 the feasibility study determines that the state cannot provide these services for the same or
10 less cost.

11 (b) The agreement entered into under this section is predicated on and must provide
12 for an agreement between the City of Whittier and one or more private third-party contractors
13 under which private, for profit or nonprofit third-party contractors construct and operate the
14 facility by providing for custody, care, and discipline services for persons committed to the
15 custody of the commissioner of corrections under authority of state law. In an agreement with
16 the City of Whittier, the commissioner of corrections shall require that the city procure one or
17 more private third-party operators through a competitive bid process. The City of Whittier
18 shall follow state procurement procedures for procurement of land, design, construction, and
19 operation of a facility. The commissioner of corrections shall approve the facility design
20 before entering into an agreement.

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

23 (1) the agreement must cover a minimum of 1200 beds and a maximum of
24 2,251 prison beds, and, subject to (2) of this subsection, the payments by the Department of
25 Corrections must be sufficient to cover all capital and operating costs, not including inmate
26 transportation, based on per diem operating charges for a minimum 1,200 prison beds;

27 (2) the agreement must provide that the obligation of the Department of
28 Corrections to make payments under the agreement is subject to annual appropriation of funds
29 by the legislature;

30 (3) the agreement must contain terms providing that the commissioner of
31 corrections may direct the City of Whittier, after notice and reasonable opportunity to cure, to

Amend
#7

1 terminate its contract with a private third-party contractor operating the facility in accordance
 2 with the provisions of (b) of this section, and to procure a replacement third-party contractor
 3 if the commissioner finds that the private third-party contractor has failed to provide or cause
 4 to be provided the degree of custody, care, and discipline required by terms of the agreement
 5 and that the private third-party contractor has been given notice and reasonable opportunity to
 6 cure as provided in the third-party contractor's agreement with the city;

7 (4) the commissioner's authority to enter into the agreement is subject to the
 8 condition that the contract between the City of Whittier and the operator requires the operator
 9 to provide culturally relevant reformation services to incarcerated Alaska Natives;

10 (5) the commissioner may not enter into the agreement if any bonds issued for
 11 the project are rated below investment grade.

12 (d) Nothing in this section is intended to prevent the City of Whittier from issuing
 13 bonds as permitted for municipalities under state law, including AS 29.47.390, to finance
 14 construction of the facility. The bonds may be secured by and payable from revenues of the
 15 facility, including those described in (c) of this section. Revenues of the facility are not
 16 revenues of the City of Whittier for purposes of AS 29.47.390.

17 * Sec. 6. The uncodified law of the State of Alaska is amended by adding a new section to
 18 read:

19 NOTICE OF THE ISSUANCE OF CERTIFICATES OF PARTICIPATION AND
 20 OTHER FINANCING. (a) The state bond committee is authorized to provide for the
 21 issuance of certificates of participation in one or more series in the aggregate principal
 22 amount of \$4,000,000, plus costs of required reserves and costs of issuance, to pay for the
 23 costs for expansion of municipal jails described in sec. 7 of this Act. The estimated total cost
 24 of construction, acquisition, and equipping the projects is \$4,000,000, which shall be paid
 25 from the proceeds of the certificates of participation issued under this section. The estimated
 26 aggregate annual amount of rental obligations under the lease-financing agreements is
 27 \$400,000. The total payments for the full term of the certificates of participation are
 28 estimated to be \$6,000,000. In this subsection, "cost of construction" includes credit
 29 enhancement and underwriting expenses, rating agency fees, bond counsel fees, financial
 30 advisor fees, printing fees, trustee fees, advertising fees, capitalized interest, interest earnings
 31 used for lease payments, and other costs of issuance, and costs of required reserves.

1 (b) The state bond committee may contract for credit enhancement, underwriting,
2 credit ratings, bond counsel, financial advisor, printing, advertising fees, and trustee services
3 that the committee considers necessary in financing the projects described in sec. 7 of this
4 Act.

5 (c) The state bond committee may not authorize the issuance of certificates of
6 participation as provided in (a) of this section if the issuance lowers the state's credit and the
7 certificates are rated below investment grade.

8 * Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section to
9 read:

10 MUNICIPAL JAIL FACILITIES. (a) Each of the following projects is approved to
11 receive \$2,000,000 of the proceeds of the certificates of participation authorized under sec. 6
12 of this Act, on condition that the municipality in which the project is located contributes a
13 matching share of at least \$1,500,000, to be used for the upgrade, expansion, or replacement
14 of the jail facilities:

15 (1) Dillingham Community Jail in the Municipality of Dillingham to replace
16 the existing 8-bed facility with a new 25-bed facility;

17 (2) Kodiak Community Jail in the Municipality of Kodiak to replace the
18 existing 16-bed facility with a new 22-bed facility.

19 (b) Subject to appropriation, the Department of Corrections is authorized to pay the
20 annual operating costs associated with the addition of new beds at the municipal jail facilities
21 to the municipalities listed in (a) of this section. The anticipated annual operating costs for
22 the new beds authorized in (a) of this section are:

23 (1) Dillingham Community Jail - \$750,000 (17 new beds);

24 (2) Kodiak Community Jail - \$188,000 (6 new beds).

25 * Sec. 8 The uncodified law of the State of Alaska is amended by adding a new section to
26 read:

27 APPROVAL. This Act constitutes the notice and approval of the projects described in
28 sec. 6 of this Act required by AS 36.30.085.

29 * Sec. 9. Sections 1 - 3, ch. 32, SLA 2001, are repealed.

30 * Sec. 10. This Act takes effect July 1, 2004.

Adopted

WORK DRAFT

WORK DRAFT

WORK DRAFT

23-LS0392\AE
Luckhaupt
4/28/04

CS FOR SENATE BILL NO. 65(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATORS GREEN, Therriault, Seekins, Guess, Hoffman, Ellis, French

A BILL
FOR AN ACT ENTITLED

1 **"An Act relating to correctional officers, parole officers, and probation officers;**
2 **authorizing the Department of Corrections to enter into agreements with municipalities**
3 **for new or expanded public correctional facilities in the Fairbanks North Star Borough,**
4 **the Matanuska-Susitna Borough, Bethel, the Municipality of Anchorage, and the City of**
5 **Seward; relating to the development and financing of privately operated correctional**
6 **facility space and services; authorizing the Department of Corrections to enter into an**
7 **agreement with the City of Whittier for the confinement and care of prisoners in**
8 **privately operated correctional facility space if the state cannot provide those services**
9 **for the same or less cost; giving notice of and approving, and authorizing the entry into**
10 **and issuance of certificates of participation for, the upgrade, expansion, and**
11 **replacement of certain jails in Dillingham and Kodiak; and providing for an effective**
12 **date."**

1 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**2 * **Section 1.** AS 18.65.290(2) is amended to read:

3 (2) "correctional officer" means a person

4 (A) appointed by the commissioner of corrections whose
5 primary duty under AS 33.30 is to provide custody, care, security, control, and
6 discipline of persons charged or convicted of offenses against the state or held
7 under authority of state law; **or**8 (B) employed in a correctional facility in this state whose
9 primary duty is to provide custody, care, security, control, and discipline
10 of persons charged or convicted of offenses or held under authority of law;11 * **Sec. 2.** AS 18.65.290(5) is amended to read:12 (5) "parole officer" means a person appointed by the commissioner of
13 corrections or employed by a correctional facility in this state to perform the duties
14 of supervising the parole of prisoners under AS 33.16;15 * **Sec. 3.** AS 18.65.290(7) is amended to read:16 (7) "probation officer" means a person appointed by the commissioner
17 of corrections or employed by a correctional facility in this state to perform the
18 duties of a probation officer under AS 33.05.19 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
20 read:21 **AUTHORIZATION TO LEASE CORRECTIONAL FACILITY SPACE WITH**
22 **MUNICIPALITIES.** (a) To relieve overcrowding of existing correctional facilities in the
23 state and the extensive use of out-of-state correctional facilities, the Department of
24 Corrections, not later than July 1, 2009, may enter into agreements with the following
25 municipalities for new or expanded correctional facilities:26 (1) Fairbanks North Star Borough - expansion of existing facility by up to 80
27 beds;28 (2) Matanuska-Susitna Borough - construction of new facility with a minimum
29 of 1,200 beds up to a maximum of 2251 beds;

30 (3) Bethel - expansion of existing facility by up to 120 beds;

31 (4) Municipality of Anchorage - expansion of Anchorage Jail by up to 200

1 beds;

2 (5) City of Seward - expansion of existing Spring Creek Correctional Center
3 by up to 144 beds.

4 (b) The authorizations given by (a) of this section are subject to the following
5 conditions:

6 (1) the average capital cost for all beds may not exceed \$135,000 a bed for
7 (a)(1), (2), (4), and (5) of this section and \$155,000 a bed for (a)(3) of this section, adjusted
8 for inflation each year at a rate equal to the percentage increase in the Consumer Price Index
9 for urban wage earners and clerical workers for Anchorage, Alaska, during the previous
10 calendar year as determined by the Bureau of Labor Statistics, United States Department of
11 Labor;

12 (2) if construction of a new facility is authorized, the municipality shall own
13 the facility, and the state may enter into a long-term lease not to exceed 25 years with the
14 municipality to operate the facility; the annual lease payment for a new facility may not
15 exceed \$11,600 a bed;

16 (3) if expansion of an existing facility is authorized, the state shall enter into a
17 joint ownership agreement with the municipality of the expanded facility, enter into a long-
18 term lease not to exceed 25 years of the municipality's interest in the facility, and operate the
19 facility; payments under the lease may not exceed \$16,700 a bed for the Bethel facility and
20 \$14,600 a bed for the Fairbanks, Anchorage, and Seward facilities;

21 (4) the agreement to lease must contain terms providing that the commissioner
22 of corrections may terminate for cause any contract for operating the facility;

23 (5) the commissioner may not enter into an agreement under (a) of this section
24 if any bonds issued for projects under (a) of this section are rated below investment grade.

25 (c) The authorization given by (a)(4) of this section is subject to the following
26 condition: expansion of the facility may only occur if the expansion is funded by up to
27 \$30,000,000 in federal receipts.

28 * Sec. 5. The uncodified law of the State of Alaska is amended by adding a new section to
29 read:

30 AUTHORIZATION TO CONTRACT FOR CORRECTIONAL FACILITY SPACE
31 AND SERVICES WITH THIRD-PARTY CONTRACTOR FOR OPERATION. (a) The

1 Department of Corrections, not later than July 1, 2006, is authorized to enter into an
2 agreement with the City of Whittier for the purpose of acquiring correctional facility space for
3 a minimum of 25 years and services for contractual periods of not greater than five years for
4 persons who are committed to the custody of the commissioner of corrections. Before
5 entering into any contract for correctional space or services with the City of Whittier under
6 this section, the Departments of Corrections and Administration shall first conduct a
7 feasibility study to determine whether the state can provide these services for the same or less
8 cost than a third-party operator. An agreement may be entered into under this section only if
9 the feasibility study determines that the state cannot provide these services for the same or
10 less cost.

11 (b) The agreement entered into under this section is predicated on and must provide
12 for an agreement between the City of Whittier and one or more private third-party contractors
13 under which private, for profit or nonprofit third-party contractors construct and operate the
14 facility by providing for custody, care, and discipline services for persons committed to the
15 custody of the commissioner of corrections under authority of state law. In an agreement with
16 the City of Whittier, the commissioner of corrections shall require that the city procure one or
17 more private third-party operators through a competitive bid process. The City of Whittier
18 shall follow state procurement procedures for procurement of land, design, construction, and
19 operation of a facility. The commissioner of corrections shall approve the facility design
20 before entering into an agreement.

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

23 (1) the agreement must cover a minimum of 1200 beds and a maximum of
24 2,251 prison beds, and, subject to (2) of this subsection, the payments by the Department of
25 Corrections must be sufficient to cover all capital and operating costs, not including inmate
26 transportation, based on per diem operating charges for a minimum 1,200 prison beds;

27 (2) the agreement must provide that the obligation of the Department of
28 Corrections to make payments under the agreement is subject to annual appropriation of funds
29 by the legislature;

30 (3) the agreement must contain terms providing that the commissioner of
31 corrections may direct the City of Whittier, after notice and reasonable opportunity to cure, to

1 terminate its contract with a private third-party contractor operating the facility in accordance
2 with the provisions of (b) of this section, and to procure a replacement third-party contractor
3 if the commissioner finds that the private third-party contractor has failed to provide or cause
4 to be provided the degree of custody, care, and discipline required by terms of the agreement
5 and that the private third-party contractor has been given notice and reasonable opportunity to
6 cure as provided in the third-party contractor's agreement with the city;

7 (4) the commissioner's authority to enter into the agreement is subject to the
8 condition that the contract between the City of Whittier and the operator requires the operator
9 to provide culturally relevant reformation services to incarcerated Alaska Natives;

10 (5) the commissioner may not enter into the agreement if any bonds issued for
11 the project are rated below investment grade.

12 (d) Nothing in this section is intended to prevent the City of Whittier from issuing
13 bonds as permitted for municipalities under state law, including AS 29.47.390, to finance
14 construction of the facility. The bonds may be secured by and payable from revenues of the
15 facility, including those described in (c) of this section. Revenues of the facility are not
16 revenues of the City of Whittier for purposes of AS 29.47.390.

