

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672

7372 SENATE HEALTH EDUCATION & SOCIAL SERVICES

STATE OF ALASKA

DEPARTMENT OF CORRECTIONS

SOUTHCENTRAL REGION OFFICE

WALTER J. HICKEL, GOVERNOR

2200 EAST 42ND AVENUE
ANCHORAGE, ALASKA 99508 5202
PHONE: (907) 561-4426

FY92 TASK FORCE PROGRESS REPORT

9/24/91

Intermediate Penalties (formerly Alternatives to Incarceration)

Chairperson: Bruce Kelly, PO III
Anchorage Probation

Members: Frank Sauser, Superintendent
Mat-Su Pre-Trial Facility

Denise Templeton, PO III
Hiland Mountain CC

Donna Whitman, PO III
Kodiak Probation

Sarah Williams, Social Worker III
Anchorage New Start

Lynda Zaugg, Assistant Superintendent
Wildwood CC

Linda Smith, PO II
Fairbanks Probation

Sam Trivette, Executive Director
Parole Board

The Task Force broke into subcommittees which have submitted draft reports and recommendations pertaining to day treatment centers, electronic monitoring, and boot camps. The subcommittees have reviewed other program models and research and are currently looking at statistics to determine available pools of offenders in Alaska.

Community Residential Centers

Chairperson: Mike Taylor, Program Coordinator
Statewide Programs

Vice-Chair: Tom Martin, PO III
Palmer CC

Members: Marianne McNabb, Criminal Justice Planner
Statewide Programs

Bert Matsumoto, PO IV
Central Classification

Pete Villarreal, PO II
Fairbanks Probation

Lonzo Henderson, PO III
Anchorage Probation

Robert Wild, PO III
Juneau Probation

Advisory
Members:

Juli Roberts, PO II
Sixth Avenue Annex

Kurt Polhemus, PO II
Anchorage Probation

Bill Weimer
Allvest, Inc.

Jerry Shriner
Gastineau Human Services

Kathy Boggs-Grey
T.J. Mahoney & Assoc.

Task Force members have been assigned individual work plans to evaluate all aspects of CRCs, furloughs, contracts, staffing, and other related subtopics. A detailed questionnaire has been developed and sent out to institutional and field probation staff involved with furloughs, as well as to other interested community members.

Preventive Maintenance

Chairperson: Kathy Christy
Facilities Manager

Members: Shar Halsted, Administrative Officer II
Administrative Services

Richard Schoeffel, Assistant Superintendent
Palmer CC

Walt Porter, Maintenance Foreman
Fairbanks CC

George Traughber, Maintenance Foreman
Wildwood CC

Ted Kinney
Facilities Planner

Melinda Eggers
DOT/PF Maintenance and Operation Central Region

The Task Force has not met. The functions of the Task Force may be incorporated into the Facilities Master Plan project.

Analysis of Private/Governmental Job Functions

Chairperson: George Hiller, CO III
Mat-Su Pre-Trial Facility

Members: Vinnie O'Connor, PO II
Palmer Probation

Ray Larsen, PO II
Cook Inlet Pre-Trial Facility

Rich Bentson, Director
Statewide Programs

The Task Force has reviewed a format for analyzing the costs/benefits of private vs. government performance of various responsibilities. Information has been requested from NIC to review privatization issues in other state correctional systems. The Task Force will examine the Department to determine if any functions could be more efficiently performed by the private sector and if any functions currently contracted for could be better performed by state employees.

Training Officer Recruitment

Chairperson: Kevin Brew, Assistant Superintendent
Palmer CC

Members: Judy Laney, Personnel Officer II
Anchorage Personnel

Mike Gilligan, CO III
Hiland Mountain CC

The Task Force met in July and developed goals and a work plan. Members are currently interviewing those involved in training and personnel issues and reviewing applicable policies. A second meeting is scheduled for mid-October to review draft reports.

Employee Skills, Talents, and Interests

Chairperson: Lyn Freeman, Criminal Justice Planner
Training Academy

Members: Jo McDowell, PO III
Training Academy

Darlene Rilatos, Personnel Assistant II
Anchorage Personnel

Myron Michels, Superintendent
Anvil Mountain CC

John Yarbor, CO III
Mat-Su Pre-Trial Facility

The Task Force has held an initial meeting and reviewed personnel guidelines for special project assignments. During the next meeting in October, the group will design a skills/talents survey form which will be distributed to all DOC employees.

Institutional Placement of Statewide Programs

Chairperson: Ken Brown, Superintendent
Wildwood CC

Members: Bonnie Majak, PO III
Fairbanks CC

Hubert Nelson, Production Manager
Prison Industries

Susan Jannusch, Marketing and Sales
Prison Industries

Jim Pagels, CO III
Hiland Mountain CC

Sue Ford, PO III
Kenai Probation

Paul Turner, Contract Therapist
Wildwood CC

Dan Carothers, Superintendent
Lemon Creek CC

Art Schmidt, Superintendent
Palmer CC

Peggy Brockman, PO III
Spring Creek CC

The Task Force's first meeting was September 23, 1991, at which time subgroups and individual work plans were assigned. The group began their work focusing on the factors to be considered in the placement of sex offender programs and are reviewing the sex offender tracking data. The group has tentatively scheduled another meeting in late October.

Internal Affairs

Chairperson: Ted Stanfield, CO III
Prisoner Transportation Unit

Members: Kevin Brew, Assistant Superintendent
Palmer CC

Debbie Miller, PO II
Anchorage Probation

Diane Froula-Webb, CO III
Wildwood CC

Steve Marriage, CO III
Training Center

Mark Meyer, Acting Administrative Officer II
Anchorage Central Office

Advisory
Members:

Art Chance
Labor Relations

Allen Cooper, Deputy Director
Division of Institutions

Gary Russell, Sergeant
Anchorage Police Dept., Staff Inspections Unit

The target date for the Task Force has been adjusted from August 1991 to January 1992, due to a change in chairmanship of the Task Force. Following review of a proposed structure for the unit, flow charts, and drafts of investigative forms compiled by the Chairman, the members will meet to develop a work plan.

Fiscal Summary

I. FY-91 Actuals

Total Budget	107,533.6
Personal Services	72,240.9
Other (lines 200-700)	27,711.7
Major Medical	7,581.0

II. FY-92 Governor's Amended Authorizations

Total Budget	102,736.6
Personal Services	73,505.4
Other (lines 200-700)	25,012.3
Major Medical	4,218.7

III. FY-92 Budget Projection

A. Personal Services

FY-91 actual	72,240.9
5% raise adjustment	3,612.0
[5% X 72,240.9 = 3,612.0]	
2.37% retirement benefit adjustment ⁵	1,712.1
[2.37% X 72,240.9 = 1,712.1]	
3.5% merit increase for employees ⁶	1,896.3
[3.5% X 72,240.9 = 2,528.4	
75% X 2,528.4 = 1,896.3]	
FY-92 projected personal services	79,461.3

70%

⁵ The retirement benefit adjustment was initially added in by the Cowper Administration, but was removed by the Hickel Administration. Also the overall percentage of 2.37 was derived from combining 2.46% (peace officer) and 2.28% (regular employee) retirement adjustments that was divided in half and applied to the personal services actuals.

⁶ Approximately 75% of employees receive annual merit increases while the remaining 25% are in longevity steps.

B. Other (Lines 200-700)

FY-91 actual 27,711.7
 FY-92 Division of Institutions required
 beyond FY-91 actual 577.2
 FY-92 required for other Department
 components (Administration, Statewide Program, etc.)
 27,711.7 - 14,482.0 (Institutions FY-91 Actual) = 13,229.7 X 5% inflation 661.5

FY-92 Projected Other 28,950.4

C. Major Medical

FY-91 Actual 7,581.0
 5%⁷ X 7,581.0 = 379.0 379.0

FY-92 Major Medical Projection 7,960.0

D. Total Projected Budget Requirements for FY-92

Personal Services 79,461.3 ✓
 Other (200-700) 28,950.4 ✓
 Major Medical 7,960.0 ✓

Total 116,371.7 ✓

E. Comparison of FY-92 Required with Governor Amended Budget

	FY-92 Required	Governor Amended	Difference
Personal Services	79,461.3	73,505.4	(5,955.9)
Other (200-700)	28,950.4	25,012.5	(3,937.9)
Major Medical	<u>7,960.0</u>	<u>4,218.7</u>	<u>(3,741.3)</u>
	116,371.7	102,736.6	(13,635.1)

*Based on first
 @ actuals*

⁷ The authorization of 4,218.7 for FY-92 has been exhausted. Therefore, it's most applicable to utilize the FY-91 actual with a 5% adjustment for inflation.

STATE OF ALASKA -- AGENCY OPERATING BUDGET

SALTOTLA

8/08/91

*** DEPARTMENT OF CORRECTIONS ***

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P.S.

CATEGORY	FY90 ACT	FY91AUTH	FY91 SUP	FISCAL YEAR 1992					
				GOV AND	HOUSE	SENATE	C. C.	W/VETOES	BILLS
ADMINISTRATION OF JUSTICE	98693.9	101152.3	6105.5	101938.6	106629.2	106634.4	106842.1	102736.6	
*** TOTALS ***	98693.9	101152.3	6105.5	101938.6	106629.2	106634.4	106842.1	102736.6	
BUDGET PERCENTAGE CHANGE COMPARED TO FY91AUTH:				.8	5.4	5.4	5.6	1.6	

OBJECTS OF EXPENDITURES:

PERS. SERV.	66907.5	69493.3	2491.8	73227.9	74461.6	74457.7	74509.2	73720.4
TRAVEL	328.8	899.9	151.9	666.3	656.3	656.1	656.3	651.3
CONTRACTUAL	19360.2	19300.8	2148.2	16613.9	20324.4	20333.3	20489.3	17177.6
COMMODITIES	9449.5	9308.8	965.8	9542.5	9304.8	9301.2	9301.2	9301.2
EQUIPMENT	529.6	287.9	298.2	106.4	104.5	104.5	104.5	104.5
LANDS/BLDGS	24.0							
GRANTS, CIMS	1598.3	1781.6	49.6	1781.6	1781.6	1781.6	1781.6	1781.6

FUNDING SOURCES:

FEDERAL RECEIPTS				24.0	24.0	24.0	24.0	24.0
GENERAL FUND	93297.5	94185.0	6084.6	93975.5	98029.0	98923.4	98241.9	94147.1
GF/PROGRAM RECEIPTS	2474.4	2474.4		2532.6	2473.6	2473.6	2473.6	2473.6
GF/MENTAL HEALTH TRUST		1221.7		2576.5	2818.0	2618.0	2818.0	2818.0
INTER-AGENCY RECEIPTS		2.4		75.8	6.1	75.3	5.1	4.6
PERMANENT FUND DIV FUND	733.4	763.4			763.4		763.4	763.1
CORRECTIONAL INDUST FUND	2011.7	2253.6	20.9	2500.6	2253.6	2253.6	2253.6	2250.6
CAPITAL IMPR PROJ RCPTS	176.9	251.8		255.6	261.5	261.5	261.5	255.6

GENERAL FUND PERCENTAGE CHANGE COMPARED TO FY91AUTH:

1.2 5.6 6.3 5.8 1.6

POSITIONS:

FULL TIME	1290.0	1317.0		1310.0	1326.0	1325.0	1327.0	1319.0
PART TIME	1.0	2.0		2.0	2.0	2.0	2.0	2.0
STAFF MONTHS	15312.0	15522.0		15438.0	15666.0	15654.0	15678.0	15582.0

