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Much January activity centered around getting ready for the Foster Parent conference on February 24th and 25th with Robert VanCleave as the keynote speaker.

YOUTH SERVICES REGIONAL ACTIVITY

Special foster care activities were reported from the following youth service regions.

SOUTHCENTRAL REGIONAL OFFICE

The foster care budget will have a balance, but not nearly as much as central office staff initially believed.

The Augmented Foster Care program is getting off the ground. At the end of the month, six youths were participating in the Augmented Foster Care program. Two youths terminated the project in January. Based in experience so far, the region has made a number of changes in the written procedures. These mostly involve changes in the level of difficulty, assessment and classification.

Jack Hansen and Betsy Gerace have agreed to co-lead a two hour training session at the Alaska Foster Parent Association conference in March. The training topic will be delinquency and discipline.

At the request of the Southeast region, Betsy Gerace spent three days in Juneau training the new youth services foster care coordinator and the social services foster home licenser in licensing procedures.

Foster parent recruitment has not been as productive as we had hoped so far this year. In addition to the public relations problems caused by negative press articles, the regional foster care unit has not been as aggressive at recruiting activities as hoped. Jack Hansen is currently on a one month annual leave and Betsy is overloaded work. We still have several foster parent training activities to plan and conduct, including a one week augmented foster care training session and a three day basic foster care training program.

NORTHERN REGIONAL OFFICE

During the month of January, 1984, they served thirty-three children in foster homes. Youth Services currently has twenty-six foster homes licensed and has licensed ten Family Focus homes. Nine foster homes licensed by Family Services were utilized during the month.

Youth Services handled eight payment complaints from Alternative Care providers. One new foster home license was issued with four foster home applications currently being processed.

A public service announcement was placed in the local newspapers addressing our need for teenage foster homes. This was through coordination with Family Services.

Youth Services was represented at the monthly Foster Parents Association meeting and was also involved in the planning of the upcoming Foster Parents Conference.

SOUTHEAST REGIONAL OFFICE

Foster Care continues to be a problem with only four foster homes in use for the region. A new foster home coordinator has been appointed, Greg Roth, and they will be addressing the recruitment and placement problems.

January was a full month for the new Regional Alternative Care Coordinator. Training included a full day with Pat O'Brien from Central Office, reviewing licensing regulations and forms. An additional three days field work, home study and organizational training was provided by Foster Care Coordinator, Betsy Gerace, from Anchorage. The remainder of the month focused on visiting foster homes and attempting to bring current as many licenses in the region as possible. Considerable work remains to be done in this area.

It should be noted that the training during the month considerably enhanced the speed and accuracy with which licenses could be issued or renewed. Licensing travel to Haines and Sitka is planned for the up-coming month of February.

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Placement
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Foster Parent Association
Tlinget Haida

6. INDIAN CHILD WELFARE ACT

FACT SHEET
Division of Family and Youth Services
Department of Health and Social Services
FOSTER CARE PROGRAM

LEGISLATIVE AUDIT RECOMMENDATIONS

- The Division should improve relations with foster parents.
- The Division should review policy and monitor field operations.
- Executive and Legislative support should be given to the Division in developing new levels of foster care.
- The Division should revise its management information system and improve case documentation by social workers.
- The Division should establish standards for determining parental support payments.

DEPARTMENT ACTION

- Commissioner Smith designated the foster care program as a "Special Subject" requiring monthly reports until significant problems are resolved.

MAJOR ACCOMPLISHMENTS

- Emergency procedures for early and rapid payment to foster parents.
- Anchorage twenty-four hour social workers on duty for emergencies.
- Foster Parent Handbook distributed.
- Support contracts which enhance relationships with foster parents, reduce turnover and prevent multiple child placements.
- Contract let to license Native foster homes in 7 communities.
- Training of all Division licensing staff in complaint investigations.
- Production of an improved automated payment system.
- Designation of central office staff to work with the Alaska Foster Parent Association in identifying needed policy improvements.
- Reorganization to give regional managers more authority and accountability for ensuring policy is followed.
- Initiation of a specialized foster care "pilot project" in Southcentral Alaska.
- Task force formulation of recommendations to improve regulations and complaint investigations.
- Orientation and training of foster parents.

ONGOING PLANS

- Regional Councils are being established in the Southcentral and Northern Regions of the Division to channel community and foster parent concerns.
- A central office monitoring team will be hired by January 30, 1984.
- A central office task force has designated forty foster care issues to be addressed in a systematic manner.

ASSESSMENT OF PROGRESS

- Department response to the audit was assessed by audit supervisor, Keith Busch, before LB&A in September as one of the best responses of his experience.
- Later, before House HESS, he informed committee members that reports of Division activity demonstrate considerable progress toward meeting the concerns of the audit, but it is too soon to fully evaluate progress.
- The Division will assess progress monthly on the forty identified issues.

FC ISSUE RESOLUTION PLAN

1) Issue Clarification

- * Who i.d. it as an issue? Document?
- * Perspective(s)
 - FP Assoc.
 - Audit
 - F & YS
- * Statewide or Local
- * Significant, Moderate Importance, Minor

2) Commitments

- * Response to Legis. Audit
- * Briefing Paper
- * To Commissioner
- * To FP Assoc.
- * Still appropriate? Time lines realistic.
- * Is there a better response

3) Progress Made

- * What has been done? Reference, Briefing and no. of spec. project reports.
- * Policy Improvement Done?
- * Implementation Done?
- * Inpletation known?
- * Resolved adequately?

4) Planning

- * What yet remains to be done?
- * Plan, if any, or state plan needs to be developed.
- * Who is assigned
- * Time frames if feasible

BOARD OF OPTOMETRY

Alaska State Legislature

REP. MAE TISCHER
CHAIRMAN



POUCH V
STATE CAPITAL
JUNEAU, ALASKA 99811
(907) 465-3777

House of Representatives
HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

April 18, 1984

The Honorable Joe Hayes
Speaker of the House of Representatives
Juneau, Alaska

Dear Mr. Speaker:

The House Standing Committee on Health, Education and Social Services has reviewed the qualifications of the following named individuals who have been nominated by the governor to serve on the Board of Examiners in Optometry:

John A. Demske, D.O., of Soldotna; and
Robert D. O'Connell, D.O., of Kenai.

Members of the HESS Committee have signed below indicating their individual recommendations to the House concerning these individuals' confirmations.

Members Recommending
To Confirm:

Members With Other
Recommendations:

<u>Mae Tischler</u>	_____
<u>Rich Clehner</u>	_____
<u>J. H. Marshall</u>	_____
<u>Sam Pestinger</u>	_____
<u>Mike Davis</u>	_____
_____	_____
_____	_____

Alaska State Legislature

REP. MAE TISCHER
CHAIRMAN



POUCH V
STATE CAPITAL
JUNEAU, ALASKA 99811
(907) 465-3777

House of Representatives
HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

4/16/84

STAFF REVIEW

The Board of Examiners in Optometry, created in 1949 and substantively restructured to its present form in 1980, is authorized by AS 08.72.010 and is therein given the responsibility "to regulate and control the practice of optometry and to protect and promote the public health, welfare, and safety."

The principle powers of the board are enumerated in AS 08.72.050: "The board shall adopt rules and regulations

- (1) necessary for the proper performances of its duties;
- (2) governing the applicants and applications for licensing;
- (3) for the registration of optometrists;
- (4) necessary to govern the practice of optometry;
- (5) prescribing requirements which a person licensed under this chapter must meet to demonstrate continued professional competency."

The five members of the Board of Examiners in Optometry are appointed by the governor and serve staggered terms of four years each (AS 08.72.020). Members of the board may be removed from office by the governor for cause (AS 08.72.025). The board is composed of four licensed, practicing optometrists who have been residents for at least three years; and one public member (AS 08.72.040).

Members of the Committee have copies of the applicable statutes in their packets.

RESUME

I. HEALTH RELATED EXPERIENCE:

- March 1978 - Present: Employed by the Yukon-Kuskokwim Health Corporation (YKHC) in Bethel, Alaska as department head of eye care program. Duties include: supervision of one associate optometrist and three assistants; providing full scope optometric care in the eye clinic of the Yukon-Kuskokwim Delta Regional Hospital; supervision of optical dispensary; organizing and providing field clinics to the 48 villages in the YKHC service area; and providing didactic and clinical training for the community health aides of the area. Emphasis is placed on primary care optometry in this rural practice. Preventative care is also practiced with Periodic Glaucoma and Pre-school screening clinics.
- November 1977 - Feb. 1978: Part-time employment with the Optometric Center of Seattle, Washington. The Center provided vision care for the indigent population of Seattle. The short stay in Seattle was due to my anticipated move to Alaska.
- January 1977 - June 1977: Volunteer work in Puerto Cabezas Nicaragua. Program was initiated by unified efforts of Lions Club International, Partners of Americas and the University of Wisconsin - Madison. Duties were to train paramedical personnel in the skills necessary to provide rudimentary eye care with the expectation that they would carry on after my departure. Included with the training was the organization of thousands of eye glasses donated by the Lions Club International. Once organized, field clinics were held in outlying communities. I returned in August of 1978 to learn that all personnel had departed and the clinic was closed, so our objective had failed.
- November - December 1976: Organization and planning work in Nicaragua.
- Feb. - June 1976: Employed by the Billings Area Indian Health Service on contract to the Wind River Reservation in Wyoming. The contract was to provide optometric care for the student population of the reservation. Clinics were held in all schools and in the Ft. Washakie Health Center for adult referrals.
- Sept. 1973 - August 1975: Served as itinerant optometrist in the Commissioned Corporations of the U.S. Public Health Service for the Billings Area Indian Health Service. Provided optometric care for the Ft. Belknap, Ft. Peck and Rocky Boys Reservations in Montana and the Inter-mountain Indian School in Brigham City, Utah. Annual clinics were held in all schools and health centers at each reservation.

June - August 1972 - Part time employment as optician/optometric assistant at the Willamette Valley Migrant Clinic Stayton, Oregon.

Sept. - December 1970-71 - Part-time laboratory instructor for ophthalmic optics at Pacific University College of Optometry, Forest Grove, Oregon.

June - August 1970 - Employed as optician by Dr. Corliss Schanel, Madison, Wis.

Time intervals not included were dedicated to travel in the western United States, Mexico and Central America.

II. EDUCATION:

1973 - Present - Various post - graduate courses sponsored by Pacific University College of Optometry, the Native Health Service and the Alaska and Washington Optometric Associations.