17 * Sec. 6. The uncodified law of the State of Alaska is amended by adding a new section to
18 read:

19 NOTICE OF THE ISSUANCE OF CERTIFICATES OF PARTICIPATION AND
20 OTHER FINANCING. (a) The state bond committee is authorized to provide for the
21 issuance of certificates of participation in one or more series in the aggregate principal
22 amount of \$4,000,000, plus costs of required reserves and costs of issuance, to pay for the
23 costs for expansion of municipal jails described in sec. 7 of this Act. The estimated total cost
24 of construction, acquisition, and equipping the projects is \$4,000,000, which shall be paid
25 from the proceeds of the certificates of participation issued under this section. The estimated
26 aggregate annual amount of rental obligations under the lease-financing agreements is
27 \$400,000. The total payments for the full term of the certificates of participation are
28 estimated to be \$6,000,000. In this subsection, "cost of construction" includes credit
29 enhancement and underwriting expenses, rating agency fees, bond counsel fees, financial
30 advisor fees, printing fees, trustee fees, advertising fees, capitalized interest, interest earnings
31 used for lease payments, and other costs of issuance, and costs of required reserves.

1 (b) The state bond committee may contract for credit enhancement, underwriting,
2 credit ratings, bond counsel, financial advisor, printing, advertising fees, and trustee services
3 that the committee considers necessary in financing the projects described in sec. 7 of this
4 Act.

5 (c) The state bond committee may not authorize the issuance of certificates of
6 participation as provided in (a) of this section if the issuance lowers the state's credit and the
7 certificates are rated below investment grade.

8 * Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section to
9 read:

10 MUNICIPAL JAIL FACILITIES. (a) Each of the following projects is approved to
11 receive \$2,000,000 of the proceeds of the certificates of participation authorized under sec. 6
12 of this Act, on condition that the municipality in which the project is located contributes a
13 matching share of at least \$1,500,000, to be used for the upgrade, expansion, or replacement
14 of the jail facilities:

15 (1) Dillingham Community Jail in the Municipality of Dillingham to replace
16 the existing 8-bed facility with a new 25-bed facility;

17 (2) Kodiak Community Jail in the Municipality of Kodiak to replace the
18 existing 16-bed facility with a new 22-bed facility.

19 (b) Subject to appropriation, the Department of Corrections is authorized to pay the
20 annual operating costs associated with the addition of new beds at the municipal jail facilities
21 to the municipalities listed in (a) of this section. The anticipated annual operating costs for
22 the new beds authorized in (a) of this section are:

23 (1) Dillingham Community Jail - \$750,000 (17 new beds);

24 (2) Kodiak Community Jail - \$188,000 (6 new beds).

25 * Sec. 8. The uncodified law of the State of Alaska is amended by adding a new section to
26 read:

27 APPROVAL. This Act constitutes the notice and approval of the projects described in
28 sec. 6 of this Act required by AS 36.30.085.

29 * Sec. 9. Sections 1 - 3, ch. 32, SLA 2001, are repealed.

30 * Sec. 10. This Act takes effect July 1, 2004.

Attention: Kim
Of Senator Green's office
RE: ~~Bill #~~ SB 65
Date: 4/28 Time: 8:30 am

The attached Senate Finance CS incorporates the amendment(s) your boss sponsored. Please review and approve so the bill can be ~~forwarded to the Senate Secretary.~~ distributed

The CS is your copy.

Thanks,
Senate Finance Secretary

Mindy #4935

Robin #2618

Approved: KHC
(please initial)

Return ASAP

Attention: Sheila
Of Senator Wilken's office
RE: SB 55
Date: 4/28 Time: 8:30am

The attached Senate Finance CS incorporates the amendment(s) your boss sponsored. Please review and approve so the bill can be ~~forwarded to the Senate Secretary.~~ distributed

The CS is your copy.

Thanks,
Senate Finance Secretary
Mindy #4935
Robin #2618

AP

Approved: _____
(please initial)

Return ASAP

1 aggregate annual amount of rental obligations under the lease-financing agreements is
 2 \$400,000. The total payments for the full term of the certificates of participation are
 3 estimated to be \$6,000,000. In this subsection, "cost of construction" includes credit
 4 enhancement and underwriting expenses, rating agency fees, bond counsel fees, financial
 5 advisor fees, printing fees, trustee fees, advertising fees, capitalized interest, interest earnings
 6 used for lease payments, and other costs of issuance, and costs of required reserves.

7 (b) The state bond committee may contract for credit enhancement, underwriting,
 8 credit ratings, bond counsel, financial advisor, printing, advertising fees, and trustee services
 9 that the committee considers necessary in financing the projects described in sec. 4 of this
 10 Act.

11 * Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section to
 12 read:

13 MUNICIPAL JAIL FACILITIES. (a) Each of the following projects is approved to
 14 receive ~~\$1,500,000~~ ^{\$2,000,000} of the proceeds of the certificates of participation authorized under sec. 3
 15 of this Act, on condition that the municipality in which the project is located contributes a
 16 matching share of at least \$1,500,000, to be used for the upgrade, expansion, or replacement
 17 of the jail facilities:

- 18 (1) Dillingham Community Jail in the Municipality of Dillingham to replace
 19 the existing 8-bed facility with a new 25-bed facility;
- 20 (2) Kodiak Community Jail in the Municipality of Kodiak to replace the
 21 existing 16-bed facility with a new 22-bed facility.

22 (b) Subject to appropriation, the Department of Corrections is authorized to pay the
 23 annual operating costs associated with the addition of new beds at the municipal jail facilities
 24 to the municipalities listed in (a) of this section. The anticipated annual operating costs for
 25 the new beds authorized in (a) of this section are:

- 26 (1) Dillingham Community Jail - \$750,000 (17 new beds);
- 27 (2) Kodiak Community Jail - \$188,000 (6 new beds).

28 * Sec. 5. The uncodified law of the State of Alaska is amended by adding a new section to
 29 read:

30 APPROVAL. This Act constitutes the notice and approval of the projects described in
 31 sec. 3 of this Act required by AS 36.30.085.

SENATE FINANCE
COMMITTEE

ADOPTED

Amendment Number: #3
Bill Number: SB 65
Sponsor: Green Date: 4/27/04
Logged In By: Mindy

23-LS 1392\C.1
Lu'haupt
4/27/04

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR GREEN

TO: CSSB 65(), Draft Version "C"

1 Page 1, line 1, following "An Act":

2 Insert "relating to correctional officers, parole officers, and probation officers;"

3

4 Page 1, following line 12:

5 Insert new bill sections to read:

6 *** Section 1.** AS 18.65.290(2) is amended to read:

7 (2) "correctional officer" means a person

8 (A) appointed by the commissioner of corrections whose
9 primary duty under AS 33.30 is to provide custody, care, security, control, and
10 discipline of persons charged or convicted of offenses against the state or held
11 under authority of state law; or

12 (B) employed in a correctional facility in this state whose
13 primary duty is to provide custody, care, security, control, and discipline
14 of persons charged or convicted of offenses or held under authority of law;

15 *** Sec. 2.** AS 18.65.290(5) is amended to read:

16 (5) "parole officer" means a person appointed by the commissioner of
17 corrections or employed by a correctional facility in this state to perform the duties
18 of supervising the parole of prisoners under AS 33.16;

19 *** Sec. 3.** AS 18.65.290(7) is amended to read:

20 (7) "probation officer" means a person appointed by the commissioner
21 of corrections or employed by a correctional facility in this state to perform the
22 duties of a probation officer under AS 33.05."

23

1 Renumber the following bill sections accordingly.

2

3 Page 2, line 25:

4 Delete "\$14,600"

5 Insert "\$11,600"

6

7 Page 4, line 29:

8 Delete "sec. 4"

9 Insert "sec. 7"

10

11 Page 5, line 9:

12 Delete "sec. 4"

13 Insert "sec. 7"

14

15 Page 5, line 14:

16 Delete "sec. 3"

17 Insert "sec. 6"

18

19 Page 5, line 31:

20 Delete "sec. 3"

21 Insert "sec. 6"

Amended & adopted

SENATE FINANCE
COMMITTEE

Amendment Number: #5
Bill Number: SB 65
Sponsor: Ben Stevens Date: 4/27/04
Logged In By: Mindy

AMENDMENT #

OFFERED IN THE SENATE FINANCE COMMITTEE

Sponsored by
Sen. Ben Stevens

TO: CS for SB 65 version 23-LS0392\C

On Page 1, line 3, delete the word:

"and"

Page 1, line 4, is amended to read:

following "Anchorage" insert:
"~~Anchorage~~ and the City of Seward; relating to the development and
~~financing of privately operated correctional~~"

On Page 2, line 15, insert:

City of
"(5) Seward - expansion of the existing Spring Creek Correctional
Center by up to 144 beds."

Re-number accordingly

Adopted

WORK DRAFT

WORK DRAFT

WORK DRAFT

23-LS0392C
Luckhaupt
4/26/04

CS FOR SENATE BILL NO. 65()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Sponsor(s): SENATORS GREEN, Therriault, Seekins, Guess, Hoffman, Ellis, French

A BILL

FOR AN ACT ENTITLED

1 "An Act authorizing the Department of Corrections to enter into agreements with
2 municipalities for new or expanded public correctional facilities in the Fairbanks North
3 Star Borough, the Matanuska-Susitna Borough, Bethel, and the Municipality of
4 Anchorage; relating to the development and financing of privately operated correctional
5 facility space and services; authorizing the Department of Corrections to enter into an
6 agreement with the City of Whittier for the confinement and care of prisoners in
7 privately operated correctional facility space if the state cannot provide those services
8 for the same or less cost; giving notice of and approving, and authorizing the entry into
9 and issuance of certificates of participation for, the upgrade, expansion, and
10 replacement of certain jails in Dillingham and Kodiak; and providing for an effective
11 date."

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

1 * Section 1. The uncodified law of the State of Alaska is amended by adding a new section
2 to read:

3 AUTHORIZATION TO LEASE CORRECTIONAL FACILITY SPACE WITH
4 MUNICIPALITIES. (a) To relieve overcrowding of existing correctional facilities in the
5 state and the extensive use of out-of-state correctional facilities, the Department of
6 Corrections, not later than July 1, 2009, may enter into agreements with the following
7 municipalities for new or expanded correctional facilities:

8 (1) Fairbanks North Star Borough - expansion of existing facility by up to 80
9 beds;

10 (2) Matanuska-Susitna Borough - construction of new facility with a minimum
11 of 1,200 beds up to a maximum of 2251 beds;

12 (3) Bethel - expansion of existing facility by up to 120 beds;

13 (4) Municipality of Anchorage - expansion of Anchorage Jail by up to 200
14 beds.

15 (b) The authorizations given by (a) of this section are subject to the following
16 conditions:

17 (1) the average capital cost for all beds may not exceed \$135,000 a bed for
18 (a)(1), (2), and (4) of this section and \$155,000 a bed for (a)(3) of this section, adjusted for
19 inflation each year at a rate equal to the percentage increase in the Consumer Price Index for
20 urban wage earners and clerical workers for Anchorage, Alaska, during the previous calendar
21 year as determined by the Bureau of Labor Statistics, United States Department of Labor;

22 (2) if construction of a new facility is authorized, the municipality shall own
23 the facility, and the state may enter into a long-term lease not to exceed 25 years with the
24 municipality to operate the facility; the annual lease payment for a new facility may not
25 exceed \$14,600 a bed;

26 (3) if expansion of an existing facility is authorized, the state shall enter into a
27 joint ownership agreement with the municipality of the expanded facility, enter into a long-
28 term lease not to exceed 25 years of the municipality's interest in the facility, and operate the
29 facility; payments under the lease may not exceed \$16,700 a bed for the Bethel facility and
30 \$14,600 a bed for the Fairbanks and Anchorage facilities;

31 (4) the agreement to lease must contain terms providing that the commissioner

1 of corrections may terminate for cause any contract for operating the facility.

2 (c) The authorization given by (a)(4) of this section is subject to the following
3 condition: expansion of the facility may only occur if the expansion is funded by up to
4 \$30,000,000 in federal receipts.

5 * Sec. 2. The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 AUTHORIZATION TO CONTRACT FOR CORRECTIONAL FACILITY SPACE
8 AND SERVICES WITH THIRD-PARTY CONTRACTOR FOR OPERATION. (a) The
9 Department of Corrections, not later than July 1, 2006, is authorized to enter into an
10 agreement with the City of Whittier for the purpose of acquiring correctional facility space for
11 a minimum of 25 years and services for contractual periods of not greater than five years for
12 persons who are committed to the custody of the commissioner of corrections. Before
13 entering into any contract for correctional space or services with the City of Whittier under
14 this section, the Departments of Corrections and Administration shall first conduct a
15 feasibility study to determine whether the state can provide these services for the same or less
16 cost than a third-party operator. An agreement may be entered into under this section only if
17 the feasibility study determines that the state cannot provide these services for the same or
18 less cost.

