

**ALASKA LEGISLATURE**

**2650**

**HOUSE and SENATE FINANCE COMMITTEE FILES, 2003-2004**

# Draft CSSB65 Total Daily Cost

CSSB65  
\$94.94



- Other Direct Cost
- Operating Cost
- Capital Cost

*\*assumes 25 yr term on debt issue*

# *Draft CSSB65 Estimated Construction Costs*

- ★ Up to \$110,000 construction cost per bed
- ★ Up to \$132m construction cost
- ★ Estimated annual lease payment per bed = \$8,364

★ (25 years, 5.5% interest)



# *Estimated Debt Service*

## **4.75% interest (Dept. of Revenue)**

<b>TERM</b>	<b>ANNUAL PER BED COST</b>	<b>DAILY PER BED COST</b>
<b>15 years</b>	<b>\$ 10,627.71</b>	<b>\$ 29.12</b>

## **5.5% interest (AIDEA)**

<b>TERM</b>	<b>ANNUAL PER BED COST</b>	<b>DAILY PER BED COST</b>
<b>25 years</b>	<b>\$ 8,364.44</b>	<b>\$ 22.92</b>
<b>20 years</b>	<b>\$ 9,388.82</b>	<b>\$ 25.72</b>
<b>15 years</b>	<b>\$ 11,177.99</b>	<b>\$ 30.62</b>



# *Bethel Expansion*

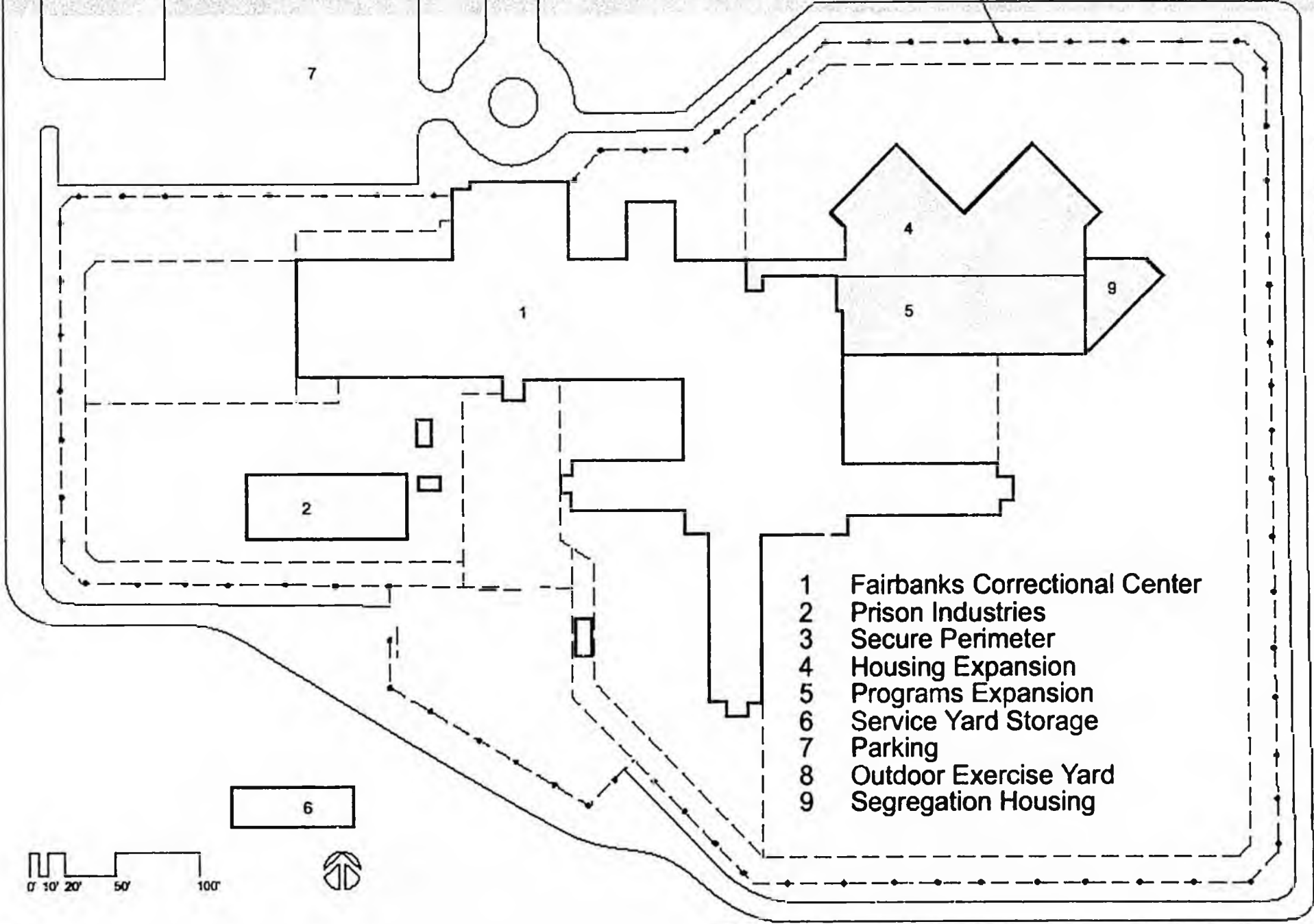
- ★ Yukon-Kuskokwim Correctional Center would be expanded by 120-beds
- ★ Bethel serves as a regional hub
- ★ 60,000 people in the area
- ★ There is a Superior Court in Bethel
- ★ The facility is currently at capacity or overcrowded 95% of the time and 90% of the population is pre-trial. Corrections and Public Safety have to transport prisoners out of the facility frequently to make room for in-coming pre-trial prisoners
- ★ Reduce the need for transports
- ★ Staffing: 11 staff (2 security posts @ 5.5 for a total of 11)



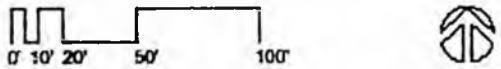
# *Fairbanks Expansion*

- ★ Fairbanks Correctional Center would be expanded by 80 beds
- ★ Fairbanks serves as a regional hub for the area and points north
- ★ 90% of the population is pre-trial
- ★ Large numbers of prisoners have to be transported out of Fairbanks to make room for in-coming prisoners
- ★ Staffing: 11 staff (2 security posts @ 5.5 for a total of 11)

# Fairbanks Correctional Center



- 1 Fairbanks Correctional Center
- 2 Prison Industries
- 3 Secure Perimeter
- 4 Housing Expansion
- 5 Programs Expansion
- 6 Service Yard Storage
- 7 Parking
- 8 Outdoor Exercise Yard
- 9 Segregation Housing