NOV 03 '91 15:08 LEG. FINANCE BUREAU

FY92 OPERATING BUDGET - GOVERNOR'S VETOES

P.6

AGENCY	Explanation	CONFERENCE COMMITTEE		GOVERNOR'S VETOES		ENACTED (LESS VETOES)	
		GENERAL FUND	TOTAL FUNDS	GENERAL FUND	TOTAL FUNDS	GENERAL FUND	TOTAL FUNDS
	AVCP-Waterfowl Conservation Committee			-15.0	-15.0		
	AVCP-Yukon Kuskokwim Delta Fisheries Conf			-10.0	-10.0		
	State Revenue Sharing-Reduce to FY91 Level			-1,562.5	-1,562.5		
	Municipal Assistance-Reduce to 95% of FY91			-1,562.5	-1,562.5		
	Model Boundary Proj-Continuation Funding			-19.6	-19.6		
	Statewide Assistance-Reduce by Disallowed Transfer Amt			-63.0	-63.0		
	Municipal Lands Trustee Reduction			-46.1	-46.1		
	Child Care Operating Grants Funding			-278.0	-278.0		
	Child Care Resource/Referral			-50.0	-50.0		
	Day Care Assistance Program			-300.0	-300.0		
	Head Start Grants Annualization			-183.1	-183.1		
	Comm Dev-Bering Sea Fishermen-Reduce 50%			-175.0	-175.0		
Department of Corrections		103,533.5	106,842.1			99,438.7	102,736.6
	Departmentwide Health Benefits Cost Adjustment			-252.7	-252.7		
	Departmentwide 2% Personal Svcs Vacancy			0.0	-5.9		
	Departmentwide 10% Travel Reduction			-0.2	-5.0		
	Reduce Funding for 2 New Research/DP PCNs			-53.0	-53.0		
	Maniitaaq Association Contract			-434.3	-434.3		
	Increased Cost of CRC Operations			-200.0	-200.0		
	Expand Community Rehabilitation Centers			-1,009.3	-1,009.3		
	Reduce Funding for Additional Drug Testing			-32.4	-32.4		
	Additional Training Funds			-216.0	-216.0		
	Major Medical-Future Supplemental Needs			-1,419.7	-1,419.7		
	Delete Fairbanks Probation Officer			-52.6	-52.6		
	Delete Barrow Probation Officer			-69.9	-69.9		
	Eliminate Northern Region New Start			-100.4	-100.4		
	Delete Anchorage Probation Officer			-57.6	-57.6		

NOV 03 '91 15:09 LES. FINANCE JUNEAU

FY92 OPERATING BUDGET - GOVERNOR'S VETOES

R.T.

AGENCY	Explanation	CONFERENCE COMMITTEE		GOVERNOR'S VETOES		ENACTED (LESS VETOES)	
		GENERAL FUND	TOTAL FUNDS	GENERAL FUND	TOTAL FUNDS	GENERAL FUND	TOTAL FUNDS
	Delete Kenai Probation Officer			-50.8	-50.8		
	Reduce Funding for Juneau Probation Officer			-30.1	-30.1		
	Eliminate Southeast Region New Start			-115.8	-115.8		
University of Alaska	Unallocated Budget Reduction	175,273.0	353,845.8	-7,173.0	-7,173.0	168,100.0	346,672.8
Alaska Court System		45,559.8	45,559.8			44,276.0	44,276.0
	Vacancy & Benefits Underfunding			-743.4	-743.4		
	Trial Courts--Delete new positions			-270.8	-270.8		
	Trial Courts--Delete Amerada Hess Positions			-216.7	-216.7		
	Judicial Council--General Reduction			-52.9	-52.9		
Legislature		35,798.3	36,585.2			31,253.5	32,040.4
	FY92 Adj Base Less Carry Forward Less 4.6%						
	For All Legislative Components:						
	Legislative Audit			-421.7	-421.7		
	Legislative Finance			-531.3	-531.3		
	Budget & Audit Committee			-566.4	-566.4		
	Legislative Council			-2,144.7	-2,144.7		
	Legislative Operating Budget			-508.1	-508.1		
	Ombudsman			-372.6	-372.6		
Statewide Totals		1,669,785.5	2,676,712.6	-61,934.3	-67,892.3	1,607,851.2	2,608,820.3

NOV 03 '91 15:09 LEG. FINANCE JUNEAU

SALCUTA

STATE OF ALASKA -- OPERATING BUDGET SUMMARY

13:07

6/04/91

LEGISLATIVE FINANCE

M M M M DEPARTMENT OF CORRECTIONS M M M M M

SHORT FORM PAGE	BUDGET COMPONENT	FY91AUTH	GOV AMD	HOUSE	SENATE	C. C.	C. C. - GOV AMD COMPARISON
	ADMINISTRATION OF JUSTICE						
	ADMINISTRATION AND SUPPORT						
2	COMMISSIONER'S OFFICE	554.9	741.8	687.2	687.2	687.2	-54.6 -7.4%
4	PAROLE BOARD	438.9	434.4	435.3	435.3	435.3	0.9 0.2%
6	FAC-CAPITAL IMPROVEMENT UNIT	251.8	255.6	261.5	261.5	261.5	5.9 2.3%
8	ADMINISTRATIVE SERVICES	2361.1	2398.4	2406.0	2406.0	2406.0	7.6 0.3%
10	DATA AND WORD PROCESSING	441.7	445.5	557.0	557.0	557.0	111.5 25.0%
	*** PROGRAM TOTAL ***	4048.4	4275.7	4347.0	4347.0	4347.0	71.3 1.7%
	STATEWIDE OPERATIONS						
14	STATEWIDE PROGRAMS	7750.9	7199.3	9050.6	9284.6	9215.5	2016.2 28.0%
16	INTENT OVERFLOW						
18	CLASSIFICATION AND TRANS	558.7	565.9	567.4	567.4	567.4	1.5 0.3%
20	CORRECTIONAL INDUSTRIES ADMIN	772.4	787.0	789.6	789.6	789.6	2.6 0.3%
22	CORR INDUSTRIES PRODUCT COST	2253.6	2500.6	2253.6	2253.6	2253.6	-247.0 -9.9%
24	TRAINING UNIT	1170.7	1052.6	1211.7	1211.7	1211.7	159.1 15.1%
26	OUT-OF-STATE CONTRACTUAL	1562.5	1459.0	1359.0	1359.0	1359.0	-100.0 -6.9%
28	MAJOR MEDICAL	4203.2	4218.7	5640.6	5640.6	5640.6	1421.9 33.7%
30	NORTHERN DIRECTOR'S OFFICE	155.6					
32	FAIRBANKS CORRECTIONAL CENTER	7174.3	7314.1	7337.0	7339.5	7337.0	22.9 0.3%
34	ANVIL MTN CORRECTIONAL CENTER	3640.6	3710.8	3773.3	3725.8	3773.3	62.5 1.7%
36	YUKON-KUSKOKWIM CORR CENTER	3774.3	3845.1	3907.8	3860.3	3907.8	62.7 1.6%
38	NORTHERN REGION PROBATION	2141.8	2079.2	2308.5	2238.6	2308.5	229.3 11.0%
40	SOUTHCENTRAL DIRECTOR'S OFFICE	211.8					
42	PALMER CORRECTIONAL CENTER	7349.2	7489.5	7519.5	7524.5	7519.5	30.0 0.4%
44	MAT-SU CORRECTIONAL CENTER	2578.9	2634.6	2696.4	2648.9	2696.4	61.8 2.3%
46	COMBINED HILAND MTN CORR CTR	6903.6	6985.6	7013.0	7018.0	7013.0	27.4 0.4%
48	COOK INLET CORRECTIONAL CENTER	8510.5	8676.9	8977.9	8930.4	8977.9	301.0 3.5%
50	ANCH ANNEX CORRECTIONAL CENTER	3212.5	3333.1	3348.2	3350.7	3348.2	15.1 0.5%
52	WILDWOOD CORRECTIONAL CENTER	7242.1	7381.3	7410.3	7415.3	7410.3	29.0 0.4%
54	SPRING CREEK CORRECTIONAL CTR	12800.1	13012.0	13092.1	13098.5	13092.1	80.1 0.6%
56	SOUTHCENTRAL REGION PROBATION	3351.9	3136.7	3520.7	3469.9	3520.7	384.0 12.2%
58	SOUTHEAST DIRECTOR'S OFFICE	134.4					
60	LEMON CREEK CORRECTIONAL CTR	6208.0	6330.1	6356.8	6361.8	6356.8	26.7 0.4%
62	KETCHIKAN CORRECTIONAL CENTER	2697.0	2751.8	2812.1	2862.6	2860.1	108.3 3.9%
64	SOUTHEAST REGION PROBATION	715.3	558.2	784.6	784.6	784.6	226.4 40.6%
66	INSTITUTION DIRECTOR'S OFFICE		354.3	355.3	355.3	355.3	1.0 0.3%
68	COMMUNITY CORRECTIONS DIRECTOR		286.5	196.2	196.2	196.2	-90.3 -31.5%
	*** PROGRAM TOTAL ***	97103.9	97662.9	102282.2	102287.4	102495.1	4832.2 4.9%
	*** ADMINISTRATION OF JUSTICE TOTAL ***	101152.3	101938.6	106629.2	106634.4	106842.1	4903.5 4.8%

SALCUTA
 LEGISLATIVE FINANCE

STATE OF ALASKA -- OPERATING BUDGET SUMMARY
 * * * * * DEPARTMENT OF CORRECTIONS * * * * *

13:07 6/94/91

SHORT FORM PAGE	BUDGET COMPONENT	FY91AUTH	GOV AMD	HOUSE	SENATE	C. C.	C. C. - GOV AMD COMPARISON	
*****	TOTAL AGENCY EXPENDITURES	101152.3	101938.6	106629.2	106634.4	106842.1	4903.5	4.8%
*****	AGENCY FUNDING							
	FED RCPTS		24.0	24.0	24.0	24.0		
	GENERAL FUND	97881.1	99084.6	103320.6	104020.0	103533.5	4448.9	4.5%
	OTHER FUNDS	3271.2	2830.0	3284.6	2590.4	3284.6	454.6	16.1%

*** STATE OF ALASKA -- TOTAL STATE BUDGET ***

SALTOTLA

6/04/91

AGENCY	FY90 ACT	FY91CONF	FY91AUTH	F I S C A L Y E A R 1 9 9 2					
				FY92 AGY	GOVERNOR	GOV AMD	HOUSE	SENATE	C. C.
CORRECTIONS	98693.9	98782.9	101152.3	102528.0	101789.1	101938.6	106629.2	106634.4	106842.1
*** TOTALS ***	98693.9	98782.9	101152.3	102528.0	101789.1	101938.6	106629.2	106634.4	106842.1
BUDGET PERCENTAGE CHANGE COMPARED TO FY91AUTH:				1.4	.6	.8	5.4	5.4	5.6
OBJECTS OF EXPENDITURES:									
PERS. SERV.	66907.5	67122.9	69493.3	72739.3	73393.4	73227.9	74461.6	74457.7	74509.2
TRAVEL	828.8	900.9	899.9	724.8	657.0	666.3	656.3	656.1	656.3
CONTRACTUAL	19360.2	19300.8	19300.8	17901.1	16573.8	16613.9	20324.4	20333.3	20489.3
COMMODITIES	9445.5	9388.8	9388.8	9276.7	9275.8	9542.5	9300.8	9301.2	9301.2
EQUIPMENT	529.6	287.9	287.9	104.5	104.5	106.4	104.5	104.5	104.5
LANDS/BLDGS	24.0								
GRANTS, CLMS	1598.3	1781.6	1781.6	1781.6	1781.6	1781.6	1781.6	1781.6	1781.6
MISC.									
FUNDING SOURCES:									
FEDERAL RECEIPTS						24.0	24.0	24.0	24.0
GENERAL FUND	93297.5	91824.1	94185.0	95547.3	94820.1	93975.5	98029.0	98928.4	98241.9
GF/PROGRA.1 RECEIPTS	2474.4	2474.4	2474.4	2474.4	2473.6	2532.6	2473.6	2473.6	2473.6
GF/MENTAL HEALTH TRUST		1221.7	1221.7	1221.7	1221.5	2576.5	2818.0	2618.0	2818.0
INTER-AGENCY RECEIPTS		2.4	2.4	6.1	4.6	73.8	6.1	75.3	6.1
PERMANENT FUND DIV FUND	733.4	763.4	763.4	763.4	763.1		763.4		763.4
CORRECTIONAL INDUST FUND	2011.7	2253.6	2253.6	2253.6	2250.6	2500.6	2253.6	2253.6	153.6
CAPITAL IMPR PROJ RCPTS	176.9	245.7	251.8	261.5	255.6	255.6	261.5	261.5	261.5
GENERAL FUND PERCENTAGE CHANGE COMPARED TO FY91AUTH:				1.4	.6	1.2	5.6	6.3	5.8
POSITIONS:									
FULL TIME	1290.0	1317.0	1317.0	1296.0	1310.0	1310.0	1326.0	1325.0	1327.0
PART TIME	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
STAFF MONTHS	15312.0	15522.0	15522.0	15270.0	15438.0	15438.0	15666.0	15654.0	15678.0