Sept. 1969 - May 1973 - Pacific University College of Optometry, Forest Grove, Oregon. Emphasis on public health optometry. Elective clinics in cross - cultural settings.

Degrees received: Bachelor of Science in Psychology,
Doctor of Optometry.

Sept. - May 1967-68, 1968-69 - Undergraduate - University of Wisconsin - Madison.

June - August 1968 - Part-time student at University of Wisconsin - Green Bay.

September - May 1966 - 67 - Under graduate - University of Wisconsin - River Falls.

September 1962 - June 1966 - DePere High School, DePere, Wisconsin.

III. LICENSES:

Optometrist, Alaska - 1978 - present. Optometrist, Washington 1973 - present.

IV. ASSOCIATIONS

Professional: Alaska Optometric Association
American Optometric Association

Service : Bethel Lions Club

Other : The Wilderness Society

V. HOBBIES, INTERESTS:

Cross-country Skiing, Boating, Backpacking, Out-door activities, Photography, Carpentry.

VI. PERSONAL INFORMATION:

My birthdate is August 3, 1948, I am married and have lived in Bethel for over three years. My wife, Guadalupe, and I have a daughter, Adinda, and we are expecting our second child any day now, we own our home in Bethel, are registered voters and we enjoy the lifestyle of rural Alaska.

Dennis A. Swarner, O.D.
Robert D. O'Connell, O.D.

Doctors of Optometry
Drawer 4370
Kenai, Alaska 99611

Telephone (907) 283-7575

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GOVERNORS OFFICE

April 15, 1982

Resume

Robert D. O'Connell, O.D.

Born January 2, 1947, Chicago, Illinois. Moved to Eugene, Oregon at age 6 months. Moved to Albany, Oregon at age 2½ years, moved to Gresham, Oregon at age 4 years. Moved to Reno Nevada at age 6. Attended Veterans Memorial Elementary School; E. Otis Vaughn Junior High School and Earl Wooster High School for 1 year. Moved to Kent, Washington and finished last two High School years at Kent Meridian Senior High School, graduating in 1965. Attended Green River Community College at Auburn, Washington for 1 year. Moved to Gresham, Oregon and attended Mount Hood Community College for 1 year.

Joined United States Army, serving three years as Eyes, Ears, Nose and Throat Specialist; honorably discharged in 1970.

Attended Portland Community College, Portland, Oregon for 1 year. Attended Pacific University, Forest Grove, Oregon for 6 years; receiving B.S. Degree in 1975 and Doctor of Optometry Degree in 1977. (Slaved my summers away in Kodiak during this time working in shell fish canneries.)

Licensed in four states:

Oregon, Washington, Idaho and Alaska

Moved to Alaska August 1977. Became partners in Kenai Vision Center in 1978. I'm Presently the Scout Master of Boy Scout Troop #357, Kenai. I'm a registered Republican. Wife: Annette and 1/3 children.



Robert D. O'Connell

RDO/lr

Article 1. Board of Examiners in Optometry.

<p>Section 10. Creation and purpose of board of examiners 20. Membership of board and terms of office 25. Removal of board members 30. Vacancies</p>	<p>Section 40. Qualifications 50. Power of board to adopt regulations 60. Miscellaneous powers and duties of board 70-100. [Repealed]</p>
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Sec. 08.72.010. Creation and purpose of board of examiners. There is created the Board of Examiners in Optometry to regulate and control the practice of optometry, and to protect and promote the public health, welfare, and safety. (§ 35-3-132 ACLA 1949; am § 2 ch 75 SLA 1980)

Effect of amendments. — The 1980 amendment added "to regulate and control the practice of optometry and to protect and promote the public health, welfare, and safety."

Sec. 08.72.020. Membership of board and terms of office. The board consists of five persons, appointed by the governor. Members serve staggered terms of four years. (§ 35-3-132 ACLA 1949; am § 22 ch 102 SLA 1976; am § 3 ch 75 SLA 1980)

Effect of amendments. — The 1980 amendment substituted "four" for "three" and deleted the former third sentence, which read: "The terms of the public members of the board shall be set so that they do not expire, at the same time."

Sec. 08.72.025. Removal of board members. A member of the board may be removed from office by the governor for cause. The board may by regulation provide that unexcused absences from meetings constitute cause for removal. (§ 4 ch 75 SLA 1980)

Sec. 08.72.030. Vacancies. The governor shall fill vacancies on the board by appointment for the unexpired term. (§ 35-3-132 ACLA 1949)

Sec. 08.72.040. Qualifications. Four board members shall be licensed, practicing optometrists who have been residents for at least three years. One board member shall be a public member. A person who has served two successive complete terms may not be reappointed until four years from the expiration of the second term that the person served. (§ 35-3-132 ACLA 1949; am § 23 ch 102 SLA 1976; am § 5 ch 75 SLA 1980)

Effect of amendments. — The 1980 amendment substituted "Four" for "Three," and the material beginning, "One board member" and ending "term that he served" for the former second sentence, which read: "Two shall be persons who have no direct financial interest in the health care industry."
Editor's notes. — This section was redrafted by the revisor of statutes to

remove personal pronouns in conformity with AS 01.05.031(c) and § 4, Chapter 58, SLA 1982.

Sec. 08.72.050. Power of board to adopt regulations. The board shall adopt rules and regulations

- (1) necessary for the proper performances of its duties;
- (2) governing the applicants and applications for licensing;
- (3) for the registration of optometrists;
- (4) necessary to govern the practice of optometry;
- (5) prescribing requirements which a person licensed under this chapter must meet to demonstrate continued professional competency. (§ 35-3-133 ACLA 1949; am § 6 ch 75 SLA 1980)

Effect of amendments. — The 1980 amendment added paragraph (5).

Sec. 08.72.060. Miscellaneous powers and duties of board. (a) The board or a member designated by the board, may issue subpoenas, administer oaths and take testimony concerning any matter within its jurisdiction.

- (b) The board may
 - (1) adopt a seal;
 - (2) define professional conduct and adopt rules of professional conduct.

- (c) The board shall
 - (1) elect a president and secretary from among its members;
 - (2) order a licensee to submit to a reasonable physical examination if the licensee's physical capacity to practice safely is at issue.
 - (d) Repealed by § 3 ch 59 SLA 1966.
 - (e) Repealed by § 23 ch 75 SLA 1980.
 - (f) Repealed by § 3 ch 59 SLA 1966. (§§ 35-3-133, 35-3-140 ACLA 1949; am § 3 ch 59 SLA 1966; am §§ 7, 8, 23 ch 75 SLA 1980)

Effect of amendments. — The 1980 amendment rewrote subsections (b) and (c), and repealed subsection (e), which read: "The board may define professional conduct and adopt rules of professional conduct."

Editor's notes. — This section was redrafted by the revisor of statutes to remove personal pronouns in conformity with AS 01.05.031(c) and § 4, Chapter 58, SLA 1982

Sec. 08.72.070. Applicability of Administrative Procedure Act. Repealed by § 29 ch 75 SLA 1980.

Sec. 08.72.080. Compensation of board and secretary. Repealed by § 3 ch 59 SLA 1966.

E. O.

54

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Executive Order No. 54
 Title Creating Department of Corrections
 Requested by Governor Date Jan. 16, 1983

II. FISCAL DETAIL

Agency Affected Department of Corrections
 Program Category Affected Administration of Justice
 BRU, Program, Or Subprogram(s) Affected Director's Office
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	250.0	951.6	1008.7	1069.3	1133.4	1201.3

FUNDING (Thousands of Dollars)

	250.0	951.6	1008.7	1069.3	1133.4	1201.3
GENERAL FUND	250.0	951.6	1008.7	1069.3	1133.4	1201.3
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Source)	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

The Executive Order will create the Department of Corrections necessitating the transfer of the Division of Corrections and Parole Board from the Department of Health & Social Services to the new department.

IV. DATE January 16, 1983 PREPARED BY Marsha Hubbard
 AGENCY Dept. of Health & Social Services

Original: Legislative Finance PHONE 465-3331
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/82)

D. Amity



Alaska State Legislature

Senate
Office of the Secretary

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

January 18, 1983

M E M O R A N D U M

TO : Senator Josephson, Chairman
Health, Education and Social Services Committee

FROM: Peggy Mulligan
Secretary of the Senate

RE : Executive Order No. 54

Enclosed please find a transmittal letter from the Governor showing statutory corrections to Executive Order No. 54.

"AS 24.30.130 (b) An executive order proposing a change in the executive branch and requiring the force of law under § 23, art. III, of the state constitution shall be submitted to the presiding officer of each house on the day the house organizes. The legislature has 60 days of a regular session, or a full session if of shorter duration to disapprove the order. Unless disapproved by a special concurrent resolution introduced in either house, concurred in by a majority of the members in joint session, the order becomes effective at a date thereafter to be designated by the governor. An order submitted to but not disapproved by the legislature shall be published in the bound session laws and any codification of state law. (§ 41 ch 157 SLA 159; am § 12 ch 47 SLA 1961)."

Thank you.



EO 54

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 17, 1983

The Honorable President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 23, of the Alaska Constitution, and in accordance with AS 24.30.130(b), I am transmitting an executive order which [creates a Department of Corrections.] The new department is being created from the division of corrections which is currently located in the Department of Health and Social Services. This is similar to Executive Order No. 39's 1977 creation of the Department of Transportation and Public Facilities out of the former Department of Highways and Department of Public Works.

This Order's sec. 28 creates the new department. Section 29 then states that the commissioner is the principal executive officer and sets out some basic duties and powers. Section 29's AS 44.28.020 is based on AS 44.29.020(9) (amended in sec. 30 of the Order) and AS 44.29.020(17) (repealed in sec. 31), pertaining to the Department of Health and Social Services. Similarly, the new AS 44.28.030 is based on AS 18.-05.040(15).

Art. I, sec. 12, of the Alaska Constitution mandates that penal administration be based on protection of the public and reformation of the offender. Given the unprecedented increases in the prison population in the state, I believe that elevating the division of corrections to departmental status is necessary to achieve these twin goals and is in the best interests of efficient administration.


The problem of increasing crime in Alaska and how best to deal with those who are convicted of violations of the criminal law was the focus of a recent inquiry by a corrections task force that I created. In its January 3, 1983 report, the task force recommended the immediate elevation of the division of corrections to departmental status. According to members of the task force, this recommendation is strongly supported by all segments of the criminal justice system.