19 (b) The agreement entered into under this section is predicated on and must provide
20 for an agreement between the City of Whittier and one or more private third-party contractors
21 under which private, for profit or nonprofit third-party contractors construct and operate the
22 facility by providing for custody, care, and discipline services for persons committed to the
23 custody of the commissioner of corrections under authority of state law. In an agreement with
24 the City of Whittier, the commissioner of corrections shall require that the city procure one or
25 more private third-party operators through a competitive bid process. The City of Whittier
26 shall follow state procurement procedures for procurement of land, design, construction, and
27 operation of a facility. The commissioner of corrections shall approve the facility design
28 before entering into an agreement.

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

31 (1) the agreement must cover a minimum of 1200 beds and a maximum of

1 2,251 prison beds, and, subject to (2) of this subsection, the payments by the Department of
2 Corrections must be sufficient to cover all capital and operating costs, not including inmate
3 transportation, based on per diem operating charges for a minimum 1,200 prison beds;

4 (2) the agreement must provide that the obligation of the Department of
5 Corrections to make payments under the agreement is subject to annual appropriation of funds
6 by the legislature;

7 (3) the agreement must contain terms providing that the commissioner of
8 corrections may direct the City of Whittier, after notice and reasonable opportunity to cure, to
9 terminate its contract with a private third-party contractor operating the facility in accordance
10 with the provisions of (b) of this section, and to procure a replacement third-party contractor
11 if the commissioner finds that the private third-party contractor has failed to provide or cause
12 to be provided the degree of custody, care, and discipline required by terms of the agreement
13 and that the private third-party contractor has been given notice and reasonable opportunity to
14 cure as provided in the third-party contractor's agreement with the city;

15 (4) the commissioner's authority to enter into the agreement is subject to the
16 condition that the contract between the City of Whittier and the operator requires the operator
17 to provide culturally relevant reformation services to incarcerated Alaska Natives.

18 (d) Nothing in this section is intended to prevent the City of Whittier from issuing
19 bonds as permitted for municipalities under state law, including AS 29.47.390, to finance
20 construction of the facility. The bonds may be secured by and payable from revenues of the
21 facility, including those described in (c) of this section. Revenues of the facility are not
22 revenues of the City of Whittier for purposes of AS 29.47.390.

23 * Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section to
24 read:

25 NOTICE OF THE ISSUANCE OF CERTIFICATES OF PARTICIPATION AND
26 OTHER FINANCING. (a) The state bond committee is authorized to provide for the
27 issuance of certificates of participation in one or more series in the aggregate principal
28 amount of \$4,000,000, plus costs of required reserves and costs of issuance, to pay for the
29 costs for expansion of municipal jails described in sec. 4 of this Act. The estimated total cost
30 of construction, acquisition, and equipping the projects is \$4,000,000, which shall be paid
31 from the proceeds of the certificates of participation issued under this section. The estimated

1 aggregate annual amount of rental obligations under the lease-financing agreements is
2 \$400,000. The total payments for the full term of the certificates of participation are
3 estimated to be \$6,000,000. In this subsection, "cost of construction" includes credit
4 enhancement and underwriting expenses, rating agency fees, bond counsel fees, financial
5 advisor fees, printing fees, trustee fees, advertising fees, capitalized interest, interest earnings
6 used for lease payments, and other costs of issuance, and costs of required reserves.

7 (b) The state bond committee may contract for credit enhancement, underwriting,
8 credit ratings, bond counsel, financial advisor, printing, advertising fees, and trustee services
9 that the committee considers necessary in financing the projects described in sec. 4 of this
10 Act.

11 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
12 read:

13 MUNICIPAL JAIL FACILITIES. (a) Each of the following projects is approved to
14 receive \$1,500,000 of the proceeds of the certificates of participation authorized under sec. 3
15 of this Act, on condition that the municipality in which the project is located contributes a
16 matching share of at least \$1,500,000, to be used for the upgrade, expansion, or replacement
17 of the jail facilities:

18 (1) Dillingham Community Jail in the Municipality of Dillingham to replace
19 the existing 8-bed facility with a new 25-bed facility;

20 (2) Kodiak Community Jail in the Municipality of Kodiak to replace the
21 existing 16-bed facility with a new 22-bed facility.

22 (b) Subject to appropriation, the Department of Corrections is authorized to pay the
23 annual operating costs associated with the addition of new beds at the municipal jail facilities
24 to the municipalities listed in (a) of this section. The anticipated annual operating costs for
25 the new beds authorized in (a) of this section are:

26 (1) Dillingham Community Jail - \$750,000 (17 new beds);

27 (2) Kodiak Community Jail - \$188,000 (6 new beds).

28 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
29 read:

30 APPROVAL. This Act constitutes the notice and approval of the projects described in
31 sec. 3 of this Act required by AS 36.30.085.

- 1 * **Sec. 6.** Sections 1 - 3, ch. 32, SLA 2001, are repealed.
- 2 * **Sec. 7.** This Act takes effect July 1, 2004.

23-LS0392VZ
Luckhaupt
4/27/04

CS FOR SENATE BILL NO. 65(FIN)

**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION**

BY THE SENATE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATORS GREEN, Therriault, Seekins, Guess, Hoffman, Ellis, French

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to correctional officers, parole officers, and probation officers;
 2 authorizing the Department of Corrections to enter into agreements with municipalities
 3 for new or expanded public correctional facilities in the Fairbanks North Star Borough,
 4 the Matanuska-Susitna Borough, Bethel, the Municipality of Anchorage, and the City of
 5 Seward; relating to the development and financing of privately operated correctional
 6 facility space and services; authorizing the Department of Corrections to enter into an
 7 agreement with the City of Whittier for the confinement and care of prisoners in
 8 privately operated correctional facility space if the state cannot provide those services
 9 for the same or less cost; giving notice of and approving, and authorizing the entry into
 10 and issuance of certificates of participation for, the upgrade, expansion, and
 11 replacement of certain jails in Dillingham and Kodiak; and providing for an effective
 12 date."

Amend #3

#5

1 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**2 * **Section 1.** AS 18.65.290(2) is amended to read: #3

3 (2) "correctional officer" means a person

4 (A) appointed by the commissioner of corrections whose
5 primary duty under AS 33.30 is to provide custody, care, security, control, and
6 discipline of persons charged or convicted of offenses against the state or held
7 under authority of state law; or8 (B) employed in a correctional facility in this state whose
9 primary duty is to provide custody, care, security, control, and discipline
10 of persons charged or convicted of offenses or held under authority of law;11 * **Sec. 2.** AS 18.65.290(5) is amended to read:12 (5) "parole officer" means a person appointed by the commissioner of
13 corrections or employed by a correctional facility in this state to perform the duties
14 of supervising the parole of prisoners under AS 33.16;15 * **Sec. 3.** AS 18.65.290(7) is amended to read:16 (7) "probation officer" means a person appointed by the commissioner
17 of corrections or employed by a correctional facility in this state to perform the
18 duties of a probation officer under AS 33.05.19 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
20 read:21 **AUTHORIZATION TO LEASE CORRECTIONAL FACILITY SPACE WITH**
22 **MUNICIPALITIES.** (a) To relieve overcrowding of existing correctional facilities in the
23 state and the extensive use of out-of-state correctional facilities, the Department of
24 Corrections, not later than July 1, 2009, may enter into agreements with the following
25 municipalities for new or expanded correctional facilities:26 (1) Fairbanks North Star Borough - expansion of existing facility by up to 80
27 beds;28 (2) Matanuska-Susitna Borough - construction of new facility with a minimum
29 of 1,200 beds up to a maximum of 2251 beds;

30 (3) Bethel - expansion of existing facility by up to 120 beds;

31 (4) Municipality of Anchorage - expansion of Anchorage Jail by up to 200

1 beds;

2 (5) City of Seward - expansion of existing Spring Creek Correctional Center #5
3 by up to 144 beds.

4 (b) The authorizations given by (a) of this section are subject to the following
5 conditions:

6 (1) the average capital cost for all beds may not exceed \$135,000 a bed for
7 (a)(1), (2), (4), and (5) of this section and \$155,000 a bed for (a)(3) of this section, adjusted
8 for inflation each year at a rate equal to the percentage increase in the Consumer Price Index
9 for urban wage earners and clerical workers for Anchorage, Alaska, during the previous
10 calendar year as determined by the Bureau of Labor Statistics, United States Department of
11 Labor;

12 (2) if construction of a new facility is authorized, the municipality shall own
13 the facility, and the state may enter into a long-term lease not to exceed 25 years with the
14 municipality to operate the facility; the annual lease payment for a new facility may not
15 exceed \$11,600 a bed; #3

16 (3) if expansion of an existing facility is authorized, the state shall enter into a
17 joint ownership agreement with the municipality of the expanded facility, enter into a long-
18 term lease not to exceed 25 years of the municipality's interest in the facility, and operate the
19 facility; payments under the lease may not exceed \$16,700 a bed for the Bethel facility and
20 \$14,600 a bed for the Fairbanks, Anchorage, and Seward facilities;

21 (4) the agreement to lease must contain terms providing that the commissioner
22 of corrections may terminate for cause any contract for operating the facility.

23 (c) The authorization given by (a)(4) of this section is subject to the following
24 condition: expansion of the facility may only occur if the expansion is funded by up to
25 \$30,000,000 in federal receipts.

26 * Sec. 5. The uncoded law of the State of Alaska is amended by adding a new section to
27 read:

28 AUTHORIZATION TO CONTRACT FOR CORRECTIONAL FACILITY SPACE
29 AND SERVICES WITH THIRD-PARTY CONTRACTOR FOR OPERATION. (a) The
30 Department of Corrections, not later than July 1, 2006, is authorized to enter into an
31 agreement with the City of Whittier for the purpose of acquiring correctional facility space for

1 a minimum of 25 years and services for contractual periods of not greater than five years for
2 persons who are committed to the custody of the commissioner of corrections. Before
3 entering into any contract for correctional space or services with the City of Whittier under
4 this section, the Departments of Corrections and Administration shall first conduct a
5 feasibility study to determine whether the state can provide these services for the same or less
6 cost than a third-party operator. An agreement may be entered into under this section only if
7 the feasibility study determines that the state cannot provide these services for the same or
8 less cost.

9 (b) The agreement entered into under this section is predicated on and must provide
10 for an agreement between the City of Whittier and one or more private third-party contractors
11 under which private, for profit or nonprofit third-party contractors construct and operate the
12 facility by providing for custody, care, and discipline services for persons committed to the
13 custody of the commissioner of corrections under authority of state law. In an agreement with
14 the City of Whittier, the commissioner of corrections shall require that the city procure one or
15 more private third-party operators through a competitive bid process. The City of Whittier
16 shall follow state procurement procedures for procurement of land, design, construction, and
17 operation of a facility. The commissioner of corrections shall approve the facility design
18 before entering into an agreement.

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

21 (1) the agreement must cover a minimum of 1200 beds and a maximum of
22 2,251 prison beds, and, subject to (2) of this subsection, the payments by the Department of
23 Corrections must be sufficient to cover all capital and operating costs, not including inmate
24 transportation, based on per diem operating charges for a minimum 1,200 prison beds;

25 (2) the agreement must provide that the obligation of the Department of
26 Corrections to make payments under the agreement is subject to annual appropriation of funds
27 by the legislature;

28 (3) the agreement must contain terms providing that the commissioner of
29 corrections may direct the City of Whittier, after notice and reasonable opportunity to cure, to
30 terminate its contract with a private third-party contractor operating the facility in accordance
31 with the provisions of (b) of this section, and to procure a replacement third-party contractor

1 if the commissioner finds that the private third-party contractor has failed to provide or cause
2 to be provided the degree of custody, care, and discipline required by terms of the agreement
3 and that the private third-party contractor has been given notice and reasonable opportunity to
4 cure as provided in the third-party contractor's agreement with the city;

5 (4) the commissioner's authority to enter into the agreement is subject to the
6 condition that the contract between the City of Whittier and the operator requires the operator
7 to provide culturally relevant reformation services to incarcerated Alaska Natives.

8 (d) Nothing in this section is intended to prevent the City of Whittier from issuing
9 bonds as permitted for municipalities under state law, including AS 29.47.390, to finance
10 construction of the facility. The bonds may be secured by and payable from revenues of the
11 facility, including those described in (c) of this section. Revenues of the facility are not
12 revenues of the City of Whittier for purposes of AS 29.47.390.

13 * Sec. 6. The uncodified law of the State of Alaska is amended by adding a new section to
14 read:

15 NOTICE OF THE ISSUANCE OF CERTIFICATES OF PARTICIPATION AND
16 OTHER FINANCING. (a) The state bond committee is authorized to provide for the
17 issuance of certificates of participation in one or more series in the aggregate principal
18 amount of \$4,000,000, plus costs of required reserves and costs of issuance, to pay for the
19 costs for expansion of municipal jails described in sec. 7 of this Act. The estimated total cost
20 of construction, acquisition, and equipping the projects is \$4,000,000, which shall be paid
21 from the proceeds of the certificates of participation issued under this section. The estimated
22 aggregate annual amount of rental obligations under the lease-financing agreements is
23 \$400,000. The total payments for the full term of the certificates of participation are
24 estimated to be \$6,000,000. In this subsection, "cost of construction" includes credit
25 enhancement and underwriting expenses, rating agency fees, bond counsel fees, financial
26 advisor fees, printing fees, trustee fees, advertising fees, capitalized interest, interest earnings
27 used for lease payments, and other costs of issuance, and costs of required reserves.

