

**HB**

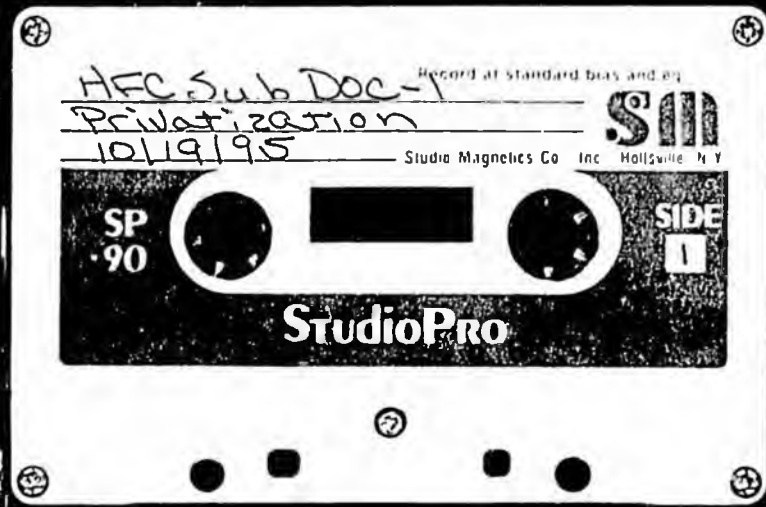
**428**

**(FILE 3)**

**HFIN**

**FILE**

THE FOLLOWING TAPES WERE IN FOUND IN  
THE COMMITTEE FILE BUT WERE REMOVED  
AND ARE NOW KEPT WITH THE COMMITTEE  
TAPES.



**LEGISLATIVE REFERENCE LIBRARY**

**LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA**

(907) 465-3808  
FAX (907) 465-2029  
Mail Stop 3101

130 Seward Street, Suite 400  
Juneau, Alaska 99801-2105

*Copies of minutes listed below were originally included in this file. The minutes are available on the legislative computer database. In order to save space copies of minutes have not been left in the files.* are available in the original file:

Mary Pagenkopf

House Finance Subcommittee on Corrections  
Interim Hearing on Privatization 10/19/95  
Tape 1  
Tape 2  
Tape 3



ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES



CHAIR,  
LEGISLATIVE COUNCIL

CO-CHAIR,  
HOUSE SPECIAL COMMITTEE  
ON MILITARY AND  
VETERANS' AFFAIRS

CO-CHAIR,  
MILITARY AFFAIRS FOR  
ANCHORAGE COUNCIL

REPRESENTATIVE **ELDON MULDER**  
DISTRICT 23 MULDOON-Ft. RICHARDSON

# MEMORANDUM

DATE: November 2, 1995

TO: Representative Mulder  
Representative G. Davis  
Representative Rokeberg

Representative Brown  
Representative Navarre  
Senator Green

FROM: Denny DeWitt  
Phone 465-2647

RE: Information on Tennessee Audit of CCA Facility

Mr. Don Valesko, Business Manager, Public Employees Local 71 provided written testimony to the committee at the October 19 hearing. In it he offered criticism of the safety record of facilities operated by Corrections Corporation of America. He referred to a study released by the state of Tennessee. He stated,

"However, the privately run CCA facility ranked lower on safety in the Tennessee audit ..."

I enclosed the Executive Summary of the referenced report, dated February 1, 1995. Please note the bottom of page ix, where you will find the following comment from the authors,

"We do not believe there was a significant security and safety performance difference among the three facilities during the rated evaluation period."

I will be happy to copy the entire report at your request.

cc: Office of Management and Budget  
Legislative Finance  
Department of Corrections

**Comparative Evaluation  
of  
Privately-managed CCA Prison  
(South Central Correctional Center)  
and  
State-managed Prototypical Prisons  
(Northeast Correctional Center, Northwest Correctional Center)**

**Executive Summary**

**February 1, 1995**

## Executive Summary

This summary answers key questions about the Comparative Evaluation purpose, process and results. The question and answer format and numbers follow the major sections of the report. This summary provides the reader with an overview of the evaluation process, results and conclusions.

### 1. What is the Comparative Evaluation?

In 1991, because of the State's interest in improving the quality of prison operation and to learn, if possible, from the private sector, the State decided to enact legislation allowing a private company to operate one of its prototypical medium-security facilities. The objective was to compare public and private operation at basically the same type of physical plants. This legislation required a comparison of the performance and cost of the private operation to that of the State operation. This report is the performance comparison.

### 2. Why was a comparative evaluation conducted?

This evaluation was conducted and a report submitted in response to the requirements of TCA 41-24-105, which directs the Select Oversight Committee on Corrections to compare the quality of services provided by a private contractor to the quality of services provided by the State at prisons which are comparable in size, population, and physical plant. This statute also mandates that the Fiscal Review Committee conduct a comparison of the costs of the State and private operations at the three prototypical prisons. The law requires that contract renewal be based on the results of these two studies.

*TCA 41-24-105 (d) The contract may be renewed only if the contractor is providing at least the same quality of services as the state at a lower cost, or if the contractor is providing services superior in quality to those provided by the state at essentially the same cost.*

### 3. How was the comparative evaluation conducted?

As a means of satisfying the statutory requirement, the Select Oversight Committee on Corrections brought together leaders of the Department of Correction and executives of Corrections Corporation of America for the purpose of agreeing upon the method to be used for comparing the performance and quality of services provided by the three prisons. Department of Correction and CCA representatives met over five times with the Oversight Committee director and consultant as all parties joined together in developing a strategy to fairly compare all three prisons given the limited resources to undertake such a difficult task. A consensus was reached on the methodology as all parties agreed upon the measures or indicators to be used, the collection methods, the means of validation, the

value and weighting of indicators, and the process for conducting the evaluation. In October of 1992, the Oversight Committee adopted a resolution confirming the methodology endorsed by all parties.

- The first step in organizing the comparative evaluation was to identify the measures or indicators to be used. The object was to identify indicators that would reveal the most relevant information about the operational performance of the facilities being compared.
- The second step was to identify the source of those measures. Where would the data and information come from and how would it be collected.
- The third step was to define how the information would be validated or verified to be true and accurate.
- The fourth step was to define the value of each indicator or what the measure was worth.
- The fifth step was to define how the actual comparison would be made.

The specific indicators to determine the nature of inmates in each facility were:

Age  
Race  
Custody Level or Classification  
Medical Classification  
Education Level

#### Audit

An operational audit was conducted at each of the three facilities. This audit was very similar to the annual inspection process conducted by the TDOC Office of Compliance. The purpose was to conduct an inspection of programs and operations at the three facilities.

#### Security and Safety Index

The security and safety evaluation considered a wide variety of factors. Some of the factors considered included:

Disciplinary Reports  
The Use Of Force  
Assaults  
Deaths  
Injuries  
Escapes

### Program and Activity Index

The program and activity index measured inmate assignments, and activity or idleness.

### Source

The source of the indicators and measures came from existing records, reporting procedures, and inspection processes. The primary sources were:

- 1 TDOC and CCA records
- 2 TDOC and CCA weekly, monthly, quarterly, and annual reports.
- 3 The Performance Audit Inspection
- 4 The Program and Activities Records and Jobs Audit

In addition to the records and reporting processes and the audits, the SOCC staff and consultant made site observations and conducted interviews with staff and inmates.

### Validation

The primary process of validating or verifying the data and information routinely reported by TDOC and CCA was the Performance Compliance Audit and the Program and Activities and Jobs Audit.

### Value or Weight

The value or numerical weight given to each indicator or measure previously discussed was agreed-to by TDOC and CCA as follows:

<u>Element</u>	<u>Value</u>
Nature of Inmates	0
Professional Standards	0
Audit	60
Security and Safety Index	25
Program and Activity Index	15
Survey	0

The nature of inmates, and the professional standards, were control measures. They were given no score. The performance audit consisted of nearly 200 elements. Each element was worth one point. The total performance audit was worth sixty (60) percent of the aggregate comparison score.

The security and safety index is worth twenty five (25) percent of the total comparison score. The program and activity index is worth fifteen (15) percent of the total score

## Comparison

Describing what is a "comparable, superior, or poorer-than" quality of performance for correctional services is subjective. The risks associated with giving a numerical score to the quality of correctional performance is high. There are very few outcome measures that are either easily quantified or are very meaningful in judging quality of performance. There are many variables to consider when making a judgment about the quality of correctional services. This approach was designed to be as objective, fair, and comprehensive as was practical.

During the development of this design approach, it was clear the parties were concerned about a process that concludes with a numerical score. They were concerned about being given a score that may be misunderstood or misinterpreted. Since this project did not attempt to have scientific rigor, it would be misleading and imply a sense of false precision to rely on a numerical score. On the other hand, it was essential to give some weight and value to indicators and measures used. We have tried to avoid the limits of heavy reliance on a numerical score. The audit, security and safety, and program and activities measures were given a numerical score. They are supported by interpretations and explanations.

In each area where deficiencies are noted or comments are made by the SOCC staff or consultant, an opportunity was given to TDOC or CCA to present facts or evidence to clarify any misunderstandings and correct any misrepresentations.

## LIMITATIONS

The methodology described above was sufficient to conduct the comparative evaluation. However, there are limitations and factors that were beyond the control of the State or the private contractor, and the evaluation methodology, that could affect the quality of the data described and the interpretation of that data.

It is important to point out those limitation factors, so they can be given consideration when reviewing or interpreting the data and findings in this comparative evaluation report.

- The first limiting factor was that each of the three institutions opened at different times. There was nearly a 1 1/2 year difference between the opening of Northeast and Northwest Correctional Centers. The methodology attempted to account for this starting time discrepancy by picking points in time that were consistent for data collection and evaluation. However, the fact remains that one institution had more than a year's experience over the other two institutions.

- There was an initial apparent lack of clarity regarding authority and responsibility, as it related to "care, custody, and control" by the private operator. This report was not an attempt to discuss or describe contractual language or responsibilities between the State and the private operator. However, the complexities in operational practices with regard to disciplinary authority and responsibility between the State and the private operator took several months to resolve. This critical period of opening and operating a new prison usually sets the tone for the operation, for a long time. This was not a quantifiable observation, but was based on the experience of opening prisons and jails and observing the impact of an organized transition and activation process, and the first year of operation of a new prison.
- The quality of data used in any evaluation is critical. The initial plan for the methodology was to use the State's Tennessee Offender Management Information System, (TOMIS) as the primary data source. The TOMIS system was being developed as the comparative evaluation data was being collected. This resulted in an inability to obtain certain data, a change in data reporting formats, and an agreement by the State and the private contractor to use certain data collection and verification efforts. It should be noted that the State, particularly the Department of Correction's Planning and Research Division, did an excellent job in controlling, managing, and reporting on the quality and quantity of data used throughout this comparative evaluation.
- The demands placed on the Office of Compliance, Tennessee Department of Correction, were not fully anticipated. The workload and tasks associated with contract monitoring, compliance monitoring, liaison and communication responsibilities were substantial. The TDOC Office of Compliance assumed these additional responsibilities and did an excellent job in coordinating and reporting compliance issues for the comparative evaluation process.
- The corrections system must be flexible and meet the demands of a constantly changing inmate population. A limiting factor in this comparative evaluation was some of the demand for change on the system. For example, during some of the evaluation period, the Northwest Correctional Center was partly used as a reception center because of system demands.
- A primary focus of the programs and activities associated with the correctional system was inmate jobs and work assignments. The industry component at each of the three facilities that was anticipated to supply substantial jobs, did not meet expectations.

In spite of these limitations and factors that could affect the quantity and quality of data, or the interpretation of the findings, it did not have a significant affect on the comparative evaluation approach. In fact, the State and the private contractor, particularly the wardens at the three institutions, used administrative prerogatives, creativity, and good judgment in mitigating many of the limitations.

4. What were the findings of the annual audits?

The following table represents the second annual inspection of each facility by the special comparative evaluation inspection team.

Second Inspection <u>Element</u>	NECC		SCCC		NWCC	
	<u>Comp.</u>	<u>Non-C.</u>	<u>Comp.</u>	<u>Non-C.</u>	<u>Comp.</u>	<u>Non-C.</u>
Administration	87.7	12.3	97.9	2.1	97.6	2.4
Safety & Conditions	95.6	4.4	88.1	11.9	94.5	5.5
Health Services	96.7	3.3	100.0	0.0	97.8	2.2
Mental Health	96.3	3.7	100.0	0.0	100.0	0.0
Treatment	95.9	4.1	99.35	.6	95.1	4.9
Security	99.5	.5	99.5	.5	98.4	1.6
AVERAGE (**)	95.28	4.72	97.48	2.52	97.23	2.77

\*\* Does not include Correctional Enterprises

Compare Two Insp. <u>Element</u>	NECC		SCCC		NWCC	
	<u>Comp.</u>	<u>Non-C.</u>	<u>Comp.</u>	<u>Non-C.</u>	<u>Comp.</u>	<u>Non-C.</u>
First Inspection	90.67	9.35	84.53	15.47	90.08	9.92
Second Inspection	95.28	4.72	97.48	2.52	97.23	2.77
Percent Improvement	5.08		15.32		7.94	

For evaluation purposes, the second inspection score was counted in the overall rated comparison. After each audit the ratings were reviewed with the facility. It is interesting to note the substantial improvement for all three facilities between the first and second inspections. SCCC made the biggest improvement. It is also interesting to note the very high levels of compliance and the closeness of the scores. This is all the more impressive since it was done independently by a bi-partisan team from TDOC and CCA. Also, the scores are consistent with the ACA accreditation ratings.

### ACA Accreditation Ratings

Facility	Date	Score
NECC	June 7-9, 1993	98.78
-SCCC	October 4-6, 1993	99.29
NWCC	June 6-8, 1994	98.88

5. What were the findings of the Security and Safety review?

A wide range of security and safety factors were reviewed. The review included reports on serious incidents for a fifteen-month period from July 1993 through September 1994, and a review of Disciplinary Classification reports and Dispositions for different periods in 1993 and 1994.

It is very difficult to say that one facility is more or less secure or safe than another facility. There are many variables that constitute safe and secure. Nearly everyone has an opinion. Our opinions were based on observations, data, and our best professional judgment. We started with some assumptions and we referred to data from TDOC and CCA reports for most of our comments

Our first assumption was that there was full compliance with security and safety practices, and that our observations and comments would describe deficiencies in security, or safety compliance, or practices. Our second assumption was that we would refer to serious incident and disciplinary reports, because they have been accepted by the parties, and are the parties' reports.

#### Statement of Qualifications

Before we discuss specific security and safety issues it is important to remind the reader of the need to qualify and condition the interpretation, use, and referencing of a single number or set of numbers, or narrow specific statements in this report. We recognize the wide and varied interests in the results of this evaluation. We have attempted to present information in text and tables that are clear and concise in form and style.

However, we are very conscious that information can be taken out of context and appear to be much more than it is. Or worse, what it is not. The reporting of events described as "serious incidents" in a prison report can have unintended consequences. We urge the reader to read the full report before reaching conclusions or quoting things out of context.

One measure of security and safety is the number and type of assaults that occur in a facility. During the fifteen-month period, NWCC had significantly more assaults than either NECC or SCCC. NWCC reported 165 assaults.

NECC reported 69 and SCCC reported 80. 62 of NWCC's assaults resulted in minor injuries to staff. Assaults reported for the three facilities include serious and minor assaults involving staff, inmates and visitors.

Disturbances, or the loss or threat of a loss of control is a measure of the security and safety of a facility. NWCC reported 7 temporary losses of control and NECC and SCCC each reported 2. A review of the 7 incidents at Northwest reflect the differences in reporting as the incidents were very minor, for example; a disruptive student in a classroom, a disruptive inmate in line to receive clothes, an inmate refusing to enter his cell and being escorted.

Escapes are an obvious measure of security for a prison. During the fifteen-month period, NECC had two, NWCC had one, and SCCC had no escapes from secure supervision. SCCC had 2 attempted escapes from secure supervision.

The number of injuries to staff and prisoners is a measure of the security and safety of a facility. During the fifteen-month period, SCCC reported significantly more injuries to prisoners and staff than either NECC or NWCC, with 214 injuries reported at SCCC, 21 and 51 at NECC and NWCC respectively.

The use of force is also reviewed when looking at the security and safety of a prison. The facilities have significantly different reported incidents of the use of force. SCCC had 30 reported incidents, NECC 4 and NWCC 6.

Both the injury and use of force data is as reported on TOMIS and does not necessarily reflect a higher incidence of injury or use of force at SCCC or NWCC. Rather, the data may be indicative of the focus of the facilities in reporting and the discretionary nature of the reporting requirements.

The use of a disciplinary system, and the writing of charges and disposition of those charges is a measure of the security and safety of a prison. There was not much difference in the issuing of disciplinary tickets among facilities. SCCC appears to write more minor infractions and NWCC appears to write more serious infractions.

The disposition of disciplinary charges is also a very good measure of the security and safety of a prison. It is an indication of how the facility manages its problems, and can be an indicator of facility safety. During the fifteen-month period, NECC reported 500 dispositions to verbal reprimand, while NWCC and SCCC reported seven and 13, respectively.

Each of the institutions met the security and safety requirements of two annual inspections and an ACA audit. Their respective scores were exceptionally high, in fact, almost identical. There were differences in certain indicators. However, in reviewing the entire period, in our

judgment, there was very little difference in the performance of security and safety among the three facilities.

6. What were the findings of the Program and Activities Review?

The following table summarizes the first and second years of operation at the three facilities regarding the percent of inmates inactive or idle due to job waiting.

This category depicts inmates who are eligible for a work or program assignment but remain idle and unassigned.

<u>Compare First and Second Years</u>	<u>Job Waiting Percent</u>		
	<u>NECC</u>	<u>SCCC</u>	<u>NWCC</u>
First Year	11	19	21
Second Year	4	11	12

The tables reflect the high rate of inmates in the "job waiting" category during the first year of operation. This is a critical time when inmates should be assigned to programs and work because the facility is setting its operational tone.

The tables also reflect the substantial improvement at each facility in reducing the amount of job waiting in the second year of operation.

The primary reason the job-waiting numbers and percents were so high was because the facilities had no industry program. The facilities were constructed but the program was not operational. SCCC and NWCC have had no real industry program during the evaluation period. NECC had a small industry program during the second year of operation.

The State recognized the prisoner "job waiting" and industry problem. In 1994 the SOCC initiated efforts that led to legislation creating a new prison industry board and a renewed focus to develop work opportunities and prisoner jobs.

7. What conclusions were reached from the comparative evaluation?

There were elements within each area that was reviewed where one facility received a higher rating than another facility. However, there were also elements within each area where one facility received a lower rating. In total, the facilities all rated very high and are nearly identical in their overall performance. The closest objective numerical rating to support this conclusion was the second annual inspection reports and the ACA audit.

We do not believe there was a significant security and safety performance difference among the three facilities during the rated evaluation period.

We do believe there was a significant "job-waiting" difference among the three facilities during the evaluation period. However, as TDOC and CCA agreed during the development of the methodology, adjustments could be made to the Program and Activity Index rating based on the jobs audit and verification of program and activity assignments. It is difficult to penalize SCCC and NWCC for not assigning inmates to an industry program that was not provided. On the other hand, the State was responsible for providing the industry program at all three facilities.

It was our judgment to rate all three facilities the same for the program and activity index.

Overall Rating

The overall Comparative Evaluation rating is depicted in the following table. It includes the second Annual Audit, worth 60 %, the Security and Safety Index, worth 25 %, and the Program and Activity and Jobs Index, worth 15 %.

<u>Evaluation Rating</u>	<u>NECC</u>	<u>SCCC</u>	<u>NWCC</u>
Audit (60 %)	57.17	58.49	58.34
Security and Safety Index (25 %)	25.00	25.00	25.00
Program and Activity Index (15 %)	15.00	15.00	15.00
	97.17	98.49	98.34

In reviewing the ratings we considered the range of difference of up to 3 % among the three facilities, as essentially comparable. Therefore, our conclusion was that all three facilities were operated at essentially the same level of performance.

B. What recommendations are being made?

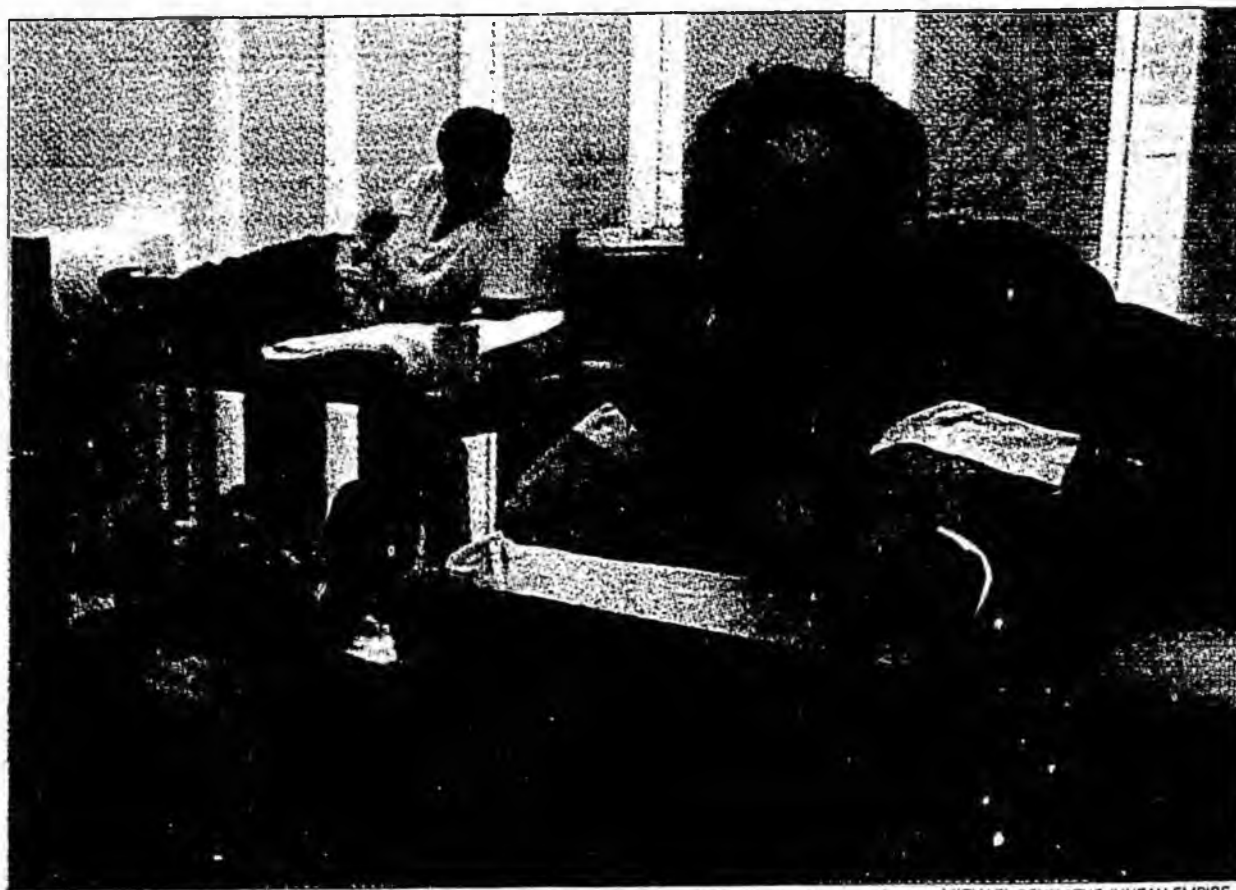
The following recommendations were developed from information learned and opinions formed during the evaluation process. They are intended to guide State policy makers as they look for ways to improve the correctional system. They are intended to guide State policy makers in their decision making process, if the State decides to continue this contract or contracts for correctional services in the future. We recommend the following:

- Establish an independent contract monitoring and operational compliance capability for corrections contracts where a comparative evaluation will be conducted. The potential conflict and the complexities require a separate contract monitor.
- Review State restrictions and TDOC policy to provide maximum flexibility to allow corrections operational contractors to use their business and marketplace creativity; obviously, with appropriate legal safeguards.

- Allow the private contractor the authority and opportunity to privatize the industry program at SCCC. This could take several different forms. This should not preclude a contract with the TRAIL Board.
- Review the "start-up" needs and provide TDOC with adequate resources to service the operational demands of a new private prison contract. The need for transitioning into the new facility and the prison activation process require commitment of time and resources.
- Review the needs and establish clearer lines of authority, accountability, and communication, between the State and a private contractor. Set policy and establish more formal and documented procedure.

JUNEAU EMPIRE, SUNDAY, OCTOBER 8, 1995

## Tight quarters break the law



MICHAEL PENN / THE JUNEAU EMPIRE

Bret Hodges, right, along with Craig Allen, top left, and Chris Roger, all convicted felons, spend most of their time in E Dorm at the Lemon Creek Correctional Center. The dormitory holds twice as many inmates than originally built for.

# Prison population grows as Alaska's fines mount

■ Friday, state prisons held 2,739 inmates, which exceeds court-ordered emergency capacity of 2,665

By JEANINE POHL

THE JUNEAU EMPIRE

The fines are more than half a million dollars and growing almost daily, but the state of Alaska says it still can't pay the court-ordered penalties in the case it lost against inmates in a prison-rights lawsuit more than a year ago.

And part of the problem that created the class-action lawsuit known as the Cleary case - overcrowded prisons - is expected to continue growing as prison populations increase in the fall and winter months, when unemployment increases and so does the crime rate.

As of Friday, the state-prison population was 2,739, which is over its court-ordered emergency capacity of 2,665.

State Corrections Commissioner Margaret Pugh said she will again ask the Legislature when it convenes in January for funds to pay more than \$650,000 in fines the state has accumulated since a court order then imposed in September 1994.

The Cleary case was first filed

in 1981; the 1994 agreement came out of a court determination that the state was in contempt of earlier orders regarding prison overcrowding.

Every day one of the state's 15 prisons is over capacity the state is fined \$300, and if the total prison population statewide exceeds capacity there is an additional \$300 daily fine.

The state's funding request was turned down during the last legislative session because Republican majority lawmakers said at the time they didn't want to use general fund money to be transferred from one state agency to another, from prisons to the courts.

"It was a paper exercise," said Rep. Brian Porter, R-Anchorage, of the state's request.

Porter is chairman of the House Judiciary Committee, which he said will look at measures to lower the prison population, including alternative sentencing and sharing the responsibility for misdemeanor offenses with local governments.

Porter stopped short, however, of advocating for more prevention programs - a goal of the Knowles administration - saying he's not yet convinced that prevention works to keep people out of jail as well as traditional penalties and sentences.

Building more prisons is another

Please turn to Fines, Page A6

## Inmates shipped to Arizona are subject of appeal

By JEANINE POHL

THE JUNEAU EMPIRE

The state of Alaska and attorneys for prison inmates continue to wrangle in court over the fate of 206 Alaska inmates doing time in a private Arizona jail.

The first contract with Central Arizona Detention Center in Florence, Ariz., ended June 30, but the state extended it through June 1996, Department of Corrections Commissioner Margaret Pugh said Friday.

When prisoners were first shipped south in January, the state called it a stop-gap measure to relieve overcrowding and slow the fines the state accumulates each day one or more of its 15 prisons exceeds its capacity.

The fines are part of a settlement of the Cleary case, a class-action lawsuit first filed in 1981 on behalf of Alaska prisoners over prison-crowding conditions and other complaints.

Lawyers for the inmates tried to stop the transfer from taking place, arguing that some inmates were moved south against their will, or were separated from fami-

Please turn to Appeal, Page A6

## Fines . . .

Continued from A1

er option Porter said he would consider, but cautiously.

Pugh also said that expanding state prisons is an option, although she is working more toward less expensive alternatives to jail time and to preventing crime in the first place.

"We can't build our way out of the social problems that create criminal behavior," she said.

An attorney for the inmate plaintiffs said he expects the Legislature may be more forthcoming with funding this coming session,

because a plan will be submitted on behalf of the inmates with specific suggestions on how the fines would be spent.

Anchorage attorney Scott Taylor said when the Department of Corrections asked the Legislature for money last session to pay the fines, it was an arbitrary number, based on what the department thought the fines might be.

Taylor said Anchorage Superior Court Judge Karen Hunt asked both sides in the case last spring to estimate the fines accumulated, and how the money should be spent.

Once that's been determined,

Taylor believes Hunt will approve such a plan, which can then be submitted to the Legislature for funding.

"I have no reason to believe they won't ultimately pay this," Taylor said of legislators

However Michael Stark, assistant attorney general for Corrections at the Alaska Department of Law, said it doesn't make sense to determine how money can be spent until the Legislature appropriates it.

Taylor responded that the state's position is a chicken-and-egg argument, which will ultimately be decided by Judge Hunt.

## Appeal . . .

Continued from A1

lies, and that some of the prisoners' rights and benefits as Alaskans have not been carried through in Arizona.

While inmate attorney Scott Taylor said he is asking that the transfer plan be rejected, he also realizes that it may not be practical to ask that inmates be returned to Alaska.

Some are satisfied serving time in Arizona, Taylor said Friday, but others were pulled out of Alaska while in the midst of training or

education programs that aren't being offered at the private prison.

"Some should be given the opportunity to come back," Taylor said from Anchorage. . . .

The Department of Corrections maintains that prisoners' rights haven't be compromised by the move south.

Michael Stark, assistant attorney general for the Corrections Department, said the state maintains that the Cleary settlement agreement only covers inmates in prisons owned or operated by the state.

The Corrections Department

did include many parts of the Cleary settlement agreement into its contract with the Arizona prison, Stark said.

Under state law, he said, the department may contract out with a private corporation providing "a similar degree of custody and care" to what inmates would have experienced in an Alaska prison.

Although initial appeals on behalf of inmates to the Alaska Supreme Court were rejected, hearings on the appeal were held earlier this month by Anchorage Superior Court Judge Karen Hunt.

Oral arguments in the case are scheduled for Nov. 20.

# National Report

The New York Times

SATURDAY, AUGUST 19, 1995

## Private Tennessee Prison Is Praised in State Studies

### Officials Nationwide Are Paying Notice

By FOX BUTTERFIELD

CLIFTON, Tenn. — Except for the corporate shoulder patch on the guards' uniforms, the South Central Correctional Center could be mistaken for any other modern prison, a campus of squat concrete structures surrounded by a double chain-link fence topped with coils of razor wire glinting under the sun.

But two recent studies by a special committee of the Tennessee Legislature have concluded that the prison here, run by the Corrections Corporation of America, is operating at a lower cost and providing better and safer services than comparable prisons administered by the State Department of Corrections.

The studies, while limited to one state, are drawing attention among prison officials nationwide because they provide the strongest evidence yet that private, for-profit prisons, after a decade of occasional blunders and persistent criticism from opponents, can work. And, while the studies show only slightly better performance by the private prisons, they come at a time when governments across the country, including New York City's, are increasingly turning to private prisons as a way to cut costs.

The number of inmates in privately managed or owned prisons is expected to leap to 65,000 by this year's end from 1,345 in 1985, with a projected annual growth of 35 percent over the next few years, said Charles W. Thomas, a criminologist and director of the Private Prisons Project at the University of Florida. Indeed, the prison business has become one of the fastest-growing industries in the nation.

On Aug. 11, aides to Mayor Rudolph W. Giuliani of New York said they had begun soliciting proposals from private companies to take over the management of some of the city's jails.



Kevin Myers, warden of the South Central Correctional Center, the private prison that studies by two Tennessee Legislature committees said was operating at a lower cost and providing better and safer services than similar prisons run by the State Corrections Department.

And the Clinton Administration has said that for the first time the Federal Bureau of Prisons would turn over to private companies four newly built minimum- and low-security prisons. Australia, Britain and New Zealand have recently copied the American private-prison lead, while Canada, France, the Netherlands and the Czech Republic are negotiating with American concerns to build private prisons.

Even a critic of such privatization, John J. DiIulio Jr., professor of poli-

tics and public affairs at Princeton University, said he was impressed with the results in Tennessee and several other private prisons. "This success comes as a surprise," he said. Because of widespread corruption and the exploitation of inmate labor when private prisons were in vogue in the 18th and 19th centuries, he said he had expected more abuses when for-profit prisons were first revived in the Reagan Administration.

"I remain against private prisons for philosophical reasons," Professor DiIulio said. "People would not be happy with private police or private executions. But I have to concede that the evidence so far is favorable."

Even some inmates who have been in the South Central prison agree it is well-run. "I should have never left," Samuel Mitchell, a 21-year-old convicted robber, said of South Central, which is tucked in an isolated green hollow just above the point where Tennessee, Alabama and Mississippi meet.

But critics and nettlesome questions remain. Professor DiIulio pointed out that the private prison companies have largely confined themselves to managing smaller, lower-security institutions and have yet to tackle any of the big maximum security prisons that require more staffing and are therefore more expensive to run. He calls this practice "creaming" and says it "leaves a cloud over the evidence."

The industry has attracted some companies with little experience and more interest in the bottom line than in administering a prison.

The Immigration and Naturalization Service recently canceled the contract of the Esmor Correctional Services Corporation after an uprising in its immigration detention center in Elizabeth, N.J. An investigation by the service found that Esmor, in cutting costs, had failed to train guards and that they abused detainees by beating them or putting them in leg irons.

J. Michael Quinlan, a former director of the Federal Bureau of Prisons and now director of strategic planning for Corrections Corporation of America, said some government agencies needed to be more watchful. Some agencies, Mr. Quinlan said, look to private prisons simply as a way "to do something on the cheap."

Prison costs are the fastest growing budgetary item for many government agencies, as the number of inmates held by Federal, state and local governments has tripled over the past two decades, to 1.5 million.

"They are just warehousing," Mr. Quinlan said, "when they should be looking at the full range of education programs, job training and recreation to keep the inmates from being idle."

Texas, for example, which has more than 30 private prisons, the most in the country, requires that private concerns guarantee a cost that is at least 10 percent below that of the State Department of Criminal Justice Services prisons. As a result, Professor Thomas of the University of Florida said, Texas pays too little to allow for good educational and jobs programs in its private prisons.



Photographs by Alan E. Weiner for The New York Times

Two Tennessee studies provide the strongest evidence yet that private, for-profit prisons can work. Phillip Phillips, 25, serving 10 years at the South Central Correctional Center at Clifton, Tenn., a private prison studied, said it was the best of the half dozen prisons he has been in.

Norval Morris, a penologist and professor of law and criminology emeritus at the University of Chicago, said: "This is simply selling a prisoner into servitude. Obviously, you can build a dungeon and throw people in it and throw food down to them very cheaply. The question is what services you provide them."

The boom in private prisons has also led to criticism from inmates' families, as convicts have been shipped to private prisons in distant states.

Bobby Ross, a former sheriff and president of the Bobby Ross Group, estimates that more than 3,000 inmates from Colorado, Missouri, North Carolina, Utah and Virginia are in private prisons outside their own state. Mr. Ross recently imported 735 inmates from Virginia to fill his company's Newton Correctional

Facility, on the Louisiana border near Beaumont, Tex.

"It's just making real efficient use of beds," Mr. Ross said. "It has its downside," he acknowledged. "Their families resent the distance. But it may be better for the inmates. They were sleeping on the floor where they were before."

So far, despite several lawsuits by these transported inmates, no court has ruled the practice illegal.

Comparing the quality of prisons, even among state-run prisons within the same state, has long been a tricky business because of the different characteristics of the prisons and their inmates. But the two recent reports by a special joint committee of the Tennessee Legislature compare the privately run South Central prison with two state prisons that were built at the same time and

have an identical design and size, with just over 1,000 inmates each. Because of this, experts say the comparative studies are the most accurate and comprehensive evaluation available.

Based on the findings, the Legislature gave the South Central prison run by the Corrections Corporation a score of 97.48, compared with scores of 97.23 and 95.28 for the two state prisons.

One report measured a long list of factors including escapes, assaults, disciplinary write-ups and the availability of medical care, jobs and education programs. During the two-year study, South Central prison had no escapes while one of the state prisons had one and the other had two. As for prisoner assaults, one of the state prisons recorded 165 on guards and other inmates and the other had 69 while South Central had 80.

A second study by the committee found that the Corrections Corporation's prison cost an average of \$35.18 per inmate per day, compared with an average of \$35.76 in the two state prisons. This means that the privately run prison saves the state about \$150,000 a year. The state renewed Corrections Corporation's contract.

Doctor R. Crants, the chairman of the Corrections Corporation of Nashville, the oldest and by the far the largest company in the business, said an open competition between the prison run by his concern and the two state institutions forced all three to find ways to reduce costs. The costs at other state prisons in Tennessee normally run more than \$40 per prisoner per day.

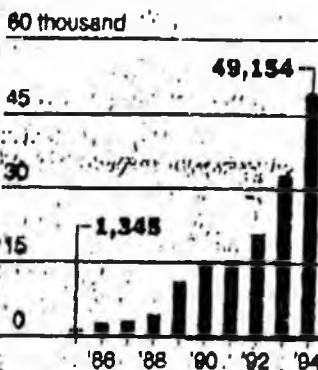
The Corrections Corporation, like other private companies, hires non-union guards, offering employees stock option programs rather than a pension plan. And some public officials point out that taxpayers may gain in the long run because private prison guards will not be on public pensions when they retire.

But Mr. Crants insists that the real secret to success for private prisons is in reducing labor costs by making prisons a better place in which to work. Up to 25 percent of

## KEEPING COUNT

### The Growth Of Private Prisons

Number of prison beds under private management available for occupancy or under construction



Source: Professor Charles Thomas, director of the Private Corrections Project at the University of Florida

state prison budgets go for overtime pay, he said, a result of guards' calling in sick.

"What this is all about is to make the corrections officer think he is coming to work in a nice place," Mr. Crants said. "So don't overcrowd the inmates, give them lots of programs to keep them busy and keep the walls painted and the grass green."

At South Central, Phillip Phillips, 25, serving a 10-year term for armed robbery, says the Corrections Corporation prison is the best of the half dozen where he has been spent time. "It's cleaner, you get more choice of food and the staff is more patient and willing to take time," he said as he mopped the floor.

Mr. Mitchell, the 21-year-old father, would certainly back Mr. Phillips. To be near his brother, Mr. Mitchell requested a transfer this spring to North West Correctional Center, one of the state-run prisons studied.

The food in the private prison was better, Mr. Mitchell said ruefully, with a Pepsi machine and a salad bar in the food line. The Corrections Corporation counselors were more willing to talk with him, he said, and there were more jobs available to occupy otherwise idle days.

"If you ask me," Mr. Mitchell said in an interview, "I think all penitentiaries should be privately run."



Corrections  
Corporation of  
America

102 Woodmont Boulevard  
Nashville, Tennessee 37205  
Phone: (615) 292-3100  
FAX: (615) 269-8635

November 1, 1995

The Honorable Eldon Mulder  
Alaska State Legislature  
House of Representatives  
Alaska State Capitol  
Juneau, AK 99801-1182

Dear Representative Mulder:

Once again, thank you for inviting me to testify last week before the Alaska's House Finance Subcommittee on Corrections. It was an honor and privilege to speak to committee members about privatization and Corrections Corporation of America. I hope that I was able to inform and further educate you and your legislative colleagues about private sector corrections.

As you know, there were some viewpoints expressed at the hearing that were opposed to privatization. Those opinions were submitted by Don Valesko, business manager for Public Employees Local 71. For the purposes of accuracy and the legislative record, I wanted to take this opportunity to address the issues that Mr. Valesko mentioned in his written material.

Since its founding in 1983, CCA has experienced its share of criticism and scrutiny. Special political interest groups, labor unions, lobbyists and long-time bureaucratic thinkers are among our most staunch critics. The fact is that the corrections industry itself has and always will be a controversial and highly regulated one.

Whenever I hear opposing or critical statements made about CCA, the first question I ask the individual is "have you ever visited a CCA facility?" Not surprisingly, the answer typically is "no." So for the record, I extend an invitation to Mr. Valesko or any other members of Public Employees Local 71 to visit a CCA facility, talk to our staff, speak with the inmates, and look at our programs and services at Florence, AZ, and at other facilities across the country. Opinions usually can be better formed based on the first-hand knowledge and observation that are gained during such a visit.

It is also CCA's experience that private sector companies often are held to higher standards than public sector operators. We have found that the general public and lawmakers are most concerned with efficient use of tax dollars by government. CCA has repeatedly been able to provide cost savings to government, which has resulted in those dollars being used for other public services, such as roads, schools, etc. In fact, many of our contracts require that certain cost criterion be met, such as operating a facility for a specified percentage (from 7 to 10%) less than it has been or would be if operated by the public sector. We consistently have been able to meet that requirement.