The Order does not transfer the responsibility for juvenile corrections matters and for offenders who are found guilty but mentally ill or not guilty by reason of insanity under AS 12.47.

Also, some responsibilities of the commissioner of public safety, principally the transportation of prisoners, have not been addressed in this Order. The decision on whether or when to transfer these responsibilities to the new commissioner of corrections will depend on such factors as the level of increased training that must occur before the new department can effectively and safely assume these responsibilities.

The phrase "Repealed effective July 1, 1987," which appears in brackets and capital letters in the AS 33.32 (correctional industries) headings for the sections being amended in secs. 15, 17, 19, 20, and 24 of this Order, appears in this Order because it appears in those headings in The Michie Company's publication of the statutes. That language is not being deleted, and the amendments made by this Order do not affect that statutory termination date of the correctional industries program. See sec. 7, ch. 53, SLA 1982.

Sincerely,


Bill Sheffield
Governor

STATE OF ALASKA

TASK FORCE ON CORRECTIONS

A Report On the Status of Corrections

for

Governor William Sheffield

December/January 1982-1983

The Honorable William J. Sheffield
Governor
State of Alaska
Pouch A
Juneau, Alaska 99811

January 3, 1983

Dear Governor Sheffield:

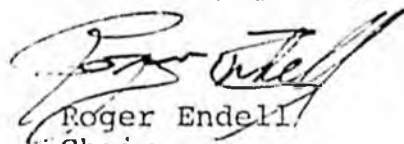
It is my pleasure to present to you the following report of the Task Force on Corrections. We have evaluated the issues and problem areas of correctional administration and management in Alaska as directed in your charge.

It is our hope that you will find the report of this Task Force and its policy recommendations useful to the future administration of a sound correctional system. We believe that it is not only possible but also mandatory that the executive, legislative and judicial branches of state government work diligently and harmoniously to carry out the directive of the Constitution of the State of Alaska for protection of the public and reformation of the offender.

We hope that this report will provide you with, at least, one tool toward that end.

We are pleased that we have had the opportunity to assist you.

Sincerely yours,



Roger Endell
Chairman
Task Force on Corrections

GOVERNOR'S TASK FORCE ON CORRECTIONS

December/January 1982-1983

Roger Endell, Chair
Justice Center
University of Alaska, Anchorage
Anchorage, Alaska

Charles Adams
Former Director, Division of
Corrections and
Former Executive Director
Criminal Justice Planning Agency
Juneau, Alaska

Ski Olsonoski
ALASCOM
Chair, Anchorage Crime
Commission
Anchorage, Alaska

Dan Branch
Private Attorney
Chair, Citizens Advisory Committee
Bethel Regional Correctional Center
Bethel, Alaska

Ed Rhodes
Deputy Chief
Anchorage Police Dept. and
Mayor 'Tony Knowles'
Representative
Anchorage, Alaska

Charlotte Brower
Former Magistrate, Barrow
Alaska Court System
Barrow, Alaska

Pat Wellington
Alyeska Pipeline Service Co.
Former Director
Alaska State Troopers and
Former Commissioner
Alaska Department of
Public Safety
Anchorage, Alaska

Bert Campbell
ALASCOM
Judicial Qualifications Commission
Anchorage, Alaska

John Carlson
Former Mayor
Fairbanks North Star Borough
Fairbanks, Alaska

Kevin Bruce, Liaison,
Special Assistant to
Governor Sheffield

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INTRODUCTION

Governor's Charge

Governor William Sheffield's transition Task Force on Human Services identified the management and operation of the Alaska Division of Corrections as a "dominating problem" within the Alaska Department of Health and Social Services. The Task Force on Human Services recommended the appointment of a "Blue Ribbon Task Force on Corrections" to address the following issues and relevant policy and procedural concerns:

1. Prison overcrowding and examination of current capital improvement programs.
2. Rehabilitation and alternatives to institutionalization.
3. Administrative organization and staffing problems.
4. Communications and coordination among justice agencies.
5. Municipal assumption of pretrial detention responsibilities.
6. Institutional location of juvenile corrections in state government.
7. Institutional placement of Corrections in state government.

The Task Force on Corrections was directed to commence an investigation of these identified issues immediately and to prepare and submit a report and policy recommendations to the Governor in early January, 1983.

To carry out its mission, members of the Task Force used two principal investigative methods which provided sources of information. These methods included: 1) the review of a multitude of reports and planning documents written by both in-state and out-of-state correctional practitioners and consultants since 1976; and 2) a statewide and systematic series of interviews with persons from municipal and state governments and local communities who were both knowledgeable about correctional problems and issues, and who were capable of making sound recommendations which would address these problems and issues.

It was not the intent of this Task Force to accumulate all of the voluminous materials and information already existent on this subject and incorporate it into yet one more burdensome volume. We believe that the nearly one million dollars spent on a variety of correctional reports and plans over the past six years provides but one example of the crisis in correctional management. The division has been managed by four different directors in the past six-year period. The most recent director as well as the current director were both hired by the previous administration to move the Division of Correction toward a more stable management situation. Their task was made more difficult because of their lack of knowledge of the unique problems and potential advantages of Alaskan corrections.

Alaska need neither to continue to hire out-of-state leadership nor to contract with out of state consultants. We are not convinced that the other states have developed correctional systems superior to that of Alaska in spite of our current and temporary crisis. We are convinced that knowledgeable and capable leadership should be sought from within our population to manage corrections just as talented and capable Alaskans are found to direct and manage the other departments and divisions within the executive, judicial and legislative branches of state government.

It is clear that there is a crisis in corrections. It is also clear that with sound, long term, and professional management, most of the current problems can and will be resolved. The resolution of these problems will require full cooperation as well as coordination between and among all three branches of Alaska's government--executive, judicial and legislative.

SUMMARY OF RECOMMENDATIONS

The following represents an abbreviated listing of the major policy recommendations to be found in this report. These statements are not comprehensive and are extracted out of context as an aid to the discussion of issues contained in the charge to the Task Force on Corrections.

Prison Overcrowding

1. Except for the Anchorage Careage House, no correctional facilities should be closed until adequate new correctional space has been prepared. (p.9)
2. The Careage House should be utilized as corrections' Southcentral Alaska headquarters and as a correctional training center. (p.9)
3. The new Cook Inlet pre-trial facility should not be opened to inmate populations until the facility is ready for secure occupancy and the staff has been properly trained. (p.9)
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5. The Third Avenue and 6th & C correctional centers in Anchorage should be utilized to hold short term offenders and those incarcerated for alcohol related offenses. (p.10)
6. The continued use of Ridgeview should be re-evaluated for potential correctional use in light of economic costs and public benefits. (p.11)
7. Hiland Mountain correctional center near Eagle River must be permitted to return to its original mission. (p.11)
8. Mentally disturbed offenders should continue to be housed temporarily at the Alaska Psychiatric Hospital. (p.12)
9. Sentenced adult female housing space at Meadow Creek (Eagle River) should be added as necessary with much less expensive architecture than past practice. (p.12)
10. The type and methods of construction of the two institutions at Palmer should be copied elsewhere as needed in the state. (p.13)

11. The state should move immediately to evaluate and obtain additional available sites for expansion of correctional operations in the Kenai and Matanuska-Susitna Boroughs. (p.13)
12. Comprehensive correctional services regional centers should be constructed in both Nome and Bethel utilizing either "stick built" or prebuilt modular units or a combination of both. (p.14)
13. All new correctional construction proposals should be evaluated in relationship to the need for increased bed capacity statewide. (p.14)
14. The state should continue to maintain a number of dangerously violent Alaska offenders within the Federal Bureau of Prisons system. (p.15)
15. Either a Matanuska-Sustina or Kenai Borough site should be developed and utilized to provide maximum security prison space. (p.15)
16. Correctional construction should be recognized as a high priority among all units of state government. (p.16)
17. A maximum security institution is needed to securely house a portion of the Alaska offender population. (p.17)

Administrative Organization

18. The recently completed management plan for corrections should not be fully implemented. (p.19)
19. The revised classification system should be implemented in concert with correctional reorganization and development. (p.19)
20. Corrections should be managed on a decentralized regional basis. (p.20)
21. All jail contracts should be managed by the Department of Corrections. (p.21)
22. A well trained correctional staff is mandatory and critical to efficient management. (p.22)

Institutional Placement of Corrections in Government

23. The Division of Corrections should be moved quickly and decisively in toto by immediate executive order to Departmental status. (p.24)
24. A Commissioner of Corrections should be appointed by the Governor as soon as possible. (p.24)

Communication and Coordination Among Justice Agencies

25. A cabinet level body should be directed to coordinate policy and law implementation for the effective administration of justice. (p.26)
26. Management personnel of the agencies of justice (state and local) should coordinate the activities of these agencies at the local and regional level. (p.26)
27. The present partial settlement agreement efforts in the Clearv et al. case should be halted and reviewed immediately. (p.26)

Municipal Responsibilities

28. Municipalities should not be made responsible for the costs of pre-trial incarceration of offenders held on state criminal charges, but municipal-state coordination is essential. (p.28)
29. The state should move immediately to address the law, policies and procedures with regard to public drunkenness and drunk driving. (p.29)
30. The state Office of Alcohol and Drug Abuse should provide comprehensive program services to correctional populations in cooperation with local municipalities. (p.29)

Juvenile Corrections

31. All youth correctional functions should be organized as a separate division within the Department of Corrections when reorganization is completed and functional. (p.21)

Rehabilitation and Alternatives to Incarceration

32. The prisoner population of the State of Alaska should be put to work. (p.33)

33. Offender education and recreational programs should be made available to prison populations during the non-work hours of those prisoners. (p.34)
34. A systematic evaluation of approximately 150 parole eligible offenders should be conducted immediately. (p.35)
35. Corrections should provide the opportunity to every offender the resources of a halfway house program for those about to be released -- corrections must correct. (p.35)

PRISON OVERCROWDING

Class action suits, media accounts, and expert as well as lay opinion have confirmed beyond all doubt that Alaska's statewide system of correctional centers is overcrowded beyond any reasonable margin of safety and security. The Task Force is well aware that the Constitution of the State of Alaska mandates that the state's correctional system must reform offenders and protect the public. In our judgment, the current crisis in corrections only insures that the state cannot carry out its Constitutional mandate. The State of Alaska must move immediately and with diligence to resolve overcrowding in the correctional system.