S T A T E O F A L A S K A
BUDGETED NEW POSITIONS BY AGENCY

SALNOPSA

6/04/91

DEPARTMENT OF CORRECTIONS

C. C. BUDGET

TITLE	APPROVED POSITIONS			LOCATION	SALARY & BENEFITS	C. C. BUDGET			
	FULL	PART	TEMP			G	H	S	C
RESEARCH ANALYST III	1			JUNEAU	57.2		1	1	1
ANALYST PROGRAMMER III	1			JUNEAU	53.5		1	1	1
CRIMINAL JUSTICE PLANNER				ANCHORAGE		1		1	
PROBATION OFFICER II	1			FAIRBANKS	52.6		1	1	1
PROBATION OFFICER II	1			DARROW	69.9		1		1
PROBATION OFFICER II	1			ANCHORAGE	57.6		1	1	1
PROBATION OFFICER II	1			KENAI	50.8		1		1
PROBATION OFFICER II	1			KEETCHIKAN	95.2		1	2	2
NURSE II	2			JUNEAU	50.8		1	1	1
PROBATION OFFICER II	1			ANCHORAGE	69.9	1	1	1	1
ADMINISTRATIVE OFFICER III	1			ANCHORAGE	33.5	1	1	1	1
CLERK TYPIST III	1								
*** AGENCY TOTAL	11				591.0	3	10	10	11

*** AGENCY FUNDING	GOVERNOR'S BUDGET	HOUSE BUDGET	SENATE BUDGET	C. C. BUDGET
GENERAL FUND	103.4	543.4	470.3	591.0
INTER-AGENCY RECEIPTS	69.2		69.2	
*** TOTAL FUNDING	172.6	543.4	539.5	591.0

Alaska Department of Corrections

Four Year Plan

FY92--FY95

Goals and Strategies

FY92
Objectives

June 15, 1991

Introduction

The Department's Four Year Plan is a statement of what we hope to accomplish, and how we intend to go about it. The purpose of the plan is to keep the Department focused on its priorities and to provide a reference point against which to measure progress. Planning gives a sense of direction and positive momentum. It helps us purposefully move past crises, rather than being driven by them.

This plan is the product of a process that involved several stages:

- Reviewing and restating the Department's mission as defined by the Alaska State Constitution;
- Defining the goals, objectives, and needs of each division as identified by the Directors of Institutions, Community Corrections, Statewide Programs, Administrative Services, and the Parole Board.
- Identifying values and management principles that should guide the Department in carrying out its mission;
- Considering the Department's history and the lessons that can be learned from the past; and
- Contemplating the social, technological, political, economic, and environmental elements that are likely to impact the Department in the future.

Departmental Four Year Goals

Department goals over the next four years:

- **ENHANCE PUBLIC PROTECTION**
- **USE FACILITIES AND MATERIAL RESOURCES MORE EFFICIENTLY**
- **USE HUMAN RESOURCES MORE EFFICIENTLY**
- **DEVELOP MANAGEMENT INFORMATION AND PLANNING SYSTEMS**

Strategies

Strategies were outlined to work toward these goals over the next four years. Strategies involve placing special emphasis on particular issues or areas within the Department. For instance, one strategy to enhance public protection is to "*place more emphasis on effective rehabilitation programs.*"

Annual Objectives

Specific, measurable objectives will be determined for each strategy. Some strategies do not involve objectives this year, but objectives will be designed for each strategy within the next four years.

The individual, team, or task force responsible for each objective will execute a step-by-step action plan in order to accomplish the objective during the fiscal year. The individual action plans are not included in this report.

Progress Reports/Updates

The plan will be updated each year. Progress on the past year's objectives will be measured and reported. Departmental objectives for the upcoming year will be added to the plan.

Planning Process

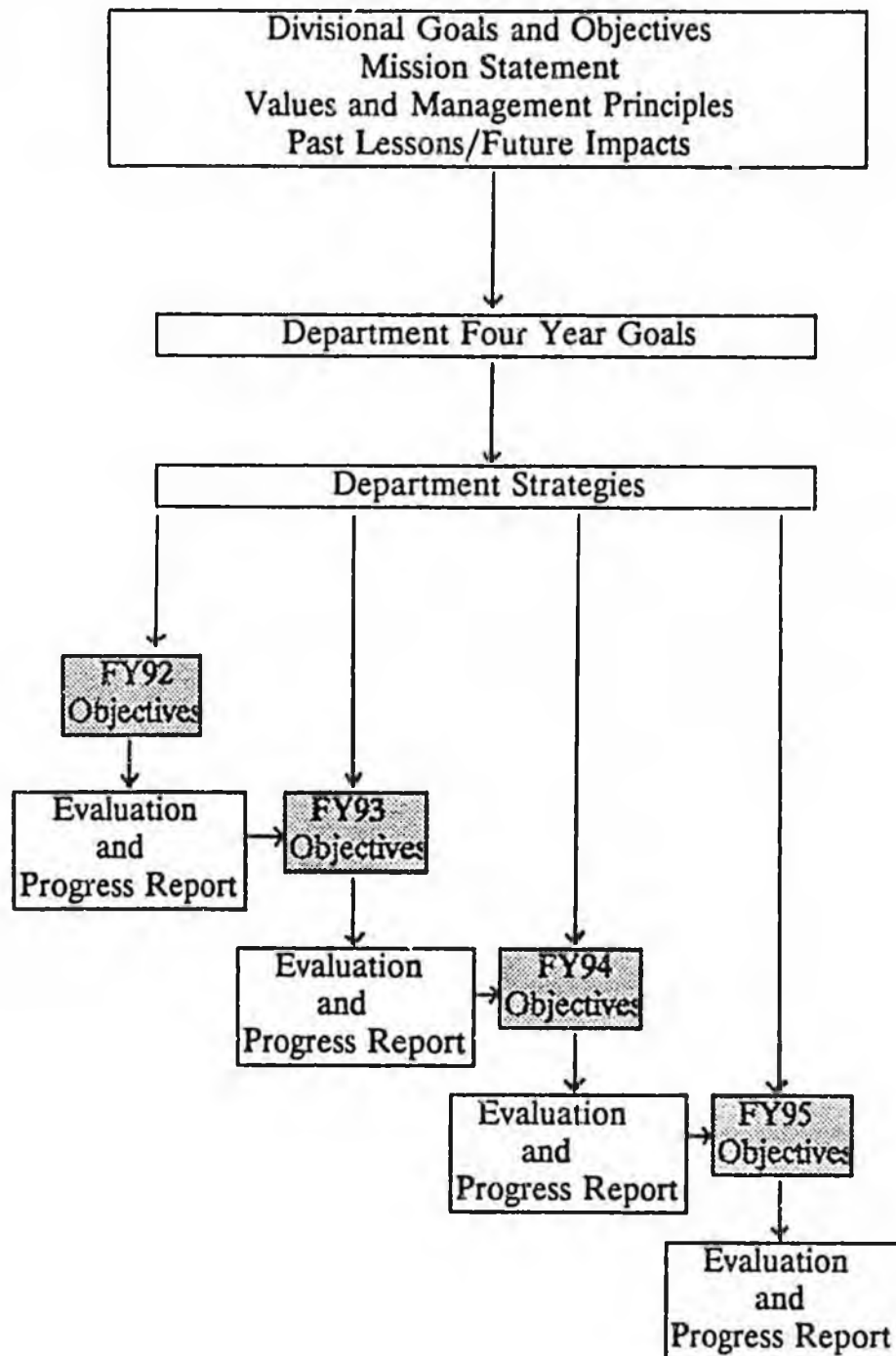


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MISSION STATEMENT

The mission of the Alaska Department of Corrections is to protect the public and provide opportunities for the reformation of offenders who are under the lawful care, custody, and control of the Commissioner.

Department Values

INTEGRITY

- Operating safe, secure, humane institutions and providing community corrections services that protect the public
- Upholding ethical professional standards based on honesty, fairness, compassion and objectivity
- Providing leadership by example in adhering to laws, regulations and policies

ACCOUNTABILITY

- Building credibility through responsible management
- Holding offenders accountable for their behavior

OPTIMISM

- Recognizing accomplishments and successes as well as unresolved problems
- Striving to understand and reduce the impact of crime, helping offenders understand the consequences of their behavior, and supporting their efforts toward behavioral reformation
- Maintaining a sense of humor

Department Management Principles

- Using lessons from the past and future predictions to strategically plan
- Basing policy decisions on reliable, factual information
- Basing fiscal decisions on the principle of lowest long-term cost to the public
- Remembering the Department's most valuable resource is its staff
- Empowering employees to reach their full potential
- Effectively communicating goals and objectives to employees, other interested agencies, and the public

Lessons From The Past

- Management studies have been under-utilized
- Data collection and analysis have been lacking
- Strategic planning has often given way to crisis management and reactive policies
- State demographic changes and legislative priorities have influenced offender profiles
- Organization has vacillated between regionalized and centralized management
- Most publicity has been negative; accomplishments have received little attention
- Lack of self-regulation and direction have resulted in intervention by other agencies, and oversight by the court system
- Funding has fluctuated based on a volatile economy
- Overcrowding has driven management decisions and funding priorities
- There has been limited interaction with the general criminal justice community

Expected Future Impacts

- Less rapid growth in population
- Aging facilities
- Continued substance abuse
- Increasing special needs populations: mentally/chronically ill, elderly, gangs, hard drug abusers
- Increasing female offender populations and demands for parity in programs
- Growing employee expectations regarding health and safety
- Trends toward alternatives to incarceration
- Growing victims' rights movement
- Environmental concerns
- Technological advances

GOAL I: Enhance Public Protection

STRATEGIES

Place MORE Emphasis On:

- Effective rehabilitation programs
- Recidivism data and research
- Meaningful involvement with other criminal justice agencies
- Community supervision
- Victim notification
- Community awareness and education/involvement

Continue the SAME Emphasis On:

- Operation of safe, secure, humane institutions with low rates of escape/violence

GOAL I: Enhance Public Protection

Strategy: Place more emphasis on recidivism data and research

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
4 FY92 The Director of Statewide Programs will seek grant or alternative funding for technical assistance to complete a recidivism study based on data collected on the Hiland Mountain Sex Offender Treatment Program.	06/01/92		

GOAL I: Enhance Public Protection

Strategy: Place more emphasis on meaningful involvement with other criminal justice agencies

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
5 FY92 The Deputy Commissioner will survey each institution and office to identify and evaluate current interagency committees, task forces, or working groups in which DOC employees are participating to assess future needs.	06/01/92		

GOAL I: Enhance Public Protection

Strategy: Place more emphasis on community supervision

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
6 FY92 The Director of Community Corrections will develop a philosophy and mission statement for the Division of Community Corrections.	12/31/91		
7 FY92 The Director of Community Corrections will request technical assistance to determine the feasibility of automated case management for community supervision.	06/01/92		

GOAL I: Enhance Public Protection

Strategy: Place more emphasis on victim notification

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
8 FY92 The Commissioner will issue revised Department Policy and Procedures addressing victim notification issues.	08/01/91		

GOAL I: Enhance Public Protection

Strategy: Place more emphasis on public awareness and community education/involvement

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
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(deferred to FY93)