For each facility we operate, CCA has a detailed contract with the contracting government agency. Contractual examples include the ratio of staff to inmates, square footage per inmate, number and type of educational/vocational programs and emergency plans. The contract, which is renegotiated and renewed based on terms and provision of quality of service, also documents the per diem cost to be paid to CCA by the government agency. Each per diem varies, depending upon whether or not financing or construction was involved, classification and size of facility, type of inmates, programs and services, etc.

To ensure that we adhere to the contract, the government agency appoints a Contract Monitor. That person is responsible for making sure that we are complying with the contract. The purpose of this monitoring system is to provide greater accountability on our part to make sure that government dollars are used effectively and efficiently. We welcome that accountability.

Accountability also can be measured by independent sources. CCA takes pride in its American Correctional Association (ACA) accreditation achievements. To become ACA accredited, a facility and its management must pass a comprehensive and intensive audit that includes nearly 500 mandatory and non-mandatory standards. These standards deal with management and personnel procedures, physical layout, training programs and delivery of services. The facility must make a perfect score (100%) on the mandatory portion of the inspection and a high score on the non-mandatory part to receive accreditation. All of CCA's facilities operate according to ACA standards and those facilities that are eligible are ACA accredited. This accreditation status, in many cases, is deemed more critical to privately run institutions than others.

As I stated in my testimony, we invest in our employees, especially in training them and training them well. We follow and often exceed the training requirements of the jurisdiction in which we are doing business. In our staff orientation and training, we emphasize interpersonal communication skills, problem solving, risk management and defense tactics. All of this training is designed to promote communication, to address inmate questions and problems

when they are small issues and to prevent incidents. We are keenly aware of the responsibilities of on-line staff, and we invest in them as people, realizing that they are the most important resource we have. It would be irresponsible of us, as the industry leader, not to invest in initial and ongoing staff training.

In regard to pay and benefits of CCA employees, our compensation package is very competitive with public sector employment and the market place. If it wasn't, we would not be able to effectively retain qualified staff.

There are additional reasons that make CCA employment attractive to people interested in the corrections profession. For the purpose of retirement savings, CCA has an Employee Stock Ownership Plan (ESOP), which means that employees literally have ownership in the company. They have a vested interest in doing a quality job. Also, CCA believes in employee recognition and promotion. Entry-level corrections professionals can and do advance. Employees also can transfer to other CCA facilities to pursue career advancement. We strongly advocate promoting from within the company.

In regard to the analysis done by the state of Tennessee comparing the operations and costs of three identical state institutions, one of which is managed by CCA, the concluding point is clear. It is correct to say that the report showed that all three facilities were similar in daily operational costs. However, keep in mind that all three institutions were operating at around \$20.00 less per day than comparable state-run facilities, whose is around \$55.00. By including the private sector into the equation for the study, all three facilities dramatically reduced their daily operational costs, saving taxpayers hundreds of thousands of dollars. That is the conclusion and true outcome of the study. In addition, the state of Tennessee recently renewed its contract with CCA for the operation of South Central Correctional Center.

As I stated earlier, CCA emphasizes training that is designed to promote communication and to prevent incidents. Unfortunately, all the communication and preventive tactics in the world sometimes cannot stop determined inmates who don't want to be incarcerated for their crimes. As such, escapes and attempted escapes are a fact of the corrections field. CCA's security record is a good one. In its 13-year history, the company has the equivalent of more than 15 million days of housing prisoners and inmates, yet has experienced only a handful of escapes.

Specifically in regard to South Central, it is an accurate statement to say that we experienced some challenges when the facility opened in March, 1992. Some inmates who were sent to the facility, based upon their offense(s) and classification, should have been housed in higher level security prisons, but were

assigned (by the state) to South Central to be housed in lower level security areas. Following several inmate incidents, CCA immediately submitted and implemented an enhanced management and security plan in October, 1992. Since that time, there have been no escapes from inside the secure perimeter. The facility was accredited by ACA in January, 1994, and again, the state renewed its contract with CCA earlier this year for the operation of South Central.

At the multi-security level Hernando County Jail in Florida and the Silverdale Facilities in Tennessee, we also experienced some challenges. Those challenges were directly related to the design and construction of the facility, for which we were not responsible. Escapes did occur during the initial management assumption; however, corrective action immediately was taken. That action included CCA's investment in redesigning and building certain areas of the institutions. Hernando County Jail was accredited by the ACA in January 1992.

At Silverdale, CCA is not nor ever has been responsible for the management of road crews. Silverdale inmates are supplied to the Hamilton County Highway Department for its oversight and management of those inmates. At both Hernando County and Silverdale, CCA's contracts with both government entities have continually been renewed. We also are in the process of negotiating with Hamilton County to expand the Silverdale Facilities to accommodate the need for more county beds.

In response to Mr. Valesko's reference to privately operated facilities in Texas, there were initial differences of opinion between the private sector providers (CCA and Wackenhut) and the state regarding educational and vocational services. CCA and the Texas Department of Criminal Justice discussed action steps and plans to address those differences. There were three results to be observed. First, by July 1990, two months after the private companies were purported to be in such bad shape, the board publicly declared them to be satisfactory. Subsequently, the Office of Texas Comptroller John Sharp issued a report declaring that the state's own prison education system that was held out as exemplary, needs "swift and fundamental restructuring." Test results in 1992 reveal a 78% passing rate in academic classes and a 76% passing rate in vocational training in the Texas prisons. In addition, Comptroller Sharp stated, "Private prisons are cost effective, saving governmental entities from five to 15 percent based on cited studies...A mix of public and private prisons is healthy for competition and experimentation of new programs." Both CCA pre-release centers in Texas are accredited by the ACA. The contracts between CCA and the TDCJ for our operations have continually been renewed. In fact, to meet Texas' need for more pre-release beds, CCA expanded last year the Venus facility from 520 to 1040 beds.

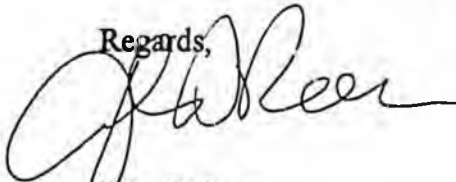
Finally, regarding our Santa Fe operations, the state of Oregon in 1990 had an immediate need for bed space. Corrections officials asked us to house on a short-term basis inmates at our Santa Fe Detention Center. With the permission of the Santa Fe county government, an agreement was reached to house Oregon inmates of appropriate classification (nonviolent) in the jail. Upon inmate arrival, it was quickly discovered through CCA's reclassification system that some of the inmates did not meet the agreed upon criteria. CCA's allegiance was first to Santa Fe County. Therefore, the process to immediately return the inmates to Oregon was initiated. Through this entire process, Santa Fe county officials were kept abreast of all transactions.

I hope this information is helpful. As I said, I wanted to state it for the record. Please understand that responding to historical allegations and incomplete information puts CCA in a defensive position. It is not my intent to be perceived that way. However, it is my intent to provide clarification of our business approach, as well as address specific incidents cited by Mr. Valesko.

We, at CCA, are very proud of our accomplishments, including our operations, security record and employees. As anyone in the corrections field knows and understands, this business is not an easy one. However, we have been successful and effective in working with numerous government entities at all levels to do what we do best -- provide quality corrections services, in partnership with government, at less cost to the taxpayer.

Thank you for your interest. Please contact me if you have further questions.

Regards,

A handwritten signature in cursive script, appearing to read "John D. Rees". The signature is written in dark ink and is positioned above the printed name.

John D. Rees

*Private Adult Correctional Facility Census*  
*Seventh Edition*

*prepared by*

Charles W. Thomas, Director  
Private Corrections Project  
Center for Studies in Criminology & Law  
University of Florida  
Gainesville, Florida

*June 30, 1994*

## Preface

Established in 1988 for the purpose of conducting policy-relevant research on correctional privatization, the Private Corrections Project at the University of Florida is now internationally recognized as the most authoritative source of information about this innovative means of providing correctional services. The core research goals of the Project require timely and accurate information about contract awards. Originally an informal by-product of meeting this requirement, today the semi-annual publication of the *Private Adult Correctional Facility Census* attracts more interest from the academic, corporate, financial, and political communities than does any other single Project-based initiative.

Those who are or who have been associated with the Private Corrections Project are gratified by so much interest being focused on the *Census* by so large and diverse a group of readers. At the same time, however, the fact that so many readers rely on the *Census* as the authoritative source of information about correctional privatization gives rise to a pressing need to guarantee that the information presented in the *Census* is both comprehensive and valid. It also establishes a responsibility to assure that readers fully understand both what the *Census* contains and what, in effect, it consciously ignores. Thus, in addition to reviewing the key findings of the 7th Edition of the *Census* and describing some significant expansions in the coverage this and future editions of the *Census* will provide, I will use this preface as an opportunity to review some definitional and methodological features of the *Census* that readers should carefully take into account.

### The Census Format & Methodology

First, the *Census* contains information only about the privatization of secure adult correctional facilities. This intentionally narrow focus sometimes has caused previous editions of the *Census* to be misinterpreted by readers for whom "secure adult correctional facilities" is an unfamiliar concept. As used here the concept refers to detention and correctional facilities within which adult prisoners are, with the exception of some relatively isolated work

assignments they may have outside the security perimeter of facilities, confined on a twenty-four hour a day basis. Such prisoners may or may not have been convicted on criminal charges. For example, pre-trial detainees housed in local jails prior to their trials and prisoners housed in facilities being operated under contract with the Immigration and Naturalization Service and the U.S. Marshals Service have not been convicted.

Perhaps more importantly, this focus ignores both secure facilities for juvenile offenders and non-secure facilities for adults (e.g., community corrections centers, halfway houses, work-release centers, and restitution centers) that are operated by private firms. Contracting with the private sector for the management of non-secure correctional facilities was common long before the privatization of secure adult facilities began in the early 1980s. *Census* results, however, have never and do not now indicate the fraction of pre-trial detainees, adjudicated delinquents, and sentenced offenders who are housed in non-secure facilities for which private firms are responsible.

Second, the methodology and reporting format adopted for the *Census* must be fully appreciated. Regarding the methodological issue, data are collected on an international basis toward the end of December and June of each year. This is generally accomplished by my personally contacting one or more top executives of each private corrections management firm, questioning them about recent corporate developments, reviewing data regarding each secure facility their firm operates, and obtaining information from them about developments in other firms they believe would be of relevance to the *Census*. When I have any reservations about the completeness or accuracy of the information those senior executives have provided, I can and do contact facility-level administrators and/or government officials in an effort to assure that what is published in the *Census* is valid. Sometimes it is also possible to cross-validate the information provided by comparing it with various other sources (e.g., corporate press releases, media reports, analyses I receive from brokerage firm analysts, and documents a growing number of firms are obliged to file with the Securities and Exchange Commission).

Regarding the reporting of data, those who review the *Census* data with special care—a group that always includes but is certainly not limited to financial analysts—sometimes report what they perceive to be inconsistencies. Looked at in some ways, these readers are absolutely correct, but the core problem is that they are assuming a bit more by way of exhaustive data analysis than the *Census* is designed to provide. Specifically, each edition of the *Census* depicts where the private corrections management firms are regarding secure adult correctional facility contracts at a particular point in time and how that point in time differs from where they were at an earlier point in time. What the *Census* does not expressly address, however, is a narrow range of adjustments that can take and have taken place within the private corrections industry.

This potential problem is well-illustrated by the fate of Pricor, Inc., a firm that is no longer a component of the industry. At one time the *Census* reported that Pricor would assume management responsibility for six 500-bed minimum security facilities in Texas once their construction was completed. Later it became clear that only one of the six would receive prisoners. The *Census* was revised accordingly. Still later the State of Texas purchased all six facilities and made a policy decision that all six would be publicly rather than privately managed. The *Census* was again revised accordingly, but the *Census* did not overtly direct attention toward the diminishing fortunes of Pricor—although a careful comparison of Pricor's position in the private corrections industry across several editions of the *Census* certainly did document its demise.

The same problem has materialized in a less extreme form in other editions of the *Census*. Indeed, a careful comparison of the results reported here with those of the 6th Edition, for example, will reveal that Capital Correctional Resources no longer operates the parish-level facility it previously operated in Louisiana and that the GRW Corporation has both gained and lost one facility in Texas.

This ebb and flow of activity can be monitored by readers of the *Census*. The monitoring, however, requires a careful consideration of more than a single edition of the *Census*.

## Changes in the Content of the Census

Turning now to adjustments in the scope of the coverage provided by the *Census*, readers will find four changes.

First, many readers have asked that more historical data be provided. The inclusion of what appears here as Figure 1 reflects an effort to respond to that request. Based on a combination of statistical information drawn from prior editions of the *Census* and comparable information published in the 1993 *Annual Report* of the Corrections Corporation of America, Figure 1 graphically depicts historical growth in the private corrections industry as measured by the total number of secure beds for which private firms were responsible.

Second, readers have encouraged more emphasis on adjustments that have been made or are about to be made in the rated capacity of existing facilities. This has been done by printing information on all new contract awards in bold-faced type and by printing information on existing facilities whose size changed by ten percent or more since the last *Census* in italics.

Third, several of the private management firms—Cornell Cox, Inc., the Corrections Corporation of America, Corrections Partners, Inc., Esmor Correctional Services, Inc., the GRW Corporation, and the Wackenhut Corrections Corporation—provide management services for types of correctional facilities that fall beyond the scope of the *Census*. This has resulted in some misinterpretations of *Census* results by, for example, government agencies and more than a few representatives of the financial industry. An effort to clarify the broader roles being played by these firms is provided by the narrative that appears in Appendix B.

Finally, a particularly troublesome problem for those working within as well as those observing developments in correctional privatization is linked to questions regarding the jurisdictions within which full-scale privatization of secure adult facilities is permitted by law. Framing complete and authoritative answers for such questions is exceedingly difficult. To be sure, sometimes the state of existing law can be determined in quite a matter-of-fact manner. In Florida, for instance, one statute expressly authorizes contracting

by the management of county-level facilities, one statute expressly authorizes contracting by the Florida Department of Corrections, and yet another statute expressly authorizes state-level contracting by the Florida Correctional Privatization Commission. All three statutes have been exercised. None of the three has ever been successfully challenged on constitutional or legal grounds.

Suffice it to say that life is not always so simple as it is in Florida. There are isolated jurisdictions that expressly prohibit contracting. There are jurisdictions that expressly authorize contracting by one level of government (e.g., the relevant state agency) but that do not expressly authorize contracting by other governmental entities (e.g., counties). There are jurisdictions where positive or negative assessments of existing legal authority are provided by attorney general opinions rather than by statutes. There are jurisdictions whose statutes are silent with regard to local- and/or state-level contracting. There are many jurisdictions that impose one or more limitations on contracting authority (e.g., limiting contract awards to prisoners with a particular security classification).

Even though a thorough understanding of this issue is of critical importance both to those who would like to make or receive contract awards, there is no authoritative source of up-to-date information on where the private management of one or more types of secure correctional facilities is lawful. Thus, the Private Corrections Project has initiated an on-going research initiative aimed at providing the necessary information. Much of the research was conducted by Mr. Kevin Mayeux, a graduate research assistant with the Project who is also a student at the College of Law of the University of Florida. Importantly, the findings summarized in Appendix C of the *Census* are preliminary. Comments from readers of the *Census* would be both welcomed and greatly appreciated.

### Key Census Survey Findings

The first half of 1993 witnessed unprecedented changes within as well as rapid growth of the private corrections industry. No period in the brief history of correctional privatization comes even remotely close to matching what has transpired since the 6th Edition was published in January.

Regarding changes within the industry, at least five events are especially noteworthy. Several of them are likely to have multiple implications for the future of the correctional privatization industry.

- *In February Esmor Correctional Services, Inc. became a publicly-held company and began trading on the NASDAQ exchange under the symbol ESMR. The warm reception accorded Esmor's initial public offering (IPO) rather clearly demonstrates a perception on the part of individual and institutional investors that correctional privatization is becoming an increasingly attractive means of providing for the delivery of correctional services. The same perception clearly contributed to major upward movement in market evaluations of the common stock of the Corrections Corporation of America (CCA). (Prior to the Esmor IPO, CCA, which trades on the NASDAQ under the symbol CCAX, was the only publicly-traded private corrections management firm.)*
- *In March The Cornell Cox Group was transformed into Cornell Cox, Inc. and announced its acquisition of Eclectic Communications, Inc. (ECI). ECI, the oldest company in the private corrections industry, is now operating as a wholly-owned subsidiary of Cornell Cox, Inc.*
- *In May the Wackenhut Corrections Corporation (WCC), a wholly-owned subsidiary of The Wackenhut Corporation, filed an S-1 Registration Statement with the Securities and Exchange Commission. The S-1 filing is a prerequisite to the issuance of an IPO by WCC. Presupposing the success of the IPO, WCC, which should begin trading soon on the NASDAQ under the symbol WCCX, will become the third publicly-held private corrections management firm.*
- *In June the Corrections Corporation of America announced the formation of what it described as "an international strategic alliance" with Sodexho, S.A., a multi-national French firm that, among its many other business involvements, provides a broad array of contract services in five French prisons. The formation of this relationship between CCA and Sodexho is but one of multiple indicators of the growing interest in and attractiveness of correctional privatization on the international scene.*

- Also in June there were additional signs of a strengthening of the corporate ties between Correction Management Affiliates, Inc. (CMA) and Correctional Services Group, Inc. It continues to seem likely that the two companies will merge to form Correctional Partners, Inc. (CPI). In anticipation of that corporate development, this edition of the Census identifies facilities previously shown as being operated by CMA as being operated by CPI.

Regarding contract and contract-related developments that have taken place since the 6th Edition of the Census was published in January, the changes have been significant and the growth has exceeded what many perceived to be the aggressive projections I made in the preface to the 6th Edition. Key illustrations of those developments would certainly include the following items.

- Between 12/31/93 and 6/30/94 the number of secure private facilities rose by 15.07% to 84 and the rated capacity of all secure private facilities rose by 33.64% to 43,508.
- Between 12/31/93 and 6/30/94 the rated capacity of secure private facilities already in operation rose by 6.87% to 26,445 and the actual prisoner population in those facilities rose by 10.77% to 24,677.
- Between 12/31/93 and 6/30/94 the capacity utilization for secure private facilities already in operation rose by 3.64% to 93.31%.
- Between 12/31/93 and 6/30/94 planned expansions, which includes both the construction of new facilities and the expansion of existing facilities, moved upward more sharply than in any previous report. The number of new facilities projected to receive prisoners within the coming 12-18 months rose by 61.54% to 21. Industry-wide capacity increases attributable to both new construction and expansions of existing facilities leaped forward by 118.45% to 17,063 beds.
- The size and number of new contract awards in some jurisdictions are especially noteworthy. In particular, since 12/31/93 Texas has awarded contracts for 5 new state facilities that will have an aggregate rated capacity of 5,500 prisoners (contracts for three 1,000-bed facilities were awarded to the Wackenhut Corrections Corporation, a 1,500-bed contract was awarded to Management and Training Corporation, and

a 1,000-bed contract was awarded to Concept, Inc.).

- At least two jurisdictions that previously had awarded no contracts for the design, construction, and management of secure facilities began doing so rather aggressively. Since 12/31/94 Puerto Rico has awarded a 1,500-bed and a 1,000-bed contract to the Corrections Corporation of America. During the same time period, corporate sources report two 400-bed contract awards in Virginia to Corrections Partners, Inc.
- Florida, which for many years chose not to act on the expressed statutory authority to contract granted to it by the Florida Legislature in the mid-1980s, awarded contracts for two 750-bed state facilities. (One contract was awarded to the Corrections Corporation of America and one contract was awarded to the Wackenhut Corrections Corporation.) Significantly, both Florida contract awards were made by the Florida Correctional Privatization Commission, which was created by the Florida Legislature in 1993, rather than by the Florida Department of Corrections. It is altogether possible that this statutory means of brushing agency resistance to contracting aside will provide a model for legislation in other jurisdictions whose legislative bodies are confronting comparable public agency opposition.

#### Implications for the Future of Correctional Privatization

Six months ago I predicted that "the number of privately managed facilities will increase to between 85-90 by the end of the year" and that "the rated capacity of facilities under contract will increase to between 42,500-45,000." Several representatives of the financial community and more than a few of the private corrections management firms swiftly advanced the opinion that my forecast was too aggressive. I, of course, am so polite and diplomatic that I will refrain from putting too much emphasis on the fact that six months into the calendar year covered by my forecast already finds us with 84 privately managed facilities with a rated capacity of 43,508.

The more interesting questions shift the focus of attention from what already has happened to what

the balance of the year and beyond are likely to bring. Looked at on quite a general level, the only possible conclusion would appear to be that the alternative created by correctional privatization has moved well beyond the "interesting experiment" status it had in the mid-1980s to the proven option position it now enjoys. As I and others have documented in various published studies, the evidence unequivocally demonstrates that---presupposing it exercises reasonable judgment in the preparation of procurement documents, contract preparation, and contract monitoring---government can realistically anticipate operating cost savings in the range of 10-20 percent by contracting with the added benefit of an improvement in the caliber of services it receives.

This general conclusion is easily illustrated by a recent set of contract awards. In December of 1993, the Florida Correctional Privatization Commission issued a request for proposals providing for the private design, financing, construction, and management of two 750-bed medium security state prisons. The controlling statute mandated a cost savings of at least 7 percent below a benchmark price established by the Florida Auditor General. The benchmark price was determined by full-scale audit of costs for the construction and operation of substantially similar facilities constructed and operated by the Florida Department of Corrections.

Each private firm was allowed to submit proposals for one or both of the two facilities. Eight firms submitted a total of twelve proposals. All twelve proposals yielded cost savings of at least the required 7 percent. The contract awards to the Corrections Corporation of America and the Wackenhut Corrections Corporation will yield cost savings to Florida modestly above 10 percent. Further, language in both contracts is such that cost savings equal to or greater than those realized during the initial year of contract performance will persist for the three-year term of the base contracts. Further still, the contracts require prompt award of accreditation by the American Correctional Association, basic services that are at least the equivalent of those provided by the Florida Department of Corrections, and programs in the areas of education, vocational training, and substance abuse education/treatment that are more elaborate than

those presently provided by the Florida Department of Corrections.

Examples like that provided by Florida's recent experience has spawned a growing interest in correctional privatization both within and beyond the boundaries of the United States. Still, it would be unrealistic to expect that the torrid pace of new contract awards witnessed during the past six months will persist in an uninterrupted fashion indefinitely.

My best judgment is that the immediate future will bring more modest numbers of new contract awards coupled with sizable increases in the number of private facilities that are in operation. Those increases are essentially guaranteed by the number of new facilities that are presently under construction.

Importantly, this does not mean that the immediate future will yield no opportunities for significant growth. During the balance of 1994, for example, there are good reasons to anticipate significant contract awards in, on the international scene, Australia and Great Britain and in such American jurisdictions as Arizona, California, Colorado, Florida, Louisiana, Mississippi, Utah, and Virginia. Thus, were I asked to provide a more precise year-end forecast, I would have to estimate that the end of 1994 will reveal 90-95 private facilities with a rated prisoner capacity of 48,000-50,000 prisoners. Even if this upward adjustment of my December 31, 1993 projections proves to be too optimistic, there already is no question whatsoever about 1994 bringing a record increase in all statistical categories monitored by the *Private Adult Correctional Facility Census*.

Charles W. Thomas, Ph.D.  
Director, Private Corrections Project  
Center for Studies in Criminology & Law  
University of Florida  
(904) 392-1025; (904) 392-3974 (FAX)  
June 30, 1994

## Private Adult Facility Census Summary for June 30, 1994

Management Firm	Rated Capacity of All Facilities Under Contract*	# Facilities Under Contract	Rated Capacity of Facilities Now In Operation	Prisoner Populations on 6/30/94	% Occupancy for Facilities In Operation	New Facilities to Open within 12-18 months	Expansion Anticipated Within 12-18 Months
Alternative Programs, Inc.	240	1	240	240	100.00%	0	0
The Bobby Ross Group	872	1	872	868	99.54%	0	0
Capital Correctional Resources	836	1	836	796	95.22%	0	0
Concept, Inc.	4,426	8	1,926	1,876	97.40%	3	2,500
Cornell Cox, Inc.	794	3	794	752	94.71%	0	0
Corrections Corporation of America	13,056	23	8,593	8,251	96.02%	4	4,463
Corrections Partners, Inc.	1,672	4	584	562	96.23%	2	1,088
Corrections Services, Inc.	32	1	32	29	90.63%	0	0
Dove Development Corporation	762	2	762	633	83.07%	0	0
Eden Detention Center	699	1	499	565	113.23%	0	200
Esmor Correctional Services, Inc.	1,170	4	870	845	97.13%	1	300
Group 4 - ICS	300	1	300	300	100.00%	0	0
The GRW Corporation	244	2	244	244	100.00%	0	0
Management & Training Corporation	2,400	3	450	425	94.44%	2	1,950
Mid-Tex Detention, Inc.	1,236	3	736	744	101.09%	1	500
North American Corrections	633	1	489	489	100.00%	0	144
U.S. Corrections Corporation	2,918	6	1,650	1,465	88.79%	2	1,268
The Villa at Greeley, Inc.	400	1	0	0	N/A	1	400
Wackenhut Corrections Corporation	10,818	18	6,568	5,593	85.16%	5	4,250
<b>TOTALS</b>	<b>43,508</b>	<b>84</b>	<b>26,445</b>	<b>24,677</b>	<b>93.31%</b>	<b>21</b>	<b>17,063</b>
<i>% Changes Since 12/31/93</i>	<i>33.64%</i>	<i>15.07%</i>	<i>6.87%</i>	<i>10.77%</i>	<i>3.64%</i>	<i>61.54%</i>	<i>118.48%</i>

\*Capacity Figures Include New Facilities and Expansions of Existing Facilities.

## Private Adult Correctional Facility Census, United States Facilities

Management Company	Alternative Programs, Inc.	<i>Bobby Ross Group</i>	<i>Capital Correctional Resources, Inc.</i>	Concept, Inc.	Concept, Inc.
Facility Location	Bakersfield, CA	<i>Newton Co., TX</i>	<i>Groesbeck, TX</i>	Tuscaloosa, AL	Eloy, AZ
Facility Name	Mesa Verde Community Correction Facility	<i>Newton County Detention Facility</i>	<i>Limestone County Detention Facility</i>	Tuscaloosa Metro Detention Facility	FBOP/INS Detention Center
Primary Source of Prisoners	*State of California	<i>*State of Texas</i>	<i>*State of Texas</i>	Tuscaloosa County	Federal Bureau of Prisons
Secondary Source of Prisoners	N/A	<i>N/A</i>	<i>N/A</i>	City of Tuscaloosa City of Northport	Immigration and Naturalization Service
Rated Capacity	240	<i>872</i>	<i>836</i>	176	1,000
Present Population	240	<i>868</i>	<i>796</i>	176	N/A
Occupancy Percentage	100.00%	<i>99.54%</i>	<i>95.22%</i>	100.00%	N/A
Security Level	minimum	<i>minimum/medium</i>	<i>minimum/medium</i>	minimum	medium
Ownership of Facility	private	<i>public</i>	<i>public</i>	public	public
First Received Prisoners	May-89	<i>Jun-93</i>	<i>Apr-93</i>	Dec-92	Jul-94
ACA Accreditation?	no	<i>no</i>	<i>no</i>	no	will be sought
Facility Construction	new construction	<i>take-over</i>	<i>new construction</i>	new construction	new construction
Facility Expansion Planned?	no	<i>no</i>	<i>no</i>	no	no
* Notes	*Parole Division	<i>*TDCJ Institutional Division See Appendix A, Notes 1 &amp; 2</i>	<i>*TDCJ Institutional Division See Appendix A, Notes 1 &amp; 3</i>	See Appendix A, Note 4	

Facilities not reported in the 12/31/93 Census appear in bold. Facilities whose size has changed significantly since the 12/31/93 Census appear in italics.

**Private Adult Correctional Facility Census, United States Facilities**

<b>Management Company</b>	Concept, Inc.	Concept, Inc.	<i>Concept, Inc.</i>	Concept, Inc.	Concept, Inc.
<b>Facility Location</b>	Bridgeport, TX	Brownfield, TX	<i>Mineral Wells, TX</i>	Overton, TX	Sweetwater, TX
<b>Facility Name</b>	Bridgeport Pre-Parole Transfer Facility	Brownfield Intermediate Sanction Facility	<i>Mineral Wells Pre-Parole Transfer Facility</i>	TBA	Sweetwater Pre-Parole Transfer Facility
<b>Primary Source of Prisoners</b>	*State of Texas	*State of Texas	<i>*State of Texas</i>	*State of Texas	*State of Texas
<b>Secondary Source of Prisoners</b>	N/A	N/A	<i>N/A</i>	N/A	N/A
<b>Rated Capacity</b>	200	200	<i>1,100</i>	500	250
<b>Present Population</b>	200	200	<i>1,050</i>	N/A	250
<b>Occupancy Percentage</b>	100.00%	100.00%	<i>95.45%</i>	N/A	100.00%
<b>Security Level</b>	minimum	minimum/medium	<i>minimum</i>	minimum	minimum
<b>Ownership of Facility</b>	private	public	<i>private</i>	public	public
<b>First Received Prisoners</b>	Nov-87	Jul-92	<i>Jul-89</i>	Feb-95	Mar-92
<b>ACA Accreditation?</b>	no	no	<i>no</i>	will be sought	no
<b>Facility Construction</b>	renovation	new construction	<i>renovation</i>	new construction	take-over
<b>Facility Expansion Planned?</b>	no	no	<i>no</i>	no	no
<b>* Notes</b>	*TDCJ Board of Pardons & Paroles	*TDCJ Board of Pardons & Paroles	<i>*TDCJ Board of Pardons &amp; Paroles See Appendix A, Note 5</i>	*TDJC Institutional Division	*TDCJ Board of Pardons & Paroles <i>See Appendix A, Note 6</i>

*Facilities not reported in the 12/31/93 Census appear in bold. Facilities whose size has changed significantly since the 12/31/93 Census appear in italics*

**Private Adult Correctional Facility Census, United States Facilities**

<b>Management Company</b>	<b>Concept, Inc.</b>	<b>Cornell Cox, Inc.</b>	<b>Cornell Cox, Inc.</b>	<b>Cornell Cox, Inc.</b>	<b>Corrections Corporation of America</b>
<b>Facility Location</b>	<b>Williamson County, TX</b>	<b>Baker, CA</b>	<b>Live Oak, CA</b>	<b>Central Falls, RI</b>	<b>Florence, AZ</b>
<b>Facility Name</b>	<b>TBA</b>	<b>Baker Community Correction Facility</b>	<b>Leo Chesney Community Correction Facility</b>	<b>Central Falls Detention Facility</b>	<b>Pinal County Detention Facility</b>
<b>Primary Source of Prisoners</b>	<b>*State of Texas</b>	<b>*State of California</b>	<b>*State of California</b>	<b>U.S. Marshals Service</b>	<b>U.S. Marshals Service</b>
<b>Secondary Source of Prisoners</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>*State of North Carolina</b>	<b>N/A</b>
<b>Rated Capacity</b>	<b>1,000</b>	<b>272</b>	<b>230</b>	<b>302</b>	<b>500</b>
<b>Present Population</b>	<b>N/A</b>	<b>262</b>	<b>200</b>	<b>290</b>	<b>N/A</b>
<b>Occupancy Percentage</b>		<b>96.32%</b>	<b>90.91%</b>	<b>96.03%</b>	<b>N/A</b>
<b>Security Level</b>	<b>minimum</b>	<b>minimum/medium</b>	<b>minimum/medium</b>	<b>maximum</b>	<b>medium</b>
<b>Ownership of Facility</b>	<b>public</b>	<b>private</b>	<b>private</b>	<b>public</b>	<b>private</b>
<b>First Received Prisoners</b>	<b>Feb-95</b>	<b>Jan-88</b>	<b>May-89</b>	<b>Oct-93</b>	<b>Nov-95</b>
<b>ACA Accreditation?</b>	<b>will be sought</b>	<b>yes - 8/90</b>	<b>yes - 1/91</b>	<b>will be sought</b>	<b>will be sought</b>
<b>Facility Construction</b>	<b>new construction</b>	<b>renovation</b>	<b>new construction</b>	<b>new construction</b>	<b>new construction</b>
<b>Facility Expansion Planned?</b>	<b>no</b>	<b>no</b>	<b>no</b>	<b>no</b>	<b>no</b>
<b>* Notes</b>	<b>*TDCJ Institutional Division See Appendix A, Note 7</b>	<b>*Parole Division See Appendix A, Note 8</b>	<b>*Parole Division See Appendix A, Note 8</b>	<b>*North Carolina Department of Corrections</b>	

*Facilities not reported in the 12/31/93 Census appear in bold. Facilities whose size has changed significantly since the 12/31/93 Census appear in italics.*

## *Private Adult Correctional Facility Census, United States Facilities*

<b>Management Company</b>	<b>Corrections Corporation of America</b>	<b>Corrections Corporation of America</b>	<b>Corrections Corporation of America</b>	<b>Corrections Corporation of America</b>	<b>Corrections Corporation of America</b>
<b>Facility Location</b>	Panama City, FL	Panama City, FL	Bay County, FL	Brooksville, FL	Winnfield, LA
<b>Facility Name</b>	Bay County Jail Annex	Bay County Jail	TBA	Hernando County Jail	Winn Parish Correction Center
<b>Primary Source of Prisoners</b>	Bay County	Bay County	*State of Florida	Hernando County	*State of Louisiana
<b>Secondary Source of Prisoners</b>	U.S. Marshals Service & INS	U.S. Marshals Service	N/A	U.S. Marshals Service	N/A
<b>Rated Capacity</b>	257	276	750	252	1,282
<b>Present Population</b>	237	255	N/A	260	1,274
<b>Occupancy Percentage</b>	92.22%	92.39%	N/A	103.17%	99.38%
<b>Security Level</b>	all levels	all levels	medium	all levels	medium
<b>Ownership of Facility</b>	private	public	public	public	public
<b>First Received Prisoners</b>	May-86	Oct-85	Sep-95	Oct-88	Mar-90
<b>ACA Accreditation?</b>	yes - 8/88	yes - 8/88	will be sought	yes - 8/91	yes - 5/91
<b>Facility Construction</b>	new construction	take-over	new construction	take-over	new construction
<b>Facility Expansion Planned?</b>	yes, 48 beds	no	no	yes, 50 beds	no
<b>* Notes</b>			*Florida Correctional Privatization Commission		*Louisiana Department of Corrections

*Facilities not reported in the 12/31/93 Census appear in bold. Facilities whose size has changed significantly since the 12/31/93 Census appear in italics*

## *Private Adult Correctional Facility Census, United States Facilities*

<b>Management Company</b>	<b>Corrections Corporation of America</b>	<b>Corrections Corporation of America</b>	<b>Corrections Corporation of America</b>	<b>Corrections Corporation of America</b>	<b>Corrections Corporation of America</b>
<b>Facility Location</b>	Leavenworth, KS	Estancia, NM	Grants, NM	Santa Fe, NM	Guayama, Puerto Rico
<b>Facility Name</b>	Leavenworth Detention Center	Torrance County Detention Facility	NM Women's Correction Facility	Santa Fe Detention Center	TBA
<b>Primary Source of Prisoners</b>	U.S. Marshals Service	U.S. Marshals Service	*State of New Mexico	Santa Fe County/ U.S. Marshals Service	*Commonwealth of Puerto Rico
<b>Secondary Source of Prisoners</b>	N/A	Federal Bureau of Prisons	N/A	City of Santa Fe City of Moriarty	N/A
<b>Rated Capacity</b>	256	256	204	201	1,000
<b>Present Population</b>	186	204	214	233	N/A
<b>Occupancy Percentage</b>	72.66%	79.69%	104.90%	115.92%	N/A
<b>Security Level</b>	maximum	minimum/medium	all levels	all levels	medium
<b>Ownership of Facility</b>	private	private	public	public	public
<b>First Received Prisoners</b>	Jun-92	Dec-90	Aug-89	Aug-86	Jan-96
<b>ACA Accreditation?</b>	yes - 8/93	no	yes - 5/91	yes - 8/88	will be sought
<b>Facility Construction</b>	new construction	new construction	new construction	take-over	new construction
<b>Facility Expansion Planned?</b>	no	no	yes, 25 beds	no	no
<b>* Notes</b>			*New Mexico Department of Corrections		*Puerto Rico Administration of Corrections

*Facilities not reported in the 12/31/93 Census appear in bold. Facilities whose size has changed significantly since the 12/31/93 Census appear in italics.*

## *Private Adult Correctional Facility Census, United States Facilities*

<b>Management Company</b>	<b>Corrections Corporation of America</b>	<b>Corrections Corporation of America</b>	<b>Corrections Corporation of America</b>	<b>Corrections Corporation of America</b>	<b>Corrections Corporation of America</b>
<b>Facility Location</b>	<b>Ponce, Puerto Rico</b>	<b>Nashville, TN</b>	<b>Clifton, TN</b>	<b>Chattanooga, TN</b>	<b>Mason, TN</b>
<b>Facility Name</b>	<b>TBA</b>	<b>Metro-Davidson Co. Detention Center</b>	<b>South Central Correctional Center</b>	<b>Silverdale Facilities</b>	<b>West Tennessee Detention Facility</b>
<b>Primary Source of Prisoners</b>	<b>*Commonwealth of Puerto Rico</b>	<b>*Davidson County</b>	<b>*State of Tennessee</b>	<b>Hamilton County</b>	<b>U.S. Marshals Service</b>
<b>Secondary Source of Prisoners</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>U.S. Marshals Service</b>	<b>Washington, D.C.</b>
<b>Rated Capacity</b>	<b>1,500</b>	<b>870</b>	<b>1,336</b>	<b>414</b>	<b>416</b>
<b>Present Population</b>	<b>N/A</b>	<b>664</b>	<b>1,287</b>	<b>414</b>	<b>432</b>
<b>Occupancy Percentage</b>	<b>N/A</b>	<b>76.32%</b>	<b>96.33%</b>	<b>100.00%</b>	<b>103.85%</b>
<b>Security Level</b>	<b>medium</b>	<b>medium</b>	<b>medium</b>	<b>minimum</b>	<b>all levels</b>
<b>Ownership of Facility</b>	<b>public</b>	<b>public</b>	<b>public</b>	<b>public</b>	<b>private</b>
<b>First Received Prisoners</b>	<b>Sep-96</b>	<b>Feb-92</b>	<b>Mar-92</b>	<b>Sep-84</b>	<b>Oct-90</b>
<b>ACA Accreditation?</b>	<b>will be sought</b>	<b>yes - 1/94</b>	<b>yes - 1/94</b>	<b>no</b>	<b>yes - 8/92</b>
<b>Facility Construction</b>	<b>new construction</b>	<b>new construction</b>	<b>new construction</b>	<b>take-over</b>	<b>new construction</b>
<b>Facility Expansion Planned?</b>	<b>no</b>	<b>no</b>	<b>no</b>	<b>no</b>	<b>no</b>
<b>* Notes</b>	<b>*Puerto Rico Administration of Corrections</b>	<b>*Houses state prisoners</b>	<b>*Tennessee Department of Corrections</b>		

*Facilities not reported in the 12/31/93 Census appear in bold. Facilities whose size has changed significantly since the 12/31/93 Census appear in italics.*

## Private Adult Correctional Facility Census, United States Facilities

Management Company	Corrections Corporation of America	Corrections Corporation of America	Corrections Corporation of America	Corrections Corporation of America	Corrections Corporation of America
Facility Location	Cleveland, TX	Laredo, TX	Houston, TX	Venus, TX	Venus, TX
Facility Name	Cleveland Pre-Release Center	Laredo Processing Center	Houston Processing Center	Venus Pre-Release Center	TBA
Primary Source of Prisoners	*State of Texas	Immigration and Naturalization Service	Immigration and Naturalization Service	*State of Texas	*State of Texas
Secondary Source of Prisoners	N/A	Federal Bureau of Prisons	*State of Texas	N/A	N/A
Rated Capacity	520	258	350	520	500
Present Population	520	261	397	520	500
Occupancy Percentage	100.00%	101.16%	113.43%	100.00%	100.00%
Security Level	minimum	minimum	minimum	minimum	minimum
Ownership of Facility	public	private	private	public	public
First Received Prisoners	Sep-89	Mar-85	May-84	Aug-89	Oct-94
ACA Accreditation?	yes - 7/90	no	yes - 1/86	yes - 10/90	will be sought
Facility Construction	new construction	new construction	new construction	new construction	new construction
Facility Expansion Planned?	no	no	no	no	no
* Notes	*TDCJ Institutional Division		*TDCJ Board of Pardons & Paroles	*TDCJ Institutional Division	*TDCJ Institutional Division