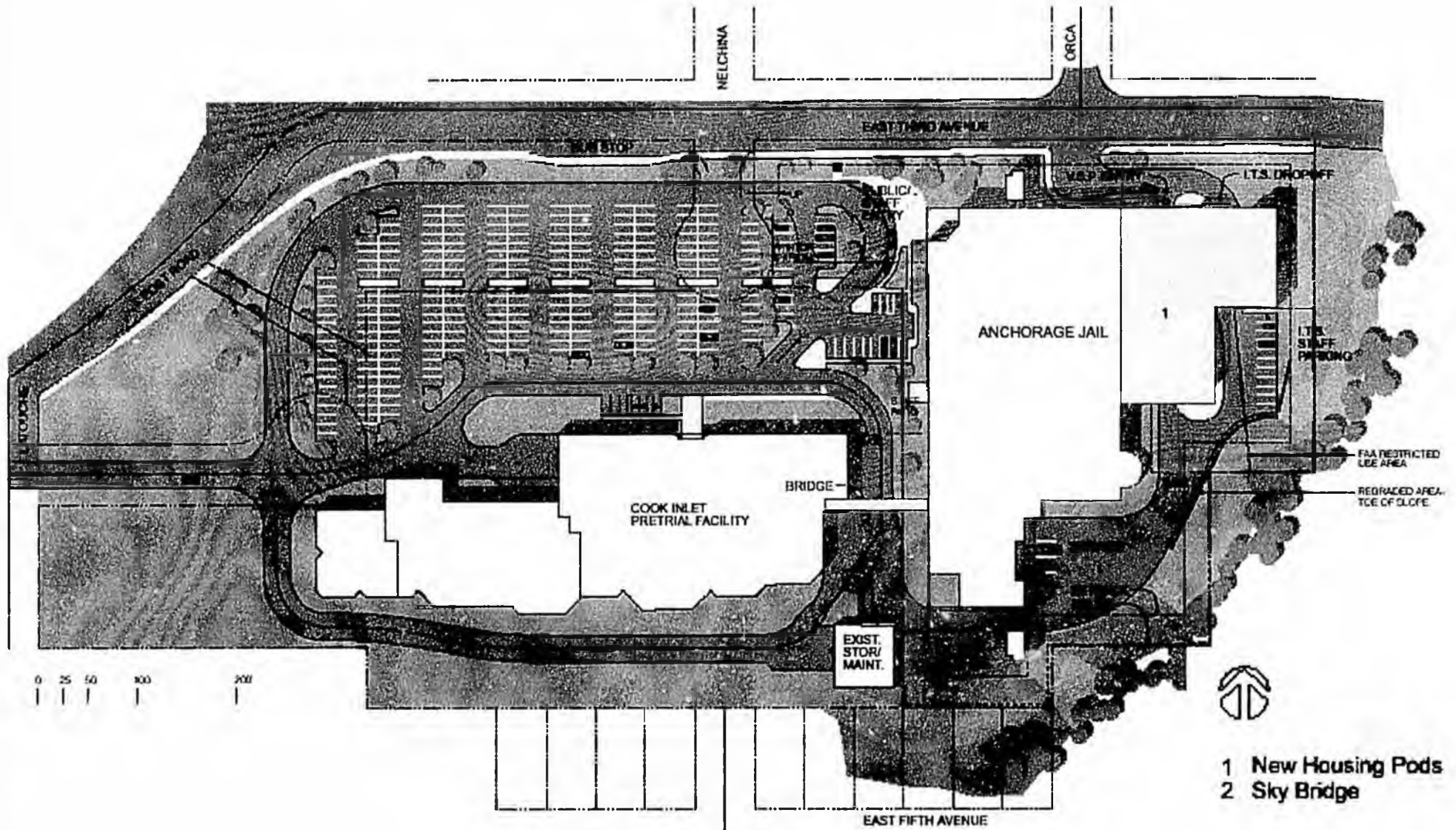




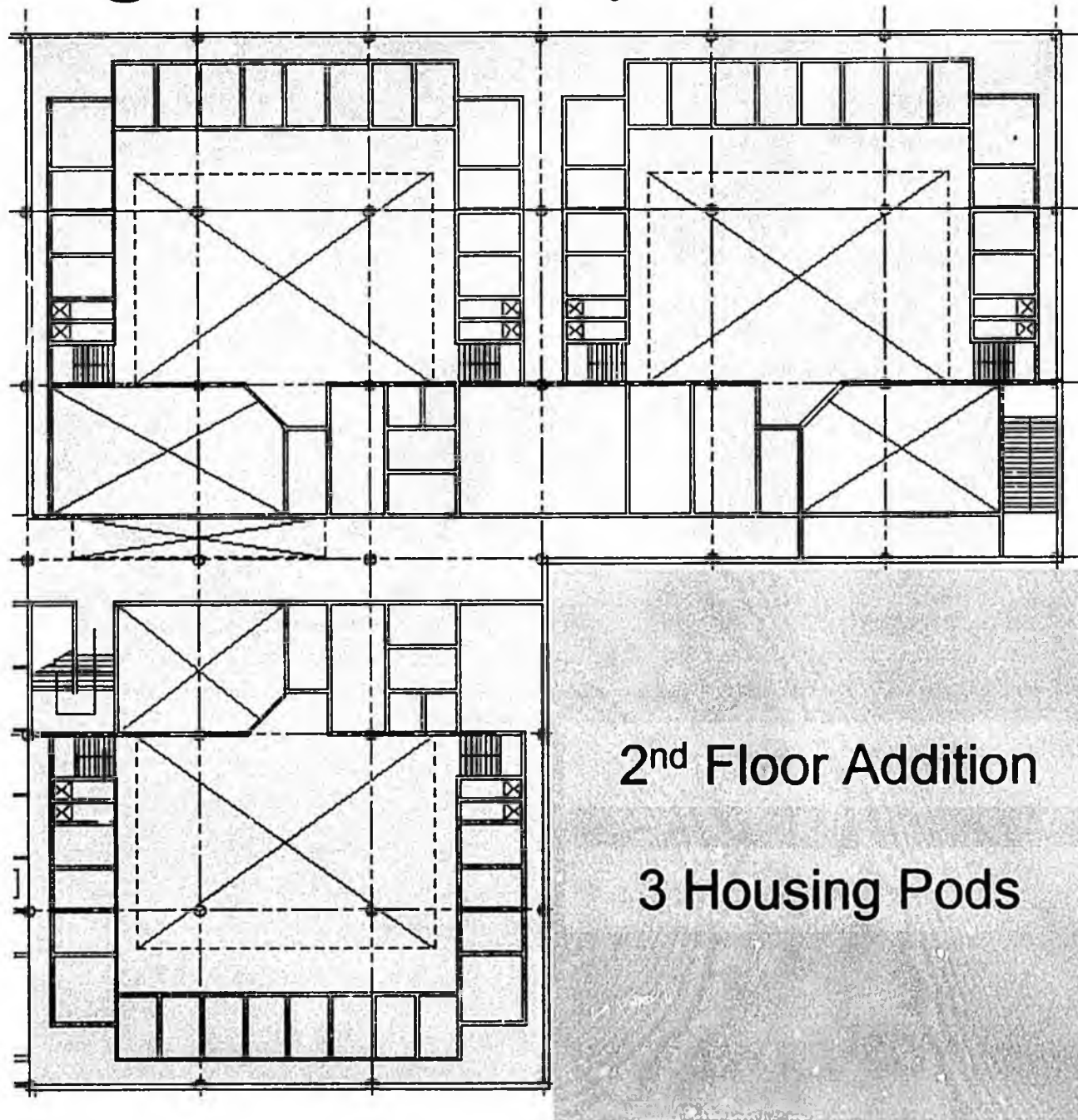
# *Anchorage Expansion*

- ★ **U.S. Marshals Service - contract with DOC to house federal detainees. That contract is met or exceeded at all times currently.**
- ★ **The Marshals are expanding operations in Alaska.**
  - ★ primarily in Anchorage and Juneau
  - ★ need the additional capacity throughout the system to house the prisoners this increased law enforcement activity will produce.
- ★ **The expansion of the Anchorage Jail of 200-beds will meet those increased needs. The project will be paid for with federal funds.**
- ★ **Staffing: will be paid for through added receipt authority to receive additional federal billing.**

# Anchorage Jail



# Anchorage Jail Expansion Detail



2<sup>nd</sup> Floor Addition

3 Housing Pods

# **Economic Impact Assessment of Proposed Expansion and New Construction of Correctional Facilities**

*Prepared for the*

**Matanuska-Susitna Borough**

**March 2003**

*Prepared by*

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# Contents

Section	Page
<b>1</b> <b>Introduction</b> .....	<b>1-1</b>
<b>2</b> <b>Approach and Data Sources</b> .....	<b>2-2</b>
<b>3</b> <b>Results of the Economic Impact Assessment</b> .....	<b>3-3</b>
3.1      Sutton Correctional Facility (Matanuska-Susitna Borough) .....	3-4
3.2      Fairbanks Correctional Facility .....	3-5
3.3      Bethel Correctional Facility .....	3-6
3.4      Anchorage Correctional Facility .....	3-7
<b>4</b> <b>References</b> .....	<b>4-8</b>

Table	Page
Table 1-1. Proposed New and Expanded Correctional Facilities by Location .....	1-1
Table 2-1. Estimated Construction Costs for the Proposed Correctional Facilities .....	2-2
Table 2-2. Estimated Annual Operating Costs by Facility .....	2-2
Table 3-1. Total Estimated Impacts of Construction of New and Expanded Correctional Facilities....	3-3
Table 3-2. Total Estimated Impacts of the Operations by Correctional Facility .....	3-3
Table 3-3. Direct, Indirect, and Induced Impacts of the Construction and Operations of the Proposed New Correctional Facility in the Matanuska Susitna Borough .....	3-4
Table 3-4. Direct, Indirect, and Induced Impacts of the Construction and Operations of the Proposed Expansion of the Fairbanks Correctional Facility.....	3-5
Table 3-5. Direct, Indirect, and Induced Effects of the Construction and Operations of the Proposed Expansion of the Bethel Correctional Facility .....	3-6
Table 3-6. Direct, Indirect, and Induced Effects of the Construction and Operations of the Proposed Expansion of the Anchorage Correctional Facility.. ..	3-7



# 1 Introduction

Senate Bill No. 65, a bill for an act entitled "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" was introduced to the twenty-third legislature on February 10, 2003 (Appendix A). This initiative is intended to address the over-reliance on existing correctional facilities in the state and the extensive use of out-of-state correctional facilities.

The Matanuska-Susitna Borough commissioned Northern Economics to conduct an economic impact analysis of proposed new and expanded correctional facilities within the state (Table 1-1). The purpose of this study is to provide the Matanuska-Susitna Borough with information needed to determine the direct and secondary impacts of the following projects:

- 1) A new 1,200-bed prison facility that will be located within the Matanuska-Susitna Borough;
- 2) An 80-bed expansion of the prison facility located in Fairbanks;
- 3) A 120-bed expansion of the prison facility located in Bethel; and
- 4) A 200-bed expansion of the prison facility located in the Municipality of Anchorage.

An input-output analysis using the IMPLAN™ software is conducted to generate the following economic parameters for the impacts of construction and operations of the facilities:

- 1) number of direct, indirect, and induced jobs,
- 2) direct, indirect, and induced labor income,
- 3) direct, indirect, and induced value-added (equivalent to the gross regional product),
- 4) direct, indirect, and induced economic output (total sales of goods and services); and
- 5) local and state government revenues.

**Table 1-1. Proposed New and Expanded Correctional Facilities by Location**

<b>Facility Location</b>	<b>Region/Borough</b>	<b>Number of Beds</b>
Sutton	Matanuska-Susitna Borough	1,200
Fairbanks	Fairbanks North Star Borough	80
Bethel	Bethel Census Area	120
Anchorage	Municipality of Anchorage	200

Source: Senate Bill No. 65

Estimates of the economic impacts of both the construction and operations of each of these prison facilities to their respective Boroughs or economic regions are summarized in this report. In addition, a combined statewide impact assessment is provided.

The economic impacts are estimated using the cost assumptions indicated in House Bill No. 65, as well as previous estimates of prison construction, and operations and maintenance costs by Northern Economics. Additional data were obtained from published articles on the "Mat-Su Bill" and the proposed prison facilities.

## 2 Approach and Data Sources

The input-output (IO) analysis is used to quantify the economic impacts of the construction and operations of the correctional facilities. Input-output (IO) analysis is a technique used to show the flow of goods and services within a regional economy. When money enters an economy, it affects more than the initial recipient. When a company operates a business in a community and makes payments to vendors, its employees, the local government, including payments for other factors of production, these entities become the direct beneficiaries (the payments are the direct effects). These direct beneficiaries, in turn, buy supplies from other local firms and hire workers. The shops selling the supplies make additional purchases, as do the workers or employees. The additional rounds of spending caused by the vendors, the local government, and employees' expenditures are part of the subsequent indirect and induced impacts, which are often called secondary impacts. It is typical that much of the secondary impact from a project occurs through expenditures by households and the government.