The members of the Task Force on Corrections are cognizant that the public has demanded that state and local officials "get tough on crime," that the public's attitude is appropriate, but that it is also extremely costly. Therefore, we have developed a series of recommendations which will alleviate the overcrowded conditions in our correctional system at lower costs than proposed by the previous administration which will, at the same time, we believe, provide adequately for protecting the public and reforming offenders.

Recommendation 1:

With the exception of the Anchorage Careage House, no facilities currently holding incarcerated accused or sentenced offenders should be closed until and unless adequate new correctional space has been fully prepared and readied for occupancy.

Recommendation 2:

The Careage House in Anchorage should be utilized immediately as the Division of Corrections' headquarters. All Anchorage area central office, institutional, field services and training employees should be moved immediately from the Frontier Building in Anchorage to this new location for greater cost and operating efficiency. This facility is now owned by the state so that only the costs of utilities and minor necessary renovations need be incurred for the Division of Corrections to operate efficiently from this site.

Recommendation 3:

In spite of the tremendous pressure on the managers of the correctional system, the transfer of offenders into the new Cook Inlet Pretrial Facility in Anchorage should not take place until the institutional staff has been hired, fully trained, and the facility has been completed. To do otherwise will almost assuredly result in major management problems and raise the risks of difficulties within the offender population. When completed, this facility could

operate, as designed, to book and hold all Anchorage area pre-trial detainees, and could have, again as designed, full-time on site magistrate services. This latter procedure would save police man hours and the great expense of prisoner transportation and prevent the unnecessary incarceration of persons able to be released on their own recognizance or to make bail. Use of video equipment would appear to be practical in both Anchorage and Fairbanks at the present time.

Reccmmendation 4:

The Third Avenue Correctional Center should be utilized to hold short-term offenders, and especially those incarcerated for alcohol-related offenses. It is inappropriate to utilize the facility for booking of new arrestees, for long term offenders, or for the purposes of classification of offenders as was proposed to the Task Force during our discussion with the current director.

Recommendation 5:

The Correctional Center Annex at 6th and C in Anchorage recently received approximately \$1.4 million of renovations in order to comply with a judgment of the court to make it constitutionally sound. It should continue to be fully utilized as a booking facility until the new Cook Inlet institution is operationally ready. Even after Cook Inlet comes on line, the Annex can and should continue to serve as an adequate facility to house short term offenders.

Recommendation 6:

The Ridgeview facility should also continue to be utilized until the Cook Inlet institution is ready. With the opening of Cook Inlet, use of the Ridgeview correctional center should be re-evaluated for potential correctional use in light of economic costs and public benefits. It is possible that Ridgeview could be converted for use as a regional halfway house/community services facility for offenders about to be released and for offenders whom the courts wish to sentence to short term and/or pretrial incarceration (usually followed by probationary supervision). There is a drastic need for this type of less costly facility in the Anchorage area and public opinion should support a "lower risk" use of this present site. Structural and design improvements may be borne by present Division of Corrections expertise and prison labor.

Recommendation 7:

The Hiland Mountain Correctional Center near Eagle River must be relieved as quickly as possible of the burden of too many inmates in the available space. This facility must return to its original mission as a rehabilitation center for first offenders and those of low security risk. This institution has, in the past, been recognized nationally and even internationally as the model correctional center in which offenders might be reformed. The state must insure that the institution performs its task

as it was intended to perform. Mentally disturbed offenders should not, under none but the most unusual of circumstances, be permitted to be housed at this institution.

Recommendation 8:

Mentally disturbed offenders should continue to be housed temporarily at the Alaska Psychiatric Hospital until a special unit can be designed to treat these offenders within appropriate security facilities to be determined by the Division of Mental Health. The Task Force is cognizant of the June 20, 1980 Task Force Report which specifically addresses these issues. We recommend that the report be carefully re-evaluated.

We believe that the Division of Mental Health must assume responsibility for the security and treatment of mentally disturbed offenders. We have found that the previous administration had gone "full circle" in periodic changes of policy with regard to those offenders. This lack of consistency in management decisions has contributed to the current confusion and jeopardizes offender, as well as public, safety.

Recommendation 9:

The Meadow Creek (Women's) Correctional Center near Eagle River and adjacent to the male facility is an example of architectural extravagance where simplicity and a more spartan environment would have sufficed. It now houses 28

adult women and has a capacity of 30. If expansion becomes necessary, less expensive units can be utilized to extend existing capacity.

Recommendation 10:

The two correctional institutions at Palmer (actually near Sutton) provide good examples of the appropriate mix of tax dollars and inmate labor. The original Palmer Camp (minimum security) was built from the ground up by inmate labor (capacity is now approximately 100 offenders). We recommend that this practice be encouraged and continued. The new, nearly \$5 million medium security facility on the same grounds also houses approximately 100 male offenders. Both facilities are fully utilized but there is a clear need for a full range of prison work programs which would keep all offenders busy for at least 40 hours per week.

Recommendation 11:

The State of Alaska should move immediately to evaluate and to obtain available sites which could be utilized to house correctional operations. Site selection should insure provision for rapid availability of housing for up to 100 offenders. Capacities at these sites should have the potential to be increased. The Task Force recommends that one site be located within the Matanuska-Susitna Borough and the other in the Kenai Borough. Sites which have the advantage of existing grounds, utilities and buildings, and which could have security modules added at relative low cost

and high benefit, should be of priority concern. With rapid site acquisitions, this Task Force believes that overcrowding in the Division of Corrections could be addressed dramatically within nine months to one year.

Recommendation 12:

Institutions have previously been approved for construction at both Bethel and Nome. Apparently the availability of funds for the Nome institution are currently in doubt. The Bethel funds have deteriorated in value due to mismanagement of site selection and building design delays. We strongly recommend that either the new Palmer institutional model ("stick built") or prebuilt modular units or any combination be incorporated for sites at both Nome and Bethel as quickly as possible. These facilities should serve as comprehensive correctional services regional centers. They would meet the needs of the southwestern Bethel area and the needs of the Seward Peninsula and Western Alaska regions for short term offenders (up to one year), probation and parole services, community supervision, halfway house, and other correctional related services. These institutions would help to relieve the pressure on the existing state facilities, provide regional treatment and incarceration capabilities, and provide state correctional services where very little now exists.

Recommendation 13:

The Task Force is aware of expansion work at the

Fairbanks and Juneau Correctional Centers and of a new replacement facility in Ketchikan. Ironically, while these modifications are essential, they will not add substantially, if at all, to the overall correctional system bed capacity. With new facilities to be developed rapidly in the Matanuska-Susitna and Kenai Boroughs, these other state regional correctional centers can return to a more efficient operational posture. It may be necessary and advisable to add a pretrial capability to the Fairbanks institution but this should be re-evaluated in light of our other recommendations. We recommend that all new construction proposals be evaluated in relationship to the need for increased bed capacity statewide. The potential for utilizing prison labor should also be evaluated.

Recommendation 14:

The 188 Alaska prisoners currently being held within the Federal Bureau of Prisons need not all be returned to Alaska. This Task Force recommends that the out-of-state population of offenders be carefully screened so that those who might be ready to be returned to Alaska could be brought back in small numbers as new space is readied for them in both new and existing facilities. It should be possible to continue to maintain a number of dangerously violent Alaska offenders within the FBP system.

Recommendation 15:

Related to #14 immediately above, this Task Force

recommends that either the Matanuska-Susitna or Kenai Borough site, or both, should be utilized to provide maximum security space potential to house Alaska's more serious offenders through the use of maximum security units. Such facilities holding up to 300 offenders have been built in the outside states using modular units and are apparently functioning well at low cost relative to poured concrete and steel institutions and have ample security provisions. Only Butler buildings (or similar) need be added for industrial work and/or recreational space.

Recommendation 16:

The Task Force recommends that new site acquisitions, construction additions and building renovations be completed expeditiously as the highest priority through the channels of state government while minimizing both hindrances and costs. The Department of Transportation and Public Facilities should recognize prison construction as a high priority. Building supplies and prisoner labor should be utilized in building renovations and in the construction of non-secure buildings. Security buildings should be built expeditiously by contract labor from the private sector and full service warranties on all new construction should be mandatory. Corrections should have its own facility planners who can expedite construction and renovation work statewide. We recommend that a project evaluation be required upon completion of all major construction.

Recommendation 17:

Finally, in regard to the need for a maximum security facility in Alaska, the Task Force received clear and compelling testimony from state and local police representatives, the court system, knowledgeable citizens, and correctional professionals that Alaska now needs a maximum security institution. Our recommendation is that the Cook Inlet building design and/or modular security units be constructed in a Southcentral location.

ADMINISTRATIVE ORGANIZATION AND
STAFFING PROBLEMS

A clear and consistent pattern of evidence and opinion has been presented to this Task Force that the Division of Corrections has suffered, and is suffering from, a lack of clear leadership from within the Division and from within the Department of Health and Social Services. We earlier identified the fact that the Division of Corrections has been headed by four directors over the past six-year period, and that the most recent past director and the current director were employed by the previous administration from positions they held in the lower contiguous states. They came to Alaska with the disadvantages of not knowing the "territory" and those within the system who were weak from those who had/have strong potential leadership and management ability.

We believe that strong, decisive and professional leadership and management is essential to successful correctional operations in this state. Further, a sense of history, of past failures and accomplishments, of goals and objectives peculiar to the unique strengths and weaknesses of Alaska and Alaskans is essential for state correctional managers.

The multitude of reports, plans and recommendations from experts and practitioners from within the state and beyond have repeatedly stated that we need not transfer and repeat the mistakes of correctional systems elsewhere. We have found, as one interviewee stated, that too often divisional and departmental management decisions have been based, not on merit, but on perceptions. Interrelationships and coordination of services within the Department of Social Services have proven to be complex and perhaps impossible under the current umbrella structure of the Department. We will address the institutional placement of corrections within state government in a separate section.

We make the following recommendations with regard to the elimination of organization and staffing problems within the current organization of corrections.

Recommendation 18:

The management plan recently completed at a cost of over \$100,000 by the Touche-Ross management and accounting firm should not be implemented until it has been reviewed by the new Department of Corrections. Portions of the plan appear to be unrealistic and unworkable.