*Facilities not reported in the 12/31/93 Census appear in bold. Facilities whose size has changed significantly since the 12/31/93 Census appear in italics.*

## *Private Adult Correctional Facility Census, United States Facilities*

<b>Management Company</b>	<b>Corrections Partners, Inc.</b>	<b>Corrections Partners, Inc.</b>	<b>Corrections Partners, Inc.</b>	<b>Corrections Partners, Inc.</b>	<b>Corrections Services, Inc.</b>
<b>Facility Location</b>	Oswego, KS	Hinton, OK	Chesapeake, VA	TBA	Seal Beach, CA
<b>Facility Name</b>	Labette County Conservation Camp	Great Plains Correctional Facility	TBA	TBA	Seal Beach Detention Facility
<b>Primary Source of Prisoners</b>	*State of Kansas	*State of North Carolina	*State of Virginia	*State of Virginia	City of Seal Beach
<b>Secondary Source of Prisoners</b>	N/A	Federal Bureau of Prisons	N/A	N/A	Adjoining localities
<b>Rated Capacity</b>	104	480	400	400	32
<b>Present Population</b>	90	472	N/A	N/A	29
<b>Occupancy Percentage</b>	86.54%	98.33%	N/A	N/A	90.63%
<b>Security Level</b>	minimum	medium	minimum	minimum	pre-arraignment
<b>Ownership of Facility</b>	public	public	public	public	public
<b>First Received Prisoners</b>	Feb-91	Oct-91	Jul-95	Jul-95	Jul-94
<b>ACA Accreditation?</b>	in progress	yes - 8/93	will be sought	will be sought	will be sought
<b>Facility Construction</b>	new construction	new construction	new construction	new construction	renovation
<b>Facility Expansion Planned?</b>	will be sought	yes, 288 beds	no	no	no
<b>* Notes</b>	*Commitments ordered Kansas District Courts	*North Carolina Department of Corrections	*Virginia Department of Corrections	*Virginia Department of Corrections	

*Facilities not reported in the 12/31/93 Census appear in bold. Facilities whose size has changed significantly since the 12/31/93 Census appear in italics.*

## Private Adult Correctional Facility Census, United States Facilities

<b>Management Company</b>	<i>Dove Development Corporation</i>	<i>Dove Development Corporation</i>	<b>Eden Detention Center, Inc.</b>	<b>Esmor Correctional Services, Inc.</b>	<b>Esmor Correctional Services, Inc.</b>
<b>Facility Location</b>	<i>Crystal City, TX</i>	<i>Pearsall, TX</i>	Eden, TX	Elizabeth, NJ	Tarrant Co., TX
<b>Facility Name</b>	<i>Crystal City Detention Center</i>	<i>Frio Detention Center</i>	Eden Detention Center	Elizabeth Processing Center	Tarrant County Community Correction Facility
<b>Primary Source of Prisoners</b>	<i>*State of Texas</i>	<i>*State of Texas</i>	Federal Bureau of Prisons	Immigration and Naturalization Service	Tarrant County
<b>Secondary Source of Prisoners</b>	<i>N/A</i>	<i>Frio County</i>	Immigration and Naturalization Service	N/A	N/A
<b>Rated Capacity</b>	<i>167</i>	<i>295</i>	499	300	320
<b>Present Population</b>	<i>321</i>	<i>312</i>	565	N/A	310
<b>Occupancy Percentage</b>	<i>68.74%</i>	<i>105.76%</i>	113.23%	N/A	96.88%
<b>Security Level</b>	<i>medium</i>	<i>minimum/medium</i>	minimum/medium	minimum/medium	minimum
<b>Ownership of Facility</b>	<i>private</i>	<i>public</i>	private	private	public
<b>First Received Prisoners</b>	<i>Jul-93</i>	<i>Dec-92</i>	Jan-89	Jul-94	Feb-92
<b>ACA Accreditation?</b>	<i>being considered</i>	<i>being considered</i>	no	will be sought	yes - 8/93
<b>Facility Construction</b>	<i>take-over</i>	<i>take-over</i>	new construction	renovation	new construction
<b>Facility Expansion Planned?</b>	<i>no</i>	<i>no</i>	yes, 200 beds	no	no
<b>* Notes</b>	<i>*TDCJ Institutional Division See Appendix A, Note 1 &amp; 9</i>	<i>*TDCJ Institutional Division See Appendix A, Note 1</i>			

*Facilities not reported in the 12/31/93 Census appear in bold. Facilities whose size has changed significantly since the 12/31/93 Census appear in italics.*

**Private Adult Correctional Facility Census, United States Facilities**

<b>Management Company</b>	<b>Esmor Correctional Services, Inc.</b>	<b>Esmor Correctional Services, Inc.</b>	<b>GRW Corporation</b>	<b>GRW Corporation</b>	<b>Management &amp; Training Corporation</b>
<b>Facility Location</b>	Houston, TX	Seattle, WA	Ector County, TX	Odessa, TX	Marana, AZ
<b>Facility Name</b>	State of Texas Intermediate Sanction Facility	Seattle Processing Center	Ector County Detention Annex	Odessa Detention Center	Marana Community Treatment Facility
<b>Primary Source of Prisoners</b>	*State of Texas	Immigration and Naturalization Service	Ector County	City of Odessa	*State of Arizona
<b>Secondary Source of Prisoners</b>	N/A	N/A	N/A	*State of Texas	N/A
<b>Rated Capacity</b>	400	150	144	100	450
<b>Present Population</b>	390	145	144	100	N/A
<b>Occupancy Percentage</b>	97.50%	96.67%	100.00%	100.00%	N/A
<b>Security Level</b>	minimum	minimum/medium	medium	all levels	minimum
<b>Ownership of Facility</b>	public	public	public	public	private
<b>First Received Prisoners</b>	Dec-93	Jul-89	Jun-94	Oct-93	Sep-94
<b>ACA Accreditation?</b>	will be sought	yes - 9/91	no	no	no
<b>Facility Construction</b>	renovation	renovation	new construction	take-over	new construction
<b>Facility Expansion Planned?</b>	no	no	no	no	no
<b>* Notes</b>	*TDCJ Board of Pardons & Paroles			*TDCJ Institutional Division See Appendix A, Note 1	*Arizona Department of Corrections

*Facilities not reported in the 12/31/93 Census appear in bold. Facilities whose size has changed significantly since the 12/31/93 Census appear in italics.*

## Private Adult Correctional Facility Census, United States Facilities

Management Company	Management & Training Corporation	Management & Training Corporation	Mid-Tex Detention, Inc.	Mid-Tex Detention, Inc.	Mid-Tex Detention, Inc.
Facility Location	Desert Center, CA	Henderson County, TX	Big Spring, TX	Big Spring, TX	Big Spring, TX
Facility Name	Eagle Mountain Return-to-Custody Facility	<b>Texas State Jail Facility, Henderson</b>	City of Big Spring Correctional Center (Interstate)	City of Big Spring Correctional Center (Airpark)	TBA
Primary Source of Prisoners	*State of California	<b>*State of Texas</b>	Federal Bureau of Prisons	Federal Bureau of Prisons	Federal Bureau of Prisons
Secondary Source of Prisoners	N/A	N/A	Immigration and Naturalization Service	Immigration and Naturalization Service	Immigration and Naturalization Service
Rated Capacity	450	<b>1,500</b>	360	376	500
Present Population	425	N/A	368	376	N/A
Occupancy Percentage	94.44%	N/A	102.22%	100.00%	N/A
Security Level	minimum	minimum	minimum/medium	minimum/medium	minimum/medium
Ownership of Facility	private	public	public	public	public
First Received Prisoners	Sep-88	<b>Jun-95</b>	May-89	Feb-91	Jan-95
ACA Accreditation?	yes - 6/93	will be sought	no	no	no
Facility Construction	renovation	<b>new construction</b>	renovation	renovation	new
Facility Expansion Planned?	no	no	no	no	no
* Notes	*Parole Division	<b>*TDCJ Institutional Division See Appendix A, Note 7</b>			

*Facilities not reported in the 12/31/93 Census appear in bold. Facilities whose size has changed significantly since the 12/31/93 Census appear in italics*

**Private Adult Correctional Facility Census, United States Facilities**

<b>Management Company</b>	<i>North American Corrections</i>	<b>U.S. Corrections Corporation</b>	<b>U.S. Corrections Corporation</b>	<b>U.S. Corrections Corporation</b>	<b>U.S. Corrections Corporation</b>
<b>Facility Location</b>	<i>Spur, TX</i>	Gretna, FL	Beattyville, KY	Louisville, KY	St. Marys, KY
<b>Facility Name</b>	<i>Dickens Detention Center</i>	Gadsden County Correctional Facility	Lee Adjustment Center	River City Correctional Center	Marion Adjustment Center
<b>Primary Source of Prisoners</b>	<i>*State of Texas</i>	*State of Florida	*Commonwealth of Kentucky	Jefferson County	*Commonwealth of Kentucky
<b>Secondary Source of Prisoners</b>	<i>N/A</i>	N/A	N/A	N/A	N/A
<b>Rated Capacity</b>	<i>489</i>	768	500	350	500
<b>Present Population</b>	<i>489</i>	N/A	450	325	450
<b>Occupancy Percentage</b>	<i>100.00%</i>	N/A	90.00%	92.86%	90.00%
<b>Security Level</b>	<i>maximum</i>	minimum/medium	minimum	minimum	minimum
<b>Ownership of Facility</b>	<i>private</i>	public	private	private	private
<b>First Received Prisoners</b>	<i>Jul-91</i>	Feb-95	Aug-90	Jan-90	Jan-86
<b>ACA Accreditation?</b>	<i>no</i>	will be sought	yes - 1/94	no	yes - 8/92
<b>Facility Construction</b>	<i>new construction</i>	new construction	new construction	renovation	new construction
<b>Facility Expansion Planned?</b>	<i>yes, 144 beds</i>	no	no	no	no
<b>* Notes</b>	<i>*TDCJ Institutional Division See Appendix A, Note 1</i>	*Florida Department of Corrections	*Kentucky Department of Corrections		*Kentucky Department of Corrections

*Facilities not reported in the 12/31/93 Census appear in bold. Facilities whose size has changed significantly since the 12/31/93 Census appear in italics*

***Private Adult Correctional Facility Census, United States Facilities***

<b>Management Company</b>	<b>U.S. Corrections Corporation</b>	<b>U.S. Corrections Corporation</b>	<b>The Villa at Greeley, Inc.</b>	<b>Wackenhut Corrections Corporation</b>	<b>Wackenhut Corrections Corporation</b>
<b>Facility Location</b>	Wheelwright, KY	Diboll, TX	Del Camino, CO	McFarland, CA	San Diego, CA
<b>Facility Name</b>	Otter Creek Correctional Center	TBA	TBA	McFarland Return-to-Custody Facility	San Diego City Jail
<b>Primary Source of Prisoners</b>	*Commonwealth of Kentucky	*State of Texas	*State of Colorado	*State of California	City of San Diego
<b>Secondary Source of Prisoners</b>	N/A	N/A	N/A	N/A	N/A
<b>Rated Capacity</b>	300	500	400	224	200
<b>Present Population</b>	240	N/A	N/A	215	88
<b>Occupancy Percentage</b>	80.00%	N/A	N/A	95.98%	44.00%
<b>Security Level</b>	minimum	minimum/medium	minimum	minimum	minimum
<b>Ownership of Facility</b>	private	public	private	private	public
<b>First Received Prisoners</b>	Oct-93	Mar-95	May-95	Jan-89	May-92
<b>ACA Accreditation?</b>	will be sought	will be sought	will be sought	no	will be sought
<b>Facility Construction</b>	new construction	new construction	new construction	new construction	new construction
<b>Facility Expansion Planned?</b>	no	no	no	no	no
<b>* Notes</b>	*Kentucky Department of Corrections	*TDCJ Institutional Division	*Colorado Department of Corrections	*Parole Division	

*Facilities not reported in the 12/31/93 Census appear in bold. Facilities whose size has changed significantly since the 12/31/93 Census appear in italics.*

## *Private Adult Correctional Facility Census, United States Facilities*

<b>Management Company</b>	Wackenhut Corrections Corporation	Wackenhut Corrections Corporation	Wackenhut Corrections Corporation	Wackenhut Corrections Corporation	Wackenhut Corrections Corporation
<b>Facility Location</b>	Aurora, CO	Glades County, FL	Kinder, IA	Jamaica/Queens	Bridgeport, TX
<b>Facility Name</b>	Aurora/INS Processing Center	TBA	Allen Correctional Center	New York INS Processing Center	Bridgeport Pre-Release Center
<b>Primary Source of Prisoners</b>	Immigration and Naturalization Service	*State of Florida	*State of Louisiana	Immigration and Naturalization Service	*State of Texas
<b>Secondary Source of Prisoners</b>	N/A	N/A	N/A	N/A	N/A
<b>Rated Capacity</b>	300	750	1,282	105	520
<b>Present Population</b>	199	N/A	1,275	100	519
<b>Occupancy Percentage</b>	66.33%	N/A	99.45%	95.24%	99.81%
<b>Security Level</b>	minimum	medium	medium	medium	minimum
<b>Ownership of Facility</b>	private	public	public	private	public
<b>First Received Prisoners</b>	May-87	Jun-95	Dec-90	Oct-89	Aug-89
<b>ACA Accreditation?</b>	yes - 9/89	will be sought	yes - 1/93	no	yes - 5/91
<b>Facility Construction</b>	new construction	new construction	new construction	renovation	new construction
<b>Facility Expansion Planned?</b>	no	no	no	no	no
<b>* Notes</b>		*Florida Correctional Privatization Commission	*Louisiana Department of Corrections		*TDCJ Institutional Division

*Facilities not reported in the 12/31/93 Census appear in bold. Facilities whose size has changed significantly since the 12/31/93 Census appear in italics*

*Private Adult Correctional Facility Census, United States Facilities*

<b>Management Company</b>	<b>Wackenhut Corrections Corporation</b>	<b>Wackenhut Corrections Corporation</b>	<b>Wackenhut Corrections Corporation</b>	<b>Wackenhut Corrections Corporation</b>	<b>Wackenhut Corrections Corporation</b>
<b>Facility Location</b>	Fort Worth, TX	Jack County, TX	Kyle, TX	Lockhart, TX	Lockhart, TX
<b>Facility Name</b>	North TX Intermediate Sanctions Facility	TBA	Kyle Pre-Release Center	Lockhart Work Program Facility	Lockhart Pre-Release Center
<b>Primary Source of Prisoners</b>	*State of Texas	*State of Texas	*State of Texas	City of Lockhart	*State of Texas
<b>Secondary Source of Prisoners</b>	N/A	N/A	N/A	*State of Texas	N/A
<b>Rated Capacity</b>	400	1,000	520	500	500
<b>Present Population</b>	397	N/A	520	499	N/A
<b>Occupancy Percentage</b>	99.25%	N/A	100.00%	99.80%	N/A
<b>Security Level</b>	minimum	minimum	minimum	minimum	minimum
<b>Ownership of Facility</b>	public	public	public	public	public
<b>First Received Prisoners</b>	Aug-91	Jul-95	Jun-89	Jan-93	Oct-94
<b>ACA Accreditation?</b>	no	will be sought	yes - 9/90	will be sought	will be sought
<b>Facility Construction</b>	renovation	new construction	new construction	new construction	new construction
<b>Facility Expansion Planned?</b>	no	no	possible	no	no
<b>* Notes</b>	*TDCJ Board of Pardons & Paroles	*TDCJ Institutional Division <i>See Appendix A, Note 7</i>	*TDCJ Institutional Division	*TDCJ Board of Pardons & Paroles	*TDCJ Institutional Division

*Facilities not reported in the 12/31/93 Census appear in bold. Facilities whose size has changed significantly since the 12/31/93 Census appear in italics.*

***Private Adult Correctional Facility Census, United States Facilities***

<b>Management Company</b>	<b>Wackenhut Corrections Corporation</b>	<b>Wackenhut Corrections Corporation</b>	<b>Wackenhut Corrections Corporation</b>
<b>Facility Location</b>	<b>San Antonio, TX</b>	<b>Travis County, TX</b>	<b>Willacy County, TX</b>
<b>Facility Name</b>	<b>Central Texas Parole Violator Facility</b>	<b>TBA</b>	<b>TBA</b>
<b>Primary Source of Prisoners</b>	<b>*State of Texas</b>	<b>*State of Texas</b>	<b>*State of Texas</b>
<b>Secondary Source of Prisoners</b>	<b>U.S. Marshals Service</b>	<b>N/A</b>	<b>N/A</b>
<b>Rated Capacity</b>	<b>623</b>	<b>1,000</b>	<b>1,000</b>
<b>Present Population</b>	<b>611</b>	<b>N/A</b>	<b>N/A</b>
<b>Occupancy Percentage</b>	<b>98.07%</b>	<b>N/A</b>	<b>N/A</b>
<b>Security Level</b>	<b>minimum/medium</b>	<b>minimum</b>	<b>minimum</b>
<b>Ownership of Facility</b>	<b>public</b>	<b>public</b>	<b>public</b>
<b>First Received Prisoners</b>	<b>Jan-89</b>	<b>Jul-95</b>	<b>Jul-95</b>
<b>ACA Accreditation?</b>	<b>no</b>	<b>will be sought</b>	<b>will be sought</b>
<b>Facility Construction</b>	<b>take-over</b>	<b>new construction</b>	<b>new construction</b>
<b>Facility Expansion Planned?</b>	<b>no</b>	<b>no</b>	<b>no</b>
<b>* Notes</b>	<b>*TDCJ Board of Pardons &amp; Paroles</b>	<b>*TDCJ Institutional Division See Appendix A, Note 7</b>	<b>*TDCJ Institutional Division See Appendix A, Note 7</b>

*Facilities not reported in the 12/31/93 Census appear in bold. Facilities whose size has changed significantly since the 12/31/93 Census appear in italics.*

## Private Adult Correctional Facility Census, International Facilities

<b>Management Company</b>	<b>*Australasian Correctional Management Property Limited</b>	<b>*Australasian Correctional Management Property Limited</b>	<b>*Corrections Corporation of Australia</b>	<b>Group 4 International Corrections Services</b>
<b>Country</b>	Australia	Australia	Australia	England
<b>Facility Location</b>	New South Wales	Queensland	Queensland	Hull
<b>Facility Name</b>	Junee Correctional Centre	Arthur Gorrie Correctional Centre	Borallon Correctional Centre	Wolds Remand Prison
<b>Primary Source of Prisoners</b>	New South Wales Department of Corrective Services	Queensland Department of Correctional Services	Queensland Department of Correction Services	Home Office Remands Contract Unit
<b>Secondary Source of Prisoners</b>	N/A	N/A	N/A	N/A
<b>Rated Capacity</b>	600	518	276	300
<b>Present Population</b>	597	400	241	300
<b>Occupancy Percentage</b>	99.50%	77.22%	88.51%	100.00%
<b>Security Level</b>	minimum/medium	minimum/medium	all levels	medium
<b>Ownership of Facility</b>	private	public	N/A	public
<b>Received Prisoners</b>	Apr-93	Jun-92	Jan-90	Apr-92
<b>Facility Construction</b>	new construction	new construction	new construction	new construction
<b>Expansion Plans?</b>	none	none	yes, 90 beds	none
<b>* Notes</b>	*2 subsidiary of the Wackenhut Corrections Corporation	*a subsidiary of the Wackenhut Corrections Corporation	*a Corrections Corporation of America joint venture company	

\*Facilities not reported in the 12/31/93 Census appear in bold. Facilities whose size has changed significantly since the 12/31/93 Census appear in italics.

***Private Adult Correctional Facility Census, International Facilities***

<b>Management Company</b>	<b>*Premier Prison Services, Ltd. Corporation</b>	<b>*UK Detention Services, Ltd.</b>
<b>Country</b>	England	England
<b>Facility Location</b>	Middlesex	Redditch
<b>Facility Name</b>	HM Prison Doncaster	HM Prison Blackthornhurst
<b>Primary Source of Prisoners</b>	Prison Minister's Office	Prison Minister's Office
<b>Secondary Source of Prisoners</b>	N/A	N/A
<b>Rated Capacity</b>	776	649
<b>Present Population</b>	173	649
<b>Occupancy Percentage</b>	22.29%	100.00%
<b>Security Level</b>	all levels	medium
<b>Ownership of Facility</b>	public	public
<b>Received Prisoners</b>	Jun-94	Apr-93
<b>Facility Construction</b>	new construction	new construction
<b>Expansion Plans?</b>	none	none
<b>* Notes</b>	*a Wackenhut Corrections Corporation joint venture company <i>See Appendix A, Note 10</i>	*a Corrections Corporation of America joint venture company

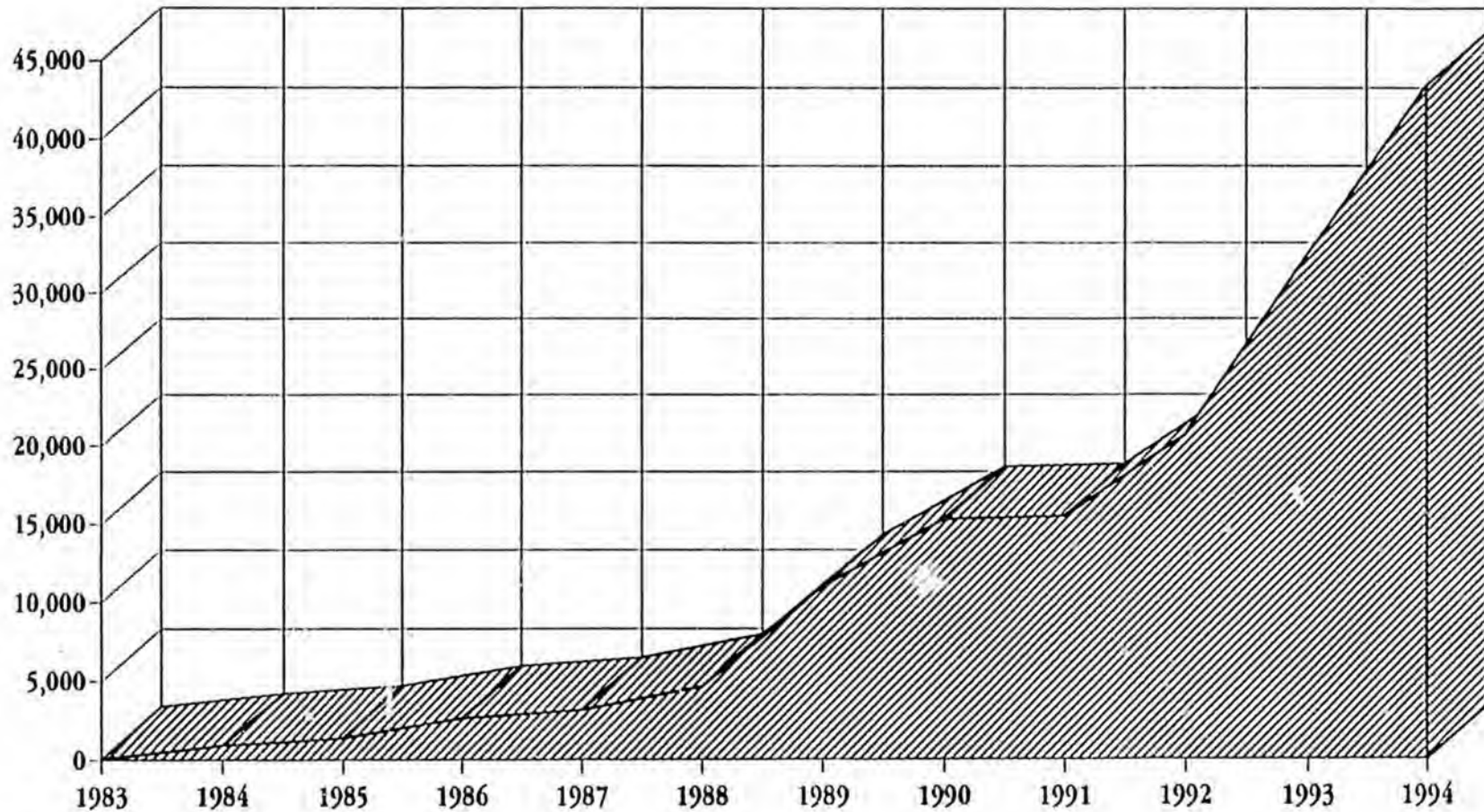
\*Facilities not reported in the 12/31/93 Census appear in bold. Facilities whose size has changed significantly since the 12/31/93 Census appear in italics.

*Table 1: American, International, and Overall Corporate Market Share Comparisons*

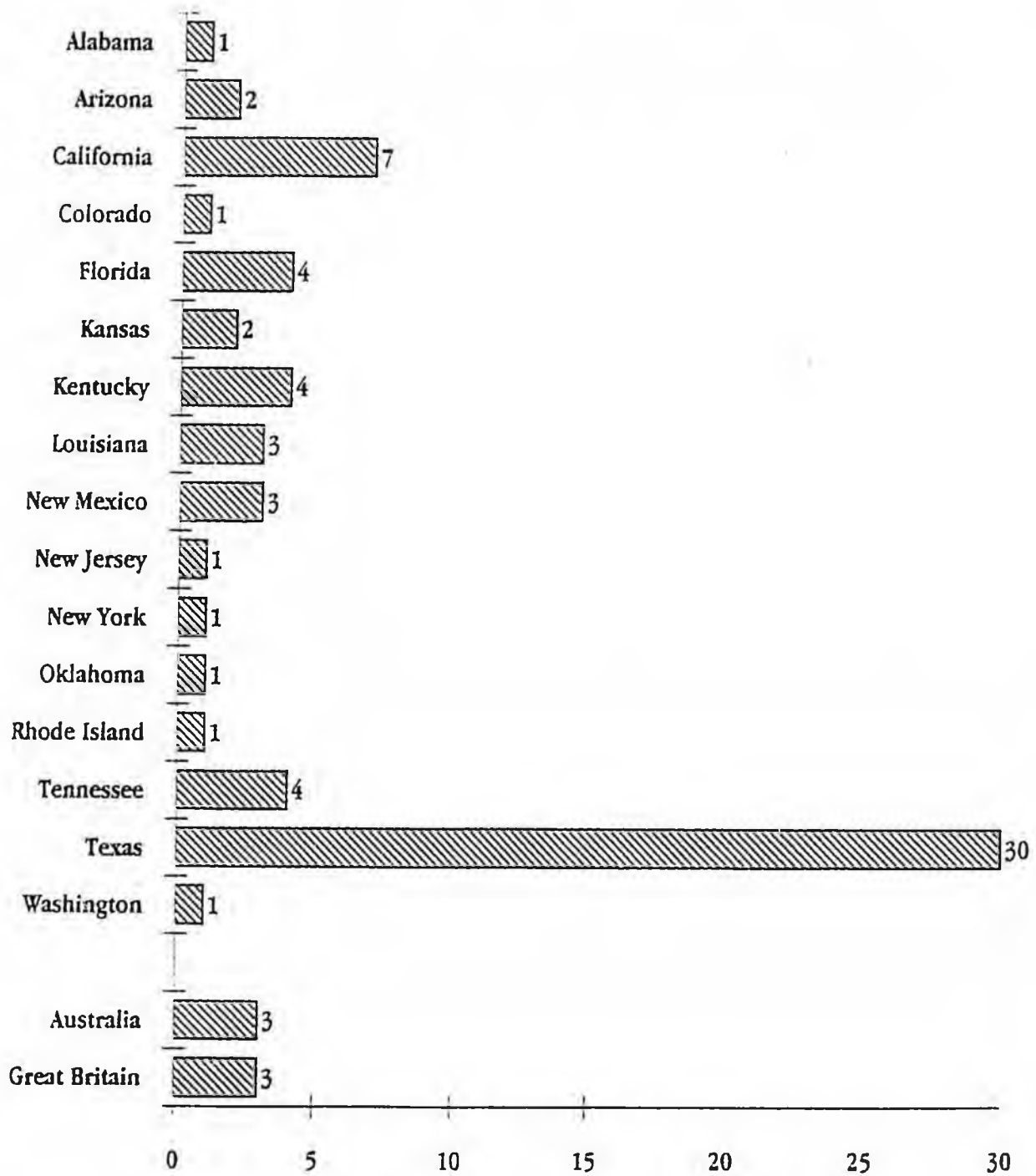
<i>Management Firm</i>	<i>Capacity of All American Facilities Under Contract*</i>	<i>Capacity of All International Facilities Under Contract*</i>	<i>American Market Share</i>	<i>International Market Share</i>	<i>Overall Market Share</i>
Alternative Programs, Inc.	240	0	0.60%	N/A	0.55%
The Bobby Ross Group	872	0	2.16%	N/A	2.00%
Capital Correctional Resources	836	0	2.07%	N/A	1.92%
Concept, Inc.	4,426	0	10.98%	N/A	10.17%
Cornell Cox, Inc.	794	0	1.97%	N/A	1.82%
Corrections Corporation of America	12,041	1,015	29.88%	31.63%	30.01%
Corrections Partners, Inc.	1,672	0	4.15%	N/A	3.84%
Corrections Services, Inc.	32	0	0.08%	N/A	0.07%
Dove Development Corporation	762	0	1.89%	N/A	1.75%
Eden Detention Center	699	0	1.73%	N/A	1.61%
Esmor Correctional Services, Inc.	1,170	0	2.90%	N/A	2.69%
Group 4 - ICS	0	300	N/A	9.35%	0.69%
The GRW Corporation	244	0	0.61%	N/A	0.56%
Management & Training Corporation	2,400	0	5.96%	N/A	5.52%
Mid-Tex Detention, Inc.	1,236	0	3.07%	N/A	2.84%
North American Corrections	633	0	1.57%	N/A	1.45%
U.S. Corrections Corporation	2,918	0	7.24%	N/A	6.71%
The Villa at Greeley, Inc.	400	0	0.99%	N/A	0.92%
Wackenhut Corrections Corporation	8,924	1,894	22.14%	59.02%	24.86%
<i>Totals</i>	40,299	3,209	100.00%	100.00%	100.00%

\*Capacity Figures Include New Facilities and Expansions of Existing Facilities.

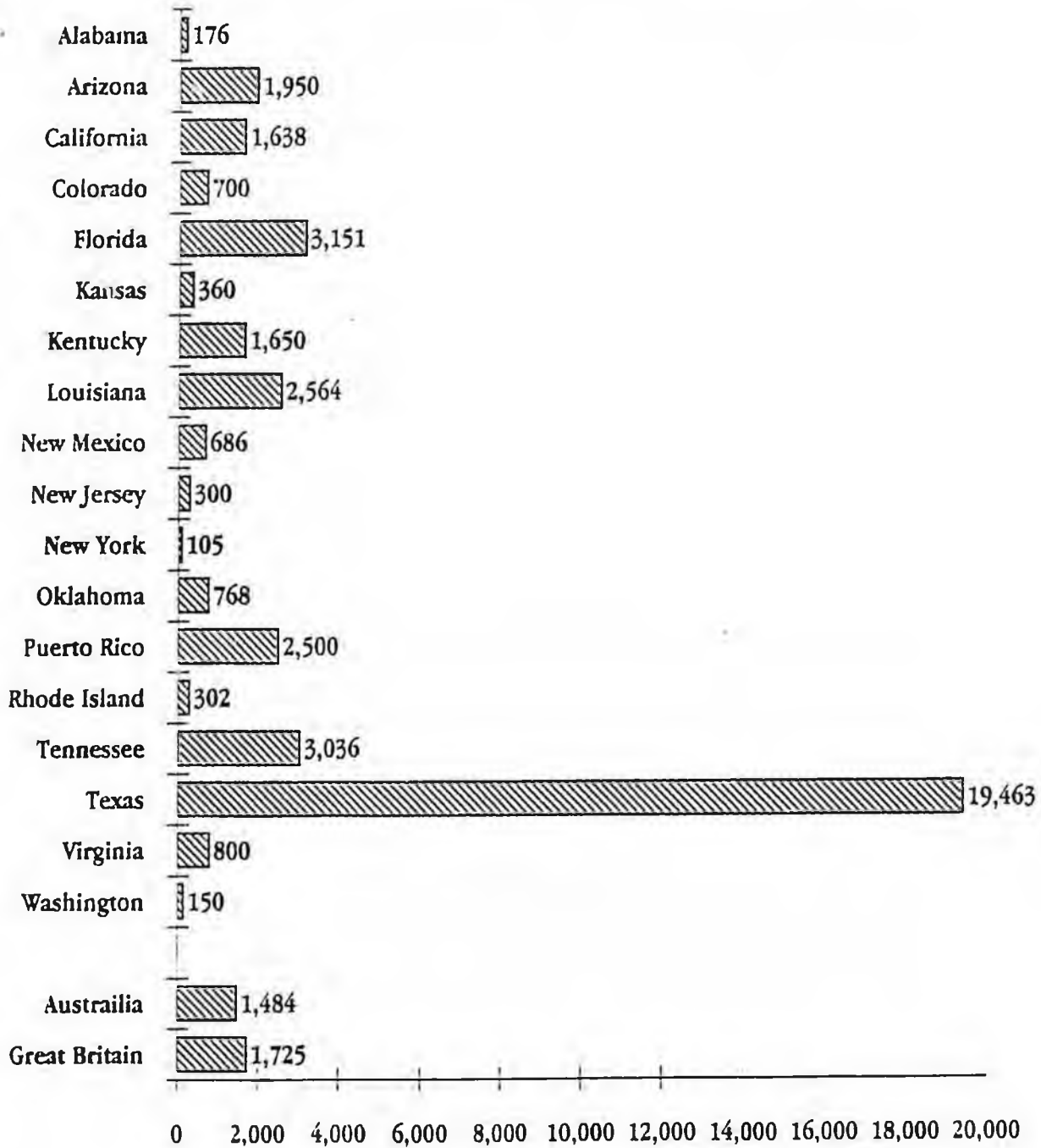
*Figure 1: Secure Private Correctional Facility Beds Under Management Trend, 1983 Thru June 30, 1994*



*Figure 2: Geographical Locations of Private Facilities (Including Facilities Under Construction)*



*Figure 3: Rated Capacities of Private Facilities by Geographical Location (Including Facilities Under Construction & Planned Expansions)*



## *Notes to Clarify Data for Individual Facilities*

### APPENDIX A

Note 1: The Institutional Division of the Texas Department of Criminal Justice (TDCJ) is now or in the immediate future will be responsible for at least four distinctively different types of correctional facilities: (1) traditional state prisons, (2) facilities for prisoners who were successfully prosecuted for offenses categorized as "state jail felonies," (3) pre-release centers operated by private firms working under contract with the TDCJ, and (4) a special set of privately-managed facilities which house sentenced offenders for whom no suitable space is available in other categories of TDCJ facilities. This note identifies facilities whose prisoner populations fall in whole or substantial part in the fourth category. These prisoners are commonly referred to as "backlog" or as "paper-ready" inmates.

Note 2: This facility was previously operated by Concept, Inc. and, before that, by Texas Detention Management, Inc. Texas Detention Management, Inc. no longer operates any secure adult correctional facilities.

Note 3: This facility was previously operated by Detention Services, Inc. Detention Services, Inc. no longer operates any secure adult correctional facilities.

Note 4: This facility was previously operated by Pricor, Inc. Pricor, Inc. no longer operates any secure adult correctional facilities.

Note 5: This facility was previously described as having a rated capacity of 1,800 prisoners. The rated capacity now indicated more accurately reflects the existing capacity of the facility. Significant renovation would on existing structures would be required prior to the facility being suitable for the housing of 1,800 prisoners.

Note 6: This facility was previously operated by Pricor, Inc.

Note 7: This note identifies facilities intended to house state jail felons. Also see Note 1.

Note 8: This note identifies facilities operated by Eclectic Communications, Inc. (ECI). As indicated in the Preface, ECI is now a wholly-owned subsidiary of Cornell Cox, Inc.

Note 9: This facility was previously operated by Detention Services, Inc.

Note 10: The low occupancy level reported for this facility is an artifact of its opening soon before the completion of the Census. An occupancy percentage substantially equal to the average reported in the summary statistical data is anticipated by August 1, 1994.

***An Overview of Relevant Information on Juvenile and Non-Secure Facility Management by Management Firms Included in the 7th Edition***

**Appendix B**

***Cornell Cox, Inc.*** Cornell Cox, Inc., via the efforts of Eclectic Communications, Inc., which is now a subsidiary of Cornell Cox, Inc., also operates a 50-bed non-secure facility in San Francisco, California under a contract with the California Department of Corrections, a 47-bed facility in Inglewood, California under a contract with the California Department of Corrections, a 40-bed facility in Los Angeles, California under a contract with the California Department of Corrections, a 50-bed facility in Oakland, California under a contract with the Federal Bureau of Prisons, a 50-bed facility in San Diego, California under a contract with the Federal Bureau of Prisons, a 66-bed facility in San Francisco, California under a contract with the Federal Bureau of Prisons, a 15-bed facility in Goleta, California under a contract with the California Department of Corrections, a 25-bed facility in Inglewood, California under a contract with the California Department of Corrections, and a 43-bed facility in El Monte, California under a contract with the Federal Bureau of Prisons.

***Corrections Corporation of America*** The Corrections Corporation of America also operates the Shelby Training Center, a 175-bed secure juvenile training school in Memphis, Tennessee, and Tall Trees, a 63-bed non-secure juvenile residential facility in Memphis, Tennessee

***Corrections Partners, Inc.*** Corrections Partners, Inc. also operates the 80-bed Davidson County Juvenile Detention Facility in Nashville, Tennessee and has begun construction of the Southwest Indiana Regional Youth Village, a 140-bed juvenile facility located in Vincennes, Indiana.

***Esmor Correctional Services, Inc.*** Esmor Correctional Services, Inc. also operates the 72-bed Brooklyn Correctional Center for Men in Brooklyn, New York under a contract with the Federal Bureau of Prisons, the 101-bed LeMarquis Correctional Center for Men in New York, New York under a contract with the Federal Bureau of Prisons, the 36-bed LeMarquis Correctional Center for Women in New York, New York under a contract with the Federal Bureau of Prisons, the 150-bed New York Community Correctional Program under a contract with the New York State Department of Corrections, and the 200-bed Fort Worth Community Corrections Facility under a contract with the Texas Board of Pardons and Paroles.

***The GRW Corporation*** The GRW Corporation also will begin operating a 400-bed secure juvenile facility in October, 1994 in Tallulah, Louisiana under a contract with the Louisiana Office of Youth Development.

***Wackenhut Corrections Corporation*** The Wackenhut Corrections Corporation will begin operating a 96-bed secure juvenile facility in Coke County, Texas on October 1, 1994 under a contract with the Texas Youth Commission.

## *Preliminary Findings Regarding Legal Authority to Contract*

### Appendix C

The materials presented in this appendix summarize preliminary research conducted by the Private Corrections Project regarding the existing status of law in American jurisdictions. As a general rule, the scope of contracting authority is established by expressed statutory provisions. The applicability of this general rule, however, is determined by interpretations of individual constitutions and of general statutes that define the rights and obligations of public correctional authorities.

Reasonable care was taken to assure the validity of the information provided here. All statutes were reviewed both manually and via computerized scans. An effort also was made to identify relevant Attorney General opinions. Representatives of the Attorney General in each jurisdiction were asked to confirm the accuracy of the initial research findings. Nonetheless, the results reported here should be viewed as preliminary rather than final. They certainly do not represent any effort to provide a legal opinion regarding the present status of contracting authority in any jurisdiction.

Readers are solicited to comment on these preliminary results and, where possible, to refer us to specific statutory materials or attorney general opinions they feel we should take into account in our preparation of future summaries of this area of law.