A large share of local purchases may be transferred to out-of-state suppliers. The money spent on the project flows through the economy until it is dissipated by these out-of-state purchases. The impacts of purchases from suppliers outside the state are excluded from the estimates. The IMPLAN software was used to create an input-output model for each of the regions: 1) Matanuska-Susitna Borough, 2) Fairbanks North Star Borough, 3) Bethel Census Area, and 4) Municipality of Anchorage.

Table 2-1 and Table 2-2 show the estimated construction costs and operations costs for each facility. The construction costs were based on the average capital construction costs of \$135,000 per bed for the MSB, Fairbanks, and Anchorage facilities and \$155,000 per bed for the Bethel facility (as stipulated in Senate Bill No. 65). The operations costs for each facility were based on previous information provided by the Borough and from a report cited in the Anchorage Daily News indicating a cost of \$110.39 per prisoner per day for the MSB facility. The operating costs for the other facilities were adjusted based on differences in logistics and availability of resources.

**Table 2-1. Estimated Construction Costs for the Proposed Correctional Facilities**

Facility Location	Number of Beds	Capital Cost (\$ Millions)
Sutton	1,200	\$162.00
Fairbanks	80	\$10.80
Bethel	120	\$18.60
Anchorage	200	\$27.00

**Table 2-2. Estimated Annual Operating Costs by Facility**

Facility Location	Number of Beds	Operating Cost (\$ Millions)
Sutton	1,200	\$48.35
Fairbanks	80	\$3.60
Bethel	120	\$5.68
Anchorage	200	\$8.06

### 3 Results of the Economic Impact Assessment

This section shows the results of the economic impact assessment of both construction activities and operations related to the new construction or expansion of the proposed correctional facilities in the state. The changes resulting from an increase in economic activity from these activities in each of the economic regions or Boroughs and/or Municipality are reported, particularly the potential changes in employment, total sales of goods and services, total value added (or gross regional product), and labor income in the region. The direct, indirect, and induced effects are reported. The direct effects include all the local expenses that the correctional facilities would incur in the region. The model eliminates the expenses that are paid outside of the region, and are treated as "leakages" to the regional economy. The indirect effects capture all the additional economic activity generated in the sectors that support the prison construction and operations (i.e., suppliers of building materials, food supplies, maintenance and repair services, transportation services, etc). The induced effects capture the additional economic activity brought about by local spending by households and government. As jobs are created in the region labor income increases. The additional personal income earned by the residents gets re-spent in the local economy and create induced effects. Most of the induced effects are felt in the retail sector, restaurants, amusement centers, or the services sectors.

Table 3-1 summarizes the total direct, indirect, and induced impacts of the construction activities associated with the new facility and the expanded facilities. If all the facilities are built, about 2,000 jobs will be created statewide during the construction phase of the facilities. These jobs will pay about \$84 million dollars in labor income. In terms of total sales of goods and services, about \$215 million dollars will be generated in the state during the construction phase.

Note that the total statewide estimate exceeds the sum of effects in the four areas, because the economic activities will extend to other regions in the state.

**Table 3-1. Total Estimated Impacts of Construction of New and Expanded Correctional Facilities**

Impacts	MSB	Fairbanks	Bethel	Anchorage	Total Statewide
Output (\$ Millions)	\$133.07	\$8.00	\$8.19	\$26.87	\$215.65
Employment (# of Jobs)	1,327	74	77	246	2,000
Labor Income (\$ Millions)	\$46.82	\$3.04	\$2.78	\$10.77	\$63.41
Total Value Added (\$ Millions)	\$60.02	\$3.88	\$3.47	\$13.76	\$81.13
Local/State Revenues (\$ Millions)	\$4.07	\$0.26	\$0.23	\$0.93	\$5.49

Table 3-2 shows the impacts of the operations of each correctional facility in each of the regional economies. These estimated impacts are based on full occupancy of the facilities. The first year of operation will most likely operate at 80 percent occupancy based on projections. Full occupancy will most likely be realized after five years of operations.

**Table 3-2. Total Estimated Impacts of the Operations by Correctional Facility**

Impacts	MSB	Fairbanks	Bethel	Anchorage	Total Statewide
Output (\$ Millions)	\$50.43	\$3.84	\$5.33	\$9.13	\$68.73
Employment (# of Jobs)	596	42	52	98	788
Labor Income (\$ Millions)	\$14.88	\$1.15	\$1.25	\$2.98	\$20.26
Total Value Added (\$ Millions)	\$24.85	\$1.89	\$2.16	\$4.80	\$33.70
Local/State Revenues (\$ Millions)	\$2.81	\$0.21	\$0.28	\$0.53	\$3.83

The following sections provide the estimated impacts of each facility on their respective economic regions.

### 3.1 Sutton Correctional Facility (Matanuska-Susitna Borough)

This facility is proposed to be a 1,200-bed new correctional facility in Sutton. The estimated capital costs amount to \$162 million dollars. The estimated annual operations cost amount to \$48.35 million. The impacts of the construction and operations of this 1,200-bed prison facility are presented in Table 3-3.

During the construction phase, an estimated 1,300 direct, indirect, and induced full-time and part-time jobs will be created in the Matanuska-Susitna Borough. The construction could potentially generate an estimated total labor income of \$47 million. The gross regional product of the region will increase by about \$60 million.

The operations of the facility could potentially support about 600 direct, indirect, and induced jobs annually, that will pay an estimated \$15 million dollars in labor income. The estimated change in gross regional product (or total value added) amounts to about \$25 million. These impacts are annual and are estimated based on a 100-percent occupancy rate, which most likely will be realized after five years of operations.

**Table 3-3. Direct, Indirect, and Induced Impacts of the Construction and Operations of the Proposed New Correctional Facility in the Matanuska Susitna Borough**

Impact Category	Construction Impacts	Operations Impacts
<b>Output (\$ Millions)</b>		
Direct	\$98.24	\$40.67
Indirect	\$18.09	\$1.95
Induced	\$16.74	\$7.81
<b>Total</b>	<b>\$133.07</b>	<b>\$50.43</b>
<b>Employment (Number of Jobs)</b>		
Direct	820	460
Indirect	260	20
Induced	240	110
<b>Total</b>	<b>1,320</b>	<b>590</b>
<b>Labor Income (\$ Millions)</b>		
Direct	\$34.21	\$11.50
Indirect	\$6.82	\$0.69
Induced	\$5.80	\$2.68
<b>Total</b>	<b>\$46.82</b>	<b>\$14.88</b>
<b>Total Value Added (\$ Millions)</b>		
Direct	\$38.89	\$18.88
Indirect	\$10.33	\$1.15
Induced	\$10.80	\$4.83
<b>Total</b>	<b>\$60.02</b>	<b>\$24.85</b>
<b>Local/State Revenues (\$ Millions)</b>		
	\$4.07	\$2.81

Source: MIG, Inc. using 1999 Structural Matrices; Northern Economics calculations.

Note:

- 1) *Output* measures the total sales of goods and services produced in the region that could potentially be generated as a result of the new economic activities.
- 2) *Employment* is measured in number of jobs. It includes both full-time and part-time jobs.
- 3) *Labor Income* measures total employee compensation and proprietor income that could potentially be earned in the region.
- 4) *Total Value Added* is equivalent to the gross regional product of the region. Value added includes payments to labor, proprietor income, property type income, and indirect business taxes.
- 5) *Local and State Revenues* include potential income from property taxes, fees, fines, and other nontaxes.

### 3.2 Fairbanks Correctional Facility

An 80-bed expansion is proposed for this facility. The estimated capital costs amount to \$10.8 million dollars. The estimated annual operations cost amount to \$3.6 million. The impacts of the construction and operations of this correctional facility on the Fairbanks North Star Borough are presented in the following table (Table 3-4).

**Table 3-4. Direct, Indirect, and Induced Impacts of the Construction and Operations of the Proposed Expansion of the Fairbanks Correctional Facility**

Impact Category	Construction Impacts	Operations impacts
<b>Output (\$ Millions)</b>		
Direct	\$5.54	\$3.03
Indirect	\$1.34	\$0.18
Induced	\$1.12	\$0.63
<b>Total</b>	<b>\$8.00</b>	<b>\$3.84</b>
<b>Employment (Number of Jobs)</b>		
Direct	40	30
Indirect	20	2
Induced	20	8
<b>Total</b>	<b>80</b>	<b>42</b>
<b>Labor Income (\$ Millions)</b>		
Direct	\$2.13	\$0.86
Indirect	\$0.53	\$0.07
Induced	\$0.39	\$0.22
<b>Total</b>	<b>\$3.04</b>	<b>\$1.15</b>
<b>Total Value Added (\$ Millions)</b>		
Direct	\$2.42	\$1.40
Indirect	\$0.75	\$0.11
Induced	\$0.71	\$0.39
<b>Total</b>	<b>\$3.88</b>	<b>\$1.89</b>
<b>Local/State Revenues (\$ Millions)</b>		
	\$0.26	\$0.21

Source: MIG, Inc. using 1999 Structural Matrices; Northern Economics calculations.