Recommendation 19:

While the division managers may be commended for their efforts to develop an improved classification system for the division, we believe that even a superlative classification system will be of little use when bed space alternatives are

not yet available to which offenders might be classified. In order for a correctional classification system to work effectively, there must exist a range of correctional institutional and community placement alternatives with available space in each, to which offenders may be directed. A range of facilities from maximum, medium, minimum, to and including, community halfway houses must first be available. While a sophisticated matrix classification system will be useful eventually, we feel it ironic that the basis for the management structure of the system can be found in a report to the Alaska Legislature written five years ago in 1978. We recommend that the revised classification system be implemented in concert with division reorganization and development.

Recommendation 20:

We have examined the potential reorganization of the organizational and management structure of the division along both functional and regional lines. This Task Force strongly recommends that the division be reorganized immediately upon a decentralized regional concept. It is our opinion, and the opinion of the majority of the interviewees within and outside of corrections, that a regionalized management structure would bring increased efficiency and accountability to correctional operations statewide. While a specific plan is inappropriate for this Task Force, our preliminary findings are that regional

directors should be appointed for each of the geographic regions - southeast, southcentral, and interior. A fourth regional director should be appointed to manage correctional services in rural Alaska - an area that has suffered from a policy of "benign neglect." Regional Directors should be partially-exempt positions. Each regional director should have full responsibility and authority for managing all correctional services in the region. These responsibilities should include but not be limited to the supervision of institutions, probation and parole, other field services and personnel and budget, and should include coordination with the presiding superior court judges, trooper detachment commanders, district attorneys, public defenders, local chiefs of police and peripheral service agencies. Each regional director should be encouraged to establish local citizen advisory groups to advise him or her on correctional programs in the area. Communications between the state's citizens and correctional managers will be enhanced via this mechanism.

Recommendation 21:

The members of this Task Force recommend that the agreement for administration of local jail contracts should transfer, under a new agreement, from the Department of Public Safety to a new Department of Corrections and that both governmental units should prepare their FY 84 budgets

accordingly. We believe that all correctional operations administered in part, or totally, by the State of Alaska should be housed in only one administrative unit.

Recommendation 22:

Professionalism in the ranks of the correctional system and in the management structure is of critical concern to this Task Force. Formal educational standards should be established, in addition to agency in-house training for all correctional and field service positions. A uniformed, neat and well-groomed correctional officer staff within the institutions with a well-trained, and professional demeanor would do much to enhance the morale and credibility of correctional staffs. The need for initial and periodic formal education and training is critical. Training can be physically conducted at the Careage House in Anchorage where board and room can be provided at low relative cost.

INSTITUTIONAL PLACEMENT OF CORRECTIONS
IN STATE GOVERNMENT

As stated previously by the transition Task Force on Human Services, the management and operation of the Division of Corrections is a "dominating problem" within the Alaska Department of Health and Social Services and is of critical concern. Several factors were identified by that Task Force which contributed to that assessment. Our Task Force on Corrections, in re-examining those previous conclusions, and in conducting our own independent investigation has found agreement that it is essential to move Corrections to departmental status.

The three guiding factors of greatest relevance are: 1) that the Division has suffered from lack of continuously stable and professional management within the Division and within the Department of Health and Social Services; 2) the fiscal and management needs of the Division of Corrections has placed tremendous demands on the resources of the Department of Health and Social Services; and 3) the primary factor and mission of the Department of Health and Social Services has been oriented toward community health, public assistance, mental health and family services and is neither

efficiently organized nor properly prepared to address the problems of corrections within the criminal justice system. Therefore, the Task Force on Corrections recommends the following:

Recommendation 23:

The Division of Corrections should be moved quickly and decisively in toto by immediate executive order to departmental status. We have found unanimous agreement from virtually all persons interviewed, from all regions of the state, and from all segments of the criminal justice system - police, courts, corrections, law - and from the citizen sector that departmental status is not only justified but necessary. The Task Force has considered previous proposals which discussed a transitional phasing-in of the division toward a cabinet level position. We have concluded that a transitional movement will cause undue delays and probably result in a less efficient and more burdensome administrative process. We recommend a "quick and clean" transfer by executive decree.

Recommendation 24:

A Commissioner of Corrections should be appointed by the Governor as soon as possible. A deputy commissioner and four regional directors (the latter explained in a recommendation elsewhere in this report) should be appointed by the commissioner to manage the new Department of Corrections.

COMMUNICATION AND COORDINATION AMONG
JUSTICE AGENCIES

This Task Force and the practitioners in the justice system from both the previous and present state administrations, and those from municipal law enforcement departments whom we interviewed, are clear in their request for statewide coordination of criminal justice policy and law. The activities of the Governor's Commission on the Administration of Justice under the direction of the previous administration were primarily oriented toward the dispersion of federal dollars which emanated from the Law Enforcement Assistance Administration (LEAA). With the demise of the federal program, the Governor's Commission (GCAJ) ceased to function.

New criminal laws and new policies and procedures emanating from one department or sector of the government can have a serious impact on the management and administration of other governmental units. For this reason alone, it is critical to insure that clear communication and sound coordination take place among the managers of the justice system statewide. We recommend the following:

Recommendation 25:

The Governor should empanel members of his administration who have justice administration responsibilities, invite representatives of appropriate related agencies, and appoint lay citizens to coordinate policy and law implementation for the effective administration of justice.

Recommendation 26:

Appropriate management level personnel of the agencies of justice should meet regularly for the purpose of coordinating the activities of the justice agencies at the local and regional level. These groups should be made up of the regional director of corrections, the presiding superior court judge, the local chief (or chiefs) of police, the local trooper detachment commander, the district attorney, the public defender, a municipal attorney and a lay citizen. We found at least one excellent example of this type of coordination and recommend that this management technique be emulated at least regionally across the state.

Recommendation 27:

We believe there are serious potential ramifications from the current effort at pre-settlement in the Cleary case. We strongly recommend that the present partial settlement agreement effort between the State of Alaska and Michael Cleary et al be halted and reviewed immediately and that the state proceed to trial, if necessary, in defense of the State.

MUNICIPAL RESPONSIBILITIES

The Task Force has examined the potential for municipal assumption of pre-trial detention responsibilities. This issue has been of concern because of the differences which exist between the larger urban population centers of the state and the smaller municipalities. That is, within the larger cities, no municipal facilities exist to hold prisoners while they await trial. The burden of pre-trial detention is assumed by the state. On the other hand, the small town police chief must be administratively responsible for housing the arrestee until trial or other disposition is reached. The state has therefore developed contractual arrangements with local municipalities to reimburse or otherwise pay for the maintenance of prisoners held on state charges.

It can cost approximately \$50 per day to book and hold a minor criminal offender in a jail bed which may have cost up to \$125,000 per bed to construct. It is clear that relatively minor offenders should be held in less costly prison or jail space.

There should be an incentive for local municipalities to increase their crime prevention and criminal diversion programs at least for minor offenders who potentially take

up expensive bed space needed for the serious criminal predator. It has been argued that if the municipalities were paying all costs of pre-trial incarceration related to crime at the local level, a substantial incentive (because of the high costs of incarceration) would exist for the cities to develop substantial prevention and diversion programs.

Recommendation 28:

The Task Force on Corrections recommends that municipalities not be made responsible for the costs of the pre-trial incarceration of offenders held on state criminal charges. The impact of such a requirement would be that very costly expenditures would be incurred immediately by every municipality statewide. We believe that the state can and should be responsible for the management and administration of criminal defendants being tried under state statutes. We do believe and strongly recommend however, that careful coordination between and among the criminal justice professionals in both state and local governments is essential to sound management of the system.

Corrections managers do not and cannot select their prison population. The gatekeepers at the front door of the state system of corrections are the local police, troopers, prosecution and court personnel. They should work cooperatively to insure that offenders are held in space appropriate to the level and nature of their offense.

Corrections has an obligation to insure that a variety of types and levels of security is available to the law enforcement community.

Recommendation 29:

While we are reluctant to recommend that still other task forces be formed to investigate and resolve other issues, it is clear that there is a compelling need to address the law, policies and procedures with regard to public drunkenness and drunk driving. The issue has appropriately been identified by the public and in the media as one which demands specific attention. We therefore recommend immediate attention to this issue.

Recommendation 30:

We recognize the high statistical correlation between alcohol abuse and crime. We recommend that the State Office of Alcohol and Drug Abuse (SOADA) should provide alcohol and drug abuse program services in cooperation with local municipalities to correctional centers and community service offices statewide. There is a crucial need for a comprehensive approach to the problem of substance abuse, including "in-house", after care and follow-up program services to offenders.

JUVENILE CORRECTIONS

Following completion of the Correctional Master Plan for the State of Alaska in 1979, the previous Commissioner of the Department of Health and Social Services moved the juvenile corrections segment of the Division of Corrections to the Division of Family and Children's Services. The argument for this move was primarily that the juvenile side of the corrections organization always would receive secondary prioritization in relationship to the demands of adult confinement. The benefits were to be that greater attention to juvenile needs would be the result of the transfer of juvenile institutions and probation supervision services to the family services division.

We have heard ample and persuasive testimony that all persons who have been adjudicated as delinquent or criminal should be managed organizationally within the same governmental unit. We are convinced that the age of the offender separates juvenile crime from adult crime and that many of the most serious crimes are being committed by young offenders.

We have also found duplication of effort within the Department of Health and Social Services. Where previously

a probation officer in Nome, Barrow or Haines, for example, could supervise and direct both adults and juveniles, it now seems that these services may require both adult and juvenile specialists.

It is also clear that serious juvenile offenders require strong and decisive management by both the courts and corrections. Violent juvenile offenders require secure supervision and incarceration.

Related to the preceding discussion, we make the following recommendations.

Recommendation 31:

The entire present organization of youth corrections should be moved as a Division of Juvenile Corrections, to the new Department of Corrections when reorganization is completed and functional. Management of this division should be decentralized to fit the regional organization of the Department. For example, the juvenile institution in Fairbanks and the juvenile probation and field services operations should be accountable to the regional director of corrections in Fairbanks. There is no apparent need to add additional staff to juvenile corrections as a result of this transfer, although there may be a need for additional juvenile staff for other reasons to be defined at a later date.

REHABILITATION AND ALTERNATIVES
TO INCARCERATION

The public has a right to demand a positive return for its investment in corrections. While protection of the public from the offenders who are sent to jail or prison is reasonably assured, that protection exists primarily during the length of the prisoner's incarceration. Long term protection can only be brought about by the reformation of the offender as mandated by the Constitution of the State of Alaska. Prisoners can return to the state's population as better persons or more bitter as a result of their prison experiences.