*Preliminary Research Findings Regarding Legal Authority to Contract for Secure Adult Facilities*

Jurisdiction	Source of Local-Level Contracting Authority	Local-Level Contract(s) Awarded?	Source of State-Level Contracting Authority?	State-Level Contract(s) Awarded?
Alabama	Statutory Interpretation	Yes	None Identified	No
Alaska	Expressed Statutory	No	Expressed Statutory	No
Arizona	Expressed Statutory	No	Expressed Statutory	Yes
Arkansas	Expressed Statutory	No	Expressed Statutory	No
California	Expressed Statutory	Yes	Expressed Statutory	Yes
Colorado	Expressed Statutory	No	Expressed Statutory	Yes
Connecticut	None Identified	No	None Identified	No
Delaware	N/A	N/A	No	No
District of Columbia	Statutory Interpretation	Yes	N/A	N/A
Florida	Expressed Statutory	Yes	Expressed Statutory	Yes
Georgia	None Identified	No	None Identified	No
Hawaii	N/A	No	None Identified	No
Idaho	None Identified	No	None Identified	No
Illinois	Statutory Prohibition	No	Statutory Prohibition	No
Indiana	Expressed Statutory	No	Expressed Statutory	No
Iowa	Statutory Interpretation	No	Statutory Interpretation	No
Kansas	None Identified	Yes	None Identified	No
Louisiana	Expressed Statutory	Yes	Expressed Statutory	Yes
Kentucky	Expressed Statutory	Yes	Expressed Statutory	Yes
Maine	Negative Attorney General Opinion	No	None Identified	No
Maryland	Statutory Interpretation	No	Statutory Interpretation	No
Massachusetts	None Identified	No	None Identified	No
Michigan	Negative Attorney General Opinion	No	None Identified	No
Minnesota	Expressed Statutory	No	Statutory Interpretation	No
Mississippi	Expressed Statutory	No	Expressed Statutory	No
Missouri	Negative Attorney General Opinion	No	Negative Attorney General Opinion	No

*Preliminary Research Findings Regarding Legal Authority to Contract for Secure Adult Facilities*

Montana	Expressed Statutory	No	Expressed Statutory	No
Nebraska	Expressed Statutory	No	Expressed Statutory	No
Nevada	Expressed Statutory	No	None Identified	No
New Hampshire	Expressed Statutory	No	None Identified	No
New Jersey	None Identified	No	None Identified	No
New Mexico	Expressed Statutory	Yes	Expressed Statutory	Yes
New York	None Identified	No	Statutory Prohibition	No
North Carolina	None Identified	No	None Identified	Yes, for out-of-state facilities
North Dakota	Expressed Statutory	No	Expressed Statutory	No
Ohio	Negative Attorney General Opinion	No	None Identified	No
Oklahoma	Expressed Statutory	No	Expressed Statutory	No
Oregon	None Identified	No	None Identified	No
Pennsylvania	None Identified	No	None Identified	No
Puerto Rico	None Identified	No	Expressed Statutory	Yes
Rhode Island	None Identified	No	None Identified	No
South Carolina	Statutory Interpretation	No	None Identified	No
South Dakota	None Identified	No	Expressed Statutory	No
Tennessee	Expressed Statutory	Yes	Expressed Statutory	Yes
Texas	Expressed Statutory	Yes	Expressed Statutory	Yes
Utah	Expressed Statutory	No	Expressed Statutory	Award Pending
Vermont	None Identified	No	None Identified	No
Virginia	Negative Attorney General Opinion	No	Expressed Statutory	Yes
Washington	None Identified	No	None Identified	No
West Virginia	Expressed Statutory	No	Expressed Statutory	No
Wisconsin	None Identified	No	None Identified	No
Wyoming	Expressed Statutory	No	Expressed Statutory	No

## **Management Firm Addresses**

### **Alternative Programs, Inc.**

Wendy Jones  
425 Golden State Avenue  
Bakersville, CA 93301  
(805) 326-0411

### **The Bobby Ross Group**

Bobby Ross  
1021 Ranch Road 620 South, Suite D  
Austin, TX 78734  
(512) 263-9480

### **Capital Correctional Resources, Inc.**

Mr. Mike Brewer  
P.O. Box 10681  
Jackson, MS 39209  
(601) 922-4333

### **Concept, Inc.**

Bill Sandbach  
325 West Main Street, Suite 1802  
Louisville, KY 40202  
(502) 585-5023

### **Cornell Cox, Inc.**

Norm Cox  
8023 Vantage Drive, Suite 970  
San Antonio, TX 78230  
(210) 525-8201

### **Correctional Partners, Inc.**

Michael Shmerling  
Loews Vanderbilt Plaza  
2100 West End Avenue, Suite 725  
Nashville, TN 37203  
(615) 320-9800

### **Corrections Corporation of America**

John D. Rees  
102 Woodmont Blvd.  
Nashville, TN 37205  
(615) 292-3100

### **Corrections Services, Inc.**

Bud Grossman  
85 Argonaut, Suite 120  
Alliso Viejo, CA 92656  
(714) 472-5852

### **Dove Development Corporation**

Ron Greiner  
502 South Cedar Street  
Pearsall, TX 78061  
(210) 334-3320

### **Eden Detention Center, Inc.**

Don Zimmerman  
P.O. Box F, Highway East  
Eden, TX 76837  
(915) 869-2704

### **Esmor Correctional Services, Inc.**

Dick Staley  
275 Broadhollow Road  
Melville, New York  
(516) 694-7161

### **Group 4 International Correctional Services**

Halle H. Williams  
1225 "I" Street, N.W., Suite 500  
Washington, D.C. 20005  
(202) 789-2798

**GRW Corporation**

Gil R. Walker  
P.O. Box 1403  
Brentwood, TN 37204  
(615) 373-5703

**Management and Training Corporation.**

Ron Russell  
P.O. Box 9935  
Ogden, UT 84403  
(801) 626-2000

**Man Care, Ltd. Institutional Management Services**

Roger Kendrick  
St. James Court  
Wilderspool Causeway  
Warrington  
England  
(44) 92-524-2939

**Mid-Tex Detentions, Inc.**

Chuck Haugh  
Route 2, P.O. Box 7  
Big Spring, TX 79729  
(915) 264-0060

**North American Corrections**

Travis McPherson  
Route 1, Box 222  
Spur, TX 79370  
(806) 271-3421

**TASC, Inc.**

Sonny Emerson  
731 West Wadley, Building "M"  
Midland, TX 79705  
(915) 682-6852

**U.S. Corrections Corporation**

Robert McQueen  
2500 7th St. Rd.  
Louisville, KY 40208  
(502) 635-5444

**The Villa at Greeley**

Michael Brand  
1750 6th Avenue  
Greeley, CO 80631  
(303) 353-9512

**Wackenhut Corrections Corporation**

Jeff Spoon  
1500 San Remo Avenue  
Coral Gables, FL 33146-3009  
(305) 666-5656

**Private Facility Addresses**

***Alternative Programs, Inc.***

Mesa Verde Community Correction Facility  
Maurice Nadal  
425 Golden State Avenue  
Bakersfield, CA 93301  
(805) 326-0411

***The Bobby Ross Group***

Newton County Detention Facility  
Lester Beard  
Route 1, Box 22  
Newton, TX 75966  
(409) 379-3000

***Capital Correctional Resources***

Limestone County Detention Center  
Tony Sewell  
910 Tytus Road  
Groesbeck, TX 76642  
(817) 729-8616

***Concept, Inc.***

Bridgeport Pre-Parole Transfer Facility  
James Eddington  
P.O. Box 98  
Bridgeport, TX 76426  
(817) 683-2162

Brownfield Intermediate Sanction Facility  
George Fry  
P.O. Box 188  
Brownfield, TX 79316  
(806) 637-4032

Mineral Wells Pre-Parole Transfer Facility  
Harvey Cox  
Route 4, Building 780  
Mineral Wells, TX 76067  
(817) 325-6933

Sweetwater Pre-Parole Transfer Facility  
Jody Bradley  
Route 3, Avenger Village  
Sweetwater, TX 79556  
(915) 235-1751

Tuscaloosa Metropolitan Detention Facility  
J. B. Hopkins  
1616 26th Ave.  
Tuscaloosa, AL 35401  
(205) 349-4511

***Cornell Cox, Inc.***

Baker Community Correction Facility  
Harlan Hanson  
P.O. Box 560  
Baker, CA 92309  
(619) 733-4356

Leo Chesney Community Correction Facility  
Jacqueline Hildebrand  
P.O. Box 66  
Live Oak, CA 95953  
(916) 695-1846

Wyatt Detention Facility  
Joseph Ponte  
950 High Street  
Central Falls, RI 02863  
(401) 729-1190

***Correctional Partners, Inc.***

Great Plains Correctional Facility  
Tom Martin  
P.O. Box 1018  
Hinton, OK 73047  
(405) 542-3711

Labette County Conservation Camp  
Walter Wharton  
Oswego, KS 67356  
(316) 795-2925

*Corrections Corporation of America*

Bay County Jail  
Denny Durbin  
314 1/2 Harmon Avenue  
Panama City, FL 32401  
(904) 785-5245

Bay County Jail Annex  
Denny Durbin  
5600 Nehl Road  
Panama City, FL 32404  
(904) 785-3007

Cleveland Pre-Release Facility  
Joe Ross Driskell  
901 Fifth Street  
Cleveland, TX 77328  
(713) 592-9559

Hernando County Jail  
L.T. Brown  
16425 Spring Hill Drive  
Brooksville, FL 34609  
(904) 799-7379

Houston Processing Center  
Pam Fugazzi  
15850 Export Plaza Road  
Houston, TX 77032  
(713) 449-1481

Laredo Processing Center  
Jose Hinojosa  
RR#4, Box 125-A  
Laredo, TX 78041  
(512) 727-4118

Leavenworth Detention Center  
Butch Jordon  
100 Highway Terrace  
Leavenworth, KS 66048  
(913) 727-3246

Metro-Davidson County Detention Center  
Jimmy Turner  
P.O. Box 17427  
Nashville, TN 37217  
(615) 831-7088

New Mexico's Women's Correction Facility  
Tom Newton  
1700 East Old Highway 66  
Grants, NM 87020  
(505) 287-2941

Santa Fe Detention Center  
Joe V. Gutierrez  
4250 Airport Road  
Santa Fe, NM 87505  
(505) 473-4164

Silverdale Facilities  
Tim Baltz  
7609 Standifer Gap Road  
Chattanooga, TN 37421  
(615) 892-0921

South Central Correctional Center  
Kevin Myers  
P.O. Box 279  
Clifton, TN 38425  
(615) 676-5372

Torrance County Detention Facility  
Daniel P. Moriarty  
P.O. Box 837  
Estancia, NM 87016  
(505) 384-2711

Venus Pre-Release Center  
Sandy Estes  
P.O. Box 361  
Venus, TX 76084  
(214) 366-3334

West Tennessee Detention Facility  
Thomas C. Ruffino  
P.O. Box 487  
Mason, TN 38049  
(901) 294-3060

Winn Parrish Correction Center  
Mike Gilliam  
P.O. Box 1260  
Winnfield, LA 71483  
(318) 628-3971

***Dove Development Corporation***

Frio Detention Center  
Darrell Woods  
502 South Cedar Street  
Pearsall, TX 78061  
(210) 334-3320

Crystal City Detention Center  
Larry Young  
Highway 83 North  
Crystal City, Texas 73839  
(210) 374-9353

***Eden Detention Center, Inc.***

Eden Detention Center  
Don Zimmerman  
P.O. Box F, Highway East  
Eden, TX 76837  
(915) 869-2704

***Esmor Correctional Services, Inc.***

Seattle Processing Center  
William Paul  
815 Airport Way South  
Seattle, WA 98134  
(206) 467-6030

South Texas Intermediate Sanction Facility  
Fred Bagley  
1511 Preston Avenue  
Houston, TX 77002  
(713) 223-0601

Tarrant County Community Corrections Facility  
Ron King  
651 Justice Lane  
Mansfield, TX 76063  
(817) 473-1324

***GRW Corporation***

Odessa Detention Center  
Richard Tessaro  
203 North Grant  
Odessa, TX 79761  
(915) 332-6033

Ector County Detention Annex  
Wallace Brucker  
102 Reed Avenue  
Odessa, TX 79761  
(915) 332-2800

***Management & Training Corporation***

Eagle Mountain Return-to-Custody Facility  
Gary Bryant  
P.O. Box 96  
Desert Center, CA 92239  
(619) 392-4324

***Mid-Tex Detention, Inc.***

City of Big Spring Correctional Center (Interstate Unit)  
Fran Roberts  
Route 2, P.O. Box 7  
Big Spring, TX 79720  
(915) 263-8532

City of Big Spring Correctional Center (Airpark Unit)  
Bill Scanlon  
3700 Wright Avenue  
Big Spring, TX 79720  
(915) 263-8806

***North American Corrections***

Dickens Detention Center  
Travis McPherson  
Route 1, Box 222  
Spur, TX 79370  
(806) 271-3421

***U.S. Corrections Corporation***

Lee Adjustment Center  
Don Stewart  
P.O. Box 900  
Beattyville, KY 41311  
(606) 464-2866

Marion Adjustment Center  
P.O. Box 10  
St. Mary, KY 40055  
(502) 692-9622

Otter Creek Correctional Center  
P. O. Box 500  
Wheelwright, KY 41669-0500  
(606) 452-9700

River City Correctional Center  
Beverly Heiney  
Eighth and Market St.  
Louisville, KY 40202  
(502) 587-6506

***Wackebut Corrections Corporation***

Allen Correctional Center  
Terry L. Terrell  
Route 1, Box 83-T  
Kinder, LA 70648  
(318) 639-2942

Aurora / INS Processing Center  
Craig Dobson  
11901 East 30th Avenue  
Aurora, CO 80010  
(303) 361-6612

Bridgeport Pre-Release Center  
Don Houston  
4000 N. 10th Street  
Bridgeport, TX 76426  
(817) 683-3010

Central Texas Parole Violator Facility  
Paul Bailey  
218 South Laredo Street  
San Antonio, TX 78207  
(210) 227-5600

Lockhart Work Program Correctional Facility  
Scott Comstock  
P.O. Box 1170  
Lockhart, TX 78644-1170  
(512) 398-3480

McFarland Return-to-Custody Facility  
Larry Brinkman  
120 Taylor Road  
McFarland, Ca 93250  
(805) 792-3001

New Vision Chemical Dependency Treatment Facility  
Jackie Noles  
P.O. Box 1300  
Kyle, TX 78640  
(512) 268-0079

New York / INS Processing Center  
Arthur Cinotti  
145-55 226th Street  
Jamaica (Queens), NY 11413  
(718) 949-4209

North Texas Intermediate Sanction Facility  
Sandra Thacker  
4700 Blue Mound Road  
Fort Worth, TX 76106  
(817) 740-0180

San Diego City Jail  
Rob Roberts  
P O Box 12630  
San Diego, CA 92112  
(619) 661-7205

**International Facility Addresses**

***Australasian Correctional Management Property Limited / Wackebut Corrections Corporation***

Arthur Gorrie Correctional Centre  
Kevin Lewis  
P.O. Box 1300  
Darra, Queensland  
4076 Australia  
(61) 7271-9711

June Correctional Centre  
George Grigas  
Park Lane  
June, New South Wales  
2663 Australia  
(011) 616-924-3113

*CCA International/Corrections Corporation of  
America*

Borallon Correctional Centre  
Brian Dickson  
P.O. Box 782  
Ipswich, Queensland  
4305 Australia  
(67) 677-870-0133

*Group 4 ICS*

Wolds Remand Prison  
Steven Twinn  
Brough, Humberside  
United Kingdom HU152JZ  
(44) 386-858-585

*Premier Prison Services, Ltd./Wackenbut  
Corrections Corporation*

Doncaster Prison  
Kevin Rodgers  
c/o PPS, Ltd.  
Sunbury-On-Thames  
Middlesex  
United Kingdom TW167H.7  
(44) 932-770-519

*UK Detention Services, Ltd./Corrections  
Corporation of America*

Blakenhurst Prison  
David Brook  
Hewell Lane  
Redditch  
Worshestershire  
United Kingdom B97Q3  
(44) 527-543-348

Otter Creek Correctional Center  
P. O. Box 500  
Wheelwright, KY 41669-0500  
(606) 452-9700

River City Correctional Center  
Beverly Heiney  
Eighth and Market St.  
Louisville, KY 40202  
(502) 587-6506

***Wackebut Corrections Corporation***

Allen Correctional Center  
Terry L Terrell  
Route 1, Box 83-T  
Kinder, LA 70648  
(318) 639-2942

Aurora / INS Processing Center  
Craig Dobson  
11901 East 30th Avenue  
Aurora, CO 80010  
(303) 361-6612

Bridgeport Pre-Release Center  
Don Houston  
4000 N. 10th Street  
Bridgeport, TX 76426  
(817) 683-3010

Central Texas Parole Violator Facility  
Paul Bailey  
218 South Laredo Street  
San Antonio, TX 78207  
(210) 227-5600

Lockhart Work Program Correctional Facility  
Scott Comstock  
P.O. Box 1170  
Lockhart, TX 78644-1170  
(512) 398-3480

McFarland Return-to-Custody Facility  
Larry Brinkman  
120 Taylor Road  
McFarland, Ca 93250  
(805) 792-3001

New Vision Chemical Dependency Treatment Facility  
Jackie Noles  
P.O. Box 1300  
Kyle, TX 78640  
(512) 268-0079

New York / INS Processing Center  
Arthur Cinotti  
145-55 226th Street  
Jamaica (Queens), NY 11413  
(718) 949-4209

North Texas Intermediate Sanction Facility  
Sandra Thacker  
4700 Blue Mound Road  
Fort Worth, TX 76106  
(817) 740-0180

San Diego City Jail  
Rob Roberts  
P.O. Box 12630  
San Diego, CA 92112  
(619) 661-7205

**International Facility Addresses**

***Australasian Correctional Management Property  
Limited / Wackebut Corrections Corporation***

Arthur Gorrie Correctional Centre  
Kevin Lewis  
P.O. Box 1300  
Darra, Queensland  
4076 Australia  
(61) 7271-9711

June Correctional Centre  
George Grigas  
Park Lane  
June, New South Wales  
2663 Australia  
(011) 616-924-3113

# Business

## Privatizing America's Prisons, Slowly

Despite a checkered past, the future is looking brighter for the private prison industry.

By ANTHONY RAMIREZ

NASHVILLE

**E**RNEST ANDERSON, his biceps straining his blue prison fatigues, cocks back his shining bald head and smiles his gap-toothed smile as he talks about crime, punishment and private enterprise.

"I am a career criminal," Mr. Anderson said. Then, the 35-year-old convict goes on to describe the last decade of his life, years filled with gun play, drug dealing and struggling, often unsuccessfully, with what he calls "my anger problem." He has spent most of those years in prison, five different ones.

Mr. Anderson's story is more or less typical of repeat offenders, and seasoned criminals like him account for the majority of the million people locked up in state and Federal prisons today—five times the number two decades ago.

A typical American prisoner perhaps. But Mr. Anderson is one of a growing number of inmates who are being guarded, fed and put through rehabilitation programs run not by government, but by private companies.

So far, less than 2 percent of inmates are in such facilities and only 13 states, including Texas and Florida, allow private prisons. But this veteran consumer of prison ser-

vices sounds satisfied. "Until this facility, with this facility's programs, I have not been given the opportunity to turn my life around," Mr. Anderson said.

His current residence, the Metro-Davidson Detention Facility in Nashville, is managed by the Corrections Corporation of America, the largest company in the business of for-profit prisons.

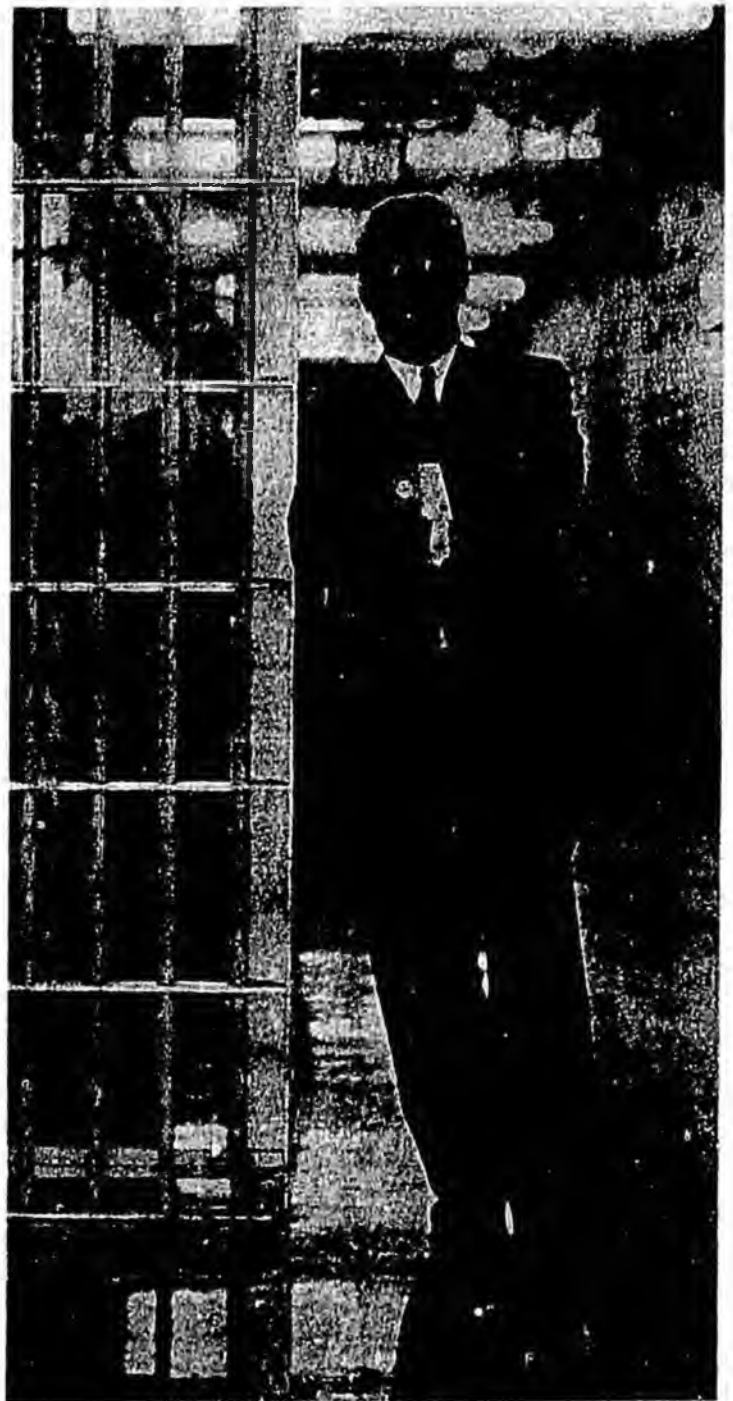
The private-prison industry has no shortage of critics, from public-sector unions out to protect their jobs to civil liberties advocates who warn that company-run prisons are less accountable.

Private prisons are not new; they date back to colonial times. But by the 1950's, prisoner-abuse scandals at private operations led to the public administration of prisons. The private-prison movement revived in the early 1980's, but grew slowly for years.

But while the private-prison business has critics and a checkered past, its future seems bright. True, the \$33 billion crime bill that is stalled, for now, in Congress would have accelerated the industry's growth even more with over \$10 billion for prison construction, some of which would have gone to private prisons. Still, the industry's optimism remains unshaken, and it is explained mainly by a familiar, if dreary, litany: the unchecked national problems of crime, and overcrowded state and Federal prisons. The need to control Government spending makes privately managed prisons look increasingly attractive.

**A Better Image, Too**

The reputation of the \$250

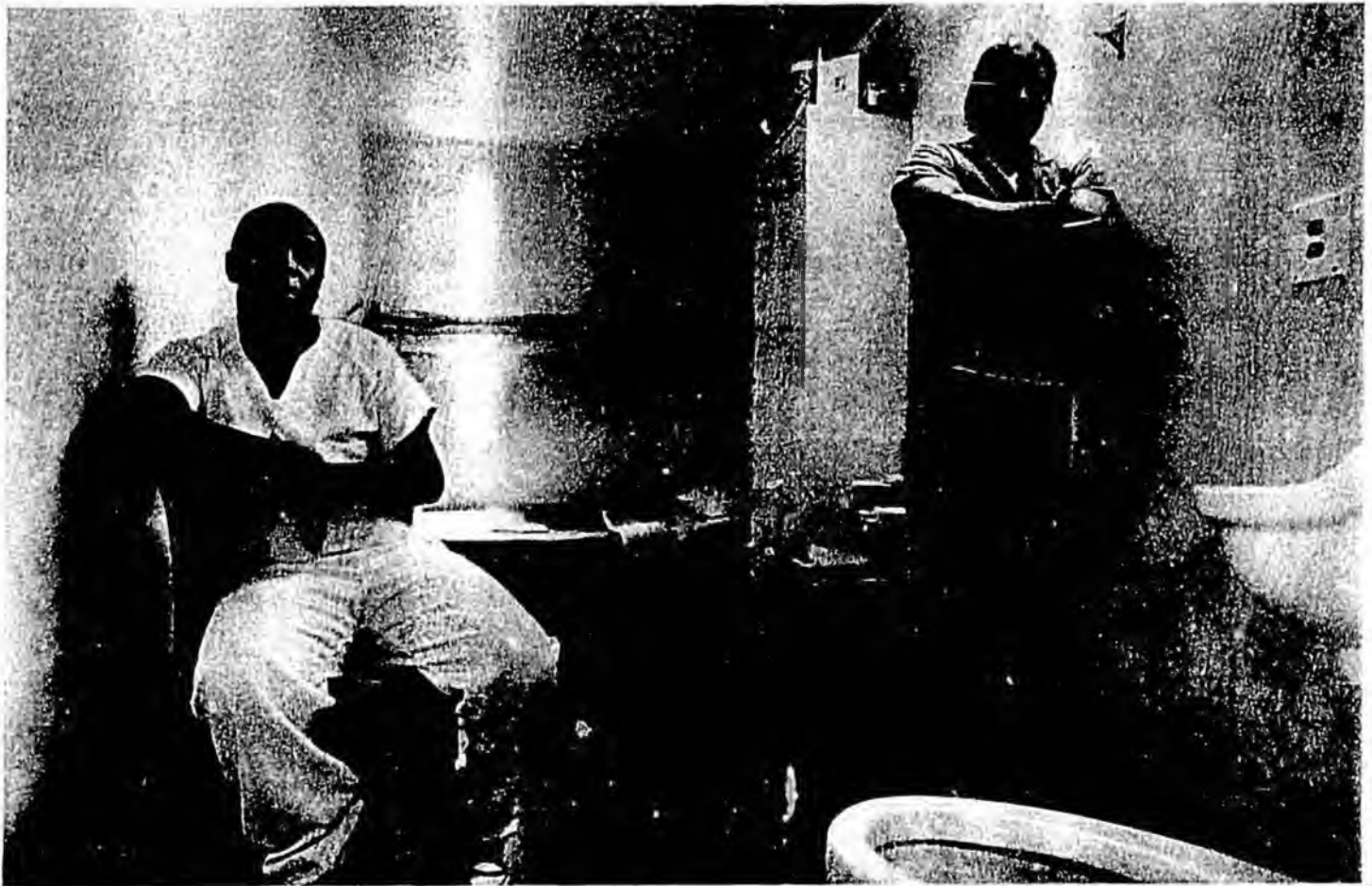


Alan S. Weiner for The New York Times

Doctor R. Crants, chairman of Corrections Corporation, in his company's Nashville prison.

million-a-year private prison business has also improved lately. The industry is still small, with nearly a score of little companies in the field. But the two largest companies, Corrections Corporation of

America and Wackenhut Corrections Corporation, which went public last month, hold more than half of the private-prison population. Policy experts say these companies manage a wide range of facilities,



Alan S. Weiner for The New York Times

Ernest Anderson, left, and Broderick Smith, who says the prison 'ain't no Holiday Inn."

and are developing innovative drug-rehabilitation, educational and job-training programs.

Leading the industry's surge is the Corrections Corporation of America, based in Nashville. Its 23 prisons under contract in seven states house about a third of the prisoners in the United States who are now held in private prisons. Last year, the company's profits rose 57 percent to \$4 million on revenues of \$100 million.

This year, Corrections Corporation's income rose 30 percent during the first half, and analysts predict further growth. Over the next two years, the company's 13,000 beds under contract should increase by 85 percent and profits should more than double, said William Oliver, an analyst at Equitable Securities in Nashville. Corrections Corporation's share price more

than doubled in the last year, closing Friday at \$15.75.

Equally impressive, the company has been able to win over some former critics with its ability to both cut costs and offer ample prison services. Policy analysts and prisoner advocates worry that private contractors like Corrections Corporation will run barebones prisons to maximize profits. After all, they reasoned, private operators are paid a per-day fee for each prisoner.

**S**o far, however, these experts say that Corrections Corporation has surprised them and prompted them to rethink at least the Nashville company's version of prison privatization. William C. La Rowe, director of the Texas Center for Correctional Services, a prisoners' rights group, says he was once an opponent of prison privatization and of Corrections Corpora-

tion. But Mr. La Rowe, who has made unannounced visits to Texas prisons for years, likes what he has seen.

"At Corrections Corporation prisons you don't have the atmosphere of impending violence that you have in a state prison," Mr. La Rowe said. "If Corrections Corporation ran more prisons, I am sure you'd see an increase in savings and a decrease in violence."

Even prison experts who remain skeptical about privatization in general seem impressed by Corrections Corporation. "Not everybody is Corrections Corporation," said John J. DiIulio Jr., a professor at Princeton University. "I'm worried about the fly-by-night companies."

The praise is welcome indeed to Doctor R. Crants, the 49-year-old, white-haired chairman and chief executive of Corrections Corporation, who led the often difficult

struggle to build the business.

A West Point graduate, Mr. Crants founded Corrections Corporation in 1983 along with Thomas W. Beasley, an insurance executive, and T. Don Hutto, a former Virginia corrections commissioner. Mr. Beasley, the former chairman, is now a director of the firm, and Mr. Hutto is international projects manager, including prison ventures in Australia and Britain.

Its founders and financial backers wanted to bring prisons into the wider movement to "privatize" services that were once the exclusive province of government, including public schools, mass transit systems and municipal hospitals. In fact, Corrections Corporation got some of its venture capital from the Massey Burch Investment Group, which also backed HCA Hospital Corporation of America, the nation's largest for-profit op-

erator of hospitals.

But for years, Corrections Corporation seemed to falter. It underestimated the political resistance to the concept of private prisons, and time needed to create a profitable business. Overreaching, it failed in an ambitious bid to persuade the Tennessee legislature to let the company run the entire state prison system in the mid-1980's. The company went public in 1986 with high hopes, but it did not report a yearly profit until 1989. It lost money again in 1991, recovering steadily thereafter.

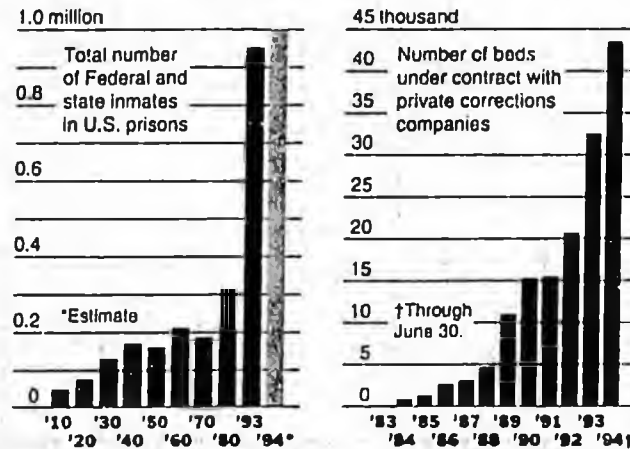
Today, however, Mr. Crants sounds confident that Corrections Corporation has fine-tuned its private-prison formula. The company's biggest customers are the United States Marshals Service, which is responsible for Federal prisoners up to their sentencing, and the prison systems of Texas, Tennessee and Louisiana. If the door to private prisons should open nationally, Mr. Crants says, his company is ready to expand.

Perhaps, but Corrections Corporation's growth and profits depend on the company being able to run prisons less expensively than states or the Federal Government. In Texas, for example, where it runs four prisons, the company's contract specifies that it manage prisons for 10 percent less than those of the state.

Corrections Corporation does own 9 of the 25 prisons it manages or is now building, but in each case the company constructed these smaller operations as a condition of its contract. In short, Corrections Corporation does not risk its money in the construction business. Its profit depends on managing its prisons so that its costs are less than the contracted "per diem" fee it receives for each prisoner. Every contract varies, but last year the company collected just

## More Inmates, More Private Prisons

As the American prison population rises sharply, some states have turned to private companies to operate and manage prisons to curb costs.



Sources: Corrections Corporation of America; Charles W. Thomas/University of Florida at Gainesville

The New York Times

under \$40 a day on average for each prisoner.

How does Corrections Corporation cut costs? It pays the prevailing wage in the states where it operates, but its prisons are not unionized. The company offers its 2,300 employees a stock-option program, but it does not have a pension plan. According to union officials, pension costs can add up to 15 percent of compensation costs for public-sector prison workers.

The no-pensions approach saves some, but Corrections Corporation executives and wardens insist that the far larger gains come from changing the unhealthy environment found in so many prisons. Part of the formula is to keep potentially quarrelsome prisoners like Mr. Anderson at Metro-Davidson so busy with drug rehabilitation, recreational and educational programs that trouble will not tempt them. These prisoner programs add to costs at the outset, but company officials believe they more than pay for themselves, though the savings are hard to measure.

It is a truism that there are no perfect days in prison. Yet anything that makes prisoners

less dissatisfied reduces the tension between the inmates and prison staff, making costly disturbances less likely. That means attention to detail and quality control in basic services like food and mail delivery to inmates, and communicating regularly with prisoners.

"In this environment, little problems become big monsters real fast," said Jimmy Turner, warden of Metro-Davidson.

"In a state prison," Mr. Turner continued, "if a prisoner said, 'I'm going to tear this cell up if you don't talk to me.' Well, the attitude of the state employee was, 'Go ahead and tear it up. We'll repair that \$1,000 commode, but you're not going to threaten us to talk to you.'"

Mr. Turner paused. "I can tell you right now, as a shareholder in this company, if an inmate wants to talk to me, he can talk to me."

**I**N the prison environment, small changes can make a big difference. David Myers, who is now the company's president, was warden at Bay County Jail, a Panama City, Fla., operation taken over by Corrections Corporation in 1985 after a series

of disturbances. Once there, Mr. Myers found that the prisoners' breakfast consisted of a hard-boiled egg and a stale piece of bread. He ordered the fare changed the next day to scrambled eggs and bacon. The new breakfast menu helped calm the inmates, and disturbances subsided.

The real day-to-day savings from easing the inmate-staff tension in prison life come from reducing labor costs, which represent up to two-thirds of the cost of running a prison. Though salaries vary widely state by state, corrections officers are not highly paid, with a typical salary estimated at \$20,000 or less. But it is a high-stress job, with notoriously high levels of absenteeism, or "blue flu."

That adds to overtime costs, swelling the expense of running a prison. If, for example, one corrections officer calls in sick, he is still paid \$10 an hour for his day. But his absence may well mean two other officers have to fill in, working eight hours of straight time and four hours each being paid at time and a half. The salary for those three that day becomes \$360, or a 50 percent increase because one person called in sick.

Stress is hard to measure, but it also leads to costly staff turnover and can lead to prison-yard troubles.

"A better work environment means you are less likely to have tired, short-tempered, confrontational people who become violent," said Mr. Crants, the company chairman. "And I am talking about the guards."

And spending more at the outset might save money in the long run. For example, the company buys costly \$40 chairs made from hard-to-destroy plastic. In a state-run prison, wardens might be required to buy cheaper wooden chairs or benches.

Cheaper might even be more dangerous. In Texas, prisoners would shatter wooden benches into four-foot-long planks with rusty nails.

The ideal situation for Corrections Corporation is when it can help design and build a prison from scratch as it did with Metro-Davidson, an \$18 million, nearly 900-bed facility that opened in February 1992. The prison holds locally sentenced felons serving one to six years.

**T**HE prison employs a "wheel-and-spoke design," where one or two corrections officers in an electronic command post constantly monitor prison cells circled around the post. The arrangement reduces blind spots, company officials say.

"What you want to avoid is the telephone-pole design," said Robert Britton, vice-president for operations. "That's the long, traditional cell block you see in old Jimmy Cagney movies. You can't see. It isn't secure for guards or prisoners."

To keep inmates busy and to prepare them for life after prison, Metro-Davidson has an unusually large number of educational and rehabilitation programs for an operation in which the average stay is 12 months. Inmates not only can get a high-school equivalency degree, but also attend programs that teach marketable skills like computer data processing.

An especially innovative program, called Lifeline, is a six-month drug rehabilitation and psychological counseling program designed to bring brooding loners out of their self-destructive cycle of drug addiction and anger. The program, developed by Corrections Corporation, was not a requirement of the state contract.

Yet the company says there is room for improvement — and cost savings—at state

prisons it takes over but had no hand in designing.

The Winn Correctional Center in Winn Parish, La., is an example. It is a classic Jimmy Cagney prison out in the middle of rural nowhere. When Corrections Corporation took over management of the 1,300-bed facility in 1990, it became the first privately operated medium-security prison in the United States.

Small things tell. At the commissary, where prisoners can buy personal items like candy bars, the store once opened onto a long corridor. A guard had to stand there and observe the prisoners. By caging the commissary, a guard could now roam the corridor, enhancing security.

Perhaps the biggest innovation at Winn is the continuing experimentation with programs to try to give prisoners marketable skills. Besides the usual computer and "culinary arts" classes, Corrections Corporation is starting a 60-worker garment factory using standard single- and double-needled tailoring machines to make disposable hazardous waste suits. "These are real skills," said Michael Phillips, assistant warden.

The prisoners show a qualified enthusiasm for the job training. Ricky Temple, 36, is serving a 40-year sentence at Winn for rape and forcible assault. Mr. Temple says he has already learned some things in prison, like "how to be a better burglar, a better bank robber." But, he added, "I want to have a legitimate skill when I get out."

Other inmates, however, are impressed by other advantages that they say the Corrections Corporation prison seems to offer.

"You don't have to sleep with one eye open here," said Jesse Howard, 37, who is serving a 30-year sentence for armed robbery. "You don't

have to carry two or three knives with you because the guards are always looking at everybody." ■



*Testimony  
By Invitation only*

## PLEASE PRINT

	Name/Representing	
1.	Steve Larsen AFSCME	PO#
2.	Cory Mitchell Doc	24-
3.	CLAUDE FRENCHY MONGEAU	P.O.
4.	✓ Bill Weirmail Allvert MR	500
5.	✓ LARRY NELSON <sup>NANA</sup> Reg. Corp	1001
6.	Chris Lopez	36
7.	James Hancock	2
8.	Mike Stephen	PO:
9.	✓ J. Reer	700
10.	✓ Kurt Martens / KONIAS, INC	4
11.	ROBERT L. POPE - DEPT of EDUCATION	PO 130
12.	TROY ZAUMSEL	PO C
13.	Lynn Zeiler (Med Secret)	821
✓14.	John J. Vothk P.M.C.	4201
15.	Robert Galea, PhD	AKCEL

2805  
ANCHORAGE



*Testimony  
by invitation only*

# LEGISLATIVE TELECONFERENCE NETWORK SIGN-IN SHEET

50833

SPONSOR: House Finance Subcmte - Corrections

SUBJECT: \_\_\_\_\_

START/END TIME: \_\_\_\_\_ DATE: 10/19

**PLEASE PRINT**

	Name/Representing	Address	Zip	Phone No.	Testify	Observe	Bill No.
1.	✓ John L. Greene	1150 Ballena Blvd #200 Alameda, Calif	94501	510-521-9603	✓		
2.	✓ Al Finneseth	821 N. Street - Sx. 204	99501	276-5702		✓	
3.	Rosalie Nadeau, Akkeela House	2805 Perry Pt. Ste 4 Dunbar AK 99503	99503	571-5218	✓	✓	
4.	Keggy O. Davonport	P.O. Box 140-1363 Anchorage AK 99514-1363	99514-1363	333-1732		✓	
5.	Travis Dunfee	ASCG INC. (PARTIC) 381 ARCTIC SLIP TUL					
6.	Sean Steward	PO. 653 - Valdez Chamber Valdez AK 99	99684	835-2330		✓	
7.	✓ Scott Lewis / CIR	PO Box 93330 Anchorage 99509	99509	274-8638		✓	
8.							
9.							
10.							
11.							
12.							
13.							
14.							
15.							

Hearing on Privatization and Corrections  
Corrections Subcommittee of the House  
Finance Committee  
October 19, 1995.

Opening Statement of Rep. Eldon Mulder

Good morning,

I would like to welcome the members of the Corrections Subcommittee of the House Finance Committee. Today we have Representatives, Brown, Davis, and Rokeberg. I'm Eldon Mulder, Subcommittee Chair. We have Tom Ackerly, legislative assistant to Representative Navarre on line at the Kenai LIO.

As the announcement for the hearing made clear, the focus of this hearing is limited. Today we are focusing on what private sector options are available for consideration.

We acknowledge that there are significant issues that must be considered before privatization is implemented. I included in the committee packets the October 3 ASEA Solidarity update which expresses their reservations about privatization. I also

included a memo from Denny DeWitt, our Committee staff dated September 28, 1995 on Requirements for Privatization. In the memo, he reviews our Public Employees Relations Act and several items in our current labor contracts that will need to be addressed if we decide to pursue privatization. Those who have reservations will have their opportunity to share their concerns with this committee, if we decide to move forward.

