

ALASKA LEGISLATURE

1422

HOUSE and SENATE FINANCE COMMITTEE FILES, 1995-1996

**Construction And Management Of Correction Facilities
For
The State Of Alaska.**

HB 428/HB 429

Anchorage AK, January 31, 1996

My name is John Christensen and I am Chairman of Chugach Alaska Corporation, one of the thirteen Alaska Native Regional Corporations. At the table with me today is Roger Endell, a past Commissioner of Corrections for the State and now Education Services Manager at the Palmer Job Corps Center, which is managed by Chugach Development Corporation (CDC), Chugach Alaska's main operating subsidiary.

We are here today to speak in support of HB428 and HB429.

The Federal Government made the determination some years ago that in many areas, the private sector could provide the same quality of service as government agencies, but at lower cost. For example, Chugach has been awarded a number federal contracts to provide Base Operations Support services at military establishments including King Salmon AFB, Adak NAS, and Wake Island Army Base. Recently we have been awarded the contract to provide Base Operations Support services at one of the Navy's largest facilities on the West Coast, Whidbey Island NAS.

It is not just the military who look to the private sector for this type of service. We have contracts with the Department of Labor (for the management of the Alaska Job Corps Center), the Patent Office, the Department of Energy, and the Department of Transportation. The concept of moving from government operated services to private sector operations is accepted and proven. In the field of corrections, it has been reported that the five new prisons being built by the Federal Bureau of Prison will be managed by the private companies.

Chugach Alaska sees HB428 and HB429 as the first of many steps to be taken by the State of Alaska as we follow the lead of the Federal Government in reducing the cost of Government. During a time when the Administration is considering imposing new taxes on the people of Alaska, it is important that the State be seen to be exploring all possible ways of reducing cost. It is not just a new corrections facility that should be considered for privatization. The Administration and Legislature should examine the entire bureaucracy, to find areas or even whole departments that could be operated more efficiently by the private sector.

The only question that has to be asked is "Can the private sector provide the required standard of service at a lower cost?" To make this determination, all costs have to be considered, including capital and other costs that are often hidden. When all the information is available, we believe the citizens of Alaska will see, that in many cases, the private sector can provide equal or better services at lower cost.

As you are well aware, it is not only cost that is important, but skills and dedication. Chugach recognized this, and has been working very closely with Correction Corporation of America (CCA) to develop a first class team to design, finance, construct and operate new corrections facilities. The two companies make a very strong team. CCA has extensive experience and skills in the corrections industry, while Chugach has considerable experience in managing complex facilities and providing education services.

CHUGACH ALASKA CORPORATION

It is obvious that some State employees are not too happy with the concept of the private sector encroaching on their turf. I have read statements from state employees accusing the private sector of being anti-union, of sending profits out of state, of employing people who are unskilled and who lack the devotion to duty of the state employee.

It is necessary for me to set the record straight as far as Chugach is concerned, and to correct these deliberate misstatements.

First of all I would point out that Chugach is definitely not anti-union. Chugach has an excellent working relationship with the Laborers Union, with the Teamsters and with the Operating Engineers. All three unions have members working for Chugach subsidiaries, and they recognize, as do we, that to survive in this world, we all have to be competitive.

Secondly, it has been claimed that a private prison operator will take A'a'ka's money Outside. All profits earned by Chugach go to a Corporation wholly owned by Alaskan Natives. Many Chugach employees are Chugach shareholders. Others have spent their whole lives in Alaska. The award of a contract to Chugach will result in more Alaskans being employed.

As for dedication of service, it is hypocritical to suggest that people in the private sector do not have the same dedication as those in government service. The performance of Chugach employees working on federal contracts demonstrates the inaccuracies of those statements.

The final charge levied against the private sector by some state employees is that private companies do not have the necessary skills. I challenge them to fault the qualifications of the Chugach/CCA team.

As Roger Endell can tell you, the Job Corps Center in Palmer, was rated in the top five out of 111 Centers in the US. We are specialists in providing basic education and teaching work skills. We provide drug and substance abuse counseling, and we teach social and life skills to those who missed out on the normal educational opportunities. We also operate the medical and dental facilities at the center.

Chugach has received commendations from the Navy and the Air Force for the quality of its work at bases around the world. This work consists of maintaining isolated bases in inhospitable environments. We will operate and maintain correction facilities in a similar professional manner.

I will let our partners from CCA speak for themselves. However I do know that many CCA employees came into the private corrections industry after long careers in the public corrections industry.

In conclusion we believe all Alaskans will benefit if private companies are allowed to compete against State Agencies. The competitive market process will determine whether the private or public sector is best qualified to design build and operate a new correction facility for Alaska.

I urge you to support these bills.

Thank you.

CHUGACH ALASKA CORPORATION

ALASKA JOB CORPS CENTER MEMORANDUM

DATE: February 1, 1996

TO: Mike Williams
Business Advisor, Chugach Alaska Corporation

FROM: Roger Erdell, Manager, Educational Services
Alaska Job Corps Center, Phone: 746-8881

SUBJECT: Legislative Hearings, CS for HB 428 and 429

1. On January 31, several individuals testified during Judiciary Committee hearings on the above bill, that they believed it would be wise to expand existing state correctional centers rather than build a major new facility. Unfortunately perhaps, the expansion of existing state correctional centers would be a very expensive proposition. In fact, most of the infrastructures of existing facilities will not support expansion.

Simply adding on to existing correctional centers by adding a wing here or there is neither wise from a correctional management perspective, nor from an infrastructural perspective. Sewer, heating, ventilation, food service, library, classroom, shop and all other spaces have to be sized to handle expansion. For example, the sewer treatment plant at the Hiland Mountain/Meadow Creek complex near Eagle River is at maximum capacity; the Juneau, Cook Inlet Pretrial (Anchorage), Hiland Mountain, Palmer and Fairbanks correctional centers have already been previously expanded, Juneau and Fairbanks a couple different times. Further expansions at these sites will likely require totally new "stand alone" facilities in order to function safely.

Only the Spring Creek facility at Seward and the Palmer Pre-trial facility were designed for relatively easy expansion with utilities and layouts anticipating the doubling of population space.

2. Secondly, several individuals testified that they had strong doubts or concerns about whether the state correctional system should contract with the private sector for the provision of space and supervision for Alaska's criminal offender population. In fact, the state has a long history of such contracts.

The Alaska Department of Corrections currently has 455 prisoners held in-state under private sector contracts and 205 held out-of-state under private management services contracts.

Mike Williams
February 1, 1996
Page 2

The total of 660 Alaska prisoners now in privately operated space is not a new concept in Alaska, or elsewhere. The proposed legislation merely clarifies that larger facilities can also be utilized under contracts with private sector service providers.

3. A third and final point should be addressed. The largest single category of prisoners that continue to clog the Alaska correctional systems' chain of small local and regional jails is the male sentenced felony population. This is the group which must be targeted in order to unclog the entire system.

There are currently 1,501 sentenced male felons held in-state and 247 out-of-state for a total of 1,748 sentenced male felons. If even half of these prisoners were removed from the existing facilities where they now reside, the state correctional system would be uncrowded overnight! The local and regional jail facilities would then be able to manage unsentenced local misdemeanants and felons awaiting trial and local sentenced misdemeanants serving short sentences. Until the long-term sentenced male felon population is properly housed, there cannot be any viable solution to uncrowding the states' correctional system. The C.S. for HB 148 and 149 could provide a substantial step toward the correct solution.

428 429

ALASKA STATE AFL-CIO

2501 Commercial Drive · Anchorage, Alaska 99501 · 907-258-6284 · Fax 274-0570

MANO FREY
Executive President



BRUCE LUDWIG
Secretary / Treasurer

February 14, 1996

Representative Eldon Mulder
State of Alaska
P. O. Box V
Juneau, AK. 99811

Dear Representative Mulder:

Enclosed are copies of letters expressing opposition to CS for HB 428. The Central Labor Councils' represent all of the AFL-CIO affiliated unions in the largest communities in the state. The Western Alaska Building and Construction Trades represents the construction unions in the Anchorage area. I believe it is extremely significant that the Building Trades Unions, who would benefit from a Project Labor Agreement, would rise up in opposition to this Legislation. We hope that you will agree with us - the negative economic impact of privatizing this prison would create financial chaos for the Anchorage Area. The managers of this facility would certainly make a profit off the backs of the workers. I also cannot envision the counseling, cultural, or physical needs of the prisoners being adequately met by a corporation trying to maximize profits.

Eldon, the unions of this State, representing both private sector and public sector employees, are proud of the contributions that our members have made to help Alaska grow. We are not ashamed that our Collective Bargaining Agreements provide for fair wages, that they also include a benefits package that allows people to retire with dignity and not suffer financial hardship due to costly medical expenses. Unfortunately, you are willing to forsake the positive benefits of everything that our members have accomplished, for a short-term financial gain that will grow like a cancer and ruin not just the Anchorage economy, but that of the whole state. There are always unscrupulous employers willing to pay their employees less just so they can make a profit. We **DO NOT NEED** this attitude to be promulgated by the legislature. We hope that you see the wisdom of amending this legislation to utilize the public sector employees for the operation of the prison when it is built under the terms of a Project Labor Agreement.

Sincerely,

Mano Frey
Executive President



WESTERN ALASKA BUILDING
& CONSTRUCTION TRADES COUNCIL
AFL-CIO

South of the 63rd Parallel



February 13, 1996

Representative Eldon Mulder
716 W. 4th Avenue
Anchorage, AK 99501

RE: Prison Project

Dear Representative Mulder,

I am writing on behalf of the affiliates of the Western Alaska Building and Construction Trades Council of Anchorage, Alaska.

During our February 6, 1996 meeting, the following motion was unanimously accepted.

The Western Alaska Building and Construction Trades Council thanks Representative Mulder for inclusion of a Project Labor Agreement to build the proposed new prison. However, we oppose CS for HB 428 because of the plan to privatize the operations of the prison when constructed. If it makes good business sense for the Construction Unions to build the prison, it also makes good business sense for the state employee's unions to represent the workers once the prison is operational.

Please be advised that CS for HB 428(JUD) cannot be supported by the Western Alaska Building and Construction Trades Council. Any Project Labor Agreement must contain a 100% Union Project and encompass all Unions, including Public Employees Union.

We appreciate your efforts in this area. If you have any questions regarding this issue, please do not hesitate to call on us.

Thanking you in advance for your attention to this matter, I remain

Respectfully,

Raymond Smith
President

Western AK Building & Construction Trades Council

cc: Larry Gallagher
Local #71
Charles O'Connell
ASEA #52

Juneau Central Labor Council AFL-CIO

124 Front Street, Juneau, Alaska 99801

Bob Provost, President
Inlandboatmen's Union of the Pacific

Dale Reid, Vice President
IU Operating Engineers Local 302

Katherine Brown, Secretary/Treasurer
ASEA Local 52

February 8, 1996

Honorable Mark Hanley
Honorable Richard Foster
Co-Chairs House Finance Committee
Alaska State Legislature

Dear Representatives Hanley and Foster:

The Juneau Central Labor Council represents most local unions based in the Juneau area. These unions represent construction trades, service unions and state and municipal public service employees.

As President of the Juneau Central Labor Council, it is my responsibility to inform you that the Council, by majority vote at its last monthly meeting, opposes House Bill 428 relating to the construction and operations of a correctional facility by a private agency, or any other legislation that would promote privatization of prisons in Alaska. It is the opinion of the Council that this bill is an ANTI-LABOR bill and cannot be supported in any form.

The short term gain for the construction trades, if there were to be a Project Labor Agreement, is greatly overshadowed by the loss of employment opportunities of the men and women who presently operate the State's penal system.

It is very disheartening that those elected to represent the citizens and voters of Alaska are willing to sacrifice those citizens and voters jobs by fostering a partnership by and between outside private prison management firms and the State of Alaska.

