

# ALASKA STATE LEGISLATURE

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## SENATE FINANCE SUBCOMMITTEE ON THE DEPARTMENT OF CORRECTIONS

### FISCAL YEAR 2012 SENATE BUDGET SUBCOMMITTEE RECOMMENDATIONS

March 17<sup>th</sup>, 2011

The Senate Finance Subcommittee on the Department of Corrections submits an operating report to the full Senate Finance Committee for Fiscal Year 2012 as follows:

#### Fund Source:

	<b>FY11 Management Plan</b>	<b>FY12 Governor's Amended</b>	<b>FY 12 Senate Sub</b>	<b>Difference (Governor to Senate Sub)</b>	<b>Difference (Governor to Senate Sub)</b>
<b>Unrestricted General Funds</b>	\$222,900.0	\$253,642.8	\$250,035.7	(\$3,607.1)	(1.4%)
<b>Designated General Funds</b>	\$17,882.9	\$15,211.0	\$15,211.0	\$0.0	0%
<b>Other Funds</b>	\$14,368.3	\$14,925.0	\$14,925.0	\$0.0	0%
<b>Federal Funds</b>	\$3,027.2	\$3,220.6	\$3,220.6	\$0.0	0%
<b>Total</b>	\$258,178.4	\$286,999.4	\$283,392.3	(\$3,607.1)	(1.3%)

#### Personnel:

The Subcommittee reviewed the authorized position count for the Department. The Governor's amended budget proposal requested no new positions. The Subcommittee is recommending no new positions.

<b>Position Summary</b>	<b>FY11 Authorized</b>	<b>FY12 Governor's Amended</b>	<b>FY 12 Senate Subcommittee</b>
<b>Permanent Full Time</b>	1,509	1,509	1,509
<b>Permanent Part Time</b>	2	2	2
<b>Temporary</b>	0	0	0
<b>Total</b>	1,511	1,511	1,511

## Budget Action:

The Subcommittee held four meetings with the Department and took the following actions:

1. Adopted the Fiscal Year 2012 Adjusted Base.
2. Reviewed each of the increments, decrements, and fund changes submitted by the Governor. Recommends action on the Governor's proposal including the following<sup>1</sup>:
  - a. Reject Inc \$3,600.0 UGF for the phase in of Goose Creek Correctional Center
  - b. Adopt Inc \$188.0 UGF for Community Jails in Kodiak
  - c. Adopt Inc \$200.0 DVSA I/A for PACE Pilot Project
  - d. Adopt Inc \$136.9 UGF for added expense related to SB 222
  - e. Adopt Inc \$1,500.0 UGF for Inmate Health Care
  - f. Adopt Fund Change \$1,322.0 UGF from PFD CRIM for Inmate Health Care
  - g. Adopt Inc \$1,300.0 UGF for statewide operation of Community Jails
  - h. Adopt Inc \$933.5 UGF for Community Residential Centers
3. Reviewed each of the operating budget amendments submitted by the Governor. Recommends action on the Governor's proposal including the following:
  - a. Adopt Inc \$2,136.9 UGF for Out-of-State Contractual
  - b. Adopt Inc \$3,504.4 UGF for 24-Hour Institution overtime and commodity costs
  - c. Adopt Inc \$439.4 UGF ACOA Arbitration Costs (Spring Creek Correctional)
  - d. Adopt Inc \$257.5 UGF for Community Residential Centers
  - e. Adopt Inc \$2,511.5 UGF for Inmate Health Care
4. Recommends the adoption of the following statements of intent proposed by members of the Subcommittee:
  - a. Adopt three statements of Legislative Intent:
    - i. "It is the intent of the Legislature that the Department of Corrections will prepare its FY 13 budget request based on a current shift relief factor applied to updated and approved post orders; that the Department will calculate that shift relief factor by facility and will differentiate between mandatory and essential posts; and that the Department will update and approve post orders to ensure the safety of correctional staff, the general public, and inmates in custody."
    - ii. "It is the intent of the Legislature that the Department of Corrections will develop and promulgate construction plans that expand capacity at the Yukon-Kuskokwim Correctional Center and the Fairbanks Correctional Center to accommodate current and future offender populations, and that the Department will request funding in its FY 13 budget for the development and construction of those facility expansions."
    - iii. "It is the intent of the Legislature that the Department of Corrections will work over the interim to devise a budget re-prioritization and re-investment strategy focused on research-based cost-effective offender habilitation and reentry

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<sup>1</sup> Budget adjustments that are primarily technical in nature or that authorize Mental Health Trust receipts not included.

measures, and that the Department will request funding in its FY 13 budget for expanding the Department's substance abuse treatment programs, behavioral and mental health programs, the Probationer Accountability with Certain Enforcement, and the Electronic Monitoring Program."