Idleness in our prison system, mixed with overcrowding can and will produce chaos and perhaps result in violence to both property and persons. There is a dearth of meaningful work opportunities for the prison population. Make-work institutional maintenance is the routine alternative for even a minority of prisoners. Prison industries and public works projects should be implemented in all long term correctional centers. Restitution and community services opportunities for individual prisoners who are not security risks should be made available and taken into consideration by parole authorities for those prisoners who are eligible.

A system of relatively inexpensive community treatment halfway houses should be available within the Department of Corrections range of institutions. Offenders who fail or who are not yet ready for release should not be eligible for these lesser security facilities. However, all offenders nearing eventual release should be placed under the carefully coordinated and supervised system of halfway house resources. A full range of maximum to halfway house security level institutions is essential to the reformation of offenders and the efficient management of offender populations. We recommend the following:

Recommendation 32:

The prisoner population in the State of Alaska should be put to work. While the unemployment rate in Alaska is seasonally and regionally high, the citizens of the state can no longer endure an idle segment of otherwise able bodied prisoners. Prison industries and public works projects have been adequately addressed in the Correctional Master Plan. It is not our intent here to review those already voluminous plans. We intend to emphasize the need for a halt to planning and the commencement of activity. Corrections must be given the resources to provide meaningful work opportunities for the offender population. Cutting and clearing of land, stream rehabilitation, trail building, and parks maintenance and construction are but a few examples of public works projects which would benefit

the citizens of the state as well as the non-violent offender population. Eight hour a day work habits can be learned and law abiding skills can be developed. Adequate pay to prisoners can and should be permitted with the responsibility that the working offender repay the state and/or the victim for at least the partial cost of his crime. His or her family can be partially supported as a result of prison labor, board and room can be at least partially paid, and small amounts can be set aside in savings toward release. The non-working offender should not be entitled to the same privileges granted to the working population.

Recommendation 33:

We agree with current correctional policy that any offender who does not possess a high school diploma or its equivalent should be required to complete a G.E.D. program if feasible within the length of his or her incarceration.

We feel strongly however, that these offenders and those who already possess a high school diploma and who wish to take part in educational and recreational programs should do so in their non-working hours - the same as working citizens of the state outside of the prison system. Higher education courses, arts and crafts and other culturally oriented programs should be encouraged and funded. But prisoners pursuing college educations should seek out and apply for Alaska Student Loans the same as "freeworld"

students. The Department of Corrections should coordinate and contract with local school districts, the Department of Education, and the University of Alaska Statewide Systems for teaching resources.

Recommendation 34:

This Task Force has learned that there are approximately 150 parole eligible offenders within the corrections' institutional population. These offenders apparently meet all of the current qualifications for eligibility for parole consideration but have not applied. In relationship to the very high cost of prison bed space and the current crisis in overcrowding, we strongly recommend that a systematic evaluation of these offender eligibles be conducted immediately.

Recommendation 35:

The Department of Corrections should provide the opportunity to every offender the resources of a halfway house program for those about to be released. Offenders should be encouraged to be self-sufficient, apply for jobs, seek out community treatment resources and renew the ties with the law abiding community including family and friends. Close coordination and carefully organized transitions should be mandatory as the offender moves from secure institutions to halfway houses and finally to the community. Probation and parole field staffs should develop community resources and a system of community volunteers to assist

offenders in making the transition. Community service halfway houses should also be available to probationers, parolees, and ex-offenders who are in need of assistance. The use of university and community college interns should be encouraged in these facilities. Finally, the Department of Corrections should assure that alcohol, mental health and vocational rehabilitation services provided through other departments and divisions of state and local governments are heavily utilized. These offenders should not receive treatment not otherwise available to "ordinary" citizens. However, corrections must correct.

GOVERNOR'S TASK FORCE ON CORRECTIONS
ACKNOWLEDGEMENTS
INTERVIEWEES BY GEOGRAPHIC AREA

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DHSS

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Chief of Anch. Police

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Pres. Judge
Superior Court
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and Youth Services

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Ctr.

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Baugh Const., Cook Inlet
Corr. Ctr.

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Div. of Corr., Careage
House

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AK Div. of Adult Corr.

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Dir., AK Court System

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Asst. Supt., 3rd Ave. Corr.
Ctr., and Messrs. Phillips
and Schaffer

Tony Knowles, Mayor, Muni.
of Anchorage and Ray Mann,
John Franklin.

Ray Clements, Chair.
Anch. Crime Comm.
Comm. on Corrections
Bob Swanson, Pres.
August Corp.

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of Public Safety

Mike Jeffery, Judge
Sup. Ct. 2nd Dist.

Jeanne Cross
Magistrate

Eugene Brower, Mayor
No. Slope Borough

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Dept. of H & SS, No.
Slope Bor.

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Dept. of Pub. Safety, No.
Slope Borough

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Fbx Police Dept.

Gene Schaefer, Reg. Admin.
Youth Corr.

Larry Calderone
Supt., and Vern Oxandine,
Asst. Supt., Fbx Corr. Ctr.

John Cain, Reg. Admin.
Prob./Parole Field Svcs,
Div. of Corrections

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Judge, Sup. Ct., 4th Dist.

Bethel

Dan Carothers, Prob. Off.
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Mary Triebers, Asst.
Pub. Def.

Christopher Cooke, Judge
Sup. Ct.

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Laurie Otto
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Youth Corrections

Glen Godfrey, Lt. Comdr.
West. Det., AK St. Troop.

Joe Hildreth, 1st Sgt.,
Bethel, Detach., AST

Tom Varnell, Chief
Bethel Police Dept.

Dillingham

Lewis Reith, Outpost Supv.
Ak State Troopers

Glenallen

Sheldon Sprecker, Magistrate
Corp. Bachman, AST

Juneau

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Div. of Fam. & Youth Svcs.

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Corr.

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Office of Governor

Kenai Peninsula

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Cmdr., C Det., AST

C. E. Swackhammer, Det. Cmdr.
Det. C, AST

Lou Bencardino, Chief
Seward Police Dept.

Duane Udland, Chief
Soldotna Police Dept.

Walt Koehnol, Corr. Supv.
City of Kenai

Rick Ross, Chief
Kenai Police Dept.

Mike Daugherty, Chief
Homer Police Dept.

Ketchikan

Robert Andrews
Asst. Supt. Corr. Ctr

Nome

Bob Lewis, Dist. Atty.

Gail Frank, Supt.
Nome Corr. Ctr.

Charles Tunley, Pres. Judge
2nd Jud. Dist.

Valdez

Don Wagner, Valdez
Police Dept.

Kodiak

Ed Martin, Chief
Kodiak Police Dept.

Palmer

Dick Giles, Asst. Supt.
Pgms. and Dennis Vincent,
Asst. Supt., Security,
Palmer Corr. Ctr.

Stan Zaborac, Supt.
Palmer Corr. Ctr.

Red Henderson, Chief
Palmer Police Dept. and
Pres., Ak Chiefs of Pol.
Assn.

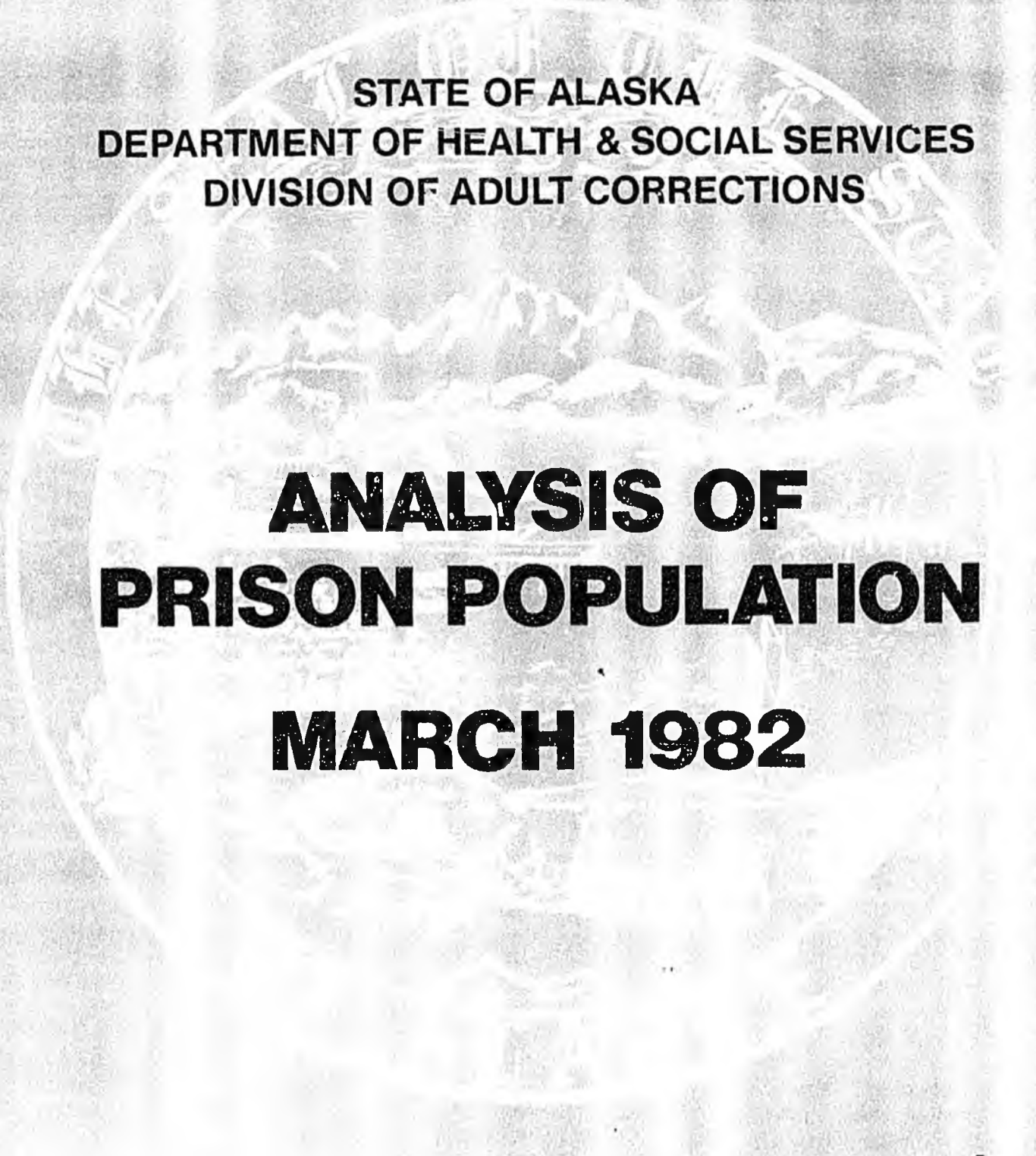
Beverly Cutler, Judge
Sup. Ct., 3rd Dist.