GOAL I: Enhance Public Protection

Strategy: Continue the same emphasis on operation of safe, secure, humane institutions with low rates of escape/violence

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
9 FY92 The Director of Institutions will oversee American Correctional Association accreditation of Wildwood and Palmer-Medium Correctional Centers.	06/01/92		
10 FY92 The Director of Institutions will evaluate the remaining recommendations of the 1990 Prisoner Transportation Task Force and implement those deemed appropriate.	06/01/92		
11 FY92 The Director of Institutions will develop a plan to address the housing needs and parity issues of female prisoners.	09/01/91		
12 FY92 The Director of Institutions will complete a report on the feasibility, costs, and impacts of implementing live-scan, automated fingerprinting at booking institutions.	01/01/92		
13 FY92 The Director of Institutions will review prisoner activity levels at each institution and implement recommendations to reduce idleness.	06/01/92		
14 FY92 The Compliance Administrator will work with the Director of Institutions to resolve the outstanding issues related to the Final Settlement Agreement so that continued oversight by the Court will no longer be necessary after February, 1992.	10/01/91		

**GOAL II: Use Facilities and Material
Resources More Efficiently**

STRATEGIES

Place MORE Emphasis On:

- Facilities maintenance management and identification of physical plant requirements
- Security and custody classification systems to insure appropriate institutional placement of prisoners
- Effective institutional placement of statewide programs
- Alternatives to incarceration and intermediate sanctions for probation/parole violators
- Cost-efficient purchasing/procurement

GOAL II: Use Facilities and Material Resources More Efficiently

Strategy: Place more emphasis on facilities maintenance management and identification of physical plant requirements

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
15 FY92 The Facility Planner will see that the existing deteriorated Palmer Minimum Correctional Center housing units are replaced by a new housing building.	12/31/91		
16 FY92 The Facility Planner will initiate the renovation of the existing Palmer Minimum housing and support building into a program and support facility that meets program needs and current building code requirements.	12/31/91		
17 FY92 A Departmental Task Force will identify resources required by each institution to adequately maintain the physical plant to prevent deterioration of the buildings. Physical plant requirements will be specifically addressed in the Departmental budget process. This information will be incorporated into the operating and capital budgets.	10/01/91		

GOAL II: Use Facilities and Material Resources More Efficiently

Strategy: Place more emphasis on security and custody classification systems to insure appropriate institutional placement of prisoners

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
18 FY92 The Director of Institutions, with technical assistance from the National Institute of Corrections, will conduct a validation study of the prisoner classification system.	12/31/91		
19 FY92 The Director of Institutions will evaluate current institutional placements of prisoners based on the validated classification system and the DOC 1990 security audit.	06/01/92		
20 FY92 The Director of Institutions will revise classification policies and procedures to insure the least restrictive custody and placement of each prisoner, consistent with sound correctional management.	03/01/92		

GOAL II: Use Facilities and Material Resources More Efficiently

Strategy: Place more emphasis on effective institutional placement of statewide programs

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
21 FY92 A Departmental Task Force will evaluate and make recommendations on the most effective institutional placements of substance abuse, sex offender, and Prison Industries programs.	06/01/92		

GOAL II: Use Facilities and Material Resources More Efficiently

Strategy: Place more emphasis on alternatives to incarceration and intermediate sanctions for probation/parole violators

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
22 FY92 A Departmental Task Force will study the feasibility of instituting boot camps, day treatment centers, and electronic monitoring/home confinement programs to alleviate demands for hard beds.	12/31/91		
23 The Task Force will design pilot program models for each alternative assessed to be feasible.	06/01/92		
24 FY92 A Departmental Task Force will review current community residential center definitions and functions, and will propose changes to statutes, regulations, and policies as needed to maximize the use of community residential beds within acceptable levels of risk to the public.	01/01/92		
25 FY92 The Executive Director of the Parole Board will insure that the Board operates such that the percentages of released parolees returned to custody within one year are: less than 6% for a new felony conviction (currently 2%); less than 2% for a new violent felony conviction (currently .5%); less than 20% for a new non-felony conviction (currently 22%).	06/01/92		

GOAL II: Use Facilities and Material Resources More Efficiently

Strategy: Place more emphasis on cost-efficient purchasing/procurement

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
26 FY92 The Director of Institutions will develop a plan for purchasing prisoner clothing from Prison Industries and addressing the clothing needs of long term prisoners.	01/01/92		
27 FY92 The Commissioner will develop a plan to improve cost-effectiveness and inventory control with regard to institutional purchasing procedures.	07/01/91		

GOAL III: Use Human Resources More Efficiently

STRATEGIES

Place MORE Emphasis On:

- Reorganization along functional lines
- Management skills and supervisory training
- Staff utilization studies and job classification
- Employee health and safety needs
- Staff turnover
- Identification and use of employee skills/talents/interests
- Feasibility of volunteers

Continue the SAME Emphasis On:

- New hire recruitment and staff training

GOAL III: Use Human Resources More Efficiently

Strategy: Place more emphasis on reorganization along functional lines

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
28 FY92 The Commissioner will update Department Policy 102.03, <u>Organization Chart</u> , reflecting reorganization from regional to functional lines.	07/01/91		
29 FY92 The Director of Administrative Services will restructure current PCNs, update job descriptions, reclassify/ relocate positions, and request new positions as needed to complete the shift from regional to functional organization.	08/01/91		
30 FY92 A Departmental Task Force will study the feasibility of creating an Internal Affairs investigative unit and make recommendations on implementation if feasible.	08/15/91		

GOAL III: Use Human Resources More Efficiently

Strategy: Place more emphasis on management skills and supervisory training

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
31 FY92 The Training Co-ordinator will insure that a 40-hour comprehensive supervisory skills training program in Anchorage, Fairbanks, and Juneau is made available to all supervisory employees.	06/01/92		
32 FY92 The Training Co-ordinator will insure that a 24-hour course on management skills is available for Assistant Superintendents and Superintendents.	06/01/92		
33 FY92 The Director of Community Corrections will establish and implement a minimum level of supervisory training to be completed by community corrections supervisors, including certification in a "Training for Trainers" course for all Probation Officer IIIs.	06/01/92		

GOAL III: Use Human Resources More Efficiently

Strategy: Place more emphasis on staff utilization studies and job classification

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
34 FY92 The Deputy Commissioner will develop a plan to implement the recommendations of the Peat Marwick staff utilization audit conducted between May and July, 1991.	12/31/91		
35 FY92 The Director of Administrative Services will review the recommendations of the Director of Institutions regarding the reclassification of the Correctional Officer job series, and the recommendations of the Director of Community Corrections regarding the Probation Officer job series, and will submit final recommendations to the Department of Administration, Division of Personnel.	09/01/91		
36 FY92 A Departmental Task Force will process requests for analyzing the relative costs/benefits of private vs. governmental responsibility for selected DOC functions. Initial requests for analysis include: internal on-site versus contracted drug testing for Community Corrections offenders; restitution and possibly probation fee collection.	06/01/92		

GOAL III: Use Human Resources More Efficiently

Strategy: Place more emphasis on employee health and safety needs

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
37 FY92 The Director of Institutions will insure that an Employee Assistance Program is in place at Spring Creek Correctional Center that includes employee health components.	01/01/92		

GOAL III: Use Human Resources More Efficiently

Strategy: Place more emphasis on employee turnover

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
38 FY92 A Departmental Task Force will assess levels of turnover at each institution and office, determine acceptable levels of turnover, and make recommendations to achieve acceptable levels in each unit.	04/01/92		

GOAL III: Use Human Resources More Efficiently

Strategy: Place more emphasis on the identification and use of employee skills/talents/interests

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
39 FY92 A Departmental Task Force will conduct an employee survey, catalogue results, and develop a system for updating and utilizing the information in order to involve more employees in special projects/assignments relevant to their skills/interests.	02/01/92		

GOAL III: Use Human Resources More Efficiently

Strategy: Place more emphasis on the feasibility of volunteers

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
40 FY92 The Commissioner will issue a Department Policy establishing a Student Intern program	11/01/91		
41 FY92 The Director of Community Corrections will insure that at least one student intern is placed in the Community Corrections offices in Anchorage and Fairbanks.	11/01/91		

GOAL III: Use Human Resources More Efficiently

Strategy: Continue the same emphasis on new hire recruitment and staff training

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
42 FY92 A Departmental Task Force will make recommendations to improve training officer recruitment.	12/30/91		

**GOAL IV: Develop Management Information and Planning
Systems**

STRATEGIES

Place MORE Emphasis On:

- Data collection/analysis and research
- Reliable offender population forecasting systems
- Executive staff training
- Regular, systematic audits
- Comprehensive annual report
- Analysis and response to proposed legislation

**GOAL IV: Develop Management Information
and Planning Systems**

Strategy: Place more emphasis on data collection/analysis
and research

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
43 FY92 The Deputy Commissioner will create an Office of Research and Planning to serve as a central clearinghouse for data collection/analysis and research.	07/01/91		
44 FY92 The Office of Research and Planning will publish a description of its functions and outline procedures for requesting technical assistance, grant funding, data, research materials, policy and procedure revisions, and other information from the office.	12/01/91		
45 FY92 The Director of Administration will develop procedures and data processing controls to insure accurate, reliable, and protected data entry into the OBSCIS and HOFA systems.	09/01/91		

**GOAL IV: Develop Management Information
and Planning Systems**

Strategy: Place more emphasis on reliable offender forecasting systems

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
46 FY92 The Office of Research and Planning will develop a standardized prisoner population forecasting method. The forecasting method will be based on data from jail and prison populations and will provide valid forecasts for budget and planning purposes.	09/01/91		
47 FY92 The Deputy Commissioner will develop a Statewide Facilities Master Plan, projecting the facility needs of the Department over the next five years and recommending facility modifications that will be required to meet forecasted offender needs. Distinction between jail and prison facilities and parity for female offenders will be incorporated into the plan.	12/31/91		

**GOAL IV: Develop Management Information
and Planning Systems**

Strategy: Place more emphasis on executive staff training

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
48 FY92 The Commissioner, Deputy Commissisoner, Special Assistants, and Directors will participate in a follow up training session addressing strategic planning.	06/01/92		

**GOAL IV: Develop Management Information
and Planning Systems**

Strategy: Place more emphasis on regular, systematic audits

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
49 FY92 The Director of Administrative Services will revise budgeting and accounting policies and procedures and institute regular fiscal audits of each Department component to improve budget planning and accountability.	12/31/91		

**GOAL IV: Develop Management Information
and Planning Systems**

Strategy: Place more emphasis on comprehensive annual report

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
50 FY92 The Office of Research and Planning will develop a timeline and a format for collecting and compiling information for an annual report to be published at the end of each calendar year. The annual report will be used as an internal planning document and will provide the Governor and Legislature with timely information appropriate to their needs.	12/31/91		

**GOAL IV: Develop Management Information
and Planning Systems**

Strategy: Place more emphasis on analysis and response to proposed legislation

<u>OBJECTIVE</u>	<u>Target Date</u>	<u>Date Completed</u>	<u>% Completed</u>
51 FY92 The Commissioner will direct the Department's legislative liaison to develop a system to insure that all proposed legislation affecting the Department is reviewed by the appropriate staff and that a Department position paper and fiscal note, if applicable, are submitted to the Legislature in a timely manner.	12/31/91		

Dept. of
Correction
Overview,
1992

CORRECTIONAL INDUSTRIES COMMISSION MEETING
January 16, 1992

MOTION: The Commission recommends to the Commissioner of Corrections the finding that the proposed use of inmate labor to clear Alaska Railroad right-of-way minimally impacts the private sector. The Commission further finds that the proposal is in the best interest of the State. This finding and recommendation will be evaluated by the Commission in the fall of 1992.

Motion carried by unanimous consent. Commissioner Hames abstained from voting.

MOTION: The Commission recommends to the Commissioner of Corrections the finding that the proposed telephone information service for State agencies has a minimal impact on the private sector and is in the best interest of the State to operate as a correctional industry.

