

**HB**

**53**

**HFIN**

**FILE**

O-LS0194X  
Luckhaupt  
2/16/98

adopted N/O 2/17/98

CS FOR HOUSE BILL NO. 53( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVE MULDER

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the power of municipalities to provide for the confinement  
2 and care of prisoners; relating to authorizing the Department of Corrections to  
3 enter into an agreement to lease facilities for the confinement and care of  
4 prisoners with the City of Delta Junction; and providing for an effective date."

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

6 \* Section 1. AS 29.35.010 is amended by adding a new paragraph to read:  
7 (15) provide facilities or services for the confinement and care of  
8 prisoners and enter into agreements with the state, another municipality, or any person  
9 relating to the confinement and care of prisoners.

10 \* Sec. 2. AS 29.35.020(a) is amended to read:  
11 (a) To the extent a municipality is otherwise authorized by law to exercise the  
12 power necessary to provide the facility or service, the municipality may provide  
13 facilities for the confinement and care of prisoners, parks, playgrounds, cemeteries,  
14 emergency medical services, solid and septic waste disposal, utility services, airports,

1 streets (including ice roads), trails, transportation facilities, wharves, harbors and other  
2 marine facilities outside its boundaries and may regulate their use and operation to the  
3 extent that the jurisdiction in which they are located does not regulate them. A  
4 regulation adopted under this section must state that it applies outside the municipality.

5 \* Sec. 3. AUTHORIZATION TO LEASE CORRECTIONAL FACILITY SPACE WITH  
6 THIRD-PARTY CONTRACTOR OPERATION. (a) To take advantage of the unique  
7 opportunity to use surplus military facilities on the road system that are becoming available  
8 through the United States Army's realignment of Fort Greely's mission, to prevent and  
9 ameliorate economic hardship in the Delta region occasioned by that realignment and the  
10 consequent reduction in forces and civilian employment at Fort Greely, and to relieve  
11 overcrowding of existing correctional facilities within the state and the extensive use of out-of-  
12 state correctional facilities to house Alaska inmates, the Department of Corrections may enter  
13 into an agreement with the City of Delta Junction to lease space within a correctional facility  
14 on the deactivated Fort Greely military reservation that will house persons who are committed  
15 to the custody of the commissioner of corrections. The agreement must provide that the state  
16 agrees to lease the space for a minimum of 20 years.

17 (b) The agreement to lease entered into under this section is predicated on and must  
18 provide for an agreement between the City of Delta Junction and a private third-party  
19 contractor under which the private third-party contractor operates the facility by providing for  
20 custody, care, and discipline services for persons held by the commissioner of corrections  
21 under authority of state law.

22 (c) The authorization given by (a) of this section is subject to the following  
23 conditions:

24 (1) the lease must provide a minimum of 800 prison beds;

25 (2) the agreement to lease must contain terms providing that the commissioner  
26 of corrections may terminate for cause a contract with a private third-party contractor  
27 operating the facility in accordance with the provisions of (b) of this section.

28 \* Sec. 4. APPLICABILITY. The provisions of AS 33.30.031(a) and (c) do not apply to  
29 an agreement to lease a correctional facility in accordance with the provisions of sec. 3 of this  
30 Act.

31 \* Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 4, 1997

FURTHER REFERRALS:

Date of Committee Action: 2/17/98

The FINANCE Committee considered:

HB 53

HOUSE BILL NO. 53

LEASE-PURCHASE CORRECTIONAL FACILITY

"An Act relating to the authority of the Department of Corrections to contract for facilities for the confinement and care of prisoners, and annulling a regulation of the Department of Corrections that limits the purposes for which an agreement with a private agency may be entered into; authorizing an agreement by which the Department of Corrections may, for the benefit of the state, enter into one lease of, or similar agreement to use, space within a correctional facility that is operated by a private contractor, and setting conditions on the operation of the correctional facility affected by the lease or use agreement; and giving notice of and approving a lease-purchase agreement or similar use-purchase agreement for the design, construction, and operation of a correctional facility, and setting conditions and limitations on the facility's design, construction, and operation."

recommends it be replaced with the following committee substitute OS HB 53 (FIN)  the same title  a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: HFC Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) DCR

fiscal note(s) \_\_\_\_\_

zero fiscal note(s) DCR

zero fiscal note(s) \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Gene Theriault</i>	Theriault	X			
<i>Mark Hanley</i>	Hanley	X			
<i>Ed Hall</i>	Murder	X			
<i>Larry Martin</i>	Martin	X			
<i>Vig Kohring</i>	Kohring	X			
<i>John Grussendorf</i>	Grussendorf			X	
<i>Fred Daus</i>	Daus	X			

CHAIR'S SIGNATURE

*Gene Theriault* *Mark Hanley*



# Alaska State Legislature

## HOUSE OF REPRESENTATIVES

### Committee on Finance

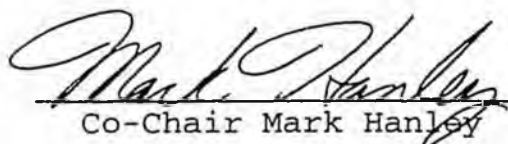
Official Business

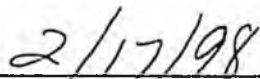
State Capitol  
Juneau, Alaska 99801-1182


### Letter of Intent

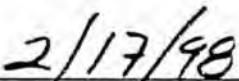
It is the intent of the Legislature that the contract signed pursuant to the authority provided in HB 53 should require that:

1. The prison meet American Correctional Association standards;
2. Guards employed in the prison meet the same training standards that are required of prison guards in AS 18.65.130 - 18.65.290;
3. The contract between the City of Delta Junction and the prison operating entity should be for durations of no longer than five years. It may be renewable; and
4. The contract for operation of the facility provide for the removal of the contractor for non performance.
5. The agreement to lease the facility must provide a fixed rate per each bed day, adjusted annually during the term of the lease according to an appropriate index. The fixed rate for the first year must include all capital and operating costs and may not exceed \$70.00 per bed each day.

  
Co-Chair Mark Hanley

  
Date

  
Co-Chair Gene Therriault

  
Date

Revision Date: February 4, 1998 Dept. Affected: Revenue  
 Title: Lease-Purchase Correctional Facility BRU: Revenue Operations  
 Component: Treasury  
 Sponsor: Mulder, Eldon  
 Requestor: (H) FIN COMPONENT SERIAL NO. 121

Expenditures/Revenues:		(Thousands of Dollars)				
OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
DEBT SERVICE						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE		(Thousands of Dollars)				
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1001 CBRF						
1048 University of AK receipts						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year cost \$ \_\_\_\_\_

POSITIONS:						
FULL-TIME						
PART-TIME						
TEMPORARY						

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

Authorizes the Department of Corrections to sign a 20 year (plus) lease with the City of Delta Junction for an 800 (plus) bed correctional facility at Ft. Greely, to be operated by a private contractor.

No costs are specified in the bill. No fiscal impact is projected at this time.

The Department of Revenue has serious concerns with this bill. See attached comments.

Prepared by: Forrest Browne  
 Division: Treasury  
 Approved by Commissioner: Wilson L. Condon  
 Agency: Revenue

Phone: 465-3750  
 Date: February 4, 1998  
 Date: February 4, 1998

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## Department of Revenue's Comments CSHB 53

This bill seems incomplete and seriously flawed from a fiscal perspective. Our concerns are summarized below.

1. No maximum annual or total-term lease costs are specified in the bill.
2. No maximum capital expenditures for the facility are established.
3. No maximum lease term is specified.
4. There is no requirement that competitive bids or any other form of competition be used to determine the location of the facility, the construction of the facility improvements or the acquisition of financing for the capital improvements.
5. There is no requirement that tax-exempt financing be used for the project.
6. There is no requirement that an environmental study be conducted on the site.
7. There is no requirement for Federal funding of site clean-up if this is indicated by an environmental study.
8. There is no provision for State ownership of the facility after the long-term debt has been retired by State rent payments.
9. There is no provision for refinancing the underlying debt from time-to-time, with a corresponding reduction of annual lease costs to the State.
10. There is no provision for State participation in structuring the required long-term financing for the project. Private contractor bankruptcy, malfeasance, or default on the underlying project financing (which relies totally on the State's credit) could have adverse financial and legal consequences to the State, agencies and municipalities.

The Department of Law has expressed concern as to whether the City of Delta Junction has the legal capacity to enter into the agreements for lease and operation of a prison at Ft. Greeley because (1) Delta Junction has not adopted an ordinance authorizing it to operate or own a prison; and (2) the proposed prison is not located within the boundaries of the City of Delta Junction, and the city appears to lack the necessary extraterritorial jurisdiction; under AS 29.30.020 prison services is not listed as one of the allowable functions that a municipality may provide on an extraterritorial basis.

If it is decided to proceed with a privately-operated correctional facility at Ft. Greeley, the Department of Revenue recommends "unbundling" the financing from the agreement with the private contractor to construct and to operate the correctional facility. That is, the State would arrange the financing through Certificates of Participation (COP's) in lease / purchase financing.

Following are the advantages of our financing recommendation:

(Page 2 of 3)

1. No one can arrange State financing at a lower cost than the State itself. As an example, in January, 1998, the State Bond Committee closed on \$18.4 million of COP's for the Anchorage Public Health Lab at a true interest cost of 4.39%.
2. If the State arranges the required financing through COP's, the State will own the facility when the debt has been paid off.
3. If the State arranges the financing, the State may refinance the debt from time-to-time at lower interest rates, with the savings going to the State not to the private contractor.

# FISCAL NOTE

STATE OF ALASKA  
1998 LEGISLATIVE SESSION

BILL NO. CSHB 53(JUD)

Revision Date: (Note if correction)  
 Title: "An Act relating to authorizing the Department of Corrections to enter into an agreement to lease facilities..."  
 Sponsor: Representative Mulder  
 Requestor: (H)FIN

Department Affected: Administration  
 BRU: Leasing and Facilities  
 Component: Leases  
 COMPONENT SERIAL NO. 81

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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**FUND SOURCE:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 98) cost: \$ 0.0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

The bill would authorize the Dept. of Corrections to enter into a long-term lease with the City of Delta Junction for the provision of a facility and services to house at least 800 prisoners.

Although the bill refers to an agreement between the State and the City as a lease, it is our assumption that there are two components to this agreement, one component for financing the capital investment required for facilities and the other component for paying for the services required to provide custody and care of prisoners.

(continued on next page)

Prepared by: Dugan Petty  
 Division: General Services

Phone: 465-2250  
 Date: \_\_\_\_\_

Approved by Commissioner: Mark Bover *Alison M. Elger*  
 Agency: Department of Administration

Date: 2/3/98

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**FISCAL NOTE  
STATE OF ALASKA**

**1998 LEGISLATIVE SESSION**

**BILL NO. CSHB 53 (JUD)**

**ANALYSIS: (continued)**

The capital component of the agreement may qualify as a "lease-purchase agreement" under AS 36.30.990(13) (C) or (D). Under 36.30.085 only the Dept. of Administration may enter into a "lease-purchase agreement" after giving notice to the Legislature as to the:

- 1) anticipated total construction, acquisition, or other costs of the project;
- 2) anticipated annual amount of the rental obligation; and,
- 3) total lease payments for the full term of the lease-purchase agreement.

\* At this time the Dept. of Administration does not have sufficient information to determine the likely costs of the lease-purchase agreement. The determination of the costs for renovation of a former military facility to house state prisoners will involve a number of building code, life safety, and economic and business assumptions which are not available at this time.

Prior to entering into a lease-purchase agreement the State typically conducts due diligence assessments of the property to determine the extent to which the property meets structural, environmental and other regulatory requirements. At this time there is insufficient information to determine what the costs of compliance is likely to be.

# FISCAL NOTE

**STATE OF ALASKA**  
**1998 LEGISLATIVE SESSION**

**BILL NO. CS HB 53(FIN)**

Revision Date (Note if correction) 02/02/98 Dept. Affected Corrections  
 Title An Act relating to authorizing the Department BRU ALL  
 of Corrections to enter into an agreement to lease facilities... Component ALL  
 Sponsor Rep. Mulder  
 Requester House Finance Component Serial No. \_\_\_\_\_

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

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	*****	*****	*****	*****	*****	*****

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	*****	*****	*****	*****	*****	*****

Estimate of any current year (FY98) cost:     \*\*    

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

The Department of Corrections is certain that this legislation will have fiscal implications. However, absent more detailed information, the DOC is unable to ascertain what the fiscal impacts will be.

The DOC will provide a revised fiscal note when this information is made available.

Prepared by Bruce Richards  
 Division Commissioner's Office  
 Approved by Commissioner Margaret M. Pugh  
 Agency Department of Corrections

Phone 465-3307  
 Date 2/2/98  
 Date 2/2/98

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2/17/98

## Letter of Intent

It is the intent of the Legislature that the contract signed pursuant to the authority provided in HB 53 should require that:

1. The prison meet American Correctional Association standards;
2. Guards employed in the prison meet the same training standards that are required of prison guards in AS 18.65.130 - 18.65.290;
3. The contract between the City of Delta Junction and the prison operating entity should be for durations of no longer than five years. It may be renewable; and
4. The contract for operation of the facility provide for the removal of the contractor for non performance.
5. The agreement to lease the facility must provide a fixed rate per each bed day, adjusted annually during the term of the lease according to an appropriate index. The fixed rate for the first year must include all capital and operating costs and may not exceed \$70.00 per bed each day.

## COST COMPARISON FOR THE HOUSE FINANCE COMMITTEE

The House Finance Committee has asked about cost comparisons of a publicly versus a privately operated 800-bed medium custody prison. Studies comparing the operational costs of public private prisons have been of interest to many jurisdictions around the United States. I am attaching a report dated August 1996 on the topic issued by the United States General Accounting office. Experts agree that an accurate analysis for the purposes of comparing costs requires a far more sophisticated approach than the Department of Corrections is capable of producing without considerable time and effort.

The State of Alaska does not have any information about the projected operating costs for the Greely proposal, except that the costs will be about what the state pays per bed per day at Arizona.

The state's costs of care for the prisoners housed at Arizona are as follows:

Institutional costs (includes inmate programs)	\$61.02
Inmate health	13.61
Pro rata % of Department's Administration costs	5.20
Transportation to and from Arizona	1.66
Inmate wages	1.85
	<hr/>
	\$82.34

The State of Alaska does not currently operate an 800-bed facility and thus does not have a model for comparison to the Greely proposal. The state, however, has proposed expanding the Palmer Correctional Center located in Sutton. The state's costs of care for prisoners housed at Palmer are as follows:

Institutional costs (includes trans. & wages)	\$59.47
Inmate programs	3.78
Inmate health	13.61
Pro rata % of Department's Administration costs	5.20
Pro rata % of Bldg./Equip. Depreciation & CIP	4.54
	<hr/>
	\$86.60

DEPARTMENT OF CORRECTIONS  
In-State VS Out-Of-State Costs

IN STATE COST OF CARE	DESCRIPTION	ARIZONA OUT OF STATE COST OF CARE
<u>\$100.07</u>	AVERAGE	<u>\$87.88</u>
\$72.94	INSTITUTIONAL COST	\$61.02 **
\$3.78	INMATE PROGRAMS	*
\$13.61	INMATE HEALTH	\$13.61
\$4.51	DIVISION OF ADMINISTRATION & SUPPORT	\$4.51 + .69
\$5.23	STATEWIDE INDIRECT	(5.23) — take out, except for Admin. component, which should be added to Admin.
*	TRANSPORTATION	\$1.66
*	GRATUITIES	\$1.85

\*Note: Included in the Institution/Contract base costs.

\*\*Note: Arizona base costs (\$60.47 plus \$ .55 Health= \$61.02 total) until 370 Inmate population achieved.

Comments:

- 1) Institutional base costs include transportation and gratuities expenditures averaged into calculation.
- 2) Out of State base costs include Inmate Programs. All other costs are "in addition" to, the Arizona contract only includes "band-aid" medical and like Institutions, if exceptional medical is required, the Inmate Health Component picks it up.

FY'97 Cost of Care

Institutions	Total Cost	Reimbursement	Total Actual Cost	Mandays	Inst. Cost	Inmate Programs	Inmate High Care	Div. of Admin. & Support Cost	Statewide Indirect Cost	Total
Anvik M.C.C.	3,949,505		3,949,505	38,325	103.05	3.78	13.61	4.51	5.23	130.18
Cook Inlet	9,319,458		9,319,458	154,030	60.50	3.78	13.61	4.51	5.23	87.83
Fairbanks CC	6,941,227		6,941,227	83,950	82.68	3.78	13.61	4.51	5.23	109.81
Hiland M.L.C.C.	7,439,283		7,439,283	108,405	68.62	3.78	13.61	4.51	5.23	95.75
Ketchikan CC	2,631,099		2,631,099	20,410	128.72	3.78	13.61	4.51	5.23	156.85
Lemon Creek	6,024,683		6,024,683	73,315	82.12	3.78	13.61	4.51	5.23	109.25
Mat-Su Pre-Trial	2,797,812		2,797,812	33,510	83.32	3.78	13.61	4.51	5.23	110.46
Palmer CC	8,812,225		8,812,225	148,180	59.47	3.78	13.61	4.51	5.23	88.60
Sikh Avenue	3,903,572		3,903,572	49,640	78.84	3.78	13.61	4.51	5.23	105.77
Spring Creek	13,807,974		13,807,974	191,625	72.06	3.78	13.61	4.51	5.23	99.19
Wildwood CC	8,212,657		8,212,657	123,735	66.37	3.78	13.61	4.51	5.23	83.50
YkCC	3,924,580		3,924,580	40,890	96.00	3.78	13.61	4.51	5.23	123.13
Sub-Total/Average	77,764,076		77,764,076	1,066,165	72.94	3.78	13.61	4.51	5.23	100.07

Institutions	Inmate Programs	Inmate High Care	Admin. & Support	State Indirect & Other Cost	Grand Total
Total Institutions Cost	77,764,076	2,390,111	14,509,120	4,814,391	100,208,473
				Dir. of Inst.	730,775
				B & E Depr.	4,842,169
				CIP	210,625
Sub-Total	77,764,076	4,326,479	14,509,120	4,814,391	107,197,636
Less: Total Reimbursement		(309,199)			(510,824)
	77,764,076	4,026,280	14,509,120	4,814,391	106,686,811
Divided By Total Mandays	1,066,165	1,066,165	1,066,165	1,066,165	1,066,165
Total Daily Average Cost (Inst.)	72.94	3.78	13.61	4.51	100.07

P. 02/02

FAX NO. 9074652006

DEPT OF CORRECTIONS

FEB-06-98 FRI 13:34

P/B: E.Yadeo  
12/28/97  
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## CONCERNS

1. This legislation, which is intended to solve the overcrowding problem, can and should authorize the Department to address the short-term -- as well as the long-term -- problems. These problems are that we have:
  - Too many inmates and not enough beds.
  - Add on top of this, a court order to reduce by May 1 in-state populations to the court-ordered capacity (2691). We are between 500 and 600 over this number now. By the end of 1999, that number will rise to almost 900 over.
2. The State of Alaska must maintain its authority to protect the public.
  - To do this, the state should know
    - that the City of Delta Junction is equipped to negotiate such a comprehensive contract; and
    - that the City of Delta Junction is prepared to be the primary contractor; and
    - that government (be it the City of Delta Junction or the State of Alaska) should maintain long-term control over the property and the assets.
3. Good public policy would give the Commissioner the opportunity to find out if this is the most cost-effective method of acquiring 800 medium security prison beds.
  - This legislation could require the Commissioner to make a best interests finding and perform a cost-effectiveness study. Good public policy would want to know if there is anything out there that is significantly more cost-effective and, if so, the Commissioner could bring it back to LB&A.
4. Good public policy requires that this legislation address the use of force or police powers by employees of a private prison contractor.
  - This issue has arisen in other states and enabling legislation should be enacted that clearly authorizes private contractors to possess and use firearms and force. The enabling legislation should also specify that private employees are not peace officers of the state.

5. Good public policy requires that this legislation specify which powers and duties are not delegable to a private contractor.
  - A contract for correctional services should not authorize, allow, or imply a delegation of authority or responsibility to a private prison contractor to perform inmate time accounting, good time forfeiture or restoration, inmate furlough or parole decisions, or the type of work an inmate may perform.
  
6. HB 53 does not preclude the transfer of out-of-state prisoners in Alaska. Public policy would be well-served to set the parameters for such a possibility now.
  - Some other states have passed legislation clarifying that crimes (including escape) committed by inmates from another jurisdiction are indeed crimes in the holding jurisdiction. Other states have found it useful to ensure that a private entity is responsible for the cost of pursuit and capture of escapees from other jurisdictions.
  
7. There are operational concerns that arise whenever a new prison site is considered. These include:
  - Security
    - Is proposed site in tsunami or flood plain area? (Prisoners will have to be released in event of disaster)
    - Is there adequate space for the facility?
      - 100 feet to inner fence
      - 20-25 feet to second fence
      - 300 foot "clear zone" w/ perimeter lighting and road around the perimeter fence
    - 10% of cells must be made available for a special segregation unit
    - If proposing to modify existing buildings, special issues:
      - inmates cannot be able to walk out or punch walls out
      - good visibility must exist within and outside facility
      - building must lend itself to efficient staff operations
      - cells must be plumbed with sinks and toilets
      - facility must meet *Clery* standards (see Final Settlement Order)
  
  - Medical Services
    - In-patient hospital in community or within short driving distance
    - Existing medical community (a number of physicians, including

- specialists such as an internist, a general surgeon and an orthopedist, nurses)
- Existing dental community
- Willingness of medical and dental personnel to provide services in institution
- Psychiatrist in community
  
- Availability of Emergency Services
  - Fire services
  - Medi-vac availability
  - Back up for power failures
  - Communications
  - In the event of a major disturbance or multiple escapes, what resources are available to provide support to the facility staff until other law enforcement agencies arrive?
  
- Programs
  - Availability or proximity of people to deliver program services such as substance abuse, domestic violence, education, work training, etc.
  - Chaplaincy programs in the institution, which depend completely on community religious volunteers
  
- Transportation
  - How far is proposed site from the Anchorage bowl area (where most inmates come from)?
  - How far is proposed site from a large population center (30,000 or more residents)?
  - Is facility proximate to families of inmates?
  - If not accessible by road, what size aircraft can airport accommodate? Does airport have runway/taxiway lighting and instrument approach capability? What percentage of scheduled flights are unable to land due to weather? (It is often necessary for group of prisoners to be transported; also, a large shift of employees might wish to commute to nearby larger community.)
  
- Staffing Issues
  - Availability of housing for staff and families
  - Availability of jobs for family members
  - Availability of medical/dental support for families
  - Availability of schools and pediatricians for children
  - Availability of recreational/cultural/travel/shopping options

- **Construction Factors**
  - Is there state land that can be used in the proposed area?
  - Is the community proposing to construct the facility, as opposed to DOTPF constructing it?
  - Will the location increase the costs of construction?
  - Adequacy and expense of electricity and fuel for facility
  - Adequacy and expense of water and sewage treatment
  - Adequacy of telephone and other communications services
  - Length of time anticipated to completion of construction
  
- **Operating Costs**
  - Does proposal include operating the facility?
  - Does area require state to pay geographic differential?
  - Are supplies -- such as food -- available locally or must be shipped?
  - Maintenance of facilities and equipment (electronic and mechanical systems)

GAO

Report to the Subcommittee on Crime,  
Committee on the Judiciary, House of  
Representatives

August 1996

# PRIVATE AND PUBLIC PRISONS

## Studies Comparing Operational Costs and/or Quality of Service



G A O  
**75** years  
1921 - 1996

Attadv - 2-17-98

## General Government Division

B-261797

August 16, 1996

The Honorable Bill McCollum  
Chairman  
The Honorable Charles E. Schumer  
Ranking Minority Member  
Subcommittee on Crime  
Committee on the Judiciary  
House of Representatives

Since 1991, when we issued our earlier report on private prisons,<sup>1</sup> various jurisdictions and levels of government have made or planned greater use of this alternative to publicly run correctional facilities. At the federal level, plans for privatization of correctional facilities have changed in recent years. For example, the administration's fiscal year 1996 budget proposal reflected a commitment to increase the use of privatized correctional facilities in the federal Bureau of Prisons (BOP). Specifically, under the BOP privatization initiative presented in the budget request, the bureau proposed to contract with private firms, where most appropriate, to operate the majority of all future federal pretrial detention facilities as well as the majority of all future federal minimum- and low-security correctional facilities. The Department of Justice's fiscal year 1997 budget justification projected the activation of two privatized facilities in that year. However, in June 1996, the Justice Department reversed its plans for using private contractors to operate the facilities identified in the 1996 and 1997 budget proposals. In explaining its decision to staff these facilities with BOP employees, the Justice Department noted that it was "unable contractually to reduce the risk of a strike or walk out" of correctional officers employed by private firms.<sup>2</sup>

Proponents of privatization assert that the experiences of several states demonstrate that private contractors can operate prisons at less cost than the government, without reducing the levels or quality of service. In contrast, other observers say there is little or no valid evidence that privatization of corrections is a cost-effective alternative to publicly run facilities.

To help frame the continuing deliberations of the Justice Department's privatization plans, we self-initiated this review to (1) identify studies

<sup>1</sup>Private Prisons: Cost Savings and BOP's Statutory Authority Need to Be Resolved (GAO/GGD-91-21, Feb. 7, 1991).

<sup>2</sup>Letter, dated June 5, 1996, from the Assistant Attorney General for Administration, Department of Justice, to various congressional committee and subcommittee chairmen and ranking minority members.

(completed since 1991) comparing the operational costs and/or the quality of service<sup>3</sup> of private and public correctional facilities; (2) determine, based on these studies, what could be concluded regarding the operational costs and/or quality of service of comparable private and public facilities; (3) assess whether the reported results are generalizable to correctional systems in other jurisdictions; and (4) identify lessons learned to help guide future comparative studies of private and public correctional facilities. Our work basically was a form of evaluation synthesis whereby we assessed existing studies, particularly with respect to the strength of evidence supporting the reported findings. Appendix I presents further details about our objectives, scope, and methodology.<sup>4</sup> We are addressing this report to you because of your Subcommittee's interest in prison issues, as exemplified by the hearings you held on June 8, 1995.

We conducted our work from June 1995 to June 1996 in accordance with generally accepted government auditing standards. We received oral comments on a draft of this report from BOP and written comments from the Department of Justice's Office of Justice Programs; the National Council on Crime and Delinquency; and a Northeastern University (Boston, MA) professor of criminal justice, who is a nationally recognized authority on corrections administration. These comments and our evaluation of them are discussed at the end of this letter.

## Results in Brief

On the basis of literature searches and discussions with correctional officials and criminal justice researchers, we identified five studies completed since 1991 that compare private and public correctional facilities in relation to operational costs and/or quality of service. Three states sponsored comparative studies of correctional facilities in their states—Texas, California, and Tennessee. The National Institute of Justice, the Bureau of Prisons, and the National Institute of Corrections funded a comparative study that focused mainly on facilities in New Mexico. Washington state studied facilities in Tennessee, Louisiana, and Washington state. The correctional facilities that were the focus of these studies varied in terms of geographic location and the types of inmates

<sup>3</sup>As discussed in appendix I, we did not attempt to generically define "quality of service." Rather, we accepted the definition and/or evaluation criteria used in each applicable study that we reviewed. Some studies, for instance, used a variety of quality measures or outcomes, such as safety and incident data and the extent of treatment programs for inmates.

<sup>4</sup>Although not addressed in this report, the privatization of corrections has, at times, raised various other issues besides cost and quality of service issues. For example, there has been some debate over the issue of whether administration of justice (which includes the operation of prisons) is an inherently governmental function not appropriately delegable to the private sector.

housed. There was also variation in the methodologies and measurements employed by the researchers.

Three of the studies we reviewed (California, Tennessee, and Washington) made comparisons of costs between reasonably matched private and public facilities that were operating within each state that was studied. Of the four private/public comparisons reported in these three studies, two showed no significant differences in operational costs, one showed a 7-percent difference in favor of the private facility, and the other reported the private facility to be more costly than one public facility but less costly than another public facility. One additional study (Texas) reported a 14- to 15-percent savings from privatization; however, the analysis for the Texas study was problematic because the comparison was based on hypothetical public facilities, not existing ones. We could not conclude from these studies that privatization of correctional facilities will not save money. However, these studies do not offer substantial evidence that savings have occurred.

Two studies (New Mexico and Tennessee) assessed a wide variety of factors in their reviews of comparative quality of private and public facilities. These factors, among others, included measures of safety, personnel qualifications, physical conditions of the facilities, health care, and inmate activities. One of these two studies (Tennessee) reported no difference between private and public facilities. The other study (New Mexico) reported a higher quality score for one private facility compared with two public facilities. However, on the inmate survey portion of the assessment, one public facility had higher scores in all of the areas that were assessed, except one. One additional study (Washington), using a less detailed approach to assessing comparative quality, found no differences between private and public facilities.

These studies offer little generalizable guidance for other jurisdictions about what to expect regarding comparative operational costs and quality of service if they were to move toward privatizing correctional facilities. First, several of the studies focused on specialized inmate populations, such as those in prerelease situations, that limited their generalizability to a wider inmate population. Second, methodological weaknesses in some of the comparisons—such as using hypothetical facilities or nonrandom survey samples—make some findings questionable, even for the study setting. Third, a variety of differences in other states and regions could result in experiences far different from those of the states that were studied. For example, cost of living and a state's correctional philosophy

could affect the comparative costs and quality of private and public facilities from state to state. Finally, the age or maturity of the private system could affect the relationship between private and public facilities in terms of costs and quality.

From a methodological standpoint, the five studies provide some lessons learned for future comparisons of private and public correctional facilities. The importance of focusing on both operational costs and quality of service, comparing institutions (both private and public) that are actually in operation, and using multiple measures of quality are attributes that worked well in selected studies.

## Background

A generally accepted evaluation criterion is that any comparative study of private and public prisons should be based upon the selection and analysis of similar facilities. For example, the private and public prisons selected for comparison should be as similar as possible regarding design and capacity, security level, and types of inmates. Otherwise, any comparative analysis of operational costs or quality of service could be skewed. On a per-inmate basis, for instance, higher security prisons can be expected to have higher operating costs than lower security prisons because the former type of facilities generally have higher staff-to-inmate ratios.

Even if similar private and public prisons are available for study, a comparison of operational costs can still present difficulties in ensuring that all costs, direct and indirect, are consistently and fully quantified. Possible difficulties can arise due, in part, to differences in budgeting and accounting practices between and even within the private and public sectors. Determining the appropriate allocation of corporate headquarters overhead and government agency overhead, for instance, can be particularly difficult.

Comparing the quality of service at private and public prisons also presents challenges and, in fact, can be more difficult than comparing costs. The concept of "quality" is neither easily defined nor measured. For example, although the American Correctional Association (ACA) sets accreditation standards for prisons, accredited facilities can vary widely in terms of overall quality. According to ACA officials, such variances occur because ACA accreditation means that a facility has met minimum standards.

Generally, however, assessments of quality can take several approaches. For example, one is a compliance approach, that is, assessing whether or to what extent the prisons being compared are in compliance with applicable ACA standards and/or other relevant policy and procedural guidelines and/or court orders and consent decrees. Another approach is to assess performance measures.<sup>5</sup> For example, measures of safety could include assault statistics, safety inspection results, and accidental injury reports.

The difficulties of comparatively assessing private and public prisons—regarding operational costs and/or quality of service—are further complicated if the prisons are not located in the same state. Each state and its correctional system have characteristics and conditions that must be recognized in conducting interstate analyses. For example, economic conditions and cost-of-living factors can vary by state and by regions of the nation. Similarly, each state's correctional system may be somewhat unique regarding the extent of overcrowding, the history of court intervention, the emphasis given to ACA accreditation, and the presence or influence of various other factors. As an illustration, with respect to the five studies we reviewed, appendix III presents state-specific details regarding some relevant factors that could affect interstate comparisons of prison costs and/or quality of service.

## Five Comparative Studies Completed Since 1991

On the basis of extensive literature searches and inquiries with knowledgeable corrections officials and criminal justice researchers (see app. D), we identified five studies completed since 1991 that compared private and public prisons in reference to operational costs and/or quality of service. The following is a brief overview of each study:<sup>6</sup>

- **Texas study (1991):** Conducted by the Texas Sunset Advisory Commission, this study compared (1) the actual costs of operating four privately managed prerelease minimum-security facilities for male prisoners and (2) the estimated costs of operating similar but hypothetical public facilities in Texas. The study did not empirically assess quality of service.

<sup>5</sup>Charles H. Logan, "Criminal Justice Performance Measures for Prisons," Performance Measures for the Criminal Justice System, U.S. Department of Justice, Oct. 1993.

<sup>6</sup>As presented, each study is introduced with a short title showing the sponsoring state and/or the state wherein the compared facilities are located. Also, the studies are listed in chronological order by the date of completion or publication indicated in parentheses. Appendix II provides a more detailed overview of these five studies.

- **New Mexico study (1991):** Funded by the National Institute of Justice, the Bureau of Prisons, and the National Institute of Corrections, this study compared the quality of service at three multicustody facilities (minimum- to maximum-security levels) for women, i.e., a private prison and a state-run prison in New Mexico and a federal prison in West Virginia. The study did not include a detailed analysis of operational costs.
- **California study (1994):** Conducted by California State University with funding from the California Department of Corrections, this study focused on three community correctional facilities for males. All three facilities were operated (under contracts with the state) as for-profit alternatives to state-operated prisons. One facility (medium-security) was operated by a private corporation, the second (high-security) by a local police department, and the third (low- to medium-security) by a city administration. The study compared operational and construction costs and quality of service. More specifically, regarding costs, the study compared the three facilities (1) with one another and (2) with other state correctional facilities. Both operational and construction costs were included in the comparison of the three facilities with one another. The statewide comparison did not include construction costs for the California Department of Corrections facilities. Regarding quality of service, the study compared the three facilities with two state facilities.
- **Tennessee study (1995):** Conducted in two parts, one for operational costs and one for quality of service, by the Tennessee state legislature, this study compared three of Tennessee's multicustody (minimum- to maximum-security) prisons for male inmates. One prison was privately managed, and the other two were state-run prisons.
- **Washington study (1996):** At the time of this study, the state of Washington had no privately run prisons but was considering the feasibility of such. Therefore, the study, conducted by the Washington State Legislative Budget Committee, analyzed pertinent information available in other states. Regarding operational costs, for, example, the study looked at the three Tennessee facilities (mentioned above) as well as three multicustody male prisons in Louisiana (two private and one public).<sup>7</sup> Regarding quality of service, the study compared the three Tennessee facilities, the three Louisiana facilities, and two Washington facilities.

<sup>7</sup>As discussed in appendix II, the Washington study also included some interstate comparisons of operational and construction costs.

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In summary, the California, Tennessee, and Washington studies assessed operational costs and quality of service.<sup>8</sup> The Texas study analyzed operational costs only, and the New Mexico study analyzed quality of service only.

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## Drawing Conclusions From the Five Studies

While the five studies varied in terms of methodological rigor, they do, to differing degrees, offer some indication of comparative operational costs and/or quality of service in the specific settings they assessed. However, regarding operational costs, because the studies reported little difference and/or mixed results in comparing private and public facilities, we could not conclude whether privatization saved money. Similarly, regarding quality of service, of the two studies that made the most detailed comparative assessments, one study (New Mexico) reported equivocal findings, and the other study (Tennessee) reported no difference between the compared private and public facilities.

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## Comparisons of Operational Costs Indicated Little Difference And/or Mixed Results

Four of the five studies (Texas, California, Tennessee, and Washington) assessed operational costs of private and public correctional facilities. In three of the studies (California, Tennessee, and Washington), comparisons of private and public facilities indicated little or some differences in operational costs. Only the Texas study reported finding substantially lower (14- to 15-percent) operational costs for private versus public correctional facilities.

Using fiscal year 1990 data, the Texas study reported average daily operational costs of \$36.76 per inmate for the private facilities, compared with estimates of \$42.70 to \$43.13 for the public facilities. However, the results of the Texas study are not fully based on actual experience. Rather, the study compared existing private facilities (prerelease institutions) to hypothetical public facilities. This type of hypothetical comparison does not allow for consideration of any unanticipated changes in components such as staffing levels, other expenses, rate of occupied bed space, or many other factors that could affect actual costs. Changes in any single assumption, or set of assumptions, for the hypothetical institutions could

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<sup>8</sup>The authors of the California study noted, however, that their findings regarding quality of service were based upon a small, nonrandom sample of inmates.

change the size or even the direction of the differences in the comparative operational costs.<sup>9</sup>

Based upon our experience in designing and assessing evaluation methodologies, we found the Tennessee study (of the studies we reviewed) to have the most sound and detailed comparison of operational costs of private and public correctional facilities. The study compared three mixed-population (minimum- to maximum-security) institutions (one private and two public). All three facilities were located in Tennessee, and all three had relatively comparable inmate populations, in terms of numbers and most demographics, except race. Also, direct and indirect costs were considered in the analysis, and representatives from both the private and the public facilities agreed on the cost components and relevant adjustments prior to data collection. The analysis showed very little difference in average inmate costs per day among the three facilities—\$35.39 for the private facility and \$34.90 and \$35.45, respectively, for the two public facilities.