Most of the prisons in the State of Alaska were built with the intent to expand. Those expansions can meet the need for additional beds well under the \$100 million proposed by the outside management firms. Expansion of existing facilities will lend employment opportunities to a greater number of Alaskans in more communities than a single monument built to foster wealth for a few.



FAIRBANKS CENTRAL LABOR COUNCIL

January 29, 1996

Representative Eldon Mulder
State Capitol
Juneau, Alaska 99801-1182

Dear Representative Mulder:

A resolution opposing HB 428 and HB 429 was passed at the January 22nd Fairbanks Central Labor Council meeting. While HB 428 represents the most economically responsible way to build in Alaska the long-term economic impact of HB 429 prohibits support for these companion bills.

Once again we see legislation that will take jobs from Alaskans. Alaskans who buy homes, cars and groceries in Alaska. Once again we see legislation that will send corporate profits out of Alaska and bring out of state under qualified workers to Alaska.

The Fairbanks Central Labor council refuses to bite at the short-term carrot of short-term construction jobs at the long-term expense of lost jobs for long-term Alaskans.

Sincerely,

A handwritten signature in cursive script, appearing to read "John S. Brown".

John S. Brown
Field Representative

JSB:jah

Anchorage Central Labor Council AFL-CIO

OFFICERS:

Harriet Lawlor, Pres.
H.E.R.E. Local 878
Shane Ruuttila, Vice. Pres.
A.F.S.C.M.E. Local 52
Dennis Gearv, Secretary
A.P.E.A./A.F.T. Local 4900
Anna Bell Stevens, Treasurer
Laundry and Dry Cleaning Local 333

P.O. Box 91136 • Anchorage, Alaska 99509-1136

TRUSTEES:

Andv Piekarski
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Rob Cacy
A.F.G.E. Local 183
Valerie Baffone
P.E. Local 71
Sergeant at Arms:
Ed Kareen
Operating Engineers Local 302

January 24, 1996

Representative Eldon Mulder
State of Alaska
P. O. Box V
Juneau, AK 99811

Dear Representative Mulder:

The Anchorage Central Labor Council is that single entity that represents most local unions based within the Anchorage Bowl Area, which includes a strong representation of construction trades, service unions, municipal, state and federal public service unions, school district and university employee unions.

It is my duty and responsibility as President of the Anchorage Central Labor Council to inform you, by UNANIMOUS VOTE of council delegates in attendance at the monthly meeting, January 18, 1996, that the Council opposes BOTH HOUSE BILLS 428 and 429 or any other legislation that would promote privatizing of prisons in Alaska.

The opposition of both "bills" are due to the fact, they are "companion bills" and the interdependency allows an interpretation to be construed as ANTI-LABOR bills.

A PROJECT LABOR AGREEMENT bill on a lease/purchase construction contract would be greatly applauded by organized labor were it not for the private third party "operation of a correctional facility".

HB 429 as a companion bill or even as a "stand alone" bill is in it's entirety a "privatizing bill" and in definition an anti-union bill. This bill is an insult to the fine men and women that dutifully operate our present penal systems.

It is very disappointing that those elected to represent the citizens/voters of Alaska are willing to sacrifice those citizens'/voters' jobs by fostering a partnership by and between outside private prison management firms and the State of Alaska.

Let it be known, most of the prisons in the State of Alaska were built with the intent to expand. Those expansions can meet the desired beds and well under the \$100 million proposed by the outside management firms. Expansion of existing facilities will lend employment opportunities to a greater number of Alaskans than a single monument built to foster wealth for a few.

The socio-economic impact and adverse effect of privatizing needs to be fully explored. As well as the socio-economic impact of expanding existing facilities.



802 Woodmont Boulevard
Nashville, Tennessee 37205
Phone: (615) 242-3000
FAX: (615) 269-8635

November 1, 1995

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

Dear Representative Mulder:

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

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

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

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

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

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

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

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

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

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

Anchorage Central Labor Council AFL-CIO

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H.E.R.E. Local 878
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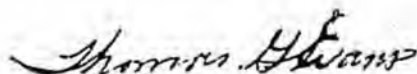
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Representative Eldon Mulder
January 24, 1996
Page 2

Remember, government employment has and will always be that one avenue that welcomed those of diversity and the less fortunate to job opportunities that did not have artificial barriers that are exclusionary. Privatizing would close this door of opportunity forever.

Privatizing would, more likely, bring those qualified firms from the lower 48 (those with penal experience). And, we know to well, the results of employment opportunities under these conditions for Alaskans. If there are any opportunities for Alaskan employment - it will be at the lower end - no doubt. Privatizing, though a catchy term, is not the answer nor should privatizing be given any consideration without exploring ALL OPTIONS.

Sincerely,



Thomas G. Evans
President
Anchorage Central Labor Council

cc: Governor Knowles
Commissioner Pugh
House of Representatives
State Senate



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

November 1, 1995

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Regards,

A handwritten signature in cursive script, appearing to read "John D. Rees".

John D. Rees

Mr. Chairman, members of the Judiciary Committee. My name is Russell Clemens. I am a Labor Economist for the American Federation of State, County, and Municipal Employees (AFSCME) in Washington, D.C. Our union, which numbers 1.3 million members, includes over 75,000 correctional officers who work in some of the largest and most volatile state correctional systems in the United States. I appreciate your giving us the opportunity to be here today.

The issue of prison privatization is one that concerns us because of its implication for public policy. The appeal of prison privatization is an alluring, yet beguiling one. In theory, it is a relatively simple proposition--fill cells, cut costs, and pass the savings on to government. The reality, however, belies the simplicity of the theory. The twin imperatives of cutting costs and filling cells translates into cutting corners in the operation of prisons both of which have severe consequences that have manifested themselves in several ways that should be of concern to you as a legislature.

Problems with security and escapes have plagued privately-operated prisons from the beginning. AFSCME has not been the only one questioning the consequences for prison security of introducing the profit motive into the management and operation of prisons. After five men, including one charged with stabbing a woman to death, escaped from the privately-operated Bay County, Florida Jail, the editors of the St. Petersburg Times raises these questions about privately-operated prisons: "Will a private company supply adequate staff to maintain institutional security? Will it have enough manpower to prevent escapes?"

Others have expressed concern about the wisdom of privately-operated prisons, especially when it comes to security. In fact, a much awaited audit of the privately-operated South Central Tennessee Correctional Center (SCCC) comparing it with two state-operated prisons found that 214 incidents of injuries occurred at SCCC during a 15 month period whereas 72 such incidents occurred at the two state operated facilities combined. Actually, security problems characterized SCCC from its opening. Between

March, 1992 and April, 1992 eight escapes occurred at the prison, which also had other security problems ranging from finding an inmate with a handgun during a routine search to inmates being inebriated in their cells. These experiences prompted the Memphis Commercial Appeal to comment as follows: "Tennessee's experiment with a privately operated medium security prison looked lean and clean when reporters and officials toured the new South Central Corrections Center. ... The problems arrived with the prisoners."

In view of the imperatives driving prison privatization, these problems ought to come as no surprise since among the costs that private corporations seek to cut are staffing, which accounts for approximately 60% of the operating costs of operating a prison. The Corrections Corporation of America slashed staffing by 17% at the Hernando County, Florida Jail when it assumed control of the facility. Inmate escapes in 1990 prompted the County Commission to request an inspection by the National Institute of Corrections, an agency within the United States Department of Justice. The NIC identified understaffing as a major problem at the jail and commended that additional correctional officers be hired. However, the comments of the company's jail administrator, which is comparable to a warden or superintendent, offer a valuable insight into a corporation's perspective regarding staffing a prison. "The county can agree with (adding the guards) if they want to," the administrator asserted. "but that means the price of poker goes up a far as you're concerned."

Viewed from that perspective, it ought not to be surprising when one of the players folds and walks away from the game. Shortly after Wackenhut Corrections Corporation assumed control of the Monroe County, Florida jail in 1990, the county and a state inspector informed the corporation that the state had previously ordered 11 security posts staffed. Served with a deficiency notice, the company increased its manpower, but to a level that remained below state requirements. The company then billed the county for an extra \$780,000 and demanded it to pay an additional \$2.6 million over the four-year

term of its contract. The county refused, insisting that the corporation should have known about the state's staffing requirements. Wackenhut then terminated the contract.

Loss of control is a danger when any public service is privatized. With a function as essential to public safety as the corrections system, the consequences are potentially ominous. Yet the drive to fill cells, which is the other imperative by which private corporations make money, can have such consequences. A few years after having been awarded a contract to manage and operate the Hamilton County, Tennessee penal farm, the Corrections Corporation of America notified county officials that, because of overcrowding at the facility, it would no longer indemnify (or insure) the county against lawsuits. "We must speculate," the County Attorney responded, "that your action is a ploy to coerce Hamilton County officials into constructing additional facilities for the housing of the overflowing state prison population so that CCA may continue to reap monies for housing these prisoners. If this position of the company is not reversed or clarified without exception, we will have no recourse but to consider this an act of default and consider remedies, including contract termination." Neither the Santa Fe County Commission nor the County Sheriff were notified when the corporation operating the county jail imported 54 inmates from the State of Oregon to fill cells at the facility. As things turned out, their backgrounds were not what the community had been led to believe. None of the inmates were supposed to have been convicted of a crime more serious than armed robbery. In reality, the group included 11 murderers, 17 rapists, and 2 kidnapers. County officials asked that the inmates be returned to Oregon, but only when threatened with the loss of its contract did the company operating the prison agree to do so.

I would be remiss in my responsibilities if I did not address the impact of prison privatization upon employees. Available information indicates that corporations pay wages that are 6%-19% lower and provide fewer benefits to correctional officers than public jurisdictions? But isn't this a good idea, since it means lower costs and thus savings for taxpayers? Not necessarily, for at least a few reasons. John Donahue, who has been a

professor of public policy at Harvard University notes in *Prisons for Profit: Public Justice, Private Interests* that low wages compromise the quality of the correctional officer labor force: "Public (correctional officers) are more likely to be high school graduates, to work full-time and year-round at their jobs, and to be of prime working age. Employers who hire the private-guard labor pool pay less mostly because they get less; lower labor costs mean a lower quality workforce." A study by the Urban Institute comparing a privately-operated and publicly-operated prison in the State of Kentucky confirms that staff of the state-directed institution were significantly older, better educated, had worked at the facility longer, and had wider correctional experience than the personnel at the privately-managed prison. Staff qualifications, the report concluded, "... favor better performance from the publicly managed facility." And perhaps you might wish to consider this. As fashionable as it may be to bash public employees, we are also citizens and taxpayers. We spend our earnings in the community where we work: we purchase homes there; we bank there providing a pool of money with which to lend to others; we buy our cars there; and we support the numerous small businesses that constitute the fabric of community life throughout Alaska. Put another way, our money stays in the community. It doesn't go out of state to contribute toward the profits of others.

Secondly, after all is said and done, after corners have been cut, staff reduced, accountability jeopardized, and paying lower wages and fewer benefits, has prison privatization really saved money for public jurisdictions? After reviewing the literature on the issue, the U.S. Government General Accounting Office (GAO, an independent agency that analyzes federal programs for Congress, found that the evidence is inconclusive--hardly a resounding endorsement. In fact, the 1995 Tennessee audit comparing the privately-operated medium security prison with two of the state's publicly-operated prisons found negligible savings. Impartial observers have begun to question whether privately-operated prisons save money. "It's not easy to make a profit in that business, so they've got to cut corners any way they can," Dennis Palumbo, a criminal justice professor

at Arizona State University, has asserted. "Private prisons may well cost more in the long run, not only in terms of taxpayer money, but also in the health and safety of prison staff and other law enforcement officers."

At the very least, the serious doubts regarding the efficacy of privately-operated prisons ought to be of sufficient concern to require a feasibility study pertaining to the applicability of this idea to Alaska. Such a study, it seems, would be essential before a policy decision is made to send over \$100 million of the taxpayer's money out of state. Yet, the proposed legislature contains no provision for such a study.