Motion carried by unanimous consent. Commission Hames abstained from voting.

ALASKA CORRECTIONAL INDUSTRIES COMMISSION

FEASIBILITY ANALYSIS

PROPOSED INDUSTRY

TRAVEL TELEMARKETING, RESERVATION, AND MAIL FULFILLMENT SYSTEM

EFFECTIVE DATE: January 10, 1992

FEASIBILITY ANALYSIS

I. PROPOSED INDUSTRY - TRAVEL TELEMARKETING, RESERVATION, AND MAIL FULFILLMENT SYSTEM

A. INDUSTRY CONCEPTUALIZATION

The proposed purpose of this correctional industry would be to allow Alaska Correctional Industries to assist other state agencies in conveying information to the general public, inside and outside the State of Alaska, in order to answer questions regarding the state services and/or information now provided. This proposed service industry would respond to requests for travel and tourism information in Alaska. A proposal to also establish a reservation system to secure reservations on any of the state operated transportation systems may be considered. The telemarketing of this information would also be considered as a potential function of this industry.

B. POTENTIAL MARKET

Four state agencies have expressed an interest in securing services potentially offered as part of this industry from the Alaska Correctional Industries program. The Alaska Marine Highway System/Department of Transportation, the Alaska Railroad Corporation (a quasi-state agency), the Division of Tourism/Department of Commerce and Economic Development, and the Alaska Tourism Marketing Council are considered as the initial markets for this service.

Currently, all four agencies offer their unique services through in-house staff positions and/or through contracts with private sector vendors. Due to the extensive travel boom to Alaska over the last decade and a reduction in the availability of state general fund resources, these agencies have found it difficult to keep pace with the public's increased inquiries for their services and information. Delays in responses, unavailability of adequately staffed offices, and the inability to follow up on late schedule changes have created complaints from in-state residents and potentially a loss of revenue from out-of-state residents unable to plan and/or schedule their vacations.

Therefore, the initial defined target market for this industry would be for Alaska Correctional Industries to provide a level of supplemental services to those state agencies that can not be currently met by their existing level of staffing. Consideration must also be given to capturing any

business that has consistently been awarded to a private vendor out of state if correctional industries can provide a cost efficient alternative with comparable service.

C. PROPOSED SERVICES TO BE PROVIDED

Four types of services have been identified by the four state agencies initially involved in this feasibility study. All or some level of the following services could be provided by Alaska Correctional Industries to assist the state in its current level of service. The following is the description and definition of the services under discussion:

1) Informational Mailing Service- Alaska Correctional Industries could operate a mail fulfillment operation. State agencies would forward lists of addresses and identify what type of packaged information should be forwarded to their customers and/or customer mailing lists.

2) Toll Free Information Line- Alaska Correctional Industries could establish a toll free national 800 telephone number which would be advertised in all State of Alaska promotional travel brochures. All inquiries would be answered by ACI inmate employees. Programmed information prepared by the state agencies would be disseminated over the telephone. Any free published information requested could be forwarded by the ACI Informational Mailing Service. Those customers requiring assistance from specific agencies could be advised of the proper telephone contact for direct assistance.

3) Reservation System- A reservation system to allow the state's customers to secure reservations on any of the state operated transportation services would be operated by Alaska Correctional Industries. The ACI staff would supplement existing state agency personnel in peak high demand times and/or be charged with specific functions (for example...schedule delays or cancellations notices). The ACI staff would require access to the state agency's existing reservation system.

4) Telemarketing Services- State agency promotional campaigns that identify a target market where telephone solicitations would be effective could contract with the Correctional Industries Program for telemarketing services. The agency would prepare the marketing presentation and ACI would be responsible for the delivery of the presentation to the specified market.

D. SUGGESTED SALES APPROACH

One sales approach would be to complete a product line

determination for review by GS&S in order to utilize the "state use law" that is currently in effect within Section 33.32.030 of the Alaska Statutes. It is anticipated that Alaska Correctional Industries would be effective in providing a better than comparable service at fair market value. Under this scenario, state agencies would then be required to purchase the service as provided by Alaska Correctional Industries in the contract awards manual. Some quasi-state agencies (ie. the Alaska Railroad) are not required to purchase under the requirements of the contract awards manual.

Another approach, and probably more effective, would be to have the state agencies that are currently interested in some level of service develop a memorandum of understanding with Alaska Correctional Industries to describe and define the services they would be interested in securing. A fair market price for the program's services could then be established in conjunction with a pricing determination by the Division of General Services and Supply, Department of Administration.

E. IDENTIFICATION OF ANY POTENTIAL CONFLICTS

Existing research of this service occupation indicates that the state agencies currently service their reservation needs and information processing within their own agencies utilizing state positions. However, private sector contracts, both in-state and out-of-state have been established in some instances to assist in providing the following services:

Marine Highways System -AMHS currently provides all their own information mailings with their existing reservation staff. All of their telephone inquiries are routed to their reservation clerks who also currently answer general tourism related questions.

According to George Foster, Reservations and Marketing Manager, AMHS for the first time has secured a private sector contract with the advertising firm of Bradley and Associates (an in-state vendor) to complete a telemarketing survey.

Alaska Railroad Corporation -ARRC has completed most of the noted service functions in-house with no assistance from private sector businesses and/or contracts. The ARRC does however purchase mailing lists from the Alaska Visitors Association (20,000 addresses) and other related travel sources for direct mail marketing campaigns. During the past, these mailings have been accomplished through an in-state mail fulfillment house.

Division of Tourism -The Division of Tourism employs staff in Juneau that primarily process mail and telephone inquiries in-

house from the public. In providing information to answer these inquiries, the division also provides documentation in support of the Alaska Railroad, the Alaska Marine Highways,as well as federal and other state agencies (ie. Fish and Game, Job Service, etc.).

Alaska Travel and Marketing Council -In previous years, the Council has contracted with an in-state private vendor to compile a computerized listing of individuals that had initiated requests for the Alaska Travel Planner. The private vendor then forwarded the computerized listings to a mail fulfillment house in Portland, Oregon for the actual mailing of the planner. This arrangement experienced problems when the in-state private vendor was unable to maintain and process an up-to-date current listing of interested parties that would allow for the mailing of the planners in a timely manner. Highly fluctuating demands on the vendor's data entry workloads caused delays. According to Tina Lindgren, Executive Director of the Council, this contract has not been continued this year.

Currently, the Council maintains a contract with the out-of-state informational mail forwarding house in Portland, Oregon. This vendor now receives post cards direct from the interested parties for the travel planners and then the vendor mails the travel planners directly to the interested parties. The vendor also is responsible for providing computerized reports and data base lists to tourism partners. Services are also secured from a Canadian mail fulfillment house to provide the information to Canadian consumers utilizing Canadian postage in a cost efficient manner.

Approximately 720,000 travel planners were forwarded last year to consumers planning trips to Alaska and travel agencies that facilitate travel plans for tourists. Ms. Lindgren has indicated that the Council has not been able to award the printing contract for the travel planners to a commercial printer in Alaska. She indicated that up to this point in time, it has not been cost effective to ship the printed planners from the "lower 48" printer to Alaska, warehouse the planning books, and then ship the planners back to locations in the "lower 48".

In the past there has been some criticism regarding the use of an out of state mail fulfillment house to answer Alaskan travel inquiries. In addition, there have been inquiries on why an out of state printer has been utilized. Cost efficiencies and quality of service have been the controlling principals attributing to these decisions.

F. IMPLEMENTATION BY OTHER STATES

According to the 1991 Correctional Industries Directory as produced by the Correctional Industries Association, Inc., there are at least 15 states involved in some form of data entry, record conversion, mail surveys/marketing, telemarketing, and/or travel information assistance.

A New York Times article (attached) published on 11/24/91 indicates that approximately one dozen states have used inmates to answer travel and tourism inquiries or are considering doing so. Another New York Times article (attached, 1/2/92) indicates that approximately 15 states have set up telemarketing centers where inmates dial or receive business calls.

According to a 1990 update to the Guidelines for Prison Industries, Institute for Economic and Policy Studies, Inc., January 1990, 9 states are actively involved in telemarketing activities for either state agencies or in cooperative ventures with the private sector. Among these 9 states, there are 15 individual telemarketing operations either servicing state and/or private sector needs. In total, 318 inmates were employed in these telemarketing operations.

ACI staff has noted that successful reservation systems have been implemented in the Arizona and California correctional systems. Best Western Hotels will be celebrating their tenth anniversary by expanding their operation at the Arizona State Penitentiary for Women. Mary Drummond (602-255-1464), a contracts administrator for the industries program in Arizona has informed staff that their operation has been very successful for both Best Western and the Arizona Department of Corrections. TWA has implemented a reservation system within the California Youth Authority. Mr. Fred Mills (916-427-6682), the correctional industries administrator for the youth authority, has offered any support he could provide if ACI was to implement a reservation system employing inmates.

II. STAFFING REQUIREMENTS

A. SUPERVISORY STAFF

Three approaches could be utilized to supervise the ACI inmate staffing that would be employed within this correctional industry service industry:

- 1) Under ACI supervision, one Production Manager II would be required to supervise this operation.

2) If individual agencies wanted closer control of the operation, they could provide their own supervisor to train inmate employees and manage their individual operations.

3) A private vendor could be contracted to supervise the operation for all state agencies.

Given the defined circumstances, that at least four state agencies will be involved in this venture and their workloads are seasonal, it is suggested that ACI employs one full time production manager to manage this operation and coordinate the training of inmate employees. Unfortunately, no vacant production manager positions currently exist within the Department of Corrections.

B. INMATE STAFFING

Seasonal workload demands are customary in all four referenced state agencies. The Marine Highways System typically incur their heaviest workloads in December (when their initial bookings are opened) and April through September. However, unlike previous years, AMHS recently has been experiencing a full workload throughout the year. The Alaska Railroad's workload increases in March and extends at its highest levels through August. The Division of Tourism and the Alaska Tourism Marketing Council receives most of its demands in the off tourism season ...October through April.

The interested agencies are now being surveyed to approximately project the number of positions and approximated time-frames that would be required of ACI staff, if ACI was assisting their individual agencies. This information will provide the basis for the projected required level of inmate staffing. Preliminary data suggests the following staffing levels:

ALASKA MARINE HIGHWAYS

AMHS currently maintains a national 800 number that was implemented to provide a toll free reservation system for the ferry system.

In conversations with Mr. George Foster, Reservations and Marketing Manager for AMHS, he has indicated that approximately 55% to 60% of their reservation calls are for tourism related information. A new telephone reservation system to be installed within a month will provide their staff with the capabilities of automatically sorting their incoming calls through touch tone dialing. General information calls that do not require reservations can then be specifically routed to any location.

Mr. Foster has indicated that it would be beneficial for ACI to provide assistance in answering the tourism related inquiries. If that assistance was provided, then AMHS could be effective in providing their reservations and related scheduling information.

ESTIMATED SERVICE STAFF YEARS- ALASKA MARINE HIGHWAYS SYSTEM

Information Mailing-	Function performed by existing staff
Toll Free Information-	Approx. 4.0 full time positions
Reservation System-	Pending additional analysis
Telemarketing Services-	Private sector vendor under contract

Total Projected Staff- 4.0 full time positions

ALASKA RAILROAD CORPORATION

ARRC currently maintains a national 800 number that was implemented to provide a toll free reservation system for the railroad system.

Staff was copied on a letter (attached, 11/25/91) from Mr. Richard Knapp, Vice President, Marketing and Sales of the Alaska Railroad, to Senator Pearce. Mr. Knapp suggested the establishment of a 800 number for all tourism related "information only" calls. Mr. Knapp indicated that during the first 10 months of 1991, their Passenger Service staff responded to approximately 87,000 telephone calls. He estimates that as many as 40% of the calls are for information only. If ACI was to service the information only calls and effectively assist ARRC in reducing the number of non-reservation related calls, we can project that this would establish approximately 3.0 seasonal related jobs within the service functions of Toll Free Information and Information Mailing.