Note:

- 1) *Output* measures the total sales of goods and services produced in the region that could potentially be generated as a result of the new economic activities.
- 2) *Employment* is measured in number of jobs. It includes both full-time and part-time jobs.
- 3) *Labor Income* measures total employee compensation and proprietor income that could potentially be earned in the region.
- 4) *Total Value Added* is equivalent to the gross regional product of the region. Value added includes payments to labor, proprietor income, property type income, and indirect business taxes.
- 5) *Local and State Revenues* include potential income from property taxes, fees, fines, and other nontaxes.

### 3.3 Bethel Correctional Facility

A 120-bed expansion is proposed for this facility. The estimated capital costs amount to \$18.6 million dollars. The estimated annual operations cost amount to \$5.68 million. The impacts of the construction and operations of this correctional facility on the Bethel Census Area are presented in the following table (Table 3-5).

**Table 3-5. Direct, Indirect, and Induced Effects of the Construction and Operations of the Proposed Expansion of the Bethel Correctional Facility**

Impact Category	Construction Impacts	Operations Impacts
<b>Output (\$ Millions)</b>		
Direct	\$6.94	\$4.78
Indirect	\$0.63	\$0.15
Induced	\$0.62	\$0.39
<b>Total</b>	<b>\$8.19</b>	<b>\$5.33</b>
<b>Employment (Number of Jobs)</b>		
Direct	60	45
Indirect	9	2
Induced	8	5
<b>Total</b>	<b>77</b>	<b>52</b>
<b>Labor Income (\$ Millions)</b>		
Direct	\$2.37	\$1.08
Indirect	\$0.22	\$0.05
Induced	\$0.19	\$0.12
<b>Total</b>	<b>\$2.78</b>	<b>\$1.25</b>
<b>Total Value Added (\$ Millions)</b>		
Direct	\$2.70	\$1.83
Indirect	\$0.35	\$0.08
Induced	\$0.41	\$0.24
<b>Total</b>	<b>\$3.47</b>	<b>\$2.16</b>
<b>Local/State Revenues (\$ Millions)</b>	<b>\$0.23</b>	<b>\$0.28</b>

Source: MIG, Inc. using 1999 Structural Matrices; Northern Economics calculations.

Note:

- 1) *Output* measures the total sales of goods and services produced in the region that could potentially be generated as a result of the new economic activities.
- 2) *Employment* is measured in number of jobs. It includes both full-time and part-time jobs.
- 3) *Labor Income* measures total employee compensation and proprietor income that could potentially be earned in the region.
- 4) *Total Value Added* is equivalent to the gross regional product of the region. Value added includes payments to labor, proprietor income, property type income, and indirect business taxes.
- 5) *Local and State Revenues* include potential income from property taxes, fees, fines, and other nontaxes.

### 3.4 Anchorage Correctional Facility

A 200-bed expansion is proposed for this facility. The estimated capital costs amount to \$27 million dollars. The estimated annual operations cost amount to \$8.06 million. The impacts of the construction and operations of this correctional facility on the Municipality of Anchorage are presented in the following table (Table 3-6).

**Table 3-6. Direct, Indirect, and Induced Effects of the Construction and Operations of the Proposed Expansion of the Anchorage Correctional Facility.**

Impact Category	Construction Impacts	Operations Impacts
<b>Output (\$ Millions)</b>		
Direct	\$17.63	\$6.78
Indirect	\$4.70	\$0.48
Induced	\$4.54	\$1.87
<b>Total</b>	<b>\$26.87</b>	<b>\$9.13</b>
<b>Employment (Number of Jobs)</b>		
Direct	129	70
Indirect	59	6
Induced	59	23
<b>Total</b>	<b>246</b>	<b>98</b>
<b>Labor Income (\$ Millions)</b>		
Direct	\$7.06	\$2.08
Indirect	\$2.02	\$0.20
Induced	\$1.69	\$0.71
<b>Total</b>	<b>\$10.77</b>	<b>\$2.98</b>
<b>Total Value Added (\$ Millions)</b>		
Direct	\$8.02	\$3.32
Indirect	\$2.77	\$0.29
Induced	\$2.97	\$1.19
<b>Total</b>	<b>\$13.76</b>	<b>\$4.80</b>
<b>Local/State Revenues (\$ Millions)</b>		
	\$0.93	\$0.53

Source: MIG, Inc. using 1999 Structural Matrices; Northern Economics calculations.

Note:

- 1) *Output* measures the total sales of goods and services produced in the region that could potentially be generated as a result of the new economic activities.
- 2) *Employment* is measured in number of jobs. It includes both full-time and part-time jobs.
- 3) *Labor Income* measures total employee compensation and proprietor income that could potentially be earned in the region.
- 4) *Total Value Added* is equivalent to the gross regional product of the region. Value added includes payments to labor, proprietor income, property type income, and indirect business taxes.
- 5) *Local and State Revenues* include potential income from property taxes, fees, fines, and other nontaxes.

## 4 References

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State of Alaska, Legislature. Senate Bill No. 65: *An Act authorizing the Department of Correction 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*". Available at <http://www.legis.state.ak.us>.

# Alaska Construction Cost Comparison

4/8/03

## 2002 RS Means "Building Construction Cost Data"

### Alaska Location Factors:

Location	Materials	Labor	Total
- Anchorage	1.295	1.137	1.243
- Fairbanks	1.326	1.172	1.236
- Juneau	1.326	1.137	1.235
- Ketchikan	1.439	1.137	1.293

(Recent contractor input: 1.35)

### Base Year: 2002

Building Type	2002 Average Construction Cost / SF	2002 Adjusted Anchorage Cost @ 1.243
Apartment, Mid Rise	72.00	89.50
Banks	128.00	159.10
Colleges (Class)	112.00	139.22
Colleges (Science Lab)	164.00	203.85
Community Center	89.70	111.50
Court Houses	122.00	151.65
Dormitories, Mid Rise	120.00	149.16
Fire Stations	90.15	112.06
Hospitals	157.00	195.15
Jails	174.00	216.28
Libraries	103.00	128.03
Medical Clinics	98.20	122.06
Nursing Homes	92.10	114.48
Office, Mid Rise	80.80	100.43
Police Stations	129.00	160.35
Post Offices	95.30	118.46
Restaurants	116.00	144.19
Schools, Sr. High	83.95	104.35
Schools, Vocational	83.65	103.98
Town Halls	92.45	114.92

### NOTES:

- 1 RS Means provides representative national averages, and do not include any contingencies. Alaskan construction costs tend to vary with local supply / demand conditions.
- 2 These estimates are for construction contract costs. They do not include design, project management permitting, artwork, FF&E or design / construction contingency allowances (typically 1.40 factor).
- 3 The estimates are based on 2002 data and have not been escalated for future years.
- 4 Input from a firm that recently constructed a prison in Idaho was that current Anchorage-area costs would be \$266.72 / SF (including a 5% scope contingency).

Provided by Sen. Green

# Alaska Construction Cost Comparison

4/8/03

Comparable cost data recently developed for the Anchorage Museum project (provided by RISE Alaska):

Base Year: 2007 (Escalated Costs)

Elmendorf Hospital	364.00
ANC Court Building	272.00
<b>Anchorage Jail</b>	<b>264.00</b>
ANC Museum - 1985 Addition	320.00
Seward SeaLife Center	306.00
UAA Consortium Library	209.00
Fairbanks UAF Museum	305.00
Fairbanks Court House	236.00

NOTE: I believe these represent final contract price divided by total SF.

Facility Elements that Impact Correctional Facility Construction Costs:

- Security Walls - Multiple, Reinforced Concrete and/or Steel, Security Glazing
- Security Doors, Locks and Controls
- CCTV Surveillance Systems
- Security Control Rooms
- Perimeter Security Fences, Alarm Systems and Lighting
- Sophisticated Mechanical Systems
- Water, Sewer and Road Infrastructure at Isolated Sites

Department of Corrections  
FY 2008  
Prison Bed Cost Comparison

Arizona Contractual Costs (1744 Beds)  \$44,716.3	Private Prison (1200 Beds)  \$44,399.5	Public Prison (1200 Beds)  \$41,582.8
Arizona Contract Detail	Private Prison Detail Costs	Public Prison Detail
FY2008 estimated bed cost for AZ Contract Bed = 60.87 Increase cost of \$7.94 per bed for current 648 beds Gratuities for a total population US Marshall moves, courts quarterly (in addition to current budget quarterly moves) Inmate rotations for releases medicals etc (25 per month) Expand AZ Probation Officers to meet AZ Inmate Population  Increase to AZ Costs Current AZ Budget Overhead (based on FY01 Maximus Cost Allocation Report)	<b>Operating/Capital Costs @ \$94</b>  <b>State costs @ \$7.37</b>  Medical Oversight @ \$0.27 Management & Administration @ \$4.22 Transportation & Probation @ \$2.88	<b>Operating Costs @ \$51.36</b>  <b>Capital Costs @ \$22.92</b> <b>Overhead Costs @ \$20.66</b>  Inmate Programs @ \$2.31 Medical Costs @ \$8.25 Administrative Costs @ \$2.71  Statewide Direct Costs @ \$7.39
<b>Adjusted AZ Budget FY2008</b> \$44,716.3	<b>Private Prison in AK Total</b> \$44,399.5	<b>Public Prison in AK Total</b> \$41,582.8
** \$44,716,300 divided by 1,744 beds divided by 365 days - \$70.25 per manday.	** \$44,399,500 divided by 1,200 beds divided by 365 days - \$101.37 per manday.	** \$41,582,800 divided by 1,200 beds divided by 365 days - \$94.94 per manday.