The failure to privatize does not preclude the state from addressing its problems regarding overcrowding. The construction of a mega-facility as proposed in the bill may not necessarily meet the needs of the entire state in this regard. In view of a system that has been developed around the idea of regionalization, it may make more sense to consider the expansion of existing facilities, which may also prove less expensive.

Kenai Natives Association, Inc.

215 Fidalgo St., Suite 203

Tangent Building

Kenai, Alaska 99611

January 24, 1998

Governor Tony Knowles
State of Alaska
P.O. Box 110001
Juneau, AK 99811-0001

Re: Privatization Concept for Corrections

Dear Governor Knowles,

This letter will advise of the intention of the Kenai Natives Association, Inc. (KNA) to explore the possibility of constructing and operating a private correctional facility on KNA lands adjacent to the existing Wildwood Correctional Center, and leasing it to the State. We would like to work with your office, the Department of Corrections, and the Legislature to study and develop a plan to address inmate overcrowding that exists throughout the State's correctional system. Naturally, we are very concerned with Native issues that are involved.

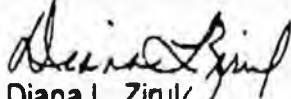
KNA has a previous track record with the State of Alaska, having served as landlord to the State at the Wildwood Correctional Center from 1983 until the State exercised its option to purchase the facility in 1992. During that time we enjoyed an excellent rapport with the Department of Corrections, and believe that relationship could continue in the best interests of all concerned. We have been a strong supporter of the correction's industry, and would hope that KNA would be given serious consideration should the State determine to pursue any agreement with a third party private entity to provide correctional services.

We are in the early stages of fact gathering, and it is likely that feasibility studies will be necessary to determine the exact nature of our anticipated involvement. However, KNA wanted to let you know of our interest and to request that we be kept advised of any significant event involving planning for the Department of Corrections that would impact our potential involvement.

Thank you for your continued support of Native involvement in the government, and for giving KNA consideration and support as a participant in our effort to explore how we might be able to assist the Department of Corrections with the inmate overcrowding and budget issues. Please advise if I can be of further assistance in this matter.

Sincerely,

KENAI NATIVES ASSOCIATION, INC.


Diana L. Zirul
President

DLZ:pa

cc: Margaret Pugh, Commissioner, Dep't. of Corrections
Brian Porter, Chairman, House Judiciary Committee
Mark Hanley, Co-Chairman, House Finance Committee

MTNT, Limited

P.O. Box 309
McGrath, Alaska 99627
Office (907)524-3391
Fax (907)524-3701

January 29, 1996

Rep. Eldon Mulder
House of Representatives
Juneau, AK 99801

Dear Rep. Mulder:

Please accept the following brief testimony from me on **HB 428 and 429**. Unfortunately, I will not be able to be present at your teleconference scheduled for Wednesday, January 31st. I would appreciate it if you would enter the attached testimony in the record.

Please contact me if I can be of any further assistance to you. Your assistant Denny DeWitt has been exceptionally helpful in keeping me informed of your efforts in the area of prison privatization.

Sincerely,

MTNT, LIMITED



Carl A. Propes Jr., CEO

TESTIMONY ON HB 428 AND 429**January 31, 1996****Carl A. Propes Jr.**

My name is Carl Propes. I am the CEO of MTNT, Limited, a merged village corporation for the villages of McGrath, Takotna, Nikolai and Telida. We are located in McGrath, Alaska, and we are a member of the Doyon Region and the Alaska Federation of Natives. Aside from management of our lands and natural resources and our investment portfolio, MTNT's principal activity is the operation of McGrath Light and Power, a regulated utility in McGrath, Alaska.

I have personally been interested in and an advocate of private correctional facilities in Alaska for quite some time now - perhaps for several years. Here is why.

First, crime is not going to disappear anytime soon. As we all know, it is on the increase. Also, the American public will demand more severe punishment for offenders. This is true in Alaska as well as in the Lower 48 states.

Secondly, it is a travesty to send 206 inmates outside to be housed in a facility in Arizona. From the standpoint of simple economics it is a travesty not to have the benefit of that state money circulating within the Alaskan economy. From a social standpoint it is a travesty for Alaskan offenders, a large percentage of whom are Alaska Natives, to be transported far from their homes, their loved ones, and their base of support, to be incarcerated in an unfamiliar area.

Thirdly, as the largest city and the commercial hub of Alaska, it makes sense to build the new correctional facilities that Alaska needs now and will need more of in the future in the greater Anchorage area. This will also be the most cost-effective location in Alaska to house inmates. It is also the headquarters for our transportation, medical and food service industries, all of which are an integral part of the prison business.

Anchorage also has suitable sites for locating an institution such as a 1000-bed prison, away from most residential neighborhoods and schools. The mayor of Anchorage has indicated his interest in and support of a new prison facility in this community.

Fourthly, one must accept the concept that competition, free enterprise and the marketplace are good things. Many activities which were formerly the sole domain of the government have been privatized, most with encouraging results. Many more can be in the future as well, as we come to realize that government cannot be all things to all people. Let industry in to compete to show us how something can be done faster, better and cheaper. In the long run this will restore the public's faith that they are getting the best results for their tax dollars from their government.

In conclusion, if a private company is willing to take the risk and invest in the construction and operation of a multi-million dollar prison in southcentral Alaska, I say let them do it. Government's proper role should be to administer the contract with this company to make sure that they meet the necessary standards, that their employees are properly trained and certified, and that their institution is accredited. I would like to have MTNT, my company, have the opportunity to joint venture in the bidding on such an enterprise. Just think of all of the direct as well as indirect employment and services which would be created as a result. If it works in about half the other states, private corrections can work in Alaska as well. At the very least, it should be given the opportunity to try.

House Committee on the Judiciary

Hearing on HB 428 and HB 429

January 31, 1996

Statement of Lawrence J. Nelson.

Mr. Chairman, thank you for the opportunity to participate in today's hearing. I am the General Manager of Purcell Services, a subsidiary of NANA Development Corporation. As you know, NANA is the native corporation headquartered in Kotzebue whose shareholders are the Inupaiq people of northwest Alaska.

Purcell Services supports the concepts embodied in HB 428 and HB 429. The fact that approximately 200 Alaska prisoners are currently incarcerated in Arizona clearly demonstrates the need for additional correctional facilities within Alaska. Housing our prisoners outside Alaska imposes significant financial burdens upon several agencies of State government, as well as creating obvious hardship for prisoners, and more particularly, the families of prisoners.

At the same time, testimony taken in the recent interim by the House Finance Subcommittee on Corrections demonstrated that the cost of housing Alaska prisoners at the privately operated facility in Arizona is nearly 50% less per inmate per day than the cost of custody in the institutions operated by the Department of Corrections here at home. It certainly appears that a new institution, located in Southcentral Alaska, built and operated by

competent private entities, presents a real prospect for keeping our prisoners in the State, and at less cost than we are now incurring.

The construction and operation of additional correctional facilities in Alaska would be beneficial to Alaska business and the Alaska worker. NANA has several operating business units that could readily be integrated into the corrections field. Purcell Services is a leading provider of security services to Alaska business. Purcell is for example, the security contractor for both ARCO and British Petroleum at Prudhoe Bay. Purcell ranks include a large number of people who formerly held command and management positions in Alaska law enforcement and corrections agencies. The establishment of a top quality work force from such a base of knowledge and experience would be, in our view, a very manageable task.

Another NANA entity that could provide services in a corrections setting is NANA/Marriott, our joint venture with the Marriott Corporation. NANA/Marriott is a premier services management contractor, with a diverse clientele that includes urban and remote site service to the oil industry, the Alaska Railroad, and many other facilities. NANA Marriott provides housekeeping, maintenance and food services. We believe the purchasing power that Marriott Corporation brings to the marketplace would help contain costs of operation.

Whether or not NANA is involved in the private corrections field, we believe this is a concept clearly worth exploring. I

should add that we well know Alaska Natives are represented in disproportionate numbers in the State's inmate population. NANA will support any legitimate effort to keep our prisoners not only in Alaska, but as close to traditional home areas as is possible. This might well necessitate the establishment of additional innovative corrections programs in rural Alaska.

I thank the committee for this opportunity to voice support for HB 428 and HB 429.



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES



CLERK
LEGISLATIVE COUNSEL

CLERK
HOUSE SPECIAL COMMITTEE
ON MILITARY AND
VETERANS AFFAIRS

CLERK
MILITARY AFFAIRS FOR
ANCHORAGE CAUCUS

REPRESENTATIVE ELDON MULDER
DISTRICT 23 MULDOON-Ft. RICHARDSON

MEMORANDUM

DATE: November 2, 1995

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

FROM: Denny DeWitt
Phone 465-2647

RE: Information on Tennessee Audit of CCA Facility

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

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

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

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

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

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



ALASKA STATE EMPLOYEES ASSOCIATION
AFSCME Local 52, AFL-CIO

FAX COVER

(11) PAGES INCLUDING COVER 465-3834

To: Rep. Brian Porter, Chair Fax: 258-5511
House Judiciary Committee

From: Chuck O'Connell, Business Manager
ASEA/AFSCME Local 52

Date: 2-3-96 Time: 11:30 a.m./p.m.

Re: HB 428 - Gary Dameron Testimony

Message: As promised yesterday this
is Correctional Officer Dameron's
testimony.

Please share with the rest
of your committee.

Chuck O'Connell

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TESTIMONY
OF
GARY DAMRON, COIII

before the
House Judicial Committee
February 2, 1996
Re: HB428 and HB429

1 Testimony presented via
2 Legislative Teleconference
3 February 2, 1996
4

5 OFFICER DAMRON: My name is Gary Damron. I am
6 currently a Correctional Officer III at Hiland Mountain
7 Correctional Center. I am the shift supervisor there. I have ten
8 years with the Department of Corrections, and today I am here on
9 behalf of the 800 members of ASEA, and nearly 75,000 Correctional
10 Officers of AFSCME in AFSCME Corrections United.

11 If you will indulge me for a few minutes, I would like to
12 give the Committee a brief history lesson on privatization in the
13 Corrections arena. It has a long history of failure. And as
14 someone spoke on Wednesday, we either have to remember history or
15 we are doomed to repeat it.

16 In 1780 the Walnut Street Jail in Philadelphia was opened
17 by the Church of Pennsylvania. Then about 1810 it had to be taken
18 over by the city because of abuses against prisoners.

19 Louisiana was the first state in the mid-1800s to
20 privatize a prison. It is now known as Angola and, as you know, it
21 is run by the State of Louisiana.

22 New York's most prominent prisons, both Auburn and Sing-
23 Sing were once private facilities run by companies. In the late
24 1880s private prisons were so popular, they were the norm, not the
25 exception. But around 1900, due to the abuse complaints from the
26 private sector, both business and labor, the states were forced to
27 accept responsibility from the private companies to manage and
28 operate these facilities. That's our history lesson; we know that.
29 We also know that we're thinking about doing it again.

30 Some of the things about privatization that I would like
31 to point out is (1) there is a very substantial conflict of
32 interest for a private company to run a public prison. The first

*Testimony of Gary Damron
before the Judiciary Committee
Re: HB428 and 429*

3

1 is that the state is charged by the Alaska Constitution with the
2 reformation of the offender and deterrence. The private companies
3 want to keep the cells full, to keep profits up. What incentive is
4 there for them to run quality rehabilitation programs? Well,
5 there's not. Because, if you reform the offender, he or she
6 becomes a productive member of society and you lose your revenue.
7 The other thing is, rehabilitation programs are very expensive.

8 Another conflict of interest comes to disciplinary
9 problems inside of prisons. One of our best management tools that
10 we have today is the forfeiture of statutory good time. If I were
11 running a private prison and I thought I could take a few days or
12 a few months away from a prisoner and keep him in my jail, I would
13 jump on it in a heartbeat. It means more money.

14 I would like to talk to you a little bit, too, about the
15 two companies that seem to be at the forefront of Alaska's
16 privatization efforts, Wackenhut and CCA.