In conversations with Mr. Knapp, he has indicated that if the "information only" service was successful, then the Alaska Railroad might further evaluate the possibility of ACI being actively involved in processing actual reservations for railroad travel. The Alaska Railroad is actively reviewing their in-house reservation system to determine the costs of a new reservation system in comparison with a third party vendor.

ESTIMATED SERVICE STAFF YEARS-ALASKA RAILROAD CORPORATION

Information Mailing-	Function performed by existing staff
Toll Free Information-	Approx. 3.0 positions, March-Aug.
Reservation System-	Pending additional study
Telemarketing Services-	Not applicable at this time
<hr/>	
Total Projected Staff-	3.0 positions for 6 months

DIVISION OF TOURISM/DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

The Division of Tourism employs 4 staff in Juneau that primarily process mail and telephone inquiries from the public. Their in-house staff processed approximately 125,000 telephone and letter inquiries last year. The division is focused to provide a one stop shopping outlet for a variety of tourism information with governmental (state and federal) publications that includes information on the Alaska Railroad and the Alaska Marine Highways. By policy, the division is not allowed to forward private sector brochures and/or recommend specific private vendors unless they are a sole private vendor source (for example, the White-Pass Railroad). These procedures are designed to avoid unfair competition by the division between competing private sector vendors.

The division does not maintain an 800 informational number to answer tourism questions but there is currently a test being conducted on the use of a 800 number by the Alaska Tourism Marketing Council. This 800 number only provides travel planners to all individuals that call and leave their addresses on the recording system with a request for that information. This test may indicate the need for a full service toll free tourism information 800 number.

The Division of Tourism staff has indicated that at this time all of their inquiries are being answered in a timely manner. Consideration could be given to moving the data entry functions back to an in-state vendor and/or ACI if the service could be provided in a timely and efficient manner. Any service would best be closely coordinated with the current efforts provided by the Tourism Marketing Council. At this time, the value of any ACI assistance is under evaluation.

Conn Murray, Director of the Division of Tourism, in a letter to Senator Pearce (attached, 12/18/91) suggested that the use of ACI inmates should be used in conjunction with central state 800 information number with an appropriate voice and FAX tree. He indicated that the mail fulfillment of the

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requests for information be included as part of the overall commitment.

ALASKA TOURISM MARKETING COUNCIL

The ATMC operates as a quasi state agency representing both the private sector and state government. ATMC is a 21 member council consisting of 10 private sector members and 10 members appointed by the Governor. All of the members are associated with and/or operating within the tourism industry. The Director of the Division of Tourism acts as chairperson of the council. The council members make the final determination on the distribution of the Alaska Travel Planners. While the council dedicates no staff to mail fulfillment operations, its' function is to facilitate the associated contracts and coordinate the distribution of funding (both private and state) in marketing Alaska tourism. Any considered Alaska Correctional Industries involvement with this agency would be through a contractual arrangement replacing the services now provided by the private sector.

ESTIMATE SERVICE STAFF YEARS-DIVISION OF TOURISM

Information Mailing-	Under evaluation
Toll Free Information-	Under evaluation
Reservation System-	Not applicable
Telemarketing Services-	Under evaluation
<hr/>	
Total Projected Staff-	To be determined

STATE AGENCY SUMMARY

A full spectrum of services and levels of involvement for correctional industries exists and have been discussed by the individual agencies and interested parties. It will be necessary for a final determination to be completed by the involved state agencies in order to finalize what functions could be provided by Alaska Correctional Industries. This information and a contractual financial commitment to Alaska Correctional Industries by the interested parties would be necessary to make the final determination as to whether this industry can be feasible and could operate in a cost efficient manner.

The initial evaluations with the agencies indicate that there is active interest in providing initial employment for 4 full time and 3 seasonal (6 month) inmate employees in this service industry. A core inmate staff of approximately two inmates would be necessary to maintain continuity of service, counterbalance attrition, and allow for the efficient training of employees. It is also anticipated that after the initial implementation, the services provided by this operation could be expanded to be utilized by other state agencies that need supplemental assistance in meeting project and/or seasonal workload demands in the aforementioned functions. Some type of additional state government workload and/or private business would have to be identified and secured to make this ACI operation cost efficient.

C. INMATE SKILL LEVELS

Basic office and computer skills would be needed and/or developed to maintain the functions of this service operation. Most of these functions are currently being performed in our existing ACI operations by inmate clerks who support the production managers with bookkeeping, purchasing, marketing, CAD efforts, etc.. The TIE concept could be utilized to maintain a sufficient level of trained inmate staff.

D. TRAINING REQUIRED

Currently, the state agencies providing these services primarily utilize seasonal employees and entry level positions making turnover sometimes prevalent. Employees are trained to become productive in a relatively short term (3 to 4 weeks). An adequate level of training could be provided to inmate employees through two basic methods:

- 1) It is suggested that the production manager supervising this operation would train within the individual agencies to fully understand their requirements and service needs. The production manager would then be responsible for the training new ACI employees as they were hired.

- 2) The serviced agencies could also provide training seminars to ACI inmate employees on site to increase productivity and maintain the quality of service.

All ACI inmate employees would be closely supervised and counseled on site to maximize quality control in all the services provided.

III. Investments

A. EQUIPMENT COSTS

Proper investment costs for equipment can only be established after a determination on the final level of services has been provided and an estimated ACI work force is established. However for discussion purposes and a general evaluation, an initial investment that would allow the capability of an informational mailing service, a toll free information line, and the capability of telemarketing can be generally approximated. Equipment for an on-line reservation system will not be considered at this time since that function was not identified as an intended need by the potential user agencies. The types of anticipated costs depending upon workload are as follows:

(10) office panel system work stations	\$10,000
(2) personal computers	6,500
(1) FAX system	2,500
(1) Copier (\$180/MTH for 3 years or purchase)	4,500
(1) Mail Machine with Postage Meter	4,000
(1) Postage Scale	1,800
(1) Folder/Inserter	3,300
Miscellaneous mail room equipment (sorting racks, mail carts, tape dispenser, bags, etc.)	2,500
Miscellaneous office equipment/supplies (file cabinets, chairs, tables, etc.)	4,000
(1) ACD telephone system -initial 10 stations with expansion	N/A
Total Estimated Equipment	<u>\$39,100</u>

Priority on all equipment to be secured would be ACI manufactured and/or state surplus, if available, to reduce the initial investment. The ACD telephone system is currently under evaluation and discussed in section V.-B Technical Problems.

B. BUILDING

This operation is estimated to require approximately 2,000 square feet for the individual work stations, production manager's office, mail room, processing area, storage of

associated information, and break room. Additional storage may be required for finished mailing lots depending on logistical requirements.

The facility requirements would be basic to any office area and would include adequate access to power (110 volt/clean lines for computer access), adequate access to telephone lines and potentially dedicated lines, office lighting, loading dock or loading area with double door access, and rest rooms access. No extenuating ceiling height requirements are anticipated.

As previously indicated, any available space within our Alaska correctional centers is at a premium and very scarce. If we are anticipating to identify space to implement this service industry in the short term, staff has identified only two potential facility options at the current time:

1) Approximately 2300 square feet of space could be made available within the correctional industries building at the Lemon Creek Correctional Center, in Juneau. This space was the former location of the ACI Bakery Operation and the Alaskans Leather MFG. cooperative venture which has discontinued operations. 110/220 volt electricity is in and the plant could be easily renovated to accommodate a service industry of the type described.

The institutional maintenance staff has informed ACI that an adequate telephone trunk line capable of at least 40 lines is currently installed to the correctional industries building. Switching equipment would have to be evaluated. Part of this space is currently being utilized to warehouse the Alaska Marine Highways laundry inventory in the off season. Some bakery equipment (including a rotary oven), a refrigeration unit, and supply storage is also currently occupying this location.

2) Current state negotiations for securing additional space is underway for the Wildwood Correctional Center. A plan to reallocate existing and potential new space is now being evaluated. There is at least the possibility that space could be identified for implementing a service industry to meet the required needs. The implementation time-frame would possibly be delayed in required renovations. The proposed customer service unit might operate in conjunction with the telemarketing industry.

The Division of Institutions, Department of Corrections, will have to be part of the reviewing process for evaluating the feasibility of this industry and identifying a potential site. A final evaluation would have to include their comments

regarding the potential location of this industry. Their evaluation and needs assessment would insure that an adequate level of properly classified inmates is available to provide the necessary work force for this potential correctional industry operation.

If existing adequate space can not be identified, a possibility of requesting capital funds for construction could be examined as part of the FY 93 budgeting process. This of course would delay any short term implementation of an initial operation.

IV. EMPLOYMENT POTENTIAL

Opportunities for employment after incarceration in the tourism and/or office vocation are well above average. The operation of a reservation system, personal computer skills, telephone etiquette, etc. presentation, are all skills that are readily transferable to many vocations in Alaska and the lower 48 states.

V. ADDITIONAL CONSIDERATIONS

A. SECURITY CONCERNS

The correctional officer in charge of jobs at any potential institutional work site would have the responsibility of identifying a list of potential inmate employees with proper security classifications prior to their interview and selection by the production manager. As previously indicated, it would be necessary for the Division of Institutions/DOC to provide an employment needs assessment of any potential sites to insure the availability of an adequate inmate work force.

Depending on the selected location, it may be necessary for DOC to identify the availability and/or funding requirements for an additional correctional officer to manage the security needs of this new industry. If the industry was operated in conjunction with an existing industry, adequate security staffing may be available. The Division of Institutions would make the final determination for any security requirements.

B. TECHNICAL PROBLEMS

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The type of telemarketing functions being evaluated for implementation will require a state of the art telephone system to assure a quality level of service and security control. Such a system is called Auto Call Distribution or ACD. An ACD system is typically utilized when a large number of incoming calls (possibly related to a "toll free" 800 number) need to be distributed on a first come first serve basis to your in-house staff. A system of this type would also provide the following benefits:

- control on out-going calls
- monitoring device to control and measure employee performance
- statistics generation to include which operators serviced incoming calls, average call length, number of calls, etc.
- individual access codes for control purposes

The exact location of this industry may identify and determine specific requirements and different equipment needs. Installation and equipment costs may vary. An ACD may possibly be obtained as an option to an already existing telephone system (already located at the correctional facility) and/or be available from the local telephone company.

Currently, the State of Alaska has awarded a bid for a telephone system that could have the ACD capability available for the Juneau area. The Division of Information Services, Department of Administration has been notified of our proposal to evaluate telemarketing and is already working with the Alaska Marine Highways system. Additional information has been requested on the types and costs associated with ACD systems for our requirements and may be available for consideration at the public hearing. The specific correctional center location of the proposed industry would however determine the requirements for an ACD system.

C. IMPLEMENTATION TIME-FRAMES

The development of realistic time-frames for implementation of the proposed system is of concern to the agencies potentially involved in this service industry. These agencies have already been active in planning for the upcoming tourism season. A description of services to be provided with a tentative time-frame for implementation would have to be established and identified by the participating agencies.

The available space at the Lemon Creek Correctional Center has been the only space currently identified that could potentially be utilized to house an operation in the short term without considerable renovations. Additional locations

may require the identification of capital funding.

As indicated previously in this analysis, no vacant production manager positions currently exist within the Department of Corrections operating budget. In order to create a new position, a revised program and/or an increment would have to be introduced in the FY 93 budgeting process. At this point in time no action has been finalized or is in process

A recent review of the classified registers for the Production Manager II job class indicates that there are no qualified applicants that could be considered for immediate employment in such an industry. Vacancy based recruitment could be initiated for such a position after a vacant position has been established. Standard time-frames for a processing a 30 day vacancy based recruitment with central personnel, advertising, initiating a recruitment process, and finalizing a selection would take at a minimum2 months.

The participating agencies would have to be involved in the initial training of the production manager. The manager at some point would be required to attend the Corrections Academy and/or at a minimum the department's supervisory security training.

In all probability, implementation of this service industry after a suitable site has been identified could realistically take 6 months barring any unforeseen problems. Less implementation time might be possible provided that a very high priority be assigned to the development of this project.