The Washington study, which made intrastate comparisons of correctional facilities (minimum- and maximum-security populations) in Tennessee and Louisiana, also found very little difference in the operational costs of private and public facilities. For Tennessee, the private facilities' average daily operational costs per inmate (\$33.61) were lower (about 7 percent) than the comparable costs for the two public facilities studied (\$35.82 and \$35.28, respectively). It should be noted that the Tennessee facilities, which were analyzed and reported on in the 1996 Washington state study, were the same facilities that are discussed in the 1995 Tennessee study cited above. For Louisiana, the average inmate costs per day for the two private facilities studied were \$23.75 and \$23.34, respectively, and the comparable daily operational costs for the public facility studied were \$23.55 per inmate.<sup>10</sup>

The 1994 California study compared three for-profit community correctional facilities located in that state—one run by a private firm and two run by local governments. The study found that the private facility's average annual costs per inmate (\$15,573) were higher than comparable

<sup>9</sup>Moreover, in response to competition from the private sector, public prisons could, over time, become more cost efficient. As discussed later, this was one of the conclusions of the Washington study.

<sup>10</sup>As presented in the study, the costs for the Tennessee and Louisiana facilities were calculated after an adjustment to equalize prison inmate population numbers. The adjustment was necessary because, among other things, comparisons of per-capita costs should be based upon equivalent levels of capacity. Otherwise, a facility operating at less than full capacity, for example, generally will show higher per-capita costs than a facility operating above its rated capacity.

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costs for one of the government-run facilities (\$13,195) but were lower than such costs for the other government-run facility (\$16,627). The lower cost government-run facility had a disproportionate share of drug offenders, which could have affected overall costs. Further, the authors of the study noted that the results of this study must be viewed with some additional caution because of inconsistencies in the underlying or supporting cost figures obtained from different sources within the state.

### Comparisons of Quality Are Unclear

Although comparative costs are very important, they are not the only factors considered by policymakers in deciding the direction or extent of corrections privatization. A principal concern is whether private contractors can operate at lower costs to the taxpayers, while providing the same or even a better level of service as the public sector, particularly with respect to safety and security issues.

Of the studies we reviewed, two (New Mexico and Tennessee) assessed the comparative quality of service between private and public institutions in much greater detail than the other studies. Both studies used structured data-collection instruments to cover a variety of quality-related topics, including safety and security, management, personnel, health care, discipline reports, escapes, and inmate programs and activities. The New Mexico study reported equivocal findings, and the Tennessee study reported no difference in quality between the compared private and public institutions.

The findings in the New Mexico study are difficult to interpret. On the basis of surveys of correctional staff and reviews of institutional records, the study reported that the private prison "outperformed" the public facilities on most of the measured quality dimensions. However, the author noted that the results from one of the data-collection instruments—the inmate surveys—showed an opposite result, with one of the public facilities "outperforming" the private facility on every dimension except inmate activities (e.g., work and training programs).

The Tennessee study, in assessing the quality of service at one private and two public prisons, reported that "all three facilities were operated at essentially the same level of performance." This conclusion was largely based on the results of an operational audit conducted at each of the facilities by an inspection team. Composed of private and public sector members, the team used a structured survey instrument to conduct a

detailed review of records, observe operations and practices, and conduct interviews.

The Texas study did not empirically assess the quality of service at the private correctional facilities. Rather, the study noted that all four of the privately operated prerelease facilities were in general compliance with 11 of the 16 mandates of court rulings applicable to Texas prisons. Also, the study noted that two of the four private facilities had received ACA accreditation, and the other two were still involved in the accreditation process. ACA officials told us, however, that ACA accreditation means that a facility has met minimum standards and that accredited facilities can vary widely in terms of overall quality. To reiterate, because it was based on hypothetical public facilities, the Texas study made no attempt to comparatively assess the quality of service across private and public facilities in Texas.

The California study, in assessing quality of service, used inmate and staff surveys to compare the three community correctional facilities with two state prisons. However, the results could not be generalized to the inmate or staff populations of the respective facilities because small, nonrandom samples were used.

The California study also attempted to compare the three community correctional facilities with the state's other correctional institutions with respect to recidivism rates. The study reported that, of the three community correctional facilities, one of the publicly managed facilities was "most impressive" in performance based on recidivism rates. Sufficient data were not available to adequately complete the analysis comparing the inmates released from the community correctional facilities with inmates released from other correctional institutions in the state.

The Washington study assessed the quality of service at the three facilities (one private and two public) in Tennessee, three facilities (two private and one public) in Louisiana, and two facilities (both public) in Washington. While not as detailed as the New Mexico and the Tennessee studies, the Washington study concluded that the private and public prisons studied within the respective states (Tennessee and Louisiana) were generally similar in quality of service. However, the study noted that Washington's two state-run facilities had more counselors per inmate than the other states' facilities.

## Generalizability of the Studies' Results

The few studies that have compared the operational costs and/or the quality of service of private and public prisons provide little information that is widely applicable to various correctional settings. For example, while these studies compared private and public facilities that generally were similar (in terms of capacities, inmate demographics, etc.), the selected facilities were not necessarily typical or representative of prisons in either the state studied or other jurisdictions. Also, a variety of factors that relate to a given location or correctional system may render the experience of one jurisdiction with private prisons very different from that of another. Further, the passage of time could alter the relationship between private and public correctional facilities in terms of costs and quality. For these reasons, among others, the few studies that we reviewed do not permit drawing generalizable conclusions about the comparative operational costs and/or quality of service of private and public prisons.

Jurisdictions, such as states, vary on several dimensions that could have an impact on the comparative costs of private versus public prisons and, in turn, affect the generalizability of a given study's results. First, other states' correctional philosophies could differ from that of the states studied. Some state correctional philosophies are more punitive in nature (as reflected, for example, by higher incarceration rates), whereas other states are less punitive and more inclined toward treatment.<sup>11</sup> California, for example, which is one of the states discussed in the five studies we reviewed, generally has had incarceration rates above the national average. Also, the Washington study noted that the adjusted estimated per-bed costs for a state-run facility in Washington (\$60,400) were almost double Florida's costs (\$33,900) due, in part, to state differences in operating and programming approaches.

Second, jurisdictions also vary in relation to a variety of economic factors that could affect the relationship between private and public prison costs. Differences in the costs of living could affect both private and public prison costs, but in some jurisdictions, one more than the other. For example, a labor shortage could result in higher operational costs for private and public prisons.

Third, in some jurisdictions, the inmate population to be incarcerated in private facilities may be different from those inmate populations in the five studies. Three of the five studies focused on inmate populations that were

<sup>11</sup>The rate of incarceration is the number of sentenced prisoners (per 100,000 resident population) in correctional facilities. Since the mid-1980s, according to Bureau of Justice Statistics data, the southern and western regions of the nation have had higher incarceration rates than the northeastern and midwestern regions.

not representative of the broader prison population—prerelease prisoners (Texas study), female prisoners (New Mexico), and those housed in community correctional facilities (California). Only two studies (Tennessee and Washington) focused on costs in relation to facilities housing a more mainstream prisoner population.

Finally, regarding both operational costs and quality of service, the comparative performance of private versus public correctional facilities is not likely to be static. Changes over time could alter the comparative performance. For example, the first year of a new prison—either private or public—could reflect expenses for training inexperienced staff as well as hiring replacements for those unsuited to the work. Inexperienced staff could also have a negative effect on some measures of quality. Also, in the initial years of managing a prison, a private firm may choose to bill for its services at rates below costs to obtain or extend a contract. As time goes by, however, to remain a viable business entity, the contractor's cost-recovery practices would have to change. Similarly, over time, public prisons could become more cost efficient in response to competition from the private sector. For instance, this conclusion was reached by the Washington study, which was commissioned to help the state determine the potential benefits of privatization.

## Lessons Learned for Future Comparative Studies

The results of studies comparing private and public prisons obviously are of interest to any jurisdiction whose policymakers are deciding whether or to what extent corrections should be privatized. Ideally, to be most useful, such studies should be based upon representative samples of prisons, with sufficient statistical controls in place to measure and account for any differences. However, because the number of private correctional facilities is still relatively small (see app. IV)—and, given the fact that each stand-alone facility (whether private or public) may have some unique characteristics—conducting a truly optimal comparative evaluation may be impractical.

Nonetheless, the five studies completed since 1991 offer several lessons learned to guide future studies, even if such studies focus on comparing only one private facility and one public facility. In reviewing the relative strengths and weaknesses of each study to formulate lessons learned, we largely relied on our extensive experience in designing and assessing evaluation methodologies—that is, our experience with generally accepted methodological standards and practices. Specifically, on the basis of our review of the five studies, we identified the following lessons learned:

*Lessons for Future Studies*

- ✓ • In considering the extent to which corrections should be privatized, a key question is whether private contractors can operate at lower costs to taxpayers, while providing at least the same level of service as the public sector, particularly with respect to security and safety issues. Thus, it is important that any study focus on both operational costs and quality of service. Two of the studies we reviewed (Texas and New Mexico) did not have this dual focus.
- ✓ • The best approach for evaluating operational costs is to study existing comparable facilities, not hypothetical facilities. One of the studies we reviewed (Texas) used hypothetical similar public facilities.
- ✓ • Generally, there is more than one way to objectively measure or compare prison security, safety, order, and various other dimensions that constitute quality of service. In this regard, it is important to use multiple indicators or data sources to provide cross-checks. The New Mexico study, for example, illustrates that divergent results can be reached by using one data source (e.g., inmate surveys) versus another source (e.g., staff surveys).
- ✓ • Comparative findings with respect to operational costs and/or quality of service in any given year may not hold true for other years. Similarly, because trends are not self-perpetuating, even findings based on multiyear comparisons must be carefully considered. Nonetheless, all other factors being equal, comparative evaluations based upon several years' data potentially have more value than evaluations based upon 1 or 2 years of data. Nearly all five of the studies we reviewed were based upon 1 or 2 years of data.

These lessons learned could be particularly applicable to BOP if, in the future, it resumes its plans for contracting with private companies to operate selected federal correctional facilities.<sup>12</sup> For instance, according to April 1995 congressional testimony by the BOP Director, BOP's privatization initiative, if implemented, would provide an opportunity to undertake some thorough comparative evaluations:

"I know that the Attorney General and . . . [the Office of Management and Budget] are very interested in working carefully with us in the Bureau of Prisons to track, on these new contracts, very carefully, what the cost impact truly is, because there are a lot of hidden costs in privatization . . . [T]here has never been, we don't believe, a real good cost analysis

<sup>12</sup>For example, the Justice Department's budget justification for fiscal year 1997 projected the activation of two privatized facilities in that year—a detention facility (677 beds) in Seattle, WA, and a multicustody (minimum- and low-security) facility (2,048 beds) in Elkton, OH. Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations for 1997: Hearings before a Subcomm. of the House Comm. on Appropriations, 104th Cong., 2d Sess. 1655 (1995). However, in June 1996, the administration announced that plans to privatize these facilities were being suspended.

to determine, apples to apples, what is the cost of a traditional prison system and private contracting. The private contractors claim they can do it at great savings, and so we are very interested in monitoring the ones that we have projected for the next few years and determining . . . how well the taxpayers are being served on either side."<sup>13</sup>

The BOP Director noted that by contracting out the management of selected facilities incarcerating general inmate populations, BOP was moving to the "next level of privatization," which would provide a good basis for comparative evaluations focusing on "like or similar institutions." In this regard, the lessons learned from previous comparative studies should be useful to BOP if the federal privatization initiative is revisited.

## Comments and Our Evaluation

We obtained oral comments on a draft of this report from BOP and written comments from the Department of Justice's Office of Justice Programs; the National Council on Crime and Delinquency; and a Northeastern University (Boston, MA) professor of criminal justice, who is a nationally recognized authority on corrections administration.

BOP commented that the report was accurate, well done, and useful.

The Office of the Assistant Attorney General, Office of Justice Programs, concurred with the report and noted that additional study of the privatization of correctional facilities is needed. The National Institute of Justice, a component agency of the Office of Justice Programs, commented that the report appeared "to be as comprehensive as the available data permits." Also, the Institute commented that the report's discussion of the strengths and weaknesses of the five studies "is excellent."

In commenting on the draft, the Executive Vice President, National Council on Crime and Delinquency, said that the report is accurate in concluding that few studies have been completed to date and that these studies have methodological problems that limit understanding the actual cost-benefits of privatization. He noted, however, that our report could place more emphasis on the Tennessee study, which is the most rigorous study to date. Although we concur with the reviewer's assessment of the study, our objective was to provide similar information for each of the studies reviewed. Further, he noted that the report could add more emphasis to evaluating the claims of private providers that they can

<sup>13</sup>Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations for Fiscal Year 1996: Hearings on H.R. 2076 before a Subcomm. of the Senate Comm. on Appropriations, 104th Cong., 1st Sess. 303, 308 (1995).

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construct new facilities faster and cheaper than public entities. Since the studies reviewed did not assess these claims, this issue was beyond the scope of our work.

The Northeastern University reviewer<sup>14</sup> commented that (1) our evaluation synthesis was an important contribution to the corrections field, (2) the report's conclusion that the five studies offer little generalizable guidance for other jurisdictions regarding the comparative cost and quality of service of private and public correctional facilities was "right on point," and (3) our cautions concerning interstate comparisons were "well-founded."

However, the reviewer underscored the need also to focus privatization research on crime reduction and various philosophical questions underpinning the privatization debate. These issues were beyond the scope of our work. In addition, the reviewer suggested that it would be valuable to the corrections field if the report included a short, concise statement describing the critical dependent and independent variables that should be considered in comparative analyses of private and public corrections facilities. Because of variations in available data and possible measurement adjustments required in specific research situations, we are hesitant to prescribe what variables should be studied. The studies reviewed, however, suggest possible variables. Furthermore, citing the difficulties researchers have in accessing data from private firms, the reviewer proposed that the report contain a recommendation that would facilitate researchers' access to proprietary information needed for evaluation of private corrections. In the case of federal corrections-related contracts, we would likely have access to data, but we have considerably less jurisdiction at the state level.

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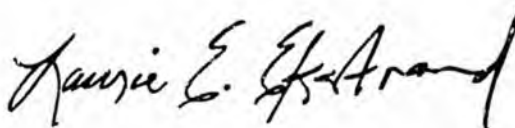
We are providing copies of this report to the Chairman and Ranking Minority Member of the House Judiciary Committee, the Attorney General, the Director, BOP, and other interested parties. Copies will also be made available to others upon request.

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<sup>14</sup>Dr. Edith Elisabeth Flynn, College of Criminal Justice, Northeastern University, Boston, Massachusetts.

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The major contributors to this report are listed in appendix V. Please contact me on (202) 512-8777 if you or your staff have any questions.



Laurie E. Ekstrand  
Associate Director, Administration  
of Justice Issues

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**Contents**

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**Abbreviations**

ACA	American Correctional Association
BOP	Federal Bureau of Prisons

# Objectives, Scope, and Methodology

In initiating this review, our specific objectives were to answer the following key questions:

- What studies, completed since 1991, have compared the operational costs and/or quality of service of private and public prisons?
- From these studies, what can be concluded with respect to the operational costs and/or the quality of service of comparable private and public facilities?
- Are the results of these studies generalizable to correctional systems in other jurisdictions?
- From these studies, what are the “lessons learned” to help guide future comparative studies of private and public prisons?

## Identification of Comparative Studies

To identify relevant studies, we requested and obtained literature searches from the National Criminal Justice Reference Service and the National Institute of Corrections. Also, within the Department of Justice, we contacted knowledgeable officials of the component agencies responsible for managing federal correctional facilities—the Federal Bureau of Prisons (BOP), U.S. Marshals Service, and Immigration and Naturalization Service.

Similarly, to query knowledgeable state agency officials, we first contacted the Director of the Private Corrections Project at the University of Florida's Center for Studies in Criminology and Law to obtain information about the number of privatized facilities in each state (see app. IV).<sup>1</sup> Then, for each applicable state, we contacted officials at the state's corrections department and/or corrections research agency and inquired about any completed, ongoing, or planned studies comparing private and public prisons. Further, we contacted the National Council on Crime and Delinquency and various nationally recognized researchers in academia.

## Assessment of Studies

We assessed each of the five relevant studies that we identified. Our work in assessing the conclusions or results of each study and the generalizability of same—as well as identifying any lessons learned—can be characterized as a form of evaluation synthesis. By definition, an evaluation synthesis is a systematic procedure for organizing findings from several disparate evaluation studies. That is, the procedure addresses key questions or issues by assessing existing studies or evaluations, rather than by conducting primary data collection.

<sup>1</sup>Established in 1988 to conduct policy-relevant research on corrections privatization, the Private Corrections Project publishes (semiannually) the Private Adult Correctional Facility Census.

In reviewing the studies, we focused on the findings and conclusions of each study and evaluated these in relation to the methodology used by the respective study.<sup>2</sup> As an initial and fundamental inquiry, for instance, we focused on the similarity of the private and public facilities being compared in each study. That is, we wanted to determine (1) if the facilities were reasonably well matched in relation to design and capacity, security level, inmate demographics, and other relevant institutional characteristics and (2) whether the facilities were actually in operation and, if so, for what length of time prior to the comparative evaluation.

In reviewing each applicable study's comparative evaluation of operational costs, we focused on whether (1) both direct and indirect cost components were considered for the private and public facilities, (2) actual data versus estimates were used, and (3) consistent cost components were used. We did not independently verify any of the cost data presented in the studies.

In reviewing each applicable study's comparative evaluation of quality of service, we focused on whether the private and the public facilities were consistently evaluated in the respective study. That is, in reference to both the private and the public facilities compared in a given study, we were interested in whether the same or similar methodology and data sources were used to evaluate quality of service. Thus, we did not attempt to generically define "quality of service;" rather, we accepted the definition and/or evaluation criteria used in each applicable study. Also, we did not independently verify the reported quality measures or outcomes, such as safety and incident data and the extent of rehabilitation and treatment programs for inmates.

We reviewed the relative strengths and weaknesses of each study to formulate lessons learned for future comparative studies. In doing so, we largely relied on our extensive experience in designing and assessing evaluation methodologies—that is, our experience with generally accepted methodological standards and practices.

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## Private Sector Contacts

Initially, in September 1995, to obtain a practical understanding of privatization issues, we visited two privately operated facilities housing federal inmates. These facilities, which held deportable aliens, are located in west Texas and were operated by private firms under the general

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<sup>2</sup>Two of our staff—senior analysts with specialized training and years of experience in designing and assessing evaluation methodologies— independently reviewed each of the five studies.

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**Appendix I  
Objectives, Scope, and Methodology**

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authority of intergovernmental agreements entered into by BOP and the respective city governments of Big Spring and Eden. We toured the facilities and interviewed managers and staff of the private firms. Also, we interviewed the on-site federal monitors.

Further, to obtain additional overview information on privatization issues, we interviewed a senior executive (the Director for Strategic Planning) of one of the nation's largest private corrections firms. This official was a former director of BOP.

# Description of Studies Comparing Private and Public Prisons

We identified five studies completed since 1991 that compare private and public correctional facilities in relation to operational costs and/or quality of service. Table II.1 briefly describes each of these studies. Following the table, separate sections respectively provide more details about each study.

**Table II.1: Citation, Evaluation Parameters, and Reported Results of Five Studies Comparing Private and Public Prisons**

State	Study citation	Evaluation parameters	Reported results
Texas	"Information Report on Contracts for Correction Facilities and Services," Recommendations to the Governor of Texas and Members of the Seventy-Second Legislature, Sunset Advisory Commission, Final Report, Texas Sunset Advisory Commission (Austin: 1991).	Operational costs were studied.	The private prisons' operational costs were 14 to 15 percent less than the costs of the hypothetical state facilities.
		Four private, prerelease, minimum-security prisons (500 beds each) for males were compared with hypothetical public facilities in Texas.  Fiscal year 1990 data were analyzed.	
		An empirical assessment of quality of service was not conducted.	The study noted that two of the four private facilities had received ACA accreditation, and the other two were still involved in the accreditation process. Also, the study noted that all four facilities were in compliance with 11 of the 16 mandates of court rulings applicable to Texas prisons.
New Mexico	Charles H. Logan, <i>Well Kept: Comparing Quality of Confinement in a Public and a Private Prison</i> , National Institute of Justice (1991).	A detailed analysis of operational costs was not conducted.	Not applicable.
		Quality of service was studied.	
		Three multicustody facilities (minimum- to maximum-security) for women were compared: a private prison and a state-run prison in New Mexico and a federal prison in West Virginia.  The data analyzed for the private facility covered June 1989 through November 1989; data for the state facility covered June 1988 through November 1988; and the federal data covered December 1987 through May 1988.	The results of the study depended on the data-collection instruments that were employed. For example, data from staff surveys and official records showed that the private prison "outperformed" the state and federal prisons across nearly all dimensions. However, inmate survey data showed that one of the public facilities "outperformed" the private facility on every dimension except "activity" (e.g., work and training programs).

(continued)

**Appendix II  
Description of Studies Comparing Private  
and Public Prisons**

<b>State</b>	<b>Study citation</b>	<b>Evaluation parameters</b>	<b>Reported results</b>
California	Dale K. Sechrest and David Shichor, <u>Final Report: Exploratory Study of California's Community Corrections Facilities</u> , California State University (San Bernardino: 1994).	Operational and construction costs were studied.  Three for-profit community correctional facilities—one managed privately (medium-security) and two managed by local governments (low-to medium- and high-security)—for males were compared with one another and with other state correctional facilities.  Fiscal year 1991-1992 data were analyzed.	The private facility's average annual costs per inmate (\$15,578) were higher than comparable costs for one of the government-run facilities (\$13,195) but were lower than such costs for the other government-run facility (\$16,627).  Due to methodological limitations, conclusions could not be reached by comparing the three for-profit community correctional facilities with other state correctional facilities. For example, different cost components were used for the two sets of facilities in the comparison. In addition, it is likely that the universe of the state's correctional facilities reflected wide-ranging differences concerning inmate populations and services.
		Quality of service was studied.  The same three community correctional facilities for males were compared with two state correctional facilities.  Data were collected in summer 1992.	Due to methodological limitations, conclusions could not be reached by comparing the community correctional facilities with two state facilities. For example, the results could not be generalized to the inmate or staff populations of the facilities because small, nonrandom samples were used.
Tennessee	<u>Cost Comparison of Correctional Centers</u> , Tennessee Legislature Fiscal Review Committee (Nashville: 1995).	Operational costs were studied.  Three multicutody prisons (minimum- to maximum-security) for males were compared: one private and two state-run prisons.  Data from July 1993 through June 1994 were analyzed.	There was little difference in the average daily operational costs per inmate across the three facilities—\$35.39 for the private facility, versus \$34.90 and \$35.45, respectively, for the two public facilities.
	<u>Comparative Evaluation of Privately Managed CCA Prison and State-Managed Prototypical Prison</u> , Tennessee Legislature Select Oversight Committee on Corrections (Nashville: 1995).	Quality of service was studied.  The same three multicutody prisons for males were compared.  Data from March 1991 through September 1994 were analyzed.	There was no difference in quality of service between the private and public facilities.
Washington	<u>Department of Corrections Privatization Feasibility Study, Report 96-2</u> , State of Washington Legislative Budget Committee (Olympia: 1996).	Operational costs of the same three Tennessee facilities mentioned above were studied.  Data from July 1993 through June 1994 were analyzed.	The average daily operational costs per inmate for the private facility (\$33.61) were slightly lower than such costs for the two public facilities (\$35.82 and \$35.28, respectively).

(continued)

**Appendix II  
Description of Studies Comparing Private  
and Public Prisons**

State	Study citation	Evaluation parameters	Reported results
		<p>Operational costs of three multicustody facilities in Louisiana (two private and one state-run) for males were studied.</p> <p>Projected data for July 1995 through June 1996 were analyzed.</p>	<p>The average daily operational costs per inmate for the two private facilities were \$23.75 and \$23.34, respectively, compared with \$23.55 for the public facility.</p>
		<p>Operational costs of a Washington state prison were compared with the costs for one Tennessee state prison and a Louisiana state prison.</p> <p>Data analyzed for Washington state covered calendar year 1995; time frames for Tennessee and Louisiana data are mentioned above.</p>	<p>The average daily operational costs per inmate for the Washington facility (\$44.52) were higher than such costs for the Tennessee and Louisiana facilities (\$37.07 and \$24.04, respectively).</p>
		<p>Construction costs were studied.</p> <p>The estimated costs for Washington state to construct a planned multicustody public prison for males were compared with a private company's costs for constructing a similar facility in Florida.</p> <p>Data analyzed for Washington state were based on projected July 1998 cost figures; and data analyzed for the Florida facility were based on projected July 1998 cost figures.</p>	<p>The estimated cost per bed for the Washington state facility (\$60,400) was approximately double the estimated cost per bed for the Florida facility (\$33,900).</p>
		<p>Quality of service was studied.</p> <p>Three multicustody male facilities in Tennessee (mentioned above), three multicustody male facilities in Louisiana (mentioned above), and two multicustody male facilities in Washington were compared.</p> <p>Data analyzed for Tennessee covered 1994 (for review of institutional records) and 1995 (for on-site visits); data analyzed for Louisiana covered 1995; data analyzed for Washington covered 1995.</p>	<p>Site visits showed that all prisons were "clean and appeared to be orderly." Additional data indicated that the prisons generally were similar regarding quality of service. However, the Washington facilities had more counselors per inmate than the Tennessee and Louisiana facilities.</p>

Source: GAO summary of information reported in the cited studies.

## Texas Study (1991)

Conducted by the Texas Sunset Advisory Commission, this study involved a comparative assessment of operational costs; an empirical assessment of quality of service was not conducted. The actual costs of operating four privately managed prerelease minimum-security facilities (500 beds each) for male prisoners were compared with the estimated costs of operating similar but "hypothetical" public facilities in the state of Texas. Two of the four prerelease facilities were managed by Corrections Corporation of America, and the other two were managed by Wackenhut Corrections Corporation.

The study considered direct and indirect costs to compute operational costs for private and public sector management of the prerelease facilities. Direct costs included items such as salaries and fringe benefits, food, medical services, utilities, and supplies. Also, the study recognized that another direct cost would be the expense of having state corrections agency staff on-site to monitor the contractor's performance. Indirect costs included salaries and expenses for corrections department executive personnel, an annual audit of facilities, and "other administration items" attributable to the private or state facilities. Construction costs were excluded because the state built the private facilities. Also, the study did not include depreciation expenses and capital outlays, but debt service for construction was included.

The study concluded that the state achieved savings from the privatized facilities. Based on requirements specified in state statute, the state estimated the costs of operating similar state-run prerelease facilities. Specifically, because similar state-run facilities did not exist, the state estimated the costs of operating hypothetical state-run prerelease facilities. Contract provisions stipulated that contractors would receive at least 10 percent less than the estimated costs for the state to operate each facility.<sup>1</sup> Therefore, in a sense, 10-percent "savings" to the state was guaranteed. Cost data for fiscal year 1990 were analyzed. The state estimated that the privatized facilities achieved 14- to 15-percent cost savings (taking into consideration tax revenues paid to state and local

<sup>1</sup>Texas state statutory provisions authorize the Texas Department of Corrections to contract with private vendors and county commissioners to finance, construct, operate, maintain, or manage secure correctional facilities. The provisions establish guidelines by which the state can enter into a contract for such services. Among other things, the provisions specify that a contract proposal must provide the state with a savings of at least 10 percent below the costs of similar state-operated facilities.

authorities)<sup>2</sup> compared with hypothetically equivalent state-run facilities. The average daily operational costs per inmate for the private facilities were \$36.76. Because of staffing and construction differences between the contractors, separate costs were estimated for the hypothetical state operation of a facility for each contractor. The estimated average daily operational costs per inmate for the hypothetical state-run facilities were \$42.70 for one contractor and \$43.13 for the other. However, because the state did not operate any prerelease facilities nor did any of its existing facilities have prerelease components, the cost estimates for the state-run facilities were not based on actual state experience. The method assumed no unanticipated changes in components such as salary and other expenses. Thus, an error in one or more assumption could have resulted in different cost estimates, changing the size or even the direction of estimated differences in private versus public management costs.

An empirical assessment of the quality of service was not conducted due to the absence of comparable state facilities. However, the study noted that two of the four private facilities had received ACA accreditation, and the other two were still involved in the accreditation process. Additionally, the study noted that all four facilities were in general compliance with 11 of the 16 mandates of court rulings applicable to Texas prisons.

### New Mexico Study (1991)

Funded by the Department of Justice's National Institute of Justice, Bureau of Prisons, and National Institute of Corrections, this study, of the five we reviewed, made the most systematic effort to address quality of service. However, a detailed cost analysis was not included. The study compared three multicustody (minimum- to maximum-security) women's facilities—a privately run facility and a state-run facility in New Mexico and a federal facility in West Virginia—across eight dimensions of quality.<sup>3</sup>

<sup>2</sup>According to the Texas study, the private prisons have paid an estimated \$400,000 per prison in state and local sales taxes and payments in lieu of property taxes. The study noted that because the state owned the prisons, property taxes were not assessed. Rather, the private contractor paid the local taxing authorities an annual amount, which generally approximated the taxes that would have been owed if the property were privately owned.

<sup>3</sup>The New Mexico study used a "confinement model" of imprisonment to develop quality assessment criteria. The model defined eight distinct dimensions or performance measures on which to evaluate the quality of a correctional facility. According to the study, these dimensions are based on the premise that confinement "carries with it an obligation to meet the basic needs of prisoners at a reasonable standard of decency," including standards to evaluate health care, safety, sanitation, and nutrition, as well as constitutional standards to ensure due process and fairness. Examples of those dimensions are (1) security (e.g., facility design and security procedures); (2) safety (e.g., personal injury and harm); (3) order (e.g., discipline and control standards); (4) care (e.g., health care and counseling); (5) activity (e.g., work and training programs); (6) justice (e.g., discipline and grievance procedures); (7) conditions (e.g., food services); and (8) management (e.g., staff turnover and job satisfaction).

**Appendix II**  
**Description of Studies Comparing Private**  
**and Public Prisons**

Data analyzed for the private facility covered June 1989 through November 1989, data for the state facility covered June 1988 through November 1988, and data for the federal facility covered December 1987 through May 1988.

The study recognized, at least indirectly, that differences among the facilities regarding age, architecture, and inmate programs made comparisons somewhat difficult to interpret. For example, the private facility was new, the state facility was 4 years old, and the federal facility was about 60 years old. The respective inmate populations were 170 (private), 143 (state), and 814 (federal). The inmates at the New Mexico facilities were nearly similar with respect to characteristics of age, race, and offense type. However, they differed from the federal inmates in race and offense type. The study indicated that one of the factors enhancing the comparability of the two New Mexico institutions was that both were applying for accreditation by the American Correctional Association (ACA). However, ACA officials told us that ACA accreditation means that only minimum standards are met, and since there can be wide variations among facilities in exceeding minimum standards, accreditation should not be used to assume that two or more facilities are comparable.

In assessing and comparing the quality of service at the three facilities, the study derived multiple indicators for each of eight quality dimensions. Data sources for all three facilities included various institutional records,<sup>4</sup> such as incident and disciplinary reports as well as work and education records. Also, staff surveys were conducted at all three facilities, and inmate surveys were conducted at the private and the state facilities. In total, the study made 595 comparisons among the institutions using 333 indicators. All of the indicators were available for the private and state prisons, while 131 indicators were available for the federal prisons. Thus, the study made three-way comparisons for 131 of the 333 indicators and two-way comparisons (private/state) for 202 of the indicators.

The study concluded, generally, that "the private prison 'outperformed' the state and federal prisons, often by quite substantial margins, across nearly all dimensions." It noted, however, that results varied by data source. For example, contrary to other sources used in the study, inmate survey data showed that the state facility "outperformed" the private facility in every dimension except "activity" (e.g., work and training programs).

While the study did not include a detailed analysis of operational costs, it suggested that the better performance of the private facility was

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<sup>4</sup>The study noted that fewer official records were collected for the federal prison.

accomplished at lower cost. However, the study offered little evidence to support this assertion. For instance, the full report consisted of 291 pages, with only 2 pages devoted to costs. Without providing any detailed analysis, the report noted that the average daily operational costs per inmate for the private facility were \$69.75 in fiscal year 1989-1990, the average daily costs of housing an inmate in federal facilities (nationwide) were \$39.67 in 1988, the average daily costs for New Mexico state facilities (statewide) were \$68.00 in 1988, and the average daily costs for the particular state facility studied were \$80.00 in fiscal years 1988-1989. Although no detailed cost analysis was attempted, the study appeared to base the perception of lower costs of private facilities on the fact that "financial analysts in the New Mexico Corrections Department believed that the [private] contract was saving the state money."

### California Study (1994)

Conducted by California State University, this study was neither supportive nor critical of private facilities. To assess costs and quality of service, the study compared three for-profit community correctional facilities for males—one privately managed (medium-security) and two publicly managed by local governments (one low-to medium-security and one high-security).<sup>5</sup> Specifically, the study compared the three facilities with one another and with other state correctional facilities. Both operational and construction costs were included in the comparison of the three facilities with one another. The statewide comparison did not include construction costs for the California Department of Corrections facilities. Also, the study attempted to compare the quality of service of the three facilities with two other California Department of Corrections facilities.

The three community correctional facilities were generally comparable. For instance, the inmates were nearly similar with respect to characteristics of age, race, and offender status. However, one of the public facilities had a greater percentage of drug offenders<sup>6</sup> and Anglo- and African-American inmates and a smaller percentage of Hispanics. The private facility housed 400 inmates, compared with about 420 and about 450 housed at the public facilities. For the period studied, the number of admissions was 1,498 for the private facility versus 392 and 1,073,

<sup>5</sup>Correctional facilities that are operated for-profit by a private corporation under contract with the California Department of Corrections are referred to as "private proprietary facilities." Correctional facilities that are operated for-profit by local government agencies under contract with the California Department of Corrections are referred to as "public proprietary facilities."

<sup>6</sup>This public community correctional facility housed narcotics offenders who were sentenced under a "civil addict program" and subsequently violated parole.

respectively, for the two public facilities. The two public facilities were relatively new (operational by mid-1991), while the study referred to the private facility as "older."

Using fiscal year 1991-1992 data, construction and operational cost comparisons of the private and the two public facilities revealed some differences. For example, the study found that the private facility's average annual costs per inmate (\$15,578) were higher than comparable costs for one of the government-run facilities (\$13,195) but were lower than such costs for the other government-run facility (\$16,627). Construction and operational costs, including overhead and capitalization costs, were calculated for the three facilities. Costs were based on contracts negotiated with the facilities and included capitalization, lease, renovation, program development, and liability insurance. Costs that were not included in the calculations were Parole Division overhead costs (for community correctional facilities), state monitoring, medical costs allocated to the California Department of Corrections, inmate clothing, inmate pay, miscellaneous contracts, interest payments, and possible tax breaks. Also, there were inexplicable inconsistencies in the cost data obtained from two agencies within the California Department of Corrections. These inconsistencies may have affected the reliability of the cost estimates.

Attempts to compare the costs of the three community correctional facilities and other state correctional facilities were not fully successful. The cost calculations for the other state facilities used different components than did the calculations for the community correctional facilities. The latter costs included construction costs; however, the data for the other state facilities did not. Therefore, these cost calculations were not directly comparable. Further, given the unique characteristics of community correctional facilities, the usefulness of comparing these facilities to all other correctional facilities in California—many of which are likely to be very different from the community-based facilities—is questionable.

To assess quality of service, inmate and staff surveys were conducted at the three community correctional facilities and at two state prisons. However, due to small, nonrandom samples, the results could not be generalized to the inmate or staff populations at any of the facilities.

The California study also attempted to compare the three community correctional facilities and the state's other correctional institutions in

reference to recidivism rates. The study reported that, of the three community correctional facilities, one of the publicly managed facilities was "most impressive" in performance based on recidivism rates. Sufficient data were not available to adequately complete the analysis comparing the inmates released from the community correctional facilities to inmates released from other correctional institutions in the state.

In summary, the California study's methodological limitations prohibit drawing any overall conclusions about quality of service. The study acknowledged that any future comparative studies in California should "incorporate more inclusive and better-selected survey samples."

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### Tennessee Study (1995)

The Tennessee state legislature conducted a two-part study. One part was a cost assessment, and the other was an assessment of quality. Overall, this effort was the most systematic attempt of all the studies we reviewed to assess both the costs and quality of service. Three multicustody (minimum- to maximum-security) prisons in Tennessee were compared—one privately managed prison (Corrections Corporation of America) and two state-run prisons.

The facilities were generally comparable. All three were new (e.g., operational by mid-1992), and all had been accredited by ACA also had met other applicable professional standards. The inmates were similar on all demographic characteristics mentioned, except race. No information was provided on capacity level, but the institutions housed approximately the same numbers of inmates—private (961) and state (929 and 1,029).<sup>7</sup> The study did not report any information regarding the inmate-to-staff ratios for the facilities.