Correctional Center Site Visits

Anchorage, 3rd Avenue
Ridgeview
Cook Inlet (under const.)
Meadow Creek (Eagle River,
women)
Palmer Med. Security
Palmer Jail - new (under
const.)
Fairbanks Youth Facility
Bethel
Juneau Johnson Center

Anchorage, 6th Avenue
Careage House
Hiland Mountain (Eagle
River, men)
Palmer Min. Security
Palmer Jail - Police
Dept. (old)
Fairbanks Corr. Ctr.
Barrow
Kenai City Jail

NOTE REGARDING THE FOLLOWING FRAME(S) ON MICROFILM:
COMPLETE DOCUMENT IS AVAILABLE IN ORIGINAL FILES.
TITLE PAGE ONLY HAS BEEN FILMED.

The background of the cover features a large, faint circular seal of the State of Alaska. The seal contains a landscape with mountains and a sun, surrounded by the words "STATE OF ALASKA" and "1907".

STATE OF ALASKA
DEPARTMENT OF HEALTH & SOCIAL SERVICES
DIVISION OF ADULT CORRECTIONS

**ANALYSIS OF
PRISON POPULATION**

MARCH 1982

E.

O.

5

6

February 9, 1984

Senator Vic Fischer
Pouch V
Juneau, Alaska 99311

Dear Vic:

Although I have been a critic of Alaska's State Office in Tokyo, I found it very useful to me when I was in Tokyo both on State and personal business. My criticism has focused upon our Tokyo Office's preoccupation with Japan, and its failure to develop business with the world's fastest growing regional market: Southeast Asia.

Now it has been suggested we open similar offices in Seoul and Taiwan. I share your skepticism about the cost-effectiveness of this idea, but I do endorse the idea we should expand our Asian market development efforts.

Japan is our primary trade competitor in the entire Asian market, as well as our biggest customer. If we want to expand into the Chinese market, and largely through the overseas Chinese community, we will then expand naturally into the Southeast Asian market where we will be able to sell oil, gas, ore, and some steam coal. Rather than open an office in Taiwan, which will risk some regional political compromise and associated trade difficulties, we should consider Hong Kong, the center of the entire Asian market. Business can be done in Hong Kong without injuring other national or factional sensibilities in Asia. Several other States and larger municipalities, and the Seattle Port Authority, maintain Hong Kong offices. I do not look for the character of Hong Kong to change appreciably after 1991. In any event, Hong Kong will continue to be the world center of trade with Peoples Republic of China.

If the State's Asian market development were to someday justify a third office, rather than in Seoul, which can be effectively covered from Tokyo, I would open an office in Jakarta, Indonesia, headquarters of the Association of Southeast Asian Nations, and work within the ASEAN organization to develop a Southeast Asian market for Alaska. (The members of ASEAN are Indonesia, Malaysia, Thailand, Singapore, the Philippines, and Brunei.)

I don't mean to downgrade Korea's importance as both a

customer as well as a competitor. But Korea must be seen in its proximity to Japan, and her relationship with Japan which has become her door into the mainland Chinese market.

I view the political likelihood of opening more State offices in Asia to be remote. We can cover all of Asia from Tokyo if we outreach to other Asian market places like Seoul, Taiwan, Hong Kong and Singapore. Such an outreach program will cost more money, but would constitute an expansion far more justifiable than opening more state offices in Asia at this time.

Thanks for your interest.

Sincerely yours,

Thelma

Thelma Garcia Buchholdt

cc: All members,
House & Senate

EO 56

Department of Education, would perform this responsibility. Under a reimbursable services agreement, that division has been doing this since 1979 anyway. Considering the nature of its other duties, that division is the most logical place for this state function to be performed.

Sincerely,

/s/
Bill Sheffield
Governor

EO 56 was referred to the State Affairs, Health, Education & Social Services, and Finance Committees.

EO 57

The following letter dated January 9, 1984, accompanied EXECUTIVE ORDER NO. 57. (EO 57 is available from Documents.)

A zero fiscal note accompanied EO 57.

Dear Representative Hayes:

Under the authority of art. III, sec. 23, of the Alaska Constitution, and in accordance with AS 24.30.13(b), I am transmitting an executive order that transfers the Alaska State Office from the Governor's Office to the Department of Commerce and Economic Development and renames it the Alaska Foreign Office.

Under current statutes (AS 44.19.074 -- 44.19.082), the Alaska State Office is in the Office of the Governor. Because the functions of the Alaska State Office are in the area of economic development, resource, and trade information, and contact between government and private industry, the appropriate administrative location for the office is the Department of Commerce and Economic Development. With a very slight re-wording, this Order just relocates the current statutes to that department's chapter from the Governor's Office chapter. No substantive changes are being made. State employees in the Tokyo office remain in the exempt service by virtue of AS 39.25.110(17).

Renaming the office as the Alaska Foreign Office gives it an obviously more appropriate name.

EO 56

Department of Education, would perform this responsibility. Under a reimbursable services agreement, that division has been doing this since 1979 anyway. Considering the nature of its other duties, that division is the most logical place for this state function to be performed.

Sincerely,

/s/
Bill Sheffield
Governor

EO 56 was referred to the State Affairs, Health, Education & Social Services, and Finance Committees.

EO 57

The following letter dated January 9, 1984, accompanied EXECUTIVE ORDER NO. 57. (EO 57 is available from Documents.)

A zero fiscal note accompanied EO 57.

Dear Representative Hayes:

Under the authority of art. III, sec. 23, of the Alaska Constitution, and in accordance with AS 24.30.130(b), I am transmitting an executive order that transfers the Alaska State Office from the Governor's Office to the Department of Commerce and Economic Development and renames it the Alaska Foreign Office.

Under current statutes (AS 44.19.074 -- 44.19.082), the Alaska State Office is in the Office of the Governor. Because the functions of the Alaska State Office are in the area of economic development, resource, and trade information, and contact between government and private industry, the appropriate administrative location for the office is the Department of Commerce and Economic Development. With a very slight re-wording, this Order just relocates the current statutes to that department's chapter from the Governor's Office chapter. No substantive changes are being made. State employees in the Tokyo office remain in the exempt service by virtue of AS 39.25.110(17).

Renaming the office as the Alaska Foreign Office gives it an obviously more appropriate name.

EO 57

I believe that this transfer will improve the efficiency of state government.

Sincerely,

/s/
Bill Sheffield
Governor

EO 57 was referred to the State Affairs and Labor & Commerce Committees.

EO 58

The following letter dated January 9, 1984, accompanied EXECUTIVE ORDER NO. 58. (EO 58 is available from Documents.)

Three fiscal notes which accompanied EO 58 appear in House and Senate Journal Supplement No. 13.

Dear Representative Hayes:

Under the authority of art. III, sec. 25, of the Alaska Constitution, I am transmitting an executive order that transfers two veterans' programs from the Department of Commerce and Economic Development to the Department of Military Affairs and renames that department as the Department of Military and Veterans' Affairs.

The veterans' services program (AS 26.10.010 -- 26.10.050) and the veterans' burial allowance program (AS 26.10.080) are both currently assigned to the division of Investments within the Department of Commerce and Economic Development. This executive order would transfer these two programs to the renamed Department of Military and Veterans' Affairs.

The transfer places these programs where they logically belong and the departmental name change corresponds more nearly with the name of Title 26 of the Alaska Statutes, "Military Affairs and Veterans." Most of that title already relates to the Department of Military Affairs. After transfer of these two programs, AS 26.15, concerning the veterans' loan program in the Department of Commerce and Economic Development, will be the only part of AS 26 that relates to another agency. The amendment of AS 26.-15.030(c)(1) in sec. 12 recognizes that change by slightly modifying one of the duties of the Department of Commerce and Economic Development. The language being added to AS 44.35.020 in sec. 21 of the order, listing duties of the Department of Military and Veterans' Affairs, is a consolidation of current AS 26.15.030(c)(1) and (3) (the latter of which is being repealed in sec. 25 of the order).

H

B

19

Position Paper

on

Sponsor Substitute for House Bill 19

"For an Act repealing the certificate of need program; and providing for an effective date."

Sponsor Substitute for House Bill 19 repeals those portions of AS 18.07.021 which provide the statutory authority for the Department to administer a certificate of need program and repeals references to certificate of need in other sections of the Statute as well.

The Administration supports Sponsor Substitute for House Bill 19 as it is currently written.

The Department recommends that the Committee review statutory provisions which relate to health facility development including the following:

Medicaid Programs

The state's participation in the Medicaid program (State dollars fund approximately 52 percent of total program costs) has grown from \$1 million in 1972 to nearly \$38 million in FY 82 and total costs including federal participation have grown from \$2 million to nearly \$74 million in this same period. Ninety-two percent of patients in Alaska's long term care facilities are supported by the Medicaid program which means that the state (and federal) government has nearly the full burden of all operational costs for the facility. These Medicaid costs increase when additional beds are added, new equipment is purchased or new services (including new types of manpower) are offered. The Division of Public Assistance must effect a provider agreement with any qualified provider who seeks this agreement.

Capital Budget

Alaska has provided substantial financial assistance in the development of health care facilities. The 12th Legislature provided more than \$36.6 million by line item appropriation to expand one hospital, replace two others and provide planning assistance for two rural hospitals. The number of requests for state funding has steadily increased.

Revenue Sharing

Alaska has a revenue sharing program (AS 29.90.010) which provides 25 percent plus interest of hospital construction costs to all non-profit hospitals. This program, administered by the Department of Community and Regional Affairs, provides further support for hospital construction projects in addition to any front-end capital funds provided by the state. This additional health facility construction resource underscores the importance of determining the actual need

Position Paper
on Senate Bill 85
Page 2

for construction, before the State is committed to pay for a major portion of such construction.