I would also like to acknowledge that the department is already providing correctional services through private vendors. We use half-way houses operated by private contractors and contract for educational and treatment services. We also have a pilot project on reporting by minimum supervision cases that uses a private vendor. We will hear from three of those vendors later today.

It is my hope that today's hearing will help us put some definition to the term "Privatization". It is a term that many of us use, but we rarely define it precisely. I hope by the end of today, we will have a general idea of what it can mean in the area of corrections. I also hope that we will have a sense of whether there are any opportunities

worth further discussion, or if there aren't any real opportunities for Alaska here.

I have asked each presenter to stay within a 30 minute time frame, including questions. I recommended about a 20 minute presentation with Q and A for 5 or 10 minutes. At about 2:30 I hope to call all the presenters who are still with us back to the table to discuss the information we have received during the day and respond to questions from the committee. That way, we can get some reactions to the impressions we get from all the presentations.

Are there are any questions or comments from the committee members. If not, lets begin with our first presenter, Commissioner Margaret Pugh

**Corrections Subcommittee of the House Finance Committee  
Rep. Eldon Mulder, Chair**

**Interim Hearing on Privatization and Corrections**

**Anchorage Legislative Information Office  
Thursday, October 19, 1995**

9:00 AM	Opening remarks by Rep. Mulder
9:15 AM	Commissioner Margaret Pugh Department of Corrections
9:45 AM	Ross Dunfee, VP Engineering Arctic Slope Consulting Group
10:15 AM	John Rees, Vice President Correction Corporation of America
10:45 AM	Jeffrey Spoon, Vice President Wackenhut Corrections
11:15 AM	William Weimar, President Allvest, Inc.
11:45 AM - 1:00 PM	LUNCH
1:00 PM	Rosalie Nadeau, Deputy Director Akeela House, Inc.
1:30 PM	John L. Greene, II, Reg. Sales Manager Prison Health Services, Inc.
2:00 PM	Tom Trunnell BI, Inc.
2:30 PM	Panel Discussion All Scheduled Presenters

# State looks at privatizing prisons

■ *Officials discuss merits of contracting corrections*

By MARK SABBATINI

THE JUNEAU EMPIRE

Ways of privatizing correctional facilities were discussed today by state officials looking for a way to solve prison overcrowding while dealing with a budget deficit, but some warned the idea could have dangerous results.

A meeting to discuss available alternatives - but no specific proposals - was held in Anchorage by the Corrections Subcommittee of the House Finance Committee. Rep. Eldon Mulder (R-Anchorage), who chairs the committee, said the state needs to decide if it should expand on correc-

tions services already being contracted through private companies.

"We dipped our toe in that water in this state, but we haven't fully explored what's available," he said.

Alaska spent about 29 percent of its corrections budget for privately contracted services during the 1995 fiscal year, said Margaret Pugh, commissioner of the Department of Corrections. She said most went for professional services such as inmate counseling and supplies such as food.

The state has also sent about 200 prisoners to a private facility in Arizona to ease overcrowding, Pugh said. She said state officials have had a few difficulties with the facility, but "overall I think it is working out very well."

The state pays an average of \$113 per day for housing an inmate in Alaska, but only \$55 in Arizona, said Kathryn Daughhete, a fiscal analyst with the legislative finance division. She was one of three people who attended the meeting in Juneau via a teleconference hookup.

Daughhete said higher employee and cost-of-living expenses for inmates are apparent contributors to the in-state costs.

Concerns about private companies building and running prisons in-state were expressed by Rep. Kay Brown (D-Anchorage), a finance committee member who asked if the need for privatization was genuine and if such facilities would meet current safety standards.

Please turn to Prisons, Page 8

## Prisons...

Continued from Page 1

"I have some difficulties with the process, but also that we may be lowering the standard of corrections in communities," she said.

Brown said input from state union workers also needs to be heard. The Alaska State Employees Association issued a newsletter earlier this month stating private institutions cost the state through a greater risk of inmate escape due to poorly trained staff,

monitoring of private contracts and stepping in if a contractor bails out of the corrections business.

"All they want to talk about is the immediate financial savings," the newsletter noted. "But the fact is any financial savings is offset by the damage of cutting corners."

John Rees, vice president of Correction Corporation of America, which owns the Arizona facility housing Alaskan prisoners, said he rejects the argument his corporation is "only interested in warehousing people."

He said his officers have great

authority to make decisions without bureaucratic interference and more opportunity for advancement, resulting in better morale than many government officers.

In addition, Rees said his facilities offer numerous programs that can be customized, such as computer and construction classes in Arizona that have been customized for Alaska's prisoners.

"We believe in providing the kind of environment, personnel and opportunities an inmate can choose, if they are interested in improving their lifestyle," he said.



ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES

CHIEF,  
LEGISLATIVE COUNCIL

CO-CHAIR,  
HOUSE SPECIAL COMMITTEE  
ON MILITARY AND  
VETERANS' AFFAIRS

CO-CHAIR,  
MILITARY AFFAIRS FOR  
ANCHORAGE CAUCUS

REPRESENTATIVE ELDON MULDER  
DISTRICT 23 MULDOON-Ft. RICHARDSON



# MEMORANDUM

DATE: September 12, 1995

TO: House Finance Subcommittee on Corrections  
Other Interested Parties

FROM: Representative Mulder

RE: Interim Hearing on Privatization October 19, 1995

The House Finance Subcommittee on Corrections will hold an interim hearing on Privatization. I scheduled the hearing for Thursday, October 19, 1995, beginning at 9:00 AM, at the Anchorage Legislative Information Office.

Alaska's Department of Corrections is responsible for both prison and jail facilities. Unlike many other states, our state government is involved with misdemeanants and felons including processing and holding pre-arraignment, operating pretrial facilities, contracting for operations of community jails and housing sentenced prisoners. Our options for privatization may be different because of our unique mix of responsibilities.

The hearing will focus on the opportunities available to privatize correctional activities in Alaska. Those opportunities might include private sector construction of new facilities; operation of selected services such as food services or health services; management services; or complete contract operation of a facility.

The hearing will focus on opportunities that the committee may want to consider in the future. The hearing will not focus on issues that must be addressed before implementation. That will be the subject of future hearings, if the committee finds opportunities we want to pursue.

Anyone with questions or interest in making a presentation should contact Denny DeWitt, my Legislative Assistant. He can be reached at State Capitol, Juneau, Alaska 99801, phone 907-465-2647.



ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES



CHAIR,  
LEGISLATIVE COUNCIL

CO-CHAIR,  
HOUSE SPECIAL COMMITTEE  
ON MILITARY AND  
VETERANS' AFFAIRS

CO-CHAIR,  
MILITARY AFFAIRS FOR  
ANCHORAGE CALCS

REPRESENTATIVE ELDON MULDER  
DISTRICT 23 MULDOON-Ft. RICHARDSON

# MEMORANDUM

---

---

DATE: September 28, 1995

TO: Representative Mulder  
Representative Brown  
Representative G. Davis  
Representative Navarre  
Representative Rokeberg  
Senator Green

FROM: Denny DeWitt  
Phone 465-2647

RE: Requirements for Privatization

---

---

The House Finance Subcommittee on Corrections is holding a Committee Hearing on the subject of Corrections and Privatization. The focus of this hearing will be privatization opportunities available in corrections. The Subcommittee will not be making any definitive decisions on privatization at this meeting. It can begin the discussion of implementation after it decides it wishes to privatize a specific activity. I thought it would be helpful to quickly review some issues that will need to be considered at that later time, before the state privatizes any additional DOC activities.

AS 23.40.070 - 23.40.260 is the Public Employees Relations Act (PERA). It sets out the collective bargaining process for the State of Alaska. These statutes, which have changed little since 1974, have guided our collective bargaining activities. While the court has ruled that the law does not limit privatization, our labor contracts are more restrictive. These labor contracts are binding until they expire or are renegotiated.

The following sections of AS 23.40 define the legal scope of bargaining.

**AS 23.40.070 Declaration of policy.** The legislature finds that joint decision-making is the modern way of administering government. ... These policies are to be effectuated by

- (1) recognizing the right of public employees to organize for the purpose of collective bargaining;
- (2) requiring public employers to negotiate with and enter into written agreements with employee organizations on matters of wages, hours, and other terms and conditions of employment;
- (3) maintaining merit-system principles among public employees.

**AS 23.40.80 Rights of public employees.** Public employees may self-organize and form, join, or assist an organization to bargain collectively through representatives of their own choosing, and engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection.

**AS 23.40.250 Definitions.** In AS 23.40.070 - 23.40.260, unless the context otherwise requires,

(1) "collective bargaining" means the performance of the mutual obligation of the public employer or the employer's designated representatives and the representatives of the employees to meet at reasonable times, including meetings in advance of the budget making process, and negotiate in good faith with respect to wages, hours, and other terms and conditions of employment, or the negotiation of an agreement, or negotiation of a question arising under an agreement and the execution of a written contract incorporating an agreement reached if requested by either party, but these obligations do not compel either party to agree to a proposal or require the making of a concession;

(8) "terms and conditions" means the hours of employment, the compensation and fringe benefits, and the employer's personnel policies affecting the working conditions of the employees; but does not mean the general policies describing the function and purposes of a public employer.

## Requirements for Privatization

September 28, 1995

Page 3

In 1994, the Alaska Supreme Court (*Moore v. State, DOT & Pub. Facilities*, Sup. Ct. Op. No. 4093 (File No. S-5324), P.2d) stated that nothing in Article 2 (AS 23.40.070 - 23.40.260) restricts the state from reducing its workforce and laying off personnel for reasons of economy. More specifically, nothing in this article prohibits state agencies from resorting to privatization as a cost-cutting measure. The court cautioned that, because of the merit system found in AS 23.40.070, even the hint of political influence in the choice of contractor or contractor employees could jeopardize the process.

Most of the collective bargaining agreements have quite expansive unit definitions. The difficulty with privatization stems from the fact that once bargaining unit work or composition is established any change in scope or movement of work classifications out of the unit becomes a mandatory subject of bargaining. The Department of Corrections brought this issue to the attention of the Subcommittee during budget hearings concerning an education position at the Cook Inlet Pretrial Facility.

The General Government, Supervisory, and Labor, Trades, and Crafts bargaining units all have explicit contracting out language. The language in these agreements is commonly called a work preservation agreement. The union's rights are invoked whenever outside work is performed which results in either layoff or occurs when members are on layoff. In either of these cases the state must be prepared to show a third party that its action resulted in a saving to the state.

There are no provisions in the contracts that allow the state to privatize as a matter of public policy, the provisions allow privatization only for purely economic reasons. The Labor, Trades, and Crafts (Local 71) agreement (Article 7 Section 4) requires that a contractor pay the bargaining unit wages and a fixed fee for benefits to the contractor's employees. Consequently, any cost savings must be predicated on operating efficiencies and reduction in administrative overhead.

Each of the contracts has a slightly different notice requirement, but a notice of the potential contracting out must be given before any public discussion of the possibility. Robert Cole, Director, Division of Administrative Services,

Requirements for Privatization  
September 28, 1995  
Page 4

Department of Corrections, notified labor unions in April of 1995, that the legislature and the Department of Corrections intend "to review operations to identify potential cost savings opportunities, including the contracting out of work."

The state's labor contracts are enforceable under contract law. Unless and until all contractual requirements are met, a function cannot be privatized even if the legislature mandates the transfer in statute. The contracts must be followed until they are renegotiated or expire.

In Summary, the state has a limited right under the major labor agreements to privatize state activity for economic reasons. All procedural requirements set out in the agreements must be met, the state must act in good faith and there must be a demonstrable saving.

cc: Office of Management and Budget  
Legislative Finance  
Department of Corrections



Design • Construction • Financing • Management

September 26, 1995

The Honorable Eldon Mulder  
Alaska State House of Representatives  
716 West Fourth Avenue  
Anchorage, Alaska 99501-2133

Dear Mr. Mulder:

Wackenhut Corrections Corporation is delighted with your offer to allow a representative of our organization to make a presentation to the House Finance SubCommittee on Corrections on Thursday, October 19, 1995, at 9:00am, at the Anchorage Legislative Information Office.

As you are aware, after our brief meeting in Juneau last Spring, we are extremely interested in the future of privatized Design, Construction, Finance and Operational Management of detention/correctional facilities in Alaska. Wackenhut's long term security service presence in Alaska, and the quality represented by the Team we have assembled for this effort, cannot be equaled. I give you my personal assurance that the voters and taxpayers of the State will be very impressed with the budgetary savings and increased services that are currently being realized in other states, counties and nations who have contracted part, or all, of their incarceration responsibilities with Wackenhut Corrections.

I will telephone Denny DeWitt to confirm either Wayne Calabrese, Executive Vice President, and/or my attendance and to schedule our presentation on October 19th. Thankyou for this opportunity and we too look forward to meeting with you and answering the SubCommittee members' questions.

Sincerely,

Jeffrey L. Spoon  
Vice President for Development

HAND OUT FROM  
ALLVEST, INC  
WILLIAM WEIMAR, PRES

for Tom A.

PRIVATIZING PT. MCKENZIE

COMPARATIVE BUDGET

	<u>Pt. McKenzie</u>	<u>Parkview Center</u>
Minimum Custody FY96 80 beds		Community Custody FY96 80 beds
Personal Services:	\$1,024,900	\$ 412,456
Other Program Costs:	\$ 891,300	\$ 959,942
Total Cost to State:	\$1,916,200 or \$65.62/day	\$1,372,400 or \$47.00/day

Total Dollar Difference:

\$543,800

# RECENT PROJECTS and QUALIFICATIONS

ASCG

INCORPORATED

ENGINEERS • ARCHITECTS • SCIENTISTS • SURVEYORS

ROSS B. DUNFEE, PE  
VICE PRESIDENT

φ

301 ARCTIC SLOPE AVE., SUITE 100 • ANCHORAGE, AK 99518-3035  
(907) 349-5148 / 267-6268 • FAX (907) 267-6396 • HOME 344-6492

# CORPLAN, INC.

## Correctional Development

Dallas, Texas

**CORPLAN INC.  
CORRECTIONAL DEVELOPMENT**

**JAMES M. PARKEY  
President**

**2717 Fairmount St.  
Dallas, Texas 75201  
Phone 214-871-7993  
Fax 214-954-0282**

**EDUCATION**

University of Texas - Bachelor of Architecture 1969  
University of Texas - Masters of Architecture 1970

**REGISTRATION**

Texas, 1973-Architecture, #4818; NCARB Certified, #17,771.  
Also registrations to practice Architecture in have included the following states:

- Arizona
- Colorado
- Idaho
- Arkansas
- Florida
- New Mexico
- California
- Georgia
- Louisiana
- Oklahoma
- Virginia
- North Carolina

**SUMMARY OF EXPERIENCE**

Extensive experience in all aspects of the practice of architecture and related fields.

- Founded Thompson/Parkey Architects in 1975
- Founded Parkey & Partners Architects in 1981
- Founded James M. Parkey Architect in 1990
- Founded Corplan, Inc. in 1992

Experience includes:

- Construction Administration/ Management
- Design, Programming, Feasibility Studies
- Planning and Urban Design
- Public Service and Administration
- Contract Administration
- Construction Documents
- Program & Project Management
- Seismic Qualified

Specific experience in :

- Correctional
- Institutional
- Healthcare
- Education
- Housing
- Industrial
- Retail

Career involvements have included:

- American Correctional Association
- American Institute of Architects
- National Association of Counties
- National Association of Home Builders
- Dallas Chamber of Commerce
- Sales and Marketing Executives of Dallas
- Professional Services Management Association
- Dallas Chapter American Institute of Architects
  - Library committee 1975-1977
  - Central Expressway Task Force 1979
  - City of Dallas Task Force 1980
- Director, Commercial National Bank 1978-1983
- American Jail Association
- Texas Society of Architects
- American Planning Association
- Building Owners and Managers Association
- Dallas Tenant Association
- Society for the Marketing of Prof. Services
- Texas Correction Association
- Director, 500 Inc. 1973- 1979
- Library Commissioner 1978-1979
- Executive Committee 1978-1980
- Director, USA Film Festival 1978-1982

In coordination of various engagements, we have been involved with numerous State and Federal Agencies, including, but not limited to, those listed below. Familiarity, with these agencies and their operations, allows my firm and their associates to function effectively on projects that require inter-agency cooperation.

- Texas Commission on Jail Standards
- Texas Department of Criminal Justice
- Bureau of Justice Statistics
- Federal Bureau of Investigation
- Department of Commerce
- Army Corps of Engineers
- Attorney General of Idaho
- Oklahoma Department of Corrections
- Attorney General of New Mexico
- Construction Indust. Div. of New Mexico
- Nevada State Health Department
- American Jail Association
- Marshal Service
- Immigration and Naturalization Services
- Attorney General of Texas
- Bureau of Prisons
- Department of Justice
- Department of Housing and Urban Dev.
- General Services Administration
- Veterans Administration
- Idaho Jail Commission
- Oklahoma Department of Health
- New Mexico Corrections Department
- Virginia Department of Corrections
- Nevada State Fire Marshall
- American Correctional Association
- Oklahoma Department of Corrections
- Federal Bureau of Prisons

## **CRIMINAL JUSTICE EXPERIENCE**

### **TEXAS**

#### **REGIONAL JUVENILE FACILITY, Post, Texas**

Plan, design, construction documentation, construction administration and financing of a 150-bed juvenile facility, including support services and administration offices.

Completion date: 1995      Contact: Judge E. Giles Dalby (806) 495-2521

Financing by Municipal Capital Markets Pending

#### **BREWSTER COUNTY JAIL, Alpine, Texas**

Plan, design, construction documentation, construction administration and financing of a 96 bed county jail and sheriff's office, including support services and administration offices.

Completion date: 1995      Contact: Judge Val Beard (915) 837-2412

Financing by Municipal Capital Markets Pending

#### **REGIONAL JUVENILE FACILITY, Raymondville, Texas**

Plan, design, construction documentation, construction, financing and management of a 144 bed regional boot camp, including support services and administration offices for Cameron, Willacy and Hidalgo Counties

Completion date: 1995      Contact: Dr. Juan Sanchez Texas Key Corporation (512) 462-2181

Financing by Municipal Capital Markets Pending

#### **REGIONAL JUVENILE FACILITY, Henderson, Texas**

Plan, design, construction documentation, construction, financing and management of a 150 bed juvenile detention facility, including support services and administration offices.

Completion date: 1995      Contact: Judge Sandra Hodges (903) 657-0302

Financing by Municipal Capital Markets Pending

#### **STATE JAIL, Henderson, Texas**

Plan, design, construction documentation, construction, financing and management of a 1500 bed Mode II state jail, including support services and administration offices.

Completion date: 1995      Contact: Mayor Brad Holmes (903) 657-6551

Financing completed by Municipal Capital Markets in 60 days.

Lease, renovate, furnish and operate on a 5 year lease a 100 bed jail facility.

Completion date: 1993      Contact: Jerry McGuire, City Manager (915) 337-7381

**PERMIAN BASIN REGIONAL JAIL, Odessa, Texas**

Plan, design, construction documentation, construction, financing and management of a 500 bed regional jail, including support services and administration offices.

Completion date: 1994      Contact: Ernie Crawford, Exec. Director PBRPC (915)563-1061

**WINKLER COUNTY JAIL, Kermit, Texas**

Plan, design, construction documentation, construction management, financing and management consulting of a 96 bed county jail and sheriff's office, including support services and administration offices.

Completion date: 1994      Contact: Sheriff Robert Roberts (915)586-3461

Financing completed by Municipal Capital Markets in 60 days.

**DELTA COUNTY JAIL, Cooper, Texas**

Plan, design, construction documentation, construction and financing of a 26 bed county jail including support services and administration offices.

Completion date: 1993      Contact: John Whitmire, Construction Manager (817)429-3194

Financing completed by Municipal Capital Markets in 45 days.

**NEWTON COUNTY DETENTION CENTER, Newton, Texas**

Plan, design, construction documentation, construction administration and financing of a 300-bed detention center, including support services and administration offices.

Completion date: 1991      Contact: Bill Watson, Jail Administrator, (713) 622-2300

**NEWTON COUNTY DETENTION CENTER, PHASE II, Newton, Texas**

Plan, design, construction documentation, construction administration and financing of a 144-bed detention addition.

Completion date: 1991      Contact: Bill Watson, Jail Administrator, (713) 622-2300

**MIDLAND COUNTY JAIL, Midland, Texas**

Design, construction documentation, construction administration of 192-bed detention facility, expandable to 576 beds, with all required support facilities, indirect supervision of inmates, 50% single cells, 50% multiple occupancy.

Completion date: 1990      Contact: Capt. Richard Sexton, Jail Commander, (915) 688-1005

**POTTER COUNTY JAIL, Amarillo, Texas**

Design, construction documentation, construction administration of a 96-bed Intake facility.  
Completion date: 1989      Contact: Bill Attebury, (806) 355-8253

**SWISHER COUNTY JAIL, Tulia, Texas**

Plan, design, construction documentation, construction administration of a 36-bed detention facility addition, including administrative offices.  
Completion date: 1989      Contact: Bill Attebury (806) 355-8253

**GUADALUPE COUNTY JAIL, Seguin, Texas**

Design, construction documentation, construction administration of 192-bed detention facility (expandable to 288-beds).  
Completion date: 1988      Contact: Sheriff Melvin Harbrough, (512) 379-1224

**MOORE COUNTY JAIL, Dumas, Texas**

Plan, design, construction documentation, construction administration and financing of a 36-bed detention facility addition to the existing Moore County Jail.  
Completion date: 1987      Contact: Michael Harling, (214) 386-6264  
Financing completed by Municipal Capital Markets in 45 days.

**McLENNAN COUNTY JAIL, Waco, Texas**

Three-phase detention facility, Phase 1, with 96 beds, minimum security, Phase 2, with 96 beds, medium security, Phase 3 with 96 beds, maximum security (expandable to 388 beds).  
Completion date: 1986      Contact: Chief Deputy Dan Wlyneberg, (817) 757-5109

**LIMESTONE COUNTY JAIL, Grosbeck, Texas**

Plan, design, construction documentation, construction administration of a 67-bed detention facility, including Sheriffs offices.  
Completion date: 1985      Contact: Sheriff Dennis Walker, (817) 729-3278

**EARL CABELL BUILDING AND COURTHOUSE, Dallas, Texas**

Professional services for planning, design and preparation of bid documents for repairs and alterations to the Earl Cabell Federal Building and Courthouse.  
Completion date: 1985      Contact: General Services Administrator/Fort Worth

**BREWSTER COUNTY JAIL AND DETENTION CENTER, Alpine, Texas**

Feasibility planning, design, and financing of a proposed 48 bed county jail and a 96-bed low-risk detention center.

Completion date: 1985      Contact: Judge Tom Connor, (915) 837-2412

**ANDREWS COUNTY PRERELEASE CENTER, TEXAS DEPARTMENT OF CORRECTIONS, Andrews, Texas**

Feasibility planning, design and documentation of a two (2) phase 1,000-bed prerelease facility to house west

Texas prisoners. Funding is under consideration by Texas Legislature.

Completion date: 1985

**CITY OF HURST POLICE CENTER, Hurst, Texas**

Design, construction documentation, construction administration for a 32-bed detention facility, including police and administration offices and municipal court.

Completion date: 1983      Contact: Maj Dalton Gilbert, Jail Commander, (817)281-6100

**SOMERVELL COUNTY LAW ENFORCEMENT CENTER, Glen Rose, Texas**

24-bed detention facility and emergency operations center to function in case of natural disasters, such as floods or tornadoes.

Completion date: 1983      Contact: Sheriff Frank Larramore, (817) 897-2242

**DESIGN OF ADDITIONAL COURT SPACE IN THE CABELL COURTHOUSE; Dallas, Texas**

Design and documentation of the new 3,000 square foot courtroom in the Earl Cabell Federal Building. Included in the design is a federal courtroom, jury room, clerk's office, witness room, restrooms and public seating area. The design effort also included judges chambers, research library and additional clerk's offices. Through our design of this courtroom, we understand that court process and the need for architectural design to respond to that process.

Completion date: 1983      Contact: General Services Administrator/Fort Worth

**TITUS COUNTY JAIL, Mt. Pleasant, Texas**

Design, construction documentation, construction administration of a 48-bed detention facility.

Completion date: 1983      Contact: Sheriff John Moss, (903) 572-6641

**COLONY MUNICIPAL/POLICE CENTER, Colony, Texas**

Feasibility Analysis of 12,000 square foot municipal building including City Manager's office, assembly room for City Council and additional Public Assembly, Department of Utilities, Department of Finance, Police Department, and four holding cells.  
Completion date: 1981      Contact: Tom Hart, (214) 370-1756

**TITUS COUNTY JAIL RENOVATION ANALYSIS, Mt. Pleasant, Texas**

This study documented the findings and recommendations resulting from the inspection of the existing jail for possible renovation.  
Completion date: 1981      Contact: Sheriff John Moss, (903) 572-6641

**PALO PINTO COUNTY JAIL, Palo Pinto, Texas**

Design, construction documentation and construction administration of a 30-bed detention facility.  
Completion date: 1978      Contact: Judge Rob Smith, (817) 659-1253

**JOHNSON COUNTY JAIL, Cleburne, Texas**

Plan, design, construction documentation and construction administration of a 42-bed detention facility renovation including administrative offices to the existing County Jail.  
Completion date: 1976      Contact: Judge Kit Cooke, (817) 641-4421

**YOUNG COUNTY JAIL SECURITY STUDY, Graham, Texas**

The purpose of this study was to devise security measures and develop a renovation program for the Graham/Young County Law Enforcement Center.  
Completion Date: 1976

**WILBARGER COUNTY JAIL/FEASIBILITY STUDY, Vernon, Texas**

The purpose of this feasibility study was to document the findings, conclusions and recommendations resulting from the jail planning study in Wilbarger county.  
Completion date: 1975

## NEW MEXICO

### **SAN MIGUEL COUNTY JAIL, Las Vegas, New Mexico**

Plan, design, construction documentation, construction, financing and management of a 86 bed jail, including support services and administration offices.

Completion date: 1995      Contact: Ray Mitcham (505) 623-7111

Financing completed by Municipal Capital Markets in 75 days.

### **CIBOLA COUNTY, Milán, New Mexico**

Feasibility analysis and documentation of a 336-bed detention facility.

Completion date: 1994      Contact: Ray Mitcham, (505) 623-7111

Financing completed by Municipal Capital Markets in 75 days.

### **DONA ANA COUNTY, Las Cruces, New Mexico**

Feasibility analysis and documentation of a 200-bed county jail and a 336-bed detention facility.

Completion date: 1993      Contact: Ray Mitcham, (505) 623-7111

### **SANDOVAL COUNTY JAIL, Bernalillo, New Mexico**

Plan, design, construction documentation, construction administration and financing of a 96-bed detention facility addition, including administrative offices.

Completion date: 1992      Contact: Steve Pickering, Jail Administrator, (505) 867-5339,

Financing completed by Municipal Capital Markets in 60 days.

### **COLFAX COUNTY JAIL ADDITION, Raton, New Mexico**

Plan, design, construction documentation, construction administration and financing of an 8-bed addition to the existing facility.

Completion date: 1992      Contact: Chuck Talley, Jail Administrator, (505) 445-3691, or Whitney Hite, County Manager, (505) 445-4661

Financing completed by Municipal Capital Markets in 90 days.

### **QUAY COUNTY JAIL, Tucumcari, New Mexico**

Design, construction documentation, construction administration and financing of a 2-bed facility and 20-bed Juvenile Detention Center.

Completion date: 1990      Contact: Joel Garnet, Jail Administrator, (505) 461-2720, or Fred Rivera, County Manager, (505) 461-2112

Financing completed by Municipal Capital Markets in 75 days.

**COLFAX COUNTY JAIL, Raton, New Mexico**

Plan design, documentation, construction administration and financing of a 24-bed detention facility.

Completion date: 1989      Contact: Chuck Talley, Jail Administrator, (505) 445-3691, or Whitney Hite, County Manager, (505) 445-4661

Financing completed by Municipal Capital Markets in 45 days.

**MCKINLEY COUNTY CRIMINAL JUSTICE CENTER NEEDS ANALYSIS STUDY, Gallup, New Mexico**

Needs Analysis study and Site Evaluation Report for a Criminal Justice Center consisting of approximately 200 beds, district court rooms, judges' chambers, magistrate court, district attorney offices, district court clerk offices, probation offices, and all related support core facilities.

Completion date: 1989      Contact: Don Jordan, County Manager, (505) 722-3869

Financing completed by Municipal Capital Markets in 45 days.

**SANDOVAL COUNTY JAIL AND JUDICIAL COMPLEX, Bernalillo, New Mexico**

Plan, design construction documentation, construction administration and financing of a 48-bed criminal justice center, including three courtrooms, judge's chambers, district attorney's offices, and district county clerk's offices.

Completion date: 1989      Contact: Steve Pickering, Jail Administrator, (505) 867-5339

Financing completed by Municipal Capital Markets in 45 days.

**ROOSEVELT COUNTY JAIL FACILITY, Portales, New Mexico**

Design, construction documentation, construction administration for a 50-bed detention facility, including police offices, sheriff's offices and magistrate court.

Completion date: 1986      Contact: Sheriff Bob Dodgin, (505) 356-4408

**COLORADO**

**ARCHULETA COUNTY GOVERNMENTAL CENTER, Pagosa Springs, Colorado**

Plan, design, construction documentation and, construction administration of a criminal justice center, including support services, sheriffs offices and county offices.

Completion date: 1989      Contact: Wesley Box, Construction Manager, (505) 984-2912

## IDAHO

### CANYON COUNTY DETENTION CENTER, Caldwell, Idaho

Plan, design, construction documentation, construction administration, and financing of a 350-bed criminal justice center, including support services and administrative clerk's offices.

Completion date: 1992      Contact: Wesley Box, Construction Manager, (505) 984-2912

### CANYON COUNTY JUVENILE CENTER, Caldwell, Idaho

Plan, design, construction documentation, construction administration, and financing of a 24 bed criminal justice center, including support services and administrative clerk's offices.

Completion date: 1992      Contact: Wesley Box, Construction Manager, (505) 984-2912

## VIRGINIA

### PRINCE WILLIAM COUNTY JAIL ANNEX, Manassas, Virginia

Design, construction documentation, and construction management of a 40-bed emergency detention center.

Completion date: 1991      Contact: Sena Visan, Dir of Public Works, Prince William County  
Financing completed by Municipal Capital Markets in 30 days.

## OKLAHOMA

### OKMULGEE COUNTY, Henryetta, Oklahoma

Feasibility analysis and documentation of a 463-bed regional detention facility.

Completion date: 1996      Contact: W.R. Stubbs, (918) 652-4455

Financing pending by Municipal Capital Markets.

### KIOWA COUNTY, Hobart, Oklahoma

Feasibility analysis and documentation of a 463-bed County detention facility.

Completion date:      Contact: James Chaplin, (405) 776-7730

## NEVADA

### LINCOLN COUNTY, Pioche, Nevada

Plan, design, construction documentation, construction administration and financing of a 68 bed county jail and Sheriff's office.

Completion date: 1993      Contact: Wesley Box, Construction Manager, (505) 984-2912

Financing completed by Municipal Capital Markets in 30 days.

## **ARKANSAS**

### **HOT SPRINGS COUNTY, Malvern, Texas**

Preliminary design of a 96-bed jail facility and sheriff's office.  
Completion date: 1983

### **UNION COUNTY, Eldorado, Arkansas**

Preliminary design of a 192-bed jail facility and sheriff's office.  
Completion date: 1982

## **LOUISIANA**

### **DESOTO PARISH JAIL, Mansfield, Louisiana**

Preliminary design of an 80-bed facility.  
Completion date: 1979

## **INTERNATIONAL**

### **MINISTRY OF JUSTICE, COLONIAL REPUBLIC OF TAHITI**

Feasibility planning, design and documentation of a 500-bed detention, rehabilitation and treatment facility on the island of Tahiti.  
Completion date: 1988



**AKEELA HOUSE INCORPORATED**  
*Therapeutic Community for the Treatment of Substance Abuse*

October 19, 1995

Corrections Subcommittee of the  
House Finance Committee  
714 W. 4th Ave.  
Anchorage, AK 99501

Ladies and Gentlemen:

On behalf of the staff and administration of Akeela House I want to take this opportunity to thank you for allowing me to appear before this committee.

The growth in corrections populations has many sources and reasons. However, one of the primary causes of that growth is substance abuse and its concomitant criminal behavior. The Department of Corrections staff identifies substance abuse as a problem for 85% of its inmates. We believe one way of cutting the costs of corrections is to creatively address the significant number of inmates who are profoundly addicted to either drugs or alcohol. Private not-for-profit and for-profit companies are capable of addressing that group of inmates at some point in their scheduled involvement with the criminal justice and correction system. Not only can they provide services to the state and to the inmates, but they can often do so at a lesser cost than can the state in its traditional institutional setting. At the same time they are performing the security, incarceration, and supervision responsibilities inherent in the corrections business, they can and do provide substance abuse treatment services. Those services are proven tools in reducing crime and recidivism.

Akeela House is not interested in operating a prison. However, institutional management is only one method of privatizing corrections service. The services treatment programs — particularly residential programs — have to offer provide appropriate security for inmates who are deemed appropriate for admission and offer both a reduced inmate per day cost and the hope of reduced recidivism because of the benefits of treatment. Akeela has a twenty year history of providing treatment to clients who are involved with the criminal justice system. They are on furlough from prison and they are on probation or parole. In twenty years there has not been a single incident of lawlessness by clients while housed at Akeela. That is a fact even though the client population is usually 65 to 75% Corrections supervised.

The cost benefits of a treatment alternative to institutional incarceration has been studied and proven in different locations all over the country. One of the largest and most recent studies was authorized by Governor Pete Wilson in California. The California research proved the long held thesis of treatment professionals. Specifically, it was the latest of a long line of research projects that found substance abuse treatment is a fiscal benefit to taxpaying citizens. Regardless of what modality of treatment, from out-patient to long-term residential programs, treatment pays for itself on the day in which it is delivered as well as in the years following treatment episodes. The referral and admission patterns in California mirror those of Alaska in that the most "severely addicted and dysfunctional" participants tend to be referred to residential program. The result is that residential program clients tend to participate in more criminal activity before treatment than do clients in other treatment modalities making them the group that should be of most interest to this committee.

The benefits of treatment were measured by comparing the cost per day before treatment with the same value during treatment. Factors included in that study were police protection, adjudication and corrections, victim losses, theft losses, health care costs, earnings, lost earnings, and income transfers. The primary benefit both during treatment and in the years following treatment was the direct result of the reduction in criminal activity. The reduction in criminal behavior during treatment was particularly evident in residential programs because those programs pulled people off the streets and into a controlled environment where a focused intervention can take place without the risk of interference from the pre-treatment environment and associates. This impact of a residential program is very much like that of a prison in that opportunity for criminal activity is limited.

While your committee is examining the potential benefits or impacts of privatizing the institutional portions of correctional services, a broader view of what constitutes privatization may yield both economic and social benefits to Alaskan taxpayers. The current cost for residential clients in treatment programs varies from approximately \$63.00 per day to \$75.00 per day, significantly less than the cost of incarceration. Increasing the number of inmates who move to treatment facilities from the institutions has the benefit of assisting the Department in adhering to current Clary population limits, providing substance abuse treatment services to addicted inmates, reducing the cost per day for those inmates, and providing the best chance available for reducing their rate of recidivism. It also utilizes the static treatment beds available in the state rather than adding beds to the Corrections inventory.

The other area in which privatization should be explored is in the provision of probation and parole supervision. The largest proportion of costs for probation and parole services is personnel. The current salary range for Probation Officers is \$30,000 for a beginning PO-1 to \$65,784 for a PO-5 exclusive of add-on for geographic location and shift differentials. These probation officers supervise the same kinds of personnel — frequently the same individuals — that clinicians in substance abuse treatment programs supervise and counsel. The clinicians, like the PO's, testify in court, work with employers and families, and set behavioral rules for clients. This service mirrors the service of probation and parole officers in a myriad of ways.

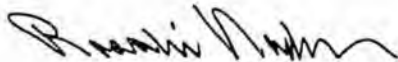
Akeela - page 3

There is one significant difference between probation officers and private treatment programs. That difference is personnel cost. Masters level clinicians with fifteen to twenty years experience seldom make \$40,000. Usually the only individual whose salary is \$40,000 or more is a clinical director or major administrator in the program. Few Executive Directors in non-profit service programs have salaries that exceed \$60,000. In addition, the benefit packages provided these employees is far less generous than is the state employees' benefit package. Privatizing probation and parole supervision would substantially reduce the personnel costs currently incurred by the Department of Corrections.

The experience that substance abuse treatment personnel bring to the field of supervising criminals is so apparent that the Municipality of Anchorage has reclassified all residential treatment programs in the city as Community Corrections Residential Centers. This unique group of treatment providers offers the opportunity to improve services to the inmate population, reduce the per day cost for those housed in the program, reduce the cost of supervising probation and parole populations, and, best of all, reduce the rate of recidivism.

We at Akeela would like the opportunity to participate the exploring solutions to a problem that threatens to do major damage to the state budget if its current system of management is not modified. Privatizing Corrections services can and should involve more than just contracting institutional operation to a private company.