28 (b) The state bond committee may contract for credit enhancement, underwriting,
29 credit ratings, bond counsel, financial advisor, printing, advertising fees, and trustee services
30 that the committee considers necessary in financing the projects described in sec. 7 of this
31 Act.

1 * **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to
2 read:

3 MUNICIPAL JAIL FACILITIES. (a) Each of the following projects is approved to
4 receive \$2,000,000 of the proceeds of the certificates of participation authorized under sec. 6
5 of this Act, on condition that the municipality in which the project is located contributes a
6 matching share of at least \$1,500,000, to be used for the upgrade, expansion, or replacement
7 of the jail facilities:

#2

8 (1) Dillingham Community Jail in the Municipality of Dillingham to replace
9 the existing 8-bed facility with a new 25-bed facility;

10 (2) Kodiak Community Jail in the Municipality of Kodiak to replace the
11 existing 16-bed facility with a new 22-bed facility.

12 (b) Subject to appropriation, the Department of Corrections is authorized to pay the
13 annual operating costs associated with the addition of new beds at the municipal jail facilities
14 to the municipalities listed in (a) of this section. The anticipated annual operating costs for
15 the new beds authorized in (a) of this section are:

16 (1) Dillingham Community Jail - \$750,000 (17 new beds);

17 (2) Kodiak Community Jail - \$188,000 (6 new beds).

18 * **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to
19 read:

20 APPROVAL. This Act constitutes the notice and approval of the projects described in
21 sec. 6 of this Act required by AS 36.30.085.

22 * **Sec. 9.** Sections 1 - 3, ch. 32, SLA 2001, are repealed.

23 * **Sec. 10.** This Act takes effect July 1, 2004.



Alaska State Senate

Senate Finance Committee

Official Business

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

FAX COVER SHEET

DATE: 27 April 2004 TIME: 6:35 pm

TO: Legal Services

NUMBER OF PAGES, INCLUDING COVER SHEET: 5

FROM: MINDY ROWLAND
SENATE FINANCE COMMITTEE SECRETARY
PHONE: 465-4935
FAX: 465-2187

NOTES: Work draft Please
CS SB 65 (FIN) 23-LS0392/C
Luckhaupt 4/26/04

Plus 3 amendments: #2, #3, #5
attached

Call if any questions
6:45pm called Lynn to
request CS by 8:00am 4/28
Thx Mindy

split into ~~Failed~~ 6A & 6B

SENATE FINANCE COMMITTEE

Amendment Number: #10

Bill Number: SB 65

Sponsor: B. Stevens Date: 4/12/04

Logged In By: Mindy

6A FAILED

AMENDMENT #

OFFERED IN THE SENATE FINANCE COMMITTEE

TO: CS for SB 65 version 23-LS0392\C

Sponsored by Sen. Ben Stevens

On Page 5, lines 13-17, delete all material and insert:

6A

"MUNICIPAL JAIL FACILITIES. (a) Each of the following projects is approved to receive \$3,000,000 of the proceeds of certificates of participation authorized under sec. 3 of this Act, on the condition that the municipality, in which the project is located, provides all funds over this amount needed for the upgrade, expansion or replacement of the jail facilities"

6B

Page 5, line 21, is amended to read:

existing 16-bed facility with a new facility up to 22 beds.

SENATE FINANCE COMMITTEE
4/27/2005 COMMITTEE ACTION

Bill Number	SB 65		
Amendment	6A		
Motion	to adopt		
<u>Motion by</u>	Stevens		
<u>Objection by</u>			
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Dyson			✓
Senator Hoffman			✓
Senator Olson			✓
Senator Stevens	✓		
Senator Bunde			✓
Co-Chair Green			✓
Co-Chair Wilken			✓
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	FAILED		

LOB
FAILED

SENATE FINANCE
COMMITTEE

Amendment Number: #10
Bill Number: SB 65
Sponsor: B. Stevens Date: 4/27/04
Logged In By: Mindy

AMENDMENT #

OFFERED IN THE SENATE FINANCE COMMITTEE

TO: CS for SB 65 version 23-LS0392\C

Sponsored by
Sen. Ben Stevens

On Page 5, lines 13-17, delete all material and insert:

#6A

"MUNICIPAL JAIL FACILITIES. (a) Each of the following projects is approved to receive \$3,000,000 of the proceeds of certificates of participation authorized under sec. 3 of this Act, on the condition that the municipality, in which the project is located, provides all funds over this amount needed for the upgrade, expansion or replacement of the jail facilities"

#6B

Page 5, line 21, is amended to read:

existing 16-bed facility with a new facility up to 22 beds.

SENATE FINANCE COMMITTEE
4 12712003 COMMITTEE ACTION

Bill Number	SB 65		
Amendment	LeB		
Motion	to adopt		
<u>Motion by</u>	Steven		
<u>Objection by</u>	Green		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Hoffman			✓
Senator Olson	✓		✓
Senator Stevens	✓		
Senator Bunde	✓		
Senator Dyson			✓
Co-Chair Green			✓
Co-Chair Wilken			✓
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	FAILED		

1 aggregate annual amount of rental obligations under the lease-financing agreements is
2 \$400,000. The total payments for the full term of the certificates of participation are
3 estimated to be \$6,000,000. In this subsection, "cost of construction" includes credit
4 enhancement and underwriting expenses, rating agency fees, bond counsel fees, financial
5 advisor fees, printing fees, trustee fees, advertising fees, capitalized interest, interest earnings
6 used for lease payments, and other costs of issuance, and costs of required reserves.

7 (b) The state bond committee may contract for credit enhancement, underwriting,
8 credit ratings, bond counsel, financial advisor, printing, advertising fees, and trustee services
9 that the committee considers necessary in financing the projects described in sec. 4 of this
10 Act.

11 * Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section to
12 read:

13 MUNICIPAL JAIL FACILITIES. (a) Each of the following projects is approved to
14 receive \$1,500,000 of the proceeds of the certificates of participation authorized under sec. 3
15 of this Act, on condition that the municipality in which the project is located contributes a
16 matching share of at least \$1,500,000, to be used for the upgrade, expansion, or replacement
17 of the jail facilities:

18 (1) Dillingham Community Jail in the Municipality of Dillingham to replace
19 the existing 8-bed facility with a new ~~25-bed~~ facility; of up to 25 beds

20 (2) Kodiak Community Jail in the Municipality of Kodiak to replace the
21 existing 16-bed facility with a new ~~22-bed~~ facility. of up to 22 beds

22 (b) Subject to appropriation, the Department of Corrections is authorized to pay the
23 annual operating costs associated with the addition of new beds at the municipal jail facilities
24 to the municipalities listed in (a) of this section. The anticipated annual operating costs for
25 the new beds authorized in (a) of this section are:

26 (1) Dillingham Community Jail - \$750,000 (17 new beds);

27 (2) Kodiak Community Jail - \$188,000 (6 new beds).

28 * Sec. 5. The uncodified law of the State of Alaska is amended by adding a new section to
29 read:

30 APPROVAL. This Act constitutes the notice and approval of the projects described in
31 sec. 3 of this Act required by AS 36.30.085.

SENATE FINANCE COMMITTEE
4 / 27 / 2003 COMMITTEE ACTION

Bill Number	SB 65		
Amendment	A #6B		
Motion	amend		
<u>Motion by</u>	Stevens Hoffman		
<u>Objection by</u>	Wilken		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	Vote	N
Senator Stevens	✓		
Senator Bunde			✓
Senator Dyson			✓
Senator Hoffman	✓		
Senator Olson	—		—
Co-Chair Green			✓
Co-Chair Wilken			✓
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	FAILED		

SENATE FINANCE
COMMITTEE

Not offered

Amendment Number: #4

Bill Number: SB 65

23-LS0392\C.2

Sponsor: Green Date: 4/27/04

Luckhaupt

Logged In By: Mindu

4/27/04

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR GREEN

TO: CSSB 65(), Draft Version "C"

- 1 Page 1, line 3:
- 2 Delete "and"
- 3
- 4 Page 1, line 4, following "Anchorage":
- 5 Insert ", and Seward"
- 6
- 7 Page 2, line 14, following "beds":
- 8 Insert ";
- 9 (5) Seward - expansion of existing facility by up to 350 beds"
- 10
- 11 Page 2, line 18:
- 12 Delete "and (4)"
- 13 Insert "(4), and (5)"
- 14
- 15 Page 2, line 30:
- 16 Delete "and Anchorage"
- 17 Insert ", Anchorage, and Seward"

Superseded
by Amend #3
(adopted)

SENATE FINANCE
COMMITTEE
Amendment Number: #1
Bill Number: SB 65
Sponsor: Green Date: 4/11/03
Logged In By: Cindy

ADOPTED

23-LS0392\S.1
Luckhaupt
4/11/03

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR GREEN

TO: CSSB 65(), Draft Version "S"

- 1 Page 2, line 19:
- 2 Delete "\$14,600"
- 3 In "....."

Sheila doesn't know whether
this bill will report out
today -

Amend #1 adopted last year
is not incorporated into
new CS - ~~Kianzi is looking~~
~~into whether it needs~~
~~to be~~ → should be

Sen. Green will offer
technical amendment to
make change to incorporate
amend #1

99'

→ Amend #3 incorporates #1

SENATE FINANCE COMMITTEE
4/16/2003 COMMITTEE ACTION

Bill Number	#1 SB65		
Amendment			
Motion	adopt		
<u>Motion by</u>	Green		
<u>Objection by</u>	Wilken		
<u>Rcmoved</u>	✓		
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Hoffman			
Senator Olson			
Senator Stevens			
Senator Taylor			
Senator Bunde			
Co-Chair Green			
Co-Chair Wilken			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	Pass		

adopted

WORK DRAFT

WORK DRAFT

WORK DRAFT

23-LS0392\S
Luckhaupt
3/27/03

CS FOR SENATE BILL NO. 65()

Sen. C. Green

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - FIRST SESSION

*"5" is a
little change*

BY

Offered:
Referred:

Sponsor(s): SENATORS GREEN, Therriault, Seekins, Guess, Hoffman, Ellis, French

A BILL

FOR AN ACT ENTITLED

1 "An Act authorizing the Department of Corrections to enter into lease-purchase
2 agreements with municipalities for new or expanded public correctional facilities in the
3 Fairbanks North Star Borough, the Matanuska-Susitna Borough, Bethel, and the
4 Municipality of Anchorage."

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

6 * Section 1. The uncoded law of the State of Alaska is amended by adding a new section
7 to read:

8 AUTHORIZATION TO ENTER INTO LEASE-PURCHASE AGREEMENTS WITH
9 MUNICIPALITIES FOR NEW OR EXPANDED CORRECTIONAL FACILITIES. (a) To
10 relieve overcrowding of existing correctional facilities in the state and the extensive use of
11 out-of-state correctional facilities, the Department of Corrections, not later than July 1, 2006,
12 may enter into lease-purchase agreements with the following municipalities for new or
13 expanded correctional facilities:

14 (1) Fairbanks North Star Borough - expansion of existing facility by up to 80

adopted

WORK DRAFT

WORK DRAFT

WORK DRAFT

23-LS0392AS
Luckhaupt
3/27/03

Sen. C. Green

CS FOR SENATE BILL NO. 65()

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - FIRST SESSION

*"5" is a
title change*

BY

Offered:
Referred:

Sponsor(s): SENATORS GREEN, Therriault, Seekins, Guess, Hoffman, Ellis, French

A BILL

FOR AN ACT ENTITLED

1 "An Act authorizing the Department of Corrections to enter into lease-purchase
2 agreements with municipalities for new or expanded public correctional facilities in the
3 Fairbanks North Star Borough, the Matanuska-Susitna Borough, Bethel, and the
4 Municipality of Anchorage."

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

6 * Section 1. The uncodified law of the State of Alaska is amended by adding a new section
7 to read:

8 AUTHORIZATION TO ENTER INTO LEASE-PURCHASE AGREEMENTS WITH
9 MUNICIPALITIES FOR NEW OR EXPANDED CORRECTIONAL FACILITIES. (a) To
10 relieve overcrowding of existing correctional facilities in the state and the extensive use of
11 out-of-state correctional facilities, the Department of Corrections, not later than July 1, 2006,
12 may enter into lease-purchase agreements with the following municipalities for new or
13 expanded correctional facilities:

14 (1) Fairbanks North Star Borough - expansion of existing facility by up to 80

1 beds;

2 (2) Matanuska-Susitna Borough - construction of new public facility with up
3 to 1,250 beds;

4 (3) Bethel - expansion of existing facility by up to 120 beds;

5 (4) Municipality of Anchorage - expansion of Anchorage Jail by up to 200
6 beds.