Similar criteria were used to compare the operational costs of the facilities. The cost components and relevant adjustments—for direct and indirect costs—were agreed to by all parties (private and public) prior to data collection. Direct costs included salaries and fringe benefits, food, professional services, equipment, maintenance, travel, utilities, and supplies. Also, there was a cost provision for state employees to monitor the private prison. Costs for medical and mental health services were excluded. Indirect costs included salaries and expenses for corrections department administration and overhead, and interest on working capital.

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<sup>7</sup>These data reflect the second year of operation.

Appendix L  
Description of Studies Comparing Private  
and Public Prisons

Using data that covered July 1993 through June 1994, the study concluded that the costs of operating the private and both state facilities were virtually identical. Specifically, the comparison showed that the average daily operational costs per inmate for the private prison were \$35.39, versus \$34.90 and \$35.45, respectively, for the two public prisons.

The quality of service assessment consisted of three components—an audit (given a weight of 60 percent), a security and safety index (a weight of 25 percent), and a program and activity index (a weight of 15 percent). The study period for the quality of service assessment was March 1991 through September 1994.

An operational audit was conducted at each of the facilities by an inspection team, consisting of selected staff from the Tennessee Department of Corrections and the Corrections Corporation of America. The staff had varying degrees of expertise in major functional areas, such as administration, safety and physical plant, health services, treatment, and security. The team used a structured survey instrument to conduct a detailed review of records, observe operations and practices, and conduct interviews. By using the survey instrument, the team attempted to assess compliance with the various programs and practices within each of the functional areas. Examples of those programs and practices were administration (e.g., fiscal management and affirmative action); safety and physical plant (e.g., fire and occupational safety and sanitation); health services (e.g., dental care and pharmacy services); treatment (e.g., inmate orientation and social programs); and security (e.g., firearms and armory control).

The security and safety index considered many factors, including disciplinary reports, use-of-force incidents, assaults, deaths, injuries, and escapes. These reports were counted over a 15-month period (from July 1993 through September 1994) for each facility.

The program and activity index measured the percentage of inmates who were eligible for a work or program assignment but remained inactive and unassigned. The data used in this review were derived from monthly reports that measured actual numbers of prisoners assigned to the particular program or activity and the percent unassigned.

The results of the quality of service assessment stated that "all three facilities were operated at essentially the same level of performance." No differences were found among the facilities on the security and safety

index or on the program and activity index. All estimated variation across the facilities was due to differences in audit scores. The overall performance scores were 98.49 for the private facility and 97.17 and 98.34, respectively, for the two public facilities.

### Washington Study (1996)

When the Washington State Legislative Budget Committee conducted this study, the state had no privately run prisons but was considering the feasibility of such. Therefore, using pertinent information available in other states, this study made several intrastate and interstate comparisons of correctional facilities. For example, the study compared the operational costs of the three Tennessee facilities (mentioned above) as well as three multicustody male facilities in Louisiana. Of the three facilities in Louisiana, two were privately operated (Corrections Corporation of America and Wackenhut, respectively), and the other was state operated. All three Louisiana facilities were in full operation by the beginning of 1991.

Each of the Tennessee prisons had a rated capacity for 1,336 inmates, and each of the Louisiana prisons had a rated capacity for 1,474 inmates. The average daily inmate population at each of the Tennessee prisons was slightly over 1,300, compared with a range of over 1,300 to more than 1,400 at the Louisiana prisons. Also, within each state, there was little difference among the prisons' inmates with respect to demographics such as education, age, offense types, and sentence lengths.

Several cost comparisons were made between the private and public facilities. First, the operational costs of the one private and the two public prisons in Tennessee (actual data for July 1993 through June 1994) were compared, as were the operational costs of the two private prisons and the one public prison in Louisiana (estimated data for July 1995 through June 1996). The unadjusted operational costs of the three Tennessee facilities were similar. However, after adjustments to equalize the numbers of inmates, the private facility's average daily operational costs per inmate (\$33.61) were slightly lower than the comparable costs for the two public facilities (\$35.82 and \$35.28, respectively). For the Louisiana facilities, the average daily operational costs per inmate for the two private prisons were \$23.75 and \$23.34, respectively, versus \$23.55 for the public facility.

The Washington study also compared the operational costs of one Washington state prison with the operational costs of one Tennessee state prison and the operational costs of one Louisiana state prison. The three

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**Appendix II**  
**Description of Studies Comparing Private**  
**and Public Prisons**

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facilities were similar on some characteristics; however, adjustments were made to the costs and number of beds of the Tennessee and Louisiana facilities to further equalize the comparison. The study showed that the average daily operational costs per inmate for the Washington facility (\$44.52) were higher than the costs for the Tennessee (\$37.07) and the Louisiana (\$24.04) facilities.

The comparison of the Washington facility with the Tennessee and the Louisiana facilities was problematic. While the facilities were similar in capacity, there were differences in inmate demographics, such as race and offense type. Other factors (e.g., cost-of-living differences) served to complicate further the interstate comparisons. In any event, these interstate cost comparisons involved state-run facilities only and did not consider any private facilities.

Further, the Washington study looked at construction costs by comparing the estimated costs for Washington state to construct a planned multicustody public prison for males with a private company that was constructing a similar facility in Florida.<sup>8</sup> In making the interstate comparison, the study noted that it focused on the "major elements contributing to capital costs," which included amounts and types of facility space, actual construction costs, and ancillary construction costs such as design and administration.<sup>9</sup>

Although the Washington study noted that the facilities were comparable in terms of size and inmate mix (e.g., "large multicustody"), it made cost and space programming adjustments to the facilities to further equalize the comparison. For instance, land and site-related costs, taxes, and unique local costs were excluded from the comparison. For the Florida facility, the study made upward cost adjustments to account for differences between the two facilities in labor and material costs, the later completion (about 2 years of construction inflation) of the Washington facility, and state oversight of the construction. For the Washington facility, the study made downward cost adjustments to account for differences between the two facilities, such as budget reductions of 20 percent, and space reductions of 18 percent to account for differences in inmate security levels and other space allocations. In addition, the study made downward cost and space adjustments to reflect the Florida facility's lower mix of close custody beds.

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<sup>8</sup>When completed, the Florida facility is to be operated by Wackenhut.

<sup>9</sup>The private prisons in Tennessee and Louisiana could not be used for capital costs comparisons because the prisons were state built rather than privately built.

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**Appendix II**  
**Description of Studies Comparing Private**  
**and Public Prisons**

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The study indicated that there were other differences in the space programming between the two facilities, for which no adjustments were made. For example, the Washington facility assumed single cells for "Close Housing and Administrative Segregation," while the Florida facility assumed double cells for those beds. Also, the Washington facility's minimum-security beds had relatively high per-bed space allocations, reflecting the incorporation of service and program space in the housing calculation. The space allocations for the Florida facility, however, reflected medium-security beds with centralized program and service space.

The study showed that the adjusted estimated per-bed cost for the Washington state facility (\$60,400 per bed) was approximately double the estimated cost for the Florida facility (\$33,900 per bed). The cost difference was explained largely as due to different operating and programming approaches or philosophies between the two states.

The Washington study concluded that privatization per se would not result in cost savings to the state. Rather, the report noted that savings could be accomplished through privatization or through changes in the state's operational policies and practices. For example, savings directly related to privatization would be due primarily to a private company's flexibility to operate outside state rules and procedures, collective bargaining agreements, and the state's employee compensation system.

Finally, the Washington study comparatively assessed the quality of service at the selected private and public prisons in Tennessee and Louisiana and two multicustody male facilities in Washington. While this portion of the study was not as detailed or as comprehensive as the portion involving costs, the quality assessment included visiting the prisons and reviewing institutional records for several topics, such as escapes, major disturbances, and inmate infractions. The study concluded that the private and public prisons studied within the respective states (Tennessee and Louisiana) generally were similar in quality of service. However, the study noted that Washington's two state-run facilities had more counselors per inmate than the facilities in the other states.

# Factors That Could Affect Interstate Comparisons of Prison Costs And/or Quality of Service

Several factors could affect interstate comparisons of prison costs and/or quality of service. In addition to cost-of-living and other economic differences among the nation's geographic regions and states, these factors include the (1) extent of prison overcrowding, (2) history of court interventions, (3) status of ACA accreditation of facilities, (4) rate of incarceration (as an indicator of the punitiveness of the corrections system), and (5) rights of correctional employees to organize and bargain collectively.

Regarding the studies that we reviewed, the sponsoring states—Texas, New Mexico, California, Tennessee, and Washington—are located in the southern or western regions of the United States, the areas where most privatized facilities are located (see app. IV). Regional differences, such as cost of living, may affect comparisons with other states or regions. For example, the Washington state study adjusted Tennessee's operational costs upward by 20 percent to account for regional cost-of-living differences between the two states.

By definition, prison overcrowding<sup>1</sup> occurs when the number of inmates actually incarcerated exceeds the rated capacity<sup>2</sup> of the correctional facility. As table III.1 shows, the extent of overcrowding (if any) varied among the five states studied—at the time of initial privatization of selected correctional facilities within the respective state.<sup>3</sup> For example, on January 1, 1991, California's prisons held 94,050 inmates, which was 41,352 inmates (or 78.5 percent) above the total rated capacity (52,698). In comparison, at that time, the average state correctional system was operating at 12.6 percent above rated capacity.

Texas was not reporting overcrowding on January 1, 1989. However, most states, including Texas and the other states studied, have been involved, at some point, in litigation challenging various conditions of confinement, such as overcrowding, in their prisons. The following general descriptions are examples of prison litigation that have occurred in the states studied:

<sup>1</sup>Overcrowding, in and of itself, is not a violation of the Eighth Amendment's prohibition of cruel and unusual punishment unless specific effects flowing from that condition form the basis for a violation. See *Hoptowit v. Ray*, 683 F.2d 1237, 1249 (9th Cir. 1982).

<sup>2</sup>The term "rated capacity" refers to the maximum number of beds or inmates assigned by a rating official to institutions within the jurisdiction.

<sup>3</sup>At the time of its study, the state of Washington had no privatized prisons. Thus, for the purposes of table III.1, we present data for Louisiana rather than for Washington. The Washington study included a comparative evaluation of three multicustody prisons (two private and one state-run) in Louisiana, as discussed in appendix II.

**Appendix III  
Factors That Could Affect Interstate  
Comparisons of Prison Costs And/or Quality  
of Service**

- In Texas, the Ruiz v. Estelle<sup>4</sup> line of decisions includes a 1980 ruling, which found that various conditions (such as overcrowding and inadequate sanitation, recreational facilities, and health care) within the Texas Department of Corrections violated the U.S. Constitution. Thus, the court appointed special masters and monitors to supervise the implementation of and compliance with its decree.
- In New Mexico, the Duan v. Apodaca<sup>5</sup> line of cases includes a 1980 consent decree that contained mandatory and prohibitive injunctions relating to conditions and practices at the state's penitentiary. Among other subjects, the consent decree addressed living conditions, medical and mental health care, and inmate discipline.
- In California, various court decisions in the 1980s addressed segregation procedures, double-celling, and other conditions of confinement at several prisons located in northern areas of the state.
- In Tennessee, the 1982 Grubbs v. Bradley<sup>6</sup> decision found that certain practices and conditions of confinement at the state's adult penal institutions were unconstitutional.
- In Louisiana, in the 1977 Williams v. Edwards<sup>7</sup> decision, the court held that conditions at the state penitentiary at Angola violated the U.S. Constitution and certain state laws.

Another factor that could be considered in making interstate comparisons of correctional facilities is the extent of ACA accreditation. Obtaining ACA accreditation signifies that a facility has met minimum standards. ACA officials told us that, at the time of the respective state's initial privatization efforts, Texas and Louisiana had no ACA-accredited facilities; but New Mexico, California, and Tennessee had "some" accredited facilities. For these latter three states, the ACA officials were unable to specifically quantify the number of accredited facilities that existed when the respective state began its privatization efforts. However, the officials were able to tell us that, as of 1989, the state-run women's facility in New Mexico was not accredited by ACA.

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<sup>4</sup>503 F. Supp. 1265 (S.D. Tex. 1980), aff'd in part and vacated in part, 679 F.2d 1115, amended in part, 688 F.2d 266 (5th Cir. 1982), cert. denied, 460 U.S. 1042 (1983).

<sup>5</sup>C.A. No. 77-721-C (D.N.M. July 14, 1980).

<sup>6</sup>562 F. Supp. 1052 (M.D. Tenn. 1982).

<sup>7</sup>547 F.2d 1206 (5th Cir. 1977).

**Appendix III  
Factors That Could Affect Interstate  
Comparisons of Prison Costs And/or Quality  
of Service**

The degree of punitiveness of a corrections system, as reflected, for example, by the system's incarceration rate,<sup>8</sup> may affect operating and programming approaches, and therefore, expectations of service. States with higher incarceration rates tend to be found in the west and south, although there is variation within regions. On December 31, 1988, Texas and New Mexico had incarceration rates of 240 and 180, respectively, while the national average rate for state institutions was 227. On December 31, 1990, the incarceration rates in California (311) and Louisiana (427) were higher than the national average rate for state institutions (227); Tennessee's incarceration rate, however, was lower (207). Furthermore, the Washington study found differences in programming (e.g., education and work programs) when comparing Washington with Tennessee and Louisiana.

Both opponents and proponents of privatization have suggested that active correctional employees' unions can affect whether a state decides to privatize corrections; for example, union agreements with the state may be a disincentive to privatization. According to the results of an April 1994 ACA survey of state adult correctional departments, the public employees of such organizations in the five states studied shown in table III.1 had the right to organize. However, the percentage of such correctional employees represented by unions in two of the states was 20 percent or below and one state did not provide data; in three states, the correctional employees could not bargain collectively; and in none of the states did the correctional employees have the right to strike.

**Table III.1: Factors That Could Affect Comparisons With States Studied**

Factors	States studied				
	Texas	New Mexico <sup>a</sup>	California	Tennessee	Louisiana
Year of initial operation of private facilities <sup>b</sup>	1989	1989	1991	1991	1991
Geographic region <sup>c</sup>	South	West	West	South	South
<b>All state facilities<sup>d</sup></b>					
Rated capacity	41,252	2,878	52,698	8,700	15,006
Inmate population	39,525	2,932	94,050	8,380	13,849
Under or (over) capacity	1,727	(54)	(41,352)	320	1,157

(continued)

<sup>8</sup>As defined earlier, the rate of incarceration is the number of sentenced prisoners (per 100,000 resident population) in correctional facilities.

**Appendix III  
Factors That Could Affect Interstate  
Comparisons of Prison Costs And/or Quality  
of Service**

Factors	States studied				
	Texas	New Mexico <sup>a</sup>	California	Tennessee	Louisiana
Status of ACA accreditation of state correctional facilities <sup>a</sup>	none accredited	some accredited	some accredited	some accredited	none accredited
Incarceration rate <sup>f</sup>	240	180	311	207	427
<b>Unions<sup>g</sup></b>					
Right to organize	yes	yes	yes	yes	yes
Right to bargain	no	yes	yes	no	no
Right to strike	no	no	no	no	no
Percent of correctional employees represented	not applicable	20 percent	83 percent	55 percent	12 percent

<sup>a</sup>The New Mexico data apply to all state facilities, while the New Mexico study (see app. II) focused on women's correctional facilities.

<sup>b</sup>The year that inmates were first sent to privatized facilities in the respective state.

<sup>c</sup>The Bureau of Justice Statistics groups all 50 states and the District of Columbia into four regions—northeast (CT, ME, MA, NH, NJ, NY, PA, RI, VT), midwest (IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI), south (AL, AR, DE, D.C., FL, GA, KY, LA, MD, MS, NC, OK, SC, TN, TX, VA, WV), and west (AK, AZ, CA, CO, HI, ID, MT, NV, NM, OR, UT, WA, WY).

<sup>d</sup>Texas and New Mexico data are for January 1, 1989. California, Tennessee, and Louisiana data are for January 1, 1991.

<sup>e</sup>ACA provided us information on the general accreditation status of state facilities in each state studied at the time of privatization; specific numbers were not available.

<sup>f</sup>Incarceration rates for Texas and New Mexico are for December 31, 1988. Incarceration rates for California, Tennessee, and Louisiana are for December 31, 1990.

<sup>g</sup>Responses shown are from an ACA-sponsored survey of state adult correctional departments (April 1994) and refer only to public, state-level employees. Regarding the percentage of correctional employees represented by unions in Texas, the term "not applicable" was not defined. The data refer only to adult correctional departments.

Source: Data on geographic region and incarceration rates are from Kathleen Maguire and Ann L. Pastore, eds., *Sourcebook of Criminal Justice Statistics, 1993*, Department of Justice, Bureau of Justice Statistics, 1994. Data on overcrowding are from the *Corrections Yearbook, 1989 and 1991*, Criminal Justice Institute, Inc., 1989 and 1991. Data on accreditation status and union rights and representation are from ACA.

# Use of Private Corrections in States

As table IV.1 shows, as of March 1996, a total of 47 private correctional facilities (secure facilities for adults) were being operated or being planned for operations by private companies in various states. These 47 private correctional facilities are located in 12 states. However, the most use (actual or planned) of privatized correctional facilities is in 3 states—Texas, with 21 facilities; Florida, with 7 facilities; and California, with 5 facilities.

**Table IV.1: Private Adult Secure Correctional Facilities Operating or Planned, as of March 1996**

State	Number of private facilities <sup>a</sup>	Security classification of facilities	Total rated capacity <sup>b</sup>
Arizona	2	minimum to medium	850
Colorado	1	medium	752
California	5	minimum	1,446
Florida	7	minimum/medium to medium	4,636
Kentucky	3	minimum	1,300
Louisiana	2	medium/maximum	2,948
Mississippi	2	medium	2,034
New Mexico	1 <sup>c</sup>	all security levels	322
Tennessee	1	medium	1,506
Texas	21	minimum to maximum	15,702
Utah	1	minimum/medium	400
Virginia	1	medium	1,500
<b>Total</b>	<b>47</b>		<b>33,396</b>

Note: According to the author of the data, the information presented is subject to change and represents the number of actual or planned facilities at a particular point in time only. We did not verify the accuracy or completeness of the information.

<sup>a</sup>The information presented includes only state-sponsored private facilities that primarily house inmates from the sponsoring state's correctional system.

<sup>b</sup>The term "rated capacity" refers to the maximum number of beds or inmates assigned by a rating official to institutions within the jurisdiction.

<sup>c</sup>This is an all-women's facility.

Source: Charles W. Thomas, Private Corrections Project, Center for Studies in Criminology and Law, University of Florida, Private Adult Correctional Facility Census, 9th ed. (Gainesville, FL: Mar. 1996).

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# A COMPARATIVE RECIDIVISM ANALYSIS OF RELEASEES FROM PRIVATE AND PUBLIC PRISONS IN FLORIDA\*

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## Introduction

Chapter 957 of the Florida Statutes provided for the creation of The Florida Correctional Privatization in 1993. The Commission is authorized to "enter into a contract or contracts for the designing, acquiring, financing, leasing, constructing, and operating" of prisons and is the only independent state agency in the United States which enjoys such broad statutory power that flows from Chapter 957.

The Florida legislation imposes multiple obligations on the Commission. First, § 957.04(1)(f) requires services and programs "at least equal to those provided by the department" and expressly mandates work and education programs designed to reduce recidivism. Second, § 957.07 requires evidence of at least a 7 percent cost savings based

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\* This research was supported by a grant from the Florida Correctional Privatization Commission to the Private Corrections Project. The senior author is an Associate Professor of Criminology and Sociology at the University of Florida. The co-author is an Assistant Professor of Criminology and Sociology at the University of Florida. The researchers wish to acknowledge the professionalism of and the cooperation extended by members of the Correctional Privatization Commission, the Bureau of Research and Data Analysis of the Department of Corrections, and the Bay and Moore Haven Correctional Facilities. Their assistance in data retrieval and their frank discussions about data and programming were most useful. The analyses and interpretations of the data, however, are those of the researchers and not those of the Department of Corrections, the Correctional Privatization Commission, or the Bay or Moore Haven Correctional Facilities.

on cost estimates provided by the Auditor General for comparable facilities operated by the Department of Corrections as a precondition for contract awards by the Commission. Third, § 957.03(4)(c) requires the Commission to submit an annual report to the Speaker of the House of Representatives and the President of the Senate that includes "a comparison of recidivism rates for inmates of private correctional facilities to the recidivism rates for inmates of comparable facilities managed by the department."

This report addresses the obligation to conduct a recidivism comparison set out in § 957.03(4)(c). It examines the recidivism, measured in multiple ways, of each of 396 prison releasees over the 12 month period following their respective releasees from confinement.<sup>1</sup> Of the 396 releasees in the sample, 198 were released from prisons operated by the Department of Corrections and 198 were released from either the Bay Correctional Facility, which is operated by the Corrections Corporation of America, or the Moore Haven Correctional Facility, which is operated by the Wackenhut Corrections Corporation.<sup>2</sup> The analysis focuses on two critical questions:

*1) Is there a statistically significant and substantively meaningful difference between the recidivism rates of releasees from privately- and publicly-managed prisons in Florida?*

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<sup>1</sup> This evaluation is an initial effort, and it is limited to short-term recidivism. Although short-term recidivism patterns are often similar to long-term outcomes, some important differences can emerge (see Bishop et al., 1996 and Winner et al., 1997 ).

<sup>2</sup> One hundred and three of the releasees came from Bay Correctional Facility and 95 came from Moore Haven. Information from inmates at other privately-operated facilities was not included in this research. The 350-bed Lake City Correctional Facility, which is operated by the Corrections Corporation of America, and the 1,318-bed South Bay Correctional Facility, which is operated by the Wackenhut Corrections Corporation, did not open until 1997.

*2) Is there a statistically significant and substantively meaningful difference between the recidivism rates of releasees from private prisons in Florida who vary with respect to their participation in and completion of programs designed to reduce recidivism?*

### **Previous Recidivism Research in Florida**

Recidivism in Florida has been studied by both the Department of Corrections (e.g., Florida Department of Corrections, 1997) and independent researchers (e.g., Lanza-Kaduce et al., 1990; Office of Program Policy Analysis and Government Accountability, 1995). This prior research identifies factors which predict recidivism and which can be used to match private prison releasees with public releasees to obtain equivalent comparison groups. If the comparison groups are equivalent, then differences in recidivism between private and public prison releasees can be attributed to contrasting operations in privately- as opposed to publicly-operated facilities.

No single measure of recidivism has been consistently used in research on Florida prison releasees. For example, the Department of Corrections (1997) measured recidivism as a recommitment to the Department for a new offense. This measure ignored county-level sanctions for new offenses and technical violations of the terms of conditional release. The Office of Program Policy Analysis and Government Accountability (1995:1), on the other hand, measured recidivism in terms of reincarceration both because "reincarceration can be determined using the database of a single agency" [the Department of Corrections] and because "reincarceration focuses on those behaviors that place the greatest demand on state corrections resources." Consistent with this

definitional approach, the Office of Program Policy Analysis and Government Accountability included those who were reincarcerated for technical violations of the terms of conditional release, but it excluded offenders who were sentenced to probation or community control for new crimes.

Similarly, the follow-up periods deemed to be appropriate by those who have conducted earlier recidivism research in Florida have varied. For example, the recent research by the Department of Corrections (1997) followed releasees for a 24 months, but the Office of Program Policy Analysis and Government Accountability (1995) used a 36-month follow-up period.

We both concur and disagree with the approaches taken in prior recidivism research. Recidivism indicators based entirely on either new offenses or reincarceration are deficient on both conceptual and pragmatic grounds. Although reincarceration surely involves recidivism, it is equally clear that much recidivism may result in interventions that do not involve recommitment to a state prison (e.g., a fine, probation, a jail sentence served in a county jail, and so on). Reincarceration underestimates reoffending and costs associated with subsequent offenses. A disregard for reincarceration for technical violations, however, ignores the important social costs and resource demands of these cases. Thus, alternative measures were adopted for this research.

We concur with the authors of earlier studies about the desirability of lengthy follow-up periods. Even though recidivism research generally indicates that much if not most recidivism takes place within 12 to 18 months of release from confinement, relatively long

follow-up periods of three to five years are certainly preferable to relatively short follow-up periods. It was not possible, however, for this research to provide for a lengthy follow-up period. The Bay Correctional Facility and the Moore Haven Correctional Facility did not receive their first prisoners until mid-1995. Thus, the analysis is limited to a follow-up period of 12 months.<sup>3</sup>

### **Methodological Considerations**

#### ***The Sample***

Data were obtained from the official records of the Department of Corrections on all inmates released from the Bay and Moore Haven Correctional Facilities during 1996. Cases were deleted from this original pool of private prison releasees for one of four reasons. First, one releasee from a private prison had a custody security classification that was not medium or minimum. This atypical case was deleted. Second, 19 releasees from the private prisons lacked Department of Corrections identification numbers and were deleted. Third, because one aspect of the analysis focuses on the effect of program participation on recidivism, we excluded early transfers to the private prisons to assure that all programs at the prisons had a reasonable opportunity to achieve fully operational status. Moreover, to take advantage of new standardized data entry procedures, the program focus prompted us to start selecting releasees from Bay and Moore Haven who

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<sup>3</sup> So that every inmate in the study would have the same "at-risk" period, we measured recidivism for only 12 months after each inmate's date of release. Many of the inmates, however, were released early enough so that we could collect data about recidivism for longer than 12 months. For only 4 cases (2 released from publicly-operated facilities and 2 from privately-operated ones) did all of the indicators of recidivism fall beyond the 12-month period. Consequently, our overall indicator of recidivism probably captured most of the short-term recidivists.

were released on or after June 1, 1996.<sup>4</sup> This starting date for case selection was based on new computerized data entry procedures regarding program participation and completion implemented by the Department of Corrections in May of 1996 (Office of Program Policy Analysis and Government Accountability, 1997). Finally, to ensure a follow-up period of 12 months after release, inmates released after September 30, 1996 were omitted from the sample. The result was that only those prisoners released from the Bay Correctional Facility and the Moore Haven Correctional Facility between June 1, 1996 and September 30, 1996 were retained in the research sample.<sup>5</sup>

In order to obtain reasonably precise matches for the private prison releasees from the pool of prisoners released from public prisons, we began by obtaining data on all releasees in 1996 from the Department of Corrections. To maximize the likelihood of identifying precise matches for the sample of private releasees, a search was made of public inmates released between January 1, 1996 and September 30, 1996. However, some offense categories (second and third degree murder, various sexual battery offenses, home invasion, car jacking, racketeering, and a generic "other violence"

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<sup>4</sup> Site visits to Bay and Moore Haven and interviews with staff indicated that program implementation is ongoing. This complicates analysis because program changes and expansions can occur unevenly. Thus, the information obtained from the field altered the evaluation methodology employed. The window for selecting our sample needed to be narrowed so that the releasees from any facility will not have been exposed to markedly different operations. An alternative to narrowing the selection window would have been to control for differences in programs over time. Unfortunately, the standardized data collected by the Department of Corrections about program participation and completion prior to May 1996 are suspect because improvements in data entry and management were not instituted until then (see Office of Program Policy Analysis and Government Accountability, 1997).

<sup>5</sup> The researchers compared the list of releasees obtained from the Department of Corrections for one of the facilities with a list generated by the facility itself. One of the researchers is involved in an unrelated study using a different state-wide data base in which there is wide variance between the state data and local records. Fortunately, the correspondence between the state-wide corrections data and the facility's records is high—over 98%. Therefore, we can have confidence in the accuracy of the state data.

category) occurred only among releasees from public facilities and could be deleted. Further, some individuals were in the 1996 releasee data set more than once. When this occurred, only the first event was retained because a second release indicated some kind of recidivism had occurred subsequent to the first release in 1996. If inmates were transferred between public and private institutions during the year, the last institution at the time of release was used to determine whether the release was from a private or public facility. Further still, inmates in public institutions who had fluctuations in classification were deleted because the reclassification may signify some kind of adjustment problem which could increase the chance of recidivism (see Lanza-Kaduce et al., 1990).

### ***Precise Case Matching***

The study population consists of private prison releasees and their public prison matches. The 300 inmates released from Bay or Moore Haven from June 1 through September 30, 1996 had minimum or medium security classifications. So did their potential matches who were released from seven different publicly-operated prisons. In addition to classification, four factors predictive of recidivism were used to construct precise case-to-case matches.

The first matching criterion was offense category. The 53 categories used to code the primary offense at conviction for Department of Corrections inmates were used. Only two adjustments were made in these offense categories before matching. Aggravated battery was grouped with aggravated assault, and grand theft auto was grouped with other grand theft. Thus, this study uses more precise matching on offense category than most

previous research has employed (e.g., Bishop et al., 1996). Matching on offense is of significance because prior offense predicts recidivism. At least three studies of recidivism in Florida have indicated that property offenders are most likely to reoffend (see Lanza-Kaduce et al., 1990; Office of Program Policy Analysis and Government Accountability, 1995; Department of Corrections, 1997). Those studies have also indicated that sex offenders are less likely to reoffend (Office of Program Policy Analysis and Government Accountability, 1995; Department of Corrections, 1997), and two of the studies have found that violent offenders are less likely to reoffend (Lanza-Kaduce et al., 1990; Department of Corrections, 1997).

The second matching criterion was race. Two of the earlier recidivism studies found strong race effects (Lanza-Kaduce et al., 1990; Office of Program Policy Analysis and Government Accountability, 1995). Another study found the effect becoming weaker more recently (Department of Corrections, 1997). White releasees are less likely to reoffend. White private releasees were matched with white public releasees, and nonwhites were matched with nonwhites.

The third matching criterion was prior record. This can be measured either as prior arrests (e.g., Lanza-Kaduce et al., 1990) or as prior commitments or incarcerations (e.g., Lanza-Kaduce et al., 1990; Office of Program Policy Analysis and Government Accountability, 1995; Department of Corrections, 1997). The relationship between prior record and recidivism is a strong one. The matching for this study was based on the number of prior incarcerations (which could be 0, 1, or 2 or more). This approach

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corresponds to important differences in how the number of prior incarcerations relates to recidivism as reported by Lanza-Kaduce et al. (1990) and the Office of Program Policy Analysis and Government Accountability (1995).

The fourth matching criterion was age. All three studies found an important relationship between recidivism and age at time of release with older inmates reoffending less frequently (Lanza-Kaduce et al., 1990; Office of Program Policy Analysis and Government Accountability, 1995; Department of Corrections, 1997). The age categories used for matching were 25 years of age or less, 26-30 years of age, 31-35 years of age, 36-40 years of age, and 41 or older. These categories roughly correspond to those used in the Office of Program Policy Analysis and Government Accountability study (1995).

Ninety three private prison releasees could not be matched with a public prison counterpart so recidivism data were collected for 207 matched pairs. Nine of these pairs had one of the inmates released to a detainer and were deleted because an inmate may not have been "at risk" in the community for most of follow-up period. Perfect matches within each category for each of the matching criteria could be made for 149 cases. By relaxing the age criterion, another 30 cases could be matched using a younger public releasee, and another 19 cases could be matched using a older public releasee.<sup>6</sup> This yielded a total of 198 matched pairs for the comparative analysis.

In terms of programming, the data collection protocol required obtaining information of the admission date into the private prisons, program participation information, program

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<sup>6</sup> Removing pairs for which the age-matching was relaxed from the analyses would not alter any conclusions.

participation dates, program status, release date, and release status for each inmate included in the study. Of those 198 private releasees, we obtained data on participation in and completion of programs for 194. There were 186 inmates in the sample of releasees from the private facilities for whom adequate data about program completion were available. Of these, 68 were involved in programming that they did not complete prior to their transfer or release. These 68 cases were excluded from the analysis of the effect of program completion on recidivism.

### ***Measuring Recidivism and Programming***

Recidivism was operationalized in alternative ways. Department of Corrections records information about arrest histories, sentencing, and the movement of inmates in and out of prison was the data source. These data were used to develop five different indicators of recidivism.

First, each releasee's arrest record was examined to determine whether it indicated any rearrest during the 12 months following his release. If a rearrest occurred, the offense and date of the rearrest were recorded.

Second, each releasee's sentencing record was reviewed. If he was resentenced on a new offense within 12 months after release, the offense and date of disposition were recorded.

Third, each releasee's "external movement" record was reviewed. This record provided information on the date of release and whether the releasee had any legal

intervention within the 12 month "at-risk" period. If he was reincarcerated on a new commitment within 12 months of release, the date was recorded.

Fourth, the "external movement" information also indicated whether a releasee has been returned to serve the remainder of his sentence because of a technical violation of conditions of release. If this occurred within 12 months of the conditional release, the date of the issuance of the warrant and the date of re-entry into prison were recorded.

Fifth, a global measure of recidivism in any form was constructed from the previous four indicators. Because of the short follow-up period, some inmates who were rearrested had not yet been resentenced or reincarcerated. Among some inmates who were rearrested, the rearrest was used to revoke conditional release rather than to prosecute on a new offense and receive a new sentence. Consequently, any single indicator of recidivism underestimated the total number of inmates who experienced some form of criminal justice intervention after release. The global measure of recidivism merely determined whether any indication of legal intervention occurred during the 12 months after release.

The severity of recidivism was also measured. For those cases having an indication of legal intervention, the reason for the intervention is scaled: 0 = no recidivism, 1 = technical violation, 2 = misdemeanor offense, 3 = drug or weapon possession offense, 4 = property offense, or 5 = violent or personal offense.<sup>7</sup> For cases having more than one

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<sup>7</sup> The order was premised on the argument that victimizations by violent personal felonies (e.g., aggravated assault, robbery) are most serious followed by victimizations by property felonies (e.g., burglary, grand theft). Possessory felonies, like drug manufacturing or weapons charges, do not have direct victims in the same way that personal or property felonies do. Possessory felonies, however, are generally thought to be more serious than are misdemeanor offenses. Technical violations of the conditions of release are

reason, the most serious reason was counted.

Program participation was operationalized as any involvement in programs while housed at either the Bay Correctional Facility or the Moore Haven Correctional Facility. In order to determine program participation for each releasee in the study, we obtained information on the date of entry into the privately-operated prison as well as the inmate's release date and program status from the Department of Correction data records. These records were used to determine the number and type of programs for each releasee.<sup>8</sup> The kinds of programming varied at the two private facilities, so we obtained information on five general categories of programming: 1) educational (e.g., GED preparation, adult basic education); 2) vocational training (e.g., business software, carpentry); 3) substance abuse treatment (e.g., Alcoholic Anonymous, therapeutic community); 4) behavioral education (e.g., life skills, cognitive skills); and 5) pre-release counseling. Appendix A lists the programs available at the Bay and Moore Haven facilities.

In assessing the program participation patterns, we found that 96 percent of the releasees sampled participated in at least one program at a privately-operated facility, that 78 percent of the releasees participated in at least two programs, and that slightly more than 50 percent participated in three or more programs. Referring to Table 1, the vast majority (82 percent) of inmates participated in substance abuse programs, 60 percent

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generally least serious because they need not involve new crimes.

<sup>8</sup> It is important to note that programs varied a great deal at the two privately-operated facilities. For example, one finds little overlap in the types of vocational training offered at the Bay and Moore Haven Correctional Facilities. See Appendix A. The differences in programming could conceivably influence the patterns of program completion at the two privately-operated facilities.

were enrolled in behavioral education programs, and 53 percent of the releasees received pre-release counseling before their release date.

Program completion was operationalized as meeting the objectives and requirements of the program. Data on program completion were obtained from the Department of Corrections records. The distribution of program status for the sample of private releasees is presented in Table 2.

### **Research Findings**

Several statistical strategies can be employed when conducting comparative analyses (e.g., Bishop et al., 1996; and Winner et al., 1997). Because of the precision matching in this study, the recidivism percentages of the two groups can be examined directly at both the aggregate level and among the precisely matched pairs. Nonparametric statistical tests were used to make the direct comparisons. The seriousness of the reasons for recidivism was compared by examining the mean differences in seriousness between the private and public releasees. A t-test for dependent or matched samples was used to assess the statistical significance of the difference. A chi-square statistic was computed to measure the statistical significance of differences in recidivism for those releasees who successfully completed programming and those who failed to complete programming.

#### ***Recidivism in the Aggregate***

The results presented in Table 3 indicate that releasees from private prisons had lower recidivism than did their public prison matches for all indicators of recidivism except

technical violations.<sup>9</sup> In the 12 months following release, 10 percent of the private facility releasees were rearrested, while 19 percent of the public releasees were rearrested. Only 6 percent of the private releasees were resentenced for a new offense as compared to 10 percent of their public matches. In terms of reincarceration, 10 percent of the private prison releasees were reincarcerated within 12 months, but 14 percent of the public prison releasees were reincarcerated. The overall indicator also showed fewer recidivists among the releasees from private facilities. Seventeen percent of the private facility releasees had an indication of recidivism as compared with 24 percent of the public prison releasees.