Sincerely,

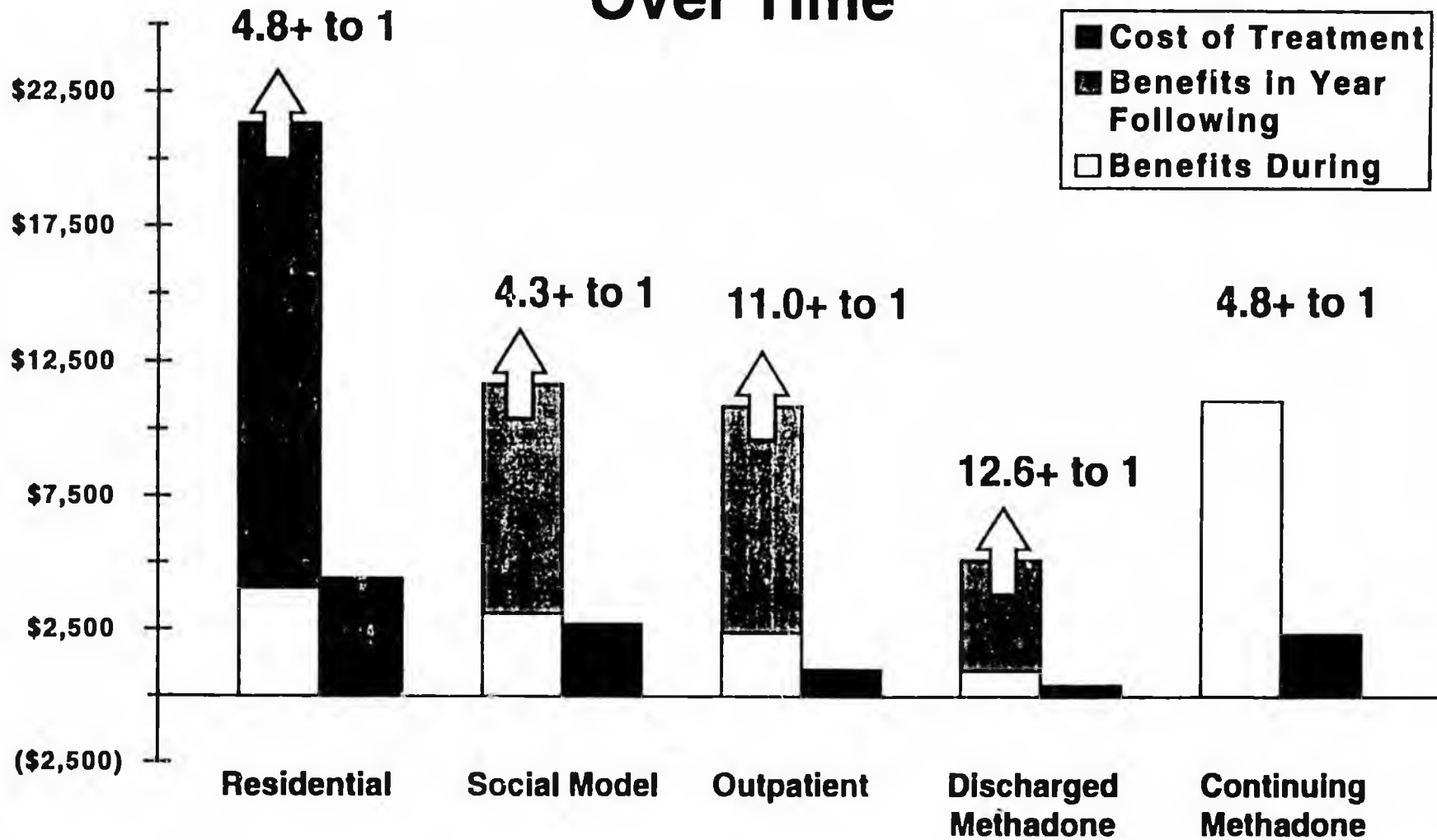


Rosalie Nadeau,  
Deputy Director

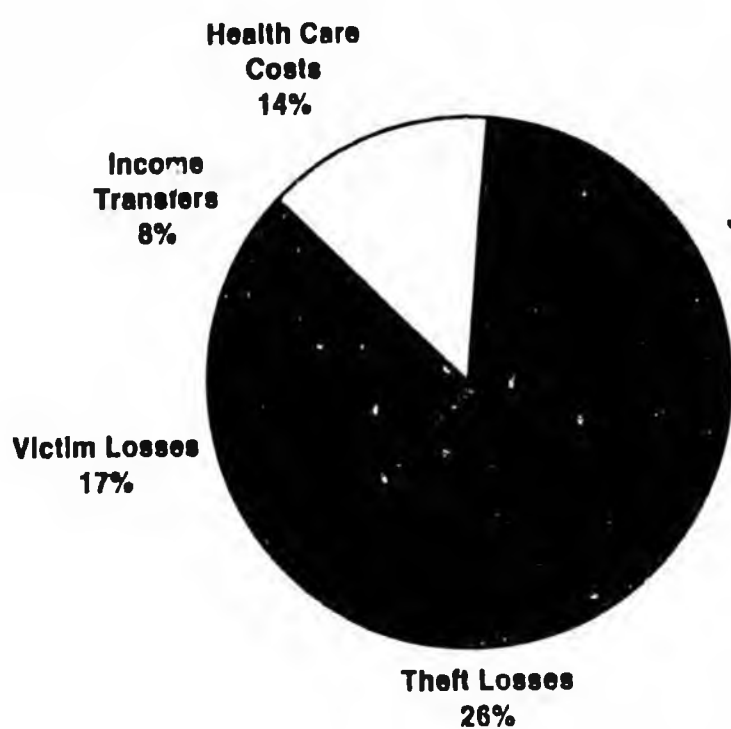
attachments

# Figure 9

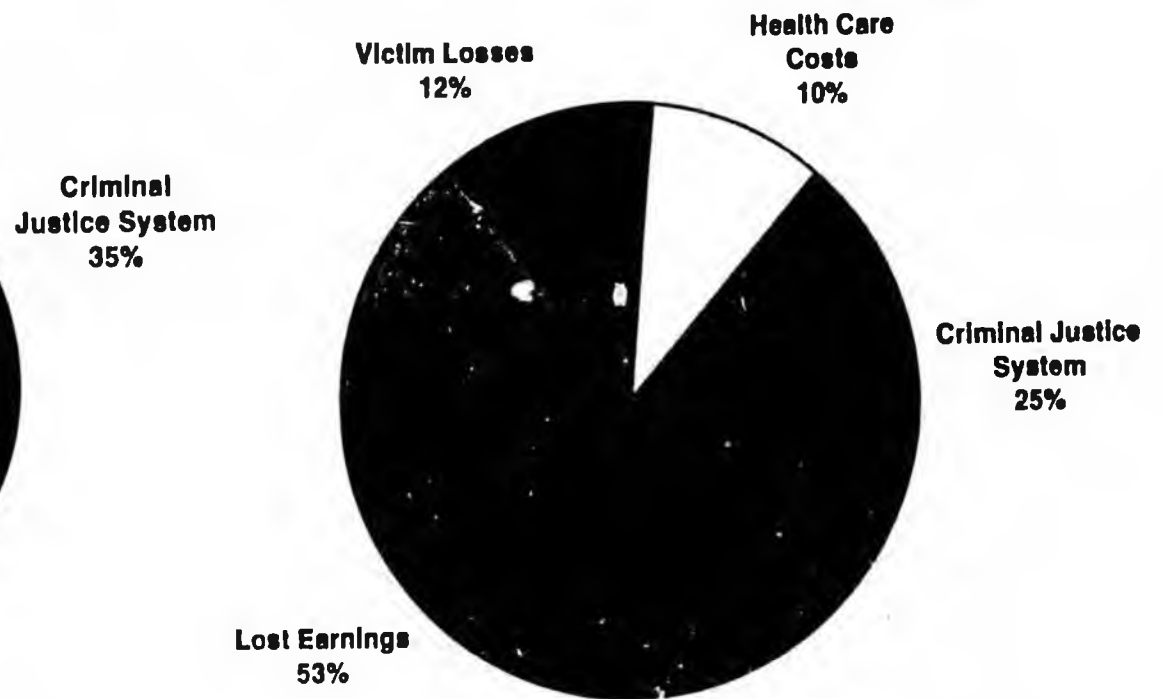
## Benefits of Substance Abuse Treatment Outweigh the Costs for Tax Paying Citizens and Will Continue to Increase Over Time



# Figure 4 Economic Impacts of Drug and Alcohol Abusers in Year Before Entering Treatment



**Costs to Tax Paying Citizens**  
**(\$3.1 billion)**  
**(\$22,786 per person)**



**Costs to Society**  
**(\$4.4 billion)**  
**(\$32,151 per person)**

# Yes Virginia, Treatment Works!

September is National Treatment Works! month, and high time for a look at the lives and money saved by investing in drug and alcohol treatment.

Alcohol and other drug addiction remains our number one public health problem. Since 1991, more and more young people are experimenting with illicit drugs. For example, marijuana use among high school seniors has doubled since 1991, with one out of every five reporting that they use marijuana once a month. Drugs are at the heart of so many youth problems: school drop outs and violence, crime and AIDS/HIV infection.

We know that individuals sentenced for drug offenses constitute the largest and fastest growing group in the Federal Prison Population, accounting for 61% of the 1993 total (compared with 38% in 1986).

And finally, the Center on Addiction and Substance Abuse at Columbia University (1994) reports that substance abuse will cost the Medicare Program one trillion dollars in medical expenses over the next 20 years.



**Research confirms that Treatment works and is cost effective! With this in mind, why is it so difficult to obtain ongoing social and legislative support?**

Substance abuse continues to seriously affect children, families, businesses and economic growth.

**"Does Treatment Really Work?"**  
The answer is a resounding YES! We know that for every 1 dollar spent on substance abuse treatment, taxpayers save

\$7 in the direct costs to society associated with drug addiction and abuse. According to the Institute of Medicine (1990) successfully treating alcohol problems costs 10 times less than the current cost of alcohol abuse to society.

With regard to crime, a RAND study found that substance abuse treatment is seven times more effective than domestic law enforcement in reducing cocaine use. In addition, a drug and alcohol treatment follow-up study found that criminal activity declined 66% following treatment, and the longer the individual remained in treatment, the greater the reduction in criminal behavior. These statistics are interesting, as we experience a political climate where Substance Abuse Treatment programs are being cut on a fairly regular basis, and we see funding for correctional systems soar.

With regard to healthcare, Luckey (1987) has shown that approximately one-half the cost of alcohol and drug addiction treatment is offset within one year by subsequent reductions in the use of medical services by the patient and his or her family. In addition, the State Alcohol and Other Drug Authority in Minnesota has reported that, for chemical dependency treatment clients, the state has saved approximately \$22 million in annual health care costs.

Currently, 38 to 50% of all workers' compensation claims are related to the use of alcohol or other drugs in the workplace. In response to this statistic, United Airlines estimates that it has a \$16.95 return for every dollar invested in a drug free workplace.

Treatment is exceptionally cost effective, returning several dollars to the economy for every dollar invested. Unfortunately, these truths are not well known or well understood. Now more than ever, it is important that we spread the word that treatment saves both lives and money.

If you would like information on policies for a drug free workplace, or additional information on Treatment Works! or any facts printed in this article, please call Michelle at the Mat-Su Council, (907) 376-4000.

## Gateway: Cocaine Users Smoked First

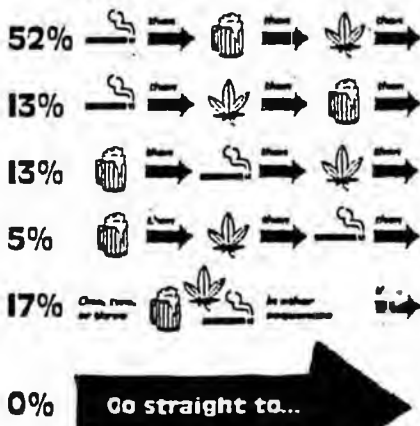
The Center on Addiction and Substance Abuse at Columbia University (CASA) released a study today showing that children 12-17 years old who use gateway drugs (tobacco, alcohol and marijuana) are up to 266 times: and adults who use such drugs are up to 323 times more likely to use cocaine than those who don't use any gateway drugs.

Joseph A. Califano, Jr., CASA's president said "An increasing number of American children and teens believe that there is little risk in chugging a beer or smoking a tobacco or marijuana cigarette. With the recently reported rise in smoking, drinking and using marijuana by teenagers, this report is a wake up call for parents to discourage their children from smoking and drinking, and for Governors and Mayors to enforce the laws prohibiting the sale of cigarettes, beer, wine coolers, and

other alcoholic beverages to minors".

This study reveals a powerful connection between the use of cigarettes, marijuana and alcohol and the subsequent use of cocaine and other illicit drugs.

**OF ALL Cocaine users:**



0% **Go straight to...**

**C  
O  
C  
A  
I  
N  
E**

MTNT, Ltd  
P. O. Box 309  
McGrath, AK 99627

(907) 524-3391  
(907) 524-3701 fax

# facsimile transmittal

To: Denny DeWitt Fax: 907-465-3518  
From: Carl Propes, CEO Date: October 9, 1995  
Re: Interim Hearing on Privatization Pages: 1  
CC: Larry Nelson, Purcell Services

George Massingale

Urgent  For Review  Please Comment  Please Reply  Please Recycle

Notes: I will be traveling out-of-state on the 19<sup>th</sup>, so I won't be able to attend your hearing. I would like to request a transcript of it, however. I think that if the state were interested in either contracting out more prison services, or in pursuing a design/build/leaseback/operation for new prison facilities, there would be significant private sector interest. I would strongly encourage the state to consider relying more heavily on these private sector alternatives. I would be pleased to share more specific ideas, should you so desire. Please contact me if I can be of any further assistance.



September 26, 1995

The Honorable Eldon Mulder  
House of Representatives  
716 West Fourth Avenue  
Anchorage, AK 99501-2103

Dear Sir:

Thank you for your correspondence of September 15, 1995, extending an invitation for our corporation to make a presentation to the House Finance Subcommittee on Corrections concerning privatization. Unfortunately, in light of previous commitments and a number of major statewide privatization efforts here in the lower "48," we will be unable to appear in person before your committee. However, we would like to take the opportunity to share with you some of our thoughts as they relate to the value of privatization of contracted healthcare services in the correctional environment.

Correctional Medical Services is the largest provider of contracted healthcare services to state correctional facilities and county jail facilities across the country. We currently provide privatized healthcare services to 186 correctional sites in 27 states, overseeing the provision of healthcare services to in excess of 140,000 inmates. Currently, we provide a totally comprehensive healthcare program to the states of New Mexico, Missouri, Alabama, Delaware, and Massachusetts. Annualized healthcare expenditures per inmate range from a low of approximately \$950/inmate/year to in excess of \$4,000/inmate/year. Obviously these numbers are predicated on the extent of services to be provided and the parameters of the contractual arrangement relative to off-site hospitalization responsibilities.

While some of our programs include mental health, sex offender treatment, substance abuse, therapeutic community, and other programs, a number of states and counties have opted for staffing and management programs alone. In light of the combined mission of the Alaska Department of Corrections in providing services for both prisons and jails, I think a totally comprehensive statewide program is probably in the best interest of the taxpayers of the state of Alaska.

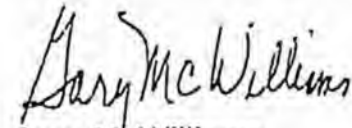
The Honorable Eldon Mulder  
Page 2  
September 26, 1995

We've had the opportunity in the past to share a good deal of information about the cost-effectiveness of our services with Denny DeWitt, your legislative assistant. We could obviously share a great deal of information about the unique value of outsourcing healthcare services to a firm like Correctional Medical Services and would be delighted to do so at some alternative date.

In closing, let me add that we have taken the liberty of enclosing additional information relative to the services our corporation can provide. We look forward with a great deal of interest to continuing dialogue on this very important subject. If I can be of any personal assistance to either you or Denny DeWitt, please don't hesitate to contact me directly at 800-325-4809, ext. 9103.

Sincerely,

CORRECTIONAL MEDICAL SERVICES



Gary McWilliams  
Vice President Sales and Marketing

/cmm  
enclosure

cc: Frank Fletcher



# Mis-truths in SENTENCING

■ LAW AND JUSTICE:

*A criminal justice researcher argues states should think over what truth-in-sentencing really means.*

BY TODD R. CLEAR

**Y**ou've heard the stories. A convicted rapist is released from prison early and rapes again. And a community asks, "Why?"

For a public that wants answers, an easy response is to require all offenders to serve most of their sentences. Thus, the nation now is engaged in a movement to bring truth to sentencing. The general formula of this movement is this: If offenders are made to serve 85 percent of their sentence then these sentences will be true.

How could anyone be against truth-in-sentencing? If a person opposes it,

*Todd R. Clear, Ph.D., is a professor and chairman of the School of Criminal Justice at Rutgers University. He is the author of Harm in American Penology and American Corrections. He may be reached at (201) 648-5923.*

does that mean he favors lies in sentencing? Not everything about truth-in-sentencing is obvious, nor is it completely clear what is true about it.

The impetus for truth-in-sentencing springs from several sources, but

states. Even a friendly reading of the bill would have to conclude that the total costs of construction are but partially defrayed by the available grant funds. And this only considers the one-time cost of prison building. The

tencing movement mean for the states?

A little history gives some perspective on this question. The sentencing reforms now being advocated mirror the kinds of laws popular in the mid-1970s, when numerous states abolished parole, eliminated eligibility for probation for selected offenses and lengthened maximum terms for serious crimes. These changes were part of an overall get-tough philosophy that began in the early 1970s and has dominated the crime control debate since.



Offenders spending more time in prison means states have to build more prisons. Shown is a facility in Phoenix. File photo.

### Prison boom

One result has been two-decades of growth in the penal system. Every year since 1973, the number of prisoners has grown by 4 percent to 12 percent. In 1973, there were 200,000 prisoners; today, there are over a million. Counting probationers, parolees and others under sentence, nearly 9 percent of all adults are today under some form of correctional control.

This consistent pattern of growth has had little to do with crime rates. Correctional populations grew during times of increasing crime, but they

primarily from the federal government. In the mid-1980s, federal sentencing guidelines abolished parole and made sentences more definite. The federal rules gave judges only limited discretion in the selection of a sentence. The actual sentence was derived from a formula based upon the current offense and previous crimes. Every offender was required to serve at least 85 percent of the penalty imposed from that formula.

### A costly mandate

Then last year, the federal crime bill made grant funds available to states to pay for new prison construction. But there was a catch: In order to be eligible, states had to comply with a requirement that certain offenders serve 85 percent of their sentences.

The federal mandate of truth-in-sentencing occurred when the new Congress was bragging about eliminating unfunded mandates. Ironically, most experts believe this new mandate will prove extremely costly to

long-term expense of staffing and running those new prisons will have to be borne by the states in perpetuity.

So what else will the truth-in-sen-

### New York opts for truth

New York changed its criminal sentencing laws this legislative session. The changes call for longer fixed terms for violent offenders and nonprison sanctions for non-violent drug offenders.

The new law, which takes effect Oct. 1, also eliminates parole for violent felons and requires them to serve 85 percent of their sentences. Gov. George Pataki said, "The result is truth-in-sentencing. The sentence that the judge imposes is the sentence that these defendants serve."

For example, a repeat offender who is convicted of armed robbery must now be sentenced to at least eight years and serve at least seven years. Previously, an armed robber

could have been released after serving 4.5 years.

Nonviolent drug offenders will serve at least three months at a drug treatment facility and then be placed under intensive community-based supervision.

The association representing state supreme court judges opposed the changes on the basis they were made without judicial input and might have serious economic consequences. A legislative study indicated the changes could increase prison and corrections costs by \$20 billion over 20 years. Pataki's office responded that the governor had proposed the change in February, which allowed four months for judicial and other comments. — ES

also grew during periods of falling crime rates. The second half of this spurt in prison populations primarily was the result of new, more extreme penalties for drug offenders. Drug offenders once made up about 1/20th

of state prisoners. In many states they now account for up to one-third of the population. Rates of illegal drug use, however, have not changed much.

States scrambled to keep up with this growth by building new prisons

at a rate unprecedented in modern history. In times when many state leaders are calling for tax cuts, the money to pay for prisons inevitably is drawn from other budget categories such as education and transportation. In California, for example, the rate of growth in the corrections budget has been nearly identical to the rate of decline in funding for higher education over the past 15 years.

**Tougher sentencing practices**

Because people think longer prison terms will reduce crime somehow, the 85 percent time-served requirement draws public support. Yet it is misleading to think that sentencing has become more lenient. The story varies somewhat from state to state, but broad national patterns in sentencing over recent decades would surprise most people. For 30 years, for example, the actual time served by first-time prisoners has been relatively stable: a little under two years. For recidivist offenders — especially violent recidivists — the chance that a felony will land them in prison or jail instead of on probation has increased by 50 percent since 1973. For more than 20 years, the overall national trend has been toward greater severity in sentences.

This trend was masked by a spate of changes in sentencing laws, that, by and large, have increased the sentence for most crimes. To manage the burgeoning populations of prisoners — and to correct inappropriately long sentences in some cases — releasing authorities have exercised their discretion earlier in the sentence. The incongruity is that even though a smaller percentage of the sentence was being served, offenders were still being punished about as severely, in some cases more severely, as before.

This points to the crucial distinction between the amount of time served and the percentage of the sentence served. In terms of math, the 85 percent time-served requirement is nothing but a fraction, after all;

*continued on page 15*

**Is your justice system in a state of crisis?**

State	Crisis Point	1995 Rank	State	Crisis Point	1995 Rank
CA	169	1	IN	83.5	27
AZ	165	2 (tie)	VA	79.5	28
FL	165	2 (tie)	WA	79	29
TX	161.5	4	UT	70.5	30
GA	158.5	5	WI	65	31
SC	157.5	6	WY	64.5	32
NC	156	7	PA	63.5	33
LA	155.5	8	MA	62.5	34
MD	153	9	IA	61	35
OK	149.5	10	SD	51.5	36
MI	143	11	ID	44	37
NV	142	12	NE	42.5	38
NY	134	13	MT	41	39
NM	130.5	14	ME	29	40
TN	129	15	MN	27.5	41 (tie)
AR	123.5	16	NH	27.5	41 (tie)
AL	120	17	WV	12.5	43
OR	116	18	ND	9.5	44
IL	115	19			
KS	112	20	<i>Unitary Systems</i>		
OH	109.5	21	AK	174.5	1
MO	101.5	22	DE	174	2
NJ	96.5	23	CT	140	3
CO	95	24	VT	104	4
MS	92.5	25	HI	97.5	5
KY	85.5	26	RI	45	6

*Source: Justice Fellowship*

**Justice rankings explained**

The nonprofit Justice Fellowship has ranked state criminal justice systems according to how well they are coping with crime, incarceration and corrections.

The 1995 Criminal Justice Crisis Index ranks each state by incarceration and crime rates (overall and violent), turnover rate (measuring prison admissions and releases), and corrections costs per capita. The state ranking highest in each category receives 50 crisis points. The state ranking last receives 1. A system in total crisis would receive 200 points for ranking highest in each of the four categories.

The 1995 Crisis Index has a different ranking for unitary systems because states with combined jail and prison populations inherently spend more per capita and have a higher turnover rate.

The Crisis Index does not show which systems are worse or better, just which fit the definition of a system in crisis.

**JULY 1996**

*July 17-21-Wednesday-Saturday*  
**\*CSG/National Conference of Lt. Governors (NCLG) Annual Meeting-Park City, Utah-Stem Erickson Lodge (Manning, Lexington) (606) 244-8171**

*July 27-August 1-Saturday-Thursday*  
**National Conference of State Legislatures (NCSL) Annual Meeting-St. Louis, MO-site to be announced (Denver office) (303) 830-2200**

*July 27-August 1-Saturday-Thursday*  
**CSG/The National Association of Secretaries of State (NASS)-Charleston, SC-The Omni Hotel (Sinclair, Lexington) (606) 244-8173**

**AUGUST 1996**

*August 10-14-Saturday-Wednesday*  
**CSG/Southern Legislative Conference (SLC) Annual Meeting-**

**Nashville, TN-Opryland Hotel (Cousineau, Atlanta) (404) 266-1271**

*August 10-14-Saturday-Wednesday*  
**CSG/National Association of State Personnel Executives (NASPE) Annual Meeting and Exhibit Show-Boise, ID-Owyhee Plaza Hotel (Tackett, Lexington) (606) 244-8181**

*August 18-21-Sunday-Wednesday*  
**CSG Annual Midwestern Legislative Conference (MLC)-Rapid City, SD-Howard Johnson Lodge (McCabe, Lombard) (708) 810-0210**

**OCTOBER 1996**

*October 8-Tuesday*  
**CSG/Council on Licensure, Enforcement and Regulation (CLEAR) Board Member Training-Anchorage, AK-The Hotel Captain Cook (Brimegar, Lexington) (606) 231-1901**

*October 8-10-Tuesday-Thursday*  
**CSG/Council on Licensure, Enforcement and Regulation (CLEAR) National Certified Investigator/Inspector Training (NCIT) Program-Advanced Level II-Anchorage, AK-The Hotel Captain Cook (Bullock, Lexington) (606) 231-1903**

*October 8-11-Tuesday-Friday*  
**CSG/Council on Licensure, Enforcement and Regulation (CLEAR) National Certified Investigator/Inspector Training (NCIT) Program-Basic Level I-Anchorage, AK-The Hotel Captain Cook (Bullock, Lexington) (606) 231-1903**

*October 9-12-Wednesday-Saturday*  
**CSG/Council on Licensure, Enforcement and Regulation (CLEAR) '96 Annual Meeting-Anchorage, AK-William A. Egan Civic & Convention Center (Headquarters-The Anchorage Hilton Hotel)**

**(Currans, Lexington) (606) 231-1889**

**NOVEMBER 1996**

*November 16-19-Saturday-Tuesday*  
**CSG/Western Legislative Conference (WLC) Annual Meeting-Santa Fe, NM-No Headquarters Hotel-utilizing Hilton, Inn of the Governors, LaFonta and Inn at Loretta (Duvanchelle, San Francisco) (415) 974-6422**

**DECEMBER 1996**

*December 6-10-Friday-Tuesday*  
**CSG Annual Meeting and State Leadership Forum-Cleveland, OH-Stouffer Renaissance (Johnson, Lexington) (606) 244-8103**

**Mistruths in sentencing**

*from page 13*

compliance with it can be achieved by changing the numerator (the amount of time served) or the denominator (the length of the sentence).

North Carolina applied this lesson in enacting its truth-in-sentencing statute last year. Rather than merely establishing a minimum time to be served, legislators rewrote their entire sentencing code, abolishing parole while also shortening sentences for nearly all felons. The net result in North Carolina is that minor property offenders will serve somewhat shorter sentences under the new code, while violent offenders will serve considerably more time.

Some states may attempt to achieve truth-in-sentencing by simple edict: All offenders will be required to serve 85 percent of their sentences under existing sentencing policies. The results

of such an approach are likely to be ominous. Over the past 20 years, most states have consistently increased the maximum terms applied to felonies. To make offenders serve 85 percent of these extended terms without also changing the maximum terms will surely cause already expanding prison populations to explode in size — with obvious cost implications.

What, if anything, does truth-in-sentencing have to do with crime? Most experts now agree that the size of the nation's prison population and the fraction of the sentence offenders serve will have at best only a marginal impact on crime, and maybe less. Truth-in-sentencing may improve the public credibility of the penal system, however. To achieve this credibility without ravaging the state's revenue base should be the aim of ev-

ery policy-maker interested in truth-in-sentencing □

**CSG Resources**

The CSG Center for Law and Justice assists states in administering justice and improving the criminal justice system. The center manages several federally funded projects in areas such as substance abuse treatment planning and programming, victim services and intensive supervision programs. Activities include research, conferences, curriculum development, research briefs and publications, and training and technical assistance. The center services the American Probation and Parole Association. For more information, call (606) 244-8203.

TESTIMONY OF  
DON VALESKO, BUSINESS MANAGER  
PUBLIC EMPLOYEES LOCAL 71  
BEFORE THE  
HOUSE FINANCE SUBCOMMITTEE ON CORRECTIONS  
OCTOBER 19, 1995

GOOD DAY. FOR THE RECORD, MY NAME IS DON VALESKO, AND I AM THE BUSINESS MANAGER FOR PUBLIC EMPLOYEES LOCAL 71. WE ARE LOCATED AT 2510 ARCTIC BOULEVARD, IN ANCHORAGE, ALASKA.

I THANK THE COMMITTEE CHAIR AND MEMBERS FOR HOLDING A PUBLIC HEARING ON THIS IMPORTANT ISSUE, AND FOR ALLOWING PUBLIC EMPLOYEES LOCAL 71 TO PRESENT TESTIMONY AT TODAY'S HEARING. WE REPRESENT THE STATE'S FOOD SERVICE AND FACILITIES MAINTENANCE WORKERS IN THE DEPARTMENT OF CORRECTIONS.

EVER SINCE THE STATE COURTS HANDED DOWN WHAT HAS BECOME KNOWN AS THE CLEARLY DECISION WHICH, IN ESSENCE, SAID THE STATE MUST PUT AN END TO THE OVERCROWDED CONDITIONS THAT EXIST IN ITS CORRECTIONAL FACILITIES, THE STATE ADMINISTRATION AND THE LEGISLATURE HAVE BEEN FACED WITH A DILEMMA: HOW TO PROTECT THE ALASKAN PUBLIC FROM WHAT SEEMS AN EVER INCREASING NUMBER OF CRIMINALS AND FELONS, AND HOW TO PAY FOR THE COST OF THAT PROTECTION.

THROUGH THIS COMMITTEE, THE LEGISLATURE IS NOW LOOKING AT THE POSSIBILITY OF AWARDING MORE PUBLIC DOLLARS TO PRIVATE COMPANIES THAT WILL TAKE OVER THE INCARCERATION AND CARE OF MANY OF ALASKA'S CRIMINALS. THESE PRIVATE COMPANIES HAVE COME BEFORE YOU AND STATED THAT THEY CAN DO THIS WORK MORE CHEAPLY THAN THE STATE, AND THEY HAVE FREQUENTLY TOUTED THEIR SO-CALLED SUCCESSES IN THE LOWER 48.

I SAY "MORE" PUBLIC DOLLARS BECAUSE THIS PROCESS OF GIVING PUBLIC DOLLARS TO PRIVATE CORPORATIONS HAS ALREADY BEEN IN PROGRESS-- PARTICULARLY WITH THE DEPARTMENT OF CORRECTIONS. FOR THE CURRENT FISCAL YEAR, MORE THAN \$36 MILLION OF THE DEPARTMENT'S TOTAL BUDGET OF \$138 MILLION, OR JUST UNDER 30 PERCENT, IS SLATED FOR CONTRACTUAL SERVICES. IN FACT, BETWEEN FISCAL YEAR 1995 AND FISCAL YEAR 1996 THE AMOUNT OF DEPARTMENT OF CORRECTIONS' MONEY DESIGNATED FOR CONTRACTUAL SERVICES JUMPED BY 50 PERCENT, OR \$12.2 MILLION. AT THE SAME TIME, THE REST OF THE CORRECTIONS OPERATING BUDGET INCREASED BY LESS THAN 6 PERCENT.

BEFORE A DECISION IS MADE TO MAKE MILLIONAIRES OUT OF A FEW AND PAUPERS OUT OF THE MANY, IN OTHER WORDS TO "PROFITIZE", --OR, TO USE TODAY'S CURRENT BUZZWORD: "PRIVATIZE"--WE SHOULD ALL ASK OURSELVES SOME IMPORTANT QUESTIONS. QUESTIONS SUCH AS:

WILL PRIVATIZATION OF OUR PRISONS REALLY SAVE MONEY?

WHAT IS THE TRACK RECORD OF SUCH PRIVATIZATION EFFORTS IN OTHER STATES? HAS IT WORKED OR NOT?

TO WHAT EXTENT IS THE STATE STILL LIABLE IF THE PRIVATE PRISON OPERATORS MAKE MISTAKES?

HOW MUCH STATE OVERSIGHT OF PUBLIC EXPENDITURES IS LOST IF ALASKA ALLOWS PRIVATE COMPANIES TO RUN ITS PRISONS AND GUARD ITS PRISONERS?

WILL SUCH A MOVE ENHANCE OR WEAKEN THE PUBLIC'S SAFETY AND WELFARE?

LET'S LOOK AT THE FIRST QUESTION, WILL PROFITIZATION/PRIVATIZATION REALLY SAVE MONEY?

THE STATE OF ALASKA HAS NOT DONE ALL THAT WELL WITH PAST PRIVATIZATION EFFORTS. IN 1990, FOR EXAMPLE, THE DEPARTMENT OF TRANSPORTATION TRIED TO SAVE MONEY BY CONTRACTING OUT THE JANITORIAL SERVICES AT ANCHORAGE INTERNATIONAL AIRPORT TO A PRIVATE FIRM. TWO YEARS LATER, THE STATE TOOK THE OWNERS OF THAT FIRM TO COURT FOR BILKING THE STATE OUT OF AT LEAST \$330,000. THE FIRM DID THIS BY PADDING ITS PAYROLL WITH NON-EXISTANT EMPLOYEES AND CLAIMING WAGES FOR THESE IMAGINARY WORKERS.

IN THE LATE 1970s, THE TRANSPORTATION DEPARTMENT GAVE IN TO DEMANDS FOR PRIVATIZATION OF ROAD MAINTENANCE IN THE SELDOVIA AREA AND AIRPORT MAINTENANCE AT GUSTAVUS. INITIAL BIDS WERE UNDER WHAT IT COST THE STATE TO DO THE MAINTENANCE IN-HOUSE. BUT THREE YEARS LATER, THE PRIVATE COMPANIES DOING THIS WORK HAD SO INCREASED THEIR BIDS FOR THE WORK THAT THE TRANSPORTATION DEPARTMENT HAD NO CHOICE BUT TO RETURN TO DOING THE WORK IN-HOUSE AGAIN BECAUSE IT COST LESS MONEY.

THE SELDOVIA AND GUSTAVUS EPISODES POINT OUT A COMMON PROBLEM WITH PROFITIZATION OR PRIVATIZATION. NAMELY THAT MANY COMPANIES "LOW-BALL," OR DELIBERATELY LOWER THEIR INITIAL BIDS JUST TO GET A STATE CONTRACT, THEN INCREASE THEIR FEES THROUGH CHANGE ORDERS OR AS THE CONTRACT COMES UP FOR RENEWAL EACH YEAR. WHEN THIS OCCURS THE COMMON EXPLANATION FROM THE CONTRACTOR IS THAT THEY JUST COULDN'T MAKE ENOUGH PROFIT AT THE LOWER COST.

WHILE NEITHER OF THE ABOVE EXAMPLES DEAL WITH CORRECTIONS, THEY DO SHOW THAT PRIVATIZING PUBLIC WORK IN ALASKA IS NO GUARANTEE THAT PUBLIC MONEY WILL BE SAVED.

EVEN WITHIN CORRECTIONS, THOUGH, THERE ARE NUMEROUS EXAMPLES FROM OTHER STATES OF PRIVATIZATION FAILING TO SAVE MONEY AND FAILING IN OTHER WAYS THAT IMPACT THE PUBLIC'S SAFETY AND WELFARE.

WHILE IT IS COMMON TO HEAR CLAIMS OF 25 PERCENT SAVINGS IN CONSTRUCTION AND 10 PERCENT SAVINGS IN THE OPERATION OF PRIVATE PRISONS, THERE IS NO EVIDENCE TO BACK UP THESE CLAIMS. IN FACT, STUDIES THAT TAKE INTO ACCOUNT ALL ASSOCIATED COSTS--INCLUDING COSTS GOVERNMENT STILL INCURS WHEN PRISONS ARE PRIVATIZED--SHOW

LITTLE OR NO SAVINGS.

ONE OF THE MOST COMPREHENSIVE STUDIES DONE TO DATE ON PRIVATE PRISONS CONCLUDED THAT, WHILE ROUGHLY COMPARABLE ON COST TO PUBLICLY-RUN FACILITIES, THE PRIVATE PRISON STUDIED RANKED LOWER ON SAFETY AND CONDITIONS. THE STUDY WAS RELEASED THIS YEAR BY THE STATE OF TENNESSEE, HOME TO THE NATION'S LARGEST PRIVATE PRISON COMPANY: CORRECTIONS CORPORATION OF AMERICA (OR CCA). THE STUDY COMPARED A CCA FACILITY TO TWO COMPARABLE FACILITIES THAT ARE PUBLICLY OPERATED.

THE TENNESSEE STUDY SHOWED THAT THE TWO STATE-RUN PRISONS OPERATED AT \$35.76 PER DAY PER INMATE, AND THAT THE PRIVATELY OPERATED CCA FACILITY RAN AT \$35.38 PER DAY PER INMATE, FOR A COST SAVINGS OF LESS THAN 1 PERCENT.

HOWEVER, THE PRIVATELY RUN CCA FACILITY RANKED LOWER ON SAFETY IN THE TENNESSEE AUDIT AS A RESULT OF 8 ESCAPES IN 8 MONTHS, AND OTHER SAFETY PROBLEMS (Memphis Commercial Appeal, Oct. 25, 1992). OTHER STUDIES IN OTHER STATES HAVE SHOWN NO COST ADVANTAGE FOR PRIVATE PRISONS, WHILE SHOWING PLENTY OF ESCAPE AND SAFETY PROBLEMS. IN ADDITION TO THE CCA EXAMPLE JUST MENTIONED, THESE STUDIES SHOW THAT ESCAPES HAVE BEEN A CHRONIC PROBLEM WITH PRIVATE PRISONS. HERE'S A FEW EXAMPLES:

--IN HERNANDO COUNTY, FLORIDA, A CCA MAXIMUM SECURITY PRISON HAD 7 ESCAPES IN 7 MONTHS (Hernando Times, Jan. 10, 1990);

--THERE WERE 5 ESCAPES IN A SINGLE INCIDENT IN THE SAME FACILITY (Hernando Times, Jan. 17, 1990);

--IN WHEELWRIGHT, KENTUCKY, A MINIMUM FACILITY RUN BY U.S. CORRECTIONS CORPORATION HAD 8 ESCAPES IN 7 WEEKS (Courier-Journal, April 7, 1994);

--IN MONROE COUNTY, FLORIDA, A JAIL OPERATED BY WACKENHUT EXPERIENCED 3 ESCAPES IN A SHORT PERIOD OF TIME, WITH ONE INMATE ESCAPING TWICE IN ONE DAY (Miami Herald, Aug. 7, 1990), IN LESS THAN A YEAR, THE COUNTY RETOOK CONTROL AND OPERATION OF THE JAIL;

--10 INMATES ESCAPED FROM CCA'S TENNESSEE PENAL FARM, LOCATED IN HAMILTON COUNTY, IN 1985; THREE ESCAPED IN 1986; AND, THAT SAME YEAR, 23 INMATES ESCAPED FROM CCA-MANAGED ROAD CREWS IN EIGHT MONTHS, WHICH WAS DOWN FROM THE 28 INMATES WHO ESCAPED FROM CCA-MANAGED ROAD CREWS THE PREVIOUS YEAR.

BESIDES NOT SAVING MONEY AND THE ESCAPE PROBLEMS, PRIVATE PRISONS HAVE EXPERIENCED OTHER PROBLEMS AS WELL.

THE ILLINOIS STATE LEGISLATURE REJECTED PRIVATIZATION OF ITS PRISONS IN 1993, FOLLOWING A REPORT BY THE PRIVATE ENTERPRISE

REVIEW AND ADVISORY BOARD. A PANEL ESTABLISHED BY GOV. JIM EDGAR AND COMPOSED MOSTLY OF ILLINOIS BUSINESS PERSONS. IN ITS REVIEW OF PRIVATE PRISONS IN THE LOWER 48, THE BOARD FOUND THAT LONG-TERM COST SAVINGS WERE NOT DEMONSTRATED, THAT ESCAPES WERE A PROBLEM, THAT EDUCATION AND TRAINING PROGRAMS FOR INMATES HAD NOT BEEN IMPLEMENTED IN SOME CASES, THAT THE PRIVATE PRISONS FAILED TO HIRE TRAINED PERSONNEL OR TO ADEQUATELY TRAIN THE PERSONNEL THEY DID HIRE.

IN MOST CASES, THE PROGRAMS WERE NOT IMPLEMENTED AND THE EMPLOYEES WERE NOT TRAINED SO THE PRIVATE OPERATOR COULD SAVE MONEY.

AN EXAMPLE IS THE WACKENHUT CASE IN MONROE COUNTY, FLORIDA, MENTIONED ABOVE. WACKENHUT REDUCED SALARIES FOR NEW EMPLOYEES WHEN IT TOOK OVER THE COUNTY JAIL. AS A RESULT, HIRING NEW EMPLOYEES BECAME A PROBLEM WHICH LED WACKENHUT TO USE UNCERTIFIED PART-TIMERS TO FILL SHIFTS AT THE JAIL. THIS USE OF INEXPERIENCED PERSONNEL NOT ONLY LED TO MORE ESCAPES, IN ONE CASE, AN EMPLOYEE ACTUALLY ASSISTED IN AN ESCAPE. THE ESCAPES ALSO INCREASED THE STATE'S LIABILITY TO THE PUBLIC, AND THE PUBLIC'S COST AS LAW ENFORCEMENT OFFICERS HAD TO FIND AND REINCARCERATE THE ESCAPED INMATES.

1990 AUDITS BY THE STATE OF TEXAS OF FOUR OF ITS PRIVATELY-OPERATED STATE PRISONS IDENTIFIED AN ARRAY OF SERVICE PROBLEMS AT THESE PRISONS. TWO OF THE PRISONS WERE OPERATED BY WACKENHUT CORRECTIONS CORPORATION (WCC) AND TWO BY THE CORRECTIONS CORPORATION OF AMERICA (CCA). AT ALL FOUR FACILITIES, TEXAS AUDITORS FOUND THAT NEITHER PRIVATE FIRM HAD COMPLIED WITH CONTRACT REQUIREMENTS TO PROVIDE PROGRAMMATIC ACTIVITIES FOR INMATES, OR TO PROVIDE VOCATIONAL AND OTHER EDUCATIONAL PROGRAMS REQUIRED BY THEIR RESPECTIVE CONTRACTS WITH THE STATE. WHY NOT? BECAUSE THEY COST MONEY TO IMPLEMENT AND WOULD EAT INTO THE PRIVATE FIRMS' PROFITS.

THE TEXAS AUDITS ALSO UNCOVERED MAJOR DEFICIENCIES IN INMATE HEALTH CARE, WHICH WAS FOUND TO BE LACKING IN ACCESS AND DELIVERY TO PRISONERS. AN ADDITIONAL AUDIT BY TEXAS' HEALTH SERVICES DIVISION NOT ONLY FOUND THAT THE PRIVATELY OPERATED PRISONS FAILED TO MEET ONE-THIRD OF THE 71 HEALTH AND MEDICAL STANDARDS ESTABLISHED BY THE STATE FOR PRISON FACILITIES, IT ALSO FOUND THAT SEVERAL OF CCA'S POLICIES WERE INCONSISTENT WITH THOSE OF THE TEXAS DEPARTMENT OF CRIMINAL JUSTICE'S INSTITUTIONAL DIVISION.