Provided by Sen. Green

FY06		Medical - Oversight Projections		Management & Administration		Transportation		TOTAL
Line Item	Amount	Comments	Amount	Comments	Amount	Comments		
PS								\$0.0
Travel								\$0.0
Contractual								\$0.0
Supplies								\$0.0
Equipment								\$0.0
Gratuities								\$0.0
TOTAL	\$0.0		\$0.0		\$0.0		\$0.0	\$0.0
FY07		Medical - Oversight Projections		Management & Administration		Transportation		TOTAL
Line Item	Amount	Comments	Amount	Comments	Amount	Comments		
PS								\$0.0
Travel								\$0.0
Contractual	\$59.3	Projected Medical Oversight costs for 6 months of the first year.	\$924.3	Projected Management & Administrative costs for 6 months of the first year.	\$630.3	Projected Transportation costs for 6 months of the first year.		\$1,613.8
Supplies								\$0.0
Equipment								\$0.0
Gratuities								\$0.0
Miscellaneous	\$59.3		\$924.3		\$630.3			\$1,613.8
TOTAL	\$118.5		\$1,848.5		\$1,260.5			\$3,227.5
FY08		Medical - Oversight Projections		Management & Administration		Transportation		TOTAL
Line Item	Amount	Comments	Amount	Comments	Amount	Comments		
PS								\$0.0
Travel								\$0.0
Contractual	\$118.5	Projected Annual Medical Oversight costs	\$1,848.5	Projected Annual Management & Administrative costs.	\$1,260.5	Projected Annual Transportation costs.		\$3,227.5
Supplies								\$0.0
Equipment								\$0.0
Gratuities								\$0.0
Miscellaneous								\$0.0
TOTAL	\$118.5		\$1,848.5		\$1,260.5			\$3,227.5
FY09		Medical - Oversight Projections		Management & Administration		Transportation		TOTAL
Line Item	Amount	Comments	Amount	Comments	Amount	Comments		
PS	0							\$0.0
Travel	0							\$0.0
Contractual	\$118.5	Projected Annual Medical Oversight costs	\$1,848.5	Projected Annual Management & Administrative costs.	\$1,260.5	Projected Annual Transportation costs.		\$3,227.5
Supplies	0							\$0.0
Equipment	0							\$0.0
Gratuities	0							\$0.0
Miscellaneous	0							\$0.0
TOTAL	\$118.5		\$1,848.5		\$1,260.5			\$3,227.5

\$3,227,500 divided by 1,200 beds divided by 365 days = \$7.37 per manday

Management & Administrative \$4.22  
 Transportation & Probation \$2.88  
 Medical \$0.27  
 Total Daily Cost \$7.37

Private Prison State Costs

Management & Administration

Actual Expenditures	FY02 Actuals	FY02 Mandays	Sub-Total	New Inmates	Days	Total
Institution Dir Office	\$969,679.34	1040831	\$0.93	1200	365	\$408,058.13
Commissioner's Office	\$1,246,260.00	1040831	\$1.20	1200	365	\$524,448.14
Information Technology	\$1,660,451.00	1040831	\$1.60	1200	365	\$698,747.00

Total Annual Prison Costs	Estimated Annual Cost	Total
2 - CO IV - Contracting / RFP etc...	\$67,854.00	2
Acct Tech II position	\$51,552.00	
Estimated Gate Funds @ 200 estimated annual releases @ \$150.00 per released inmate.		

**\$1,848,513.27 Sub-Total**  
**1200 New Beds**  
**365 Days**  
**\$4.22 Total Costs**

Transportation & Probation Projections

	Estimated Annual Cost	Total
Probation Officer II - 13 positions	\$58,908.00	13
Probation Officer III position	\$66,712.00	1
Transportation - PTO position - COII	\$55,616.00	
Transportation - PTO position - COIII	\$62,936.00	
Medivac estimated @ 60 annual trips @ \$5,000 per trip	\$5,000.00	60
Annual estimated gasoline costs 100m per day @ 20 miles per gallon @ \$2.10 per gallon		
Estimated annual Vehicle costs (1 van @ \$450 per month)		

**\$1,260,468.00 Sub-Total**  
**1200 New Beds**  
**365 Days**  
**\$2.88 Total Costs**

Medical - Projections

	Annual Cost	Projected Mandays	Sub-Total	New Inmates	Days	Total
Both Dr positions for oversight on FY02 Acts plus mandays of additional 1200 inmates	\$313,401.00	1478831	\$0.21	1200	365	\$92,823.07
Q&A Nurse for Federal inmate oversight	\$86,596.00	1478831	\$0.06	1200	365	\$25,647.99

**\$118,471.07 Sub-Total**  
**1200 New Beds**  
**365 Days**  
**\$0.27 Total Costs**

**Cost of Care**  
**Management & Administration \$4.22**  
**Transportation Projections \$2.88**  
**Medical - Projections \$0.27**  
**\$7.37**

SB65 Line Item Detail

FY06		Operations		Medical - Non personal services		Administration - Non personal services		Inmate Programs - Non personal services		Statewide Direct Costs		TOTAL
Line Item	Amount	Comments	Amount	Comments	Amount	Comments	Amount	Comments	Amount	Comments		
PS	\$180.9											\$180.9
Travel												\$0.0
Contractual												\$0.0
Supplies												\$0.0
Equipment												\$0.0
Gratuities												\$0.0
TOTAL	\$180.9		\$0.0		\$0.0		\$0.0		\$0.0			\$180.9
FY07		Operations		Medical - Non personal services		Administration - Non personal services		Inmate Programs - Non personal services		Statewide Direct Costs		TOTAL
Line Item	Amount	Comments	Amount	Comments	Amount	Comments	Amount	Comments	Amount	Comments		
PS	\$8,944.4											\$8,944.4
Travel	\$81.0											\$81.0
Contractual	\$1,053.0		\$1,808.8	Hospitalization & Other Professional Medical/Dental/Lab & Ophthalmology Contracts	\$593.5	DOA DP Chargebacks & Other DOA Chargebacks - some small contracts	\$505.9	Education & Other Contracts	\$1,618.4	Broad assumptions made for distribution of costs to several various components that provide direct services - line items could fluctuate drastically.		\$5,577.6
Supplies	\$1,557.1											\$1,557.1
Equipment	\$0.0											\$0.0
Gratuities	\$119.0											\$119.0
Miscellaneous	\$1,830.9	Includes 1-time start up costs for supplies & equipment. This could fluctuate based on what is available in FF&E	\$1,806.8		\$593.5		\$505.9		\$1,618.4			\$1,830.9
Overhead (l	\$13,585.4											\$18,110.0
FY08		Operations		Medical - Non personal services		Administration - Non personal services		Inmate Programs - Non personal services		Statewide Direct Costs		TOTAL
Line Item	Amount	Comments	Amount	Comments	Amount	Comments	Amount	Comments	Amount	Comments		
PS	\$16,400.2											\$16,400.2
Travel	\$162.1											\$162.1
Contractual	\$2,106.0		\$3,613.5	Hospitalization & Other Professional Medical/Dental/Lab & Ophthalmology Contracts	\$1,187.0	DOA DP Chargebacks & Other DOA Chargebacks - some small contracts	\$1,011.8	Education & Other Contracts	\$3,236.8	Broad assumptions made for distribution of costs to several various components that provide direct services - line items could fluctuate drastically.		\$11,155.1
Supplies	\$3,114.2											\$3,114.2
Equipment	\$0.0											\$0.0
Gratuities	\$713.9											\$713.9
Miscellaneous	\$10,037.3	Cap Costs of \$22.92 per manday or \$8,364 per bed per year	\$3,613.5		\$1,187.0		\$1,011.8		\$3,236.8			\$10,037.3
TOTAL	\$32,533.7		\$3,613.5		\$1,187.0		\$1,011.8		\$3,236.8			\$41,582.8
FY09		Operations		Medical - Non personal services		Administration - Non personal services		Inmate Programs - Non personal services		Statewide Direct Costs		TOTAL
Line Item	Amount	Comments	Amount	Comments	Amount	Comments	Amount	Comments	Amount	Comments		
PS	\$16,616.0											\$16,616.0
Travel	\$162.1											\$162.1
Contractual	\$2,106.0		\$3,613.5	Hospitalization & Other Professional Medical/Dental/Lab & Ophthalmology Contracts	\$1,187.0	DOA DP Chargebacks & Other DOA Chargebacks - some small contracts	\$1,011.8	Education & Other Contracts	\$3,236.8	Broad assumptions made for distribution of costs to several various components that provide direct services - line items could fluctuate drastically.		\$11,155.1
Supplies	\$3,114.2											\$3,114.2
Equipment	\$0.0											\$0.0
Gratuities	\$713.9											\$713.9
Miscellaneous	\$10,037.3	Cap Costs of \$22.92 per manday or \$8,364 per bed per year	\$3,613.5		\$1,187.0		\$1,011.8		\$3,236.8			\$10,037.3
TOTAL	\$32,749.5		\$3,613.5		\$1,187.0		\$1,011.8		\$3,236.8			\$41,798.6

\$41,582,800 divided by 1,200 beds divided by 365 days = \$94.94 per manday

NOTE: During the opening year of FY2007, authorization in Out of State Contracts will be used to transport inmates returning from Florence to the new facility. For the first full year of operations in FY2008, the entire OOS authorization related to inmates housed in Arizona will be transferred to the new facility for operations. The total transfer will be \$15,180,000 General Fund. The DOC will only require additional GF for the difference between the 15 million and total operating costs.