We can standardize recidivism as a rate per 1,000 releasees and compare the rate for the releasees from private facilities with that for their matches from publicly-operated ones. To the extent that the matching procedure controlled for other factors that predict recidivism, direct comparisons between public and private releasees indicate the relative impact of privately-operated prisons on recidivism. Table 4 presents the aggregate rates per 1,000 releasees for each indicator of recidivism for the private and public releasees as well as the estimated rate difference between releasees in the private and public facilities.

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<sup>9</sup> At first glance, the recidivism rates for both groups seem low, but they are consistent with other information. The releasees in this sample are minimum and medium security inmates (who may be better risks). The follow-up period is only one year (instead of two or three). Moreover, the Department of Corrections (1997) has recently indicated a dramatic reduction in recidivism (as measured by a new offense within two years of release for which the offender is recommitted to Department supervision). In 1988-89 the recidivism rate over a two year follow-up period was nearly 40 percent, but it steadily dropped to 18 percent in 1993-94. Thus, the 14 percent reincarceration rate in one year for the public releasees in this sample is consistent with these reports.

With the exception of the technical violations category, releasees from private institutions had significantly lower rates of recidivism per 1,000 releasees. Specifically, the rate of any recidivism among the private releasees was 172 per 1,000 releasees as compared to 237 among the public releasees. In addition, the rates of rearrest and resentencing for the public releasees were twice those of the private releasees sampled (96 versus 192 for rearrest and 56 versus 101 for resentencing). When recidivism is measured via reincarceration, the results reveal that public releasees had substantially higher rates of reincarceration per 1,000 releasees than those from the private institutions (146 verses 101, respectively). On the other hand, the private releasees had higher technical violations per 1,000 releasees (86 for private prison releasees versus 76 for public prison releases). Clearly, therefore, with the exception of the modest but statistically insignificant difference favoring releasees from public prisons when the technical violation-based recidivism rate is considered, the substantially lower recidivism rates among the releasees from the private prisons is striking.

#### ***Recidivism in Matched Pairs***

The differences in recidivism were also apparent when comparisons were made "head-to-head" in each of the 198 matched pairs. Table 5 presents the pattern of recidivism found across the pairs. The first row indicates the number of pairs in which both the private and public releasees were rearrested, had a technical violation, were resentenced, were reincarcerated, or had any of those indicators of recidivism. The second row indicates the number of pairs for which each respective indicator of recidivism

was found for only the private releasee. The third row indicates the number of pairs for which recidivism was found for only the public releasee. The fourth row shows the number of pairs for which recidivism was found for neither releasee.

The information is displayed in Table 5 in two ways. First, the table compares matched pairs of private and public releasees for each of the various indicators of recidivism. The results are consistent with those reported in the overall comparisons above. Except for technical violations, private releasees have lower recidivism. For both rearrest and resentencing at least twice the number of pairs have the public releasee reoffending than have the private releasee reoffending (34 versus 15 for rearrest; 18 versus 9 for resentencing, respectively). For reincarceration and indication of any recidivism, the number of pairs in which only the public releasee reoffended is about a third greater than the number of pairs in which only the private releasees reoffended (23 versus 15 for reincarceration; 39 versus 26 for the any recidivism measure, respectively).

Second, Table 5 also presents the results of the nonparametric tests for statistical significance. These tests have been performed to see whether the differences in recidivism between the private and public releasees are statistically significant. Because of the large number of pairs with no indication of recidivism, the sign test has been employed. Sign tests are appropriate for matched samples and concentrate on the pairs that are different (e.g., where one reoffends and the other does not) (see, e.g., Bachman and Paternoster, 1997). When the sample size exceeds 25, the sampling distribution for

this statistic is approximately normally distributed and a z test can be used to determine probabilities.<sup>10</sup>

The results of the sign tests for each indicator of recidivism are reported at the bottom of Table 5. The lower recidivism among private releasees is statistically significant. Simply put, the lower recidivism is unlikely to have occurred by chance for rearrest ( $p < .01$ ), resentencing ( $p < .05$ ), reincarceration ( $p < .10$ ), or for any indication of recidivism ( $p < .10$ ). Only the difference regarding technical violations proves to be statistically insignificant.

### ***Seriousness of Recidivism***

Another way to consider the impact of recidivism is to examine the seriousness of the reoffending. Although no recidivism is desirable, society pays a different price for subsequent violent crimes than for technical violations. Table 6 presents the basic breakdown of recidivism seriousness for private and public releasees. The most serious reason for any subsequent legal intervention (not merely rearrest) within 12 months after release is used to construct this table.

The pattern indicates that private releasee recidivists were more likely to return on technical violations.<sup>11</sup> They were least likely to commit a violent offense in the 12 months

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<sup>10</sup> The recidivism scores (0 = no recidivism; 1 = recidivism) for each indicator were arrayed by matched pairs. For each pair, the score of the private releasee was subtracted from that of the public releasee which resulted in a 0 (no difference), a +1 (the public releasee reoffended but the private releasee did not), or a -1 (the private releasee reoffended but the public releasee did not). If the two groups or releasees are similar in recidivism, the number of positive and negative signs should balance out. The z score indicates how unlikely any difference in the number of positive or negative signs is.

<sup>11</sup> The greater likelihood of private releasees returning for technical violations is not a function of a more of them being released to probation/community control or on some conditional status. In fact, more public releasees (30%) were released conditionally than were private releasees (23%).

after release. Public releasees, however, were more likely to commit drug/weapon possession offenses, property offenses, or violent offenses in the year after release. Among the private releasees who reoffended, the mean level of seriousness was 2.32. Among the public releasees who reoffended, the mean level of seriousness was 3.43. In the aggregate, the recidivism of private releasees was less serious than that of public releasees.

To help interpret whether the difference in seriousness of recidivism between private and public releasees is important, a t test for differences in means for matched samples was calculated. This test concentrates on differences in seriousness within each of the matched pairs (e.g., Bachman and Paternoster, 1997). The result is reported at the bottom of Table 6. The public releasees in the matched pairs had a mean difference that was 1.11 points higher (or more severe) than their private counterparts. The greater seriousness of the recidivism among public releasees was unlikely to have occurred by chance ( $p < .01$ ).

#### ***Additional Recidivism Results on Unmatched Cases***

An inherent risk to the reliability and validity of any research which involves precision matching of cases is the potential loss of data if cases cannot be matched. Roughly one third ( $n=93$ ) of the private prison releasees between June 1, 1996 and September 30, 1996 could not be matched with a releasee from a public facility. Because they could not be matched, their recidivism could not be compared directly with that of similar releasees from public facilities. However, a separate analysis of the unmatched

cases was pursued using rearrest data. It was found that the rearrest rate of these unmatched private releasees (18 percent) was more similar to the public matches (19 percent) in the sample than to the private matches (10 percent). This could mean that the private releasees who could not be matched were unusual in some way.

This possibility did not alter our research conclusions for several reasons. First, even when the unmatched private releasees were grouped with the other private releasees to compute an aggregate recidivism rate, the private releasees had lower recidivism. For example, the rearrest rate for all private releasees (those that could be matched and those that could not be) was 14 percent. The rearrest rate for the private releasees (all of whom had been matched) was 19 percent.

Second, the private releasees who could not be matched tend to be the less typical inmates. Medium and minimum security inmates released from public facilities were over-sampled to guarantee a large enough pool for making matches. Although hundreds of extra cases from the public facilities were available, only 54 of them had an offense category that corresponded to that of the 93 unmatched private releasees. For example, 7 private releasees, but only 2 public releasees, had robbery with a weapon listed as their primary offense, so 5 of the private releasees were left unmatched. Another 5 private cases with a primary offense listed as "other" could not be matched. On the other hand, there were 128 extra public releasees who had been convicted of drug manufacturing left once matches were found for the private drug manufacturers in the sample.

Third, the severity of the recidivism for these unmatched private releasees was compared with that of the matched private releasees and their matched public counterparts. Only rearrest data were used. The private releasees who could not be matched had the lowest mean severity score for the rearrest offenses (3.18) followed by the matched private releasees (3.37) followed by the public matches (3.84). Thus, even if the private releasees who could not be matched had been included, their inclusion would not have accounted for the difference in recidivism and recidivism severity between private and public releasees.

#### ***The Effect of Program Completion on Recidivism***

A comparison of the differences between releasees who did and did not successfully complete programs was employed to explore the impact of programming on recidivism among the releasees from the privately-operated prisons. The results are presented in Table 7. Recidivism was more likely among those who failed, were dropped, refused to participate, or were removed from programs than among those who successfully completed a program. Specifically, 16 percent of the 103 private prison releasees who satisfactorily completed one or more programs were recidivists. However, 40 percent of the 15 inmates who failed, dropped out of, refused to participate, or were removed from programs were recidivists.

Our results reveal that recidivism among those who successfully completed one or more programs was substantially less than that among those who were not successful. Those who completed one or more programs were 25 percent less likely to reoffend or

violate conditional release. The higher recidivism among the group of releasees who did not complete programming is statistically significant ( $p < .02$ ). This finding suggests that program completion reduces recidivism among the private prison releasees.

These results should be interpreted with caution. The number of private prison releasees in the sample who did not complete programs was so small ( $n = 15$ ) that their percentages may be unstable and could fluctuate if more cases were examined. The small number should not be surprising, however. The contracts between the Correctional Privatization Commission and both the Corrections Corporation of America and the Wackenhut Corrections Corporation impose unusually demanding requirements which mandate access to programs aimed at reducing recidivism. This requirement is bolstered by § 957.04(1)(g), F.S., which requires continuous on-site contract compliance monitoring. The effect is that program participation by prisoners in the private facilities is strongly encouraged. This is made clear by the fact that of the 118 cases for which complete data were available, 103 or 87 percent completed one or more of the available programs.

### **Conclusions and Policy Implications**

This study was conducted pursuant to a statutory requirement that the Correctional Privatization Commission provide a report on the comparative differences in recidivism rates for inmates released from privately- and publicly-operated correctional facilities. Toward complying with that mandate, the research addressed two key issues.

First, the research offered a comparative analyses of the differences in short-term recidivism between releasees from public and private prisons in Florida. Although no two

Written testimony

prisons are alike, we located precision matches between public prison releasees and releasees from two private prisons. The precision matching was based on factors that earlier research had shown to be associated with recidivism: security classification, type of offense, age, race, and prior record. Because the matching criteria have all been linked to recidivism in prior research, we are confident in the meaningfulness of the matching procedure.<sup>12</sup> Indeed, few recidivism studies have matched so precisely on so many specific offense categories as did the present study.

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The results indicate that releasees from privately-operated prisons have significantly lower recidivism than do releasees from public prisons. The lower recidivism occurs in the aggregate across all pairs as well as when a more detailed comparative analyses of the matched pairs is pursued. Public releasees have a greater likelihood of reoffending within 12 months of release. They also are also significantly more likely to return to the attention of the authorities for more serious reasons than are the private prison releasees.

The importance of this research is most easily discerned when the recidivism is computed as a standardized rate per 1,000 releasees. For example, the rearrest rate per 1,000 releasees was 96 for releasees from the private prisons versus a much higher rearrest rate of 192 per 1,000 for releasees from public prisons. The reincarceration rate was 101 for releasees from private prisons versus 147 for releasees from public prisons.

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<sup>12</sup> The differences in age among the private and public releasees which was tolerated for 53 cases did not affect the conclusion that recidivism was lower among private releasees. In fact, analyses of only those cases where age is perfectly matched would, if anything, strengthen the conclusion.

The second research focus was on programming and recidivism. The results indicate that programming at the private facilities is reducing recidivism.<sup>13</sup> Those releasees who completed one or more programs prior to their release were significantly less likely to reoffend or violate conditions of release than those with records of program non-completion.

The policy implications of the research seem relatively clear. Financial data for the FY 1996-97 prepared by the Florida Department of Corrections suggest that, exclusive of all construction and major facility maintenance costs, Florida taxpayers expend approximately \$15,750 per prison inmate per year. Although many variables influence recidivism, any effort by either the private firms working under contract with the Correctional Privatization Commission or the Department of Corrections that demonstrably reduces rates of recidivism will yield consequential long-term financial benefits even as it enhances public safety.

The findings raise another consideration. Although programming was linked to lower recidivism, 37 percent of the private prison inmates in our sample were released prior to program completion. Some of them were released so soon after entry into the private facilities that completion would have been difficult or impossible to achieve. Others were present at the facility for lengthier periods before release but either did not gain timely entry into a program or did not progress through the program quickly. Any steps

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<sup>13</sup> We understand that this assertion requires some qualification. Although the evidence does imply a positive impact of program participation and completion, it is possible that other differences between private and public prisons are responsible. For example, differences in recidivism may be due to variations in inmate or staff cultures rather than to programming.

that the Florida Privatization Commission and/or the Department of Corrections can take to adopt transfer criteria or program selection procedures to improve the timing of entry into programming may alleviate this problem of release prior to completing programs. We understand that all prisoner transfer decisions are made by the Department and not by the Commission, but this recommendation is not offered as a criticism of the past practices of the Department. The Department cannot make appropriate transfer decisions unless its officials are thoroughly familiar with the private prison programs and the times required for program completion.

In summary, the research findings presented here provide unequivocal empirical evidence of reduced recidivism (and therefore heightened public safety and financial benefits) among releasees from private facilities. The Florida Correctional Privatization Commission and its independent contractors at Bay and Moore Haven deserve credit for this success.

Clearly, of course, more research must be done to verify whether the recidivism rates among releasees from private prisons will remain significantly lower than the recidivism rates among releasees from public prisons as the follow-up periods under consideration grow longer. Further, the diversity of the prisoner population for which the Commission is responsible already is increasing. A privately-operated facility at the 350-bed Lake City Correctional Facility houses youthful offenders. The 1,318-bed South Bay Correctional Facility is almost twice as large as either the Bay Correctional Facility or Moore Haven Correctional Facility and, perhaps more importantly, is housing prisoners

with higher security classifications. Subsequent research must take this diversity into account.

More research which evaluates the differential impact on recidivism of specific educational, treatment, and vocational training programs must be pursued. The Correctional Privatization Commission (and officials at both the Moore Haven and Bay facilities) have shown an appreciation for conducting comprehensive comparative analyses that examine potential differences in programs and program effectiveness within the growing prison system for which it is administratively accountable. We encourage them to continue seeking these evaluations.

The Legislature, the Commission, and the Department should be encouraged by the positive results reported in this analysis, and so, too, should the Corrections Corporation of America and the Wackenhut Corrections Corporation. Indeed, should these positive findings be replicated by the larger and more sophisticated analyses we hope to prepare in future years, attention will need to shift to devising means by which successful strategies and programs developed within one prison can be implemented within other prisons (whether privately or publicly operated).

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**Table 1****Program Participation Patterns Among Privately-Operated Prison Releasees,  
(N=194)**

	Number	Percentage
No Programming	8	4.0%
Educational Programs	82	42.3%
Vocational Programs	53	27.3%
Substance Abuse Programs	160	82.5%
Behavioral Educational Programs	117	60.0%
Pre-Release Counseling	103	53.0%

**Table 2****Program Completion Levels for Private Operated Prison Releasees (N=186)**

	Number	Percentage
Completed Program	103	55.0%
Non-Completion	2	1.0%
No Longer Housed/Released	68	37.0%
Refused Programming	2	1.0%
Removed from Programming	1	0.5%
Voluntary Withdrawal	2	1.0%
Dropped Programming	8	4.0%

Table 3

**Recidivism in the Aggregate Among Private Versus Public Releasees**

	Private Releasees (n=198)	Public Releasees (n=198)
Recidivism Indicator: Rearrest	10%	19%
Technical Violation	9%	8%
Resentencing	6%	10%
Reincarceration	10%	14%
Any Recidivism	17%	24%

Table 4

**Private Versus Public Rates of Recidivism per 1,000 Releasees**

	Private Releasees (n=198)	Public Releasees (n=198)
Recidivism Indicator: Rearrest	96	192
Technical Violation	86	76
Resentencing	56	101
Reincarceration	101	146
Any Recidivism	172	237

Table 5

**The Number of Matched Pairs of Private and Public Releasees  
with Various Combinations of Recidivism  
(198 Matched Pairs)**

	Rear- rest	Tech. Violation	Resen- tence	Reincar- ceration	Any Indicator
Who Reoffended:					
Both Private & Public	4	3	2	5	8
Private Only	15	14	9	15	26
Public Only	34	12	18	23	39
N. ther Private Nor Public	145	169	169	154	125
Sign Test:	z = -2.71 p = .004	z = -.39 p = .348	z = -1.73 p = .043	z = -1.30 p = .097	z = -1.61 p = .054

Table 6

**Seriousness of Recidivism for Private and Public Prison Releasees**

Seriousness:	Private Releasees (n=198)	Public Releasees (n=198)
	Number	Number
No Recidivism	164	151
Technical Violation	15	7
Misdemeanor	3	3
Drug/Weapons Possess.	8	10
Property Offense	6	17
Violent Offense	2	10

Mean Difference =1.11; t = 3.20; p < .01

Table 7

**Comparison Between Releasee's Program Completion and Non-Completion on Recidivism (N=118)**

	Completion	Non-Completion
No Recidivism	85% (87)	60% (9)
Recidivism	15% (16)	40% (6)

$X^2 = 5.17$ ; df = 1; p < .02

**APPENDIX A****List of Programs Sampled by Privately-Operated Facility**

B= Bay Correctional Facility  
M= Moore Haven Correctional Facility

**EDUCATIONAL PROGRAMS:**

- 1- Mandatory Literacy (B,M)
- 2- Adult Basic Education (B,M)
- 3- Adult Basic Education/ GED Academic (B,M)
- 4- GED Preparation (B,M)

**VOCATIONAL PROGRAMS:**

- 1- Business Software/ Data Entry (B,M)
- 2- Computers (M)
- 3- Desktop Publishing (M)
- 4- Culinary Arts/ Cooking (B)
- 5- Carpentry(M)
- 6- Nursery Operations (M)
- 7- Heating, Ventilation, Air Conditioning (B)
- 8- Maintenance---Floor and Wall Finishing (B)
- 9- Plumbing/ Pipe Fitting (B)

**Substance Abuse Programs**

- 1- Alcoholics Anonymous (B,M)
- 2- Substance Abuse (M)
- 3- Drug Treatment CT (B)
- 4- Substance Abuse---Tier I (B)
- 5- Therapeutic Community (B)

**Behavioral Education Programs**

- 1- Life Skills (B,M)
- 2- Cognitive Skills (B,M)
- 3- Modified Therapy Counseling (M)

**Pre-Release Counseling (B,M)**

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# CORRECTIONS CAPABILITY STATEMENT

MANAGEMENT & TRAINING CORPORATION



3293 Harrison Boulevard

P. O. Box 9935

Ogden, UT 84409

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# Corrections Capability Statement

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Management & Training Corporation

## A. Overview

To educate, to train, to open the way to success. This is why we began, and this is what we set out to do every day.

Management & Training Corporation (MTC) was organized under the laws of Delaware on December 11, 1980, to acquire the business of the Education and Training Division of the Thiokol Corporation. The company charter is to do the following:

- continue education and training programs
- conduct research
- provide technical and advisory management services to operate management and training programs
- advise persons, firms, corporations, and government entities

The transition was a success. Experienced personnel who formerly managed the Thiokol division still work for MTC. Proven training capabilities survived intact. MTC continues to expand and improve these capabilities.

Corrections and building management, which has grown to become a major division of our company, is one example of this effort. MTC operates a 424-bed correctional facility for California; a 450-bed substance abuse treatment facility for Arizona; a 400-bed pre-release and return-to-custody facility for Utah; a 1,700-bed state jail for Texas; and a 48-bed juvenile facility for Garza County. We also operate buildings for the General Services Administration in San Antonio, Seattle, Auburn, Spokane, Austin and Albuquerque.

Even with that growth MTC remains the leader in Job Corps, a federal program operated under the Department of Labor. MTC operates 24 Job Corps centers located throughout the United States, daily meeting the challenge of training disadvantaged youth in a 24-hour-a-day residential setting.

Our correctional facilities and Job Corps centers house more than 14,000 on any given day and employ more than 5,000 staff in facilities management, operations, maintenance, security, procurement, education, counseling, food services, health services, and others.

The map in Figure 1 shows the location of each MTC-operated contract, corporate headquarters, and regional offices.

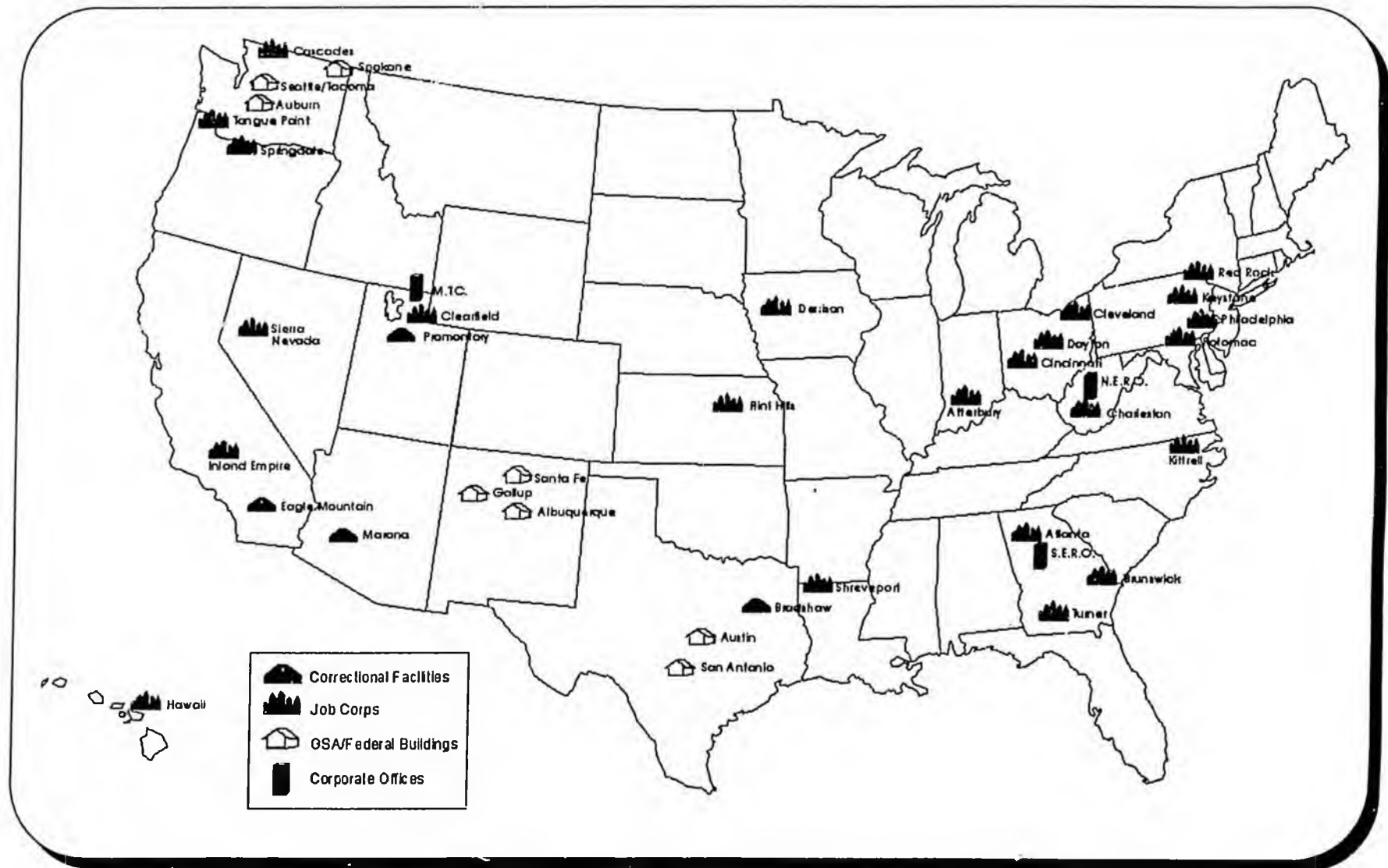


Figure 1. MTC-Operated Facilities



## Corrections Capability Statement

Management & Training Corporation

### **B. Corporate Management**

MTC has a long history of delivering superior value to its customers through its products and services. Our staff has operated and managed facilities since 1966. Supervisors from a large and diversified corporate staff are involved in each project, ensuring a level of quality performance that meets or exceeds the expectation of the customer.

Experience in the field makes MTC's corporate staff more effective. Specialists bring their expertise to contract sites to meet individual needs in training and operations. They also review performance to guarantee quality. Every position in MTC is goal-driven -- the company applies proven management systems to make sure everyone reaches their goals.

In addition to corporate staff, MTC has more than 5,000 employees throughout the country. They are closely connected to corporate headquarters which deals with each location every day. MTC also oversees a thorough training schedule, placing a high priority on employee self-development and performance. MTC monitors that performance in cooperation with the U.S. Department of Labor, the General Services Administration, and state and local agencies to make sure that all work meets the exacting standards attached to each contract.

#### ***Corporate Staff Resources Available to Project Management***

MTC's corporate experts remain on-call to assist sites immediately when the need arises. They bring technical expertise and contract knowledge, providing an important back-up service to employees in the field, but they are much more than an emergency service. They apply their talents each day to the more successful and efficient operation of the company. Following are just some of the areas of expertise represented by corporate staff:

- safety and security
- behavior management (discipline) procedures
- procurement and subcontracting
- staff training
- community and public relations
- health services
- food services
- commissary and canteen management
- substance abuse programs
- recreation and avocation programs and activities
- inter-group relations programs



## C. Overall Operation and Management Experience

To operate multiple facilities successfully takes expertise in many areas. These are just a few examples of what MTC takes responsibility for each day:

### *Facility Operations*

- Maintaining physical facilities through work such as janitorial, mechanical maintenance, landscaping, pest and weed control; repair and rehabilitation services for buildings, grounds, equipment, roads, lawns, and other real property; garbage and hazardous waste disposal, and snow removal.
- Designing and operating preventive maintenance systems for all types of equipment, systems, and facilities.
- Safeguarding facilities in urban, suburban, and rural locations
- Managing utilities to save energy, maintaining the operating budget, and accounting and paying for their use.
- Purchasing and accounting for all equipment, tools, materials, and services to support the operation of each facility according to authorized procurement procedures.
- Subcontracting services where it is most beneficial and cost-effective for the customer based on requirements and work to be performed.
- Maintaining inventories to support the facilities and operational requirements.
- Operating and maintaining fleets of Government- and corporate-owned vehicles.
- Operating sewage and potable water systems attached to private, Government, or community systems, and maintaining and repairing pipe and pumping systems.

### *System and Service Operations*

- Providing material, comprehensive services (security, basic education, vocational training, residential care, health care) and personnel to operate correctional facilities and Job Corps centers.
- Administering management systems that contain detailed planning and controls for all necessary functions, including continuous improvement and quality assurance through review and inspection.
- Preparing proper documenting and procedures, such as standard operating procedures, manuals (safety, fire and accident prevention, energy conservation), emergency and disaster control procedures; conducting facility utilization studies on all contract facilities.
- Performing administrative support as required under state and Federal Government contracts for financial and contract administration, budgeting, inventory control, and reporting.
- Maintaining records of all types required for operation under state and Government contracts.



### **D. Correctional Facility Management Experience**

MTC does more than just operate existing facilities. We've started 13 new operations over the years including all four correctional facilities and have developed a reputation for start-ups that meet or beat the target date.

In 1982, MTC decided to diversify. Much research and analysis went into the effort. As it turned out, our eventual involvement in corrections evolved from two decades of experience in education and training, specifically job-skills training. We believed our experience would translate well into the correctional field, and we were right. MTC is highly qualified to design and implement programs that help turn inmates into potentially productive citizens. Such programs are integral parts of each MTC-operated correctional facility.

In 1986, California awarded MTC with a contract to operate a 200-bed return-to-custody facility, in Desert Center. MTC had identified the site -- a former community for Kaiser Steel employees -- and renovated it to become the Eagle Mountain Correctional Facility. The effort involved 34,000 square feet of existing buildings and 35 abandoned houses. Eagle Mountain began receiving inmates in 1988 and expanded the operation in October 1989 to accommodate 400 inmates. In November 1991, Eagle Mountain was reclassified as a community correctional facility.

MTC's approach at Eagle Mountain set the standard for our later facilities by focusing on:

- education programs
- pre-release planning
- community service

In particular, programming strengths make MTC facilities stand out. Innovation and creativity are encouraged in the effort to make programs work. When inmates leave with a GED, counseling, skills, and a plan for success, they stand a much better chance of becoming an asset rather than a perpetual liability.

The education program at Eagle Mountain has become a model for other state facilities. It encompasses grade level assessment, self-paced academic upgrading, and GED preparation and testing. Eagle Mountain has been certified as an official GED test site. Inmates there consistently reach test scores that exceed the local average.

Our pre-release planning course is also self-paced and teaches such topics as job interviewing techniques, personal finances, income tax preparation, housing, transportation, and insurance. Inmates leave Eagle Mountain with an employment resume and referrals to social service agencies. Inmates also have an opportunity to clear their driving records and obtain a valid California driver's license before their release.



## Corrections Capability Statement

Management & Training Corporation

Inmates perform extensive community service and have played a key role in managing high-use recreation sites on public land. They have renovated and improved campgrounds and visitor areas. Inmates also assisted with a special project involving the endangered Desert Tortoise by building enclosure pens. Their work in Desert Center itself has helped restore the town; renovations of vacant houses not only provides new living space for residents, but also allows the inmates to earn money that goes into victim restitution funds.

Overall, the Eagle Mountain facility has made a positive impact and the local community has realized the following benefits:

- revitalized the Desert Center community
- increased employment for local residents
- increased local business revenue
- increased property values
- stabilized enrollment in the local school district
- improved local law enforcement and fire protection

MTC's correctional interests expanded to Arizona in 1993, when the state awarded it a contract to build, operate, and manage a 450-bed facility in a community correctional setting. The first inmates arrived in October 1994. At Marana inmates grow and benefit from a variety of opportunities. They participate in a treatment program for substance abuse and in a series of educational programs.

Treatment at Marana is based on a counseling model that emphasizes personal responsibility for behavioral choices and consequences. Inmates attend group therapy and private counseling and are active in Alcoholics Anonymous, Narcotics Anonymous, and Cocaine Anonymous. Education programs range from Basic Education, which raises their performance to at least a sixth-grade level, to a GED. In Life Skills, inmates learn practical strategies to successfully rejoin society. Components of Life Skills are effective resume writing, job interview techniques, and preparation for financial responsibilities for independent living.

Inmates at Marana also participate in community service projects -- work crews performance than 16,000 hours of service on community projects each year.

In Henderson, Texas, MTC is under contract with the Texas Department of Criminal Justice to operate and manage a 1,700-bed Mode II State Jail Facility. Facility operations are nearly identical to those required for the Eagle Mountain facility. Construction at Henderson was completed in 10 months, ahead of schedule, and the facility opened in July 1995 as the Bradshaw State Jail.

The community began to benefit economically even before the facility opened. More than \$500,000 was spent locally on furniture, supplies, and labor just to prepare for start-up. Annually the facility spends about \$1 million for food and \$1.5 million for utilities. Soon after Bradshaw opened, inmates participated in a pilot project of community service by painting



## Corrections Capability Statement

Management & Training Corporation

buildings at a local school, saving the school district more than \$10,000. Inmates also benefited quickly from the facility's educational program. Within months, more than 500 were enrolled in GED classes, and the first group to take their GED test passed at a 95 percent rate.

In July 1994, Utah took its first step into privatized corrections by awarding MTC with a contract to build and operate a 400-bed pre-release, probation, and parole violator center in Draper. The facility provides short-term programming in a secure setting for inmates who are serving the final 90 days of their sentence. Promontory gives the inmates educational programs including substance abuse treatment, literacy and life skills courses, family counseling, individual and group therapy, employment searches, and job skills assessment. Inmates showed a strong work ethic by landscaping the grounds at the facility's entrance. Their effort earned the 1995 Salt Lake Tribune Civic Beautification Award.

MTC began the operation of the Garza County Juvenile Detention Center in November 1997. The center holds up to 48 male and female juveniles, ages 10 to 17. MTC provides a full range of services, as well as programming and educational opportunities, for the youths placed in the center which meet or exceed the standards set by the State of Texas. The center provides transportation from the youth's county of detention or conviction to the center as well as transportation back to the county upon release.

### **E. Current Contracts**

Please see Figure 2 for contractual data for the operation of the Eagle Mountain, Marana, Bradshaw, and Promontory correctional facilities, Garza County Juvenile facility, as well as for Job Corps centers and GSA facilities.

**Comparing the Cost and Performance of  
Public and Private Prisons in Arizona**

*prepared by*

**Charles W. Thomas, Ph.D.  
Principal Investigator**

*for the*

**Arizona Department of Corrections**

**August 1, 1997**

# **Comparing the Cost and Performance of Public and Private Prisons in Arizona**

## **Executive Summary**

The Arizona Department of Corrections awarded a three-year contract to the Ogden, Utah-based Management and Training Corporation in 1993. The contract provided for the design, construction, operation, and private ownership of a 450-bed, dual gender, Level Two (i.e., minimum security) state prison now known as the Marana Community Correctional Treatment Facility. Marana first received prisoners on October 7, 1994. Under the statutory language in effect at the time of the contract award, the Department was precluded from approving any renewal of the Marana contract absent evidence of either (a) costs below those of comparable state-operated prisons with services of a quality equivalent to those of the state-operated prisons or (b) costs equal to those of comparable state-operated prisons with services of a quality superior to the state-operated prisons.

This report was prepared by Dr. Charles W. Thomas. He was chosen to be the Principal Investigator of the research project on the basis of his recognized expertise and the evaluation of his and other responses to a request for proposals that was issued by the Department in 1996. The primary goal of the research, which was based on qualitative and quantitative data made available by the Department and the Management and Training Corporation, was for properly documented conclusions to be reached regarding the comparative operating costs and performance of fifteen state-operated Level Two prisons and the Marana Community Correctional Treatment Facility.

The Department, the Management and Training Corporation, and Dr. Thomas were aware from the beginning of this study that policy decisions made by the Arizona Legislature and the Department prior to the commencement of delivery of services at Marana had negated the possibility of what is commonly referred to as an "apples-to-apples comparison." There are fundamental differences between the contractual obligations, the design, the prisoner population profile, and the programs of Marana and all state-operated Level Two prisons. At the same time, both as a

reflection of legal requirements then in place and as a consequence of a policy decision made by the Department, a comparative study was deemed to be necessary and proper.

The report, which is divided into six chapters, has three focal points: a detailed overview of the history, present status, and prior research pertaining to correctional privatization (see Chapters II and III); a detailed comparison of Marana operating costs for FY 1995-96 with the operating costs of the fifteen state-operated Level Two prisons (see Chapter IV); and a similarly detailed, multi-dimensional comparison of the quality of correctional services at Marana and the fifteen state-operated prisons (see Chapter V). Additionally, a comprehensive bibliography of publications on correctional privatization which is international in its scope is included in the report (see Appendix B).

As set forth in greater detail in Chapter VI of the report, the major conclusions of the comparative research are as follows.

*Conclusion #1: Beginning by the late 1980s, the appeal of the full-scale privatization by local, state, and federal agencies in the United States and subsequently by correctional agencies outside of the United States began to accelerate. The awards provide for the private management of facilities housing prisoners with all security classifications and range in size to prisons with rated capacities in excess of 2,000 beds.<sup>1</sup>*

*Conclusion #2: A growing body of research on the ability of correctional privatization to yield operating cost savings published by academic researchers and government agencies supports the hypothesis that operating cost savings in the range of 10-20 percent are common.<sup>2</sup>*

*Conclusion #3: Although performance audits have identified individual privatized facilities within which performance was deemed to have fallen below contractual requirements, the far more common finding has been that the performance of contract vendors has been equivalent or superior to that of government agencies.<sup>3</sup>*

*Conclusion #4: There is a high risk that operating cost and performance comparisons of the Marana Community Correctional Treatment Facility could yield misleading results because there is no state-operated prison in Arizona that, for example, houses a substantially similar prisoner population or has a substantially similar programmatic mission.<sup>4</sup>*

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<sup>1</sup> For additional detail, see Chapters II and III.

<sup>2</sup> For additional detail, see Chapter III.

<sup>3</sup> For additional detail, see Chapter III.

<sup>4</sup> For additional detail, see Chapters III and IV.