OTHER HEALTH PROBLEMS IDENTIFIED AT THESE AND OTHER PRIVATELY OPERATED PRISON FACILITIES SHOWED:

--THE PRIVATE FIRMS FAILED TO GIVE INMATES PHYSICAL EXAMINATIONS, INCLUDING BLOOD TESTS FOR COMMUNICABLE DISEASES SUCH AS A.I.D.S., IN A TIMELY MANNER IF AT ALL;

--PRIVATE FIRMS FAILED TO ADMINISTER MEDICATIONS ACCORDING TO A PHYSICIAN'S INSTRUCTIONS;

--A PRIVATE FIRM IGNORED ONE INMATE'S SEIZURES. RATHER THAN TAKE THIS FEMALE INMATE TO THE DISPENSARY FOR TESTS, SHE WAS PLACED IN ISOLATION;

--PRIVATE FIRMS DENIED INMATES PROPER TREATMENT AND MEDICATION WHICH, IN AT LEAST ONE INSTANCE, APPEARS TO HAVE LED TO THE DEATH OF AN INMATE FROM COMPLICATIONS, WHICH WERE IGNORED, THAT RELATED TO A TUBAL PREGNANCY; AND ANOTHER INSTANCE WHERE A PRISONER WAS DIAGNOSED WITH CANCER BUT NEVER RECEIVED TREATMENT.

THE HIGH COST OF PRIVATIZING PRISONS HIT HOME WITH THE FEDERAL GOVERNMENT THIS PAST JULY, BUT IT TOOK A PRISON RIOT TO GET THE GOVERNMENT'S ATTENTION.

IMMIGRANTS SEEKING POLITICAL ASYLUM IN THE UNITED STATES RIOTED AT THE IMMIGRATION AND NATURALIZATION SERVICE'S (INS) HOLDING FACILITY IN ELIZABETH, NEW JERSEY. THE FACILITY WAS OPERATED BY A PRIVATE CONTRACTOR WHO CREATED AN ATMOSPHERE OF ABUSE AND PENNY-PINCHING.

ACCORDING TO THE INS' INVESTIGATION INTO THE RIOT AND ITS CAUSES, THE PRIVATE CONTRACTOR'S PRISON GUARDS PHYSICALLY AND VERBALLY ABUSED DETAINEES, SHACKLED THEM IN LEG IRONS, WOKE THEM UP IN THE MIDDLE OF THE NIGHT AND ROUGHED THEM UP. THE INVESTIGATION ALSO SHOWED THAT DETAINEES WERE RESTRICTED TO ONE PAIR OF CLEAN UNDERWEAR A WEEK, AND THAT WOMEN DETAINEES WERE DENIED SANITARY NAPKINS. THE INS STUDY ALSO FOUND THAT THE GUARDS AT THIS FACILITY WERE POORLY TRAINED AND POORLY PAID, WHICH CONTRIBUTED TO THE OTHER PROBLEMS.

THE INS CANCELLED THE PRIVATE CONTRACT FOR THE ELIZABETH, NEW JERSEY, FACILITY, AND IS NOW CONSIDERING AVOIDING PRIVATIZATION IN THE FUTURE.

ESCAPES AND RIOTS HIT AT THE HEART OF THE PUBLIC'S SAFETY AND WELFARE WHEN DEALING WITH CORRECTIONS. AND THERE ARE OTHER PROBLEMS IN THIS AREA AS WELL.

A PRIVATE OPERATOR OF A PRISON IN SANTA FE, NEW MEXICO, TRANSFERRED 54 INMATES FROM ANOTHER OF ITS PRISONS--THIS ONE IN OREGON--TO THE SANTA FE FACILITY BUT NEVER NOTIFIED LAW ENFORCEMENT OR CORRECTIONS OFFICIALS IN EITHER STATE OF THE TRANSFERS. WHEN RESIDENTS LIVING NEAR THE SANTA FE FACILITY NOTIFIED THE LOCAL PRESS THAT MORE INMATES WERE BEING TRANSFERRED IN, THE PRIVATE OPERATOR TOLD THE PRESS AND LOCAL CITIZENS NOT TO WORRY, THAT NONE OF THE TRANSFERRED PRISONERS HAD BEEN CONVICTED OF ANYTHING MORE SERIOUS THAN ARMED ROBBERY. INVESTIGATIONS BY THE PRESS, HOWEVER, SHOWED THAT THE GROUP OF 54 INMATES INCLUDED 11 CONVICTED MURDERERS, 17 RAPISTS, AND 2 KIDNAPPERS. IT IS UNTHINKABLE TO ME THAT A FIRM COULD MOVE SUCH A COLLECTION OF INMATES WITHOUT--AT A MINIMUM--LETTING OREGON AND NEW MEXICO STATE OFFICIALS KNOW ABOUT IT.

THESE ARE JUST A FEW EXAMPLES OF HOW PROFITIZING, OR PRIVATIZING, STATE PRISON FACILITIES CAN END UP COSTING THE STATE MONEY RATHER THAN SAVING IT, AND ENDANGERING THE PUBLIC RATHER THAN PROTECTING IT.

BEFORE ALASKA GOES CHARGING DOWN THE SAME PATH, WE OWE IT TO OURSELVES AND OUR CITIZENS TO SUDY THE PROFITIZATION/PRIVATIZATION ISSUE CAREFULLY, INCLUDING THE HIDDEN COSTS AND LIABILITIES TO THE STATE OF ANY PRIVATIZATION EFFORT. THE STATE OF ALASKA'S OBLIGATION TO PROTECT THE PUBLIC, AND TO OVERSEE AND BE ACCOUNTABLE FOR THE SPENDING OF PUBLIC DOLLARS DESERVES NO LESS.

(end testimony)

# Privatization threatens Corrections

**P**rivatization is a direct attack on public employees. The attack comes from independent contractors seeking to make a buck providing services that are better left in the hands of trained professionals.

The bottom line is that no matter who provides the services, government must still pay the costs. Not just the costs of the contracts, but other costs as well. These include 1) drafting and monitoring of private contracts, 2) loss of control over facilities and inmates, 3) the high probability of escape caused by inadequately trained, poorly motivated private security guards, 4) dan-

ger to the public from escaped inmates, 5) utilization of local law enforcement to recapture escapees, 6) the use of

It is frustrating that advocates of 'Prison Privatization' never want to consider these documented additional

---

*Rep. Eldon Mulder has scheduled an October 19 public hearing -- for the House Finance Subcommittee on Corrections -- on "opportunities available to privatize correctional activities in Alaska." (9 a.m. at the Anchorage Legislative Information Office, 716 W. 4th Ave.) He says anyone interested in making a presentation should contact his Legislative Assistant, Denny DeWitt, at 465-2647. Please do so. We must let them know what a terrible idea they are promoting.*

---

costs. All they want to talk about is the immediate financial savings. But, the fact is, any financial saving is offset by the damage caused by cutting corners.

inmate labor for improper purposes and 7) the cost of stepping in when a contractor bails out of the corrections business.

These costs are real, and in each case there is a prior documented history of their falling back into the laps of federal, state, or local governments.

The financial savings argument has been stretched to the extreme. Any savings realized through privatization of state services is at the expense of working men and women. Sixty percent of the costs of corrections is the labor force. Most other costs are fixed and are the same for both government

Please see page 2, **Privatization**

# Backlog of grievances reduced by half

**T**he grievance backlog which has frustrated Union staff and members alike for years was reduced more than 50% recently through innovative case management and mediation techniques.

Mediation, compared to arbitration, is a quicker, cheaper, and less formal way to settle labor/management disputes. When Local 52 and the State tried it for the first time last month on 36 Corrections cases, they settled all

but 12 in only two days.

Then, week before last, Union business agents and state labor analysts spent three days hashing out their differences face to face. Under the guidance of mediator Dr. John Abernathy, they resolved 57 of 101 grievances, and worked out tentative settlements on 18 or 19 more.

The backlog of grievances was created when the State refused to arbitrate further disputes (including ter-

minations) after it exhausted the funds it had set aside for arbitration in its 1993-94 budget. The Union responded by filing an unfair labor practice charge with the Alaska Labor Relations Agency. The Agency agreed with the Union that fiscal problems did not relieve the State from its contractual obligations, and it ordered the State to resume arbitrating grievances – some

Please see page 2, **Mediation**

# Privatization...

Continued from page 1

and private corrections providers.

As always, business owners want to minimize salaries and benefits in order to maximize profits. But the security officers who work for privatized corrections contractors are too often poorly screened, trained, and prepared to deal with violent, emotionally unbalanced, socially misfit inmates. In many cases, the inmates are smarter than the private security guards, and they are able to manipulate them into dangerous situations.

By contrast, professional Correctional Officers are required to undergo psychological screening and intensive training in risk management and self defense. They are prepared to deal with the stress of managing inmates with only their wits to protect themselves and the public.

Without intelligent, trained officers, inmates will find ways to escape, putting the public at risk. And when escapes occur, the public will blame government officials -- who remain legally liable. In the end, government and the public will pay the real costs of privatization.

## Solidarity Calendar

- Midnight Sun Chapter Stewards Meeting..... Wednesday, October 11  
ASEA at 5:15 p.m..
- Bethel Chapter Meeting..... Wednesday, October 11  
Noon to 1:00 p.m. in the BNC conference room
- Sitka Chapter Meeting..... Thursday, October 12  
5:30 p.m., Pioneer Home Chapel.
- Rural Chapter Chairs' Teleconference..... Thursday, October 12  
7:00 p.m. in the Union offices
- Ketchikan Chapter Meeting..... Tuesday, October 17  
Noon, F&G conference room 2030 Sea Level Dr., #209
- PAC Committee Teleconference..... Tuesday, October 17  
5:15 p.m. in the Union offices
- ALASKA DAY HOLIDAY..... Wednesday, October 18
- Cook Inlet Chapter Meeting..... Thursday, October 19  
6:30 p.m. in the Kenai City Hall Council Chambers
- Pioneer Home Committee Teleconference..... Thursday, October 26  
4:00 p.m. every fourth Thursday in the ASEA offices
- Rural Chapter Chairs' Teleconference..... Thursday, October 26  
7:00 p.m. in the Union offices

(Please notify us of upcoming events at the number listed below.)

# Mediation proves its effectiveness...

Continued from page 1

of which were four years old.

At times during the recent case management marathon, it took a visible effort for State and Union representatives not to fall back into acrimo-

nious habits. But they stifled their natural antagonism and kept their eyes on the prize -- which, of course, was to resolve as many cases as possible. To a large degree they succeeded, and for this they deserve our appreciation.

## Interested in running for the PERS board?

Nominations are now open for two elected positions which will become vacant on the Public Employees' Retirement Board on April 6, 1996. (The other three positions on the board are appointed by the Governor).

The PERS board meets four to five times a year, one to three days each, to review operations and set policy for the system. There is no salary, but transportation and per diem expenses are provided.

The nominations deadline is November 17, 1995. For information, or to get nominating petitions, call 907/465-4470.

## Open Registers

**Closing 10/10/1995:** Education Specialist I(SR19), II(SR21); Medical Assistance Administrator I(SR16), II(SR18), III(SR20); Library Assistant I(SR11), II(SR13); Habitat Biologist I(SR14), II(SR16), III(SR18), IV(SR20).

**Closing 10/17/1995:** Drafting Technician I(SR10), II(SR13), III(SR15).

**Closing 10/31/1995:** Health Program Manager I(SR17), II(SR19), III(SR21), IV(SR23); Public Health Specialist I(SR18), II(SR20).

**Closing 11/16/1995:** Wildlife Biologist I(SR14), II(SR16), III(SR18), IV(SR20)

**Open Continuously:** Numerous job classes which have a history of being hard to fill are open for recruitment on a continuous basis. Detailed bulletins for these, as well as the positions listed above, are available in the ASEA/AFSCME Local 52 offices or at your nearest Alaska Employment Service office. They also may be found at city halls, schools, post offices, or village council offices. Or call Juneau, 465-8910.

## Member to Member

Donations of annual leave are needed for ASEA members who are unable to cover the time they must be away from work for medical or family emergency reasons and to replenish the Union leave bank, which has been depleted by protracted contract talks. ASEA members can donate annual leave by filling out a leave slip in the name of the person receiving the donation and bringing it or mailing it to ASEA. Note: donation and business leave slips must now be received in the Union offices no later than 3:00 p.m., four days prior to the end of a pay period, to be credited.

Danny Arthur, an Admin Clerk with H&SS Public Assistance in Anchorage, needs leave donations while out six weeks for cancer surgery.

Ed Tolley, an Accounting Clerk with the Dept. of Corrections, needs leave donations during his recovery from brain surgery.

Jack Dominick, a CO II at Wildwood, needs leave donations to help him recover from an on-the-job injury suffered last February.

Terri Stickler, a CO II at Wildwood Pretrial, needs leave donations for recent, serious complications from a job-related spinal injury two years ago.

Cathy Luther, a Data Communications Specialist with Juneau DOE, needs leave donations to help with an ongoing serious illness.

Judy Ivanoff, an Admin Clerk II with Public Assistance in Anchorage, needs leave donations while out with pneumonia.

Patricia Floyd, an Eligibility Tech II with H&SS in Soldotna, needs leave donations to help with a current, serious illness.

For changes in newsletter distribution, please call Michael Lacey at 1-800-478-2732.

## BI PROFILE™ Automated Caseload Management



The newest compliance tool for agencies managing administrative caseloads is BI PROFILE. Easy to understand and easy to use – for offender and officer alike – BI PROFILE automates offenders' routine, periodic status reporting, at little or no cost to your agency.

BI PROFILE is designed exclusively for use in the corrections industry. Sophisticated interactive technology from BI Incorporated enables BI PROFILE to be reliable and user-friendly:

- **Enrollment:** Officers enroll offenders by FAX, mail, or computer;
- **Supervision:** Over the telephone, offenders check in as scheduled with BI PROFILE and report any changes in their status. Automated reporting saves both the client and agency time and expense;
- **Reporting:** BI PROFILE promptly transcribes and reports each offender's status to the supervising agency for their review and action.

By telephone, computers ask for information from offenders and give information to offenders. Probation, parole, pretrial and other pre- and post-dispositional agencies find BI PROFILE is revolutionizing the way they keep offender data current and accurate.

Through "900" calls, billed to enrolled offenders, BI PROFILE's services remain virtually cost-free to supervising agencies. Agencies wanting to provide BI PROFILE services for their offenders at agency expense may also have that option.

BI PROFILE's many features include:

- Service orientation.
- Virtually cost-free to supervising agencies.
- Round-the-clock availability for check-in.
- No minimum or maximum number of offenders enrolled.
- Offender automatically notified of next scheduled call.
- Voice mail from officer to offender.
- Bilingual computer prompting.
- Speedy transcription of messages offenders record in response to status questions.
- Personal Identification numbers (PIN) and password security.
- Daily, weekly or monthly check-in schedules.
- Free wallet cards for each offender with phone numbers, PIN and call schedule.
- Missed call reports.
- Archived voice and database files.
- Reliable hardware – redundant components, uninterruptible power supply.
- Agency access to data for easy manipulation (DBASE).
- Batch enrollments from agency database.
- Data security and integrity.

See and hear the power of BI PROFILE. Demonstrations are as easy as calling your corrections industry partner, BI Incorporated, today: 1-800-241-2911.



6400 Lookout Road, Suite 101, Boulder, Colorado 80521  
303-530-2711 (800) 241-2911 FAX (303) 530-5349

# **BI / PROFILE**

Please accept our invitation to call BI PROFILE's demonstration line and experience the power of automated caseload management.

Call 1-800-437-6525 and, when asked, enter a Personal Identification Number (PIN) of 100001 and a password of 0001. BI PROFILE will ask you the same questions it asks an enrolled offender. Simply follow the directions given and answer the questions using your touchtone or rotary telephone.

This demonstration is virtually identical to the BI PROFILE calls made by thousands of enrolled offenders every day.

**BI PROFILE**

**THE POWER OF AUTOMATED CASELOAD MANAGEMENT**

## COLORADO

# For convicts, 'Big Brother' is here

Electronic home arrest could revolutionize corrections industry

By SCOTT MAXWELL  
Associated Press

As old as civilization, jails originally once were built for punishment and banishment. Then, early this century, reform-minded leaders decided prisoners needed a dose of rehabilitation.

Now, the day has arrived when many convicts may not have to spend time behind bars at all.

A rubber-coated bracelet adapted by BI Inc. of Boulder from technology used to track dairy cows is revolutionizing the prison industry.

The era of "Big Brother" has arrived — electronic home arrest and monitoring. Home-arrest prisoners wear an ankle bracelet with an electronic transmitter that tracks their movements and signals a monitoring center when they go astray.

Starting with its cow-monitoring technology, BI has become the nation's leading provider of both electronic arrest equipment and monitoring services. It provides 65 to 70 percent of the equipment and monitors 45 to 50 percent of the prisoners.

"It frees up prison space for the 'three strikes and you're out' type of offenders," said David Hunter, president and chief executive officer of BI Inc. "So you're getting tough on the people who need tough, and you're rehabilitating the people who at least still have a shot at getting back into society."

BI last year won an exclusive contract to provide equipment and monitoring services for the U.S. Probation Office, which has about 1,100 offenders under electronic monitoring. The company also has contracts with corrections officials in at least 46 states, said BI spokeswoman Joanna Manley.

The ankle transmitter sends an encoded signal to an electronic receiver installed in the offender's home whenever the offender is within range of the receiver — usually about 150 to 200 feet. The receiver uses a modem to signal a host computer at a monitoring center when the offender travels outside the range of the receiver.

The host computer, programmed with the offender's schedule (for work, counseling session and other court-approved activities) alerts the proper authorities — probation officers, police or the monitoring center staff — when an offend-



Associated Press

**ENFORCING MEASURES:** David Hunter, CEO and president of BI Inc., holds an alcohol-level monitor his Boulder company supplies to various parole and law enforcement agencies as part of home arrest programs.

er's activities don't match the schedule.

Federal state and local corrections agencies across the country are using the system in increasing numbers. They say it reduces costs and recidivism rates, frees up prison space needed for more violent or hardened convicts and allows offenders to maintain community and family ties, corrections officials say.

"Certainly home arrest has revolutionized corrections," Hunter said. "To the degree that we've gone from an abacus to a 406 computer, I'd say that's revolutionary."

More than 67,000 people in all 50 states, Guam and Puerto Rico currently are under electronic monitoring.

One reason electronic arrest is so attractive is its low cost — less than half that of keeping the same offender in a federal prison, said Robert Altman, administrator of the U.S. Probation Office's home confinement program.

The cost per day, per offender of electronic monitoring, including equipment and supervision, is \$19.55, Altman said. In 1992 (the latest year for which figures are available), the cost of keeping an offender in prison was \$56.84 a day, he said.

"And there's an added feature: When you have someone in the community they are a taxpayer, not a tax burden, because they are able to go to work," Altman said.

Electronic home arrest allows prisoners to keep their jobs — which means they can pay restitu-

tion, child support and alimony; add to the local tax base, and pay at least part of the cost of their home arrest.

"Of all the money we spend on home confinement, we collect 43 percent from the offenders," Altman said of the federal probation program. "We are able to offset the cost by 43 percent. And (that percentage) is going up."

Hunter said electronic monitoring also reduces recidivism.

He said an Illinois Governor's Task Force report released last year drew a correlation between electronic home arrest and reduced recidivism.

"I'd hold that up as an example that people are taking a hard look at electronic home arrest. These are not free rides," Hunter said.

Hunter said BI's electronic arrest concept grew from technology first developed to identify dairy cows and keep track of their diet and milking schedules. The system uses radio frequency technology that allows a computer to communicate with remote radio chips, reading information from the chip and writing updated information to the chip as necessary.

BI also offers a line of companion products: a device that can detect alcohol on the breath of offenders in their homes; a hand-held device that can detect when electronic monitoring offenders are inside a building, such as a home, school or workplace; a monitoring service; and jail management software.

Some critics say its "Big Brother" technology intrudes on

Monitoring eases jail crowding, saves money in California

By SCOTT MAXWELL  
Associated Press

Tulare County, Calif., is saving taxpayers \$350,000 a year with its 6-year-old electronic monitoring program, which has 200 convicts on electronic home arrest.

Tulare County Chief Probation Officer Larry Price, who helped develop the county's electronic monitoring program in 1983, believes electronic monitoring may be the solution to prison crowding.

"We're saving about \$35 (per offender) a day (by using electronic monitoring)," Price said.

Robert Altman, administrator of the U.S. Probation Office's home-confinement program, said electronic monitoring costs an average of \$19.55 per prisoner per day, compared with \$58 to \$58 per day for keeping someone behind bars. In Tulare County, the average cost of jailing an offender is \$45 a day, and home monitoring costs about \$10, said Price.

Tulare County's adult offender monitoring program was created to replace a work furlough program when jail officials decided they needed more beds for serious offenders, Price said.

County judges also are developing plans to place offenders who once were released without supervision in the electronic monitoring program.

"This is an acceptable way to let them out into the community," Price said.

Tulare County pioneered the use of electronic monitoring for juveniles awaiting trial in 1988, Price said.

offenders' personal freedoms.

"Well, it is Big Brother. So what?" replies Altman. "Where would you rather have Big Brother watching you, in your home, where you're with your family, or in prison?"

# Parolees to Report To a Computer

■ The move is expected to reduce much paperwork, thus allowing more time for staff work with parolees.

By Brian Ford  
World Capitol Bureau

OKLAHOMA CITY — Parolees and probationers in Tulsa and northeast Oklahoma will be required to report to a computer instead of state parole officers beginning in July.

The move is designed to cut some of the paperwork for probation and parole officers, giving them more time to work with parolees.

BI Inc., of Boulder, Colo., announced Thursday it was awarded a Department of Corrections

contract for an automated case-load management and fee collection service.

Corrections spokesman Jerry Massie said the contract will affect probation and parole districts in Tulsa and most of northeast Oklahoma. If it proves to be successful after six months, the contract may be expanded to other parts of the state, he said.

Under the program, probationers and parolees will pay court-ordered supervision fees via a telephone call, said Joanna Manley, a spokesman for BI.

Probationers and parolees will pay \$27.50 for each call and will probably be required to call once a month, she said. The fee will be part of the monthly phone bill.

BI will retain part of the revenue generated by each call and will turn the rest of the money over to the Department of Corrections.

"Initially, approximately 5,000 clients will be enrolled in the pro-

See Parolees on News 3

Continued from News 1.

gram; which is expected to grow to over 15,000 over time," she said.

The company, which operates similar services for Kansas and Washington state, is expected to receive \$500,000 in revenue for its service, Manley said. None of that money will come from taxpayers, but will come from fees paid by those on probation or parole, she said.

Under the service, probationers and parolees will be assigned a personal identification number (PIN) and will be required to call a 1-900 telephone number to report status changes to a computer located in Boulder, Manley said.

A pre-recorded voice will ask

the probationer or parolee for changes in address, work status or whether he or she has been arrested in the last month.

Any change in status — especially an arrest — will then be transcribed and transmitted to the Department of Corrections so that the local parole officer manager can check it out the next day.

"It is a labor-saving device for the probation and parole officers so they are not spending time writing out monthly reports or filling out receipts for fees," Massie said. Staffers "are actually dealing one-on-one with the parolee or the probationer" more often.

Massie said the average proba-

tion and parole officer has 100 cases at any given time.

There are about 3,300 parolees and nearly 25,000 probationers in Oklahoma, Massie said.

BI has had a contract with the Department of Corrections to provide electronic monitoring of inmates on early release programs.

## LOTTERIES

Results of lottery drawings Thursday:  
■ Missouri Pick 3: 9-7-9.  
■ Missouri Show Me: 11-13-19-26-28.  
■ Kansas Pick 3: 8-2-6.  
■ Texas Pick 3: 6-7-8.

ARAMARK CORPORATION



**DANIEL E. JAMESON**  
VICE-PRESIDENT OF SALES AND MARKETING  
CORRECTIONAL SERVICES

October 16, 1995

Honorable Representative Eldon Mulder  
Alaska State Legislative - District 23  
Alaska State Capitol  
Juneau, AK 99801-1182

**Re: Hearing on Privatization**

Dear Representative Mulder,

On behalf of ARAMARK Correctional Services, I am pleased to hear of your interest in outsourcing various correctional activities in the State of Alaska. While we are extremely interested in this process, unfortunately, we are unable to make the legislative hearing to be held on October 19, 1995. I have enclosed materials which should be of interest to you and your committee members.

ARAMARK Correctional Services is the leading provider of food, commissary and laundry services to the corrections industry. Since 1976, ARAMARK has been meeting the unique needs and challenges of correctional facilities across the Country. Today, ARAMARK serves over 250,000 meals per day, trailing only the States of Texas and California in inmates served. We work with each of our clients to customize a program meeting the diverse needs of their facility and inmate population. This includes meeting the needs of present employees, working with local vendors, investment requirements and other sensitive transition issues.

Our experience has demonstrated significant cost savings can be realized by outsourcing those functions where corrections professionals do not have the expertise, but can rely on the expertise of others. Working in partnership with corrections departments across the Country, ARAMARK has eliminated an area of foremost concern in a correctional facility - food service - from inefficient operations to cost-effective departments. This allows the corrections professional time to dedicate their activities to their area of expertise and the taxpayer to benefit from our expertise.

If you have any question or if I can be of further assistance, please do not hesitate to contact me at 1 (800) 777-7090. I look forward to hearing from your office and hope we can assist you in exploring the benefit of outsourcing.

Sincerely,

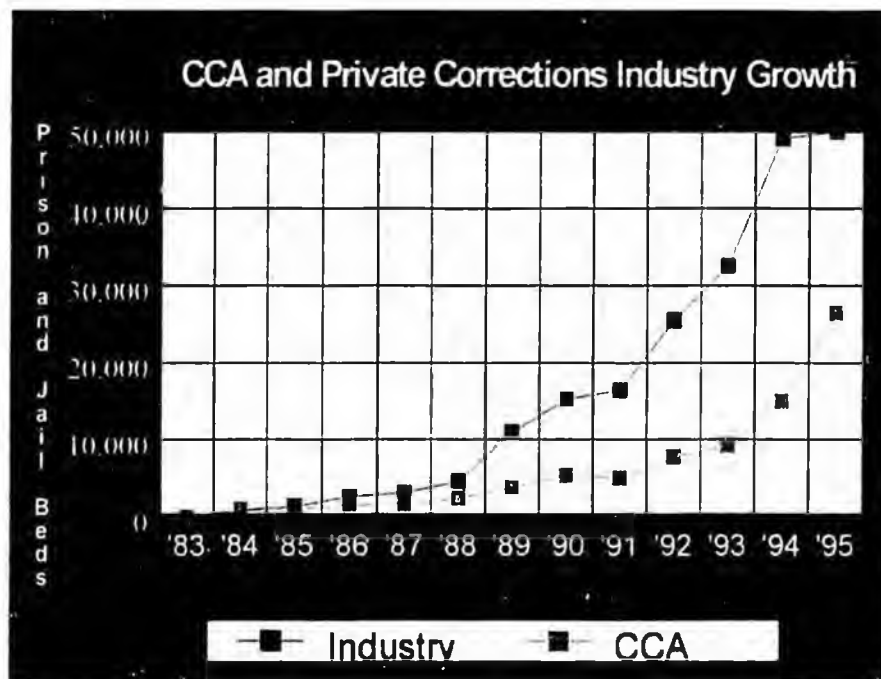
A handwritten signature in cursive script that reads "Daniel E. Jameson".

Daniel E. Jameson  
Vice President  
Sales and Marketing

2000 SPRING ROAD, SUITE 300  
OAK BROOK, IL 60521  
708 571 8250 FAX 708 571 0280  
800 777 7090

# CCA: A Quality, Cost-Effective Solution

Founded in 1983, Corrections Corporation of America has earned its reputation as the industry leader in private sector corrections. The company cost effectively designs, builds and manages correctional facilities in partnership with local, state and federal governmental agencies. CCA currently has contracts to operate more than 26,000 adult and juvenile beds in 45 facilities in the United States, Puerto Rico, Australia and the United Kingdom.



## What are the benefits of contracting with CCA?

The benefits of a governmental agency contracting with a private corrections company include:

- cost savings
- limited up-front costs
- a customized facility designed to meet the agency's specific needs
- faster start-up
- high operational standards
- economic benefits to the local community

## How does CCA operate cost effectively?

Three major ways that CCA saves money are:

- Building efficiently designed facilities, which house all operational areas under one roof, ensuring clear-sight observation areas, and saving space.

- Hiring an adequate number of staff and efficiently managing personnel to control overtime costs. The majority of staff are hired locally.
- Giving its facility administrators the freedom to operate without cumbersome bureaucratic regulations. CCA wardens may shop for the best values, which in many cases are found locally.

## Can CCA finance the facility?

Yes. CCA can provide financing in one of two ways. In either case, the governmental agency pays nothing until the first inmate arrives at the facility.

*CCA arranges financing.* As an experienced private prison management company, CCA

works with the governmental agency and arranges financing by turning to the private capital markets.

*CCA finances.* The process is even more efficient when government selects a firm that already has the financial resources to meet the front-end capital requirements at the design-and-build stage. CCA has these financial resources.

## How does CCA ensure that quality correctional services are provided?

CCA designs its facilities to meet the most critical operational needs and ensure the safety of the public, staff and inmates. Its facilities are built with state-of-the-art safety and security equipment and the most modern correctional technology.



are the company's most important resource. To enhance both employee and inmate morale, CCA provides a safe, clean and productive environment at its facilities. CCA employees are dedicated to maintaining that atmosphere and achieving quality. As illustrated below, this positive work environment results in fewer incidents, less stress, fewer sick days, less overtime and lower overall costs.

pays a per diem rate (cost per day per inmate). This rate covers all costs associated with housing an inmate, including medical, food service, education, counseling, clothing, general hygiene items, maintenance and administrative costs. If CCA has designed, built and financed the facility, the per diem may include a cost-of-capital component. Most initial contracts are three to five years.

#### Who is liable for a correctional facility operated by CCA?

CCA indemnifies the governmental agency and elected officials with whom it contracts. CCA's financial stability and \$15 million general liability insurance policy support that indemnification. If a suit is filed, CCA is responsible for handling the litigation. CCA is also responsible for insuring

CCA employs the highest caliber management team of corrections and business professionals. Employees are recognized with performance-based pay, promotional opportunities throughout the company, as well as ownership of the company through the Employee Stock Ownership Plan.

Additionally, CCA achieves the highest operational standards as demonstrated by the number of its facilities accredited by the American Correctional Association. The company has a quality assurance program that includes specific on-site monitoring of each facility. All of its facilities are managed in accordance with ACA's standards.

#### What makes CCA the best in the business?

CCA believes that its employees

#### What does a contract include?

The contractual relationship between government and CCA is fairly simple. Government usually



the entire institutional operation, including liability coverage for civil rights violations.

#### What types of facilities does CCA manage?

CCA has extensive experience in managing adult and juvenile corrections facilities for all levels of government. CCA was the first company to:

- design, build and operate a private prison (Houston Processing Center, 1984)
- design, build and operate a private women's prison (New Mexico Women's Correctional Facility, 1989)
- design, build and manage a private secure juvenile facility (Shelby Training Center, 1986)

- operate a private correctional facility outside the U.S. (Borallon Correctional Centre, 1990)
- operate a private medium-security prison in the U.S. (Winn Correctional Center, 1990)
- manage a maximum-security facility under direct contract with a federal agency (Leavenworth Detention Center, 1992)
- contract to house sentenced offenders in Great Britain (HMP Blakenhurst, 1992)

#### How long has private sector corrections existed?

As an industry, private sector corrections was founded in 1983 when CCA embarked upon a mission to provide quality corrections, at less cost to the

taxpayer, in partnership with government.

By 1995, the number of beds awarded to private companies exceeded 50,000, or approximately 5 percent of the U.S. jail and prison population. CCA remains at the forefront of the industry with one-half of the beds contracted to the private sector.

CCA currently has contracts to operate facilities in 11 U.S. states (Arizona, Colorado, Florida, Indiana, Kansas, Louisiana, Mississippi, New Mexico, Oklahoma, Tennessee and Texas), as well as in Puerto Rico, Australia and the United Kingdom.

# HISTORY

**January 1983**  
Founded in Nashville, Tennessee.

**January 1984**  
Assumed management of Tall Trees for the Juvenile Court of Memphis and Shelby County in Tennessee (50/63 beds).

**April 1984**  
Opened Houston Processing Center, the world's first privately designed and built prison, housing illegal aliens for the Immigration and Naturalization Service (INS) and inmates for the Texas Department of Criminal Justice (TDCJ) (350/411 beds).

**October 1984**  
Assumed management of Silverdale workhouse and women's jail in Chattanooga, Tenn. (414 beds).

**January 1985**  
Acquired Fayetteville Center in North Carolina for the Federal Bureau of Prisons (BOP) as an adult community treatment center (24 beds).

**March 1985**  
Opened Laredo Processing Center in Texas, housing illegal aliens for the INS, TDCJ inmates, and BOP sentenced adults and juveniles (208/258 beds).

**October 1985**  
Assumed management of Bay County Jail in Panama City, Fla. (204/276 beds).

**April 1986**  
Opened Bay County Jail Annex in Panama City, Fla. (257 beds).

**May 1986**  
Opened Shelby Training Center, the world's first privately designed, built and managed secure juvenile facility, for the Juvenile Court of Memphis and Shelby County, Tenn. (150/200 beds).

**August 1986**  
Assumed management of Santa Fe Detention Center in Santa Fe, N.M. (201 beds).

**October 1986**  
Initial public offering of 2 million shares. (NASDAQ:CCAX)

**December 1987**  
Selected with French partners to provide non-custody related management services for 3,600 prison beds in northern France.

**September 1988**  
Assumed management of Reeves County Law Enforcement Center in Pecos, Texas (532 beds).

**October 1988**  
Assumed management of Hernando County Jail in Brooksville, Fla. (252/302 beds).

**June 1989**  
Opened New Mexico Women's Correctional Facility in Grants, the first private women's prison in the U.S. (204 beds).

**August 1989**  
Opened Venus Pre-Release Center in Texas for the TDCJ (500/1,000 beds).

**September 1989**  
Opened Cleveland Pre-Release Center in Texas for the TDCJ (500/520 beds).

**February 1990**  
With Australian partners, opened Borallon Correctional Centre—the world's first privately operated correctional facility outside the U.S.—for the government of Queensland, Australia (244/389 beds).

**March 1990**  
Opened Winn Correctional Center for the Louisiana Department of Public Safety and Corrections (600/1,282 beds).

**April 1990**  
Opened Mountain View Youth Development Center for the Tennessee Department of Youth Development (144 beds).

**September 1990**  
Opened West Tennessee Detention Facility to house prisoners for the U.S. Marshals Service (416/440 beds).

**December 1990**  
Opened Torrance County Detention Facility in New Mexico, to house prisoners for the U.S. Marshals Service (256/286 beds).

**February 1992**  
Opened Metro-Davidson County Detention Facility in Nashville to house locally sentenced males and pretrial females (870/1,092 beds).

**March 1992**  
Opened South Central Correctional Center in Clifton, Tenn., to house inmates for the state (998/1,336 beds).

**June 1992**  
Opened the Leavenworth Detention Center to house prisoners for the U.S. Marshals Service (256/302 beds).

**May 1993**  
Opened HM Prison Blakenhurst, Great Britain's first privately operated prison housing sentenced offenders (649 beds).

**March 1994**  
Contracted with the Puerto Rican government to design, build and manage a medium-security prison in Guayama (1,000 beds).

**June 1994**  
Entered into an international strategic alliance with Sodexho, Inc., to market CCA's prison services worldwide.

**August 1994**  
Contracted with Puerto Rico to design, build and manage a multi-security prison in Ponce (1,500 beds).

**October 1994**  
Opened Central Arizona Detention Center to house U.S. Marshals Service prisoners (512 beds).

**December 1994**  
Announced plans to operate Davis Correctional Facility in Holdenville, Okla., for the state (960 beds).

**December 1994**  
Announced plans to design, build and manage a women's prison in Victoria, Australia (125 beds).

**December 1994**  
Began trading stock and warrants on the New York Stock Exchange (NYSE: CXC).

**January 1995**  
Acquired TransCor America, Inc., an inmate transportation company.

**March 1995**  
Contracted with the TDCJ to manage a state jail in Dallas, the largest private sector contract ever awarded (2,000 beds).

**April 1995**  
Acquired Concept, Inc., the third largest provider of private sector corrections services (4,426 beds under contract).

**August 1995**  
Acquired Corrections Partners, Inc. (2,946 beds under contract).

**August 1995**  
Opened Bay Correctional Facility to house inmates for the state of Florida (750 beds).

**October 1995**  
Assumed management of 300 beds at the Citrus County Detention Facility in Florida.

**October 1995**  
Announced a 2-for-1 stock split.

**October 1995**  
Finalized a contract to design and manage a medium-security youthful offender facility in Columbia County, Fla. (350 beds).

**October 1995**  
Assumed management of the Eden Detention Center, which houses inmates for the Bureau of Prisons, in Texas (1,000 beds).

**October 1995**  
Opened Bartlett State Jail in Texas to house inmates for the TDCJ (1,000 beds).

# CCA offers a turn-key solution to overcrowded facilities and limited budgets

Founded in 1983, Corrections Corporation of America has earned its reputation as the industry leader in private-sector corrections. The company cost effectively designs, builds and manages correctional facilities in partnership with local, state and federal governmental agencies. CCA currently has contracts to operate nearly 26,000 adult and juvenile beds in 43 facilities in the United States, Puerto Rico, Australia and the United Kingdom.

## What are the benefits of private-sector corrections?

The benefits of a governmental agency contracting with a private-corrections company include the following:

- limited up-front costs
- a customized facility designed to meet the agency's specific needs
- faster start-up
- cost savings
- high operational standards
- economic benefit to the local community

## Will the private company finance the facility?

The private company can provide financing. This way, the governmental agency pays nothing until the first inmate arrives at the facility.

*Private firm arranges financing.* An experienced prison management company, working with the governmental agency, can arrange financing by turning to the private capital markets.

*Private firm finances.* The process is even more efficient when government selects a firm that already has the financial resources to meet the front-end capital requirements at the design-and-build stage.



## How does the private sector operate cost effectively?

Three major ways that the private sector can save money are:

1. Building efficiently designed facilities, which house all operational areas under one roof, ensuring clear-sight observation areas, and saving space.
2. Hiring an adequate number of staff and efficiently managing personnel to curb overtime costs.
3. Giving its facility administrators the freedom to operate without cumbersome bureaucratic regulations. Private-sector facility administrators may shop for the best values, which in many cases are found locally, and may hire locally.

### **What does the contract include?**

The contractual relationship between government and the private company providing the service is fairly simple. Government usually pays a per diem rate (cost per day for each inmate housed). This rate covers all costs related to the operation of the facility, including medical, food service, education, counseling, clothing, general hygiene items, maintenance and administrative costs. If CCA has designed, built and financed the facility, the per diem may also include a cost-of-capital component. Most contracts cover a three- to five-year period initially.



Additionally, CCA achieves the highest operational standards as demonstrated by the number of its facilities accredited by the American Correctional Association. The company has a quality assurance program that includes specific on-site monitoring of each facility. All of its facilities are managed in accordance with ACA's standards. The ACA has accredited every CCA facility that has sought this distinction.

### **Where is private-prison contracting legal?**

Many states have adopted legislation to allow private-sector contracting of correctional facilities. In the states without legislation, contracts normally are permissible. Only a few states have laws preventing such contracts.

### **How does CCA ensure that quality correctional services are provided?**

CCA designs facilities to meet the most critical operational needs and ensure the safety of the public, employees and inmates. Its facilities are built with state-of-the-art safety and security equipment and the most modern correctional technology. Each uses the most advanced communication equipment and electronic controls.

Secondly, CCA employs the highest caliber management team of corrections and business professionals. Employees are recognized with performance-based pay, promotional opportunities throughout the company, as well as ownership of the company.

### **Who is liable for a correctional facility operated by the private sector?**

The private company indemnifies the governmental agency and elected officials with whom it contracts. The private company's financial stability and general liability insurance policy support that indemnification. While government can not contract away all responsibility, privatization helps to reduce its legal exposure. If a suit is filed, the private company is responsible for handling the litigation.

### **What can the contracting agency do if it is not satisfied with the contractor's performance?**

The governmental agency may remove itself from its contractual obligation if the private company doesn't comply with the contract provisions. This action can be taken at any point when a default is identified and supported. If a default situation does not occur, but the governmental agency does not want to continue its contractual obligation at the end of the management term, the governmental agency, without cause, may terminate the contract and then proceed with its operation under a different concept.

### **How is insurance coverage handled under private-sector contracts?**

The contracting company is responsible for insuring the entire institutional operation, including liability coverage for civil rights violations.

### **What happens to a facility that is owned and operated by a private company once the contract is over?**

This is addressed in the initial contract. Usually, the facility is deeded over to the governmental entity when the contract concludes. This obligation, because of its size in most cases, needs to be addressed in a longer term than the management contract. This type of contractual obligation is usually 20 to 30 years. If the management contract terminates during this contract period, the governmental entity may be obligated to purchase the facility. The cost would be calculated based on the construction costs minus the depreciation schedule used for that facility.