- iv. "It is the intent of the legislature that the Department of Corrections provide an analysis to the legislature by January 31<sup>st</sup>, 2012 showing the cost differences between paying overtime to the correctional officers versus hiring new employees." *Concurring with intent language adopted by the House.*

#### **Items of Concern:**

1. The new correctional facility at Goose Creek will bring more than 1,000 prisoners currently held out-of-state back to Alaska, which will invest more than \$22 million of our correctional spending in-state. Further, the capacity of this new prison will also ease the overcapacity challenges faced by other correctional facilities across the state. However, the costs for Goose Creek have exceeded the expectations of the legislators who authorized the construction under SB 65 (2004). The Alaska Industrial Development and Export Authority broke two state laws in financing the construction of the utilities to the facility. The Department's calculation of inflation increases to authorized per-bed construction costs is supported by a 2008 opinion from the Attorney General. However, that opinion is not shared by all legislators, and some believe that the Department has overstepped its statutory authority. This is a significant issue, and it is best resolved through a Legislative Audit of the project. It is incumbent upon the Department and its public partners to justify the location, construction techniques, and financing structures of the Goose Creek as quickly and transparently as possible.
2. In our March 10, 2011 Subcommittee Meeting, Deputy Commissioner Sam Edwards suggested that the escape from Palmer Correctional Facility might have been avoidable if there had been additional staffing at the time of the escape. This escape reminds us that insufficient staffing has a direct effect on public safety in Alaska. The March 2010 Legislative Audit of the Department of Corrections similarly acknowledged that Alaska's correctional facilities are dramatically understaffed. The miscalculation of the shift relief factor and the failure to appropriately distinguish between various post types has resulted in the use of abnormally large amounts of overtime. This chronic staffing shortage has resulted in a \$3.5 million supplemental request in the FY11 budget and also a \$3.5 million amendment to the FY12 budget. Spending millions of dollars on overtime is not in the best interest of Alaska's correctional officers or public safety at large. The Subcommittee looks forward to the FY13 budget where it anticipates seeing a substantial increase in the number of correctional officer positions, not only for the new Goose Creek facility but also for other understaffed facilities.
3. The Subcommittee urges the department and the Governor to act quickly on the recommendations of Five-Year Prisoner Reentry Strategic Plan developed by the Alaska Prisoner Reentry Task Force. Alaska cannot afford to build another prison the size of Goose Creek. However, with the recent precipitous rise in the prisoner population, another large and costly prison will be required in just a few years. Research has proven that a comparatively small investment in substance abuse treatment, mental/behavioral health treatment, and innovative probation/parole programs today will yield significant correctional savings down the road.

4. Costs for health care services are on the rise nationwide. Hence, Alaska's expense for inmate health care is similarly rising, which is compounded by the expanding inmate population. The Subcommittee encourages the Department to pursue all avenues for containing health care costs, including the expansion of medical parole for low-level non-violent offenders. However, the Department has requested supplemental appropriations for inmate health care for the past four years. Following that pattern, the Department has requested fewer dollars per inmate for inmate health care in FY12 than were expended in FY11 or FY10. This suggests that the Legislature should anticipate a supplemental appropriation request next year. The Subcommittee encourages the Department to seek the necessary funding for inmate health care each fiscal year without the necessity of annual supplemental appropriations.
5. Alaska's energy and costs are high and rising. The subcommittee encourages the Department to pursue opportunities to cut those costs by taking advantage of energy efficiency and weatherization programs such as the Alaska Energy Efficiency Revolving Loan Fund Program (AEERLF). AEERLF provides financing for permanent energy efficiency improvements that stand to save the State significantly in the future.

**Documents Attached:**

Reports from the Division of Legislative Finance:

1. Agency Totals – FY2012 Operating Budget, Senate Structure
2. Appropriation/Allocation Summary – Senate Structure
3. Appropriation/Allocation Summary (GF Only) – Senate Structure
4. Transaction Comparison – Senate Structure (Between Adjusted Base and Senate Subcommittee)
5. Transaction Comparison – Senate Structure (Between Governor's Amended and Senate Subcommittee)
6. Transaction Comparison – Senate Structure (Between House and Senate Subcommittees)
7. Wordage Report – FY2012 Operating Budget, Senate Structure

Respectfully Submitted,

Sen. Johnny Ellis, Chair

Sen. Linda Menard

Sen. Hollis French

Senate Finance Subcommittee on the Department of Corrections