*Conclusion #5: During FY 1995-96 the average operating costs for state-operated Level Two prisons was \$15,766 per prisoner per year or \$43.08 per prisoner per day. The comparable figures for the Marana Community Correctional Treatment Facility, exclusive of any adjustment for payments by the Management and Training Corporation for ad valorem property taxes, were \$13,590 and \$37.13. This represents an operating cost savings of 13.80 percent.<sup>5</sup>*

*Conclusion #6: During FY 1995-96 the average operating costs for state-operated Level Two prisons was \$15,766 per prisoner per year or \$43.08 per prisoner per day. The comparable figures for the Marana Community Correctional Treatment Facility, inclusive of an adjustment for payments by the Management and Training Corporation for ad valorem property taxes, were \$13,140 and \$35.90. This represents an operating cost savings of 16.66 percent.*

*Conclusion #7: The performance comparison on the dimension of protecting the public safety interest as measured by the frequency of escapes, major disturbances, and injuries caused to visitors revealed that the record for the Marana Community Correctional Treatment Facility was superior to that of the state-operated Level Two prisons.<sup>6</sup>*

*Conclusion #8: The performance comparison on the dimension of protecting staff and prisoners from the risk of personal injury or death caused by homicide, battery, assault, and arson revealed that the record of the Marana Community Correctional Treatment Facility was superior to that of the state-operated Level Two prisons.<sup>7</sup>*

*Conclusion #9: The performance comparison on the dimension of educational, treatment, and work programs resulted in a best professional judgment that the dissimilarities between the programs offered at the Marana Community Correctional Treatment Facility and those found at the state-operated Level Two prisons were so great that no fair comparative conclusions could or should be reached.<sup>8</sup>*

*Conclusion #10: The performance comparison on the dimension of compliance with professional standards as measured by routine Department performance audits, litigation initiated by either prisoners or staff members, inmate grievances, and compliance with in-service training requirements for staff members revealed that the overall record of the Marana Community Correctional Treatment Facility was superior to that of the state-operated Level Two prisons.<sup>9</sup>*

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<sup>5</sup> For additional detail, see Chapter IV and Appendix A.

<sup>6</sup> For additional detail, see Chapter V and Appendix A.

<sup>7</sup> For additional detail, see Chapter V and Appendix A.

<sup>8</sup> For additional detail, see Chapter V and Appendix A.

<sup>9</sup> For additional detail, see Chapter V and Appendix A.

*Conclusion #11: A balanced consideration of the entire set of individual performance indicators revealed that the overall performance record of the Marana Community Correctional Treatment Facility was superior to that of the state-operated Level Two prisons.*

*Conclusion #12: Notwithstanding the conclusion that, when compared with all state-operated Level Two prisons, the operating cost savings associated with the Marana contract were no less than 13.80 percent and very probably somewhat greater than 16.66 percent, it was found that some state-operated prisons had achieved greater operating cost economies than had Marana when individual state-operated prison operating costs were compared with the aggregate operating costs of all state-operated Level Two prisons.<sup>10</sup>*

*Conclusion #13: Notwithstanding the conclusion that, when compared with all state-operated Level Two prisons, the quality of performance at Marana was superior to that of the state-operated prisons, it was found that one or more individual state-operated prisons had performance records that were equivalent or superior to that of Marana.<sup>11</sup>*

In summary, and notwithstanding detailed discussions of the limitations of this research that are fully discussed in the body of the report, the study concludes that, in comparison with the state-operated Level Two prisons now in operation in Arizona, the Department has achieved meaningful cost savings by the award of the Marana contract and has received correctional services equivalent or superior to those provided by state-operated Level Two prisons.

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<sup>10</sup> For additional detail, see Chapter IV and Appendix A.

<sup>11</sup> For additional detail, see Chapter V and Appendix A.

A M E N D M E N T

(1)

OFFERED IN THE HOUSE

TO: CSHB 53( ), Draft Version "T"

- 1 Page 2, following line 20:
- 2       Insert a new paragraph to read:
- 3               "(2) the agreement to lease must provide a fixed rate per bed each day,
- 4 adjusted annually during the term of the lease according to an appropriate price index as
- 5 specified in the lease; the fixed rate per bed each day for the first year must include all
- 6 capital and operating costs and may not exceed \$70 per bed each day;"
  
- 7 Renumber the following paragraph accordingly.

## Letter of Intent 2

It is the intent of the Legislature that the contract signed pursuant to the authority provided in HB 53 should require that:

1. The prison meet American Correctional Association standards;
2. Guards employed in the prison meet the same training standards that are required of prison guards in AS 18.65.130 - 18.65.290;
3. The contract between the City of Delta Junction and the prison operating entity should be for durations of no longer than five years. It may be renewable; and
4. The contract for operation of the facility provide for the removal of the contractor for non performance.

## Letter of Intent \

It is the intent of the Legislature that the contract signed pursuant to the authority provided in HB 53 should require that:

1. The prison meet American Correctional Association standards;
2. Guards employed in the prison meet the same training standards that are required of prison guards in AS 18.65.130 - 18.65.290;
3. The contract between the City of Delta Junction and its contractor be in two parts. One contract should be for the use of the prison facility and should be 20 years in duration. The other contract should be for operation of the prison and should be for durations of no longer than five years. It may be renewable; and
4. The contract for operation of the facility provide for the removal of the contractor for non performance.

0-LS0194\T

Luckhaupt

2/5/98

**CS FOR HOUSE BILL NO. 53( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTIETH LEGISLATURE - SECOND SESSION**

BY

Offered:

Referred:

Sponsor(s): REPRESENTATIVE MULDER

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the power of municipalities to provide for the confinement  
2 and care of prisoners; relating to authorizing the Department of Corrections to  
3 enter into an agreement to lease facilities for the confinement and care of  
4 prisoners with the City of Delta Junction; and providing for an effective date."

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

6 \* Section 1. AS 29.35.010 is amended by adding a new paragraph to read:

7 (15) provide facilities or services for the confinement and care of  
8 prisoners and enter into agreements with the state, another municipality, or any person  
9 relating to the confinement and care of prisoners.

10 \* Sec. 2. AS 29.35.020(a) is amended to read:

11 (a) To the extent a municipality is otherwise authorized by law to exercise the  
12 power necessary to provide the facility or service, the municipality may provide  
13 facilities for the confinement and care of prisoners, parks, playgrounds, cemeteries,  
14 emergency medical services, solid and septic waste disposal, utility services, airports,

1 streets (including ice roads), trails, transportation facilities, wharves, harbors and other  
2 marine facilities outside its boundaries and may regulate their use and operation to the  
3 extent that the jurisdiction in which they are located does not regulate them. A  
4 regulation adopted under this section must state that it applies outside the municipality.

5 \* **Sec. 3. AUTHORIZATION TO LEASE CORRECTIONAL FACILITY SPACE WITH**  
6 **THIRD-PARTY CONTRACTOR OPERATION.** (a) To relieve overcrowding of existing  
7 correctional facilities within the state and the extensive use of out-of-state correctional  
8 facilities to house Alaska inmates, the Department of Corrections may enter into an agreement  
9 with the City of Delta Junction to lease space within a correctional facility on the deactivated  
10 Fort Greely military reservation that will house persons who are committed to the custody of  
11 the commissioner of corrections. The agreement must provide that the state agrees to lease  
12 the space for a minimum of 20 years.

13 (b) The agreement to lease entered into under this section is predicated on and must  
14 provide for an agreement between the City of Delta Junction and a private third-party  
15 contractor under which the private third-party contractor operates the facility by providing for  
16 custody, care, and discipline services for persons held by the commissioner of corrections  
17 under authority of state law.

18 (c) The authorization given by (a) of this section is subject to the following  
19 conditions:

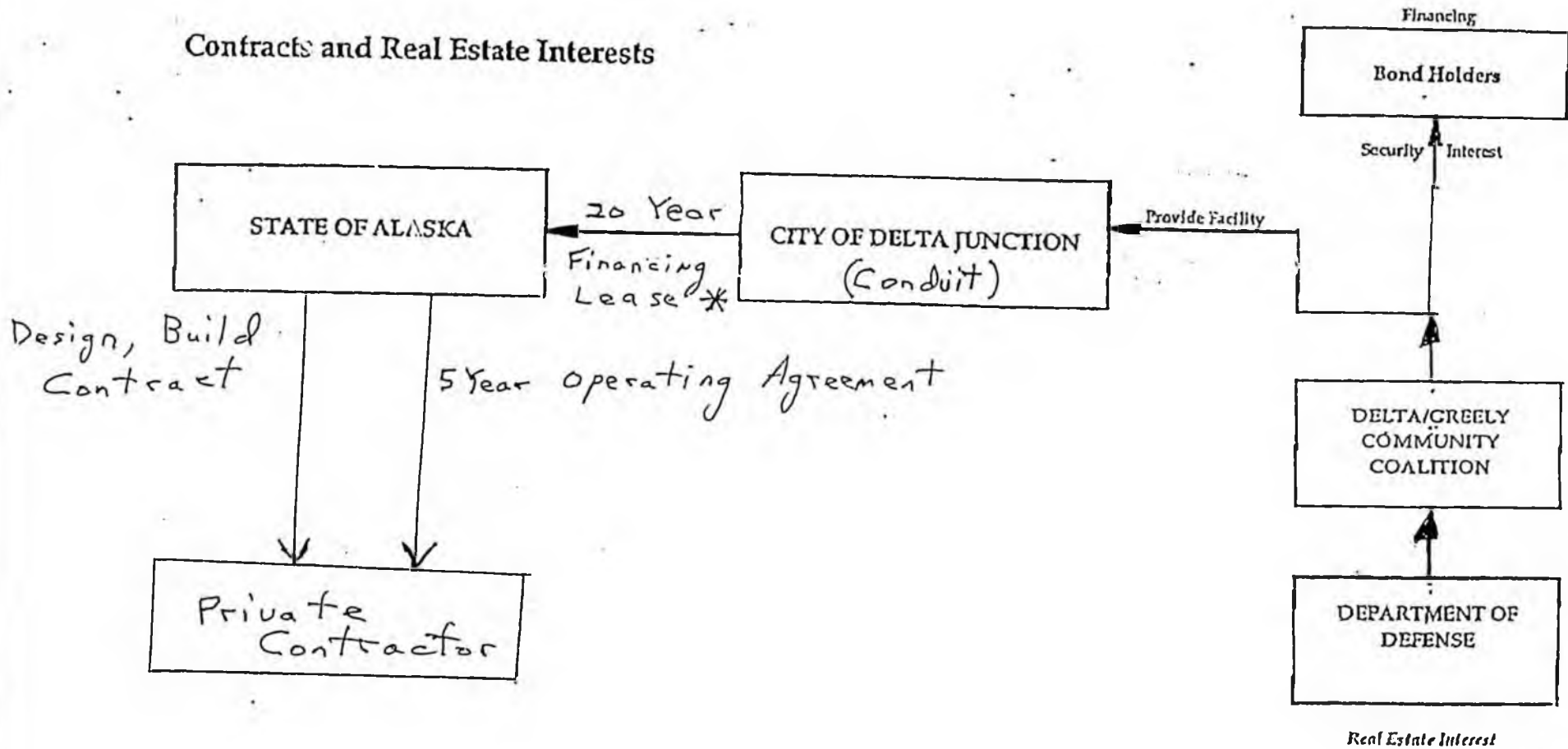
20 (1) the lease must provide a minimum of 800 prison beds;

21 (2) the agreement to lease must contain terms providing that the commissioner  
22 of corrections may terminate for cause a contract with a private third-party contractor  
23 operating the facility in accordance with the provisions of (b) of this section.

24 \* **Sec. 4. APPLICABILITY.** The provisions of AS 33.30.031(a) and (c) do not apply to  
25 an agreement to lease a correctional facility in accordance with the provisions of sec. 3 of this  
26 Act.

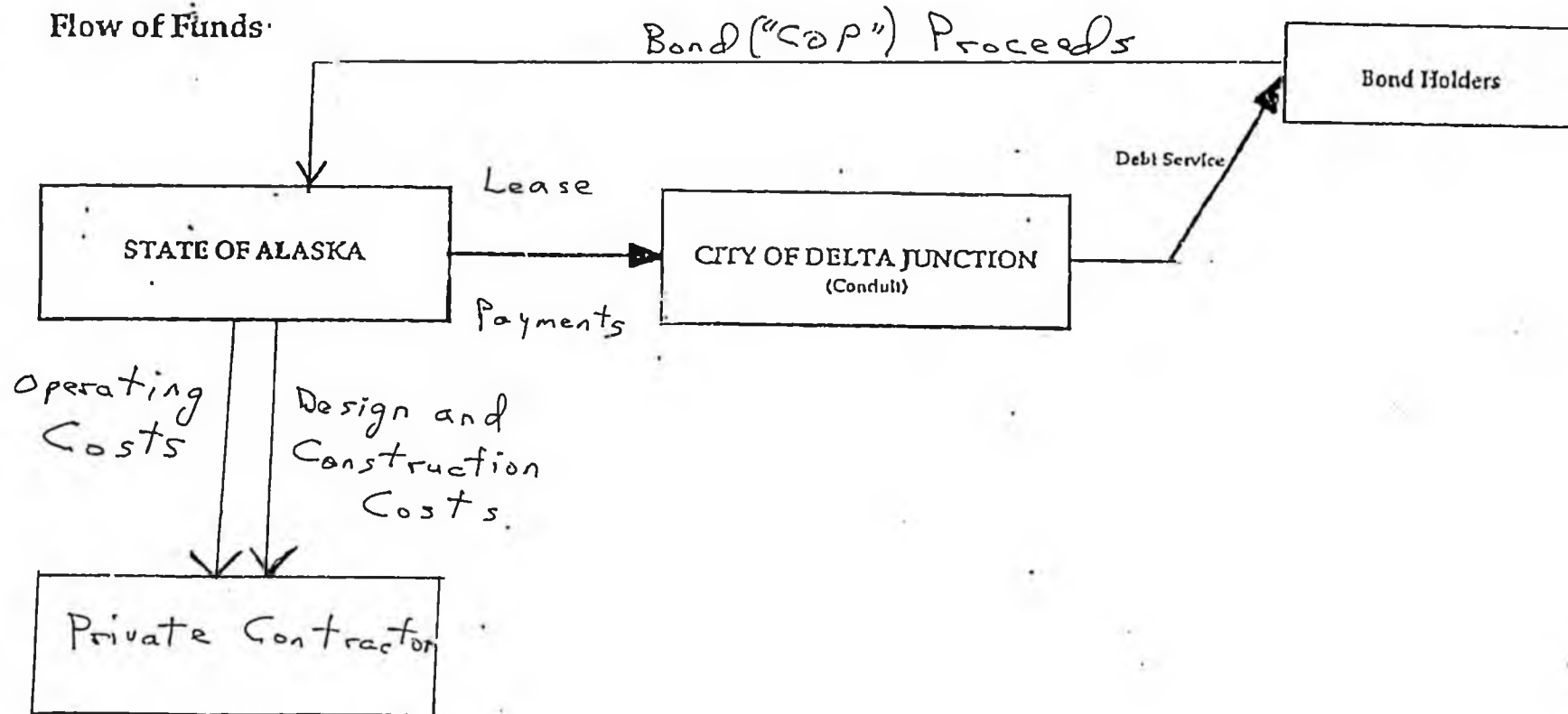
27 \* **Sec. 5.** This Act takes effect immediately under AS 01.10.070(c).

Contracts and Real Estate Interests



\*(The state will own the Facility at the end of 20 years, when the debt has been paid off.)

Flow of Funds



**Delta/Greely Community Coalition**

P.O. Box 780

Delta Junction, Alaska 99737

Delta Junction City Council  
Delta/Greely School District  
Delta Chamber of Commerce  
Delta Community Corporation  
Delta Chapter, Farm Bureau  
Retired Military/Civilian Representative  
Civil Service Representative



Jim Carlstrom, President  
Doris Fales, Vice-Pres.  
David Durham, Sec./Treas.  
Tel: 907-895-1081  
907-895-4091  
FAX: 907-895-4219

February 5, 1998

Senator Georgianna Lincoln  
State Capitol, Room 11  
Juneau, Alaska 99801-1182

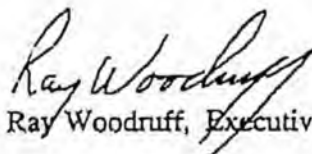
Dear Senator Lincoln,

Several issues have been raised that need clarification. On the attached document, I have outlined the correct information on the issues being raised.

I would appreciate your assistance in making sure the appropriate legislators have this information. I do have backup data and proof for each of the issues.

Thank you for your assistance on this matter.

Sincerely,

  
Ray Woodruff, Executive Director

## ISSUES RAISED AND CORRECT INFORMATION

**ISSUE 1:** The election that was being questioned was conducted in accordance with Alaska statutes as closely as possible. After the announcement at the public meeting on January 8 that a vote would be held, a flyer was sent by bulk mailing about the vote on January 12. On January 14, another flyer was sent which also contained the absentee ballot. The vote was held on January 17. The Delta Precinct Election Official, Mrs. Loretta Schooley, conducted the election in a way so that there could be no question of any wrongdoing. While some comments have been made about "being allowed to register and vote the same day" this was done in an attempt to be fair for everyone. There were 37 of these ballots and since this was a non binding opinion vote, this was appropriate.

A total of 1036 ballots were cast including absentee ballots. There were 910 people who voted in person, (218 from the Delta Junction Precinct and 910 from the Big Delta Precinct) and 139 absentee ballots cast. Of the absentee ballots cast, 13 were not counted. Two yes ballots were from people who submitted an absentee ballot and voted in person, one more who voted no but did not provide the information necessary to determine eligibility to vote and 10 who were not registered to vote. Of the 10 who were not registered 5 were yes, 4 were no and one had no vote.

In response to the issue of people did not have an opportunity to vote, this turnout exceeded all but the national/state elections. In the last two national/state elections, 1992 saw 1393 ballots cast (this included 152 military and others voting questioned ballots) and in 1996 there were 1260 ballots cast including 44 questioned ballots. This issue drew 1036 counted votes where the local elections in 1996 and 1997 drew only 440 and 318 votes respectively. This vote drew more people than both years combined. The voters have approved the project and it should go forward.

**ISSUE 2:** The contract is going too fast and no research is being done about finding other options. The search for reusers and reuses of Fort Greely began in May of 1995. We have contacted UAF, UAA, CTC, vocational schools, the Seventh Day Adventists, all federal and state agencies, Ford, Chrysler, General Motors and testing and research organizations. The effort was extensive and while some small users were identified, no user which could provide the synergism to pull all the smaller entities together was identified. In 1997, the Office of Economic Adjustment (OEA) said they would not approve the complete feasibility study and reuse planning project we had proposed. They did not feel, and not without some justification, that we had identified enough reuse to be viable. They agreed to the feasibility studies and agreed to make a decision when the feasibility studies were complete, about finishing the Reuse Plan and Implementation Plan. When provided with the proposal for a prison, in late December, they agreed that we have a reuse and will fund us through the Conveyance process. **Without an anchor tenant, such as this proposal provides, we would have not been able to continue and our funding would have ceased at the end of February.** This would have meant that the property would have been disposed of through the GSA. The community would have had no opportunity to use it unless it was purchased by some business for fair market value.

The lease agreement has been reviewed in detail by a committee of the Coalition and has not been fast tracked. The rewrite of the document is now being done by the Coalition's lawyer, who has also reviewed it, and the changes have been forwarded to Allvest's lawyer. This is moving quickly but surely and an agreement will be prepared for signature within a short time.

### Public Involvement in the Delta Area Economic Development Planning

1. The process began in March, 1995 with the announcement of the impending realignment of Fort Greely. We made a conscious effort from the beginning to involve and inform the public. At the outset, we had approximately 10 public meetings not counting regular Coalition meetings, to develop possibilities and visions for the future for the Delta area. These were announced in the local paper and by flyers. Participation at these meetings ranged up to 200.
2. We continued to try to get public involvement in the process from then on and had a public meeting approximately every quarter. Public involvement and interest diminished over the long term, however.
3. All Coalition meetings have been open to the public.
4. At least 46 articles were written for the local paper since we began and published asking for input, announcing meetings, asking for people to get involved and in general soliciting public input to the process. When considering that the local paper is only published twice a month, most of the time, significant effort has been made to keep the public informed and involved.
5. An announcement was put in the local paper about the meeting on December 16 at which our consultants were to brief the results of their work on the planning and which indicated the prison possibility was being reviewed.
6. A public meeting was held on January 8 to provide the public with information on the specific proposal made by Allvest at which approximately 300 people attended.
7. At the January 8 meeting, it was announced that there would be a vote on the issue and another meeting on January 15 would allow for public input to the Board on the proposal.
8. On January 12, an announcement of the vote was made by bulk mailing and on January 14 another announcement was made by bulk mailing which also contained the absentee ballot.
9. On January 17, the people of the Delta area voted overwhelmingly, 640 to 396, to support the prison proposal with Allvest. It should be noted that this is the highest voter turnout for any local issue except the State/National elections. In fact, the turnout was more than the combined total of local elections for the last two years which only drew 758 voters total. Now that the naysayers have gotten the vote they demanded and lost, they are not accepting what the community wants, and has voted for, and only want their way. That is not the democratic way. We have had the vote and the community has spoken.

AMERICAN FEDERATION OF GOVERNMENT  
EMPLOYEES  
AFL-CIO LOCAL 1949 FORT GREELY  
P.O. BOX 1307  
DELTA JUNCTION, AK 99737

.....

# AFGE Local # 1949

January 28, 1998

Honorable Tony Knowles  
Office of the Governor  
Third Floor State Capitol  
120 4<sup>th</sup> Street  
Juneau, Alaska 99811-0001

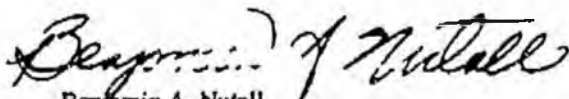
Governor Knowles,

Union Local 1949 wishes to make a "statement of position" regarding the reutilization of Ft. Greely.

It has come to our attention that the current Allvest proposal to build a prison at Ft. Greely would require an accelerated military draw-down and prematurely displace civilian employees at Ft. Greely. Based upon the accelerated schedule and impending early displacement of the civilian workforce we cannot support the Allvest proposal.

Union Local 1949 will support any reutilization plan as long as the stated BRAC timelines of July 2000 and July 2001 are not accelerated. Union Local 1949 wishes to reiterate that it does not support any proposal or plan that entails an early draw-down of military or civilian employees.

Sincerely,



Benjamin A. Nutall  
President, Local 1949  
Fort Greely, Alaska

.....

Local 1949, AFGE

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES  
AFL-CIO LOCAL 1949 FORT GREELY  
P.O. Box 1307  
Delta Junction, AK 99737  
(907) 873-3726 or 3727

January 20, 1998

Governor Tony Knowles  
Office of the Governor  
Third Floor, State Capitol  
120 4th Street  
Juneau, AK 99811-0001

Dear Governor Knowles,

As the President of AFGE Local 1949 the representative of Fort Greely employee bargaining units both union and nonunion employees. This letter is written in support of the Allvest Inc. proposal to have an operation correctional facility at Fort Greely by January 2000 as part of the reuse plan of Fort Greely.

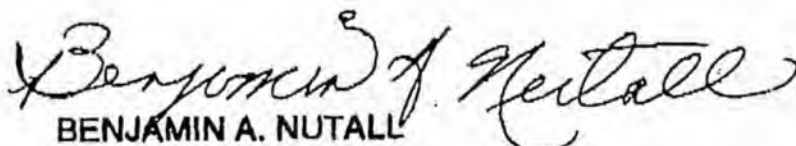
We support this proposal using the current BRAC timeline to downsize the workforce FY 2000 and 2001. The Allvest Inc. proposal would:

1. Help with the reuse of Fort Greely which would provide a better economic base and jobs to the Delta/Fort Greely community after the downsizing of the Fort Greely workforce.

2. The Allvest Inc. proposal would give another option to displaced employees who would like to remain in the Delta/Fort Greely area to live and not have to sell their homes and move to another location.

As a union local who is about to loose 75% of it's members and friends due to the BRAC downsizing I thank you for your support.

Sincerely,

  
BENJAMIN A. NUTALL

President

0-LS01'04R

Luckaupt

1/19/98

**CS FOR HOUSE BILL NO. 53( )****IN THE LEGISLATURE OF THE STATE OF ALASKA****TWENTIETH LEGISLATURE - SECOND SESSION****BY****Offered:****Referred:****Sponsor(s): REPRESENTATIVE MULDER****A BILL****FOR AN ACT ENTITLED**

1 "An Act relating to authorizing the Department of Corrections to enter into an  
2 agreement to lease facilities for the confinement and care of prisoners with the  
3 City of Delta Junction; and providing for an effective date."

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

5 \* **Section 1. AUTHORIZATION TO LEASE CORRECTIONAL FACILITY SPACE**  
6 **WITH THIRD-PARTY CONTRACTOR OPERATION.** (a) To relieve overcrowding of  
7 existing correctional facilities within the state and the extensive use of out-of-state correctional  
8 facilities to house Alaska inmates, the Department of Corrections may enter into an agreement  
9 with the City of Delta Junction to lease space within a correctional facility on the deactivated  
10 Fort Greely military reservation that will house persons who are committed to the custody of  
11 the commissioner of corrections. The agreement must provide that the state agrees to lease  
12 the space for a minimum of 20 years.

13 (b) The agreement to lease entered into under this section is predicated on and must  
14 provide for an agreement between the City of Delta Junction and a private third-party

1 contractor under which the private third-party contractor operates the facility by providing for  
2 custody, care, and discipline services for persons held by the commissioner of corrections  
3 under authority of state law.

4 (c) The authorization given by (a) of this section is subject to the following condition:  
5 the lease must provide a minimum of 800 prison beds.

6 \* **Sec. 2. APPLICABILITY.** The provisions of AS 33.30.031(a) and (c) do not apply to  
7 an agreement to lease a correctional facility in accordance with the provisions of sec. 1 of this  
8 Act.

9 \* **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).

# City of Delta Junction

Box 229

Delta Junction, Alaska 99737

907 - 895 - 4656

The North End of the Alaska Highway

November 13, 1997

Representative Eldon Mulder  
Alaska State Legislature  
State Capitol (MS 3100)  
Juneau, Alaska 99801-1182

Dear Representative Mulder:

The City of Delta Junction and council members would like to show support for the construction of a private prison facility at the Fort Greely Army Post. This endeavor would be an asset to the community in many ways. Not only would the facility create permanent jobs that are needed to replace the jobs lost with the realignment of Fort Greely, but the domino effect on local businesses would help our community's growth.

This business opportunity is a clean environment business and that is certainly an asset to the area. Also, the youth of our area move away to find work as there is little employment opportunities presently here in Delta Junction. This facility would provide a needed diversity of jobs for many personnel from skilled to unskilled crafts. Not only would it generate permanent jobs, but the construction to transform the area to the prison would create even more needed work.

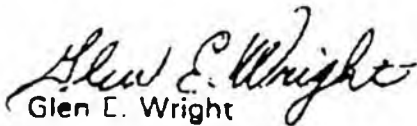
Certainly a plus in this facility is the promptness of the employment it would create. It is predicted that this time next year, the facility would be operational and growing each year to expand to nearly 350 jobs for the area. As you are aware, the Delta Junction area has been effected greatly by the realignment of Fort Greely and this proposal would be a boost for our area and residents.

Representative Eldon Mulder  
page 2

If there is anything I can do to help with the support of this facility, please call and let me know. I see this as a bright spot in Delta's future and would like to help you where I can.

Sincerely,

THE CITY OF DELTA JUNCTION

  
Glen E. Wright  
Mayor

cc: Delta Junction Chamber of Commerce



DEPT. OF DEFENSE  
ATTENTION OF:

DEPARTMENT OF THE ARMY

HEADQUARTERS, U.S. ARMY ALASKA  
601 2ND STREET #6008  
FORT GREELY, APO AP 96508-6008



February 3, 1998

Post Commander

Representative Eldon Mulder  
Alaska State Capitol  
Juneau, Alaska 99801

Dear Representative Mulder,

I am writing to you to stress the importance of having a legislative decision by 15 March 1998 on the proposed government to government agreement between the State of Alaska and Delta Junction, Alaska to reuse portions of Fort Greely, Alaska for a correction center.

Reuse of the surplus property generated as a result of the Base Realignment and Closure decision to realign Fort Greely is key to the economic recovery of the Delta Junction community. Additionally, the Army must plan and complete environmental remediation of the property based on the planned redevelopment. In order to complete the environmental remediation prior to the property transfer required in the correction center proposal, a redevelopment plan must be completed and approved on or about 15 March 1998. The Delta/Greely Community Coalition, as the Local Redevelopment Authority recognized by the Governor and the Office of Economic Adjustment, is the agency responsible for preparing a Redevelopment plan. The Delta/Greely Community has a deadline of 15 March 1998 to have a redevelopment plan completed and approved locally. The 15 March 1998 completion date is an extension of a 15 October 1997 requirement to complete the Fort Greely, Alaska redevelopment plan.

On or about 15 March 1998 the potential for reuse of Fort Greely will be evaluated by the Delta/Greely Community Coalition and the Office of Economic Adjustment. The Army will begin pursuing alternate methods of disposal if either organization determines that reuse of Fort Greely by the Delta/Greely Community Coalition is not feasible.

The Army is committed to the economic redevelopment of the Fort Greely/Delta Junction community. I look forward to our continued work together to bring about economic recovery to this area.

Yours truly,

David L. Anderson  
Lieutenant Colonel, U.S. Army  
Post Commander

# Alaska State Legislature



## House of Representatives House Judiciary Committee

State Capitol, Room 120  
Juneau, Alaska 99801-1182  
(907) 465-4990

Chairman: Representative Joe Green  
Vice-Chairman: Representative Con Bunde

Representative Ethan Berkowitz  
Representative Eric Croft  
Representative Jeannette James  
Representative Brian Porter  
Representative Norman Rokeberg

Date: April 3, 1997

To: Representatives Mark Hanley and Gene Therriault,  
Co-Chairs of the House Finance Committee

From: Representative Joseph Green,  
Chair, House Judiciary Committee

Yesterday the House Judiciary Committee passed HB53 out of committee with amendments. We considered many amendments including two, designated 0-LS0194\K.35 and 36, that concerned financial matters. However, the committee did not act on those two amendments because the House Judiciary members felt they were best addressed in the House Finance Committee.

Accordingly, I have attached those two amendments, and we strongly encourage the House Finance Committee to give them due consideration.

# A

A M E N D M E N T

OFFERED IN THE HOUSE

TO: HB 53

1 Page 1, line 8:

2 Delete "and giving notice of"

3 Insert "giving notice of, authorizing,"

4 Page 1, line 10:

5 Delete ", construction, and"

6 Insert "and construction of a correctional facility, authorizing an agreement for  
7 the"

8 Page 1, line 11, following "operation":

9 Insert "; and amending the duties and responsibilities of the state bond committee  
10 in conjunction with lease-purchase agreements, use-purchase agreements, and other  
11 agreements to use a facility as those agreements relate to correctional facilities"

12 Page 2, line 9:

13 Delete "that"

14 Insert "for the operation of a correctional facility if the agency"

15 Page 3, following line 25:

16 Insert a new bill section to read:

17 **\*\* Sec. 3.** AS 37.15.140 is amended to read:

18 **Sec. 37.15.140. Duties of state bond committee.** The state bond committee  
19 shall

20 (1) adopt the resolution and prepare the documents necessary for the  
21 issuance, sale, and delivery of bonds;

1                                   **(2) manage the interim and long-term financing and refinancing**  
 2                                   **of correctional facilities acquired by the state through lease-purchase agreements;**  
 3                                   **exercise of authority under this paragraph shall be in accordance with lease-**  
 4                                   **purchase agreements authorized by law under AS 36.30.085."**

5    Renumber the following bill sections accordingly.

6    Page 4, line 27:

7           Delete "sec. 4"

8           Insert "sec. 5"

9    Page 5, line 3, following "facilities,":

10           Insert "the state, acting through"

11   Page 5, line 6, following "design":

12           Delete ", construction, and operation"

13           Insert "and construction"

14   Page 5, line 7, following "corrections":

15           Insert ", and, in conjunction with the design and construction of the correctional  
 16    facility, may enter into a separate agreement to operate the correctional facility. Under this  
 17    subsection, the Department of Administration may act as the lessee under the lease-purchase  
 18    agreement of the correctional facility and may represent the state in obtaining and entering  
 19    into the agreement to operate the correctional facility"

20   Page 5, line 8:

21           Delete "(b) - (e) and (g)"

22           Insert "(b) - (h)"

23   Page 5, line 12:

24           Delete "agreement"

25           Insert "lease-purchase agreement, use-purchase agreement, or other agreement to use

1 a facility"

2 Page 5, line 14:

3 Delete "Department of Corrections under the lease or use"

4 Insert "state under the"

5 Page 5, line 29:

6 Delete "lease-purchase or use-purchase agreement"

7 Insert "agreement to operate the correctional facility"

8 Page 5, line 31, through page 6, line 1:

9 Delete "designed, constructed, and"

10 Page 6, lines 2 - 4:

11 Delete "the agreement described in this subsection is made for the purpose of  
12 acquiring, improving, and maintaining the correctional facility structure under AS 36.30.085,  
13 and is exclusive of one or more agreements"

14 Insert "the agreement described in this paragraph is made for the purpose of operating  
15 and maintaining the correctional facility under AS 36.30.085 and may include provisions, or  
16 may be exclusive of one or more agreements, as authorized by (?) of this subsection,"

17 Page 6, line 6:

18 Delete "operating"

19 Page 6, lines 26 - 27:

20 Delete all material and insert:

21 "(f) With respect to a correctional facility, the design and construction of which is  
22 described in (a) of this section,

23 (1) the state shall make lease payments under the lease-purchase, use-  
24 purchase, or other agreement to use a facility only from currently appropriated funds, and all  
25 payments are subject to appropriation;

26 (2) notwithstanding AS 36.30.085(c)(1), the term of the agreement may not

1 exceed 30 years;

2 (3) the agreement may include other terms and conditions agreed upon by the  
3 parties;

4 (4) the state may enter into contracts for credit enhancement of the agreement  
5 in order to limit the recourse of the provider of credit enhancement solely to the security  
6 provided under the agreement;

7 (5) the state may grant a security interest in property acquired under the  
8 agreement; the security interest may be perfected as provided by AS 45.01 - AS 45.09 or as  
9 otherwise provided by law for perfecting liens on real estate;

10 (6) the agreement and contracts for credit enhancement entered into under the  
11 limitations set out in (4) and (5) of this subsection do not constitute a debt or the contracting  
12 of indebtedness under a statute limiting debt of the state or under art. IX, sec. 8, of the state  
13 constitution;

14 (7) the state bond committee

15 (A) may provide for the issuance of certificates of participation in  
16 financing the design and construction of the correctional facility authorized by this  
17 section; if the state bond committee authorizes issuance of certificates of participation  
18 and if payment is conditioned upon payment by the state under the agreement with  
19 respect to which the certificates relate, the certificates of participation in payments to  
20 be made under the agreement do not constitute a debt or the contracting of an  
21 indebtedness under a statute limiting the debt of the state or under art. IX, sec 8, of  
22 the state constitution;

23 (B) may give the state approval to enter into agreements with trustees  
24 relating to the agreement and the issuance of certificates of participation with respect  
25 to it.

26 (g) For the purposes of financing or refinancing a correctional facility described in  
27 this section, the lessor may assign all or a part of the lessor's interest in the lease-purchase,  
28 use-purchase, or other agreement to use a correctional facility described in this section. The  
29 lessor may assign the lessor's interest to an investor or to a trustee for the purpose of issuing  
30 certificates of participation. The assignment authorized by this subsection may be for the  
31 purpose of providing interim financing preparatory to long-term financing for the correctional  
32 facility or for long-term financing for the correctional facility. Under this subsection,

- 1                   (1) the lessor may not make an assignment of the agreement unless the lessor  
2 first obtains the approval of the commissioner of administration; and
- 3                   (2) when the lessor has made an assignment of the agreement,
- 4                   (A) the lessee's obligation to pay rent is independent of any  
5 requirement of this section with respect to the design, construction, or operation of the  
6 correctional facility;
- 7                   (B) the lessee's obligation is subject to failure by the state to  
8 appropriate money to make the payments required by the lease obligation;
- 9                   (C) except as provided in (B) of this paragraph, the obligation of the  
10 lease is not subject to abatement, set-off, or reduction of any kind by reason of a  
11 requirement of this section or by reason of a breach, failure of performance, or  
12 another act or omission by the contractor, lessor, the state, or a state agency or officer;  
13 and
- 14                   (D) the agreement may be modified for purposes of refunding it and  
15 any certificates of participation issued with respect to it."

16 Reletter the following subsection accordingly.

17 Page 6, line 30:

18 Delete "sec. 3"

19 Insert "sec. 4"

20 Page 7, following line 1:

21 Insert a new subsection to read:

22 "(i) Subsection (a) of this section constitutes the notice and approval required by  
23 AS 36.30.085."

24 Page 7, line 9:

25 Delete "sec. 4"

26 Insert "sec. 5"

#B

A M E N D M E N T

#7

OFFERED IN THE HOUSE

TO: HB 53

1 Page 5, line 8:

2 Delete "(b) - (e) and (g)"

3 Insert "(b) - (g)"

4 Page 6, lines 26 - 27:

5 Delete all material and insert:

6 "(f) With respect to the operation of a correctional facility constructed under a lease-  
7 purchase agreement, use-purchase agreement, or other agreement to use a facility approved  
8 under this section, the Department of Administration may not enter into a management  
9 contract or similar agreement containing a condition relating to the operation of the  
10 correctional facility that does not comply with 26 U.S.C. 145(a)(2)(B) and 26 CFR 1.145 -  
11 2, as set out in Rev. Proc. 97 - 13, 5 I.R.B. 18, setting out the conditions under which a  
12 management contract does not result in taxable private business use of the facility under  
13 26 U.S.C. 141(b)."

14 Page 7, following line 1:

15 Insert a new subsection to read:

16 "(h) Subsection (a) of this section constitutes the notice and approval required by  
17 AS 36.30.085."

#C

A M E N D M E N T

OFFERED IN THE HOUSE

TO: HB 53

1 Page 1, line 8:

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3 Insert "giving notice of, authorizing,"

4 Page 1, line 10:

5 Delete ", construction, and"

6 Insert "and construction of a correctional facility, authorizing an agreement for  
7 the"

8 Page 1, line 11, following "operation":

9 Insert "; and amending the duties and responsibilities of the state bond committee  
10 in conjunction with lease-purchase agreements, use-purchase agreements, and other  
11 agreements to use a facility as those agreements relate to correctional facilities"

12 Page 2, line 9:

13 Delete "that"

14 Insert "for the operation of a correctional facility if the agency"

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16 Insert a new bill section to read:

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18 Sec. 37.15.140. Duties of state bond committee. The state bond committee  
19 shall

20 (1) adopt the resolution and prepare the documents necessary for the  
21 issuance, sale, and delivery of bonds;

1                                   **(2) manage the interim and long-term financing and refinancing**  
 2                                   **of correctional facilities acquired by the state through lease-purchase agreements;**  
 3                                   **exercise of authority under this paragraph shall be in accordance with lease-**  
 4                                   **purchase agreements authorized by law under AS 36.30.085."**

5    Renumber the following bill sections accordingly.

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11   Page 5, line 6, following "design":

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13           Insert "and construction"

14   Page 5, line 7, following "corrections":

15           Insert ", and, in conjunction with the design and construction of the correctional  
 16   facility, may enter into a separate agreement to operate the correctional facility. Under this  
 17   subsection, the Department of Administration may act as the lessee under the lease-purchase  
 18   agreement of the correctional facility and may represent the state in obtaining and entering  
 19   into the agreement to operate the correctional facility"

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13 and is exclusive of one or more agreements"

14 Insert "the agreement described in this paragraph is made for the purpose of operating  
15 and maintaining the correctional facility under AS 36.30.085 and may include provisions, or  
16 may be exclusive of one or more agreements, as authorized by (2) of this subsection,"

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23 (1) the state shall make lease payments under the lease-purchase, use-  
24 purchase, or other agreement to use a facility only from currently appropriated funds, and all  
25 payments are subject to appropriation;

26 (2) notwithstanding AS 36.30.085(c)(1), the term of the agreement may not

1 exceed 30 years:

2 (3) the agreement may include other terms and conditions agreed upon by the  
3 parties:

4 (4) the state may enter into contracts for credit enhancement of the agreement  
5 in order to limit the recourse of the provider of credit enhancement solely to the security  
6 provided under the agreement;

7 (5) the state may grant a security interest in property acquired under the  
8 agreement; the security interest may be perfected as provided by AS 45.01 - AS 45.09 or as  
9 otherwise provided by law for perfecting liens on real estate;

10 (6) the agreement and contracts for credit enhancement entered into under the  
11 limitations set out in (4) and (5) of this subsection do not constitute a debt or the contracting  
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14 (7) the state bond committee

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22 the state constitution;

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24 relating to the agreement and the issuance of certificates of participation with respect  
25 to it.

26 (g) For the purposes of financing or refinancing a correctional facility described in  
27 this section, the lessor may assign all or a part of the lessor's interest in the lease-purchase,  
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31 purpose of providing interim financing preparatory to long-term financing for the correctional  
32 facility or for long-term financing for the correctional facility. Under this subsection,

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3 (2) when the lessor has made an assignment of the agreement,

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5 requirement of this section with respect to the design, construction, or operation of the  
6 correctional facility;

7 (B) the lessee's obligation is subject to failure by the state to  
8 appropriate money to make the payments required by the lease obligation;

9 (C) except as provided in (B) of this paragraph, the obligation of the  
10 lease is not subject to abatement, set-off, or reduction of any kind by reason of a  
11 requirement of this section or by reason of a breach, failure of performance, or  
12 another act or omission by the contractor, lessor, the state, or a state agency or officer;  
13 and

14 (D) the agreement may be modified for purposes of refunding it and  
15 any certificates of participation issued with respect to it."

16 Reletter the following subsection accordingly.

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23 AS 36.30.085."

24 Page 7, line 9:

25 Delete "sec. 4"

26 Insert "sec. 5"

## BUFFALO FLATS CORRECTIONAL FACILITY

### Questions & Answers:

Q: *Why is Allvest going to own the prison when state funds are retiring the debt?*

A: Allvest will enter the transaction as the lessee-owner of the land and old Fort Greely structures that will be made into the prison. Allvest will then spend \$30 million of private money to construct the prison to standards required in the State lease. No landlord who takes all the risks of acquiring and developing real estate should be asked to deed the property over to his customer/tenants.

Q: *Are there other examples of this mechanism in state procurement of space and services?*

A: Dozens, if not hundreds. The state pays to use the prison in Arizona to house Alaska inmates, but will not own the facility when its debt is retired. The state contracts for use of thousands of square feet of office space in Juneau, Anchorage, Fairbanks, and elsewhere in the state. In Juneau alone, the state pays to use space in the Willoughby Building, the DEC building, the DOTPF Channel Drive Building, and many others. The state will not own these structures after the landlords pay them off. The state has paid off 12.5% of the Trans Alaska Pipeline System, but has not acquired a 1/8<sup>th</sup> interest in this private enterprise.

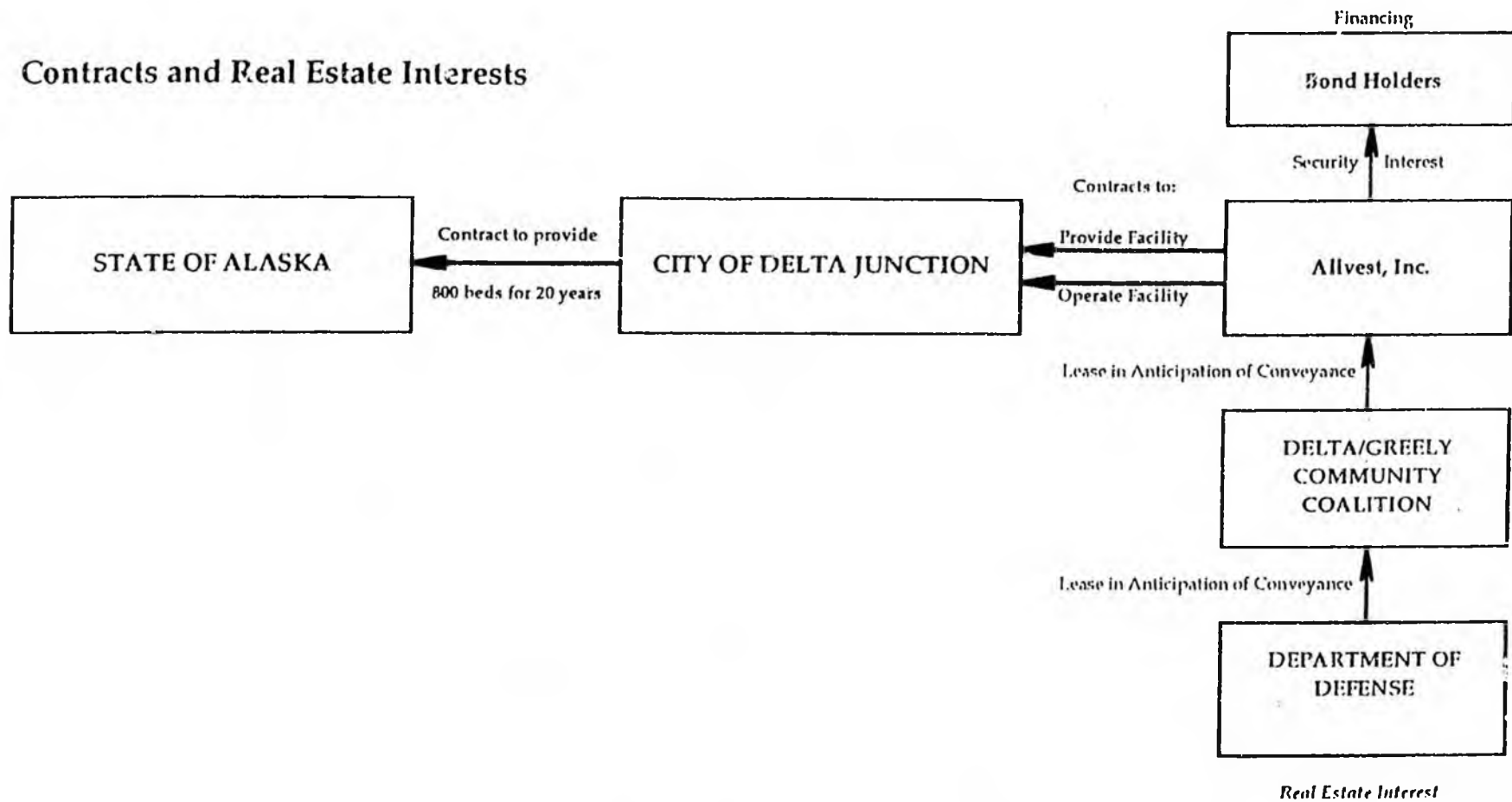
Q: *Does the State get more or less benefit out of its Arizona prison contract than out of the Delta proposal?*

A: Much less. The Arizona contract sends not only inmates, but jobs and money out of state. The Delta proposal saves an Alaska community which would otherwise die, keeps several hundred construction and corrections jobs in Alaska rather than shipping them outside, and supports an Alaska business rather than an Arizona business. In addition to all these benefits, the direct cost to the state government to house inmates in Delta is competitive with the Arizona contract.

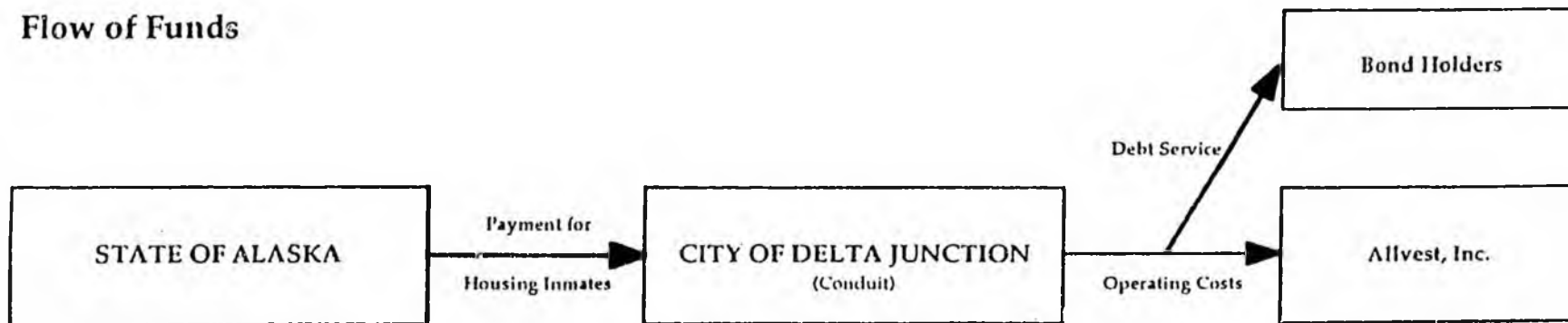
Q: *Why doesn't the City of Delta Junction finance and own the facility?*

A: The City of Delta Junction believes that risks of this type are best placed with the private sector. The city is not equipped to be a construction manager or prison manager, and wants no part of the large risks involved in developing and operating this project. The city believes that the Allvest proposal is an ideal Public/Private partnership as presently structured -- privatized risk and rewards, with substantial public benefits in the form of jobs and economic development.

# Contracts and Real Estate Interests



# Flow of Funds



# Corrections Compendium

Volume 23, Number 1

January 1998

*The National Journal for Corrections*

## The Private Prison Industry

### A Statistical and Historical Analysis of Privatization

By Alex Singal

For years, prison authorities at the federal, state and local levels have faced growing prison populations and increasingly crowded correctional facilities, due in part to mandatory sentencing guidelines and political pressure to incarcerate inmates for longer periods of time. According to the Justice Department's Bureau of Justice Statistics, 1.18 million inmates were in the custody of state and federal prison authorities by year-end 1996, and .51 million inmates were held in local jails. A Bureau of Justice Statistics special report published in March 1997 estimated that 5.1 percent of all persons in the United States will be confined in a state or federal prison during their lifetime if present incarceration rates remain the same.

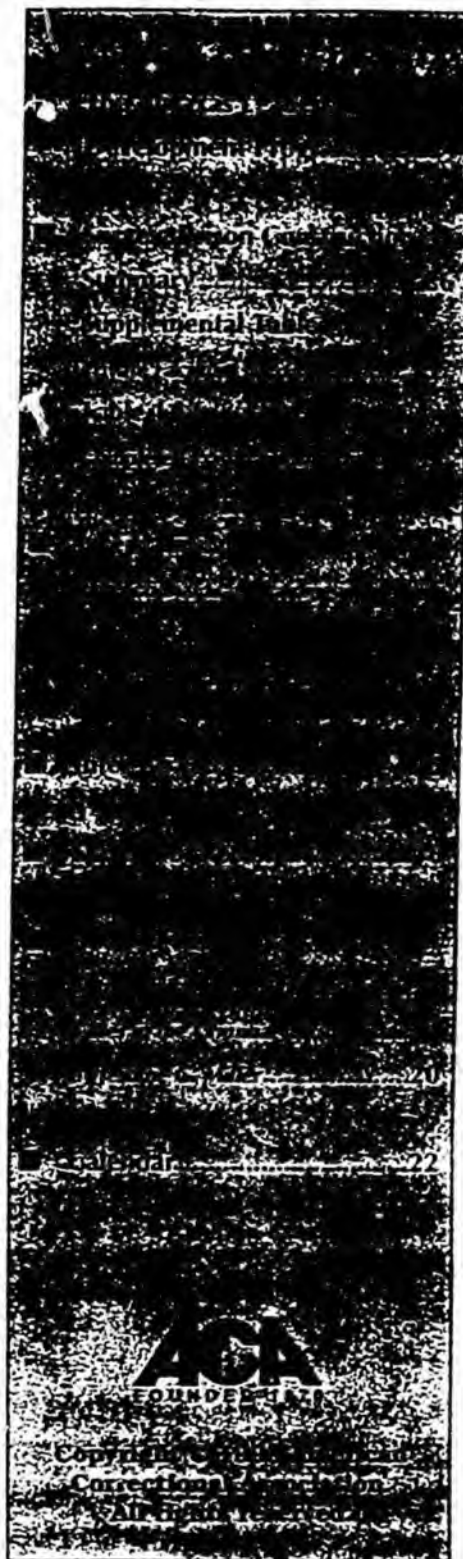
The adult jail and prison inmate populations more than doubled between 1985 and 1995, from 759,000 at the beginning of the period to more than 1.6 million 10 years later. Incarceration rates per 100,000 U.S. residents grew from 313 to 600 during the same period. The U.S. prison population is the largest in the world, with the rest of the world, excluding China, estimated to have a little more than 1 million inmates. China also is believed by industry observers to have 1 million inmates, suggesting an incarceration rate of approximately 120 per 100,000 residents based on an estimated Chinese population of 1.2 billion people.

The reasons for the dramatic increase in the U.S. inmate population and incarceration rates stem

from the growth in the violent crime rate, which began in the mid-1970s, with mounting pressure over the ensuing 20 years for politicians and the government to do something to keep convicted felons off the streets. Mandatory prison sentences, especially for drug- and gun-related crimes, have resulted in prison and jail crowding in many states and within the federal prison system.

Ironically, many jurisdictions free inmates who have served less than half their sentences to make room for new inmates. However, truth-in-sentencing laws and "three-strikes" legislation for three-time felons have limited the authorities' ability to alleviate crowding with shortened sentences, particularly since Congress passed the Crime Bill in 1994. Newspaper headlines about crimes committed by parolees add to the political pressure against reducing prison sentences for convicted felons. At the same time, sentence reduction programs used to create prison space for new offenders produce requirements for pre-release and pre-parole programs. According to Criminal Justice Institute statistics, prior felons accounted for 39 percent of inmates admitted to prison in 1995, while probation and parole violators accounted for approximately 17 percent of new inmates. More than three million people were on probation or parole in the United States at the end of 1995.

Studies from the Justice Department and the FBI show that the rate



*Continued on page 2*

**Private Prison Industry**  
Continued

Crime Bill by Congress in 1994, the U.S. Department of Justice (DOJ) has been allocated approximately \$10 billion through FY2000 for the construction of new incarceration facilities. Grants are awarded to states on the condition that they implement truth-in-sentencing laws, which ensure that violent offenders serve substantial portions of their sentences. According to *Corrections Today*, top state spenders on completed construction projects for FY'95-96 included Virginia with \$337 million, Florida with \$267 million, Texas with \$220 million, New Jersey with \$216 million and Oregon with \$175 million. The geographic trend in new prison construction is moving to the eastern United States. This is a large leap from California, which, in 1995, was the country's most active builder, with 18 percent of all projects.

Within a span of three years, there has been a growing interest not only in the management of prisons by the private sector, but a significant move toward design, finance, construction and ownership by private companies. The increasing acceptance of prison privatization by state, local and federal governments has increased the willingness of private companies to invest their own capital to design, build and manage projects.

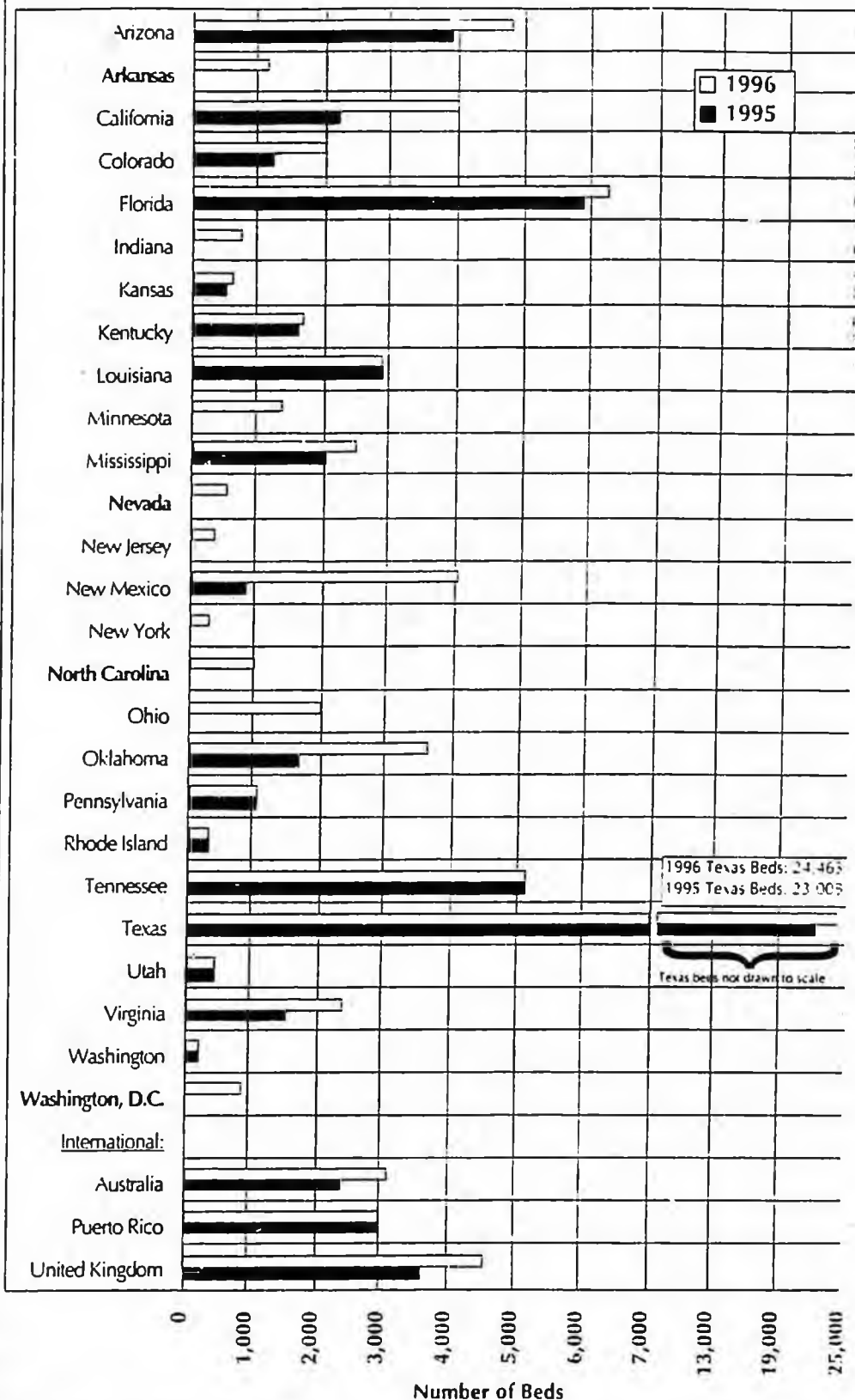
Other trends in new prison construction with participation by the private sector include:

- larger facilities that result in economies of scale in both construction and operations;
- fast-track contract awards and construction of new facilities, eliminating months from the previous start-up cycle; and
- the design of new facilities that are easily and readily expandable in a cost-effective manner by their operators.

**Who's Privatizing?**

While the growth of privately managed prison facilities and beds has been impressive, the private sector still has only scratched the surface with respect to potential opportunity for managing correctional facilities. Although recent growth

**Table 5**  
**Privately Managed Beds by State and Country**



**Bold-faced states:** First in-state contract awarded in 1996. Beds are by geographic location not by source of inmates.

Source: Center for Studies in Criminology and Law, University of Florida

Continued on page 20

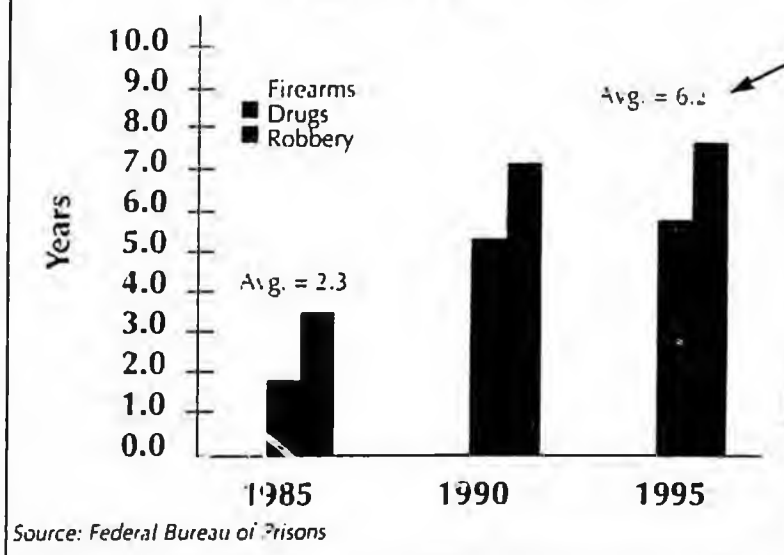
(CCA). The company was awarded its first contract in 1983 with the Immigration and Naturalization Service (INS) to design, build and manage a 350-bed, minimum security detention facility in Houston. CCA's management of this facility became an early example of the private sector's ability to provide flexibility to government agencies in operating correctional facilities. In 1987, the use of this facility was split between the INS and the Texas Department of Criminal Justice, although the facility today houses only INS detainees.

From this starting point, the private corrections industry ended the decade with 10,900 beds under contract. While this represents impressive growth in seven years, the U.S. jail and prison populations exploded during this period — the state and federal prison inmate population increased by almost 276,000 (a 63 percent increase), while the jail population increased by 183,000 (an 83 percent increase).

The 1980s were thus a formative period for the private corrections industry, during which it began to establish political and economic credibility with federal, state and local government officials and legislators. Although the industry still has opponents, particularly among some federal and state corrections officials, labor union officials and the media, prison privatization continues to gain bipartisan support from the legislative and administrative branches of government. In addition, new prisons have been used as a source of economic development in depressed areas, with local officials interested in the stable jobs and sources of commerce that prisons and jails bring to their communities.

Since 1990, the budgetary pressures faced by all levels of government, continued growth in incarceration rates and the emergence of well-capitalized, private-sector prison management companies have created an environment that has resulted in robust growth in beds contracted to the private sector. Table 3 sets forth the growth in secure adult beds under contract with the private sector. From the 10,900 beds under contract at the end of 1989, the industry's contract capacity grew almost eight-fold to 85,201 beds in 1996 (in 132 facilities, including 7,617 beds in 14 facilities outside the United States).

Table 2  
Expected Length of Stay in Federal Prison



Longer prison sentences reflect tougher legislative stance on gun-related crimes.

The industry's beds under contract could cross the 100,000 mark in 1997. The private sector was awarded contracts for 21,606 beds in 1996, a gain of 34 percent. Note that these numbers include only secure adult prison and jail beds — non-secure community corrections and juvenile correctional facilities are not included in these numbers.

## The 1980s were thus a formative period for the private corrections industry, during which it began to establish political and economic credibility with federal, state and local government officials and legislators.

Despite the accelerated level of penetration of private corrections over the last six years, beds currently in operation under private-sector management still account for only 2.9 percent of total U.S. adult secure beds. In addition, it is important to

note that the industry has historically been asked by the government to manage new capacity rather than take over existing facilities. As the concept of private prison management gains acceptance, however, there should be increasing opportunities for the private sector to take over management, and/or ownership, of existing secure correctional facilities. According to the University of Florida's Center for Studies in Criminology and Law, the number of adult secure beds under contract for private management is forecast to grow to 276,455 beds over the next five years, suggesting a compound annual growth rate of 26.5 percent from 1996 to 2001.

## Why Privatize?

The primary motivation for government agencies to contract with private firms for correctional services include:

- Upfront reduction in construction and capital costs, and faster response times in being able to build and begin operating an incarceration facility to the extent that both the design and construction of new facilities are outsourced;
- Reduced labor costs, which account for approximately two-thirds of a prison's operating expenses. (Private prison man-

Continued on page 17

January 1998

# OPINION

Sam Bishop, Opinion Page Editor; 459-7574; e-mail: letters@newsminer.com

1-20-98

FAIRBANKS

## Daily News - Miner

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Established in 1903

CHARLES L. GRAY  
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PAUL J. MASSEY  
Publisher

KELLY BOSTIAN  
Managing Editor

SAM BISHOP  
Editorial Page Editor

### Clear vote in Delta

The vote in Delta Junction couldn't have been much clearer. A vast majority of people there believe using Fort Greely for a prison is a good idea.

Common sense led most people to that conclusion. Several factors are converging to make the prison a viable proposal.

The fort will be shut down within a few years. That will leave an entire community of usable buildings empty. It will also leave Delta Junction with a huge hole in its economy.

At the same time, the state needs more prison space. We have hundreds more criminals in jail than the jails are supposed to hold. In Fairbanks, the jail is chronically in violation of the terms of a settlement agreement.

Obviously, there is an opportunity here.

Not everyone likes the opportunity, though. If given unlimited options for maintaining an economy, few people would choose a prison first. But Delta Junction has limited options, and, besides, this one isn't that bad. Occasional escapes occur in any prison or halfway house—we've had a few in Fairbanks over the years. However, the escapees usually try to leave town as quietly and quickly as possible. The incidents don't have a significant or long-term effect upon the quality of life in a community.

Despite its intuitive appeal, the Delta prison proposal raises a question. Is it good public policy to limit the state's options to one community?

If that's the only way to prevent the leveling of Fort Greely, the answer is probably yes. First, the state certainly has an interest in helping Delta avoid disaster. Second, as federal taxpayers, we will all pay a price if the buildings are simply torn down.



### Bed tax isn't for

Primary purpose  
—marketing—  
is being ignored

By BILL BUBBEL

History repeats itself and mankind makes the same mistakes because facts tend to be distorted to suit present needs. This problem applies to the present perception of the Fairbanks Convention and Visitors Bureau's budget for the

structure of the ordinance levy a tax of 2 percent room rented, to be on those hotels located in and then paid to the city. The city would a percent of those funds FCVB and 10 percent of the ordinary fund to be all economic development non-profits having a contract. The city was to allocate FCVB budget to ensure expenses didn't exceed

## ON THE INSIDE

# STATE OF ALASKA

## DEPARTMENT OF CORRECTIONS

TONY KNOWLES, GOVERNOR

REPLY TO:

PO BOX 112000  
JUNEAU, ALASKA 99811-2000  
PHONE (907) 465-3376

February 2, 1998

The Honorable Eldon Mulder  
Alaska House of Representatives  
State Capitol, Room 423  
Juneau, AK 99811-1182

Re: Release of Restricted Funds

Dear Representative Mulder,

As you will recall, federal funds were appropriated to the FY98 Out of State Contracts BRU, but expenditure were restricted by mutual agreement of the Department and the Legislature. The Department now proposes to expend the funds to purchase up to 95 additional beds from the Corrections Corporation of America's Central Arizona Detention facility in Florence, Arizona.

The Department needs to procure these additional beds as a means to reduce prison overcrowding which is, as of today, 20% over Clearly Emergency levels. In December 1997, 25 new beds were procured using the unrestricted federal funds from this BRU. The additional 95 inmates will be transferred incrementally with approximately 60 in February and 35 in March 1998. If the Department transfers 120 inmates, the per diem cost would be \$57.50 per day; less than 120, would be at the current rate of \$61.02 per day.

Thank you for your consideration and if you have any questions, or concerns, please do not hesitate to contact me at 465-3339.

Sincerely,



Dwayne B. Peeples, Director  
Division of Administrative Services

CC: Margaret M. Pugh, Commissioner

**Delta/Greely Community Coalition**

P.O. Box 780

Delta Junction, Alaska 99737

Delta Junction City Council  
Delta/Greely School District  
Delta Chamber of Commerce  
Deltana Community Corporation  
Delta Chapter, Farm Bureau  
Retired Military/Civilian Representative  
Civil Service Representative



Jim Carlstrom, President  
Doris Fales, Vice-Pres.  
David Durham, Sec./Tres.  
Tel: 907-895-1081  
907-895-4091  
FAX: 907-895-4219

January 19, 1998

Representative Eldon Mulder  
Room 501  
State Capitol  
Juneau, AK 99801

Dear Representative Mulder,

As you are aware, the Delta Greely Community Coalition has received a proposal to establish an 800 bed medium security correctional facility on Fort Greely. This proposal provides the community with an opportunity to keep an economy in the Delta area. With the realignment of Fort Greely our economy will be devastated unless we are able to obtain a reuse of the base such as this proposal represents.

This proposal will not only be beneficial to the economy of the Delta area but would also solve a major problem for the State of Alaska, that of overcrowding in the correctional facilities. This proposal appears to be a very cost effective solution for both the State and Delta.

With the above information as background, we ask your assistance in convincing the Legislature to approve the request for a private medium security correctional facility at Fort Greely and any other possible help you can give us in making it become a reality.

Sincerely,

James L. Carlstrom, President



## 1. Propriety

Critics of private prisons often ask, rhetorically, whether it is "proper" for anyone but the state to deprive people of their freedom.[1]

That, however, is a loaded statement of the issue. Keepers do not take away anyone's freedom; catchers and convicts and sentencers do so. The pertinent question is whether duly authorized punishment is any more or less legitimate when administered by government employees, as opposed to contracted agents.

First, it should be noted that the government does not own the authority to punish.[2] That authority originates in the people and is delegated to government, which administers it in trust, on behalf of the people and subject to the rule of law. In a system characterized by rule of law, both state and private actors are bound by the law, and it is the law, not the civil status of the actor, that determines whether any particular exercise of force is legitimate.

Consider the case of a government-employed prison guard who engages in clear-cut and extreme brutality. We do not say that his act is authorized or legitimate, or even that he is acting at that moment as an agent of the state. In fact, we deny it, in spite of his uniform and all the other trappings of his position. We say that he has "overstepped his authority" and behaved in an unauthorized and unlawful fashion. There is, in effect, an implicit contract between the state and its agents, which makes the authority of the latter conditional on the proper performance of their roles. This conditional authority can be bestowed on contractual agents of the state just as it is on those who are salaried.

## 2. Cost

Harvard professor John Donahue, a prominent critic of privatization, argues that the scope for cost savings in corrections is very limited. Imprisonment is such a simple, basic arrangement, he says, that there is almost no room for improvements in efficiency.[3] If this argument were correct, there would be little room for variation in public prisons, either in performance or in cost. Since we know that there is variation (great variation) in both of these, it must be true that there is room for variation.

There are structural differences between the public and private sectors that affect efficiency and cost.

For example, contracting avoids cumbersome and rigid government procurement procedures; private vendors can purchase more quickly, maintain lower inventories, and negotiate better prices and values.

Contracting avoids civil service and other government (and sometimes union) restrictions that interfere with efficient personnel management (hiring, firing, promotion, and salary setting; assignment of duties, work schedules, vacations, and leaves; adequate staffing to avoid excessive overtime; delegation of authority; etc.).

Finally, the need to show a profit is a powerful incentive to reduce waste and increase productivity.

Newspaper stories comparing the cost of private vs. govt. facilities have made claims of savings ranging from 5 percent to 20, 30, or even 50 percent. Little weight should be given to most of these simple

comparisons, because they generally compare apples to oranges, and because they ignore the enormous problem of "hidden costs."

A realistic expectation of savings through contracting is probably in the range of five percent to fifteen percent. Support for that statement comes from a study for the National Institute of Justice, based on data provided by the County Auditor of Hamilton County, Tennessee. [4] Because a county auditor is in a good position to identify and estimate hidden costs, such as interagency or indirect costs, this study was unusually thorough.

When Corrections Corporation of America assumed management of the Hamilton County Penal Farm, a 350-bed minimum-to-medium security county prison located near Chattanooga, the facility was inherited in a state of deterioration and neglect and required extensive renovation by the contractor. In addition, that region of the country has relatively low correctional costs and the county was already spending less on its prison than other jurisdictions in the same region were spending on their facilities. Since the county was already among the lowest of the low spenders, this facility provides a fairly severe test of a private contractor's ability to lower costs still further while simultaneously renovating the physical plant, expanding capacity, and improving the quality of operations, all of which it did accomplish.

Consistently conservative assumptions were used to estimate all the direct and indirect costs the county would have incurred if it had retained, or if it resumed, operation of the facility itself. The assumptions were conservative in the sense that they were designed to err in the direction of underestimating the costs of county operation. These costs were then compared to the costs of contractual operation, which included not only the contractor's fee but all the direct and indirect county costs that continued to exist in addition to that fee, including the cost of contract administration and monitoring.

The study concluded that, over the three years examined, the county was cutting its costs of corrections by at least 4 percent to 8 percent per year, and more probably by 5 percent to 15 percent.

While that study deserves special attention because of the rigor of its methodology, a considerable and growing body of evidence indicates that privatization produces savings for corrections, just as it does for a wide variety of other governmental operations. Indeed, most contracts are--and all contracts should be--the result of site-specific comparisons between the costs of governmental and private operations. Some jurisdictions even require by law that privatization must achieve a certain level of savings, such as ten percent in Texas and seven percent in Florida. Tennessee law required one contract to demonstrate "at least the same quality of services as the state at a lower cost" or "services superior in quality to those provided by the state at essentially the same cost." A study by the state's Select Oversight Committee found the contract was in fact providing higher quality service at lower cost. [5]

### 3. Quality

If private prisons are cheaper, say the critics, that can only come at the cost of quality. Corner cutting will occur-- meaning poorer food and less of it, fewer services, and cheaper labor with lower professionalism and less training. [6]

Systematic evaluation studies conducted so far, however, have generally been quite positive. An evaluation of a privately contracted secure training school for delinquents produced mixed findings, including a list of 36 positive results and 22 negative results. [7] A survey of inmates at a privately run prison in Tennessee elicited 320 responses, of which 49% were positive, 21% were ambivalent, and 30% were negative. However, prisoners who were able to compare the private management with previous

management by the county were overwhelmingly positive (24/28 comparison responses). [8] A third study compared the performances of private juvenile facilities in Massachusetts and of a private prison in Kentucky with matched governmental counterparts. On a substantial majority of performance indicators, the private facilities had at least a small advantage. "By and large, both staff and inmates gave better ratings to the services and programs at the privately-operated facilities; escape rates were lower; there were fewer disturbances by inmates; and in general, staff and offenders felt more comfortable at the privately-operated facilities." [9]

The most comprehensive and carefully structured study to date compared the performances of a private, a state, and a federal women's prison on 333 empirical indicators covering eight dimensions of the quality of confinement, including security, safety, order, care, activity, justice, living conditions, and management. While all three prisons were regarded as having been high in quality, the private prison outscored its two governmental counterparts on nearly every dimension, in some cases by quite substantial margins.