7 (b) The authorizations given by (a) of this section are subject to the following
8 conditions:

9 (1) the average capital cost for all beds may not exceed \$135,000 a bed for
10 (a)(1) and (4) of this section, \$110,000 a bed for (a)(2) of this section, and \$155,000 a bed for
11 (a)(3) of this section, adjusted for inflation each year at a rate equal to the percentage increase
12 in the Consumer Price Index for urban wage earners and clerical workers for Anchorage,
13 Alaska, during the previous calendar year as determined by the Bureau of Labor Statistics,
14 United States Department of Labor;

15 (2) if construction of a new facility is authorized, the municipality shall
16 initially own the facility, and the state shall enter into a long-term lease-purchase not to
17 exceed 25 years with the municipality to operate the facility and to receive ownership of the
18 facility at the end of the lease; the annual lease payment for a new facility may not exceed
19 \$14,600 a bed;

20 (3) if expansion of an existing facility is authorized, the state shall initially
21 enter into a joint ownership agreement with the municipality of the expanded facility, enter
22 into a long-term lease-purchase not to exceed 25 years of the municipality's interest in the
23 facility, operate the facility, and receive ownership of the facility at the end of the lease;
24 payments under the lease may not exceed \$16,700 a bed for the Bethel facility and \$14,600 a
25 bed for the Fairbanks and Anchorage facilities;

26 (4) the lease-purchase agreement must contain terms providing that the
27 commissioner of corrections may terminate for cause any contract for operating the facility.

28 (c) The authorization given by (a)(4) of this section is subject to the following
29 condition: expansion of the facility may only occur if the expansion is funded by up to
30 \$30,000,000 in federal receipts.

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CSSB65-DOC-04-26-04
Publish Date: _____

DRAFT

Revision Date/Time (Note if correction): _____ Dept. Affected: Corrections
Title Correctional Facility Expansion RDU Administration & Operations
Component _____
Sponsor Senator Green Component No. _____
Requester _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services	235.0	243.2	3,052.2	14,448.3	23,703.9	24,438.5
Travel	7.0	8.0	154.7	235.8	315.8	315.8
Contractual	5.0	5.0	1,960.1	976.5	(12.1)	(12.1)
Supplies	6.0	7.0	1,382.6	2,939.7	4,495.3	4,495.3
Equipment	7.0	0.0	34.0	34.0	34.0	34.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	154.6	511.6	868.5	868.5
Miscellaneous	0.0	0.0	4,005.0	16,703.0	14,177.0	14,177.0
TOTAL OPERATING	260.0	263.2	10,743.2	35,848.9	43,582.4	44,317.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	260.0	263.2	10,743.2	35,848.9	43,582.4	44,317.0
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 (Specify Type-Do not abbreviate)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	260.0	263.2	10,743.2	35,848.9	43,582.4	44,317.0

Estimate of any current year (FY2004) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time	3	3	43	327	327	327
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This bill authorizes the Department of Corrections to enter into twenty-five year lease agreements with the Fairbanks North Star Borough, Matanuska-Susitna Borough, Bethel, Seward and Anchorage for up to a total of 1,744 beds at state correctional facilities and a new state correctional facility.

The above contractual line has been reduced by the current cost of the Out of State Contract. The \$43,582,400 increased annual costs of incarceration and lease payments can be further offset by moving any remaining prisoners housed at the out of state contract facility (Florence Correctional Center) back to Alaska and housing them in the new beds created by this bill. Assuming that in FY09, 500 additional prisoners, at \$70.00 per day x 365 days = \$12,775,000 of savings that can be applied to the cost of new beds. The FY2009 estimated annual net cost of these projects is \$30,807,400.

(continued on page 2 of 2).

Prepared by: Jerry D. Burnett, Director Phone (907) 465-3339
Division Administrative Services Date/Time 4/28/04 8:40 AM
Approved by: Portia C.K. Parker, Deputy Commissioner Date 4/28/2004
Agency Department of Corrections

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. CSSB65-DOC-04-26-04

ANALYSIS CONTINUATION

Assume that the local government agencies will fund the costs of the new or expanded correctional facilities construction through local/AIDEA bond sales backed by the state leases. Costs of construction for Fairbanks, Anchorage and Mat-Su facilities not to exceed \$135,000 per bed, and cost of annual lease payments not to exceed \$14,600 per bed. For the Bethel facility, costs of construction not to exceed \$155,000 per bed, and cost of annual lease payments not to exceed \$16,700.

DOC will require three project management positions during the planning and construction phase.

Annual Lease Costs, by Facility (shown in miscellaneous line):

Fairbanks Correctional Center: 80 new beds = \$1,076,000

Matanuska-Susitna Borough: 1,200 new beds = \$10,172,000

**Matanuska-Susitna Borough alternate option of 2,251 new beds = \$15,261,200*

Spring Creek Correctional Center: 144 beds = \$1,076,000

Yukon-Kuskokwim Correction Center: 120 beds = \$1,853,000

Anchorage Jail: no lease payment (if appropriated, federal funds used for construction)

Dillingham Community Jail expansion of 17 beds = \$149,100

Kodiak Community Jail expansion of 6 beds = \$149,100

DRAFT

Additionally, security and life/safety staff and institutional staffing necessary to support the 1,744 new prisoner beds in Alaska is based on about 5 prisoners per 1 staff. Thus, 327 new staff will be needed to support these additional prisoner beds statewide.

The bill provides for federal receipt authority for up to \$30,000,000. The authorization to expand the Anchorage Jail facility by 200 beds may only occur if federal funds are received and the Alaska State Legislature appropriates the funds.

For the purposes of this fiscal note, it is assumed that a private option would only be built if less costly than the public option. It is also assumed that the 2251 bed facility would be built only if operating costs reduced from other facilities would allow for the option to be built without total departmental costs exceeding the 1200 bed option.

End.

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

DRAFT

Fiscal Note Number: _____
Bill Version: CSSB65-DOC-04-26-04
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Corrections
Title Correctional Facility Expansion RDU Administration & Operations
Component _____
Sponsor Senator Green
Requester _____ Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services	235.0	243.2	2,015.6	13,380.6	22,604.2	23,305.8
Travel	7.0	8.0	140.7	221.8	301.8	301.8
Contractual	5.0	5.0	1,672.0	688.4	(300.2)	(300.2)
Supplies	6.0	7.0	929.0	2,486.1	4,041.7	4,041.7
Equipment	7.0	0.0	16.1	16.1	16.1	16.1
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	85.8	442.8	799.7	799.7
Miscellaneous	0.0	0.0	2,929.0	15,627.0	13,101.0	13,101.0
TOTAL OPERATING	260.0	263.2	7,788.2	32,862.8	40,564.3	41,265.9

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	260.0	263.2	7,788.2	32,862.8	40,564.3	41,265.9
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--Do not abbreviate)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	260.0	263.2	7,788.2	32,862.8	40,564.3	41,265.9

Estimate of any current year (FY2004) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time	3	3	27	311	311	311
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

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

This bill authorizes the Department of Corrections to enter into twenty-five year lease agreements with the Fairbanks North Star Borough, Matanuska-Susitna Borough, Bethel and Anchorage for up to a total of 1,600 beds at state correctional facilities and a new state correctional facility.

The above contractual line has been reduced by the current cost of the Out of State Contract. The \$40,564,300 increased annual costs of incarceration and lease payments can be further offset by moving any remaining prisoners housed at the out of state contract facility (Florence Correctional Center) back to Alaska and housing them in the new beds created by this bill. Assuming that in FY09, 500 additional prisoners, at \$70.00 per day x 365 days = \$12,775,000 of savings that can be applied to the cost of new beds. The FY2009 estimated annual net cost of these projects is \$27,789,300.

(continued on page 2 of 2).

Prepared by: Jerry D. Burnett, Director
Division: Administrative Services
Approved by: Portia C.K. Parker, Deputy Commissioner
Agency: Department of Corrections

Phone (907) 465-3339
Date/Time 4/27/04 8:34 AM
Date 4/27/2004

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

DRAFT

BILL NO. CSSB65-DOC-04-26-04

ANALYSIS CONTINUATION

Assume that the local government agencies will fund the costs of the new or expanded correctional facilities construction through local/AIDEA bond sales backed by the state leases. Costs of construction for Fairbanks, Anchorage and Mat-Su facilities not to exceed \$135,000 per bed, and cost of annual lease payments not to exceed \$14,600 per bed. For the Bethel facility, costs of construction not to exceed \$155,000 per bed, and cost of annual lease payments not to exceed \$16,700.

DOC will require three project management positions during the planning and construction phase.

Annual Lease Costs, by Facility (shown in miscellaneous line):

Fairbanks Correctional Center: 80 new beds = \$1,076,000

Matanuska-Susitna Borough: 1,200 new beds = \$10,172,000

**Matanuska-Susitna Borough alternate option of 2,251 new beds = \$15,261,200*

Yukon-Kuskokwim Correction Center: 120 beds = \$1,853,000

Anchorage Jail: no lease payment (if appropriated, federal funds used for construction)

Dillingham Community Jail expansion of 17 beds = \$149,100

Kodiak Community Jail expansion of 6 beds = \$149,100

Additionally, security and life/safety staff and institutional staffing necessary to support the 1,600 new prisoner beds in Alaska is based on about 5 prisoners per 1 staff. Thus, 311 new staff will be needed to support these additional prisoner beds statewide.

The bill provides for federal receipt authority for up to \$30,000,000. The authorization to expand the Anchorage Jail facility by 200 beds may only occur if federal funds are received and the Alaska State Legislature appropriates the funds.

For the purposes of this fiscal note, it is assumed that a private option would only be built if less costly than the public option. It is also assumed that the 2251 bed facility would be built only if operating costs reduced from other facilities would allow for the option to be built without total departmental costs exceeding the 1200 bed option.

End.

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SENATOR LYDA GREEN
SENATE DISTRICT G

CSSB 65(FIN) SECTIONAL ANALYSIS

Section 1, Section 2, and Section 3. Requires correctional officers, parole officers, and probation officers working in all correctional facilities in the State of Alaska to have a valid certificate issued by the Alaska Police Standards Council.

Section 4. Authorizes the Department of Corrections (not later than July 1, 2009) to enter into agreements with the Fairbanks North Star Borough, the Matanuska-Susitna Borough, Bethel, Municipality of Anchorage and City of Seward for new or expanded correctional facilities. The authorization is subject to 5 conditions:

- (1) Average capital cost per bed may not exceed \$135,000 in the Fairbanks North Star Borough (up to 80 beds), Matanuska-Susitna Borough (1,200 to 2,251 beds), Municipality of Anchorage (up to 200 beds) and City of Seward (up to 144 beds); and must not exceed \$155,000 a bed for Bethel. These costs are adjusted for inflation.
- (2) For new facility construction, the municipality will own the facility and the state will operate the facility. The state will lease the facility for a term of not more than 25 years with annual lease payment not exceeding \$11,600 a bed. (Similar to Anchorage Jail and Spring Creek Correctional Center in Seward)
- (3) For expansion of existing facilities, there will be a joint ownership agreement between the municipality and the state and the state will operate the facility. The state will lease for not more than 25 years and payments may not exceed \$16,700 a bed for the Bethel facility and \$14,600 a bed for the Fairbanks, Anchorage and Seward facilities. The state will own these expanded facilities at the end of the lease period. (The state already owns these facilities, so will own the newly expanded parts as well).
- (4) Lease agreements must allow the Commissioner of Corrections to terminate the contract for cause.
- (5) The Commissioner may not enter into an agreement if bonds issued for the new or expanded facilities are below investment grade. (Investment grade is a term of art that means single A or better—see Alaska Permanent Fund Statute: Investment responsibilities of the board AS 37.13.120 (g)(7))

Further, expansion of the Anchorage jail may only occur if it is funded by up to \$30,000,000 in federal receipts.

Section 5. Authorizes the Department of Corrections (not later than July 1, 2006) to enter into an agreement with the City of Whittier to acquire correctional facility space for at least 25 years and facility operational services for not more than five years. Before entering into a contract, Department of Corrections and Administration must conduct a feasibility study to determine whether the state can provide these services for the same or

less cost than a third-party operator. An agreement with the City of Whittier cannot be made unless the state cannot provide these services for the same or less cost.

Further, an agreement between the state and the City of Whittier requires an agreement between the City of Whittier and a 3rd party contractor to construct and operate the facility. The agreement between the City of Whittier and the 3rd party contractor must be based on a competitive bid process. The City of Whittier must follow state procurement procedures. The commissioner of corrections also must approve the facility design before the agreement.

Authorization for the agreement is subject to 5 further conditions:

- (1) Must be a minimum of 1200 beds and a maximum of 2251 beds and payments by DOC must be sufficient to cover all capital and operating costs, not including inmate transportation.
- (2) The obligation of DOC to make payments is subject to annual appropriation of funds by the legislature.
- (3) The Commissioner of corrections retains the authority to terminate the contract with the third party.
- (4) The contract between the City of Whittier and the third party must require culturally relevant reformation services to incarcerated Alaska Native offenders.
- (5) No agreement can be made if the bonds issue are rated below investment grade (single A or lower)

The City of Whittier may issue bonds to finance construction of the facility.

Section 6. Authorizes the state bond committee to issue certificates of participation to provide state matching funds to assist with the cost of construction of community jail facilities in Kodiak and Dillingham (\$4 million for both). The annual rental obligations for the certificates (\$400,000) will be paid by the state on an annual basis. The total estimated cost to the state to pay off the certificates is \$6 million (the estimate includes total payments, credit enhancement and underwriting expenses, rating agency fees, bond counsel fees, financial advisor fees, printing fees, trustee fees, advertising fees, capitalized interest, interest earnings, and other costs of issuance and required reserves). The state bond committee may not authorize the issuance of certificates of participation if the issuance lowers the state's credit and the certificates are rated below investment grade.