17 Wackenhut runs the Savannah River and Rock Flats Nuclear
18 Test Facilities. The employees there have been used to repress
19 peaceful demonstrations and gather intelligence, quote/unquote, on
20 U.S. citizens. And we all know about their reputation in Alaska.
21 Unlicensed investigators in Alaska were used to quiet Alyeska
22 Pipeline Service Company critics. They broke the law in three
23 states, and they even went so far to investigate a U.S.
24 Congressman.

25 CCA, on the other hand, while not doing this kind of
26 activity, was linked to possible corruption over its relationship
27 to state and local officials in its home state of Tennessee. A
28 U.S. Attorney in Nashville is currently investigating charges of a
29 bribery kick-back surrounding a \$1 million contract to CCA to
30 operate the Southcentral Correctional Center in Pipeville,
31 Tennessee.

32 CHAIRMAN PORTER: Gary, can you hear me?

Testimony of Gary Damron
before the Judiciary Committee
Re: HB428 and 429

1 OFFICER DAMRON: Yes, sir.

2 CHAIRMAN PORTER: I am going to have to ask you to
3 summarize. You are little over the three minutes already.

4 OFFICER DAMRON: Well, basically, my presentation
5 today is that this is major public policy shift; there is no safe
6 public interest in privatizing our facilities.

7 Thank you.

8 CHARLES L. O'CONNELL (Business Manager for
9 ASEA/AFSCME Local 52): Chairman Porter, we will give you the
10 remainder of his testimony in writing tomorrow.

11 CHAIRMAN PORTER: That will be fine. We have -- the
12 fax number should be there for you to obtain. Just send it to the
13 Judiciary Committee fax number here in Juneau --

14 O'CONNELL: Thank you.

15 CHAIRMAN PORTER: -- your testimony and anyone
16 else's that had it in writing, that would like it to be part of the
17 record.

18 (Follows is written testimony "in progress,"
19 to complete Officer Damron's presentation
20 to the Judiciary Committee)

21 OFFICER DAMRON: In 1992 the State of Tennessee
22 awarded a \$60 million contract for a prison in Wayne County,
23 Tennessee. This was \$10 million higher than the other bidder. The
24 Tennessee-based company received the contract through a process
25 that allows a favored business to score high enough on the proposal
26 to win a contract, even if it offers the highest bid.

27 And now I would like to get into private prison
28 performance. The cost savings of private prisons is negligible at
29 best, if there is any at all. In 1985 the National Institute of
30 Corrections and the American Correctional Association audited two
31 Florida youthful offender prisons. One was run by the Eckerd
32 Foundation, as private for-profit corporation, and one was run by

1 the State of Florida. The results of the NIC and ACA audit were
2 that there was, "No significant reduction in costs."

3 And in 1989 the National Institute of Justice and the
4 Urban Institute studied the Blackburn, Kentucky, Corrections
5 Complex and the Marion Adjustment Center run by the U. S.
6 Corrections Corporation. Costs were the same, despite the fact
7 that Marion received only model prisoners. This was also despite
8 of the fact that Marion paid staff less and gave fewer benefits.

9 The CCA in the State of Tennessee audit in 1995 reported
10 that the cost savings was only about 1% between the CCA facility
11 (Marion) and the state-operated facility (Blackburn).

12 Dennis Colombo, Criminal Justice Professor of Arizona
13 State University states, "Private prisons may well cost more in the
14 long run, not only in terms of taxpayer but also in the health and
15 safety of prison staff and other law enforcement officers." This
16 is from The Christian Science Monitor.

17 Now, to security, escapes, and public safety. The CCA
18 Hamilton County, Tennessee, Penal Farm in 1985 to 1986 had 64
19 prisoners escape from the facility and road crews. In 1989 the CCA
20 Hernando County, Florida, Jail, from June 1989 to January 1990 had
21 7 escapes. The CCA Bay County, Florida, Jail in 1989 had 5
22 escapes, including 1 maximum security prisoner, leaving the
23 St. Petersburg Times to remark, "The Bay County episode has yet
24 another question mark about prisons and profits." 1992, in the
25 Southcentral Correctional Center, Wayne County, Tennessee (a medium
26 security facility, and that's what they want to build here), there
27 was one stabbing which killed one prisoner and seriously injured
28 two others. A handgun was found during a routine search, and they
29 had eight escapes between March and October of 1992.

30 A 1995 audit of the Clifton Prison, versus two state
31 facilities in Tennessee, there were 214 incidents of injury over a
32 15-month period versus 72 in the two other facilities combined.

1 The report also stated that the CCA staff used force more often:
2 30 incidents in the CCA facility versus 10 in the other two
3 facilities combined.

4 And just recently in Elizabethtown, New Jersey, at the
5 Immigration Detention Center, there was a riot. The GAO laid the
6 cause of the riot to poor staffing, abuse and mistreatment by the
7 rent-a-guards, and cost-cutting in basic human services, such as
8 quality food service and poor health care.

9 Alaska Correctional Officers are Class I employees and
10 have no right to strike. We have to come to work, regardless of
11 the circumstances. Is that going to be applicable to private
12 employees? I heard about a no-strike clause in their contract, but
13 I don't see how under the National Labor Relations Act someone can
14 implement that.

15 And what happens in an adverse job action for a riot in
16 Alaska? Who is going to respond? It is going to be other State
17 COs from around the state; the National Guard; the Troopers; and,
18 if this facility is built in Anchorage, the Anchorage Police
19 Department. Do they have such a training contingent? I don't
20 believe so.

21 I want to move on to some comments about staffing private
22 facilities, and some audits and things like that that were brought
23 to my attention.

24 In 1990 an audit by the State of Texas of four
25 correctional corporations of American and Wackenhut facilities
26 stated, "Understaffing is a major problem." At the Hernando County
27 Jail, when Corrections Corporation of America took over, they
28 slashed staff by 17%, cutting the staff of 94 Correctional Officers
29 to 78. The National Institute of Corrections stated that a minimum
30 of 10 new Correctional Officers needed to be hired to meet even the
31 minimum standard

32 On Wednesday you heard Sgt. Antrim, of the Lemon Creek

1 Correctional Center, talk about what you are not going to get; and
2 I will briefly touch on those, and I have some more to add to that.

3 ● You are not going to have mental health prisoners
4 needing treatment going to this facility because it is
5 too cost-prohibitive.

6 ● You are not going to have pre-trial prisoners for
7 two reasons: (1) It's too expensive, and (2) they are
8 not yet classified. (And by Bill 428, they are not
9 classified yet when they are pre-trial.)

10 ● You are not going to have misdemeanants simply
11 because they are too expensive and they are too short-
12 term. There are many different things that need to be
13 taken care of in terms of misdemeanants. One of those is
14 time-accounting, and that is a very time-consuming task.

15 ● You are not going to have booking. You are not
16 going to have geriatric patients, which is the second-
17 largest growing offender population that we have right
18 now.

19 ● You are not going to have chronically ill people,
20 people with cancer, people with asthma, things like that
21 because the medical treatment is so expensive.

22 ● You are not going to have prisoners who need
23 detoxification, because that is expensive and it is
24 dangerous. People coming off drugs and alcohol do weird
25 things, they fight, etc.

26 ● You are not going to have maximum security
27 prisoners. That's been ruled out by this bill
28 specifically. Many prisoners just coming into this
29 system are also going to be classified maximum security
30 for several reasons.

31 ● You are not going to have females. When I left my
32 shift Thursday morning at Hiland Mountain Correctional

1 Center, there were 65 female prisoners housed there.
2 Twelve are pregnant, and of these all were high-risk
3 pregnancies due to the lifestyle of the prisoner
4 population.

5 ● You are not going to have sex offender treatment at
6 this plant, because sex offender treatment is very, very
7 expensive.

8 The impact upon employees is great. You have reduced
9 salaries and benefits for private prisons, and you are comprising
10 on the quality of employees.

11 I would like to tell you some things that AFSCME, ASEA,
12 and our members feel that Alaska does not need, and these are also
13 my personal views -- take them as you will.

14 What Alaska doesn't need is a 1000-bed facility that
15 won't serve the needs of the Bush and outlying communities. It
16 won't house prisoners that need booking, intake, mental health
17 treatment, detoxification, long-term medical care, or sex offender
18 treatment; and it won't hold prisoners that are pre-trial,
19 misdemeanants, geriatric, maximum security, or female. What you
20 will have is a 1000-bed empty prison.

21 What Alaska does need, however, is expansion of existing
22 facilities. This leads to several cost reductions, including
23 reduced capital costs, reduced transportation costs, better use of
24 current staffing, and it brings about an economy of scale.

25 The second thing we need is a new pre-trial detention
26 center in Anchorage to replace the Sixth Avenue Jail.

27 And here are some things that I feel that Alaska already
28 has. Alaska has a model system for the rest of the nation. We
29 have very few escapes. We have overcrowding, but it is still not
30 to the extent of other systems. We have a well-trained, educated,
31 and motivated staff, both in Correctional Staff and Administrative
32 Support. We have an excellent rehabilitation program. We have the

1 sex offender treatment programs at Hiland Mountain and Lemon Creek
2 Correctional Centers, for which the Hiland program is the model for
3 the rest of the nation. We have drug and alcohol treatment that
4 are second to none. These are also provided by contractors. We
5 have vocational educational training. We have several
6 apprenticeship programs, including a bakery in Palmer, metal
7 working and furniture-making shops in Seward and Kenai, and we have
8 sewage treatment plants where prisoners are learning how to handle
9 waste water at both Palmer and Hiland Mountain Correctional Center.

10 We also have a model prison industry program. Several of
11 the industries included there are meatpacking, laundry, clothing
12 manufacturing in Fairbanks, and metal and furniture-making in
13 Seward and Kenai.

14 We have a safe system. We had no homicides by prisoner-
15 on-prisoner, prisoner-on-staff, and we've had no staff terminate
16 prisoner life in our history. We have very few prisoner assaults
17 on other prisoners, and we have very few prisoner assaults on
18 staff.

19 In conclusion, I would like to say that privatization is
20 not the answer, despite the rush to that arena. One thousand beds
21 in Anchorage will still not solve our problem; it will be empty.
22 Transportation costs from the Bush for sentenced prisoners to the
23 Anchorage area is exorbitant and needs to be considered.

24 It will not reduce the liability of the State. When we
25 incarcerate someone, it doesn't matter whether it is a private
26 facility or a public facility. The state is still liable for the
27 care and custody of that prisoner.

28 What is needed is a new state jail in Anchorage. It is
29 cost-effective. It will accept all prisoners, and it is
30 considerably smaller than 1000 beds. We desperately need expansion
31 of existing facilities, to meet the regional needs of the State,
32 specifically in Bethel, Nome, Mat-Su, and the Anchorage area.

1 Thank you for this opportunity to present this testimony
2 before you.
3 (end of testimony/GD:bhc)

Testimony of Gary Damron
before the Judiciary Committee
Re: HB428 and 429



LEGISLATIVE INFORMATION OFFICE
 119 N. CUSHMAN, SUITE 101
 FAIRBANKS, AK 99701
 452-4448

DATE: 2/1/96

Please accept the enclosed original(s) of written testimony for the

House Judiciary (HB 122/129) teleconference scheduled on 1/31/96. A copy of this testimony was

transmitted to your committee via fax.

Thank you,

... and would in new ...
... liability - ethics language needs to be ...
 * Cost Savings & Economic Stability
 This legislation does not include a requirement to ensure a cost savings to the state. It can be devastating to the economy of other areas of the state.
 * State Employees - while I applaud the sponsor for the inclusion of a job project labor agreement but we must to secure decent working conditions and wages for the employees working on it. (over)

SIGNED Kelly E Brun
 TESTIFIER

ASEA / AFSCME Local 52
 REPRESENTING (OPTIONAL)

315 Barnette, Fairbanks AK 99701
 ADDRESS/PHONE NUMBER



ALASKA STATE LEGISLATURE

PLEASE ENTER INTO THE RECORD MY TESTIMONY TO THE H. Judiciary
COMMITTEE NAME

COMMITTEE ON HB 428/429 DATED 1-31-94
BILL/SUBJECT

while I found these two bills interesting reading at best, I do want to address several key concerns that this legislation fails to address.