Private facilities are often required by contract to be certified as meeting the standards of the American Correctional Association. Except for the Bureau of Prisons and a few state systems, such as Florida, this is a rare condition among government facilities. Certification does not guarantee quality, but its requirement is evidence that private prisons are expected to meet high standards, and their high rate of certification is evidence that they do.

Other evidence of quality is indirect, such as the fact that contracts are regularly renewed by satisfied government agencies, and the fact that no state is under court orders to rectify poor conditions caused by private operations, while the majority of American states are under such orders as the result of governmental failures. [10]

## 4. Quantity

Many critics, especially members of the ACLU, are opposed to private prisons largely because they are opposed to prisons generally. If, through efficiency, more prisons are built (argue the critics) they will be filled because they are there. [11]

For over three decades, prison reform groups have advocated a moratorium on all new prison construction, believing that capacity drives use, and hoping that lack of capacity would curtail use. That strategy has backfired, and increasing numbers of prisoners are paying the price in terms of overcrowding and deteriorating physical conditions.

Critics also fear that private prison companies will become powerful lobbyists for harsher punishment, in an attempt to artificially stimulate demand for their product.

Commercial enterprises survive and prosper in the long run not by artificially stimulating a spurious demand for their products, but by accurately anticipating and responding to shifts in real demand. Right now, there is a big overhang of genuine, unmet demand for imprisonment. However, if there is also a demand for alternatives to prison, or if that should grow, commercial companies will be able and willing to respond rapidly to that demand as well. For example, some detention contractors also provide, and aggressively market, electronic monitoring and other alternatives to jail.

One irony must be noted regarding the critics' fear of lobbying. The largest contributor to Pete Wilson's gubernatorial campaign was the California correctional officers union. It wasn't a corporation, but a

public employee union, that most strongly backed Wilson in promoting the largest prison expansion program in the country. A study of New York state government found that the great bulk of campaign contributions and lobbying came from the state teachers union, other public employee unions, regulated industry groups such as medical and banking associations, school boards, and the Conference of Mayors. In short, the biggest lobbyist of government is government itself, along with the "nomenklatura" of the government class. [12]

## 5. Flexibility

Critics of contracting argue that it is impossible to write a contract that is as broad and flexible as the mission of a public agency needs to be. Contractors may be reluctant to depart from the provisions of their contracts. Renegotiating and changing contracts is time-consuming and terminating a contract is often very difficult. Thus, it may be hard for the government, under contracting, to order and control marginal changes.

This is one of the weaker objections to contracting. It is one of the most widely acknowledged strengths of private prisons that their greater management flexibility and more rapid speed of response promote both minor innovations and major program changes, including initiation, expansion, contraction, or termination.

In any case, if a particular contract turns out to be too costly or unsatisfactory, it is always possible to terminate it or fail to renew it. In contrast, how feasible is it to replace or halt the activities of government agencies, staffed by tenured and unionized civil servants, whose services are found to be unsatisfactory? It may not always be easy to terminate a contract, but experience has shown that it is nearly impossible to terminate a government agency, even one supposedly made mortal by a sunset law. [13]

## 6. Security

What happens in the case of a riot, or a strike? Many times, I have heard critics of private prisons ask this question, then move on to other issues as if it were unanswerable, or required no answer. The answer, however, is about the same as for a government-run prison.

It may be unclear whether or not contracted prison guards would have the right to strike, but the absence of such a right has not prevented public guards from engaging in strikes, sickouts, and other job actions. At one point, in a coordinated action, prison guards in Rhode Island and at six penal institutions in Ohio walked off their jobs. In another case, almost all the guards at New York's 33 correctional facilities went out on a strike that lasted 17 days. The Governor called in the National Guard, who were met with violence and property damage by the striking prison guards. [14]

Unemployment as the result of a strike may be a more credible threat to private than to public guards, because a strike or other disruption would allow the government to terminate a contract.

Prison contracts typically include contingency plans to deal with emergencies or disruptions, such as strikes, riots, or bankruptcy. State police and the National Guard provide the ultimate backup for prison staff, whether private or public. A performance bond can be used to defray the government's cost if it has to take control of a contracted facility.

In terms of escapes, the experience of private jails and prisons has been no worse than that of their

government-run counterparts. None of the privates, however, has been as lax in its security as the District of Columbia's government-run Oak Hill Youth Center, a high security detention facility for juveniles in Laurel, MD, where a journalist's check of the official log showed that 30 percent of the 197 detainees were missing and listed as escapees, [15] or the Prince George's County (MD) Jail--much celebrated for its New Generation design--which 11 times during its first year released the wrong prisoners under mistaken identities. [16]

## 7. Liability

Critics warn that governments will not escape liability by contracting the administration of their prisons, as some advocates supposedly claim.

To some extent, this is a strawman argument, since I do not know of any private vendor who claims that contracting can immunize the government from legal liability. Prisoners in private facilities have at least as many avenues of civil redress as do their fellows in government-run prisons. Total liability, in other words, is not decreased.

However, it is possible that contracting could reduce government's actual liability exposure, as opposed to its legal liability potential. That is, the financial damages likely to be suffered by government as a result of its legal liabilities can be reduced. Liability exposure can be reduced in several ways:

1. by running prisons better, and thus avoiding lawsuits;
2. by achieving certification, which greatly enhances the defense against lawsuits;
3. by carrying adequate insurance;
4. by agreements in which the contractor defends the government in court and indemnifies it against legal damages;
5. by developing extensive legal expertise and resources, both for preventing and for fighting lawsuits; and
6. by settling quickly out of court, which is easier for private firms than for public agencies.

## 8. Accountability

Critics claim that contracting reduces accountability because private actors are insulated from the public and not subject to the same political controls as are government actors. Also, the critics charge, contracting diffuses responsibility; government and private actors can each blame the other when something goes wrong.

Proponents reply that contracting increases accountability because the government is more willing to monitor and control a contractor than it is to monitor and control itself. Contractors -- just like their governmental counterparts -- are accountable to the law, to governmental supervisors, and ultimately, to the voting public, through the political system. In addition, they are accountable, through a competitive market, to certain forces not faced by government agencies. They are answerable to insurers, investors, stockholders, and competitors. As a mechanism of accountability and control, the force of market competition is unmatched.

The most obvious form of accountability in corrections, however, is legal accountability. If the Rule of Law can limit and constrain the power of the state, then surely it can hold a private firm at least equally

accountable. Constitutional standards, for example, will apply equally to all prisons, whether run by government employees or by contractors.

## 9. Corruption

Critics contend that contracting invites corruption, in the form of favoritism, bid-rigging, conflict of interest, bribes, kickbacks, etc.. They point to contemporary examples in other areas of contracting, and to historical examples of corruption in contracting for inmate labor.

The historical abuses came at a time when corruption and abuse was much more prevalent in the criminal justice system generally. For example, some states ran their prisons as profit-making enterprises just as ruthlessly and exploitatively without the aid of private contractors as others did with them. In today's political and legal environment, such extreme and flagrant corruption and abuse are very unlikely.

Political corruption is a corollary of government, not just of government contracting. The ingredient common to all instances of corruption is not private ownership, but public power. Payroll padding, nepotism, cronyism, patronage, bribery, payoffs, featherbedding, dishonest budget inflation, conflicts of interest, misuse of public funds, links to organized crime, and many other kinds of corruption also occur within public employee unions and within governmental units that provide services directly, rather than through contracts

## 10. Dependency

Critics worry that contractors will engage in "lowballing," in which they obtain contracts by making unrealistically low bids. Then, when government becomes dependent, the contractor will be free to jack up prices. Worse yet, the contractor may go bankrupt, leaving the government without any correctional capacity.

Market entry costs for single, especially low-security, facilities are well within reach of small businesses or groups of investors. As a new corporation, CCA was able to site, finance, build, and open a 350 bed prison within 7 months, for \$5 million. The U.S. Corrections Corporation, founded by two men with an initial investment of \$1.9 million, opened its first facility at a seminary purchased for \$695,000. If this is all it takes to enter the market, it is well within the resources of numerous potential competitors.<sup>[17]</sup>

Public agencies can guard against lowballing by evaluating proposed budgets for their realism, rather than just looking for the lowest bidder. Also, regular rebidding of contracts can make lowballing a strategy too costly to pursue. No private company can raise its fees very high above a reasonable profit margin without inviting exposure and opposition by competitors. Competing contractors have the information, motivation, and organizational resources to control each others' prices to a much greater degree than the information, motivation, and resources of taxpayers to control government costs.

The issue of dependence, as an objection to private prisons, has a self-defeating character. If dependence is a real problem, will the problem be solved if there are no private vendors? If a public service can only be supplied by government employees, organized into unions, is that not also a form of dependence? To argue that private suppliers of a public service will not be sufficiently competitive is not a very good argument for public monopoly.

## Conclusion

By way of summary, let me list just the six most prominent areas in which I see potential advantages in the private operation of prisons and jails:

1. Cost containment
2. Speed and flexibility in expanding (or contracting) both physical capacity and programs
3. Effects on standards, expectations, and quality of operations
4. Indemnification and other protections against liability
5. Enhancement of justice by allowing supply to respond to demand, instead of vice versa
6. The enhancement of accountability and due process through additional monitoring and independent review

Perhaps their most important function of all is that private prisons provide a comparative yardstick against which to measure performance. How do we know if the government is running our prisons in the most humane, effective, and efficient manner possible? As with any service, the best test, and the best guarantee, of quality is competition and comparison.

**Contents**

# Charles H. Logan, Professional Biography

Dr. Charles H. Logan is a Professor and Associate Head of Sociology at the University of Connecticut, where he has taught since 1970. He has published widely on many criminal justice issues and is a leading authority on privatization in corrections. He served as a professional staff member on the President's Commission on Privatization, for whose Report he wrote the chapter on the contract operation of prisons. He has been a Visiting Fellow at several agencies within the U.S. Department of Justice, and has received support for his research from the National Institute of Justice, the Bureau of Justice Statistics, the Federal Bureau of Prisons, and the National Institute of Corrections.

Among Professor Logan's publications on privatization are: Private Prisons: Cons and Pros (Oxford University Press, 1990); "The Development, Present Status, and Future Potential of Correctional Privatization in America," (with Charles W. Thomas) in Bowman, Hakim, and Seidenstat, Privatizing Correctional Institutions (1993); "Well Kept: Comparing Quality of Confinement in Private and Public Prisons," in the Journal of Criminal Law and Criminology (1992); "Comparing Costs of Public and Private Prisons," (with Bill W. McGriff) in NIJ Reports (1989); "Proprietary Prisons" in Goodstein and MacKenzie, The American Prison (1989); "The Propriety of Proprietary Prisons," in Federal Probation (1987); "Competition in the Prison Business," in The Freeman (1985); "Punish and Profit: The Emergence of Private Enterprise Prisons," (with Sharla P. Rausch) in Justice Quarterly (1985).

A member of the American Society of Criminology, Dr. Logan has served as an Associate Editor of the journal Criminology and as a Consulting Editor for the Journal of Research in Crime and Delinquency. He is a member of the American Bar Association's Criminal Justice Section's Corrections and Sentencing Committee, is a former member of the Board of Directors of the Connecticut Bar Foundation, and serves on the advisory board of the Yankee Institute. In addition to privatization, he has published widely on many other criminal justice issues, including the deterrent effects of arrest and imprisonment, evaluation of correctional programs, the effects of parole, juvenile justice, jury selection, and prison performance measures.

January 27, 1998

Dear Representative James:

I would like to thank your legislative aide, Myrna McGhie, for the response to my email message. Please rest assured that I fully understand the impossibility of you responding to each piece of correspondence personally.

The concerns of many of the residences of the Delta community about the proposed prison at Ft. Greely basically fall into the following categories:

- The prison will endanger the children at Ft. Greely School.
- Delta will become known as a "prison town".
- Relatives of prisoners will move to Delta thus causing an increase in crime.
- Delta residents will be in greater danger because of the prisoners.

I will try to address each of these concerns. I will readily admit that I am no better nor am I any smarter than the people who have voiced these and other concerns; nor am I making light of any of these concerns. I will just try to address them in as logical manner as I can.

1. I teach at the school at Ft. Greely. I have known the majority of the children that I teach since they were born. I have known many of their parents and grandparents my entire life. I am not a hero. I like to think of myself as something more than a fool. I do not think it is my right to endanger the lives of people, especially the lives of the young men and women I teach. If I thought that the proposed prison posed a realistic threat to those kids I would be the first one to demand that this threat be removed. The reality is that these children are in greater danger from each other than they would be from a prison.

2. Seward has a prison, Palmer has a prison. I have yet to find one person that says: "I won't go to Seward or Palmer, those are prison towns." I can't say anymore about this concern.

3. I find the notion that relatives of people that are in prison are somehow inherently "bad" or "undesirable" as blatantly unrealistic and discriminatory as can be. The relatives did not commit the crimes. More people than would like to admit have a relative that is or has been in jail or in prison. Because prisoners are moved around fairly frequently it would not be a wise thing to do to play tag. Sure, some may come. They are as welcome as the next person. I will judge them by their actions, not by the actions of a relative.

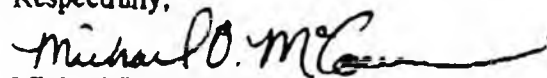
4. In the seven day period from the first public meeting on January 8th, to the second public meeting on January 15th, to discuss the proposed prison there were three cases of domestic violence, one arrest of a Delta resident for parole violations from Missouri, and the sentence of two years with eighteen months suspended for burglary handed down to Delta resident. We have met the criminals and they are us! People do not like to face the reality that they do not live in a utopia. There is crime enough for everyone in Delta; all they have to do is look in the local paper or talk to their neighbors. I do not fear the people in prison. I do not worry about the car that is broke down on the side of the road with a couple of flat tires, I worry about those cars that are moving.

Representative James, I was brought to Delta in December of 1952 at the age of nine months. I have lived the vast majority of my life here. Call me nuts, but I love my life here. When Ft. Greely is totally "realigned" the Delta area will be devastated if there is no viable replacement for the jobs at Ft. Greely. Quality of life can mean many things to many people, but quality of life can never be a reality if fear prevents a person or a community from moving forward to meet the future. One ex-

remely important ingredient to a quality life is a stable economy that allows people to plan and dream, and then make those dreams and plans happen.

I hope that I have been of assistance. If I may be of further assistance please ask.

Respectfully,



Michael O. McCowan  
HC 60 Box 4120  
Delta Jct., AK 99737  
email: dfmn@dgsd.k12.ak.us

# Fort Greely prison makes sense for town, state

By JIM CARLSTROM

Last week, the Daily News ran two front-page articles about Delta Junction and our decision to consider converting part of Fort Greely into a medium-security prison. While we appreciate the Anchorage Daily News' coverage, we think it important for ADN readers to understand why we think this project is so important.

First, the benefit to the state is substantial. The combined operating and construction cost per day, per bed, will be less than half of the cost of a facility built and operated by the state and in the same range as the state spends to house Alaska prisoners in Arizona. Given the devastating effect of the base realignment on our local economy, the benefit to Delta Junction is obvious. We will be able to restore 250 to 300 permanent jobs that would otherwise be lost through the realignment of Fort Greely.

Delta Junction is less than a two-hour drive from Alaska's second-largest population base. It is on a main highway linking Interior and Southcentral Alaska and boasts a modern, 7,000-foot, paved airfield. Considering that every day prison-

## COMPASS

ers are transported by land and air between communities in Southeast, Southcentral, Western and Interior Alaska, we do not understand why state corrections officials voice concern that Fort Greely is too remote for a prison. In fact, Fort Greely is more accessible than most existing state-operated jails and prisons. And certainly closer than Arizona.

The ADN also quoted concerned state employee union officials and a Florida University professor who said the facilities were not designed to be used as a prison. They contend that it would be too expensive to convert Fort Greely to that use. Neither the professor nor the union has set foot there. If they had, they would have seen facilities that are well suited for prison use. It is also important to know that the state took over 2 military barracks at Wildwood and converted it to a prison. It continues to be used for that purpose. Why would it

*In partnership with the private sector, we propose to build and operate a prison to the highest standards of the corrections industry. The prison would provide career opportunities for our young people, jobs for area residents to replace those that will be lost by the base realignment, and savings to the state while providing badly needed relief from prison crowding.*

make sense for the state to do that, but not for a private corrections company?

National planning consultants for the Delta/Greely Community Coalition have identified a prison as among the highest and best uses for the base facilities. They emphasized that such a use would form a stable job base in a growth industry and would result in the greatest long-term economic benefit to the region. Those findings have been reinforced by independent engineering, architectural and security consultants who have found the facilities well suited for conversion to a prison.

Today, all 15 state-operated prisons and jails are operating beyond

their emergency capacities. State corrections officials predict a need for more than 1,300 new prison beds by the year 2000 and the system is growing at an annual rate of 8 to 10 percent. The state houses 270 prisoners in Arizona and is planning to transport another 100 in the near future, and by so doing will export several million dollars as well. Why shouldn't Alaska money be used to hire Alaskans in a community that is on the verge of economic ruin; especially if it can be done for about the same price?

In partnership with the private sector, we propose to build and operate a prison to the highest standards of the corrections industry. The prison would provide career

opportunities for our young people, jobs for area residents to replace those that will be lost by the base realignment, and savings to the state while providing badly needed relief from prison crowding.

We can bring those beds on line within a year. Any state prison is several years away.

What we propose makes economic and common sense. And given our community's bleak future with the realignment of Fort Greely, it also makes sense for Alaskans to be good neighbors by supporting us as we try to help ourselves.

Jim Carlstrom is president of the Delta Greely Community Coalition.

# B • R • A • C

## Fort Greely Base Realignment and Closure Cleanup Team

### SM-1A Pipeline Removal Fort Greely, Alaska

**The Job:** Remediation of a deactivated waste pipeline from the decommissioned SM-1A nuclear reactor power plant at Fort Greely. The project included establishing cleanup-level criteria, performing radiological field screening, excavating and removing the pipe and contaminated soil, clean up confirmation sampling and analysis, containerizing the pipe and waste soil, and disposing of the waste materials.

**Primary Contaminants of Potential Concern:**  
Cesium-137 and Strontium-90 radionuclides

**Value:** \$2.1 million

**Performance Period:** 1997—1998

**BRAC Cleanup Team Points of Contact:**

**Base Realignment and Closure (BRAC)**  
Ken Spiers (907) 353-6323

**U.S. Army Engineering District, Alaska (USAED)**  
David Williams (907) 753-2865

**U.S. Environmental Protection Agency (EPA)**  
Matt Wilkening (206) 553-1284

**Alaska Department of Environmental Conservation  
(ADEC) Ronan Short (907) 753-5791**

**Jacobs Engineering Group Inc.**  
Chris Dillon (907) 563-3322

### Project Overview:

As a result of the BRAC 95 Commission's realignment of the cold regions test center operations at Fort Greely, the post is to be significantly downsized and the number of properties to be retained under U.S. Army control reduced. The BRAC environmental restoration program was implemented to provide information regarding the environmental condition of the eligible BRAC properties for reuse and provide cleanup as necessary of land subject to transfer or lease under the BRAC process.

The Delta/Greely Community Coalition (DGCC), a local authority organized to evaluate and select potential properties for reuse, has prioritized areas for reuse.

A 1-inch diameter steel pipeline carried low-level radioactive waste water in the early 1960s along a one-mile corridor from the SM-1A nuclear power plant to a dilution station; and diluted effluent was discharged to Jarvis Creek. The former nuclear waste pipeline was removed and its corridor radiologically cleared to ensure safe reuse of properties under consideration by DGCC.



*Excavation and removal of the SM-1A pipeline and contaminated soil.*

Under the Total Environmental Restoration Contract (TERC) program, USAED and Jacobs Engineering prepared a comprehensive engineering plan for removing the pipeline and remediating the pipeline corridor. The work was performed efficiently and in compliance with applicable federal, state, and local requirements.

**SUCCESS FACTORS:** The success of the Fort Greely pipeline remediation can be attributed to partnering, the TERC contracting vehicle, and cooperative technical planning.

**Partnering:** The success of project planning and field activities directly resulted from partnering between the U.S. Army, EPA, ADEC, USAED, DGCC, and Jacobs Engineering. Partnering fostered technical innovation,

facilitated quality improvements, built trust and cooperation within the BRAC Cleanup Team, and developed consensus among all stakeholders during the decision-making process.

**TERC Contracting:** With provisions for design-build, the TERC contracting vehicle allowed for investigation, design, and remediation to occur during a single field season. Through a general scope that identified an end objective, the project could refine design criteria from real time field data during remedial activities. With cost control on a reimbursable basis, the project was able to achieve significant savings in time and money compared to traditional sequential fixed-price subcontracting.

**Cooperative Technical Planning:** With work groups formed during the design phase, coordination of site investigations by the Army Reactor Office, Army CRREL, Jacobs Engineering, and others allowed for the rapid transmission of data and avoided expensive duplication of effort. Consensus on cleanup criteria was achieved through coordination with radiation specialists at the Army Reactor Office, USAED, EPA, ADEC, and Jacobs Engineering.

## Major Accomplishments:

**BRAC Cleanup Team (BCT) Performance:** Interaction within the BCT allowed an expedited work plan review process, radiological cleanup-level criteria development, and field screening technical approach development, thus saving considerable time for field work to be accomplished in 1997.

**Property Clearance:** Radiological clearance of 3,500 feet of pipeline corridor was achieved for future reuse. Nine additional hot spots have been identified in adjacent areas for future actions. Remedial accomplishments include:

- Removal of 2,500 linear feet of contaminated pipe.
- Removal of 600 cubic yards of low-level radioactively contaminated soil.

- Compilation of 25,000 field screening and laboratory data points.
- Completion of fixed laboratory clearance confirmation sampling.

**Expedited Schedule Process:** The planning and field work was expedited to remain in step with the BRAC schedule. A compressed schedule for development and approval of the work plan allowed for a significant portion of the field activities to be completed during the 1997 field season. Modifications to a POL station within the pipeline corridor were "piggy-backed" to remedial actions through the TERC in order to achieve regulatory compliance on schedule with ADEC requirements for underground storage tanks.

**Perfect Safety Record:** The combination of good planning and attention to safety in the field is credited with achieving an accident-free project totaling 12,600 field hours.



*Excavation of a hot spot and containerization of soils.*

**Future Actions:** Remediation of additional hot spots will occur as funding becomes available. Prior to shipment offsite, a waste minimization program will be implemented to remove the portion of those soils which are not contaminated. Waste minimization will result in a significant cost savings for disposal.

## BRAC Cleanup Team Mission Statement

To expedite and improve environmental response actions in order to facilitate the disposal and reuse of BRAC properties, while protecting human health and the environment.



®

**James F. Watford**

P O Box 214  
Delta Junction, AK 99737-0964  
Home Phone 907-895-4311  
February 03, 1998

Subject: HB-53 LEASE-PURCHASE CORRECTIONAL FACILITY  
(FT. GREELY PRISON)

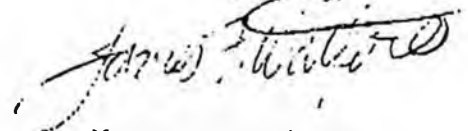
TO:HOUSE FINANCE Committtee;

This will inform you of my complete opposition to the HB-53  
LEASE-PURCHASE CORRECTIONAL FACILITY, (Ft.Greely Prison).

The Delta Junction area does not in anyway need more trouble  
in this area. We have sufficent dope peddlers and law breakers  
without adding to it.

The Delta Junction Citizens do not need to become the  
finical gocket book for Allvest Co.. I do not believe the state  
of Alaska needs that.

Sincerely,



Your name goes here



# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
 committee on HB 53, dated Feb 3 1998  
 committee name  
 bill/ subject

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The responsibility of criminal justice clearly rests on the government. Please see US constitution, State Constitution, and Romans Chapter 13 of The Holy Bible.

If HB 53 passes this trend could end with private courts in years to come.

This is not good for Alaska.

Signed:

Patrick Anthony Dalton

Testifier

Representing (Optional)

PO Box 1413 Delta Junction AK 99737

Address

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the FINANCE  
 committee on HB 53, dated 3 Feb 98 committee name  
 bill/ subject

There are two perspectives to look at in this proposal. The large scale is the current penalties and housing of prisoners outside Alaska because of over crowding. The privatization of a new prison is the most economical for the state.

At the local level we will loose 250 government jobs, nearly 330 military and 480 family members. Also, half of the teachers in the local schools will loose their jobs, which is the second largest employer in the area.

Only one college has said, <sup>in writing</sup> they will stay after Greely closes, and that is cavitated by the prison coming in and making the operation economically feasible - 62% of one of the highest voter participation voted

Signed:

Kevin Kell  
 Testifier yes  
self & Central Texas College  
 Representing (Optional)  
PO Box 412 Delta Junction AK 99737  
 Address  
907-895-4334 (H) 907-869-3301 (w)  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
 committee on HB 53, dated Feb. 3, 1998  
bill/ subject committee name

UNIVERSITY FACULTY  
 BUSINESS MEMBER

My name is Donna GARLAND, A DELTA RESIDENT, management consultant AND VOLUNTEER toward economic development since the BRAC announcement. Typically, a STATE OR CITY Agency must base procurements on a competitive bid basis (SECTION 33.30.031 (C)). IF the legislature DECIDES that a contract with DELTA Junction is in the best interest of the state, then I believe the legislature should consider a requirement that DELTA Junction hold a competitive process to identify the "best value" provider of correctional services. Allvest has never operated a medium security correctional facility. I believe the competitive process, by definition + nature of the process, would yield better value to the state + the community. Without such requirement, Allvest would be a sole source procurement. If this happens, be assured that the Coaction Board has formed a negotiation committee, reviewed Allvest's proposed agreement + pencilled over 50 changes AT FIRST REVIEW. Conveyance issues ARE SERIOUS ones with great community implications AND will NOT be considered lightly UNLESS WE CAN be successful in negotiations with proper legal + management approval.

Signed: Donna Garland  
 Testifier

A contract will NOT be signed with ALLVEST.

Representing (Optional)  
Box 1026 DELTA 99737

Address  
895-4786 FAX 895-4777

Phone No. 2mail donna@knjli.net

Thank you.



# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
 committee name  
 committee on HB 53, dated February 3, 1998.  
 bill/ subject

People ~~to~~ say that there was not enough time (notification) prior to the opinion vote ~~and~~ January 17, 1998. If over 1200 Delta City and Big Delta Voting Areas got the word and made it to make their opinion known then it would appear that enough notification was given. For those out of town or state; registered voters could mail or fax in their opinion ballots.

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I completely support the proposed prison. I also completely support the members of the Delta/Beeky Community Coalition.

I know some people fear change, but change must come. Nothing created by humans is perfect, but we should never let our fears stop us from moving forward.

At least is not the federal government, it can not pay federal government inflated wages. Expectations must be realistic.

I urge each member of this committee to support HB53. It is good for Alaska and Delta.

Signed: Michael D. McCowan

Testifier

Self

Representing (Optional)

HC 60 Box 4120 Delta Jct. AK 99737

Address

Delta Jct 907-895-4133

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Finance

committee on HB 53, dated 2/3/98 committee name

bill/ subject

I am against the prison proposal. I am concerned about Alvest as a corporation - wanting to run a private prison. ~~add~~ I think things are going too quickly. The Coalition seems to be pushing this without fully informing the public. They are negotiating with Alvest currently - but will not disclose what they are negotiating.

I'm concerned about Alvest wanting 300 housing units from Ft. Greely - BUT MOSTLY I am concerned about a prison so close to the Ft. Greely elementary school + jr. High. I will not allow my 3 children to attend school next to a prison.

Signed:

Testifier

Self

Representing (Optional)

P.O. Box 731

Delta Jct

Address

895-5128

Phone No.

*AW*



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE FINANCE  
 committee on HR. 53, dated 2-3-98  
 committee name  
 bill/ subject

HONORABLE COMMITTEE MEMBERS

THE UNELECTED MEMBERS OF THE COALITION MADE THIS AGREEMENT IN ALL MOST COMPLETE SECRECY AND WAS STILL DENYING IT UNTIL THEY DISCOVERED SOME PEOPLE HAD SEEN PAPERWORK ON IT.

ONLY THEN DID THEY ADMIT IT, AND THEN THEY DISTRIBUTED PAPERWORK STATING MOST JOBS WOULD PAY OVER \$16 PER HOUR.

THEN THEY HAD A FRAUDULANT VOTE BEFORE THE COMMUNITY HAD A CHANCE TO FIND OUT THE TRUTH.

THERE ARE MORE AND MORE PEOPLE EVERY DAY CHANGING THEIR MINDS ABOUT ALLVEST AND THEIR PRISON.

PLEASE DO NOT USE THAT FALSE VOTE COUNT TO THINK THE MAJORITY OF DELTA CITIZENS WANT THE ALLVEST PRISON.

THANK YOU  
 R. C. Bouch

Signed: R. C. Bouch  
 Testifier  
SELF  
 Representing (Optional)  
P.O. Box 2 DELTA JCT, AK 99737  
 Address  
895-4448  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE FINANCE COMMITTEE.  
 committee on DELTA PRISON, dated 2/3/98.  
 committee name  
 bill/ subject

I AM OPPOSED TO THE PLAN TO TURN FT. GREELEY INTO A MEDIUM SECURITY PRISON AS THE PLAN NOW STANDS. THE COMMUNITY HAS NOT BEEN ALLOWED THE OPPORTUNITY TO EXPLORE AND DISCUSS THE ISSUE ADEQUATELY AND IN FACT HAS BEEN BOMBARDED WITH THIS INFORMATION AND PUSHED TO MAKE A SNAP DECISION. WE ALSO DO NOT KNOW ENOUGH ABOUT ALLVEST, WHO ~~THESE~~ SEEM TO HAVE A VERY MIXED REPUTATION. THE "COALITION" IS NOT AN ELECTED BOARD, AND THE "ELECTION" WAS NOT A LEGAL VOTE AND THOSE OPPOSED TO THIS PROPOSAL ARE VERY STRONGLY OPPOSED TO THE WAY IN WHICH IT HAS BEEN HANDLED SO FAR.

Signed:

David Wright

Testifier

SELR

Representing (Optional)

P.O. BOX 225, DELTA JCT, AK. 99737

Address

(907) 895-4179

Phone No.

02/03/98  
14:03:59

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM  
PARTICIPANT LIST (TESTIFIERS ONLY)  
TCN:80203 SCHEDULED FOR:02/03/98 13:30 TO 15:30  
PUBLIC HEARING HOUSE FINANCE

2/3/98  
LTN1150  
BY:JNU  
FOR:ALL

LOCATION: DELTA JCT.

8	HB 53	MR.	ART	GRISWOLD	TESTIFY
	<del>HB 53</del>	<del>MS.</del>	<del>PATRICIA</del>	<del>GRISWOLD</del>	<del>TESTIFY</del>
9	HB 53	MR.	MICHAEL	MCCOWAN	TESTIFY
10	HB 53	MS.	DONNA	GARDINO	TESTIFY
11	HB 53	MR.	KEVIN	KELLY	TESTIFY
12	HB 53	MR.	DAVID	WRIGHT	TESTIFY
13	HB 53	MR.	BILL	JOHNSON	TESTIFY
15	HB 53	MS.	SHELLIE	MATHEWS	TESTIFY
16	HB 53	MR.	PATRICK	SCHLICHTING	TESTIFY
17	HB 53	MR.	PATRICK	DALTON	TESTIFY
	<del>HB 53</del>	<del>MR.</del>	<del>ROY</del>	<del>BOWDRE</del>	<del>TESTIFY</del>
18	HB 53	MR.	ROBERT	BRADLEY	TESTIFY
19	HB 53	MR.	DANIEL	LUCAS	TESTIFY
20	HB 53	MR.	DAN	BECK	TESTIFY

LOCATION: FAIRBANKS

14	HB 53	MR.	HUGH	DOOGAN	TESTIFY
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LOCATION: KENAI LIO

LOCATION: MATSU

①



Dave Anderson  
(testimony avail)  
Lt Col. US Army

②1 Writta Schooley - Newspaper

②2 Sam Dighton

23 Frank Gold - Fairbanks



# House Finance Committee

SUBJECT OF MEETING:

HB 53  
HJR 36

DATE: Feb 3, 98

PLACE: Capital 519

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
K LESLIE KIRK	CONCERNED CITIZENS OF DELTA JUNCTION	PO BOX 261 DELTA JUNCTION, AK <del>99717</del>	99737	(907) 895-4047		(Y) N	HB 53
Margie Vander	Dept of Law	AG				(Y) N	HB 53
Bill Parker	DEPT CORRECTIONS	DOC				(Y) N	HB 53
Gary Damon	PSEA	P.O. BOX 772592 EAGLE RIVER, AK 99577				(Y) N	HB 53
Forrest Browne	DOR	11th - 50B			465-3250	(Y) N	HB 53
DUGAN PETTY	DEPT OF ADMIN	STATE OFFICE BLDG			465-5687	(Y) N	HB 53
Glen Wright	MAYOR					(Y) N	
JAMES CARLSTROM	DELTA GREEN	COMMUNITY COAZITION				(Y) N	
FRANK PREWITT		ALVEST				(Y) N	
Tom Livingston	Allvest	3900 Arctic Blvd ARIC AK Livingston Stone Archts	99503	562.2058		(Y) N	
Klebsch	ALVEST	4270 GLACIERWAY 99801				(Y) N	

JANET



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE FINANCE COMMITTEE,  
 committee on DELTA PRISON, dated 2/3/99.  
 bill/ subject

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Signed:

David Wright

Testifier

SELF

Representing (Optional)

P.O. BOX 225, DELTA JCT, AK. 99737

Address

(907) 895-4179

Phone No.



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bill/ subject committee name

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THANK YOU  
R. C. Bowler

Signed:

R. C. Bowler  
Testifier

SELF  
Representing (Optional)

P.O. Box 2 DELTA ALASKA 99737  
Address

895-4448  
Phone No.



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Signed:

Testifier

self

Representing (Optional)

P.O. Box 731

Delta jet

Address

895-5128

Phone No.

*AW*



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Signed: Michael O. McCowan  
 Testifier  
Self  
 Representing (Optional)  
HC 60 Box 4120 Delta Jct, AK 99737  
 Address  
Delta Jct. 907-895-4133  
 Phone No.



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Signed: Patrick Anthony Dalton  
Testifier

Representing (Optional)  
PO Box 1413 Delta Junction AK 99737  
Address

Phone No.

**James F. Watford**

P O Box 214

Delta Junction, AK 99737-0964

Home Phone 907-895-4311

February 03, 1998

Subject: HB-53 LEASE-PURCHASE CORRECTIONAL FACILITY  
(FT. GREELY PRISON)

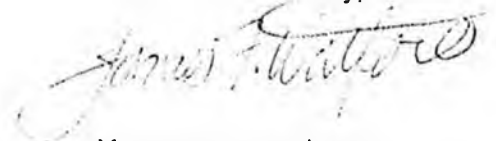
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in this area. We have sufficent dope peddlers and law breakers  
without adding to it.

The Delta Junction Citizens do not need to become the  
finical pocket book for Allvest Co.. I do not believe the state  
of Alaska needs that.

Sincerely,



Your name goes here



# Alaska State Legislature

Please enter into the record my testimony to the FINANCE  
 committee on HB 53, dated 3 Feb 98  
 bill/ subject FINANCE  
 committee name

There are two perspectives to look at in this proposal. The large scale is the current penalties and housing of prisoners outside Alaska because of over crowding. The privatization of a new prison is the most economical for the state.

At the local level we will loose 250 government jobs, nearly 330 military and 480 family members. Also, half of the teachers in the local schools will loose their jobs, which is the second largest employer in the area.

Only one college has said, <sup>in writing</sup> they will stay after Greely closes, and that is cavitated by the prison coming in and making the operation economically feasible.

- 62% of one of the highest voter participation voted

Signed:

KEVIN KELLY  
 Testifier yes  
self & CENTRAL TEXAS COLLEGE  
 Representing (Optional)  
PO Box 40 Delta Junction AK 99737  
 Address  
907-895-4334 (H) 907-869-3301 (W)  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
committee on HB 53, dated Feb. 3, 1998  
bill/ subject committee name

UNIVERSITY  
business faculty  
member,

My name is Donna Gardino, A DELTA RESIDENT, management consultant AND VOLUNTEER toward economic development since the BRAC announcement. Typically, a STATE OR CITY AGENCY must base procurements on a competitive bid basis (SECTION 33.30.031 (c)). IF the legislature DECIDES that a contract with DELTA Junction is in the best interest of the STATE, then I believe the legislature should consider a requirement that DELTA Junction hold a competitive process to identify the "best value" provider of correctional services. ALLVEST has never operated a medium security correctional facility. I believe the competitive process, by definition + nature of the process, would yield better value to the STATE + the community. Without such requirement, ALLVEST would be a sole source procurement. If this happens, be ASSURED that the COALITION BOARD has formed a negotiation committee, reviewed ALLVEST's proposed agreement + pencilled over 50 changes AT FIRST REVIEW. CONVEYANCE ISSUES ARE SERIOUS ones with great community implications AND will NOT be considered lightly. UNLESS WE CAN be successful in negotiations with proper legal + management approval,

A contract will NOT be signed with ALLVEST.