Non-profit hospitals each receive a quarter of a million dollars in operating assistance each year through the state's revenue sharing program (AS 29.89.030). Nursing homes and other health facilities also receive assistance based on the number of beds they have. There are no specific requirements as to how such funds are to be expended. Not only are existing health facilities assured of these funds in addition to other state support, but new facilities are encouraged by the availability of these funds.

Recommended by: Phoebe A. Lindsey
Phoebe A. Lindsey, Director
Division of Planning, Policy
and Evaluation

Date: February 18, 1983

Approved by: Robert London Smith
Robert London Smith, Ph.D.
Commissioner
Department of Health and
Social Services

Date: 2/22/83

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: House Bill 19 Date on Bill: 1/24/83
 Title: An Act repealing the certificate of need program; and providing for an effective date
 Sponsor: Representatives Fritz, Hayes, Zharoff, Cato, Lindauer, Szymanski
 Requestor: _____

1. Estimated fiscal impacts on:

a. Expenditures:

			FY 83	FY 84	FY 85	FY 86			
Capital			0	0	0	0			
Operating			0	0	0	0			
Total			0	0	0	0			

b. Revenues:

Revenue			0	0	0	0			
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2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

4. Disclaimer:

This statement has not been reviewed by the OMB in the Office of the Governor. It does not represent the policy of the Sheffield Administration or the final estimate of fiscal impact.

Prepared By: Dave W. Williams ^{DCW} M. H. Samuel Phone: 465-3038
 Division: State Health Planning and Development Date: 2-14-83

Approved by Commissioner: Robert London Smith, M.D. Date: 2/22/83
 Department: Health and Social Services Date: _____

6. Distribution:

- Original to Legislative Finance
- Copy to OMB
- Copy to Sponsor

CERTIFICATE OF NEED

HB 19

STAFF REPORT
TO
HOUSE HESS COMMITTEE
FEBRUARY 10, 1983

CONTENTS

- Memo from House HESS staff: Dave Palmer
- Memo from Senate HESS staff: Nancy Dietrich
- Itemization of funds subject to sanctions
- Itemization of FY82 payments from municipal revenue sharing
- Activity summary-DHSS CON review
- Letter from Department of Health and Human Services
Public Health Service regarding repeal of CON
- Memo summarizing the Arthur D. Little report

To: House HESS Committee
From: Dave Palmer
Date: February 10, 1983
Subject: HB 19, An act to repeal the Certificate of Need
Program

The certificate of need program was established in 1974 by federal law (PL 93 641). It is intended to serve as a cost control aid and a planning review process. Through review of major capital expenditures, it is intended to serve as a check to a frivolous or misdirected projects. It directs capital construction investment to be compatible with statewide health planning goals. The certificate of need was designed to prevent unnecessary duplication which results in underutilization and inflated costs in a cost based reimbursement system for medical payments.

While discussion of the Certificate of Need (CON) process can lead to esoteric analysis of health care, government, and social issues, I have identified four topics that I believe will be discussed by the committee and those testifying on either side of this issue:

1. Federal mandates
2. Effect on State revenue sharing programs
3. Effect on State medicaid programs
4. The private enterprise vs government regulation issue.

Federal Mandates

The CON process is required by Federal law. Failure to comply with the law carried a sanction that provided that the Federal government would withhold "any allotment, grant, loan and loan guarantee made to and each contract entered into with an individual or entity in such State... under this Act (Public Health Service Act), the Community Mental Health Centers Act, the Comprehensive Alcohol Abuse and Alcoholism Prevention Treatment and Rehabilitation Act of 1970, and the Drug Abuse Office and Treatment Act of 1972."

The sanctions were to begin at a withholding of 25% of the entitlement and increase by 25% increments annually.

These sanctions have been lifted, temporarily at least, by a continuing resolution of Congress, which expires on September 30th of this year. Attached at the end of this paper is a letter itemizing those funds and programs that would be affected by the imposition of sanctions.

The Alaska Legislative Information Office in Washington, D.C. answered by inquiry about sanctions this way:

Question: What are the chances that the sanctions may be again suspended beyond September, 1983?

Answer: This is going to depend on what the 98th Congress chooses to do. The continuing resolution will stand unless Congress takes some action before the end of the fiscal year. If Congress does not act before June 30th of FY 84, the Dept. of Health and Human Services is powerless to impose the sanctions mandated by law and is waiting for some direction from Congress.

In response to a question about the reaction by the Department of Health and Human Services to Alaska's repeal of the CON program, the unofficial reply is: Alaska will still have to comply with some sort of federal regulations to receive health care funds and that starting from scratch (after repeal) might be much more difficult than trying to amend the existing program on CON. For instance, the Block Grant proposals from the 97th Congress included a CON requirement. The compromise bill by Senators Quayle and Kennedy (which was not accepted by the administration) included CON requirements. The Reagan administration favors repeal of CON, the Congress favors retention.

Regardless of the status of the sanctions, repeal of CON would probably mean loss of some federal health planning funds.

Effect on State Revenue Sharing Program

State aid through Title 29 revenue sharing funds for hospital entitlement grants, hospital capital construction, public roads, and volunteer fire departments outside the organized borough may be affected by repeal of the CON program. The reasoning is like this: If repeal of the CON removes a control on public health facility construction, other things being equal, one could expect an increase in construction. An increase in construction could mean more demand on the hospital entitlement and capital construction fund. Because all funds for the Title 29 topics listed above are allocated on a pro rata basis within the available appropriation, increasing the demand on one area decreases the funds available to all those entitled to funds.

Proponents for repeal explain that because the capital construction reimbursements are paid after financing and construction, the program is of little use to any but a few revenue producing facilities. I have attached the most current itemization of revenue sharing payments for health facilities and hospital construction aid.

Effect of State Medicaid

If the CON program does help contain health care costs by avoiding duplication and misdirected investments, it follows that repeal would have the opposite effect on health care costs. Because medicaid is a retrospective program, that is, payments are made after costs are incurred, an increase in health care cost will increase medicaid payments. Those arguing for retention of CON also point out that repeal could lead to overbuilding of facilities, and revenue for unused facilities must be generated from those services generating revenue. In short, costs subject to medicaid payments could increase.

There is a proposal by the Alaska State Hospital Association to develop a prospective rate structure for medicaid payments. This would allow for the establishment of approved rates by an independent commission. Discussion of the latitude of the commission for inclusion of economic depreciation, rate of return, and other costs associated with unused facilities would be relevant.

Private enterprise vs Government regulation

It is generally agreed that most health care facilities (especially in Alaska) do not fit within the free enterprise category. A free enterprise system operates when certain elements are present:

1. There exists a large number of buyers and sellers.
2. Consumers must bear the consequences of their decisions.
3. The seller must be able to leave or enter the marketplace freely.

With the exception of Anchorage, there are no Alaskan communities with more than one hospital. Choices for health care are limited.

Third party payments remove the consumer's responsibility for the financial consequences of their actions. There is little incentive to restrict demands on the system if someone else pays the bill. In 1981, only 32.1% of the health care users paid for their own treatment.

Health care is not a free entry marketplace. The CON review is only one of the restrictions to entry. There exists licensing standards, public funding processes, and licensing requirements for personnel...the physicians, nurses, and technicians. Because of the complexity of health care questions, consumers rely heavily on physicians. 70% of health care expenditures are influenced by physicians.

The question of private enterprise vs regulation is one that can be discussed over and over, but repeal or retention of the CON program will not address that issue.

CONCLUSIONS:

The certificate of need statute in Alaska is out of date. The limits are low, lower than those set by Federal law. Amendments could be proposed to address particular problems relating to the requirement for the replacement of existing equipment, replacement of like equipment, time limits for review and the like.

The purposes for which the CON procedures were enacted probably do not have much application in Alaska. Because of the large involvement by the State in the funding of hospitals, both for capital construction and operating facets, it can be argued that there exists sufficient programatic review. However, capital budget review and a detailed justification by a hospital administration in a CON process are completely different in scope and detail.

Several states, like Alaska, are currently out of compliance with the Federal requirements. Sanctions have never been imposed against a state, however, no state has repealed its CON program.

Repeal of the program will not reduce health care costs to the recipient of such care.

Repeal of the program may encourage expansion of existing facilities,

Repeal of the program will remove a state level review of health care facility development.

Repeal of the program will make health planning assistance for the Federal government difficult to obtain.

Repeal of the program will not remove Federal health planning requirements.

The current statutory requirements of the Alaskan CON program are obsolete.

CERTIFICATE OF NEED PROGRAM

The Certificate of Need program was instituted by the Federal government, along with health planning concepts as a tool to stem the rapid growth rate of the health care industry (currently consuming nearly 10% of the GNP).

Certificate of Need is a review process conducted by the state health planning agency, including local input and public hearings, to determine the need for new health facility construction and equipment acquisition. The review process takes into consideration other facilities in the geographic area, or other facilities serving the same patient population.

Certificate of Need carries sanctions from the Federal government tied to other monies received by the state in Public Health areas, mainly related to block grants. No state has ever had funding denied on the basis of non-compliance with the program, nor has any other state attempted to repeal this program.

The current administration in Washington has contemplated the elimination of the program for over two years, intending to replace it with a form of marketplace competition to control growth. However, since the health care industry has never behaved as other business enterprises do (the growth rate in health care always exceeds the inflation rate common in any other industry, and is currently between 15 and 17% yearly and on the rise), the Reagan policy makers have been unable to conceive of a plan to replace Certificate of Need.

Much discussion has revolved around the value of the program, since the major attribute appears to be the discouragement of frivolous ventures which could not be justified to the review process. This program is the only control mechanism available to the state at this time to control duplication and unnecessary facilities and services.

The current threshold levels for review are artificially low in comparison to costs in the industry, as an attempt to raise the levels to federally approved standards by the 1982 Senate HESS Committee did not pass the legislative process. (approved levels are now \$400,000 for equipment and \$600,000 for construction plus a yearly inflationary factor).

A health planning bill passed the House in Congress in December of 1982 but was stymied in the Senate by the addition of a gasoline tax. Efforts are currently evident in Washington to retain the program and raise the threshold to one million dollars for all levels, although it is difficult to second guess what may happen. Sanctions against non-compliance have been suspended through September 30, 1983 by a continuing resolution, but even in this light many other states have opted to raise threshold levels for review process (Colorado has raised levels the highest, to \$750,000).

Arguments for the repeal of the program mostly relate to the costliness of the review process, and that marketplace economics will control growth. In order to consider these arguments, one has to look at the questions asked in the review process: