

ALASKA LEGISLATURE

1425

HOUSE and SENATE FINANCE COMMITTEE FILES, 1995-1996



Testimony
by invitation only

LEGISLATIVE TELECONFERENCE NETWORK SIGN-IN SHEET

58833

SPONSOR: House Finance Subcomm - Corrections

SUBJECT: _____

START/END TIME: _____ DATE: 10/19

PLEASE PRINT

	Name/Representing	Address	Zip	Phone No.	Testify	Observe	Bill No.
1.	✓ John L. Greene	1150 Ballena Blvd #200 Alameda, Calif	94501	510-521-9603	✓		
2.	✓ Al Finneseth	821 N. Street - Sx. 204	99501	276-5702		✓	
3.	Rosalie Nadeau, Alaska House	2805 Perry St. Ste 4 Anchorage AK 99503	99503	571-5218	✓	✓	
4.	Keggy O. Davonport	P.O. Box 1401363 Anchorage AK 99514-1363	99514-1363	333-1732		✓	
5.	Travis Dunfee	ASCG, INC. (PARTNER) 381 ARCTIC SLIP TUL					
6.	Sean Steward	PO. 653 - Valdez Chamber Valdez AK 99	99684	835-2330		✓	
7.	✓ Scott Lewis / CIR	PO Box 93330 Anchorage 99509	99509	274-8638		✓	
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Hearing on Privatization and Corrections
Corrections Subcommittee of the House
Finance Committee
October 19, 1995.

Opening Statement of Rep. Eldon Mulder

Good morning,

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

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

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

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

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

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

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

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

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

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

Interim Hearing on Privatization and Corrections

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

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

State looks at privatizing prisons

■ *Officials discuss merits of contracting corrections*

By MARK SABBATINI

THE JUNEAU EMPIRE

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

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

tions services already being contracted through private companies.

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

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

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

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

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

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

Please turn to Prisons, Page 8

Prisons...

Continued from Page 1

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

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

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

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

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

He said his officers have great

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

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

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



ALASKA STATE LEGISLATURE
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MILITARY AFFAIRS FOR
ANCHORAGE CAUCUS

REPRESENTATIVE ELDON MULDER
DISTRICT 23 MULDOON-Ft. RICHARDSON



MEMORANDUM

DATE: September 12, 1995

TO: House Finance Subcommittee on Corrections
Other Interested Parties

FROM: Representative Mulder

RE: Interim Hearing on Privatization October 19, 1995

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

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

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

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

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



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES



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ON MILITARY AND
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MILITARY AFFAIRS FOR
ANCHORAGE CALCS

REPRESENTATIVE ELDON MULDER
DISTRICT 23 MULDOON-Ft. RICHARDSON

MEMORANDUM

DATE: September 28, 1995

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

FROM: Denny DeWitt
Phone 465-2647

RE: Requirements for Privatization

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

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

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

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

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

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

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

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

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

Requirements for Privatization

September 28, 1995

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

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

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

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

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

Requirements for Privatization
September 28, 1995
Page 4

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

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

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

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



Design • Construction • Financing • Management

September 26, 1995

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

Dear Mr. Mulder:

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

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

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

Sincerely,

Jeffrey L. Spoon
Vice President for Development

HAND OUT FROM
ALLVEST, INC
WILLIAM WEIMAR, PRES

for Tom A.

PRIVATIZING PT. MCKENZIE

COMPARATIVE BUDGET

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

Total Dollar Difference:

\$543,800

RECENT PROJECTS and QUALIFICATIONS

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CORPLAN, INC.

Correctional Development

Dallas, Texas

**CORPLAN INC.
CORRECTIONAL DEVELOPMENT**

**JAMES M. PARKEY
President**

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

EDUCATION

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

REGISTRATION

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

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

SUMMARY OF EXPERIENCE

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

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

Experience includes:

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

Specific experience in :

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

Career involvements have included:

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

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

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

CRIMINAL JUSTICE EXPERIENCE

TEXAS

REGIONAL JUVENILE FACILITY, Post, Texas

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

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

Financing by Municipal Capital Markets Pending

BREWSTER COUNTY JAIL, Alpine, Texas

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

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

Financing by Municipal Capital Markets Pending

REGIONAL JUVENILE FACILITY, Raymondville, Texas

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

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

Financing by Municipal Capital Markets Pending

REGIONAL JUVENILE FACILITY, Henderson, Texas

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

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

Financing by Municipal Capital Markets Pending

STATE JAIL, Henderson, Texas

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

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

Financing completed by Municipal Capital Markets in 60 days.

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

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

PERMIAN BASIN REGIONAL JAIL, Odessa, Texas

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

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

WINKLER COUNTY JAIL, Kermit, Texas

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

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

Financing completed by Municipal Capital Markets in 60 days.

DELTA COUNTY JAIL, Cooper, Texas

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

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

Financing completed by Municipal Capital Markets in 45 days.

NEWTON COUNTY DETENTION CENTER, Newton, Texas

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

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

NEWTON COUNTY DETENTION CENTER, PHASE II, Newton, Texas

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

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

MIDLAND COUNTY JAIL, Midland, Texas

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

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

POTTER COUNTY JAIL, Amarillo, Texas

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

SWISHER COUNTY JAIL, Tulia, Texas

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

GUADALUPE COUNTY JAIL, Seguin, Texas

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

MOORE COUNTY JAIL, Dumas, Texas

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

McLENNAN COUNTY JAIL, Waco, Texas

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

LIMESTONE COUNTY JAIL, Grosbeck, Texas

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

EARL CABELL BUILDING AND COURTHOUSE, Dallas, Texas

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

BREWSTER COUNTY JAIL AND DETENTION CENTER, Alpine, Texas

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

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

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

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

Texas prisoners. Funding is under consideration by Texas Legislature.

Completion date: 1985

CITY OF HURST POLICE CENTER, Hurst, Texas

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

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

SOMERVELL COUNTY LAW ENFORCEMENT CENTER, Glen Rose, Texas

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

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

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

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

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

TITUS COUNTY JAIL, Mt. Pleasant, Texas

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

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

COLONY MUNICIPAL/POLICE CENTER, Colony, Texas

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

TITUS COUNTY JAIL RENOVATION ANALYSIS, Mt. Pleasant, Texas

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

PALO PINTO COUNTY JAIL, Palo Pinto, Texas

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

JOHNSON COUNTY JAIL, Cleburne, Texas

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

YOUNG COUNTY JAIL SECURITY STUDY, Graham, Texas

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

WILBARGER COUNTY JAIL/FEASIBILITY STUDY, Vernon, Texas

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

NEW MEXICO

SAN MIGUEL COUNTY JAIL, Las Vegas, New Mexico

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

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

Financing completed by Municipal Capital Markets in 75 days.

CIBOLA COUNTY, Milán, New Mexico

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

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

Financing completed by Municipal Capital Markets in 75 days.

DONA ANA COUNTY, Las Cruces, New Mexico

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

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

SANDOVAL COUNTY JAIL, Bernalillo, New Mexico

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

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

Financing completed by Municipal Capital Markets in 60 days.

COLFAX COUNTY JAIL ADDITION, Raton, New Mexico

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

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

Financing completed by Municipal Capital Markets in 90 days.

QUAY COUNTY JAIL, Tucumcari, New Mexico

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

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

Financing completed by Municipal Capital Markets in 75 days.

COLFAX COUNTY JAIL, Raton, New Mexico

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

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

Financing completed by Municipal Capital Markets in 45 days.

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

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

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

Financing completed by Municipal Capital Markets in 45 days.

SANDOVAL COUNTY JAIL AND JUDICIAL COMPLEX, Bernalillo, New Mexico

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

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

Financing completed by Municipal Capital Markets in 45 days.

ROOSEVELT COUNTY JAIL FACILITY, Portales, New Mexico

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

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

COLORADO

ARCHULETA COUNTY GOVERNMENTAL CENTER, Pagosa Springs, Colorado

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

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

IDAHO

CANYON COUNTY DETENTION CENTER, Caldwell, Idaho

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

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

CANYON COUNTY JUVENILE CENTER, Caldwell, Idaho

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

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

VIRGINIA

PRINCE WILLIAM COUNTY JAIL ANNEX, Manassas, Virginia

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

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

OKLAHOMA

OKMULGEE COUNTY, Henryetta, Oklahoma

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

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

Financing pending by Municipal Capital Markets.

KIOWA COUNTY, Hobart, Oklahoma

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

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

NEVADA

LINCOLN COUNTY, Pioche, Nevada

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

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

Financing completed by Municipal Capital Markets in 30 days.

ARKANSAS

HOT SPRINGS COUNTY, Malvern, Texas

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

UNION COUNTY, Eldorado, Arkansas

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

LOUISIANA

DESOTO PARISH JAIL, Mansfield, Louisiana

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

INTERNATIONAL

MINISTRY OF JUSTICE, COLONIAL REPUBLIC OF TAHITI

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



AKEELA HOUSE INCORPORATED
Therapeutic Community for the Treatment of Substance Abuse

October 19, 1995

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

Ladies and Gentlemen:

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

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

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

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

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

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

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

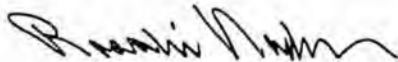
Akeela - page 3

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

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

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

Sincerely,



Rosalie Nadeau,
Deputy Director

attachments

Figure 9

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

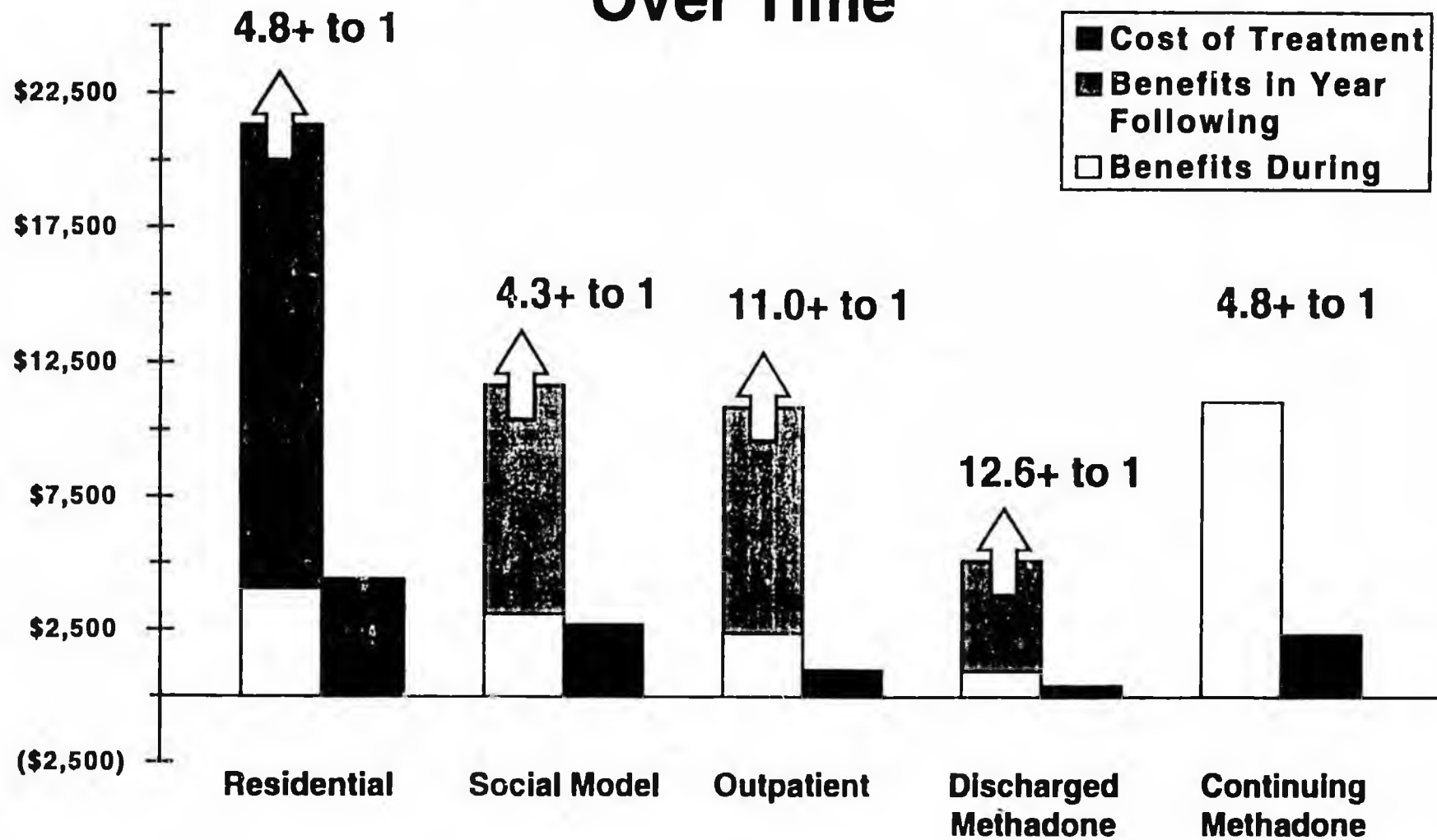
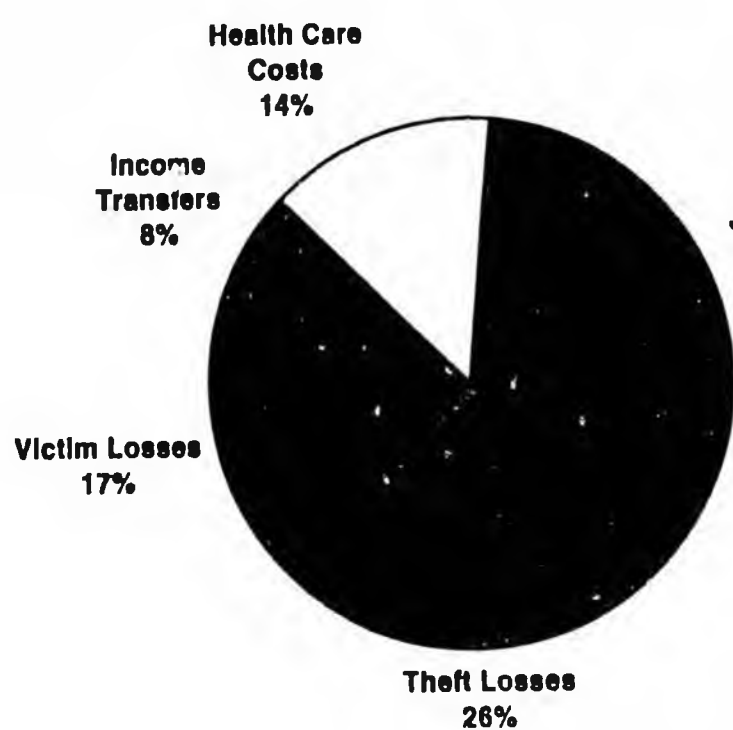
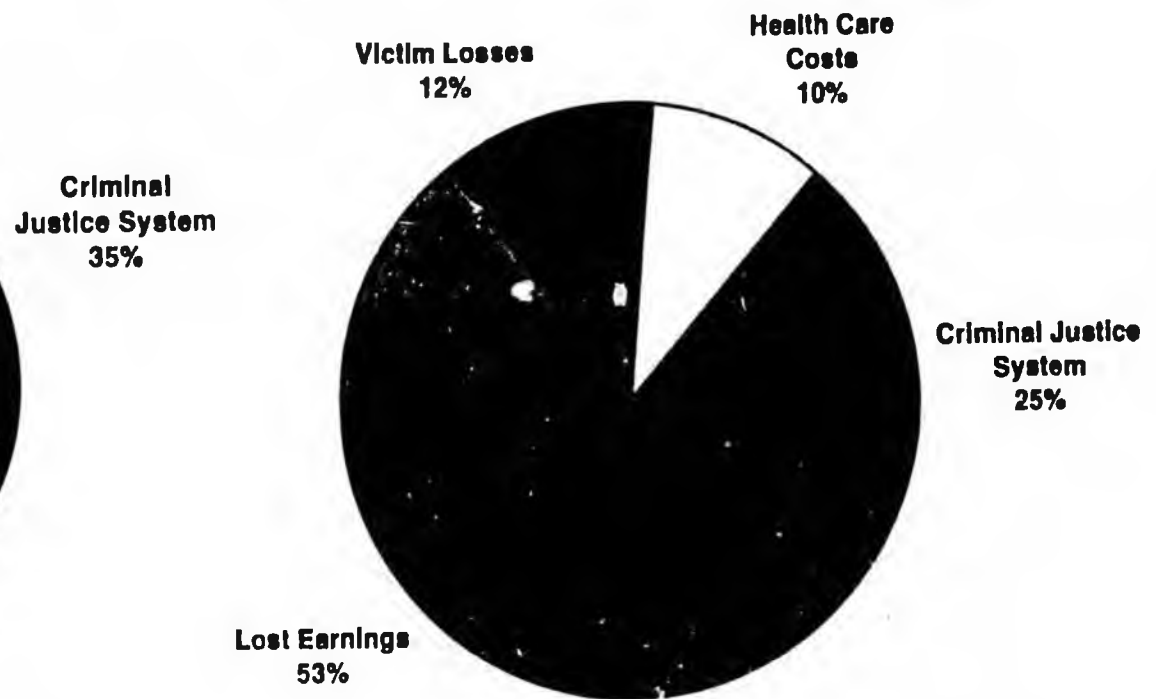


Figure 4 Economic Impacts of Drug and Alcohol Abusers in Year Before Entering Treatment



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



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

Yes Virginia, Treatment Works!

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

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

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

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



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

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

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

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

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

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

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

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

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

Gateway: Cocaine Users Smoked First

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

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

other alcoholic beverages to minors".

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

OF ALL Cocaine users:

52% → → →

13% → → →

13% → → →

5% → → →

17% → → →

0% →

**C
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N
E**

Go straight to...

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

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

facsimile transmittal

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

Urgent For Review Please Comment Please Reply Please Recycle

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



September 26, 1995

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

Dear Sir:

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

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

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

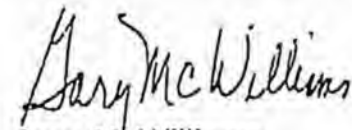
The Honorable Eldon Mulder
Page 2
September 26, 1995

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

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

Sincerely,

CORRECTIONAL MEDICAL SERVICES



Gary McWilliams
Vice President Sales and Marketing

/cmm
enclosure

cc: Frank Fletcher



Mis-truths in SENTENCING

■ LAW AND JUSTICE:

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

BY TODD R. CLEAR

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

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

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

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

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

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

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

tencing movement mean for the states?

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



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

Prison boom

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

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

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

A costly mandate

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

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

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

So what else will the truth-in-sen-

New York opts for truth

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

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

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

could have been released after serving 4.5 years.

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

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

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

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

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

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

Tougher sentencing practices

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

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

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

continued on page 15

Is your justice system in a state of crisis?

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

Source: Justice Fellowship

Justice rankings explained

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

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

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

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

JULY 1996

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

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

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

AUGUST 1996

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

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

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

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

OCTOBER 1996

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

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

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

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

(Currans, Lexington) (606) 231-1889

NOVEMBER 1996

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

DECEMBER 1996

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

Mistruths in sentencing

from page 13

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

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

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

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

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

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

CSG Resources

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

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

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

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

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

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

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

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

WILL PRIVATIZATION OF OUR PRISONS REALLY SAVE MONEY?

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

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

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

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

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

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

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

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

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

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

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

LITTLE OR NO SAVINGS.

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

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

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

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

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

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

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

--10 INMATES ESCAPED FROM CCA'S TENNESSEE PENAL FARM, LOCATED IN HAMILTON COUNTY, IN 1985; THREE ESCAPED IN 1986; AND, THAT SAME YEAR, 23 INMATES ESCAPED FROM CCA-MANAGED ROAD CREWS IN EIGHT MONTHS, WHICH WAS DOWN FROM THE 28 INMATES WHO ESCAPED FROM CCA-MANAGED ROAD CREWS THE PREVIOUS YEAR.

BESIDES NOT SAVING MONEY AND THE ESCAPE PROBLEMS, PRIVATE PRISONS HAVE EXPERIENCED OTHER PROBLEMS AS WELL.

THE ILLINOIS STATE LEGISLATURE REJECTED PRIVATIZATION OF ITS PRISONS IN 1993, FOLLOWING A REPORT BY THE PRIVATE ENTERPRISE

REVIEW AND ADVISORY BOARD. A PANEL ESTABLISHED BY GOV. JIM EDGAR AND COMPOSED MOSTLY OF ILLINOIS BUSINESS PERSONS. IN ITS REVIEW OF PRIVATE PRISONS IN THE LOWER 48, THE BOARD FOUND THAT LONG-TERM COST SAVINGS WERE NOT DEMONSTRATED, THAT ESCAPES WERE A PROBLEM, THAT EDUCATION AND TRAINING PROGRAMS FOR INMATES HAD NOT BEEN IMPLEMENTED IN SOME CASES, THAT THE PRIVATE PRISONS FAILED TO HIRE TRAINED PERSONNEL OR TO ADEQUATELY TRAIN THE PERSONNEL THEY DID HIRE.

IN MOST CASES, THE PROGRAMS WERE NOT IMPLEMENTED AND THE EMPLOYEES WERE NOT TRAINED SO THE PRIVATE OPERATOR COULD SAVE MONEY.