\$11.88 X 438,000 Mandays	\$5,203,440
<b>MEDICAL</b>	
<b>STAFFING</b>	
1 Doctor	\$110,127
2 Health Practitioners	\$179,374
8 LPN's	\$415,536
10 RN's Nurse II's	\$585,820
1 RN Nurse III	\$66,337
3 Med. Recrds Asst.	\$119,847
1 Dental Hyg.	\$55,190
1 Mental Health Clin.	\$58,582
TOTAL	\$1,590,813
Average PD Cost less staff	\$3,612,627
Mandays for 1200 bed facility	438,000
PD Average less staff	\$8.25

\$3.12 X 438,000 Mandays	\$1,366,560
<b>PROGRAMS</b>	
<b>STAFFING</b>	
2 Chaplins	\$132,674
4 Ed. Coord.	\$220,760
TOTAL	\$353,434
Average PD Cost less staff	\$1,013,126
Mandays for 1200 bed facility	438,000
PD Average less staff	\$2.31

\$3.12 X 438,000 Mandays	\$1,366,560
<b>Admin &amp; Support</b>	
<b>STAFFING</b>	
2 Pers. Spec. (payroll)	\$88,260
1 Accounting Clerk II	\$38,112
1 Network Tech Spec	\$51,942
TOTAL	\$178,314
Average PD Cost less staff	\$1,188,246
Mandays for 1200 bed facility	438,000
PD Average less staff	\$2.71

FY02 Total Mandays	1040831	plus	438000 =	1478831 Total Mandays
Inmate Pgms	\$4,609,357.59		\$3.12	
Inmate Health	\$17,571,477.44		\$11.88	
Admin Costs	\$4,615,630.87		\$3.12	
Statewide Direct	\$10,925,350.54		\$7.39	
Total daily Cost of Care			\$25.51	

<b>SB65 Adjusted Cost of Care based on additional Mandays less overhead costs</b>			
	Beds =	1200	365 = Days
Inmate Pgms	\$2.31		\$1,011,780.00
Inmate Health	\$8.25		\$3,613,500.00
Admin Costs	\$2.71		\$1,186,980.00
Statewide Direct	\$7.39		\$3,236,820.00
Costs of Care	\$20.66		

**Department of Corrections  
Estimated Bed Costs for Increased Population  
FY 2008**

	Total Increased Op Cost with No Construction (Arizona Contract) (1744 beds)	Annual Cost Per Bed		
		SB65 / HB134 (1600 beds)	HB55 (1653 beds)	SB99 (1200 beds)
Addl. Beds Required by 2008 = 1096	\$44,716.3	\$54,988.2	\$80,794.9	\$55,793.6

**Detail of Out of State (AZ) Contract Bed Increases**

FY2008 estimated bed cost for AZ Contract Bed = 60.87	\$24,350.4
Increase cost of \$7.94 per bed for current 648 beds	\$1,878.0
Gratuities for additional population	\$706.3
US Marshall Transports quarterly (in addition to current budget quarterly moves)	\$250.0
Inmate rotations for releases medicals etc. (25 per month)	\$450.0
Expand AZ Probation Officers to meet AZ Inmate Population	\$635.0
Increase to AZ Costs	\$28,269.7
Current AZ Budget Overhead (FY01 Maximus Cost Allocation Report)	\$15,525.9 \$920.7
Adjusted Budget FY2008	\$44,716.3

Provided by Sen. Green



# Alaska Native Brotherhood Camp 2

April 29, 2004

Senator Lyda Green  
State Capitol, Room  
Juneau, AK 99801

RE: Senate Bill 65

Dear Senator Green:

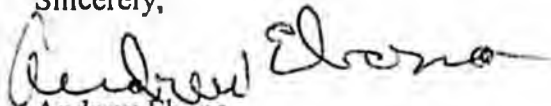
The Alaska Native Brotherhood Camp #2 is in support of SB 65 due to the fact that native-based counseling programs are included in the bill. We are not in support faith-based programs because we feel that our traditional family values and counseling along with other programs will benefit our people much greater. For more than five years we have been trying to get the Department of Corrections in the State of Alaska to bring our people home from Arizona. It is difficult to rebuild self-esteem and self respect to stop the revolving door without having intervention by families.

We have a good working relationship with the Department of Corrections and other correction facilities like Gastineau Human Services in establishing Arts & Crafts and other programs in the institutions.

We realize that in a time of fiscal problems it is difficult to conceive such a large increase in facilities, however, it is very important that we address these issues. It is important that the expansion in the existing facilities be accomplished to meet the needs of the surrounding communities. It is our hope that the correctional facilities and administrations will work with the native communities to stop the recidivism rate with the Alaska Native people.

Attached are some statistical facts on the Alaska Native people in prisons.

Sincerely,



Andrew Ebona

President ANB Camp #2

Cc: ANB Grand Camp  
Alaska Federation of Natives  
Alaska Native Justice Center  
Rural CAP  
State of Alaska, Department of Corrections

320 W. Willoughby Suite 100\* Juneau, Alaska 99801\* 907-586-2049\* Fax: 586-3301  
Email: [anbju2@acsalaska.net](mailto:anbju2@acsalaska.net)

# Senate Bill No 65

## **It's a FACT!**

- ✓ Statistically, Alaska Natives disproportionately represent: 67% of the total population held within In-State corrections institutions; 13.1% of out-of-State institutions; 17.9% of client rehabilitation centers; and 1.65 of clients assigned to special off-site monitoring programs.
- ✓ Out of the total population of Alaska Native offenders 78.5% are imprisoned for felonies and 21.5% are detained for misdemeanor offenses. Furthermore, it is recognized that up 90% of Alaska Native inmates are incarcerated due to crimes directly related to alcohol and drug abuse.
- ✓ The majority of Alaska Native offenders are between the ages of 20 and 44 years.
- ✓ Approximately 60% of all inmates released from state or federal correctional institutions will be incarcerated for repeat offenses within three years of their initial release. Alaska Native recidivism is as high as 87%.
- ✓ Alaska Natives arrested and convicted for drug and alcohol related offenses within rural communities receive longer prison sentences than Alaska Natives arrested and convicted within urban areas.
- ✓ American Indians and Alaska Natives experience greater psychological distress than the overall population ---- nearly 13% compared to 9% in the general population.

- ✓ American Indian and Alaska Native suicide rate is 1.5 times that of the national rate; and 2 to 3 times higher for males between the ages of 15 and 24; and Alaska Native males have the highest documented suicide rate in the world according to a 1997 analysis of Bureau of Vital Statistics death certificate data between 1979 and 1993.
- ✓ It is also important to note that violent deaths (unintentional injuries, homicide, and suicide) account for 75% of all mortality in the second decade of life for American Indians and Alaska Natives.

In review of statistics reflecting alcohol and drug related offense rates, incarceration rates, and inmate recidivism rates for Alaska Natives held within the State of Alaska Corrections System. There is good reason to suspect that the history of oppression, discrimination, and removal from traditionally utilized lands experienced by Alaska Native peoples have significantly magnified the socio-economic and educational factors which are commonly recognized as conditions that increase the potential for criminal behavior and long term incarceration.

More correctional beds alone will not provide socio-economic relief for the problems we are facing in rural Alaskan communities ----- prevention and intervention begins within the corrections system itself!

<b>Authorize Expansion Of Correctional Facility</b>	+	<b>Culturally Responsive Rehabilitation</b>	=	<b>Max. Use of All DOC \$\$\$ (Lowers Costs Supporting Recidivism)</b>
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**CITY OF FAIRBANKS**

*Steve M. Thompson, Mayor*

800 CUSHMAN STREET  
FAIRBANKS, ALASKA 99701-4615

OFFICE: 907-459-6793

FAX: 907-459-6787

smthompson@ci.fairbanks.ak.us

RECEIVED

MAR 17 2003

March 10, 2003

VIA FACSIMILE: (907) 465-3805

Senator Lyda Green  
State Capitol, Room 516  
Juneau, Alaska 99801-1182

Re: Senate Bill 65

Dear Senator Green:

I salute your persistence in pursuing a solution for the state's future correctional facility needs. It has not been an easy route. Clearly, there is substantial debate, strident at times, throughout the state regarding the solution to the problem.

The regional approach taken in Senate Bill 65 makes a great deal of sense. There are many advantages of building new facilities in Sutton, Fairbanks, Bethel and Anchorage that outweigh the other "monolithic" approach of a single large facility.

Thank you again for your work.

Sincerely,

CITY OF FAIRBANKS

A handwritten signature in cursive script that reads "Steve M. Thompson".

Steve M. Thompson, Mayor



Introduced by: City Manager Herron  
Date: March 25, 2003  
Action: *adopted*  
Vote: *unanimous*

## *CITY OF BETHEL, ALASKA*

### RESOLUTION #03-12

#### **A RESOLUTION OF THE BETHEL CITY COUNCIL IN SUPPORT OF LEGISLATION AUTHORIZING THE DEPARTMENT OF CORRECTIONS TO ENTER INTO AGREEMENTS WITH MUNICIPALITIES FOR NEW OR EXPANDED PUBLIC CORRECTIONAL FACILITIES**

**WHEREAS,** The State of Alaska recognizes the pressing need to reduce overcrowding in its prisons and bring home the 600 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;

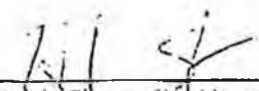
**WHEREAS,** The Department of Corrections has a long-standing history of providing consistent correctional practices that protect the public's safety, allow for community participation through government-to-government transactions and address statewide and regional construction needs, and;

**WHEREAS,** Because of over-crowding, the Yukon-Kuskokwim Correctional Facility has basically become a "pre-trial facility" rather than a regional correctional facility for sentenced prisoners to be located near the respective families.

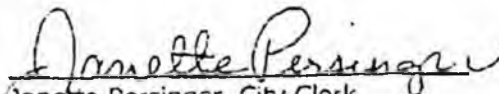
**NOW, THEREFORE, BE IT RESOLVED** that the City of Bethel Council supports the comprehensive statewide approach to prison development, where the financial and clinical benefits of expanding existing prisons are equally considered with the development of new prisons.