* Public Safety & Liability The state of Alaska remains liable for all aspects of the operations of Correctional facilities/responsibilities. The public needs to be aware that this legislation does reduce the current requirements/training held by state correctional officers. Any contractor should be required to fully inform the public of their history and record in this field. Liability - Ethics language needs to be included.

* Cost Savings & Economic Stability
This legislation does not include a requirement to ensure a cost savings to the state. It ^{could be} ^{costly} ^{to} ^{the} ^{economy} of other areas of the state. ^{to} ^{the} ^{state} ^{it} ^{can} ^{be} ^{devastating} ^{to} ^{the} ^{economy} of other areas of the state.

* State Employees - while I applaud the sponsor for the inclusion of a job project labor agreement but we must to secure decent working conditions and wages for the employees working on the (over)

SIGNED Kelly E Brown
TESTIFIER

ASEA / AFSCME Local 52
REPRESENTING (OPTIONAL)

315 Bennette, Fairbanks AK 99701
ADDRESS/PHONE NUMBER

Construction of the facilities I find it
disturbing and an insult to the 800
Alaskans, across the state, currently
working within correctional facilities
that the sponsor did not
offer
the same conditions on their behalf.

While some may think public employee
bashing is appropriate on the campaign
trail, it is totally inappropriate to
be incorporated in legislation for the
State of Alaska.

Offer an
alternative
your review.

e
ju

Legislation allowing for
expansion of feasibility studies
of expansion possibilities to
existing facilities across the
state.

Thank you.



ALU

To: Rep. Partee	From: 4/14/96
Co: Annie Good Centre	Co:
Dept:	Phone #:
Fax #:	Fax #:

TURE

PLEASE ENTER INTO THE RECORD MY TESTIMONY TO THE H. Judiciary COMMITTEE NAME

COMMITTEE ON HB 428/429 DATED 1-31-96
BILL/SUBJECT

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* Public Safety & Liability The state of Alaska remains liable for all aspects of the operations of Correctional facilities/responsibilities. The public needs to be aware that this legislation does reduce the current requirements/training held by state Correctional Officers - Any contractor should be required to fully inform the public of their history and record in this field.

* Accountability - Ethics language needs to be included.

* Cost Savings & Economic Stability
This legislation does not include a requirement to ensure a cost savings to the state. It ^{could not achieve} can be devastating to the economy of other areas of the state.

* State Employees - while I applaud the sponsor for the inclusion of a job project labor agreement which is meant to secure decent working conditions and wages for the employees working on the (over)

SIGNED

TESTIFIER

Kelly E Brown

REPRESENTING (OPTIONAL)

ASEA / AFSCME Local 52

ADDRESS/PHONE NUMBER

315 Barnette, Fairbanks AK 99701

Construction of the facilities I find it disturbing and an insult to the 800 Alaskans, across the state, currently working within correctional facilities that the sponsor did not offer the same conditions on their behalf.

While some may think public employee bashing is appropriate on the campaign trail, it is totally inappropriate to be incorporated in legislation for the State of Alaska.

Offer ^{an} alternative
your review.

l
ju

Legislation allowing for funding of feasibility studies of expansion possibilities to existing facilities across the state.

Thank you!

My name is Mary Colter, I am a nurse at Lemoyne Creek Correctional Center. I have also worked at the Sitka Pioneer Home and have come to this hearing during my vacation because I honestly feel privatizing correctional facilities would be a mistake for some of the following reasons:

① Public safety would be at risk. Currently the security personnel are a high quality individual, many with degrees, past experience in law enforcement or the military. Some paid security personnel may be less intelligent than the criminals they are controlling.

② Privatization would not decrease costs, other institutions that have privatized have not realized decreased cost.

Mary Colter

P.O. Box 1587
Kenai, AK 99611
January 31, 1996

House Judiciary Committee
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1152

Rep. Brian Porter, Chair

Dear Rep. Porter

We have reviewed HB 428 and 429 and feel that the communities of this State need a comprehensive explanation of what the bills are expected to accomplish; what the true costs will be; what the impact upon the smaller prisons will be; if there are any long-term family impacts; and what the general emphasis of the State of Alaska is and will continue to be. The House Concurrent Resolution 19 dealing with the establishment of a TASK FORCE on CORRECTIONS must fit in somewhere.

Please schedule a hearing on this proposal (HB 428 & 429) in communities on the Kenai Peninsula so that our people will be able to give a fair judgement on whether or not to support these efforts.

Thank you,

Joan Bennett Schrader
Joan Bennett Schrader
State Vice President
Coalition of Labor Union Women
(907) 283-4359



cc: CLUW
KFCIC



Alaska State Legislature

Please enter into the record my testimony to the House Judiciary Committee
committee name
 committee on H.B. 428/429 dated 31 Jan 96
bill/subject

I am totally against any privatization of Correctional facilities. The housing and care of prisoners should remain in full control of the state. Many other states have tried private jails and it has failed over and over. This is not the type of jobfield that can or should be run for profit.

Signed: Sergio Burch
Testifier

self
Representing (Optional)

PO Box 471 Kenai, Alaska 99611
Address

262-4029
Phone No.



Alaska State Legislature

Please enter into the record my testimony to the House Judiciary Committee
committee name
 committee on HB 128/429 , dated Jan 31, 1996
bill/subject:

I have been a correctional officer for 18 years, and I do not think privatization is a good idea. Especially from the stand point of the officer, and the private sector.

Signed: Carol J. Harrison
Testifier
myself
Representing (Optional)
P.O. Box 3353 Kenai, Ak. 99611
Address
907-283-9002
Phone No.



ALU

To: Rep. Partee	From: #44 LIO
Co: House Judicial Com.	Co:
Dept:	Phone #
Fax #	Fax #

ATURE

PLEASE ENTER INTO THE RECORD MY TESTIMONY TO THE H. JUDICIAL COMMITTEE NAME

COMMITTEE ON HB 428/429 DATED 1-31-96

BILL/SUBJECT

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* Accountability - Ethics language needs to be included.

* Cost Savings & Economic Stability
 This legislation does not include a requirement to ensure a cost savings to the state. It ^{costs not activities and policies that} can be devastating to the economy of other areas of the state.

* State Employees - while I applaud the sponsor for the inclusion of a job project labor agreement which is meant to secure decent working conditions and wages for the employees working on the (over)

SIGNED Kelly E Brown
TESTIFIER

ASEA / AFSCME Local 52
REPRESENTING (OPTIONAL)

315 Barnette, Fairbanks AK 99701
ADDRESS/PHONE NUMBER

Construction of the facilities I find it disturbing and an insult to the 800 Alaskans, across the state, currently working within correctional facilities that the sponsor did not offer the same conditions on their behalf.

While some may think public employee bashing is appropriate on the campaign trail, it is totally inappropriate to be incorporated in legislation for the State of Alaska.

offer ^{an} alternative
your review.

l
ju

Legislation allowing for funding of feasibility studies of expansion possibilities to existing facilities across the state.

Thank you.

My name is Mary Culter, I am a nurse at Gnom Creek Correctional Center, I have also worked at the Sitka Prison Home and have come to this bearing during my vacation because I honestly feel privatizing correctional facilities would be a mistake for some of the following reasons:

① Public safety would be at risk. Currently, the security personnel are a high quality individual, many with degrees, past experience in law enforcement or the military. Some said security personnel may be less intelligent than the criminals they are controlling.

② Privatization would not decrease costs, other institutions that have privatized have not realized decreased cost.

Mary Culter, RN

P.O. Box 1587
Kenai, AK 99611
January 31, 1996

House Judiciary Committee
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

Rep. Brian Porter, Chair

Dear Rep. Porter

We have reviewed HB 428 and 429 and feel that the communities of this State need a comprehensive explanation of what the bills are expected to accomplish; what the true costs will be; what the impact upon the smaller prisons will be; if there are any long-term family impacts; and what the general emphasis of the State of Alaska is and will continue to be. The House Concurrent Resolution 19 dealing with the establishment of a TASK FORCE on CORRECTIONS must fit in somewhere.

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Thank you,

Joan Bennett Schrader
Joan Bennett Schrader
State Vice President
Coalition of Labor Union Women
(907) 283:4359



cc: CLUW
KFCIC



Alaska State Legislature

Please enter into the record my testimony to the House Judiciary Committee
committee name
 committee on HB 428/429 . dated Jan 31, 1996
bill/subject:

I have been a correctional officer for 18 years, and I do not think privatization is a good idea. Especially from the standpoint of the officer, and the private sector.

Signed: Charles J. Harrison
Testifier
myself
Representing (Optional)
P.O. Box 3353 Kenai, Ak 99611
Address
907-283-9002
Phone No.



Alaska State Legislature

Please enter into the record my testimony to the House Judiciary Committee
committee name
 committee on HB 428/429 . dated Jan 31, 1996
bill/subject

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Signed: Charles Harrison
Testifier
myself
Representing (Optional)
P.O. Box 3353 Kenai, Ak. 99611
Address
907-283-9002
Phone No.

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While some may think public employee bashing is appropriate on the campaign trail, it is totally inappropriate to be incorporated in legislation for the State of Alaska.

offer an alternative
your review.

l
ju

Legislation allowing for funding of feasibility studies of expansion possibilities to existing facilities across the state.

Thank you.

My name is Mary Coulter, I am a nurse at Emory Creek Correctional Center. I have also worked at the Sitka Pioneer Home and have come to this hearing during my vacation because I honestly feel privatizing correctional facilities would be a mistake for some of the following reasons:

① Public safety would be at risk. Currently, the security personnel are a high quality individual, many with degrees, past experience in law enforcement or the military. Lower paid security personnel may be less intelligent than the criminals they are controlling.

② Privatization would not decrease costs, other institutions that have privatized have not realized decreased cost.

Mary Coulter

P.O. Box 1587
Kenai, AK 99611
January 31, 1996

House Judiciary Committee
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

Rep. Brian Porter, Chair

Dear Rep. Porter

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Please schedule a hearing on this proposal (HB 428 & 429) in communities on the Kenai Peninsula so that our people will be able to give a fair judgement on whether or not to support these efforts.

Thank you,

Joan Bennett Schrader
Joan Bennett Schrader
State Vice President
Coalition of Labor Union Women
(907) 283-4359



cc: CLUW
KFCLC



Alaska State Legislature

Please enter into the record my testimony to the House Judiciary Committee
 committee name
 committee on HB 428/429 dated 31 Jan 96
 bill/subject:

I am totally against any privatization of Correctional facilities. The housing and care of prisoners should remain in full control of the state. Many other states have tried private jails and it has failed over and over. This is not the type of jobfield that can or should be run for profit.

Signed: Singer Bush
 Testifier

Self

Representing (Optional)

PO Box 471 Kenai, Alaska 99611

Address

262-4029

Phone No.



Alaska State Legislature

Please enter into the record my testimony to the Judiciary committee name

committee on HB 428 , dated 2/2/96
bill/subject:

As has been stated previously private corporations have a historically bad reputation for reliability. What has not ~~been~~ brought up is the fact that however many bed facility is built the corp. is going to fill the beds either with prisoners from here or outside.

IT A lot of talk has been made on the salaries & training that has to happen if the safety of staff & inmates is to continue. This is an expensive & not necessarily cost effective in the short range. I can not see anyone interested in profits, investing in anything that was not ~~indirectly~~ directed towards this end.

Signed: L Mitchell

Testifier

SELF

Representing (Optional)

5 Chugach Ave Kenai AK 99611

Address

Phone No.