Thank you.

Signed: Donna Gardino  
Testifier

Representing (Optional)  
BOX 1026 DELTA 99737  
Address

Phone No. 395-4786 FAX 395-4777

Email dgardino@KNID.NET



# Alaska State Legislature

Please enter into the record my testimony to the House FINANCE  
committee name  
 committee on HB 53, dated 2/10/98  
bill/ subject

Please do not approve HB53. If private prisons are not acceptable for the whole state, why make Delta an exception? The vote presented to you was not an actual reflection of the whole town's feelings. People were advised by the coalition to vote yes even if they were unsure so the coalition could continue to work with Allvest. The coalition led the public to believe it was not a done deal and the public would have the final say on the prison. Now the coalition refuses to commit to a final **LEGAL** vote by our citizens!

Another concern many of us have is, does Delta have the ability to handle a possible escape? We have only three Troopers (who work in shifts) in our community. The nearest assistance for them is 100 miles away! What would be the cost to the state to provide assistance for these three individuals? What would be the justification for the state if a single life was lost (either Trooper or private citizen) because of inadequate protection in the event of an escape?

Thank you,  
 Nanci Ruthschild-Kennedy

Signed: Nanci Ruthschild-Kennedy  
 Testifier

Representing (Optional)  
Box 1333 Delta Junction, AK 99737  
 Address  
895-11408  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the H Finance  
committee name  
 committee on HB 53, dated Feb 10, 98.  
bill/ subject

Dear Senators and Representatives,

I oppose a prison in Delta Junction because back east where I lived before had prisons. My sister at age 3 was kidnapped, raped, molested and put in a river with a rock on her head. The killer was an escaped convict. He was not caught until he died of a heart attack, where police found evidence of many other children that he murdered. Another incident happened when I was working at an apple plant, a drug addict that just got out of jail shot 2 men in the head. For \$60 he shot one man stole the other guys car, 2 Days later held up a convenient store killed more people, finally got shot by police. I don't want this to happen here in Delta, Delta is a small town and prisoners are likely to hit houses. If a vote is important for a decision maybe Delta can conduct a proper vote now that people know more information about the facts. If there's any way to stop this please let me know. Thank you Annette.

Signed: Annette Hannan  
Testifier  
Opposing a prison in Delta  
Representing (Optional)  
HC60 Box 3105 Delta Jct, Ak, 99737  
Address  
(907) 895-4284  
Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House FINANCE  
 committee on HB 53 , dated 2/10/98  
bill/ subject committee name

A windfall for select businesses, construction for Loretta Schooley, rentals for Cleta Banger and fuel contracts for Jim Carlstrom, are not solutions to prison overcrowding for this state.

Why ~~should~~ would a representative for Anchorage's concerns continue to promote a bad bill?

NO to HB 53

Signed:

Charles E. Abbott  
 Testifier  
P.O. Box 1434  
 Representing (Optional)  
Delta Jct, Alaska  
 Address  
895-1098  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE FINANCE  
committee on HR 53, dated 2-10-98.  
committee name  
bill/ subject

DEAR HONORABLE COMMITTEE MEMBERS.

180 OF THE PROPOSED JOBS FROM ALLUEST  
WILL HAVE A TOP PAY OF \$12 PER HOUR

A PERSON ABSOLUTELY CAN NOT SUPPORT  
A FAMILY IN DELTA ON THAT PAY.

REMEMBER, THAT IS THE TOP PAY,  
NOT STARTING PAY.

MANY JOBS TOP OUT AT LESS THAN \$10  
PER HOUR.

THIS WILL NOT BE AN ECONOMIC BENEFIT  
FOR DELTA, BUT JUST THE OPPOSITE.

PLEASE KILL HR53 FOR THIS AND MANY  
MORE REASONS. THANK YOU

Signed: Fr C Rowden

Testifier

SELF

Representing (Optional)

P.O. Box 2 DELTA JCT, AK 99737

Address

895-4448

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House FINANCE  
committee name  
 committee on HB 53, dated 2/10/98  
bill/ subject

I AM NOT IN FAVOR OF THE EARLY PRISON OR ANY PRISON WHERE THE STATE OF ALASKA HAS TO GUARANTEE THE BONUS, BENS AND 20 YEARS CONTRACTUAL AGREEMENT TO A PRIVATE CORPORATION STRICTLY FOR THEIR PRIVATE FINANCIAL GAIN. THE STATE OF ALASKA WOULD BE FOOLISH TO GUARANTEE ANYTHING LIKE THAT OR ANYTHING FOR 20 YEARS, THE STATE CANT EVEN GUARANTEE WHAT OIL PRICES ARE GOING TO BE.

NEXT ALVEST WILL WANT TO ATTACH THE PERMANENT FUND IF THIS WAS SUCH A GOOD PROJECT ALVEST COULD DO IT ON THEIR OWN!

Signed: John Whitley  
Testifier

Representing (Optional)  
P.O. Box 248, Delta Jct. Alaska 99737  
Address  
895-5247  
Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House FINANCE  
 committee on HB 53, dated 2/10/98  
 bill/ subject committee name

I object to fast track and semi legal voting techniques used to gain public support for the prison proposal.

This same technique of, bending rules and laws instead of following the intent of the Law, seems to be continuing. From the previous Finance Committee teleconferences, I have learned that there are serious legal concerns about this proposal. Why must our Legislators be so obsessed with getting around the Law. If it is illegal for the State to contract out without a competitive bidding process, why proceed?

Delta is merely a conduit for State money. Another way of saying this is; Delta Junction will be used to do what would be illegal otherwise.

Furthermore private prisons are a bad idea. It is the State government's responsibility not the private sector. No private company should be entrusted with a monopoly on the penal system.

The Legislators also have a responsibility. Our Lawmakers should be examples to us of proper ethical and moral conduct. This bill is ~~not the proper use of~~ does not look good.

Signed: Patrick Anthony Dalton  
 Testifier  
 \_\_\_\_\_  
 Representing (Optional)  
 \_\_\_\_\_  
 Address  
 \_\_\_\_\_  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
committee name  
 committee on HB 53, dated 2/10/98  
bill/ subject

TO: All members House Finance Committee,

Please support HB-53, which could provide  
 'ECONOMIC SECURITY' for my community.

Having personally researched the effects of such  
 projects, as the Ken Ross Center, (formerly Kinchloe AFB, MI.),  
 and others, I confidently support a medium security  
 correctional center reuse for the soon to be closed  
 Fort Greely.

I do not agree with our honorable Governor's plan  
 for expanding existing facilities. The price tag for  
 which is simply GROSS OVERSPENDING!  
 and should not be allowed. Thank-You

Signed:

Joseph P. Clark Joseph P. Clark

Testifier

SELF / Ft. Greely Employee

Representing (Optional)

P.O. BOX # 1350 DELTA JCT., AK. 99737

Address

(907) 895-4454

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House FINANCE

committee on HB 53, dated 2/10/98  
bill/ subject committee name

Prison or NO PRISON I  
want what I WAS Promised  
year 2001, or MY Full Retirement  
From Civil Service

Signed:

[Signature]  
Testifier

Representing (Optional)  
PO BOX 187 DELTA JCT 99737  
Address  
873-3180  
Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE FINANCE  
committee name  
 committee on HB 53, dated 2/10/98  
bill/ subject

TO HOUSE FINANCE COMMITTEE

I would like to THANK you FOR THIS OPPORTUNITY TO EXPRESS MY OPINION ON BILL HB 53 I AM FOR THE FUNDING FOR A MEDICINE SECURITY PRISON HERE AT FORT GREELY. PLEASE CONSIDER US WERE AN PASS THIS BILL THANKY you SO VERY MUCH  
 Pastor Curtis Jaylen

Signed: Pastor Curtis L Jaylen  
 Testifier

Representing (Optional)  
PO BOX 956 Delta AK 99737  
 Address  
907-8955279  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
committee name  
 committee on HB 53 dated 2/10/98  
bill/ subject

BEFORE ANY ACTION IS TAKEN THE PEOPLE NEED  
 TO KNOW ALL THERE OPTIONS AND GET ALL THE FACTS.  
 MOST IMPORTANT IS THAT THE BAC TIME LINE  
 BE HEARD TO

Signed:

Kenn R MILLER  
 Testifier SELF  
 Representing (Optional)  
3055 MILLIONS RD  
 Address DELTA  
 Phone No. 495-50016

TOTAL P.01

TOTAL P.11



# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
committee name  
 committee on HB 53, dated 2/10/98  
bill/ subject

*I am against any acceleration of timeline as to the  
 time from here at Ft. Greely.*

*Also I am against almost taking over any part of Ft. Greely  
 for the purpose of putting in a prison system here!*

Signed:

*Alida R. Chaffin*  
 \_\_\_\_\_

Testifier

\_\_\_\_\_  
 Representing (Optional)

Address

*P.O. Box 712 Delta, AK 99829-0712*  
 \_\_\_\_\_

Phone No. *878-4402 - work.*

*Home - 895-4672*



# Alaska State Legislature

Please enter into the record my testimony to the House FINANCE  
committee name  
 committee on HB 53, dated 2/10/98  
bill/ subject

I would like to go on record saying that if the prison is needed now why won't it be needed just as bad in 2001? If it becomes operational in January 2000 then the current BRAC time line would be moved up. Some of the functions of the buildings being requested by Allvest could be moved but not all. Even though I have heard time and again jobs and people would still be here, I have gone through a RIF and if a function goes away, that is always followed by a RIF. That means the time line we were told about is no longer in effect. The workforce at Fort Greely can deal with the re-alignment and uncertain future but it is not fair to keep changing the proposed time-line. I would support the prison in a heart beat if the time-line that we were told about in 1995 were held up.

**IF IT IS AN ACCELERATED TIME LINE, I CANNOT SUPPORT THIS PROPOSAL.**

Signed:

Lucille Lassek

Testifier

Representing (Optional)

Box 1045, Delta Jct, AK 99837

Address

907-895-4597

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE FINANCE  
committee on HB 53, dated 2/10/98  
bill/subject committee name

Prison or NO PRISON I  
won't what I WAS Promised  
year 2001, of my full Retirement  
From Civil Service

Signed:

*George Hoyle*  
Testifier

Representing (Optional)  
PO Box 187 Delta JCT 99757

Address  
873-3180  
Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
committee name  
 committee on HB 53, dated 2/10/98.  
bill/ subject

My opinion is THAT PRIVATE OWNERSHIP OF A PRISON IS OUT OF PLACE. I THINK THE DEPT. OF CORRECTIONS TESTIMONY OF LAST FRIDAY (FEB. 6) WAS VERY VALID. WHERE PRIVATE ~~OWNERSHIP~~ <sup>OWNERSHIP</sup> IS WORKING FOR PROFIT, IT WILL BE FORCED TO KEEP AS MANY BEDS FULL AS POSSIBLE AT ANY COST, WHETHER IT IS AT THE COST OF EMPLOYEES OR PRISONERS.

I PERSONALLY DON'T TRUST ALVEST (THERE'S TOO MUCH UNKNOWN ABOUT THEM), AND I DON'T THINK THE DELTA COALITION HAS CONSIDERED ALL THE PROBLEMS WITH THE PRISON AND THE NEEDS OF THE EMPLOYEE FAMILY MEMBERS THAT WILL COME. THE ARMY HAS MANY SUPPORT PROGRAMS AND RECREATIONAL ACTIVITIES FOR ITS FAMILY MEMBERS. THESE WILL ALL BE GONE.

FURTHERMORE THE TALK OF SHORTENING THE BRAC TIMELINE WILL HURT MANY PEOPLE.

THANKS FOR LISTENING,

Signed:

William J. Lappant  
 Testifier

P.O. Box 45 Delta Junction, Alaska  
Representing (Optional)  
 Address 99757-0045  
W.K.M. 907-873-4482  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
committee name  
 committee on HB 53 dated 2/10/98  
bill/subject

I am not in favor of a prison on Ft. Greely.  
 I believe it (Prison) will change the way we  
 live here. I don't believe there are people  
 here who are qualified to run a prison. Their-  
 for that means more people, and fewer or no  
 new jobs for the people that live here now.

Signed: Robert M. Lee  
 Testifier


Representing (Optional)  
H.C. 60. Box 3140 Delta Jct. Alaska 99737  
 Address  
1-907-4895-4159  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
committee name  
 committee on HB 53, dated 2/10/98.  
bill/ subject

I do not support the reuse of Fort Greely as a private prison. The Alvest proposal is very good business, but only for Alvest. I would not contest a state run prison here if the majority of Deltoids wanted it. I believe the present Brac time line should be adhered to in any case. Many families would be adversely affected with any change in the Brac time line. This would provide the necessary time for a more informed decision by our recently awakened population!

Signed: PA. Bray   
Testifier

PO Box 533 Delta Jct. AK. 99737  
Address  
645-4930  
Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
committee name  
 committee on HB 53, dated 2/10/98  
bill/ subject

I am opposed to this bill following  
 the proposed timelines.

The community needs time to prepare  
 and give existing government employees  
 time to evaluate the situation. Fast track  
 also removes 300 civilian and about  
 350 military jobs. The community needs  
 the existing jobs rather than a layoff  
 and the resulting low paid jobs.

The State of Alaska is committing itself  
 to do business w/ At least exclusively. I  
 don't like this. Put a state run &  
 operated jail here in 2001?

Signed: [Signature]  
 Testifier

Representing (Optional)  
Box 468

Address  
Dark Vol AK 99737  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House FINANCE  
committee name  
 committee on HB 53, dated 2/10/98  
bill/ subject

I am in opposition to a prison at Ft. Greely  
 I think the Alvest, proposal is only good for Alvest,  
 and will do very little for Delta. \* I would like to  
 see the present BRAC time lines adhered  
 to. This will affect many families in our area.

Signed:

Russell Beardsley  
 Testifier  
Self  
 Representing (Optional)  
P.O. Box 1048  
 Address  
(907) 895-4328  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
committee name  
 committee on HB 53, dated 2/10/98.  
bill/ subject

I am opposed to the Allvest proposal of placing a prison at Ft. Greely. I do not believe it will provide a viable replacement of the downsizing of Ft. Greely.

I believe the Department of the Army needs to be held to the BRAC timelines to allow current employees the time to prepare for what the future holds for them. The wages Allvest proposes to pay cannot begin to replace the current wages, health benefits, and retirement plan that the employees now receive.

Signed:

Charles P. Stewart  
 Testifier

Representing (Optional)  
P.O. Box 612 Delta Jct. Ak 99757  
 Address  
895-4498  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House FINANCE  
committee name  
 committee on HB 53, dated 2/10/98.  
bill/ subject

THE GUIDE LINES WERE SET, BY B.R.A.C. AND THE LEGISLATION. JUST LET IT GO TO 2001.

THIS WHOLE SITUATION SEEMS TO BE TRAVELING DOWN A ROAD OF THE UN-KNOWN. AND, IT'S GOING TO NEED THIS TIME TO COME UP WITH A CONTRACT, FOR ALL INVOLVED. ALSO, I'M OPPOSED TO ALLVAST BED AT A PRISON HERE.

THANK-you

Signed:

Terrance Dean  
 Testifier

Representing (Optional)  
Box 805 DELTA JCT. ALASKA 99737  
 Address

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
committee name  
 committee on HB 53, dated 2/10/98.  
bill/ subject

I AM A CIVILIAN EMPLOYEE AT FT. GREEELY.  
 I FEEL THE STATE LEGISLATURE  
 SHOULD SUPPORT THE DELTA JCT/  
 ALLVEST PROPOSAL WHEN THE FT.  
 GREEELY REALIGNMENT HAS OCCURRED  
 IN 2001.                      THANKYOU

Signed:

JOSEPH CRANDALL  
 Testifier

Representing (Optional)  
PO Box 1007 Delta Jct

Address 895 4045

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House FINANCE  
 committee on HB 53, dated 2/10/98  
 bill/subject committee name

I am opposed to the Allvest proposal of placing a prison at Ft. Greely. I do not believe it will provide a viable replacement of the downsizing of Ft. Greely.

I believe the Department of the Army needs to be held to the BRAC timelines to allow current employees the time to prepare for what the future holds for them. The wages Allvest proposes to pay cannot begin to replace the current wages, health benefits, and retirement plan that the employees now receive.

Signed:

Charles P. Stewart  
 Testifier

Representing (Optional)  
P.O. Box 612 Delta Jct. Ak. 99757  
 Address  
895-4498  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
 committee on HB 53 dated 2/10/98  
 bill/ subject committee name

THE GUIDE LINES WERE SET, BY B.R.A.C. AND THE LEGISLATION. JUST LET IT GO TO 2001.

THIS WHOLE SITUATION SEEMS TO BE TRAVELING DOWN A ROAD OF THE UN-KNOWN. AND, IT'S GOING TO NEED THIS TIME TO COME UP WITH A CONTRACT, FOR ALL INVOLVED. ALSO, I'M OPPOSED TO ALLVST BID AT A PRISON HERE.

THANK-YOU

Signed:

Tennant Dean  
 Testifier

Representing (Optional)  
Box 205 DELTA JCT. ALASKA 99737  
 Address

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House FINANCE  
committee name  
 committee on HB 53 , dated 2/10/98  
bill/ subject

I AM A CIVILIAN EMPLOYEE AT FT. GREELY.  
 I FEEL THE STATE LEGISLATURE  
 SHOULD SUPPORT THE DELTA JCT/  
 ALLUEST PROPOSAL WHEN THE FT.  
 GREELY REALIGNMENT HAS OCCURED  
 IN 2001. THANK YOU

Signed:

JOSEPH CRANDALL

Testifier

Representing (Optional)

PO Box 1007 Delta Jct

Address

895 40-15

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
committee name  
 committee on HB 53, dated 2/10/98  
bill/ subject

As a concerned citizen it is my belief that the timeline for realignment / reuse 8 ~~to~~ fact be left as originally stated by BRAC. The ~~reason~~ <sup>Basis</sup> for the timelines were established for a ~~specific reason~~ specific reasons. these reasons have not changed. I urge you to consider these facts while you are formulating your decision.

Signed:

Henry Muth  
 Testifier  
MUSE  
 Representing (Optional)  
701 902 736  
 Address  
Delta Jct AK 99737  
 Phone No.  
895-4220



# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
committee name  
 committee on HB 53, dated 2/10/98  
bill/ subject

I am against the Allvest proposal based on the existing information available to me. And I am also against the elevated time line that would enter for with the original time set by the ~~Delta~~ BRAC <sup>etc</sup> committee on the Fort Greely draw down

Signed:

Ron Roden  
 Testifier

HC 60 Box 4460 Delta Jct., AK. 99737  
 Representing (Optional)  
 Address

Home: (907) 895-4981 - work 823-3101  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
committee on HB 53, dated 2/10/98  
bill/subject committee name

Prison or no Prison I  
won't what I was promised  
year 2001, or my full Retirement  
from Civil Service

Signed:

[Signature]  
Testifier

Representing (Optional)  
PO Box 87 Delta JCT 99737  
Address  
813-3180  
Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Finance committee name  
 committee on HB 53 , dated 2/10/98  
 bill/ subject

My opinion is THAT PRIVATE OWNERSHIP OF A PRISON IS OUT OF PLACE. I THINK THE DEPT. OF CORRECTIONS TESTIMONY OF LAST FRIDAY (FEB. 6) WAS VERY VALID. WHERE PRIVATE ~~INDUSTRY~~ <sup>OWNERSHIP</sup> IS WORKING FOR PROFIT, IT WILL BE FORCED TO KEEP AS MANY BEDS FULL AS POSSIBLE AT ANY COST, WHETHER IT IS AT THE COST OF EMPLOYEES OR PRISONERS.

I PERSONALLY DON'T TRUST ALVEST (THERE'S TOO MUCH UNKNOWN ABOUT THEM), AND I DON'T THINK THE DELTA COALITION HAS CONSIDERED ALL THE PROBLEMS WITH THE PRISON AND THE NEEDS OF THE EMPLOYEE FAMILY MEMBERS THAT WILL COME. THE ARMY HAS MANY SUPPORT PROGRAMS AND RECREATIONAL ACTIVITIES FOR ITS FAMILY MEMBERS. THESE WILL ALL BE GONE.

FURTHERMORE THE TALK OF SHORTENING THE BRAC TIMELINE WILL HURT MANY PEOPLE.

THANKS FOR LISTENING,

Signed:

William J. Lappart  
 Testifier

Representing (Optional)  
P.O. Box 45 Delta Junction, Alaska  
 Address 99757-0045  
W.H.M. 007-873-4482  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House FINANCE  
committee name  
 committee on HB 53, dated 2/10/98  
bill/subject

I am not in favor of a Prison on Ft. Greely.  
 I believe it (Prison) will change the way we  
 live here. I don't believe there are people  
 here who are qualified to run a prison. Their  
 for that means more people, and few or no  
 new jobs for the people that live here now.

Signed:

Robert M. Lee  
 Testifier

U.C. Box 3140 Delta Jct. Alaska 99737  
Representing (Optional)  
 Address  
1-907-895-4159  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
committee name  
 committee on HB 53, dated 2/10/98  
bill/ subject

I do not support the reuse of Fort Greedy as a private prison. The Alvest proposal is very good business, but only for Alvest. I would not contest a state run prison here if the majority of Deltonids wanted it. I believe the present Brae time line should be adhered to in any case. Many families would be adversely affected with any change in the Brae time line. This would provide the necessary time for a more informed decision by our recently awakened population!

Signed: PA. Brae [Signature]  
 Testifier

Presenting (Optional)  
P.O. Box 533 Delta Jct. AK. 99737  
 Address  
907-4930  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House FINANCE  
 committee on HB 53 , dated 2/10/98  
 bill/ subject committee name

I am opposed to this bill following  
 the proposed timelines.

The community needs time to prepare  
 and give existing government employees  
 time to evaluate the situation. Fast track  
 also removes 300 civilian and about  
 350 military jobs. The community needs  
 the existing jobs rather than a layoff  
 and the resulting low paid jobs.

The State of Alaska is committing itself  
 to do business w/ Allwest exclusively. I  
 don't like this. Put a state run &  
 operated jail here in 2001 P.B

Signed: [Signature]  
 Testifier  
 Representing (Optional)  
Box 468  
 Address  
Dark Vol AK 99237  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House FINANCE  
committee name  
 committee on HB 53, dated 2/10/98.  
bill/ subject

I am in opposition to a prison at Ft. Greely  
 I think the Alvest, proposal is only good for Alvest,  
 and will do very little for DELTA. \* I would like to  
 see the present BRAC time lines adhered  
 to. This will affect many families in our area.

Signed:

Russell Baender  
Testifier  
SLK  
Representing (Optional)  
P.O. Box 1048  
Address  
(907) 895-4328  
Phone No.





# Alaska State Legislature

Please enter into the record my testimony to the House FINANCE  
committee name  
 committee on HB 53, dated 2/10/98.  
bill/ subject

As a registered voter and TAX payer,  
 I am adamantly opposed to putting a prison  
 in Delta, where we lack adequate law  
 enforcement to protect my community from  
 potencial escaped prisoner(s).

I would suggest to you that a prison  
 on Adak Naval Base would solve your  
 over crowding problems without placing  
Any communities of Alaska at risk.

I am willing to pay a lot more money  
 to keep Alaskans safe, rather than saving  
 money and leaving citizens at greater than  
 nessacary risk.

Signed:

Shirley T. Lee-Rogers  
 Testifier

my family

Representing (Optional)  
P.O. B. 1356, Delta Jct, AK 99737

Address  
(907) 895-6203

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
committee name  
 committee on HB 53, dated 2/10/98  
bill/ subject

*I do not support any movement or bill which would change or adopt the BRAC timetable. Our lives have already been impacted by this latest proposal and I feel that we should not hurry into any agreement.*

Signed:

*Frank S. ...*  
 \_\_\_\_\_

Testifier

Representing (Optional)

*PO Box 447 Delta AK*  
 \_\_\_\_\_

Address

*cell. 843 4494*  
 \_\_\_\_\_

Phone No.





# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
committee name  
 committee on HB 53 , dated 2/10/78  
bill/ subject

NO I am not willing to give up my job  
 early to Arnie in a prison. We were  
 promised the year 2001.

Signed:

Mary L Brown  
 Testifier

Representing (Optional)  
P.O. Box 711 Delta

Address  
873-3702

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House FINANCE  
committee name  
 committee on HB 53, dated 2/10/98  
bill/ subject

I am not willing to give  
 up my job early so the  
 pension can come to St. Greeley.

Signed: Diana Berham  
Testifier  
 Representing (Optional)  
P.O. BOX 1378 DELTA  
Address  
895-4607  
Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
committee name  
 committee on HB 53 dated 2/10/98  
bill/subject

To whom it MAU CONCERN - House of Rep. JUNEAU.

I urge all house members to NOT support  
 HB 52. It serves a very narrow interest group  
 CONCERNING construction, ownership, and operation.  
 The facilities proposed would be entrusted to  
 a fledgling company with NO PRISON experience.  
 It would surpass in size any existing state owned  
 and operated prison only to be staffed by personnel  
 making a fraction of the pay.  
 More than bottom line and a sea of yet to be  
 announced price per bed per day are at stake.

As for the economic future of Delta Jct. the pros-  
 pects are as bright with out the prison. Maybe -

Signed:

PATRICK Schlichting Brighter

Testifier

Self

Representing (Optional)

HC Box 3050 - Delta Jct

Address

1-907-295-4896

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
committee name  
 committee on HB 53 dated 2/10/98  
bill/ subject

NO I am not willing to give up my job  
 early to being in a prison. We were  
 promised the year 2001.

Signed: Nancy L. Brown  
Testifier  
 Representing (Optional)  
P.O. Box 711 Delta  
Address  
873-3707  
Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House FINANCE  
committee name  
 committee on HB 53, dated 2/10/98  
bill/subject

I am not willing to give  
 up my job early so the  
 pension can come to St. Greeley.

Signed:

Deana Berham  
 Testifier

Representing (Optional)  
P.O. BOX 1378 DELTA

Address  
895-4607  
Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House FINANCE  
committee name  
 committee on HB 53 dated 2/10/98  
bill subject

NO I am not willing to give up my job  
 early to being in a prison. We were  
 promised the year 2001.

Signed:

Nancy L. Brown  
 Testifier

Representing (Optional)  
P.O. Box 311 Delta

Address

873-3702  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
committee name  
 committee on HB 53, dated 2/10/98  
bill/ subject

I am not willing to give  
 up my job early so the  
 pension can come to St. Greeley.

Signed:

Diana Berham

Testifier

Representing (Optional)

P.O. BOX 1372 DELTA

Address

895-4607

Phone No.

TOTAL P.01

TOTAL P.24



# Alaska State Legislature

Please enter into the record my testimony to the House Finance  
 committee on HB 53, dated 2/6/98  
 bill/ subject committee name

Sharon Dalton  
 P.O. Box 1413  
 Delta Junction, AK 99737

For the love of money is the root of all evil...I Timothy 6:10. It is apparent to me that the coalition has let the love of money override their sense of morality. It seems there are business people here as well as the coalition that are content to ruin a nice rural community in exchange for their own personal gain.

We moved to Delta seven years ago to be able to raise our children in a nice community. We cannot think of anything worse to bring to a town than a prison! We lived in a prison town once and there was always a sense of fear and uneasiness. Prisoners did sometimes escape. We will look for somewhere else to live if the prison is approved. I hear many other Delta residents saying the same thing. Property values would undoubtedly decrease.

My husband and I could both easily obtain employment at a prison. I am a R.N., he is a Medical Technician, and a carpenter. Many co-workers of mine have worked in prisons. They hated it, and left after a few months. We would prefer to be unemployed than risk our lives, and compromise our integrity to work in a prison.

Tourism is supposed to be the number one industry in Alaska. Many tax dollars were spent recently on road improvements on the Al-Can Highway. I can't imagine a worse eye sore as tourists reach the end of their scenic drive.

I have counted at least ten new businesses that have started in the past year. Does this sound like Delta is going to, "dry up and blow away"? This type of creativity will be stifled if a one business industry controls the town.

The construction phase will be for short term labor only. This will be a temporary fix and then enable people to qualify for unemployment, costing the state more money. Civil Service workers are not interested in changing employment to a private sector. Their goal is for a federal retirement. I left a career civil service job when we moved to Delta. I did not expect, nor do I think anyone else should, expect the government to bail me out because I chose to live in a small rural town.

I compel you to view this situation in its entirety and vote for the well being of the children and the entire community, not just the businesses who already have the most money.

May God give you wisdom as you weigh this critical matter. Thank you for your consideration.

Sincerely,  
*Sharon Dalton*  
 Sharon Dalton

Signed:

Sharon Dalton  
 Testifier

Representing (Optional)  
PO Box 1413 Delta AK 99737  
 Address  
None  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE FINANCE  
 committee on HR 53, dated 2-6-78.  
 committee name  
 bill/ subject

JIM CARLSTROM STEPPED DOWN AS "PRESIDENT OF THE COALITION" WHEN HE FOUND OUT HE WAS GOING TO BE ASK TO BY THE "CHAMBER OF COMMERCE" BECAUSE OF MORE THAN INSTANCE OF "BAD JUDGEMENT,"

ONE INSTANCE WAS "HE TOLD THE COALITION TO SIGN AN AGREEMENT WITH ALLVEST" WITHOUT READING IT

WHEN DAVE DURHAM (THE BANK MANAGER) REFUSED, JIM CARLSTROM CHASTISED HIM. LATER JIM CALLED HIS BOSS (WHO HAS A LOT OF INFLUENCE) AND HAD HIM CALL NBA AND TRIED TO HAVE DAVE FIRED.

I REQUEST HR 53 BE KILLED AND LET THE CITIZENS OF DELTA DECIDE WHAT THEY REALLY WANT.

THANK YOU

Signed:

Bill C. Rowley

Testifier

SELF

Representing (Optional)

PO BOX 2 DELTA CITY AK 99737

Address

895-4448

Phone No.

# What is the problem?

- Alaska's prisons and jails are severely overcrowded
- There is no space for new criminals
- Projections show system will grow by 200 prisoners each year
- State is under court order to decrease overcrowding
- State is being assessed fines for overcrowding
- No legislative action has been taken yet

# What Has Been Done?

1995: Department sends over 200 prisoners out of state

1996: "Protecting the People" introduced by Governor's Criminal Justice Cabinet

Governor introduces GO Bond bill to implement Protecting the People

Legislature discusses issues but takes no action

Legislature focuses on legislation for private prison in an Anchorage

Residents put initiative on municipal ballot to block prison

1997: Criminal Justice Cabinet writes to legislature offering to work with them

Legislature discusses issues and introduces a variety of bills

No legislation passes

Ballot measure passes effectively blocking prison in South Anchorage

1998: Governor introduces bill for Phase I of statewide expansion

# What must we do right away?

## Givens:

- Doing “nothing” is unacceptable
- The Governor will not commute sentences
- By May 1 we need to move over 500 prisoners

## Options:

- We can use more CRC beds for low risk offenders
- We can send more dangerous prisoners out-of-state
- And we can place nondangerous misdemeanants in tents or other temporary structures on prison grounds surrounded by a secure fence

# What are our long-term choices?

- The legislature can review, amend, and adopt the Governor's statewide expansion plan (HB 368, SB 267).
- The legislature can expand Spring Creek, replace Sixth Avenue, expand the state prison at Palmer and build a private prison at Palmer (SB 179).
  - As proposed, this does not meet our principles
- The legislature can authorize the conversion of Ft. Greely at Delta Junction into a medium-security prison for several hundred prisoners (HB 53)
  - As proposed, this does not meet our principles

02/10/98

FACILITY COUNTS

11:12:57

PAGE 01

LOCATION	STATUS	MISDEMEANANTS		----FELONS----		--TOTALS--
		MALE	FEMALE	MALE	FEMALE	
INTENSIVE FURLOU	SENT			1		1
100	UNSENT					
	TOTALS			1		1
INTENSIVE PRETRI	SENT			1		1
101	UNSENT					
	TOTALS			1		1
ANCHORAGE- 6TH A	SENT	30	6	4	2	42
111	UNSENT	59	9	9	18	95
	TOTALS	89	15	13	20	137
HILAND MT. CC	SENT	25	19	144	91	279
114	UNSENT		1	1	29	31
	TOTALS	25	20	145	120	310
INSTITUTIONAL TOTALS		507	60	2908	192	3667
CRC TOTALS		402	71	399	70	942

PRINT ID

GO TO PAGE 02

PF7- PAGE UP PF8- PAGE DOWN

02/10/98

FACILITY COUNTS

11:13:32

PAGE 02

LOCATION	STATUS	MISDEMEANANTS		----FELONS----		--TOTALS--
		MALE	FEMALE	MALE	FEMALE	
PALMER - MED. 115	CC SENT	40		176		216
	UNSENT	7		24		31
	TOTALS	47		200		247
FAIRBANKS CC 116	SENT	23	2	85	5	115
	UNSENT	20	4	114	11	149
	TOTALS	43	6	199	16	264
ANVIL MTN CC 117	SENT	18	4	61	2	85
	UNSENT	12		26	1	39
	TOTALS	30	4	87	3	124
LEMON CREEK CC 118	SENT	27	1	126	1	155
	UNSENT	10		34	3	47
	TOTALS	37	1	160	4	202
INSTITUTIONAL TOTALS		507	60	2908	192	3667
CRC TOTALS		402	71	399	70	942

PF7- PAGE UP PF8- PAGE DOWN

PRINT ID  
GO TO PAGE 03

02/10/98

FACILITY COUNTS

11:07:14

PAGE 03

LOCATION	STATUS	MISDEMEANANTS		----FELONS----		--TOTALS--
		MALE	FEMALE	MALE	FEMALE	
KETCHIKAN CC 119	SENT	11	2	32		45
	UNSENT	2		20	1	23
	TOTALS	13	2	52	1	68
MEADOW CREEK CC 121	SENT					
	UNSENT					
	TOTALS					
FBP 122	SENT			26	3	29
	UNSENT		1	7	4	12
	TOTALS		1	33	7	41
WILDWOOD CC 123	SENT	35		257		292
	UNSENT					
	TOTALS	35		257		292
INSTITUTIONAL TOTALS		507	60	2907	192	3666
CRC TOTALS		402	71	398	70	941

PF7- PAGE UP PF8- PAGE DOWN

PRINT ID  
GO TO PAGE 04

LOCATION	STATUS	MISDEMEANANTS		----FELONS----		--TOTALS--
		MALE	FEMALE	MALE	FEMALE	
COOK INLET	PRETR SENT	15		63		78
124	UNSENT	6		373	1-	378
	TOTALS	21		436	1-	456
PALMER - MIN.	CC SENT	16		184		200
125	UNSENT					
	TOTALS	16		184		200
GOOSE BAY	SENT					
126	UNSENT					
	TOTALS					
YUKON-KUSKOKWIM	SENT	16		24		40
127	UNSENT	41	4	48	1	94
	TOTALS	57	4	72	1	134
INSTITUTIONAL TOTALS		507	60	2907	192	3666
CRC TOTALS		402	71	398	70	941

PF7- PAGE UP PFE- PAGE DOWN

PRINT ID  
GO TO PAGE 05

02/10/98

FACILITY COUNTS

11:08:17

PAGE 05

LOCATION	STATUS	MISDEMEANANTS		----FELONS----		---TOTALS---
		MALE	FEMALE	MALE	FEMALE	
WILDWOOD PT 128	SENT	20	2	15	4	41
	UNSENT	9	1	53	8	71
	TOTALS	29	3	68	12	112
MATSU PRE-TRIAL 129	SENT	7		22		29
	UNSENT	23	4	50	4	81
	TOTALS	30	4	72	4	110
SPRING CREEK CC 131	SENT	2		579		581
	UNSENT	1		7		8
	TOTALS	3		586		589
ELK'S POINT CAMP 135	SENT					
	UNSENT					
	TOTALS					
INSTITUTIONAL TOTALS		507	60	2907	192	3666
CRC TOTALS		402	71	398	70	941

PRINT ID  
GO TO PAGE 06

PF7- PAGE UP PF8- PAGE DOWN

# ALASKA'S CORRECTIONS PLAN

Three components:

- Limit the number of prisoners going into the "hard bed" system (to the extent that this can be done in a manner that is consistent with public safety)
- Expand the number of "hard beds" to keep up with the growing numbers
- Get the prisoners out of "hard beds" quicker (to the extent that this can be done in a manner that is consistent with public safety)

Pursue expansion options that are:

- Safe
- Statewide (comprehensive)
- Meet regional needs
- Involve community participation (gov't to gov't)
- Cost effective

## Questions on HB 53 (Delta-Greely Prison Proposal)

1. What does the \$70 / day rate include?

- The Department's \$100 / day rate includes institutional operations, inmate programs, correctional industries, transportation, inmate health care, all administration support services, building and equipment depreciation and capital costs.

2. For how many years will the \$70 / day rate hold?

- What happens if the contractor defaults?

3. What is the total price tag of converting and operating Fort Greely as a medium-security prison?

- An RFP would specify operating and capital needs.