**BE IT FURTHER RESOLVED THAT** the City of Bethel Council supports Senate Bill 56, an Act authorizing the Department of Corrections to enter into agreements with municipalities for new or expanded public correctional facilities including Bethel.

**PASSED AND APPROVED THIS 25<sup>th</sup> DAY OF MARCH 2003, by unanimous voice vote.**

  
\_\_\_\_\_  
Hugh Short, Jr., Mayor

ATTEST:

  
\_\_\_\_\_  
Janette Persinger, City Clerk

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.

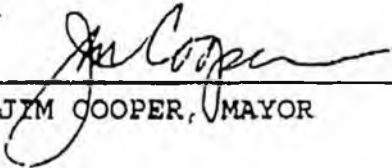
NOW, THEREFORE, BE IT RESOLVED, the City of Palmer supports the general concept of a comprehensive statewide approach to prison development, where the financial and clinical benefits of expanding existing prisons are equally considered with the development of new prisons; and

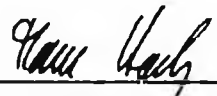
BE IT FURTHER RESOLVED, that new or expanded prisons be owned by the municipalities and operated by the Alaska State Department

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, CITY CLERK



# Fairbanks Economic Development Corporation

## RESOLUTION

### **A RESOLUTION BY THE FAIRBANKS ECONOMIC DEVELOPMENT CORPORATION IN SUPPORT OF ESTABLISHING A NEW CORRECTIONAL FACILITY WITHIN THE FAIRBANKS NORTH STAR BOROUGH**

**WHEREAS** the Alaska correctional system is severely over-crowded; and

**WHEREAS** the State of Alaska recognizes the need to bring home the approximately 600 inmates incarcerated in Arizona prisons; and

**WHEREAS** the Fairbanks Correctional Facility (FCC) is the collection center for prisoners from Western, Northern, and Interior Alaska; and

**WHEREAS** the current FCC was constructed in 1965, and would require extensive renovation to provide necessary services if additional beds were added; and

**WHEREAS** a larger correctional facility in Fairbanks would provide an opportunity for cultural, social, and family support for a large percentage of the inmates; and

**WHEREAS** a larger correctional facility in the Fairbanks North Star Borough would provide considerable economic growth; and

**WHEREAS** the Fairbanks Economic Development Corporation encourages the Fairbanks North Star Borough to issue bonds to finance the construction of the facility; and

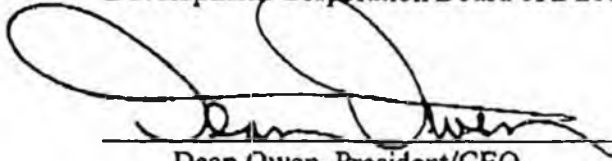
**THEREFORE BE IT RESOLVED** that the Fairbanks Economic Development Corporation requests that the Greater Fairbanks Chamber of Commerce, Fairbanks North Star Borough, City of Fairbanks, and the City of North Pole support the significant expansion of the number of inmate beds in Interior Alaska where the financial and clinical benefits of expanding the existing facility are equally considered with the development of a new facility; and

**BE IT FURTHER RESOLVED** that a new or expanded prison facility 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 Fairbanks North Star Borough.

**BE IT FURTHER RESOLVED** that this resolution be distributed to:  
Governor Frank Murkowski  
Commissioner Department of Corrections  
Interior Delegation


Mayor Rhonda Boyles  
Mayor Steve Thompson  
Mayor Jeff Jacobson  
Fairbanks North Star Borough Assembly  
Fairbanks City Council  
North Pole City Council

**PASSED** in Fairbanks, Alaska this nineteenth day of February, 2003 by the Fairbanks Economic Development Corporation Board of Directors.



---

Dean Owen, President/CEO



---

James Dodson, Chairman

Requested by: Mayor  
Prepared by: Administration  
Meeting date: February 24, 2003  
Adopted: February 24, 2003  
Vote: Unanimous; Lowe absent

**CITY OF WASILLA  
RESOLUTION SERIAL NO. 03-07**

**A RESOLUTION OF THE WASILLA CITY COUNCIL TO SUPPORT SENATE BILL NO. 65 FOR LEGISLATION TO AUTHORIZE 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.**

---

WHEREAS, to relieve overcrowding of existing correctional facilities in the state and the extensive use of out-of-state correctional facilities, the Department of Corrections, not later than July 1, 2006, may enter into agreements with the following municipalities for new or expanded correctional facilities:

- (1) Fairbanks North Star Borough – expansion of existing facility by up to 80 beds;
- (2) Matanuska-Borough Borough – construction of new facility with up to 1,200 beds;
- (3) Bethel – an expansion of exiting facility by up to 120 beds;
- (4) Municipality of Anchorage – expansion of Anchorage Jail by up to 200 beds, and

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

WHEREAS, if construction of a new facility is authorized, the municipality shall own the facility, and the state may enter into a long-term lease not to exceed 25 years

with the municipality to operate the facility; the annual lease payment for a new facility may not exceed \$14,600 a bed; and

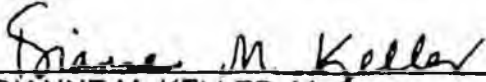
WHEREAS, if expansion of an existing facility is authorized, the state shall enter into a joint ownership agreement with the municipality of the expanded facility, enter into a long-term lease not to exceed 25 years of the municipality's interest in the facility, and operate the facility; payments under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

WHEREAS, the agreement to lease must contain terms providing that the commission of corrections may terminate for cause any contract for operating the facility, and

WHEREAS, the agreement to lease must contain terms providing that the commissioner of corrections may terminate for cause any contract for operating the facility.

NOW THEREFORE BE IT RESOLVED by the Wasilla City Council that the authorization given by this legislation is subject to the following condition: expansion of the facility may only occur if the expansion is funded by up to \$30,000,000 in federal receipts.

ADOPTED by the Wasilla City Council on February 24, 2003.

  
DIANNE M. KELLER, Mayor

ATTEST:

\_\_\_\_\_  
KRISTIE L. SMITHERS, CMC  
City Clerk

[SEAL]



## MATANUSKA-SUSITNA BOROUGH

**Borough Mayor**

350 East Dahlia Avenue, Palmer, Alaska 99645-6488

Phone (907) 745-9682 FAX (907) 745-9669

February 18, 2003

Jim Clark, Chief of Staff  
Office of the Governor  
P.O. Box 110001  
Juneau, Alaska 99811-0001

Dear Mr. Clark:

Please accept my apology for missing the 2:30 meeting Thursday. We had it on our schedule for 3:30.

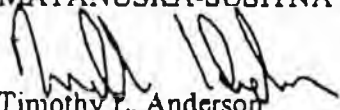
I would nevertheless like to share in writing with you the message from Mat-Su Manager John Duffy and myself. We want to convey to you the following:

1. The Mat-Su Borough wholeheartedly supports the Governor's position in support for public prisons.
2. Private prisons have been decisively rejected in south Anchorage, Delta, Wrangell, and the Kenai Peninsula.
3. The Borough supports SB 65, sponsored by Senator Green and others.
4. SB 65 will allow the state to bring home prisoners from Arizona and create jobs and economic benefits for Alaskans.
5. The Mat-Su Borough welcomes public correctional facilities and employees in the Valley.
6. Mat-Su voters and correctional officers overwhelmingly supported Governor Murkowski and his correctional policy during the last election.
7. The Mat-Su Borough is prepared to assist the administration in any way possible to construct public prisons in the Valley as it represents the most cost-effective locale for correctional facilities in the state.

Again, please accept our apology for missing our meeting. We look forward to working with you and the legislature on this important issue.

Sincerely,

MATANUSKA-SUSITNA BOROUGH

  
Timothy L. Anderson  
Borough Mayor

Adopted: 02/18/03

**MATANUSKA-SUSITNA BOROUGH  
RESOLUTION SERIAL NO. 03-012**

**A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY SUPPORTING  
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 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

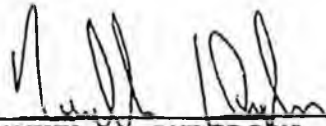
WHEREAS, the state of Alaska, Department of Corrections has a long-standing history of providing consistent correctional practices that protect the public's safety, allow for community participation through government-to-government transactions, and

address statewide and regional correction needs.

NOW, THEREFORE, BE IT RESOLVED, that the Matanuska-Susitna Borough Assembly 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 Matanuska-Susitna Borough.

ADOPTED by the Matanuska-Susitna Borough Assembly this 18 day of February, 2003.

  
TIMOTHY L. ANDERSON, Borough Mayor

ATTEST:

  
SANDRA A. DILLON, Borough Clerk

(SEAL)

5. **Expansion of Correctional Facilities.** The State currently transfers approximately \$20 million per year to the State of Arizona in order to house Alaska prisoners. This transfer of funds seriously compromises efforts to improve and diversify our economy. The State's Correctional Facilities located in the Borough have the lowest cost per bed within the state system and the facilities were originally built with expansions in mind. Hence, expansion costs will be lower than at other facilities. Expanding the correctional facilities within the Borough will create jobs and contracting opportunities and eliminate the out-of-state transfer of funds.



## **Matanuska-Susitna Borough**

### **STATE LEGISLATIVE PRIORITIES**

**FEBRUARY 2003**

## ESTABLISH MUNICIPAL OWNED, STATE OPERATED PRISONS

By Resolution No. 1264, copy attached, the City of Palmer supported the concept of establishing multiple, municipal owned, state operated prisons. The City supports the expansion of existing prisons to meet the demands of the Department of Corrections

At a meeting on February 11, 2003, the City Council reaffirmed its support of Resolution No. 1264.

This approach to prison expansion will save the State prisoner transport costs related to housing prisoners out of state. Funds spent in the state will benefit the state and local economies, and will provide temporary and permanent jobs in the state.