Alaska State Legislature

Please enter into the record my testimony to the House Judiciary committee name

committee on 428/429 dated 02/02/96

bill/subject:

All Pretrial Facilities must be treated as Maximum Security because Arresting officers do bring in dangerous people and to think that Pretrial people are less dangerous shows a lack of understanding of the term "Pretrial".

The Arresting officer could pick up a simple DWI get him/her to Pretrial and later we find out we have a Mass/serial Murder with multiple escape/assault history.

The "no-strike" portion seems only to apply to the construction and says nothing about oppression.

Signed: William R. Parker

Testifier

Self

Representing (Optional)

Hc 1 Box 1418 Soldotna AK 99669

Address

907-262-7677

Phone No.



Alaska State Legislature

Please enter into the record my testimony to the House Judiciary
 committee name
 committee on 428/429 dated 02/02/96
 bill/subject

Part of the comments of feed back was that some correctional officers earn far above the base rate. This is logical when one considers that the staffing levels are short and many officers can learn/work much overtime. We in DOC have been short staffed for years and are now being condemned for the Legislatures past practice of not funding corrections. It makes as much sense as the Nazis condemning the Jews who survived at Buchenwald for surviving when the Nazis knew they were not providing enough food for a human being to live. Stab us in the back and wonder why we have a pained look on our faces.

Signed: Self

Testifier

Self

Representing (Optional)

Ho. 1 Box 1418 Soldotna AK 99668

Address

907-262-7677

Phone No.



Alaska State Legislature

Please enter into the record my testimony to the HJUD
 committee name
 committee on HB 428 dated 2-2-96
 bill/subject

02-02-96

TO WHOM IT MAY CONCERN:

I JUST WANTED TO LET YOU KNOW THAT I AM TOTALLY AGAINST
 PRIVATIZATION OF ALASKA'S PRISONS. I WAS BORN AND RAISED HERE IN
 ALASKA AND I AM ONE OF THE FEW FROM MY HIGHSCHOOL CLASS THAT
 RETURNED TO ALASKA TO LIVE AFTER COLLEGE. I HAVE A JOB THAT I
 ENJOY WITH GOOD BENEFITS AND NOW YOU ARE TRYING TO LET SOME
 PRIVATE ORGANIZATION COME IN AND TAKE OVER FOR HORRIBLE WAGES AND
 BENEFITS, INSTEAD OF CUTTING THE BUDGET IN PLACES AND LEAVING US
 ALONE. I DON'T SEE YOU TAKING MONEY OUT OF YOUR POCKETS. THANK
 YOU FOR YOUR TIME.

SINCERELY,

SHERRIE BARLOW
 CORRECTIONAL OFFICER II
 WILDWOOD PRE-TRIAL

Representing (Optional)

Address

Phone No.



Alaska State Legislature

Please enter into the record my testimony to the HOUSE JUDICIARY
committee name
committee on HB 428, HB 429, dated 1-31-96
bill/subject

I WOULD LIKE TO VOICE MY OPPOSITION TO THE ABOVE BILL YOU ARE NOW CONSIDERING. I WOULD LIKE TO POINT OUT SOME ITEMS OF INTEREST PRODUCED FROM WORKING PAPERS FROM MY UNION.

DOES IT REALLY SAVE MONEY: THE US GAO REVIEWED LITERATURE ON PRIVATIZATION. IT FOUND EVIDENCE REGARDING COST SAVINGS TO BE INCONCLUSIVE. A CCA OPERATION IN TENNESSEE WAS ONLY ABOUT 1% CHEAPER THAN ITS TWO STATE-RUN COMPETITORS. IN ONE INSTANCE IN TENNESSEE THE PRIVATE PRISON WAS FOUND TO OPERATE AT A 10% HIGHER COST THAN ITS STATE-RUN COMPETITOR. A US NEWS AND WORLD REPORT ASSERTS THAT OPERATORS OF PRIVATE PRISONS MAY END UP CHARGING MORE MONEY ON THEIR CONTRACTS TO COVER COSTS.

DO PRIVATE PRISONS PROVIDE BETTER SERVICE: IN A SEVEN MONTH PERIOD ENDING IN JANUARY 1990, SEVEN INMATES ESCAPED FROM CCA-OPERATED HERNANDO COUNTY, FLORIDA JAIL. CCA OPENED A NEW STATE PRISON IN TENNESSEE AND HAD EIGHT ESCAPES. IN 1985 AND 1986 CCA HAD MORE THAN FIFTY INMATES ESCAPE ONE OF ITS TENNESSEE WORK FARMS. THERE ARE MORE EXAMPLES, BUT WHY BOTH.

STAFFING: CCA SLASHED STAFFING AT HERNANDO COUNTRY FLORIDA JAIL. THE ESCAPE OF SEVEN INMATES PROMPTED AN INVESTIGATION THAT IDENTIFIED DECREASED STAFFING AS A MAJOR REASON. AN INSPECTION OF A WACKENHUT-OPERATED MONROE COUNTY, FLORIDA JAIL FOUND THE CORPORATION IN VIOLATION OF STATE STANDARDS ON STAFFING. SERVED WITH A DEFICIENCY NOTICE WACKENHUT INCREASED STAFFING TO A LEVEL STILL BELOW STATE STANDARDS. WACKENHUT THEN BILLED THE COUNTY \$780,000 AND DEMANDED THE COUNTY PAY AN ADDITIONAL \$2.6 MILLION OVER THE FOUR-YEAR CONTRACT.

Signed: LARRY BROWN

Testifier

Representing (Optional)

PO BOX 1317, KENAI, AK 99611

Address

283-7164

Phone No.



Alaska State Legislature

Please enter into the record my testimony to the HOUSE JUDICIARY
 committee name
 committee on HR 428, HB 429 dated 1-31-96
 bill/subject

STAFFING CONTINUED: MONROE COUNTY RESUMED OPERATION OF THE PRISON. TURNOVERS OF NEWLY-HIRED CCA STAFF IS AS HIGH AS 56%. SOME CCA PRISONS ROUTINELY HAVE TURNOVER RATES OF 50 TO 90% OF NEWLY HIRED SECURITY FORCE. WHEN YOUR CUTTING CORNERS TO MAKE A PROFIT, MCDONALDS WAGES DO NOT FEED THE FAMILY OR DRAW LONG TERM DEDICATED EMPLOYEES. JOHN DONAHUE SUGGESTS IN PRISONS FOR PROFIT "EMPLOYERS WHO HIRE FROM THE PRIVATE-GUARD LABOR POOL PAY LESS MOSTLY BECAUSE THEY GET LESS: LOWER LABOR COSTS MEAN A LOWER-QUALITY WORKFORCE." A 1995 AUDIT COMPARED CCA RUN CLIFTON PRISON WITH TWO TENNESSEE STATE-RUN PRISONS. 214 INCIDENTS OF INJURIES OCCURRED OVER A FIFTEEN MONTH PERIOD AT THE CCA-OPERATED PRISON. THE TWO STATE-RUN PRISONS OF SIMILAR SIZE AND POPULATION REPORTED 72 INJURIES FOR THE SAME PERIOD. STAFF AT THE CCA PRISON APPLIED USE OF FORCE IN 30 INCIDENTS COMPARED TO 10 INCIDENTS FOR THE TWO STATE PRISONS OVER THE SAME TIME PERIOD. IS THE STATE READY TO PAY THOSE LAW SUITS? INVESTIGATORS IN KENTUCY FOUND THAT, "STATE OPERATED STAFF ARE SIGNIFICANTLY OLDER, BETTER EDUCATED, WORKED AT THE FACILITY LONGER, AND HAD WIDER EXPERIENCE THAN WAS THE CASE AT PRIVATELY-MANAGED PRISONS."

THERE IS MUCH MORE THAT NEEDS TO BE LOOKED INTO. PROGRAMS, EDUCATION, HEALTH SERVICES, ETC. FINDINGS IN THOSE AREAS WERE NOT SO GREAT FOR CCA OR WACKENHUT.

BUT IN CLOSING I WOULD LIKE TO ASK THE MEMBERS OF THE LEGISLATURE IF THEY HAVE THOUGHT ABOUT THE ALASKANS ALREADY WORKING IN STATE CORRECTIONS. OVER THE LAST SEVERAL YEARS THESE ALASKANS AND THEIR FAMILYS HAVE BEEN USED AS PAWNS IN LAY-OFFS, FACILILTY CLOSURES, BUDGET CUTS, ETC. WHAT ABOUT THEIR FUTURES, THEIR LIVES? IS ANYONE IN JUNEAU LISTENING? DOES ANYONE IN JUNEAU CARE ABOUT THESE ALASKANS!

Signature: LARRY BROWN

Testifier

Representing (Optional)
 PO BOX 1317 KENAI AK 99611

Address
 283-7164

Phone No.



Alaska State Legislature

Please enter into the record my testimony to the JUDICIARY COMMITTEE
 committee name
 committee on CSHB 28 , dated 2-2-96
 bill/subject

I would like to point out a single item that seems to be the most overlooked. I continue to hear the comparison of \$107⁰⁰ per bed in Alaska, and \$59⁰⁰ per bed in the private prison in Arizona.

Please note that this is not Arizona, nor any other state in the lower 48. - It is Alaska. Just living here costs more than in Arizona.

Also, the \$107⁰⁰ is, I believe, averaged across the entire Department of Corrections, not for specific facilities, as mentioned by Ken Brown, a sentenced bed at Wildwood is at \$69⁰⁰, not \$107⁰⁰. Much of it has to do with location, as it is the smaller facilities in places like Bethel, Nome etc. that drive the costs up. Even at the higher prices ~~there~~ there, they are needed. The private sector does not wish to operate in the higher cost locations, nor deal with the higher cost prisoners such as pre-trial, presentence and maximum custody. I do not believe the state facilities will be any more expensive than private.

Signed: Dale Long

Testifier

SELF

Representing (Optional)

5 CHALGACH AVE.

Address

283-9874

Phone No.

COPY OF ORAL
TESTIMONY GIVEN
TO HJUD ON 2-2
TELECONFERENCE

Ken Brown
My mailing address is: 10 Chugach Avenue
Kenai, Alaska 99611 776-8979

RE: HB428 & HB429

I have worked for the Corrections Department in Alaska for more than 24 years. I am a member of the American Correctional Association since 1982 and a certified auditor for ACA since 1990.

I am only speaking for myself and not the Department of Corrections.

The first thing that needs to be said is that Alaska has one of the safest corrections systems in the country. Every study we've ever had has come to that conclusion. We've never had an officer or an inmate killed in prison. The number of escapes is small compared to other state systems. Prison violence, while increasing, is still minimal compared to other states. The few hostage situations we've had were concluded without injury. Over the years we have developed an effective and professional work force in our prison system. We've never had a prison riot. To even mention the possibility of prison riot or hostage taking is received by some as a scare tactic, and yet riots and prison disturbances are a part of the corrections landscape in many systems. We have been fortunate. Maybe we're doing something right. This state needs to give a lot of serious thought before making major, and perhaps irrevocable changes, to a system that has proven itself to be a good one. If building a 1,000 bed private prison turned out to be a mistake, it would be a mistake that would be difficult to correct. You really need to think about that.

Many of you are aware that the private sector already plays a significant role in government, including Corrections. The Department is presently spending millions of dollars for half-way house beds, medical services, guard hire, materials and supplies, food, substance abuse treatment, etc. This is one type of private sector spending, but making the leap from contracting for services to privatizing prisons is a radical change. Ultimately we would be privatizing the ability to use lethal force against inmates. This is analogous to a private police force and represents dramatic change in public policy. Such a step should not be taken lightly. The consequences could be profound.

Those promoting prison privatization can show you examples of well run private prisons, and those opposed can cite examples of failure, including cases that required the government to take over the prison after major problems, including riot. But there are State and Federal institutions that have gone up in smoke also. What the Committee needs to think about, however, is what is the State realistically prepared to do if a 1,000 inmate prison doesn't work, if there are major problems. If I'm dissatisfied with the quality of the potatoes I'm buying, I can switch vendors. If I'm dissatisfied with my contract substance abuse counselor, I can get a new one.