### **How long has private-sector corrections existed?**

Private-sector corrections as an industry was founded in 1983 when Corrections Corporation of America embarked upon a mission to provide quality corrections, at less cost to the taxpayer, in partnership with government.

By 1995, the number of beds awarded to private companies exceeded 50,000, or approximately 5 percent of the U.S. jail and prison population. CCA remains at the forefront of the industry with nearly one-half of the beds contracted to the private sector.

CCA currently has contracts to operate facilities in 11 U.S. states (Arizona, Colorado, Florida, Indiana, Kansas, Louisiana, Mississippi, New Mexico, Oklahoma, Tennessee and Texas), as well as in Puerto Rico, Australia and the United Kingdom.



*Corrections Corporation of America provides quality corrections, at less cost to the taxpayer, in partnership with government.*

### **What types of facilities does CCA manage?**

CCA has extensive experience in managing adult and juvenile corrections facilities for local, state and federal government at all security levels. CCA was the first private company to:

- design, build and operate a prison in the world (Houston Processing Center, 1984)
- design, build and operate a women's prison (New Mexico Women's Correctional Facility, 1989)
- design, build and manage a secure juvenile facility (Shelby Training Center, 1986)
- operate a correctional facility outside the U.S. (Borallon Correctional Centre, 1990)
- operate a medium-security prison in the U.S. (Winn Correctional Center, 1990)
- manage a maximum-security facility under direct contract with a federal agency (Leavenworth Detention Center, 1992)
- house sentenced offenders in England (HMP Blakenhurst, 1992)
- contract to design, build and manage a women's prison in Australia (Victoria Women's Prison, 1994)

#### **For more information, contact:**

Corrections Corporation of America  
102 Woodmont Boulevard, Suite 800  
Nashville, Tenn. 37205  
(615) 292-3100.



# HISTORY

## *A Brief Recount of CCA's Story*

**January 1983**

Founded in Nashville, Tennessee.

**January 1984**

Assumed management of Tall Trees for the Juvenile Court of Memphis and Shelby County in Tennessee (50/63 beds).

**April 1984**

Opened Houston Processing Center, the world's first privately designed and built prison, housing illegal aliens for the Immigration and Naturalization Service (INS) and inmates for the Texas Department of Criminal Justice (TDCJ) (350/411 beds).

**October 1984**

Assumed management of Silverdale workhouse and women's jail in Chattanooga, Tennessee (414 beds).

**January 1985**

Acquired Fayetteville Center in North Carolina for the Federal Bureau of Prisons (BOP) as an adult community treatment center (24 beds).

**March 1985**

Opened Laredo Processing Center in Texas, housing illegal aliens for the INS, TDCJ inmates, and BOP sentenced adults and juveniles (208/258 beds).

**October 1985**

Assumed management of Bay County Jail in Panama City, Florida (204/276 beds).

**April 1986**

Opened Bay County Jail Annex in Panama City, Florida (257 beds).

**May 1986**

Opened Shelby Training Center, the world's first privately designed, built and managed secure juvenile facility, for the Juvenile Court of Memphis and Shelby County, Tennessee (150/200 beds).

**August 1986**

Assumed management of Santa Fe Detention Center in Santa Fe, New Mexico (201 beds).

**October 1986**

Initial public offering of 2 million shares. (NASDAQ:CCAX)

**December 1987**

Selected with French partners to provide non-custody related management services for 3,600 prison beds in northern France.

**September 1988**

Assumed management of Reeves County Law Enforcement Center in Pecos, Texas (532 beds).

Key: (original beds/current beds)

**October 1988**

Assumed management of Hernando County Jail in Brooksville, Florida (252/302 beds).

**June 1989**

Opened New Mexico Women's Correctional Facility in Grants, the first private women's prison in the U.S. (204 beds).

**August 1989**

Opened Venus Pre-Release Center in Texas for the TDCJ (500/1,000 beds).

**September 1989**

Opened Cleveland Pre-Release Center in Texas for the TDCJ (500/520 beds).

**February 1990**

With Australian partners, opened Borallon Correctional Centre -- the world's first privately operated correctional facility outside the U.S. -- for the government of Queensland, Australia (244/389 beds).

**March 1990**

Opened Winn Correctional Center for the Louisiana Department of Public Safety and Corrections (600/1,282 beds).

**April 1990**

Opened Mountain View Youth Development Center for the Tennessee Department of Youth Development (144 beds).

**September 1990**

Opened West Tennessee Detention Facility to house prisoners for the U.S. Marshals Service (416/440 beds).

**December 1990**

Opened Torrance County Detention Facility in New Mexico, to house prisoners for the U.S. Marshals Service (256/286 beds).

**February 1992**

Opened Metro-Davidson County Detention Facility in Nashville to house locally sentenced males and pretrial females (870/1,092 beds).

**March 1992**

Opened South Central Correctional Center in Clifton, Tennessee, to house inmates for the state (998/1,336 beds).

**June 1992**

Opened the Leavenworth Detention Center to house prisoners for the U.S. Marshals Service (256/302 beds).

**May 1993**

Opened HM Prison Blakenhurst, Great Britain's first privately operated prison housing sentenced offenders (649 beds).

**March 1994**

Contracted with the Puerto Rican government to design, build and manage a medium-security prison in Guayama (1,000 beds).

**April 1994**

Contracted with the state of Florida to design, build and operate the medium-security Bay Correctional Facility (750 beds).

**June 1994**

Entered into an international strategic alliance with Sodexho, Inc., to market CCA's prison services worldwide.

**August 1994**

Contracted with Puerto Rico to design, build and manage a multi-security prison in Ponce (1,500 beds).

**October 1994**

Opened Central Arizona Detention Center to house U.S. Marshals Service prisoners (512 beds).

**December 1994**

Announced plans to operate Davis Correctional Facility in Holdenville, Oklahoma, for the state (960 beds).

**December 1994**

Announced plans to design, build and manage a women's prison in Victoria, Australia (125 beds).

**December 1994**

Began trading stock and warrants on the New York Stock Exchange (NYSE: CXC).

**January 1995**

Acquired TransCor America, Inc., an inmate transportation company.

**March 1995**

Contracted with the TDCJ to manage a state jail in Dallas, the largest private-sector contract ever awarded (2,000 beds).

**April 1995**

Acquired Concept, Inc., the third largest provider of private-sector corrections services (4,426 beds under contract).

**August 1995**

Acquired Corrections Partners, Inc. (2,946 beds under contract).

**August 1995**

Secured a contract to manage Eden Detention Center, which houses inmates for the Bureau of Prisons (1,000 beds).



**Contract Correctional Health Care  
(Privatization)  
for the  
Alaska Department of Corrections**

**October 19, 1995**

**Presented By  
PRISON HEALTH SERVICES, INC.**



**PRISON HEALTH SERVICES, INC.  
MISSION STATEMENT**

*"Prison Health Services, Inc. specializes in providing quality managed health care services to correctional facilities throughout the United States.*

*We are a team of dedicated health care professionals sharing a common vision of delivering high quality, cost effective client services. We are committed to promoting and maintaining a positive work environment. We value and respect the contributions and ideas of employees and clients.*

*With this mission of excellence and commitment to client services, we will remain the industry leader.*

***"Client First, Always"***



PRISON  
HEALTH  
SERVICES  
INCORPORATED

October 11, 1995

Representative Eldon Mulder  
Chairman - House Finance Subcommittee  
Alaska State Legislature  
716 W. 4th Ave.  
Anchorage, AK 99501-2133

Dear Chairman Mulder:

Prison Health Services, Inc. (PHS) would like to thank you and the other Finance Subcommittee members for selecting us to be one of the companies for your hearing on privatization. We are extremely delighted that the Subcommittee has decided to review your prison/jail health care services for possible contracting.

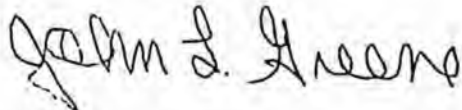
In addition, PHS would like to compliment the Subcommittee, your staff and the Alaska Department of Corrections on the level of professionalism we have experienced and also for the help and timely response to all our questions relative to this hearing. We welcome every opportunity to talk about our company (i.e., performance, history, experience, current/past contracts, philosophy, accreditations and comprehensive services and programs provided) because we are confident that the more you know about us the more obvious your decision becomes.

In the essence of time, we have put together a handout as an overview of what PHS feels we can bring to the Alaska Department of Corrections Prison/Jail System. Please let me know if there is any further assistance which we can offer or provide to assist you for possible private sector contracting of your health care services. We stand ready to participate in additional meetings and/or arrange visits or telephone contact with our current client sites where we are the provider.

REPRESENTATIVE ELDON MULDER  
ALASKA STATE LEGISLATURE  
PAGE TWO

In closing, we sincerely thank you for this opportunity to present ourselves and sincerely desire to begin a long and mutually successful and beneficial relationship with the Alaska Department of Corrections. We respectfully submit our track record and accomplishments, proudly detailed since 1978, as the leading provider of quality health care in correctional facilities. If there are items we have overlooked or if there are additional items or issues needing clarification, please do not hesitate to call on us.

Sincerely,

A handwritten signature in cursive script that reads "John L. Greene". The signature is written in dark ink and is positioned above the typed name.

John L. Greene  
Regional Sales Manager

JLG/dac



## TABLE OF CONTENTS

1. PHS Overview
2. Qualifications of Prison Health Services, Inc.
3. Advantages of Contracting
4. Personnel/Administrative and Program Support Services
5. Key Benefits to the Alaska Department of Corrections
6. On-Site/Off-Site Services
7. Management Information Reporting
8. Community Relations
9. States Currently Contracting with Private Health Care Companies

1.

**PHS OVERVIEW**



## 1. PHS OVERVIEW

- Sixteen (16) + years experience in correctional health care. Founded in 1978.
- National firm with contracts and offices located in thirteen (13) states.
- Significant size
  - 3,000+ employees nationally
  - Annual payroll of \$43,000,000+
- Current Contracts
  - Over 82,500 inmates under contract
  - 35 individual contracts
  - 167 individual facilities and sites
  - City, County, and State Facilities
  - Males, Females, and Juveniles
- U.S. Jails
  - Approximately 22,000 inmates under contract
  - 26 individual contracts
  - 43 individual facilities
- U.S. Prisons
  - Approximately 60,000 inmates under contract
  - 9 individual contracts
  - 124 individual facilities
- Fully Staffed Regional Office
  - Western Region Office located in Alameda, California
  - Over 6,000 inmates under contract
  - Direct supervision, linear, multi-story, and multi-site experience
  - Vice President, Operations - JoRene Kerns
  - Regional Sales Manager - John L. Greene



- Utilization Management Nurse - Bonnie Cardozo, RN
- Administrative Assistant - Debbie Christian
- Fully automated; computers, modems, e-mail, facsimile machines

• State/Multi-Site Contracts

<u>Contract</u>	<u># of Inmates</u>	<u>Facilities/Sites</u>
Maine DOC	500	1
Tennessee DOC	980	2
Illinois DOC	1,115	1
Alameda Co., CA	3,500	2
City of Philadelphia	5,300	7
Kansas DOC	6,290	24
Maryland DOC	12,600	11
Georgia DOC	34,300	80



2.

QUALIFICATIONS OF  
PRISON HEALTH SERVICES, INC



## 2. QUALIFICATIONS OF PRISON HEALTH SERVICES, INC.

PHS cites the following as its qualifications:

1. Experience in correctional health care:
  - 16+ years
  - 35 current contracts
  - 167 individual facilities and sites
  - 13 states
  - Over 82,500 total inmates under contract
  
2. Experience in providing correctional health care programs in facilities with inmate populations exceeding 3,000:
  - 6 individual contracts with ADP of 3,000+
  - 128 individual facilities and sites
  
3. Experience in obtaining and maintaining accredited programs:
  - Over 74 NCCHC accreditations obtained to date
  - 24 current programs accredited
  - PHS pays for all accreditation costs
  - PHS to obtain NCCHC accreditation at the Alaska DOC facilities within the first year of contract, if requested.
  
4. All insurance and bonding requirements met in addition to complete indemnification to the Alaska Department of Corrections:
  - PHS provides the requested per occurrence and the requested in the aggregate dollar amounts for general medical malpractice liability insurance.
  - PHS provides a performance bond that complies with any Alaska Department of Corrections requirements.
  
5. Immediate Program Start-up:
  - PHS proposes start-up within 60 days.
  - JoRene Kerns, Regional Vice President, headquartered in the Alameda, California Regional Office and personally involved in start-up.
  - Karen Thom, Manager, Professional Services, directs our NICH program for immediate nursing staff.



- John L. Greene, Regional Sales Manager, will be liaison to assure timely start-up and no loss in communications.
6. Utilization Review/Cost Containment:
    - 6 full time UR nurses
    - PHS' UR panel of specialists
    - Ensures care rendered is medically necessary and provided safely in the least costly setting while maintaining the quality of care.
    - Savings in security personnel time at the hospital.
  7. Quality of PHS' programs:
    - PHS' commitment to CCHP program (Certified Correctional Healthcare Professional). PHS has over 60 employees who have obtained this award.
    - Accreditations of programs. NCCHC (National Commission on Correctional Health Care), JCAHO (Joint Commission on Accreditation of Healthcare Organizations), ACA (American Correctional Association).
  8. In-service training provided:
    - Group and individual programs.
    - PHS has an extensive video library for access.
    - Experience in direct supervision, linear, multi-story and multi-site (campus style) correctional facilities.
  9. OSHA/Infection Control experience and knowledge:
    - PHS assures the Alaska DOC that its program will meet existing and future OSHA standards.
    - PHS is aggressive and aware of infection control.



## CURRENT HEALTH CARE ACCREDITATIONS

CONTRACT	NCCHC	ACA	JCAHO	CMA
Alameda County/Santa Rita Jail, CA	X			X
Alameda County/North County Jail, CA	X			X
Alameda County Inpatient Psych. Unit, CA	X			X
Atlantic County Justice Facility, NJ	X	X		
Chatham County Sheriff's Complex, GA	X	X		
City of Ft. Lauderdale Detention Facility, FL	X			
Clayton County Jail, GA	X			
Dutchess County Jail, NY	X			
Fulton County Jail	X	X		
Humboldt County Juvenile Hall, CA	X			X
Humboldt County Jail, CA	X			X
Kansas DOC, KS (state-wide system)	X*	X*		
Robinson Correctional Center, IL		X	X	
Shasta County Jail, CA	X			X
Shasta County/Inmate Work Facility Annex, CA	X			X
Tennessee DOC/Tennessee Prison For Women, TN		X		
Tennessee DOC/Riverbend, TN	X	X		
Ulster County Jail, N	X			
Wyandotte County Detention Center, KS	X			

\*8 individually accredited sites within the Kansas DOC.



IN SUMMARY, PRISON HEALTH SERVICES, INC. WAS:

- **FIRST** private contractor in the correctional health care industry.
- **FIRST** company founded by health care professionals with experience working in corrections.
- **FIRST** nationwide contractor with contracts from coast to coast, and longest in the business.
- **FIRST** to provide health care programs in both state correctional institutions and local detention facilities.
- **FIRST** to obtain formal health care accreditation for its clients.
- **FIRST** to utilize independent peer reviews to ensure quality services.
- **FIRST** to develop Quality Improvement and Risk Management programs specifically designed for correctional health care.
- **FIRST** to sponsor national conferences on correctional health care topics such as AIDS and legal liability.
- **FIRST** to develop NICH traveling nurses program.
- **FIRST** private contractor to attain JCAHO "Accreditation with Commendation" in a correctional facility.
- **FIRST** private contractor to attain NCCHC and CMA accreditation for California contracts.

3. ADVANTAGES OF CONTRACTING



### 3. Advantages Of Contracting

#### **Advantages Of Contracting For Inmate Medical Services**

We are certain that the subcommittee has considered the potential advantages to be gained under a private contract for inmate health care services. Prison Health Services, Inc., understands from experience that the following advantages are inherent in a contract arrangement. We are prepared to incorporate all of these points in any formal contract for services with the Alaska Department of Corrections (ADOC).

#### **Fixed, Guaranteed Cost**

The total annual cost to the ADOC is guaranteed under the contract. Any unforeseen expenses which might be incurred are the financial responsibility of Prison Health Services, Inc., thus enabling the ADOC to set a fixed annual budget and be ensured that budgeted expenses will not be exceeded. Also, considering the possibility of a multi-year contract, even future years' budgets are reasonably predictable, and contract costs are controlled based on a predetermined Consumer Price Index based formula.

#### **Reduced Liability**

Your risk of lawsuits is significantly reduced as a result of professional management of the health care program. Moreover, PHS assumes responsibility for any liability arising from our administration or delivery of health care services. PHS will handle all lawsuits and pay all associated legal costs incurred as a result of our program administration or health care delivery. PHS will insure for all necessary professional and malpractice liability coverage.

#### **Centralized Control and Professional Management of Health Services**

PHS will provide a full-time, on-site Health Services Administrator (HSA)/ Regional Manager who will have day-to-day responsibility for coordinating and controlling the activities of the health care professionals and managing the entire health care delivery system within the ADOC System. This will ensure that the health care professionals interact as may be necessary and appropriate, that health services are delivered most efficiently, and that costs and quality of services are centrally monitored and controlled.



### **Single Point of Accountability**

Our Health Services Administrator (HSA)/Regional Manager provides a single point of accountability in all matters relating to the inmate health care program. This individual will be directly responsible to the appropriate authority within the ADOC. Our HSA will have the authority and responsibility to resolve problems and satisfy the needs and expectations of the corrections administration.

### **Personnel Recruitment and Management**

PHS will be responsible for recruiting, training and staffing of all health service personnel. However, Commissioner Margaret Pugh has final approval authority to have PHS retain or terminate any health service employee. This policy ensures that the health care program will be staffed with personnel with whom you are satisfied, while relieving Commissioner Pugh of the day-to-day personnel management responsibilities.

### **Fast Start-Up and Response**

PHS maintains an extensive, nationwide personnel recruitment network. We have the ability to attract experienced medical personnel and implement our contracts and begin operations quickly. Our NICH (Nurses In Correctional Healthcare) program consists of a team of nurses who can be dispatched to travel to any of our contract sites on short notice to provide rapid start-up or immediate staffing whenever absenteeism occurs. Our NICH nurses are experienced in correctional health care delivery as well as PHS systems, policies, and procedures.

### **"Buffer Zone" For Complaints**

Since PHS is an independent contractor and assumes full responsibility (and liability) for the delivery of inmate health services, we are responsible for responding to all complaints or criticism about health services from inmates themselves, from inmates' relatives or their attorneys, from state or local health authorities, or any other responsible parties. The corrections administration would direct such complaints to our HSA/Regional Manager for handling, and we would be responsible for resolving them to the satisfaction of the administration and the other parties involved.



**4. PERSONNEL/ADMINISTRATIVE AND  
PROGRAM SUPPORT SERVICES**



#### 4. PERSONNEL/ADMINISTRATIVE AND PROGRAM SUPPORT SERVICES

- **RECRUITMENT PRACTICES:** PHS has established a National recruitment network and follows formal procedures in recruiting all personnel.
- **EQUAL EMPLOYMENT OPPORTUNITY:** PHS is an Equal Opportunity Employer. We agree to accept and abide by the specific EEO practices followed by the Alaska DOC.
- **LICENSURE/CERTIFICATION:** All medical staff must have current Alaska Licenses accepted by the DOC before employment.
- **ORIENTATION OF NEW PERSONNEL:** Employee must participate in our own orientation program, as well as any Alaska DOC formal orientation program.
- **CONTINUING EDUCATION:** PHS will provide funds for full-time employees who seek to further their education.
- **THIRD PARTY BILLING SERVICES:** PHS pursues every opportunity to have third party providers pay for inmate health care services.
- **LIAISON WITH CORRECTIONAL STAFF:** For the Health Care Delivery System to function effectively, the health care services staff and corrections staff must work together. The health care services staff must be sensitive to the security needs and overall operating policies of the institution.
- **CONTINUOUS QUALITY IMPROVEMENT (CQI) PROGRAM:** To assist in the identification of potential problems, the PHS quality improvement program is designed so that every health care provider, and every patient who receives services, has an opportunity to be reviewed.
- **RISK MANAGEMENT:** PHS has developed a customized Risk Management Program specifically designed to meet the needs and challenges of the



correctional health care environment. The primary focus is prevention of patient/employee injury and promotion of quality patient care and services.

- **MANAGEMENT INFORMATION REPORTING:** PHS presently uses a multi-level data collection system (i.e. Hardware and Software) to gather and analyze statistical data and utilization rates.
- **STRATEGIC PLANNING AND CONSULTATION:** We can assist in strategic planning and offer our consultation services relative to all areas of Correctional Health Care Services.
- **DISASTER PLAN:** PHS will develop a disaster plan that will interface with and comply with the Alaska DOC disaster plan.
- **COMPLAINT PROCEDURE:** PHS will work with the Alaska DOC to establish a formal complaint procedure which can be utilized by inmates, staff and any outside individuals.



**5. KEY BENEFITS TO THE  
ALASKA DEPARTMENT OF CORRECTIONS**



## 5. KEY BENEFITS TO THE ALASKA DEPARTMENT OF CORRECTIONS

- **TRANSITION OF EXISTING STAFF.** PHS is sensitive to the apprehensions of the existing staff of this change. PHS will meet with the Commissioner, her staff, and any suggested/requested state agency upon contract award to review current staff credentials and final staffing plan requirements to determine program needs. We will begin immediately to meet with each person individually to introduce PHS, describe program needs and review each person's resume. PHS will make every effort to retain existing staff who are properly licensed, if this is the desire of the state and ADOC detention facilities administration. We will meet individually to discuss financial transition from the current state benefits to PHS corporate benefits.
- **PHS IS FINANCIALLY SOUND.** The significant growth in new contracts, as well as renewal of existing contracts, is evidence of our competitiveness and administrative abilities. This leads to higher financial ratings, greater ability to negotiate lower rates with subcontractors due to increased financial strengths and ability to "promptly pay" invoices. The Commissioner and the State can be assured of PHS' ability and commitment to being a "long-term" provider.
- **EXPERIENCED STAFF.** PHS has invested heavily to retain a highly qualified staff of experienced and extremely dedicated professionals. Their backgrounds are diverse and relate directly to the corrections industry.

Our staff consists of professional and technical personnel in the areas of:

- Corrections Administration
- Nursing and Nursing Administration
- Hospital Administration
- Law
- Finance
- Design and Construction (Correctional Facilities)
- Personnel and Benefits Planning
- Insurance



This representative and talented group fully understands the specialized service that PHS provides and the environment in which we operate. Of utmost importance, PHS has extremely low turnover. There is strong stability which assures our clients of continuity of service with known contacts.

- **PROGRAM ACCREDITATION.** PHS has the highest number of accredited programs of any correctional health care provider. We believe that our independent compliance with established standards as well as our independent goal of achieving accreditation are a professional approach to business. We also believe that our clients are more comfortable with this standard PHS approach. We call to your attention our NCCHC, CMA, ACA, and JCAHO accreditations as strong evidence of our commitment to high quality professional programs.
- **COST SAVINGS.** PHS feels that Utilization Management/Cost Containment and Risk Management are all inter-connected programs. PHS' early establishment of these formal programs has resulted in a high number of awards and accreditations and a low number of successful "open and pending" inmate litigation. PHS delivers a high quality program on an ongoing basis.

Using the proposed on-site dental operatory will not only control but significantly reduce the direct costs associated with the DOC's transportation and off-site, out-patient services.

- **HIGHLY AUTOMATED.** PHS has an impressive commitment to computer automation of its business. We tenaciously report and track costs on a daily basis and compile this information in a comprehensive data base. The ADOC and the other state agencies can be assured of high quality and timely monthly reports from PHS on health care activities within each facility. PHS can also provide custom tailored reports (within reason) with minimal effort and costs.
- **MOST EXPERIENCED CORRECTIONAL HEALTH CARE PROVIDER.** PHS is the most experienced correctional health care provider to U.S. correctional facilities, with over 82,500 inmates under contract. PHS has been providing high quality health care to inmates in correctional facilities since 1978. We were the first correctional health care provider with contracts on a national basis. We sincerely feel that this breadth and depth of knowledge and experience available to the ADOC would be reassuring. PHS also assures the state of Alaska that correctional health care is our primary business and not a side-line.



- **COMMITMENT.** PHS has built a reputation based upon delivering high quality health care and having a supporting and serving approach to the corrections administration and staff. We understand "who's the boss" and where we work. We assure the ADOC and the state of Alaska that this corporate attitude will not change if we are selected as your health care provider. We urge you to check our references and contracts and also note the number and length of contracts and renewals.

- **LITIGATION MANAGEMENT.**

The goal of our Risk Management, Insurance and Defense Program is to accept full responsibility for loss and liability issues related to the delivery of health care services to the ADOC facilities. We handle indemnification requests fairly and promptly. We take the lead and coordinate the defense of medically related frivolous and substantial matters in a fashion that takes both the risk and responsibility out of your hands. We consider our job to be handled well when, with a minimum of involvement, you receive maximum satisfaction from the manner in which we handle incident identification, claims review and defense. PHS does this by working closely with the Attorney General and the ADOC legal staff in identifying solutions that will serve your needs first.

In addition to assuming all liability for health related claims and losses, we also take the responsibility for handling claims and incident investigation, case management, interviewing and factual development, document review, case negotiation, file development and deposition preparation as well as handling the defense. Therefore, the ADOC can diminish the responsibility, time and effort which you may be accustomed to in your loss adjustment experience. We maintain contact during case work-up, negotiations and trial as appropriate. We are extremely sensitive to and respond to political and local issues in making decisions with respect to defense and make it our business to keep you briefed, informed and comfortable with the direction and course of the case development.



**6. ON-SITE/OFF-SITE SERVICES**



## 6. ON-SITE AND OFF-SITE SERVICES

- RECEIVING SCREENING
- COMPREHENSIVE APPRAISAL
- DETOXIFICATION AND SUICIDE PREVENTION
- DAILY TRIAGING OF COMPLAINTS
- SICK CALL
- INFIRMARY
- HOSPITAL CARE
- SPECIALTY SERVICES
- EMERGENCY SERVICES
- ANCILLARY SERVICES
- RADIOLOGICAL SERVICES
- MEDICAL RECORDS
- PHARMACEUTICALS
- SPECIAL NEEDS PROGRAM PLANNING
- PRENATAL CARE
- INFECTION CONTROL AND ENVIRONMENTAL HEALTH AND SAFETY
- HEALTH EDUCATION - STAFF
- VISUAL SERVICES AND PROSTHETIC SERVICES



**ON-SITE/OFF-SITE SERVICES**  
**(Continued)**

- AUDITORY SERVICES
- DENTAL CARE
- MENTAL HEALTH
- CONTINUITY OF CARE



## ON-SITE/OFF-SITE SERVICES

(Continued)

**RECEIVING SCREENING:** Twenty-four (24) hour a day, seven (7) days a week. Performed by trained health care staff. Bi-lingual staff members available for non-English speaking inmates.

**COMPREHENSIVE APPRAISAL:** Performed within seven (7) days of admission.

**DETOXIFICATION AND SUICIDE PREVENTION:** PHS has developed successful in-house detoxification program for correctional environment.

**DAILY TRIAGING OF COMPLAINTS:** Program developed by PHS over a number of years. Overseen by the Senior Medical Director.

**SICK CALL:** On-Site, daily, conducted by physician or other professional medical personnel.

**INFIRMARY:** Operated strictly by NCCHC and ACA standards.

**HOSPITAL CARE:** We will utilize a local JCAHO hospital or hospitals. We pay all costs.

**SPECIALTY SERVICES:** We will provide all services necessary to comply with NCCHC and ACA. Our structures triage system, referral control, on-site clinics and review of outside services guarantees the fewest number of outside trips possible.

**EMERGENCY SERVICES:** Physician, Dentist and Psychiatrist on-call twenty-four (24) hours a day. Twenty-four (24) hour, seven days a week nursing coverage.

**LABORATORY SERVICES:** All lab tests which cannot be conducted on-site will be sent out to National Laboratories. All stat lab work will be performed at a local hospital or qualified lab nearest the Alaska DOC facility requesting the test, with results telephoned immediately to requesting physician.

**RADIOLOGICAL SERVICES:** X-rays will be taken on-site at the Prisons that have an X-ray technician, using existing equipment. Other X-rays will be taken at the most convenient facility acceptable to the Alaska DOC.



**EKG SERVICES:** We will provide EKG services, equipment and supplies.

**MEDICAL RECORDS:** We follow NCCHC and ACA guidelines in the management of all records. Standard POMR methodology is employed. We ensure patients' confidentiality.

**PHARMACEUTICALS:** We will comply with all federal and state regulations as well as the standards set forth by the NCCHC and ACA. We will submit our formulary to the Alaska DOC Commissioner and/or medical authority for approval.

**SPECIAL NEEDS PROGRAM PLANNING:** We provide all necessary special health care services including chronic and convalescent care.

**HEALTH EDUCATION - STAFF AND INMATES:** We work closely with community agencies to develop and carry out educational programs both for inmates and staff members.

**VISUAL SERVICES AND PROSTHETIC SERVICES:** PHS will provide optometry services consistent with NCCHC and ACA guidelines. PHS provides all necessary prosthetic devices.

**AUDITORY SERVICES:** PHS provides all necessary auditory services.

**DENTAL CARE:** Licensed Dentists will visit the Prison daily and be on-call twenty-four (24) hours a day. We will utilize existing dental space and equipment. PHS will maintain equipment and purchase all dental supplies required.

**SAFETY, SANITATION AND INFECTION CONTROL:** PHS has continuously improved and updated its SSI program to keep up with the evolution of AIDS and other infectious diseases.

**MENTAL HEALTH:** PHS will work closely with the Alaska DOC and the State Mental Health Department and psychiatrists and psychologists to ensure that inmates receive proper treatment.

Our Utilization Review staff is supported in the review process by our Medical Director, Dr. John Shook, and a Board of Specialty Consultants, chaired by our Senior Medical Consultant, Dr. Jay Harness, a Board Certified Surgeon.



- Dr. John Shook, Board Certified Internal Medicine Specialist - Prison Health Services, Inc. Dr. Shook has worked for PHS for over eleven years as Corporate Medical Director and serves on numerous committees and medical staff appointments. He is also head of the physician management care initiative for the North Broward Hospital District, which is the third largest health care system in the U.S.
- Dr. Jay K. Harness, Board Certified General Surgeon - Currently teaching in the Department of Surgery for University of California - Davis and University of California - San Francisco, Oakland, California. Dr. Harness has an extensive background in Corrections and has publications and numerous presentations in both the field of Corrections and General Surgery.
- Dr. Stephen L. Nemerofsky, Board Certified Orthopedic Surgeon - Currently practices orthopedic surgery, with a sub-specialty in spinal surgery in Fort Lauderdale, Florida. He is presently continuing his education with courses toward a law degree.
- Dr. C. Ray Bennett, Board Certified in Oral and Maxillofacial Surgery - Currently an Associate Professor with the Department of Oral Surgery at Meharry Medical College, Nashville, Tennessee. Dr. Bennett has had a long standing relationship with providing dental and oral surgery services for the Tennessee Department of Corrections. He is widely recognized for his publications and presentations in his field.
- Dr. Donald Bruce, Board Eligible in Obstetrics and Gynecology - Currently practices at Meharry Hubbard Medical Center, Nashville, Tennessee. Dr. Bruce provides women's health services for the Tennessee Department of Corrections.



- Dr. Sharon Baucom, Board Certified in Family Practice - Presently employed by Prison Health Services as Statewide Medical Director for the Kansas Department of Corrections Project. Dr. Baucom has previously been involved with Kansas University in a teaching capacity with the Department of Family Practice, and has served on Quality Assurance and Utilization Review Committees of local hospitals. Dr. Baucom also provide occasional emergency room coverage at St. Francis Hospital, Topeka, Kansas.
  
- Dr. Michael Pompey, Board Eligible Internal Medicine - Currently employed by PHS as the Medical Director for the Alameda County Sheriff's Department. Dr. Pompey has been active in correctional health care since 1986.

PRISON HEALTH SERVICES, INC.  
 QUALITY IMPROVEMENT ACTIVITY CALENDAR  
 (SAMPLE COPY)

SITE:  
 YEAR:

ASPECT OF CARE	1	2	3	4	5	6	7	8	9	10	11	12
01/ Monitoring of Chronic Seizure Patient		X			X			X			X	
02/ Monitoring of Hypertensive Patient (Excludes Pregnant O+)			X				X				X	
03/ Appropriateness of Physician & PA Encounters	X	X	X				X	X	X			
04/ Monitoring of the Intake Mental Health Screening Assessment				X						X		
05/ Monitoring of Patient's With Suicidal Ideation or Attempt						X						X
06/ Monitoring of Therapeutic Restraints				X						X		
07/ Monitoring of the Chronic Asthma Patient	X			X			X			X		
08/ Appropriateness of Nursing Encounters	X	X	X				X	X	X			
09/ Monitoring of Pregnant Juveniles/Prenatal Care			X			X			X			X
10/ Monitoring of Site Safety Program			X									
11/ Timeliness and Completeness of Medical Record	X			X			X			X		
12/ Monitoring of Abnormal Lab/X-Ray or Other Test Results	X	X	X				X	X	X			
13/ Appropriateness of Dental Evaluation and Treatment		X			X			X			X	
14/ Monitoring of the Receiving Screening Assessment		X			X			X			X	
15/ Monitoring of Pharmaceutical Services						X						X
16/ Monitoring of the Reception Process		X			X			X			X	
17/ Monitoring of the Diabetic Patient			X			X			X			X
18/ Monitoring of Patients With Central Line Catheters	OCCURRENCE SCREEN											
19/ Monitoring of Amphotericin Administration	OCCURRENCE SCREEN											

PRISON HEALTH SERVICES, INC.  
 QUALITY IMPROVEMENT ACTIVITY CALENDAR  
 (SAMPLE COPY)

SITE:

YEAR:

ASPECT OF CARE	1	2	3	4	5	6	7	8	9	10	11	12
20/ Appropriateness of Infirmiry Care	X			X			X			X		
21/ Monitoring of Hemodialysis Patients	OCCURRENCE SCREEN											
22/ Staff Compliance With Infection Control Policies (Part A)						X						X
23/ Staff Compliance With Infection Control Policies (Part B)						X						X
24/ Identification and Treatment of Tuberculosis						X						X
25/ Medical Management of HIV Seropositive Patient's				X					X			X
26/ Monitoring of Forced Psychotropic Medication	OCCURRENCE SCREEN											
27/ Monitoring of History and Physical Examination						X						X
28/ Monitoring of Crisis Intervention Procedures	OCCURRENCE SCREEN											
29/ Weekly TB Chart Audit	INFECTION CONTROL TOOL											
30/ Monitoring of Segregation Inmates					X						X	
31/ Review of Referrals to Mental Health					X					X		
32/ Appropriateness of Mental Health Treatment Plan	X			X			X			X		
33/ Quality & Appropriateness of Alcohol Detoxification	OCCURRENCE SCREEN											
34/ Appropriateness of Emergency Room Transfers	X		X		X		X		X		X	
35/ Accuracy & Completeness of Medication Admin. Records			X			X			X			X

\*Occurrence screens are to be done at the time of the occurrence or during the immediate time following the occurrence.



**7. MANAGEMENT INFORMATION  
REPORTING**



## 7. MANAGEMENT INFORMATION REPORTING

Our company presently uses a multi-level data collection system to gather and analyze statistical data and utilization rates. We will provide a PC workstation to the Alaska DOC prisons with hardware and software as follows:

### Hardware:

- Compaq 486sx/25 with 8mb RAM and 120mb hard drive
- Super VGA color monitor
- Optima 9600 Baud Modem
- HP Deskjet 500 Printer
- Keyboard and Mouse

### Software:

- DOS 6.0
- Windows 3.1
- Lotus 1-2-3 for Windows
- PC Anywhere (remote communications)

Data collection begins whenever a service is rendered and accounts for all services: physician, pharmacy, specialty consults, emergency room, hospitalization, radiology and others. Information is entered on special forms, provided by PHS, by the personnel providing the service and is accumulated on a continuing basis. This information is distributed on a weekly/monthly basis to the ADOC and other designated State of Alaska staff or departments.

TYPICAL PRISON FACILITY



<u>Description</u>	<u>Quantity</u>
Compaq Prolinea 486sx/25 8 mg memory 120 mg HD 3.5 and 5.25 floppy disks SVGA Color monitor Mouse, DOS, Win 3.1	1
Lotus 1-2-3 for Windows installed	1
WordPerfect for Windows installed	1
PC Anywhere Software	1
HP Deskjet 500 & Cable	1
Kronos Clock & Software	1
Hayes Optima 9600 Modem w/cable	1
6 Outlet Surge Protector	1
Phone Line Installation	1
<b>TOTAL</b>	<b>9</b>

\* The cost of the proposed PHS Management Information Reporting System is included in our Proposal Base Price.



**PRISON HEALTH SERVICES, INC.  
MONTHLY/YEAR-TO-DATE STATISTICAL REPORT**

Facility:  
Month/Year:  
Submitted By:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End Total
1. Hospital Admissions													
2. Outside Consultations													
3. Emergency Room Visits													
4. Outside X-rays													
5. Inhouse X-rays													
6. Inhouse EKG's													
7. Inmates seen by Physician													
8. Inmates seen by Dentist													
9. Inmates seen by Psychiatrist													
10. Inmates seen by Psychologist/Counselor													
11. Number of Group Sessions													
12. Inmates seen by staff:													
a. Screens													
b. Nurse sick call													
c. History/Physicals													

24



PRISON HEALTH SERVICES, INC.  
MONTHLY/YEAR-TO-DATE STATISTICAL REPORT

Facility:  
Month/Year:  
Submitted By:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End Total
d. Phy. Asst./Nurse Prac.													
e. Psych. Nurse													
f. Medical Assistants													
13. Number of Positive PPD's													
14. Chest X-ray and/or treatment													
15. Number of STD													
16. HIV Tests:													
a. Number tested													
b. Number of Positive HIV's													
c. Number of HIV Tests on Prostitutes													
17. Infirmary Admissions													
18. Infirmary Total Patient Days													
19. On-Site Specialty Clinics													
a.													
b.													
c.													
20. Other													

25



PRISON HEALTH SERVICES, INC.  
MONTHLY/YEAR-TO-DATE STATISTICAL REPORT

Facility:  
Month/Year:  
Submitted By:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year End Total
a.													
b.													
c.													
d.													
e.													
f.													
g.													
h.													
i.													
j.													
k.													
l.													
m.													
n.													
o.													
p.													
q.													



8.

**COMMUNITY RELATIONS**



## 8. COMMUNITY RELATIONS

Prison Health Services, Inc. is both aware of and sensitive to the political, financial and personnel issues which are associated with contracting for comprehensive correctional health care. We feel that, as your health care provider, we are responsible for the image of not only our program, but also the effects of our program on the local community. That is why we have implemented a corporate policy to develop solid relationships with the communities we serve. We cite the following as examples of how we currently develop these relationships:

- Working with and reporting to any Criminal Justice Oversight Committees in the state.
- Holding meeting with all state departments, community organizations and interested citizens.
- Working closely with any state departments interested in having articles written and/or published in local, state and national publications.
- Conducting cultural diversity training programs for all employees.
- Identifying local colleges with nursing programs and offering to provide lectures about careers in correctional health care.
- Participating in local community and college job fairs.
- Recruiting locally. PHS places advertisements in all local newspapers to recruit for new facility start-ups and for replacement personnel when positions open.



**9. STATES CURRENTLY CONTRACTING  
WITH PRIVATE HEALTH CARE COMPANIES**



## 9. STATES CONTRACTING WITH PRIVATE HEALTH CARE COMPANIES

### A. States That Are Currently Contracting All or Part of Their Correctional Health Care System

- |                   |                    |
|-------------------|--------------------|
| 1. Alabama        | 15. Nevada         |
| 2. Arizona        | 16. New Mexico     |
| 3. Delaware       | 17. New York       |
| 4. Florida        | 18. Ohio           |
| 5. Georgia        | 19. Pennsylvania   |
| 8. Illinois       | 20. Rhode Island   |
| 9. Iowa           | 21. South Carolina |
| 10. Maine         | 22. South Dakota   |
| 11. Maryland      | 23. Tennessee      |
| 12. Massachusetts | 24. Texas          |
| 13. Michigan      | 25. Virginia       |
| 14. Missouri      | 26. West Virginia  |
|                   | 27. Wyoming        |

### B. States That Have Issued Request for Proposals (RFP) with the Intention of Contracting January 1, 1996

1. New Jersey
2. Vermont

### C. States That Are Working On or Have Completed RFP and Will Release Within the Next Three (3) Months

1. California
2. Idaho
3. Indiana