D. PRIVATE SECTOR CONCERNS

Public comments have been requested for the proper evaluation of this industry.

Section 33.32.015 of the Alaska statutes allows the "Commissioner of Corrections to authorize a prisoner to engage in productive employment within or outside a correctional facility for the employment of a prisoner if the Correctional Industries Commission determines that the employment will have minimal negative impact on an existing private industry or labor force in the state."

A public hearing has been tentatively scheduled for January 16, 1992 so that the Correctional Industries Commission may hear public comment on the potential establishment of this service industry. The Commissioner of Corrections would then review the commission's recommendations before making a final decision on the implementation of this industry.

Adequate public notice will be provided through newspaper advertisements and a notification to all state local Chamber of Commerce chapters will be issued.

E. QUALITY CONTROL OF SERVICES

Quite naturally there is some anxiety and concern over the possibility of utilizing inmate workers to interact telephonically with the public and that the level of quality control will not be sufficient to maintain an effective operation. However, it has already been indicated that this type of service is currently being provided through several other state correctional systems.

As part of this fact finding process, the states that have similar correctional industries operations as the one proposed will be contacted to gain additional insights into their operations. This additional information may offer to reference their successes and identify any problems they have encountered. Staff contacts and additional information will be forwarded as provided from these sources.

Inmates Fill the Front Lines for Tourism

*In Prisons, States Find
Way to Keep Up With
Requests by Public*

By EDWIN McDOWELL *11/24/91*
Special to The New York Times

RALEIGH, N.C. — If North Carolina had a booster club, Cornelia Margaret Gonzalez would be well qualified to be its president. Instead, she channels her enthusiasm into answering inquiries from people who telephone North Carolina's toll-free number for tourist information.

Yet the 53-year-old Ms. Gonzalez had never set foot in this state until about four years ago, when she was brought here from Florida in handcuffs.

She still has not seen any of the state, except through bars or a barbed wire fence. But while serving a 22-year sentence for drug trafficking, the voluble Ms. Gonzalez is one of 10 inmates here at the Correctional Institution for Women who handle the almost 23,000 calls a month to the toll-free number, (800) VISIT NC.

Just down the hall from the telephone room, in the shadow of the death row building that currently houses six convicts, five other female inmates in this maximum-security prison are busy stuffing and labeling some of the 250,000 packets of tourist information that will go out this year. All the participants in the 4-year-old program are volunteers, as well as "long termers," felons sentenced to 15 years or more.

Plans for Tourism Job

"I love this job, and I think I do it well because of my gift of gab," Ms. Gonzalez told a visitor recently. "When I get out of here the first thing I'm going to do is travel around the state; then I'm going to settle here and get a job in tourism."

While the prospect of rehabilitating prisoners helped inspire the program, budgetary considerations also played a part both in North Carolina and in about a dozen other states from Maryland to Oregon that have also turned to inmates to help with their travel and tourism inquiries or are considering doing so.

"We estimate we save about \$150,000 a year in salaries and benefits," said

Continued on Page 15, Column 3



DUNN MAIL FOR THE NEW YORK TIMES

Cornelia Gonzalez, an inmate at the Correctional Institution for Women in Raleigh, N.C., handles tourists' inquiries for the state.

Behind Bars, but Filling the Front Line for Tourism

Continued From Page 1

Thomas Harper, supervisor of the inquiry section of North Carolina's Travel and Tourism Division, which has a 1991-1992 budget of \$3.2 million.

There were other considerations as well. "Before this program, we just could never keep up with the inquiries," said Lynne Sessoms, the director of the division's visitor services. "Many phone calls went unanswered and we were days behind in mailing our travel packages."

No More Delays of Packages

Such delays were not only inconvenient for potential tourists but costly for North Carolina, which earned an estimated \$7 billion from visitors in 1990, 79 percent of that from out-of-state visitors. Now room travel packages — as many as 2,000 a day from January through April — are shipped within two days.

Similarly, Oregon's Division of Tourism once used staff members to field telephone calls and mail promotional packets. "But we began getting so many requests that we started subcontracting parts of the program," said Julie Curtis, the assistant director. "Then we heard about programs in other states that used inmates, so in February 1988 we moved our fulfillment operations and our toll-free number to the Women's Correctional Center" in Salem.

Betty Allred, the assistant education director at the 436-inmate prison in this North Carolina city, says that while inmates volunteer for the program, telephone operators must have a friendly speaking voice and some knowledge of the state's geography. Hotel and airline reservation agents have come to the prison to help train the inmates.

Everyone connected with the program says problems with inmates have been minimal: two were dropped when their family members phoned them on the toll-free number. In a related program in California, an inmate received an additional two-year prison term for receiving up to thousands of dollars worth of bills for jewelry and other purchases with stolen credit card numbers.

Some Pay for Inmates

Turnover is low for most such programs, for obvious reasons, but some participants have been paroled, others have dropped out and still others could not keep pace.

Participants are paid from \$1 a day

For \$1 a day, touting the wonders of places they are not free to visit.

in North Carolina to 45 cents an hour or less in Montana, and state officials said they had never received complaints from public employee unions. James Andrews, the secretary (treasurer) of the AFL-CIO in Raleigh, said his organization "might have taken action if it had been a bigger program or if they suspended employees who were part of our union."

Two states have even forged travel-related partnerships between prisoners and private enterprises: About 30 inmates in Phoenix are paid the minimum wage for helping to take hotel reservations in peak holiday periods on the toll-free line that Best Western set up in the Arizona Casler for women. And 10 inmates of the Ventures School in Ontario, Calif., a correctional institution for youthful offenders of drug crimes, earn a maximum of \$3.57 an hour



North Carolina is one of a dozen states using prison inmates to help with tourism inquiries. Teresa Teasley, left, and Patricia Childress, right, inmates at the Correctional Institute for Women in Raleigh, N.C., answering phones for the state's tourist line. With them was Gail Frazier, a prison guard.

helping to book reservations by telephone for Trans World Airlines. About 20 of them have gone to work for the airline after leaving the institution.

At the mention of her \$1 a day wage, a sum required by North Carolina law, Patricia Childress smiles at her work cubicle here in the prison. (flanked by a state map and a hand-lettered reminder: "Be polite. Be patient. Have a smile in your voice.")

"Everybody's wanting somebody to work without paying them," the 43-year-old former truck driver said with a laugh. But Ms. Childress, who is serving a life sentence for first-degree murder, said she was proud to answer calls from tourists.

"It brings me back into contact with the public, and that's important because I'd never been in prison before four years ago," said Ms. Childress, who earned a high school diploma here. "It was real shocking to me."

She and her four co-workers, dressed in the blue shirts of medium-security prisoners, usually greet each caller: "Thank you for calling North Carolina. How may I help you?" They enter callers' names and addresses in a computer, and they answer a range of questions.

As representatives of a state agency, inmates may not recommend one destination over another, but they can respond to inquiries. And since most questions are about temperature, distances or destinations, the answers are usually within easy reach in the listless of toll-free numbers for North Carolina cities, in weather and highway mileage charts, or in The North Carolina Gazetteer or a dictionary of geographical names and places.

Several cubicles are decorated with postcards from grateful users of the toll-free line, and Teresa Teasley's cubicle also displays a photograph of her 7-month-old son, who was born in prison. "That's the hardest part about being here, not being able to be with him," said the soft-spoken Ms. Teasley, 23, who is serving a minimum 15 years sentence on drug-related charges.

After answering a Florida caller's questions about the weather in Ashe-

Armed with phones and facts, inmates sell their states.

Ms. Teasley added: "But I enjoy this job. I'm always learning something new. A lot of girls in the dorm are asking, 'Do you have openings?' and I tell them no."

Because the inmates are prohibited from leaving the prison, tourism officials come here from around the state to familiarize the inmates with what they have to offer. On this day, telephone operators and packers gathered in a classroom to hear presentations by Jane Peterson, the president of the Cape Fear Coast Convention and Visitors Bureau in Wilmington, and Marylou Webber Baggett, general manager of the Blockade Runner hotel in Wrightsville Beach, 10 miles from Wilmington.

Ms. Peterson showed a 12-minute

tape of Wilmington's tourist attractions. And Ms. Baggett, who gave each inmate a colorful beach towel bearing the name of her family-owned resort, spoke of the island's 38 restaurants, its proximity to several of North Carolina's 400 golf courses, and told her audience that the Blockade Runner was on a north-south beach, "so that you can see both sunrise and sunset over the water."

Later the enthusiastic Ms. Baggett remarked, with no apparent irony, "It's so nice to go to a place where they want to hear you."

The inmates also look forward to such visits. "We're here, yes, but we're still people," Ms. Gonzalez said, "and we're trying to learn all we can so we can tell a caller we don't know something."

There was also an unexpected benefit to this visit. "When I was brought to North Carolina from Florida," Ms. Gonzalez said, "I was in jail near Wilmington. So I knew something about the city. I at least what was in the papers, but I never really saw it. What I saw of it today is a pretty good substitute, at least until I get out and see it with my own eyes."

...with 100,000 railcars and managed
...to about 100,000 railcars from more
...than 80,000 railcars. It also operates 10 re-
...pair facilities and six wheel remanufactur-
...ing shops. GE Capital said its fleet would
...be "the most diversified youngest fleet in
...the industry."

The transaction is a 12-year lease with a
...fixed price purchase option, effectively
...combining the railcar operations of the two
...companies. Rod Dammeyer, Itel's presi-
...dent, said proceeds "will be used to reduce
...existing higher cost debt on both the rail-
...car fleet and other debt of Itel Corp., as
...well as for general corporate purposes."

In what it calls an effort to simplify its
...capital structure and trim its debt load,
...Itel has recently been shedding assets at a
...rapid pace.

Slightly more than a year ago, It sold
...GE Capital its container-leasing assets for
...about \$360 million, recording a hefty gain
...in the deal. The company has also sold its
...1% stake in American Producers Co. for
...78.7 million, booking a loss. Also in 1991, it
...sold its Great Lakes Dredge & Dock unit to
...limited partners for about \$165 mil-
...lion. And in October, it sold its 15% stake
...in Santa Fe Pacific Corp. through a public
...offering. And on its books, Itel lists the
...merchant-banking portfolio of Sigal Cap-
...ital Corp., with a book value of about \$365
...million, as an "asset for sale."

An Itel spokeswoman stressed that the
...newly announced Tuesday isn't part of that
...asset-disposition effort. "The assets re-
...main on our books," she said. "This is not
...a sale—strictly a lease agreement."

While Itel's holdings are subject to fre-
...quent changes, reflecting Mr. Zell's vary-
...ing investing interests, the railcar leasing
...unit has for a long time been a core com-
...pany holding. Itel's principal other remain-
...ing operation is its Anshar wire-and-cable
...distribution unit.

Disclosure of the agreement with GE
...sent Itel shares up 12.5 cents in composite
...New York Stock Exchange trading Tues-
...day, to a close of \$18.75.

Standard & Poor's Corp.'s reacted posi-
...tively to the Itel announcement, saying it
...cut about \$950 million of Itel's subordi-
...nated debt and convertible preferred stock,
...as well as other debt, on its CreditWatch
...list with positive implications. S&P said
...the proposal will "greatly enhance liqui-
...dity and allow Itel to prepay high cost ex-
...isting debt."

S&P said the rentals would support
...about \$250 million of noncallable Itel Rail
...debt and up to \$900 million of new notes to
...be issued through a trust.

Itel said the amount of debt to be of-
...fered depends upon interest rates, and the
...extent to which creditors of the rail car
...fleet elect to continue their loans or be
...aid with proceeds of the new debt. Princ-
...ipal and interest of the new debt, as well as
...existing fleet debt not prepaid, will be paid
...from about \$150 million in annual lease
...payments from the GE unit. GE Railcar
...will have the option to purchase the fleet
...for about \$500 million.