Buying and contracting for services, as we are doing now, can not compare to privatizing a 1,000 bed prison. The difference between what is being proposed in Alaska and what is happening in some other states, is the pure magnitude of the proposal. We presently have approximately 2,600 sentenced inmates in our system, and this bill is proposing a private prison to add 1,000 beds for a total of 3,600 and with room for expansion. Do we really want 1,000 out of 3,600 to be operated by the private sector? That's close to 30% of the sentenced beds. No other state that I'm aware of does it that way. I can understand a state like California with 50,000 inmates looking to the private sector for some small percentage of its beds, but it would be unlikely that they would want 15,000 beds in the private sector. From a percentage stand point that is what we would be looking at. Is our system big enough to warrant a private prison of this size? If this 1,000 prisoner unit failed in a way that threatened public safety or staff safety, there is no way this department could muster a corrections force to take over and run the prison. We wouldn't have the staff. We are having difficulty finding qualified staff right now.

Surely the State should wade into the private prison waters slowly and carefully. This bill, as crafted, would be like jumping in the ocean without a life raft. According to the bill the State would only be able to take over the prison on a temporary basis, no matter what happened. I think you have to think about worse case scenarios in this business because corrections is very serious. If this prison failed this state would not be prepared to take it over, even temporarily. It would be too big and require too many staff.

Remember what Sgt. Antrim said two days ago - the bill does not provide for maximum security space, in fact prohibits it, and therefore is not intended for pre-trial inmates. Any pre-trial facility must have maximum security space because police arrest dangerous people who must be housed in maximum security space. One of the big needs in the Alaska correctional system is pre-trial space and this prison would do nothing to help.

I am not sophisticated in matters of public finance but we all know that whoever builds a private prison expects to get their money back. And we are talking huge money, \$100,000,000 that the State will pay back through a rental obligation of no more than \$200,000,000. Isn't that a little like responding to the car dealer who says "Come on down, no payment or interest until next year"? This is not free. The State will pay, one way or another. Maybe the private sector is putting up the money, but only because the State will pay them back plus a profit. Why not ask the Department of Corrections what they think they need and what they could do with 100 million dollars? We've paid good money for some excellent studies showing what kind of beds are needed and where they are needed.

Whatever happened to the Master Plan of just a few years ago?

Nothing in this bill states that the cost of running the private prison must be less than

what it costs to run prisons under government control. WCC prison is operating at a cost of about \$69.00/day/prisoner. Many of the Department's prisons operate very efficiently. Some don't because they are small and isolated or have a large number of high security inmates. Shouldn't there be something in this bill that requires the private prisons to save money? How are they going to do that? The only significant category in which money can be saved is in personnel costs, because that's about 80% of the budget. Here are some Correctional Officer starting salaries:

Recruit (range 9)	\$12.35/hour
Correctional Officer I (range 11)	\$14.46/hour
Correctional Officer II (range 13)	\$16.37/hour

That doesn't include benefits, but we are having a hard time filling all of our positions with qualified people right now. How could the private sector do any better at a lower wage? If you think that's too much money I challenge you to spend 3 or 4 hours on a Friday night at the 6th Avenue jail and see if you'd like to do what these officers do for what they get paid.

I note that "nothing in this Act precludes operation of the correctional facility by a private third party contractor composed of persons employed by the Department of Corrections". Wouldn't it be a monstrous conflict of interest for a Corrections employee to be involved in contracting as a private prison contractor?

I hope I've given you some issues to think about. There might be a place for privately run jails or prisons in Alaska, but surely not at the magnitude being suggested.



Alaska State Legislature

Please enter into the record my testimony to the House Judiciary Committee
committee name
 committee on 18428/429 , dated Jan 31, 1996
bill/subject

I have been a correctional officer for 17 years, and I do not think privatization is a good idea. Especially from the standpoint of the officer, and the private sector.

Signed: David G. Harrison
 Testifier
myself
 Representing (Optional)
P.O. Box 3355 Kenai, Ak 99611
 Address
907-283-7002
 Phone No.



ALU

Post-It® brand fax transmittal memo 7671		FAX NO. 3014000040	# of pages 2
To: <u>Rep. Pante.</u>	From: <u>ALU LIO</u>		
Co: <u>State Judicial Center</u>	Co:		
Dept:	Phone #		
Fax #	Fax #		

CURE

PLEASE ENTER INTO THE RECORD MY TESTIMONY TO THE H. Judiciary COMMITTEE NAME

COMMITTEE ON HB 428/429 DATED 1-31-96

BILL/SUBJECT

while I found these two bills interesting reading at best, I do want to address several key concerns that this legislation fails to address.

* Public Safety & Liability The state of Alaska remains liable for all aspects of the operations of Correctional facilities/responsibilities. The public needs to be aware that this legislation does reduce the current requirements/training held by state Correctional Officers - Any contractor should be required to fully inform the public of their history and record in this field.

* Accountability - Ethics language needs to be included.

* Cost Savings & Economic Stability

This legislation does not include a requirement to ensure a cost savings to the state. It ^{could not decrease} can be devastating to the economy of other areas of the state.

* State Employees - while I applaud the sponsor for the inclusion of a job project labor agreement which is meant to secure decent working conditions and wages for the employees working on the (over)

SIGNED Kelly E. Brown

TESTIFIER

ASEA / AFSCME Local 52

REPRESENTING (OPTIONAL)

315 Barnette, Fairbanks AK 99701

ADDRESS/PHONE NUMBER

Construction of the facilities I find it disturbing and an insult to the 800 Alaskans, across the state, currently working within correctional facilities that the sponsor did not offer the same conditions on their behalf.

While some may think public employee bashing is appropriate on the campaign trail, it is totally inappropriate to be incorporated in legislation for the State of Alaska.

Offer an alternative
your review.

2
ju

Legislation allowing for funding of feasibility studies of expansion possibilities to existing facilities across the state.

Thank you.

My name is Mary Culter, I am a nurse at Gmom Creek Correctional Center. I have also worked at the Siba Pioneers and have come to this hearing during my vacation because I honestly feel privatizing correctional facilities would be a mistake for some of the following reasons:

① Public safety would be at risk. Currently, the security personnel are a high quality individual, many with degrees, past experience in law enforcement or the military. Some said security personnel may be less intelligent than the criminals they are controlling.

② Privatization would not decrease costs, other institutions that have privatized have not realized decreased cost.

Mary Culter



Alaska State Legislature

Please enter into the record my testimony to the House Judiciary Committee
committee name
 committee on HB 428/429 dated 31 Jan 90
bill/subject:

I am totally against any privatization
 of Correctional facilities. The housing
 and care of prisoners should remain in
 full control of the state. Many other
 states have tried private jails and it has
 failed over and over. This is not the type
 of jobfield that can or should be run for profit.

Signed: Samuel Bush
Testifier

self

Representing (Optional)

PO Box 471 Kenai, Alaska 99611

ADDRESS

262-4029

Phone No.

P.O. Box 1587
Kenai, AK 99611
January 31, 1996

House Judiciary Committee
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

Rep. Brian Porter, Chair

Dear Rep. Porter

We have reviewed HB 428 and 429 and feel that the communities of this State need a comprehensive explanation of what the bills are expected to accomplish; what the true costs will be; what the impact upon the smaller prisons will be; if there are any long-term family impacts; and what the general emphasis of the State of Alaska is and will continue to be. The House Concurrent Resolution 19 dealing with the establishment of a TASK FORCE on CORRECTIONS must fit in somewhere.

Please schedule a hearing on this proposal (HB 428 & 429) in communities on the Kenai Peninsula so that our people will be able to give a fair judgement on whether or not to support these efforts.

Thank you,

Joan Bennett Schrader
Joan Bennett Schrader
State Vice President
Coalition of Labor Union Women
(907) 283-4359



cc: CLUW
KFCLC



ALASKA STATE EMPLOYEES ASSOCIATION
AFSCME Local 52, AFL-CIO

January 31, 1996

Representative Brian Porter, Chair
JUDICIARY COMMITTEE
State Capitol, Room 118
Juneau AK 99801-1182

RE: HB428 and 429, January 31, 1996, ASEA/AFSCME Local 52
Testimony

Dear Representative Porter:

Thank you for the time and opportunity to present ASEA/AFSCME Local 52's considerations and concerns at today's Judiciary Committee hearing. We appreciate your efforts at allowing us to testify on this very important policy shift being considered by your committee.

Enclosed you will find a copy of the testimony of Mr. Russ Clemmons, an AFSCME International Labor Economist who is a recognized specialist in the area of government privatization; similarly, you will find a copy of the testimony of Mr. Marc Antrim, a Correctional Officer III at the Lemon Creek Correctional Facilities; and, finally, you will find a copy of the testimony of Mr. Gary Sampson, a Correctional Officer II at the Spring Creek Correctional Center in Seward.

We thank you for your attention and consideration and stand ready to provide you with any information that the Committee would like to have regarding the issue of building a private prison in Southcentral Alaska.

Sincerely,

Charles L. O'Connell
Business Manager
ASEA/AFSCME Local 52

CLO/bhc
enclosures (3)

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EXCERPTS OF TESTIMONY

LEGISLATIVE TELECONFERENCE 1/31/96 and 2/2/96

RE: HB428 AND HB429

DAY 1

(Tape 1, R0770, 2:40 p.m.)

TESTIMONY OF RUSSELL CLEMMONS, AFSCME INTERNATIONAL

CHAIRMAN PORTER: I would like to go next to Juneau here and ask a couple of people at the top of the list to testify perhaps another point of view. Could we ask if Russ Clemmons is available to come forward.

Russ, welcome. Could you give us your name and affiliation for the record and your testimony, please.

CLEMMONS: My name is Russell Clemmons. I work as a Labor Economist for the Department of Research and Collective Bargaining Services for the American Federation of State, County, and Municipal Employees (AFSCME), which is the national union for ASEA Local 52 here in Alaska.

Mr. Chairman, Members of the Judiciary Committee, I want to thank you on behalf of the one million members of AFSCME and the 75,000 State Correctional Officers that we represent, for the opportunity to speak here today on this proposed legislation.

The issue of prison privatization, as you may suspect, is one that concerns us because of its implication for public policy. The appeal of prison privatization is an alluring yet beguiling one. In theory, it is a relatively simple proposition: "build cells, cut costs, and we pass the savings on to government." In reality, however, belies the simplicity of the theory.

The twin imperatives of cutting costs and filling cells translates, most often, into cutting corners in the operation of a prison, both of which has severe consequences that have manifested themselves in several ways, and which ought to be of concern to you

1 as members of this committee, as a Legislature as a whole.

2 The problems with security and escapes have characterized
3 private-operated prisons from the beginning. AFSCME has not been
4 the only one that has questioned the consequences of prison
5 security of introducing the profit motive into the management and
6 operation of prisons. Five men, including one charged with
7 stabbing a woman to death, escaped from the privately operated Bay
8 County, Florida, Jail. The reporters at the St. Petersburg Times
9 raised concern about privately operated prisons: Will a private
10 company supply adequate staff to maintain institutional security.
11 Will it have enough manpower to prevent escapes?

12 Others have expressed concern about the wisdom of
13 privately operated prisons, especially when it comes to security.
14 In fact, a much weighted audit of the privately operated South
15 Central Tennessee Correctional Center (SCCC), comparing it with two
16 state-operated prisons, found that 214 incidents of injuries
17 occurred at SCCC during a 15-month period; whereas, 72 such
18 incidents occurred at the two state-operated facilities combined.
19 Actually, security problems characterized this prison from its
20 beginning.

21 Between March of 1992 and April of that year, eight
22 escapes occurred at the prison, which also had other security
23 problems, ranging from finding an inmate with a handgun during a
24 routine search, and inmates begin inebriated in their cells. These
25 experiences prompted the Memphis Commercial Appeal to comment as
26 follows, "Tennessee's experiment with a privately operated medium
27 security prison looked lean and clean when reporters and officials
28 toured the new South Central Correctional Center. The problems
29 arrived with the prisoners. In view of the imperatives driving
30 prison privatization, these problems ought to come to no surprise,
31 since among the costs private corporations seek to cut are
32 staffing, which accounts for approximately 60 percent of the

1 operating costs of a prison."