Section 7. Approves community jail facilities to receive proceeds of the certificates of participation authorized under sec. 6 if the community is able to provide their share of the matching funds (\$1.5 million each) to be used for the upgrade, expansion, or replacement of the jail facilities at Dillingham Community Jail and Kodiak Community Jail. Subject to appropriation, the Department of Corrections is authorized to pay the annual operating costs associated with the addition of new beds at those two facilities.

Section 8. Provides notice and approval of the projects described in sec. 6

Section 9. Repeals existing statute.

Section 10. Provides an effective date of July 1, 2004.

CSSB 65 Version E Project Cost Comparison

	Total Capital Costs	Annual Capital Costs (lease debt service)	Additional positions	Annual Operating Costs	Total Annual Costs
Fairbanks 80 Bed Expansion	\$10,800.0	\$1,076.0	11	\$1,329.2	\$2,405.2
Bethel 120 Bed Expansion	\$18,600.0	\$1,853.0	11	\$2,222.9	\$4,075.9
Seward 144 Bed Expansion	\$10,800.0	\$1,076.0	16	\$1,942.1	\$3,018.1
1200 Bed Facility *	\$137,166.0	\$10,172.0	286	\$37,745.1	\$47,917.1
2251 Bed Facility**	\$204,712.7	\$15,261.2	450	\$49,390.1	\$64,651.3
Kodiak Jail 22 Bed Facility (6 bed expansion)	\$2,000.0	\$149.1		\$188.0	\$337.1
Dillingham Jail 25 Bed Facility (17 bed expansion)	\$2,000.0	\$149.1		\$750.0	\$899.1

*Public or Private Option, Private Option would not go forward unless it was shown to be less costly.

**Public or Private Option, 2251 bed option would be built if savings from other facility closures and/or contract reductions make total cost to state less than 1,200 bed option.

*** 3 positions (not included in counts above) are shown in the fiscal note for facility planning activities for all projects.

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SENATOR LYDA GREEN
SENATE DISTRICT G

CSSB 65(FIN) SPONSOR STATEMENT

"An act authorizing the Department of Corrections to enter into agreements with municipalities for new or expanded public correctional facilities in the Fairbanks North Star Borough, the Matanuska-Susitna Borough, Bethel, and the Municipality of Anchorage; relating to the development and financing of privately operated correctional facility space and services; authorizing the Department of Corrections to enter into an agreement for the confinement and care of prisoners in privately operated correctional facility space with the City of Whittier if the state cannot provide those services for the same or less cost; giving notice of and approving; and authorizing the entry into and issuance of certificates of participation for; the upgrade, expansion, and replacement of certain jails in Dillingham and Kodiak; and providing for an effective date."

The State of Alaska suffers from serious overcrowding in our prison facilities. We need a responsible solution to address the serious issues that arise from overcrowding, deteriorating physical plants, and anticipated growth in prisoner population. CSSB 65 is the result of numerous conversations that revealed a need for compromise in order to pass a comprehensive, long-term correctional facility plan that adequately addresses public safety this session.

This bill ensures local involvement in the process and guarantees open and fair competition; creates a level playing field between the public and private sectors; requires the use of the state procurement process, a feasibility study, and approval of facility designs by the Commissioner of Corrections. The end result is consistency in facility design and operation.

This bill will allow the State of Alaska to bring its prisoners back from Arizona and will direct this money into the state economy, thereby providing jobs to hundreds of Alaskans.

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SENATE DISTRICT G

CSSB 65(FIN) SUPPORTING MATERIAL

The State of Alaska suffers from serious overcrowding in our prison facilities. There has been a 120% population increase in inmates in the last 20 years and this number will continue to increase. We need a responsible solution to address the serious issues that arise from overcrowding, deteriorating physical plants, and anticipated growth in prisoner population. CSSB 65 is the result of numerous conversations that revealed a need for compromise in order to pass a comprehensive, long-term correctional facility plan that adequately addresses public safety this session.

This bill ensures local involvement in the process, guarantees open and fair competition and creates a level playing field between the public and private sectors. It requires the use of the state procurement process, a feasibility study, and approval of facility designs by the Commissioner of Corrections. The end result is consistency in facility design and operation.

This bill will allow the State of Alaska to bring its prisoners back from Arizona and will direct this money into the state economy, thereby providing jobs to hundreds of Alaskans.

Section 1. Authorizes the Department of Corrections to enter into agreements with the Fairbanks North Star Borough, the Matanuska-Susitna Borough, Bethel and the Municipality of Anchorage for new or expanded correctional facilities. This section provides a date certain by which agreements must be made, sets a maximum capital cost and provides the term length and maximum payments for the lease arrangement. Further it requires that the Commissioner of Corrections retain the authority to terminate the contract for cause.

Section 2 Authorizes the Department of Corrections to enter into an agreement for correctional facility space and services with a third-party contractor. This section provides a date certain by which agreements must be made, requires a feasibility study to determine whether the state can provide these services for the same or less cost than a third-party operator, and provides the term length for the agreement. This section requires a competitive bid process, mandates adherence to the state procurement procedures for land, design, construction, and operation, and approval of the facility design by the Commissioner of Corrections prior to entering into an agreement. This section also sets the size parameters and payment terms for the facility, and requires culturally relevant information services to incarcerated Alaska Natives. The Commissioner of Corrections retains authority to terminate the contract.

Section 3 Authorizes the state bond committee to issue certificates of participation and other financing for cost of construction and annual rental obligations of municipal jail facilities.

Section 4 Approves municipal jail facilities to receive proceeds of the certificates of participation authorized under sec. 3 if the municipality is able to provide their share of the matching funds to be used for the upgrade, expansion, or replacement of the jail facilities at Dillingham Community Jail and Kodiak Community Jail. Subject to appropriation, the Department of Corrections is authorized to pay the annual operating costs associated with the addition of new beds at those two facilities.

Section 5 Provides notice and approval of the projects described in sec. 3

Section 6 repeals existing statute.

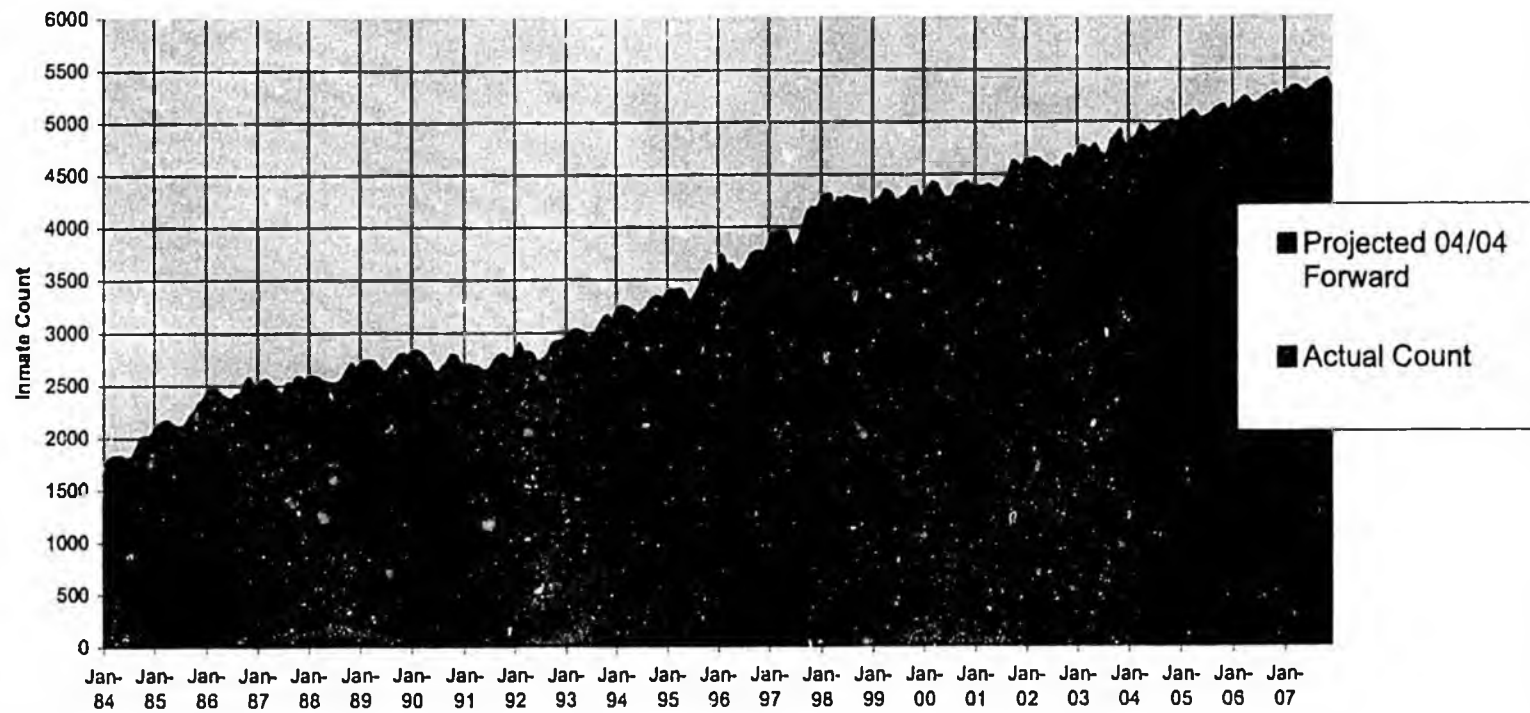
Section 7 provides an effective date of July 1, 2004.

This is greatly needed legislation to solve a very real problem facing our state. I ask for your support in this endeavor.

Prison Cost Summary
(DRAFT for Discussion Purposes only)

	Total Capital Costs	Annual Capital Costs	Annual Operating Costs	Total Annual Costs
Fairbanks 80 Bed Expansion	\$10,800.0	\$1,076.0	\$1,329.2	\$2,405.2
Bethel 120 Bed Expansion	\$18,600.0	\$1,853.0	\$2,222.9	\$4,075.9
1200 Bed Facility	\$137,166.0	\$10,172.0	\$37,745.1	\$47,917.1
2251 Bed Facility	\$204,712.7	\$15,261.2	\$49,390.1	\$64,651.3
New proposal for CS for SB65:				
Kodiak Jail 22 Bed Expansion	\$2,000.0	\$149.1	\$188.0	\$337.1
Dillingham Jail 25 Bed Expansion	\$2,000.0	\$149.1	\$750.0	\$899.1

Inmate Population Statistics



Department of Corrections
Inmate Population
Monthly and Annual Averages

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
1984	1732	1791	1813	1818	1828	1798	1800	1814	1916	2001	2011	1995	1860
1985	2068	2130	2148	2168	2132	2103	2105	2109	2191	2254	2311	2344	2172
1986	2421	2486	2472	2424	2389	2376	2351	2417	2412	2516	2581	2506	2446
1987	2443	2545	2566	2516	2468	2426	2409	2526	2499	2573	2585	2527	2507
1988	2589	2585	2577	2538	2530	2512	2513	2519	2558	2643	2705	2637	2576
1989	2687	2741	2736	2733	2679	2642	2606	2666	2724	2785	2800	2765	2714
1990	2822	2833	2823	2778	2706	2632	2615	2666	2715	2797	2785	2699	2739
1991	2681	2699	2666	2682	2640	2636	2649	2725	2777	2800	2773	2730	2705
1992	2793	2906	2786	2824	2802	2726	2735	2759	2806	2903	2912	2918	2823
1993	2956	2999	3033	3026	3014	2949	2955	2993	3054	3145	3173	3084	3032
1994	3194	3243	3243	3232	3198	3167	3198	3231	3289	3335	3330	3295	3246
1995	3390	3395	3392	3409	3376	3274	3307	3380	3442	3558	3635	3532	3424
1996	3556	3732	3605	3642	3588	3567	3591	3655	3732	3756	3754	3733	3659
1997	3843	3934	3947	3996	3939	3827	3790	3885	3999	4136	4182	4157	3970
1998	4237	4300	4318	4135	4269	4260	4289	4264	4264	4252	4251	4168	4251
1999	4222	4243	4269	4343	4328	4249	4228	4284	4276	4365	4376	4232	4285
2000	4292	4348	4423	4400	4317	4261	4268	4301	4391	4386	4427	4362	4348
2001	4382	4364	4371	4398	4374	4342	4360	4424	4514	4631	4593	4530	4440
2002	4642	4630	4656	4635	4601	4575	4524	4570	4490	4638	4679	4614	4605
2003	4697	4771	4746	4719	4785	4711	4666	4668	4816	4860	4918	4740	4758
2004	4788	4830	4851	4956	4898	4871	4902	4927	4967	4985	5011	4913	4908
2005	4996	5021	5064	5100	5042	5012	5041	5067	5110	5130	5156	5063	5067
2006	5132	5154	5137	5234	5178	5149	5176	5201	5244	5265	5291	5212	5203
2007	5259	5282	5317	5335	5293	5272	5292	5322	5361	5384	5400	5320	5320