GE's unit leases a wide variety of rail-
...cars such as tankers, hopper cars and box
...cars for periods from six months to five
...years. As with other equipment leasing ar-
...rangements, leasing provides a steady stream
...of cash flow to GE.

...by Mr. Mullane's personal
......
...Mr. Mullane said in an interview that

...talked on more than 20
...line-sold off assets and still
...stay afloat.

That Sales Pitch During Dinner May Be Made by a Real Con Man

Continued From First Page
prison, he has had four incidents of credit-
card abuse.

Mr. Braun says TGS interviews inmate
applicants and generally tries to screen out
anyone guilty of fraud, but otherwise
doesn't care what kind of crime they com-
mitted. "If I'm sitting across from one guy
who's in there for tax evasion and one who
murdered 15 people, I don't want to deny
either one the opportunity," he says. Some-
times criminals with longer sentences tend
to make more devoted telemarketers, he
says: "They're looking for something sta-
ble to hang onto in their lives."

At the minimum-security Omaha
prison, TGS's 16 telemarketers sit in khaki
uniforms behind steel desks covered with
spider plants, index cards, and phone
books. At one end of the room is a radio
and a coffee pot; at the other, a notice with
detailed instructions for what to do if
guards burst in to take a head-count during
a telemarketing session.

On a recent night, the room is crackling
with sales pitches, which the inmates care-
fully read from a book full of scripts.

"How are you tonight, sir? I'm calling
from TGS in Omaha, Nebraska..."

"If I called back at 8 o'clock, would that
be too late? OK, I don't want to interfere
with supper..."

"None of these ladies want to let me
talk to their husband," grumbles one in-
mate. A TGS supervisor strolls through the
room cheering the troops on: "Don't be
afraid to dive in! Keep dialing!"

The most intense salesman in the room
is Kim Britt, a burly 36-year-old with thick
curls and a deep voice. He paces back and
forth and pumps his fist in the air as he
gives the hard-sell to Mark Parrish, the
farm contractor.

"Hey understand this, Mark, I'm not
sugar-coating this, you're actually gonna
use less of this rod because of the tensile
strength. All I ask you to do is trust me
on this. Let me get it out to you, try it—if it
doesn't work, I'll buy it back."

TGS pays its inmate employees the
same 17.5% commission its other telemar-
keters earn. The inmates must pay \$1.25
an hour back to the prison and another 5%
of their wages to a state fund for crime
victims. Still, on a good week, Mr. Britt
pockets about \$14. He credits his success
in part to some important sales lessons he
learned in his drug-dealing days.

"You got to have a gift for gab," he
says with a big smile. "And be real nice to
your customers."

Some inmates say working the phones
makes prison more bearable. But it also
presents special difficulties that most tele-
marketers don't face. Kenneth Lahr, a for-

mer insurance salesman serving six to 18
years for theft by deception, recently di-
aled a prospect and found himself talking
to an old family acquaintance.

"He said, 'Hey, you used to come out to
my Dad's place hunting—when are you
coming out here?' I just said, 'Oh, I'll get
out there one of these years. I haven't been
out that way for a while.'"

At the Shakopee, Minn., women's
prison, the inmate telemarketers work at a
sleek new center that wouldn't look out of
place in a modern office building. There are
young women—many with acid-washed
jeans, mooney hair and polished nails—all
with phone-headsets in rows of audi-
cles. Some have their legs curled under
them or stretched out on the desk.

Should anyone ask where they are call-
ing from, the women are instructed to say
"from Chicago" or "from the Midwest."
Serge Vali says that is a standard practice
so competitors can't figure out which com-
pany is conducting the survey.

Though the calls consist of brief ques-
tions about grocery preferences, they
sometimes provoke warm, excited reactions.
"The other night I called three minutes
where I live, the phone first three digits
could have called my house," says Hig-
gins. (The prison consented to let me inter-
views only if last name wasn't used.) She
says she is serving 21 months for her role
in a fatal car accident.

"I've called areas where the
wanted to talk—maybe they're
I had to learn to cut them off, and that was
really hard for me," says Sara, a 27-year-
old who stabbed her mother to death.

To the telemarketing targets, the fact
that prisoners are on the other end of the
line may not be that alarming.

"It really doesn't make any difference
to me," says Mr. Parrish, whom Mr. Britt
tried to sell TGS's welding rod, ultimately
without success. He was surprised to learn
that TGS employs prisoners, but not par-
ticularly upset. "Telemarketers are aggra-
vating," he says. "It's no worse if they're
in prison."

Honda Renews Platinum Pact

JOHANNESBURG, South Africa—Rus-
tenburg Platinum Ltd., the world's largest
platinum producer, said it renewed a long-
term contract to supply platinum metals to
Japan's Honda Motor Co.

The daily Business Day quoted Chair-
man Pat Retief as saying that the agree-
ment had been "extended into the future."
A company spokesman declined to specify
details of the contract.

WARNING

ALASKA RAILROAD CORPORATION



P.O. Box 107500 • Anchorage, Alaska 99510-7500

November 25, 1991

JNO CENTRAL
NOV 27 1991

The Honorable Drue Pearce
Senator, Alaska State Legislature
3111 C Street, Suite 150
Anchorage, Alaska 99503

Dear Senator ^{Drue} Pearce:

Mr. Hatfield has requested that I respond to your letter to him of November 5, 1991 and to provide you with an update of our progress regarding prison inmates or some other third party doing Alaska Railroad telemarketing.

To date, Passenger Service Department personnel have contacted Mr. Wally Roman of the Department of Corrections to express interest and explain our existing reservation system. Mr. Roman has informed us that he will be contacting your staff and Mr. Conn Murray of the Division of Tourism within the next week in an attempt to coordinate our efforts. Additionally, we have formed an in-house team that is taking an in-depth look at the entire Passenger Services reservation system. This team's objective is to determine the costs of a new reservation system compared with the costs and benefits of a third party contractor taking over all Alaska Railroad reservation functions.

During the first ten months of 1991, Passenger Service staff responded to approximately 87,000 telephone calls. We estimate that as many as 40% of the calls are for information only. The large percentage of "information only" calls directly competes with the caller wanting to book a reservation or tour.

With this in mind, we suggested to Mr. Roman that possibly some arrangement could be made with the Department of Corrections to respond, on a statewide basis, to all tourism related "information only" calls. Conceptually, a well-publicized 800 number could be established and advertised, for example, 1-800-VISIT and prison inmates trained to answer tourism-related questions covering the entire state.

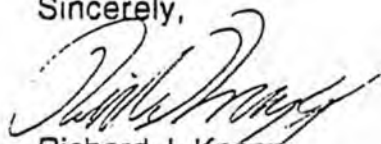
We believe that a pool of clients sponsored by the Division of Tourism, representing the full spectrum of tourism vendors, could be formed. This client pool might include the National Park Service or Holland America Westours, the Marine Highway System, or a small independent whitewater raft company from the Mat-Su Valley.

The Honorable Drue Pearce
November 25, 1991
Page Two

Once this program is successfully established, we could then explore the possibility of prison inmates taking the actual reservation for travel.

We look forward to further discussions on this matter. Should you have additional questions, please do not hesitate to contact me directly at 265-2428.

Sincerely,



Richard J. Knapp
Vice President, Marketing and Sales

cc: R. S. Hatfield, Jr.
ARRC, President and CEO
Mr. Wally Roman
Dept. of Corrections
Mr. Conn Murray
Division of Tourism
Mr. Larry Houle
ARRC, Mgr., Passenger Services

JNO CENTRAL

DEC 23 1991

December 18, 1991

Honorable Drue Pearce
Alaska State Senate
3111 C Street, Suite 150
Anchorage, AK 99504

Dear Drue,

Okay, all parties have been heard from on the subject of inmates handling some of the state's telephonic correspondence.

I believe this system would be not only feasible but also cost effective. But I would particularly like to see it functioning in conjunction with a central state 800 information number with an appropriate voice and fax tree. I am sending you some information from Point to Point Communications in Santa Anna, California, which is one firm designing such systems. In fact, I would urge you to call their demo line to get an idea of how it works. I think that, probably, all state agencies would have the same experience Dick Knapp reports, forty percent of all calls would be for information only, i.e., soliciting schedules for the railroad or marine highway, the travel planner, basic information for prospective new residents (which we normally obtain from local CVs and chambers), fish and game information and regulations, and so forth. An appropriate system would permit a caller requesting only schedule information for the ferries or the railroad, for example, to punch in his fax number and have the appropriate information faxed to him instantly and automatically. If the parties wished to have the information mailed, they would simply leave their name and address. If they wished to speak to an operator, the system would automatically switch the call to an appropriate operator at the Department of Corrections.

As you can see, I am thinking in broader terms than just tourism.

Jim Ayers mentioned a new telephone system for the state, which is due to be operational by early spring. I have heard nothing about such a system, which is surprising in view of the fact that if an 800 number is utilized - and it would be folly not to do so in my opinion - then the heaviest use would undoubtedly be by tourism. While I realize that many of the senior citizens who make up the core of our tourism market tend to resist innovation, I believe we can design an automated system that is not only user friendly, but is just plain friendly enough to overcome objections.

December 18, 1991

A concomitant of this program, of course, would be the mail fulfillment of requests for information. We currently handle telephonic requests from our offices in Juneau. Responses to the business reply cards included with our media advertising are handled on a contract basis through a direct mail house in Portland, Oregon. I personally believe the latter task could also be taken care of by inmates.

I note with interest the report in the news clips that other states' organized labor has never questioned the practice of using inmates for work of this nature. I am not so sure we will be that fortunate in Alaska, but even if the state were required to pay minimum wage, I believe we would still get superior service while saving money. As for training the inmates, I am certain that between our efforts and those of the private sector, as well as CVBs and chambers, we would have no problem developing a well-informed sales staff.

Drue, I think that now that we are all more or less singing from the same song sheet, the interested participants should get together to see what steps need to be taken to convert this idea into a reality. Perhaps your office could take the point on this. I am prepared to meet anytime, at any place, because I am convinced that our existing set up is costing us visitors and their cash.

Very truly yours,

Connel Murray
Director

CM/rs2236s

121891b

Enclosure

cc: Lloyd F. Hames, Commissioner
Department of Corrections

Glenn A. Olds, Commissioner
Department of Commerce and Economic
Development

Wally Roman, Correctional Industries Manager
Department of Corrections
Division of Statewide Programs

James R. Ayers, System Director
Alaska Marine Highway System

Richard J. Knapp, Vice President
Marketing and Sales
Alaska Railroad

Representative Tom Hoyer, Chairman
House Special Committee on International Trade
and Tourism

DEPARTMENT OF CORRECTIONS RESPONSE TO PEAT MARWICK STUDY

The Department responses to the recommendations from the Peat Marwick study are given below. The responses follow the order and layout of the recommendations as presented in that report.

3.1 GENERAL ORGANIZATION AND MANAGEMENT

Recommendation: The Department should consolidate responsibilities for department evaluation, planning and research.

Response. This recommendation has been implemented, with the creation of the Office of Technical Services. The staffing and duties of this office are still under review, and it will take some time for this office to set up data gathering mechanisms and begin policy review.

Recommendation: Departmental policies and procedures must be brought up to date and maintained on an annual basis.

Response: The Department concurs with the recommendation, and has assigned this responsibility to the Office of Technical Services. Implementation of this recommendation will take time, as this Office is newly established and has more work to do than the assigned staff can do in a short time frame.

Recommendation: An internal audit function should be established.

Response: The Department concurs with this recommendation and will implement this program as soon as funds and positions are identified for this purpose. Funding and positions will either be available from the organizational changes emanating from this study, or else will be requested in the budget process.

Recommendation: The Division of Statewide Programs should be eliminated and the related programs be reassigned to the appropriate Divisions.

Response:

The Department is still analyzing this recommendation. The consultant's recommendation, if implemented, will not result in the savings that the consultant projects. The functions of the Director of Statewide Programs will continue, whether the division remains as is, or is restructured into a section within the Division of Institutions.

Recommendation: Increase staffing in the Director of Institutions office as proposed in the departmental reorganization.