If you have any questions concerning these issues, please contact:

Tom Healy, City Manager  
City of Palmer  
745-3271  
745-0930 (FAX)  
[city\\_mgr@palmerak.org](mailto:city_mgr@palmerak.org)

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

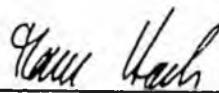
BE IT FURTHER RESOLVED, that new or expanded prisons be owned by the municipalities and operated by the Alaska State Department

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, CITY 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 PRISONS.**

---

**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 constructing new prisons; and

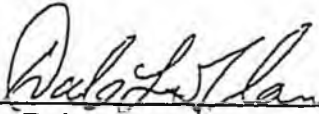
**WHEREAS**, the State of Alaska Department of Corrections has a long-standing history of providing consistent correctional practices that protect the public's safety, allow for community participation through government-to government transactions and address statewide and regional correction needs.

**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

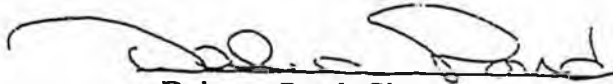
**BE IT FURTHER RESOLVED** that new or expanded prisons be owned by the

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 13<sup>th</sup> day of February, 2003.

  
\_\_\_\_\_  
Dale Adams, Mayor

ATTEST:

  
\_\_\_\_\_  
Daleann Pond, City Clerk





# Alaska State Legislature

Please enter into the record my testimony to the Sen Finance  
 committee name  
 committee on SB65, dated 4/16/03  
 bill/subject

Please pass this legislation -  
 It is supported by the Nat-Su  
 Borough - it will help our  
 residents, our economy -

To continue the transportation  
 of prisoners to keep facilities under  
 the required capacity limit is  
 expensive and waste of staff time  
 and transportation money.

It's not my line but  
 "Just do it!"

Signed: Mary Kussman  
 Testifier

Self  
 Representing (Optional)

1001 F PULLMAN WASILLA 99654  
 Address

(907) 376-5742  
 Phone No.

**SENATE COMMITTEE REPORT  
First Committee of Referral**

DATE: 2/10/03

FURTHER: Finance

Date of 5-Day Notice: 3/16/03 2/13/03 BASIS  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 3/14/03

State Affairs Committee considered SENATE BILL NO. 65

**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 \_\_\_\_\_ (\_\_\_\_\_)

adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)

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#
DOC	2/19/03	✓		1

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:		Do PASS	Do NOT PASS	NO REC	AMEND
Staff		✓			
Guest		✓			
Super.					✓
Cowling				✓	
3 Senators	CHAIR:			✓	

SENATE FINANCE COMMITTEE

SIGN-IN

SB 65-CORRECTIONAL FACILITY EXPANSION

✓ NAME: GREG PENSE Subject/Bill No: SB 65  
*Am President of People Assoc.*  
Co./Dept./Title: GASTINORIAN HUMAN SERVICES Phone: 780-3061  
Address: 5597 AUSEN ST. Zip: 99801  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions









4/27/04 PM

SENATE FINANCE COMMITTEE

SIGN-IN

SB 65-CORRECTIONAL FACILITY EXPANSION

NAME: Tom Rati Subject/Bill No: SB 65  
 Co./Dept./Title: Dept of Revenue Phone: \_\_\_\_\_  
 Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
 Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
 Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
 Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Do you wish to testify?  Yes  No  Respond To Questions













SENATE FINANCE COMMITTEE

SIGN-IN

SB 65-CORRECTIONAL FACILITY EXPANSION

NAME: Marc Autrain Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: DOC - Commissioner Phone: 465-4652  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: DEE HUBBARD Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: 252-3155  
Address: PO Box 88 STERLING Zip: 99672  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions



**SB**

**71**

**HAFIN**

**FILE**



# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: CSSB 71(TRA)  
 (S) Publish Date: 2/28/03

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DOT&PF  
 Title An Act relating to funding for transportation projects BRU Capital Budget  
 Component \_\_\_\_\_  
 Sponsor Stevens  
 Requester STRA Component No. \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This bill will result in cutting the TRAAK portion of the Statewide Transportation Improvement Program (STIP) by 50%. The bill adds the approximately \$13 million from the TRAAK program to the Community Transportation Program portion of the STIP, which is used to fund local roads, transit programs and other community needs.

Prepared by: Dennis R. Poshard Phone 465-3900  
 Division Special Assistant to Commissioner Date/Time 2/27/03 12:00 PM  
 Approved by: Commissioner Mike Barton Date 2/27/2003  
 Agency Alaska Department of Transportation and Public Facilities

adopted 5/12/03

23-LS0583U  
Utermohle  
5/12/03

**HOUSE CS FOR CS FOR SENATE BILL NO. 71(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-THIRD LEGISLATURE - FIRST SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): SENATOR BEN STEVENS**

**REPRESENTATIVES Rokeberg, Stoltze, Lynn**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to funding for transportation projects; and providing for an effective  
2 date "

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

4 \* **Section 1.** AS 19.15 is amended by adding a new section to read:

5 **Sec. 19.15.025. Federal-aid highway projects.** (a) Before October 1, 2006,  
6 the department may annually allocate up to four percent of nonrestricted federal-aid  
7 highway apportionments to projects classified under the trails and recreational access  
8 for Alaska program under a statewide transportation improvement program. On or  
9 after October 1, 2006, the department may allocate up to two percent of nonrestricted  
10 federal-aid highway apportionments to projects classified under the trails and  
11 recreational access for Alaska program under a statewide transportation improvement  
12 program.

13 (b) Before October 1, 2006, the department shall annually allocate at least 37  
14 percent of nonrestricted federal-aid highway apportionments to projects classified

1 under the community transportation program under a statewide transportation  
2 improvement program. On or after October 1, 2006, the department shall annually  
3 allocate at least 39 percent of nonrestricted federal-aid highway apportionments to  
4 projects classified under the community transportation program under a statewide  
5 transportation improvement program.

6 (c) Not more than 10 percent of the funds provided to a municipality for  
7 participation in federal-aid highway or other eligible projects may be expended from  
8 the transportation enhancement apportionment over the life of a transportation  
9 improvement program.

10 \* Sec. 2. This Act takes effect October 1, 2004.

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: CSSB 71(TRA)  
 (S) Publish Date: 2/28/03

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DOT&PF  
 Title An Act relating to funding for transportation projects BRU Capital Budget  
 Component \_\_\_\_\_  
 Sponsor Stevens  
 Requester STRA Component No. \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 Gr Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This bill will result in cutting the TRAAK portion of the Statewide Transportation Improvement Program (STIP) by 50%. The bill adds the approximately \$13 million from the TRAAK program to the Community Transportation Program portion of the STIP, which is used to fund local roads, transit programs and other community needs.

Prepared by: Dennis R. Poshard  
 Division: Special Assistant to Commissioner  
 Approved by: Commissioner Mike Barton  
 Agency: Alaska Department of Transportation and Public Facilities

Phone 465-3900  
 Date/Time 2/27/03 12:00 PM  
 Date 2/27/2003

# Alaska State Legislature

SENATOR  
BEN STEVENS  
716 WEST 4TH AVENUE  
ANCHORAGE, AK  
99501-2137  
(907) 269-0200  
FAX (907) 269-0204

Session:  
STATE CAPITOL  
JUNEAU, AK  
99801-1182  
(907) 465-4993  
FAX (907) 465-3872

## Senate District A

### SPONSOR STATEMENT

#### Committee Substitute for SB 71: Transportation Enhancement Projects

Federal law, TEA-21, and its predecessor, ISTEA, mandate that states expend at least 10% of federal Surface Transportation Program funds on enhancements such as trails and landscaping. Over the past several years, the State of Alaska has expended amounts well beyond the minimum requirements for enhancements projects that could otherwise be applied to roadway construction and improvement projects. CS for Senate Bill 71 decreases the amount allocated for the TRAAK program to be in line with federal minimum requirements which will make available millions of dollars for roadway construction and improvement projects.

The Committee Substitute for Senate Bill 71 proposes to reduce the Department of Transportation's allocation of non-restricted federal apportionments to projects classified under the Trails and Recreational Access Program (TRAAK). Under current DOT regulations, the department allocates at least 8% percent to TRAAK projects; CS for SB 71 reduces the allocation to not more than 4%. The bill redirects the other 4% into the DOT allocation for projects classified under the Community Transportation Program, increasing this program's allocation to 37%.

Administrative Order #161 of the previous administration in 1996 established the Trails and Recreational Access for Alaska (TRAAK) program to address features such as trails, scenic highways, recreational access points and interpretive facilities. From 1998 to 2003, over \$150 million was allocated for the TRAAK projects while the federal minimum for transportation enhancement (i.e. trails, landscaping scenic beautification) expenditures was \$43 million; more than a 200% increase. These expenditures do not include separated bike paths or waysides that were included in individual construction projects in the National Highway System program, the Alaska Highway system or Community Transportation Program.

Only a municipality that is federally recognized as a Municipal Planning Organization (MPO) would be impacted by section (c) of this legislation, which are Anchorage and Fairbanks. In 1998, the Anchorage Metropolitan Area Transportation Solutions (AMATS) adopted a policy of programming 15% of its transportation funding allocation for enhancements. The three-year average at 15% for transportation enhancements from 2000-2002 in the Transportation Improvement Program averaged roughly \$5.5 million. If realized, 10% of the Anchorage share of TEA-21 federal-aid transportation funds, for a three-year average during 2004-2006, will be roughly \$5.8 million, slightly more than what was allocated during 2000-2002.

Alaska  Program  
Trails & Recreational Access for Alaska

How much is just right?

Alaska DOT&PF

March 11, 2003