From March 2004 Forward are Projected Figures

Instate Inmate Count -- Alaska Department of Corrections --April-2004

	416	104	403	211	233	58	170	85	78	214	176	112	486	255	113	92	Emer Cap		3206
	388	102	397	200	225	52	164	82	78	207	176	112	466	249	112	88	Max Cap		3098
Day	AJ	AMCC	CIPT	FCC	HMCC	KCC	LCCC	MSPT	MCCC	PCC Mod	PCC Min	PT Mac	SCCC	WCC	WV	YKCC	Emer Cap	Totals	%
1	394	118	394	199	238	58	167	92	77	220	176	93	498	247	108	132	3206	3211	100%
2	396	119	387	200	235	60	166	98	75	223	176	93	496	247	108	136	3206	3213	100%
3	406	113	385	194	231	59	165	98	78	202	176	93	496	247	108	132	3206	3181	99%
4	418	116	404	201	231	62	167	98	77	210	176	93	496	245	106	118	3206	3218	100%
5	411	123	405	199	229	62	166	102	77	214	176	93	495	247	107	124	3206	3230	101%
6	398	122	411	206	225	59	172	102	77	215	176	93	495	248	108	117	3206	3224	101%
7	397	126	404	201	223	61	165	98	76	209	176	98	494	246	114	113	3206	3201	100%
8	416	129	402	202	220	63	170	95	76	207	175	98	493	248	107	114	3206	3215	100%
9	404	131	396	211	219	62	164	100	76	198	176	98	493	246	108	111	3206	3203	100%
10	409	131	405	214	220	62	164	90	78	207	176	103	493	246	108	112	3206	3218	100%
11	412	128	410	215	220	64	164	88	78	207	178	103	493	240	107	115	3206	3222	100%
12	415	129	409	210	216	66	164	93	78	216	176	103	493	238	115	114	3206	3235	101%
13	397	130	414	212	219	65	164	95	76	214	175	103	491	240	114	104	3206	3213	100%
14	406	114	409	204	216	65	167	91	77	216	176	103	491	243	115	105	3206	3198	100%
15	403	110	414	205	217	61	172	91	78	216	176	103	491	243	109	103	3206	3192	100%
16	424	104	405	206	215	66	169	87	77	223	176	103	489	244	110	102	3206	3200	100%
17	419	108	409	207	214	62	169	85	76	218	176	105	487	243	110	104	3206	3190	100%
18	404	108	413	218	213	59	165	93	78	221	176	105	487	243	106	113	3206	3203	100%
19	411	106	412	222	212	60	158	94	78	221	175	105	485	243	103	114	3206	3199	100%
20	423	106	406	218	217	60	157	84	78	219	176	103	485	242	107	111	3206	3202	100%
21	418	108	408	215	214	63	161	93	78	221	176	103	484	241	106	111	3206	3200	100%
22	398	106	403	214	218	61	162	93	78	218	176	103	482	239	112	112	3206	3175	99%
23	403	106	400	214	214	61	162	90	78	212	175	105	482	236	110	115	3206	3165	99%
24	410	103	397	215	213	60	167	86	77	221	176	104	481	237	105	109	3206	3161	99%
25	417	103	403	226	217	61	163	89	77	220	175	104	481	236	103	104	3206	3179	99%
26	414	102	408	221	214	62	160	93	77	217	174	104	481	235	103	106	3206	3171	99%
27																	3206	0	0%
28																	3206	0	0%
29																	3206	0	0%
30																	3206	0	0%
31																	3206	0	0%
Avg	408.58	115.35	404.35	209.82	220	61.692	165	93.231	77.154	214.73	175.81	100.54	489.69	242.77	108.35	113.5	3206	3200	100%
10 dy	0	0	1	9	0	25	0	9	0	3	0	0	0	0	0	54			
30.00	33	70	41	59	44	80	33	81	1	43	1	0	58	6	35	90			

Community Residential Program - Treatment Beds							April 26, 2004			
							Safe			
	G.H.S.	Clithron	Akeela	FCAOA	YKHC	Harbor	Manilaq			
Total Contract Beds							1/2/2004			
	2	13	5	4	1	1	1	Allotted:	27	
Institutional Beds										
Beds Assigned		11	5	3	1	1	1	Allotted:	22	
Furlough	0	1	7	0	0	1	1	10		
Confined Misd	0	0	0	0	0	0	0	0		
Restitution	0	0	0	0	0	0	0	0		
Unsentenced	0	0	0	2	0	0	0	2		
3rd Party	0	0	0	0	0	1	0	1		
Total Filled	0	1	7	2	0	2	1	Filled:	13	
Field Beds										
Beds Assigned	2	2		1				Allotted:	5	
Probation	1	9	0	3	7	1	0	21		
Parole	0	1	0	0	0	0	0	1		
Total Filled	1	10	0	3	7	1	0	Filled:	22	
JAIL ALTERNATIVE SERVICES										
Jail Alt. Serv.	0	0	0	0	0	0	0	Total	0	
TOTAL TREATMENT BEDS										
Total Filled	1	11	7	5	7	3	1	Total Filled:	35	

Community Residential Center Beds April 26, 2004											
	Cordova	Parkview	Midtown	Glennwd	N.S.	Tundra	Glacier	Aulla	Seaside		
Total Contract Beds											
	140*27=167	85*17=112	27*5*32	74*14=86	81*6*27=112	72*13*85	64*11*75	4*2*6	41*7*48		608(735)
Institutional Beds											
Assigned	150	95	27	62	69	65	65	4	28	Abolled	565
Furlough	56	68	0	24	42	11	42	5	11	259	
Conf Msd	43	35	30	3	19	17	0	0	30	177	
Restitution	3	4	0	1	5	0	3	0	2	18	
Unsent	31	0	0	5	10	35	0	0	2	83	
3rd Party	17	0	0	4	0	15	0	0	1	37	
Filled Beds	150	107	30	37	76	78	45	5	46	Filled	574
Field Beds											
Assigned	0	0	0	14	15	10	10	0	6	Abolled	55
Probation	0	0	0	11	15	5	16	1	0	48	
Parole	0	0	0	39	6	1	14	0	0	59	
Filled Beds	0	0	0	49	21	6	30	1	0	Filled	107
TOTAL CRC BEDS											
Total Filled:	150	107	30	86	97	84	75	6	46	Filled:	681
TOTAL CRC SUPERVISION-OSP											
		12*8=20		13*7=20	10		11*4=15			48*19=65	
Furlough	0	5	0	5	7	0	0	0	0	17	
Probation	0	0	0	0	1	0	0	0	0	1	
Parole	0	0	0	0	0	0	3	0	0	3	
TTL SUPV	0	5	0	5	8	0	3	0	0	Total	21
Trk. 1,2											
	0	0	0	4	0	0	3	0	0	Total	7
Summary											
					3171	INSTITUTIONAL					
					698	CADC					
					21	OTHER: OUT OF STATE					
					681	CRC					
					35	TREATMENT BEDS FILLED					
					21	CRC OFF SUP					
EM	EM	EM			160	EM					
Anchorage	Fairbanks	Ketchikan			0	INST TENTS					
135	20	5									
					Total	4767					

* Per Diem Slots

Department of Corrections

Daily Totals

Institution	MEN	MEN	WOMEN	WOMEN	TOTAL
	Sent.	Unsent	Sent.	Unsent	
Anchorage Jail	122	268	2	22	414
Anvil Mt. (Nome)	49	43	2	8	102
Cook Inlet PT	98	310	0	0	408
Fairbanks CC	54	142	6	19	221
Hiland Mt. CC	0	0	137	77	214
Ketchikan CC	28	26	2	6	62
Lemon Creek CC	116	34	6	4	160
MatSu Pre-Trial	6	78	1	8	93
Meadow Creek	77	0	0	0	77
Palmer Med. CC	195	22	0	0	217
Palmer Min. CC	174	0	0	0	174
Pt. Mac	101	3	0	0	104
Spring Creek CC	480	1	0	0	481
Wildwood CC	202	33	0	0	235
Wildwood PT	35	58	1	9	103
YKCC (Bethel)	18	84	0	4	106
Total	1755	1102	157	157	3,171
		Unsent		Sent.	
Total		1259		1912	3,171
		40%		60%	

ALASKA STATE LEGISLATURE



Interim:
600 East Railroad Avenue
Wasilla, Alaska 99654
(907) 376-3370
(907) 376-3157 Fax

Session:
State Capitol
Juneau, Alaska 99801-1182
(907) 465-6600
(907) 465-3805 Fax

SENATOR LYDA GREEN SENATE DISTRICT G

Sponsor Statement SB 65

The need for additional prison beds in Alaska has been recognized by the Legislature for a number of years. Currently, there are about 650 Alaskan prisoners being held in facilities outside of Alaska.

Senate Bill 65 provides legislative authorization for the expansion of state prisons by local governments. Under the provisions of SB 65, local governments would finance the construction of new prison facilities and additional beds at facilities currently owned by the state. The State of Alaska would then enter into long-term leases and operate the facilities as part of the state correctional system. This financing mechanism allows the state to acquire facilities with no up-front capital costs. It benefits both the state and local economies with construction jobs and long-term jobs in the facilities.

The need for additional prison beds in Alaska is virtually uncontested. However, the location of facilities, the method of financing the construction and who will operate the new facilities all raise issues. In 1998, the Legislature authorized the construction of a privately constructed and operated prison with a minimum of 800 beds in Delta Junction. The prison was not built. In 2001, the Legislature passed HB 149, which provided for construction of a minimum of 800 private prison beds on the Kenai Peninsula. Again, the prison was not built. I believe it is time to go in a new direction in order to finally address this chronic and increasing prison bed space problem.

SB 65 provides a long-term solution to Alaska's prison bed space problem. The proposed expansions to existing facilities in Bethel, Fairbanks and Anchorage (federal prisoner unit expansion) will provide relief to the most chronically overcrowded regional hubs. The new 1,200-bed facility will provide the most cost-effective in-state solution to bringing Alaska's prisoners home from Arizona, relieving prison bed overcrowding issues in other regions of the state, as well as providing additional bed space for the state's projected prisoner population increases.

I ask for your support and swift passage of SB 65.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

February 20, 2003

SUBJECT: Sectional Summary - SB 65

TO: Senator Lyda Green

FROM: Gerald P. Luckhaupt *GPL*
Legislative Counsel

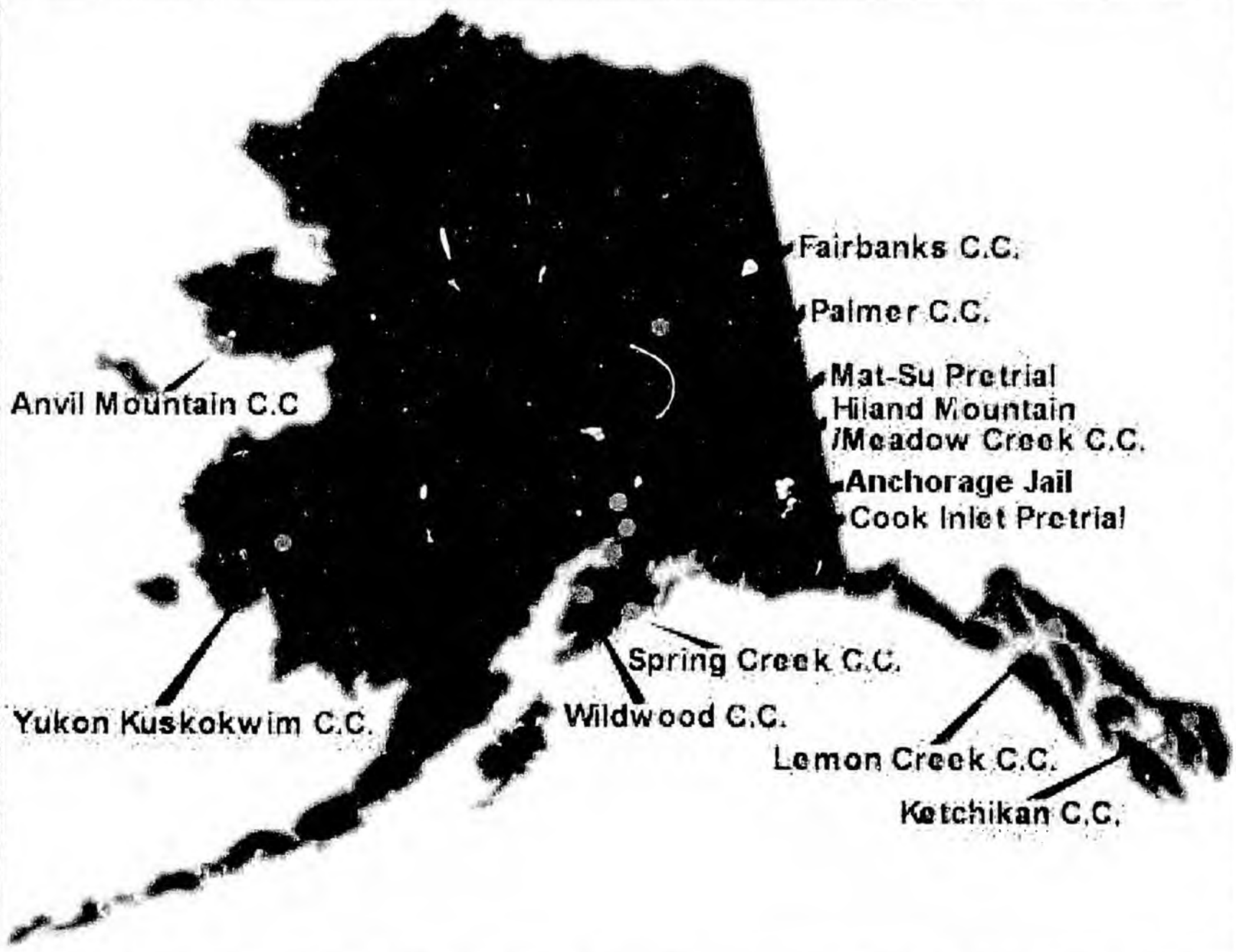
You have requested a sectional summary of the above-described bill. As a preliminary matter, please note that a sectional summary of a bill is not an authoritative interpretation of a bill - the bill itself is the best statement of its contents.