2 Corrections Corporation of America slashed staffing by 17
3 percent of the Hernando County, Florida, Jail when it assumed
4 control of the facility. Inmate escapes in 1990 prompted the
5 County Commissioner to a cost and inspection by the national
6 Institute of Corrections, an agency within the United States
7 Department of Justice. The NIC identified understaffing as the
8 major problem at the jail and recommended that additional
9 Correctional Officers be hired. However, the comments of the Jail
10 Administrator (which is comparable to a warden or a superintendent)
11 officer, I think, a valuable insight into a corporation's
12 perspective regarding staffing a prison: "The County can agree
13 with adding guards, if they want to," the Administrator asserted,
14 "but that means the price of poker goes up, as far as you are
15 concerned."

16 Viewed from that perspective, it ought not be surprising
17 when one of the players folds and walks away from the game.
18 Shortly after Wackenhut Corrections Corporation assumed control of
19 the (inaudible) County, Florida, Jail in 1990, the county and the
20 state inspector informed the corporation that the state had
21 previously ordered eleven security posts staffed. Served with a
22 deficiency notice, the company increased its manpower to a level
23 that remained below state requirements. The company then billed
24 the county for an extra \$780,000 and demanded it would take an
25 additional \$2.6 million to perform the four-year term to contract.
26 The county refused, insisting that the corporation should have
27 known about the state's staffing requirements. Wackenhut
28 terminated the contract.

29 The loss of control is a danger when any public service
30 is privatized. When the function is essential to public safety, as
31 the Corrections System, the consequences are potentially ominous.
32 Yet, the drive to fill cells -- which is the other imperative by

1 which private corporations make money -- can have such
2 consequences.

3 A few years after having been awarded a contract to
4 manage and operate the Hamilton County, Tennessee, Penal Farm, the
5 Corrections Corporation of America notified county officials that,
6 because of overcrowding at the facility, it would no longer
7 indemnify or insure the county against lawsuits. We must speculate
8 the county attorney responded that, "Your action is a ploy to
9 coerce Hamilton County officials into constructing additional
10 facilities for the housing of the overflowing state prison
11 population, so that CCA may continue to reap monies for housing
12 these prisoners. If this position of the company is not reversed
13 or clarified without exception, we will have no recourse but to
14 consider this an act of default and consider remedies, including
15 contract termination."

16 Neither the Sante Fe County Commission nor the County
17 Sheriff were notified when the corporation operated the county jail
18 imported 54 inmates from the State of Oregon, to fill cells at that
19 facility. As things turned out, their backgrounds were not quite
20 what the community had been led to believe. None of the inmates
21 were supposed to have been convicted of a crime more serious than
22 armed robbery. In reality, the group included 11 murderers, 17
23 rapists, and 2 kidnappers. County officials asked that the inmates
24 be returned to Oregon. But only when threatened with the loss of
25 its contract did the company operating the prison agree to do so.

26 I would be remiss in my responsibilities as a
27 representative of AFSCME if I did not address the impact of prison
28 privatization upon employees.

29 Available information indicates that corporations pay
30 wages that are 6 to 19 percent lower and provide fewer benefits to
31 Correctional Officers than public jurisdictions.

32 "But isn't this a good idea?" you may wonder, because it

1 means lower costs and thus savings for taxpayers. Not necessarily,
2 for at least a few reasons.

3 John Donahue, who has been a Professor of Public Policy
4 at Harvard University notes in Prisons for Profit: Public Justice,
5 Private Interests that "Low wages comprises the quality of the
6 Correctional Officer labor force. Public Correctional Officers,"
7 John Donahue writes, "are more likely to be high school graduates
8 who work full-time, year-round in their jobs and to be of prime
9 working age. The employers who hire the private guard labor will
10 pay less, mostly, because they get less. The lower the labor cost,
11 the lower quality of labor force."

12 A study by the Urban Institute, comparing a privately
13 operated and a publicly operated prison in the State of Kentucky
14 confirms that staff of the state-directed institution were
15 significantly older, better educated, had worked with the facility
16 longer, and had wider correctional experience than the personnel of
17 the privately managed prison. Staff qualifications, the report
18 concluded, favor better performance from the publicly managed
19 facility. So perhaps you might wish to consider this.

20 Public employees are also citizens and taxpayers. We
21 spend our earnings in the communities where we work, we purchase
22 homes there, we bank there providing a pool of money with which to
23 lend others, we buy our cars there, and we support the numerous
24 small businesses that constitute the fabric of community life
25 throughout Alaska. Put another way: Our money stays in the
26 community; it doesn't go out of state and contribute to the profits
27 of others.

28 Secondly, after all is said and done, after corners have
29 been cut, staff reduced, accountability jeopardized, and paying
30 lower wages and fewer benefits, has prison privatization really
31 saved money for public jurisdictions?

32 After reviewing the literature on this issue, the United

1 States Government General Accounting Office (the GAO), an
2 independent agency that analyzes federal programs for Congress,
3 found that the evidence is inconclusive. Hardly a resounding
4 endorsement. In fact, a 1995 Tennessee audit, comparing the
5 privately operate medium-security prison with two of the state's
6 publicly operated prisons, found negligible savings. Impartial
7 observers have begun to question whether privately operated prisons
8 actually save money. "It is not easy to make a profit in that
9 business, so they have got to cut corners any way they can," says
10 Dennis Colombo, Criminal Justice Professor at Arizona State
11 University. "Private prisons may well cost more in the long run,
12 not only in terms of taxpayer money but also in the health and
13 safety of prison staff and other law enforcement officers."

14 At the very least, the serious doubts regarding the
15 efficacy of privately operated prisons ought to be of sufficient
16 concern, requiring a feasibility study pertaining to the
17 applicability of this idea to the State of Alaska. Such a study,
18 it would seem, would be essential before a policy decision is made
19 to privatize a prison; yet, the proposed legislation that you have
20 before you contains no provision for such a study.

21 The failure to privatize does not necessarily preclude
22 the state from addressing its problems regarding overcrowding. The
23 construction of a mega-facility is proposed in the bill may not
24 necessarily meet the needs of the entire state in this regard, as
25 some of our members can probably tell you, when they have the
26 opportunity to speak before you this afternoon. In view of a
27 system that has been developed around the idea of regionalization,
28 it may make more sense to consider the expansion of existing
29 facilities, which may also prove less expensive.

30 Thank you very much, Mr. Chairman, for the opportunity to
31 speak.

32 CHAIRMAN PORTER: Any questions?

1 REP. TOOHEY: If you had your druthers, would you
2 rather send the overcrowding outside or would you rather build --
3 have a private development?

4 I mean, supposing those were the only two issues.

5 CLEMMONS: The way you state the question,
6 Representative Toohey, is an interesting one. I think there are
7 some possible alternatives between each extreme that you state.
8 One of them, I think, as I have suggested: It may be possible to
9 construct on to additional facilities.

10 REP. TOOHEY: That wasn't the question.

11 CLEMMONS: I know, ma'am, but --

12 REP. TOOHEY: The question was, if you had your
13 druthers?

14 CLEMMONS: I guess I don't accept the two extremes
15 by which you state that.

16 CHAIRMAN PORTER: Representative Green.

17 REP. GREEN: Thank you, Mr. Chairman.

18 You indicated that one of the ways it might ultimately be
19 cheaper would be to segment the funds to expand existing
20 facilities, rather than have one facility?

21 CLEMMONS: I didn't use the word "segment,"
22 Representative Green.

23 REP. GREEN: Would that be what it does, if you
24 break up the funds to various places?

25 CLEMMONS: I'm saying --

26 REP. GREEN: Perhaps I should use some other word.

27 CLEMMONS: Perhaps.

28 REP. GREEN: In other words, you are suggesting,
29 though, that it would be better, perhaps, to expand the existing
30 facilities --

31 CLEMMONS: Maybe. It may be something that you
32 might want to consider.

1 REP. GREEN: What I am getting at is, we keep
2 hearing the reason that we spend so much here, one of the reasons,
3 that prison inmates cost so much here is because of the economy of
4 scale. And it seems to me that what you are suggesting would be in
5 opposition to that. Do you care to comment on that?

6 Is that a viable alternative, to expand existing
7 facilities?

8 CLEMMONS: It may be. We would be more than willing
9 to work with you and look at the numbers.

10 REP. DAVIS: I have a question.

11 CHAIRMAN PORTER: Representative Davis.

12 REP. DAVIS: Thank you very much.

13 I don't know if you can answer this, but I guess in your
14 experiences, because of your traveling all over the United States,
15 you must go and testify a lot on issues that have to do with
16 privatization of institutions. And can you tell me, when you go to
17 these places, is it usually to testify on an existing bill that is
18 already there or is it something that you go to try to help them
19 set up, looking at where they should go private or should they
20 remain the way they are, and what is the time line when you are
21 dealing with that?

22 I know that at some point we have to look at some of
23 these things. I'm not really sure what the Administration is doing
24 and where they are on the scheme of things, of trying to find out
25 what we are going to do about new facilities.

26 But can you just sort of sum of for me some of your
27 experiences?

28 CLEMMONS: Usually, Representative Davis, it's the
29 former; that is, we are asked to testify on a piece of proposed
30 legislation. And the process of doing that, we would like to
31 suggest perhaps some alternatives, suggest --

32 I think the way the debate is usually framed on this

1 issue is that, "We've got a problem; therefore, we must privatize."
2 And I guess what I am trying to say here is, I think there may be
3 a range of alternatives, that privatization very often is a knee-
4 jerk reaction, quite candidly. And I think there is a range of
5 alternatives, including, you know, let's keep -- if you are going
6 to build -- if it is necessary to build an existing facility, then
7 let's look at ways we can keep that facility public.

8 I don't necessarily subscribe to the idea that efficiency
9 and cost savings are the sole prerogative of the private sector.
10 I think public management can be as innovative -- I think I heard
11 a term described by one of the previous commentators or presenters
12 about innovation and creativity. Well, public management and
13 public employees can also be creative and innovative. That is not
14 the sole prerogative of the private sector.

15 CHAIRMAN PORTER: Thank you, Russ.

16 CLEMMONS: Thank you.

17 (end of excerpt/bhc)

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EXCERPTS OF TESTIMONY

LEGISLATIVE TELECONFERENCE 1/31/96 and 2/2/96

RE: HB428 AND HB429

DAY 1

CHAIRMAN PORTER: Could I ask -- Marc Antrim?

TESTIMONY OF MARC ANTRIM, COIII, ASEA/AFSCME Local 52

(Tape 1, R1309, 2:55 p.m.)

CLEMMONS: Marc, welcome.

ANTRIM: Thank you very much, Chairman Porter, for allowing me the opportunity to speak.

My name is Marc Antrim. I am a Correctional Officer III, a Sergeant at Lemon Creek Correctional Center. I have been a Sergeant for about six years, a Correctional Officer for 13.

I want to start by saying that Correctional Officers across the state applaud the Legislators' efforts the last few years, passing stronger laws with stiffer sentencing. We collectively believe that, you know, these laws are going to have a very positive effect on public safety in the state, and basically make Alaska a safer place for everybody to live.

However, I've got to tell you, House Bills 428 and 429 we see as a mistake. What we have here is a collision, a head-on collision, of two very basic values in our society: private enterprise and public safety. The big value, the most prime value in private enterprise is, really, "What is the bottom line?" Unfortunately, you are talking public safety. The bottom line is a very tough thing to get at.

These bills, as I see them anyway, are kind of a fiscal shell game. It costs the Department of Corrections \$105 per day, Representative Mulder just testified it was \$107 -- and I will take him at that. That is a large amount of money, a lot of money. However, it is also a pretty honest figure as we see it.