Section 1. Authorizes the Department of Corrections to enter into agreements with various municipalities for new or expanded correctional facilities and provides conditions on the authorization.

GPL:lmb
03-038.lmb

*Department
of
Corrections*





Fairbanks C.C.

Palmer C.C.

Mat-Su Pretrial

Hiland Mountain

Meadow Creek C.C.

Anchorage Jail

Cook Inlet Pretrial

Anvil Mountain C.C.

Yukon Kuskokwim C.C.

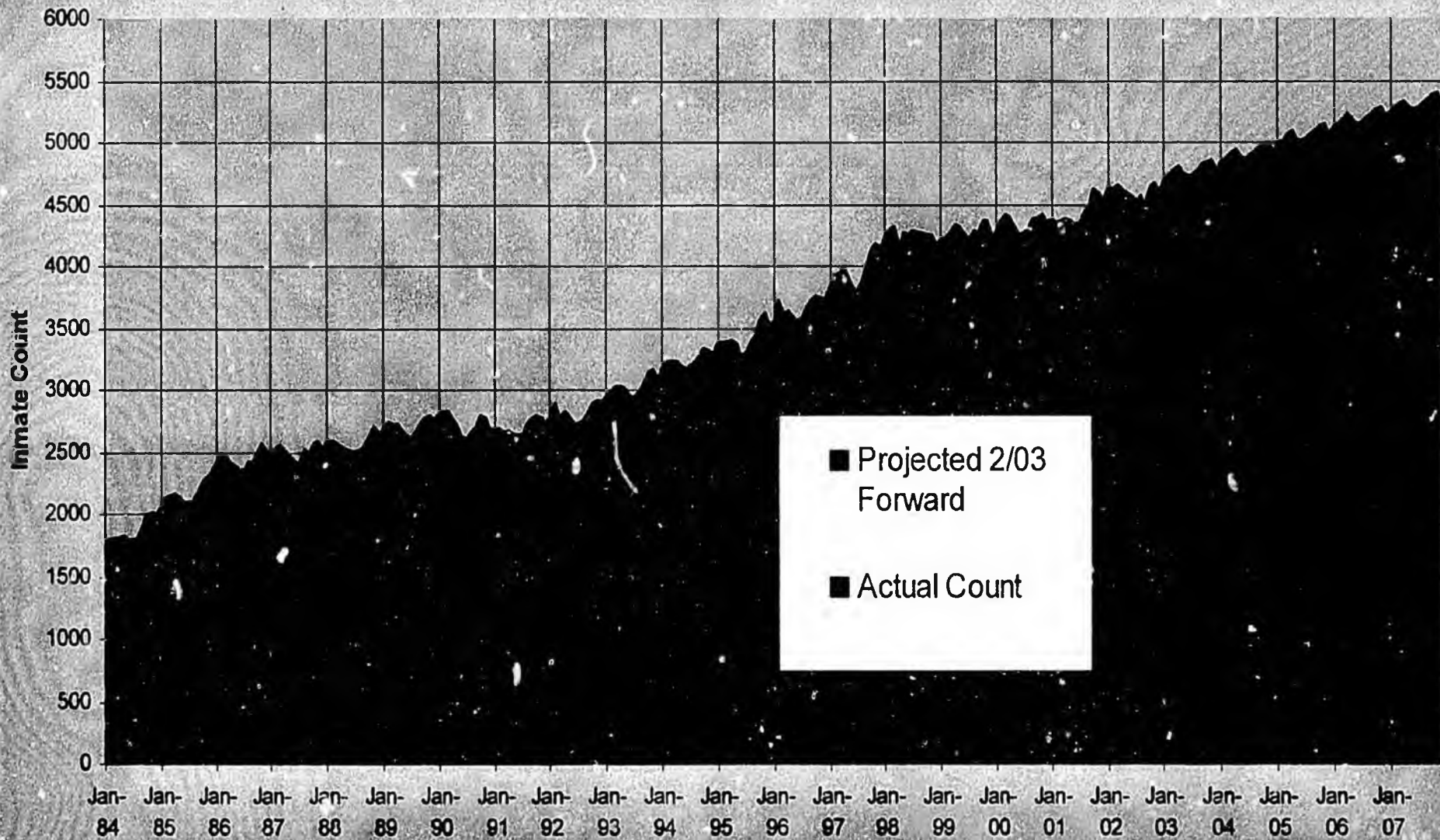
Spring Creek C.C.

Wildwood C.C.

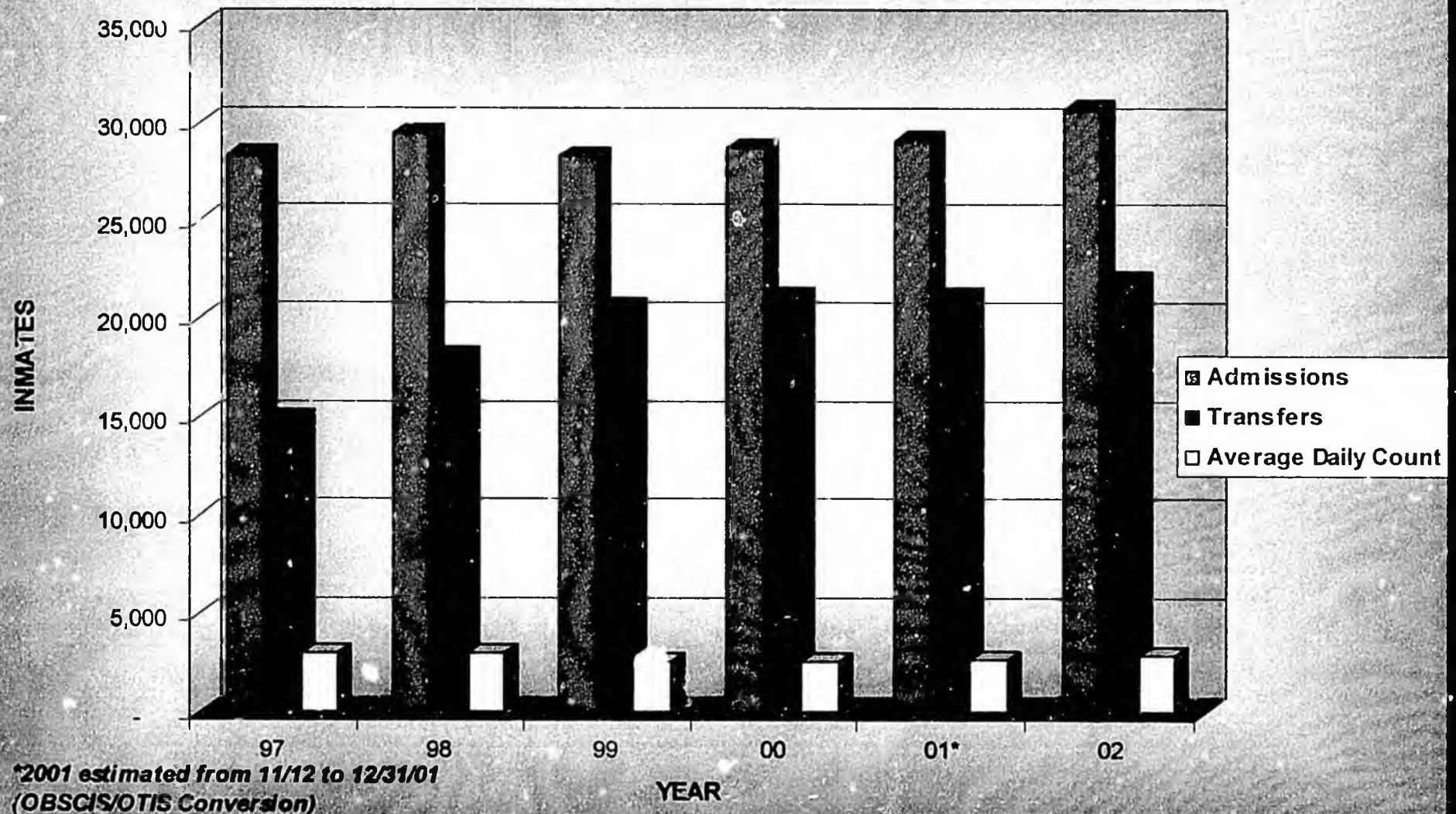
Lemon Creek C.C.

Ketchikan C.C.

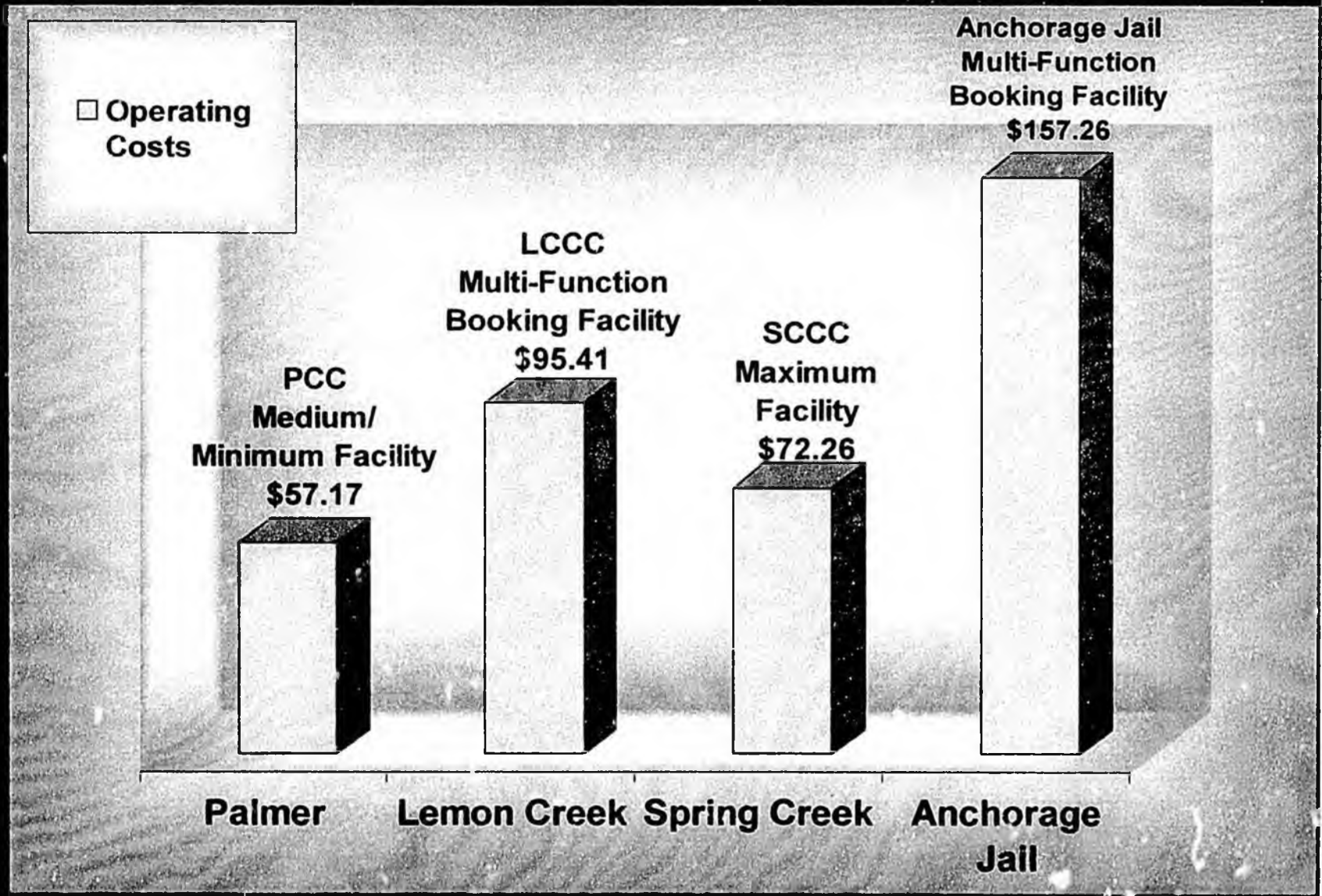
Inmate Population Statistics



Institution Activity 1997-2002



Comparison of Facilities with Varying Missions



General Specs

Draft CSSB65



- ★ 1250 beds
- ★ 1000 medium custody beds (est.)
- ★ 190 close custody beds (est.)
- ★ 60 maximum/segregation beds

Draft CSSB65

(daily operating & capital cost)