AN EXAMPLE IS THE WACKENHUT CASE IN MONROE COUNTY, FLORIDA, MENTIONED ABOVE. WACKENHUT REDUCED SALARIES FOR NEW EMPLOYEES WHEN IT TOOK OVER THE COUNTY JAIL. AS A RESULT, HIRING NEW EMPLOYEES BECAME A PROBLEM WHICH LED WACKENHUT TO USE UNCERTIFIED PART-TIMERS TO FILL SHIFTS AT THE JAIL. THIS USE OF INEXPERIENCED PERSONNEL NOT ONLY LED TO MORE ESCAPES, IN ONE CASE, AN EMPLOYEE ACTUALLY ASSISTED IN AN ESCAPE. THE ESCAPES ALSO INCREASED THE STATE'S LIABILITY TO THE PUBLIC, AND THE PUBLIC'S COST AS LAW ENFORCEMENT OFFICERS HAD TO FIND AND REINCARCERATE THE ESCAPED INMATES.

1990 AUDITS BY THE STATE OF TEXAS OF FOUR OF ITS PRIVATELY-OPERATED STATE PRISONS IDENTIFIED AN ARRAY OF SERVICE PROBLEMS AT THESE PRISONS. TWO OF THE PRISONS WERE OPERATED BY WACKENHUT CORRECTIONS CORPORATION (WCC) AND TWO BY THE CORRECTIONS CORPORATION OF AMERICA (CCA). AT ALL FOUR FACILITIES, TEXAS AUDITORS FOUND THAT NEITHER PRIVATE FIRM HAD COMPLIED WITH CONTRACT REQUIREMENTS TO PROVIDE PROGRAMMATIC ACTIVITIES FOR INMATES, OR TO PROVIDE VOCATIONAL AND OTHER EDUCATIONAL PROGRAMS REQUIRED BY THEIR RESPECTIVE CONTRACTS WITH THE STATE. WHY NOT? BECAUSE THEY COST MONEY TO IMPLEMENT AND WOULD EAT INTO THE PRIVATE FIRMS' PROFITS.

THE TEXAS AUDITS ALSO UNCOVERED MAJOR DEFICIENCIES IN INMATE HEALTH CARE, WHICH WAS FOUND TO BE LACKING IN ACCESS AND DELIVERY TO PRISONERS. AN ADDITIONAL AUDIT BY TEXAS' HEALTH SERVICES DIVISION NOT ONLY FOUND THAT THE PRIVATELY OPERATED PRISONS FAILED TO MEET ONE-THIRD OF THE 71 HEALTH AND MEDICAL STANDARDS ESTABLISHED BY THE STATE FOR PRISON FACILITIES, IT ALSO FOUND THAT SEVERAL OF CCA'S POLICIES WERE INCONSISTENT WITH THOSE OF THE TEXAS DEPARTMENT OF CRIMINAL JUSTICE'S INSTITUTIONAL DIVISION.

OTHER HEALTH PROBLEMS IDENTIFIED AT THESE AND OTHER PRIVATELY OPERATED PRISON FACILITIES SHOWED:

--THE PRIVATE FIRMS FAILED TO GIVE INMATES PHYSICAL EXAMINATIONS, INCLUDING BLOOD TESTS FOR COMMUNICABLE DISEASES SUCH AS A.I.D.S., IN A TIMELY MANNER IF AT ALL;

--PRIVATE FIRMS FAILED TO ADMINISTER MEDICATIONS ACCORDING TO A PHYSICIAN'S INSTRUCTIONS;

--A PRIVATE FIRM IGNORED ONE INMATE'S SEIZURES. RATHER THAN TAKE THIS FEMALE INMATE TO THE DISPENSARY FOR TESTS, SHE WAS PLACED IN ISOLATION;

--PRIVATE FIRMS DENIED INMATES PROPER TREATMENT AND MEDICATION WHICH, IN AT LEAST ONE INSTANCE, APPEARS TO HAVE LED TO THE DEATH OF AN INMATE FROM COMPLICATIONS, WHICH WERE IGNORED, THAT RELATED TO A TUBAL PREGNANCY; AND ANOTHER INSTANCE WHERE A PRISONER WAS DIAGNOSED WITH CANCER BUT NEVER RECEIVED TREATMENT.

THE HIGH COST OF PRIVATIZING PRISONS HIT HOME WITH THE FEDERAL GOVERNMENT THIS PAST JULY, BUT IT TOOK A PRISON RIOT TO GET THE GOVERNMENT'S ATTENTION.

IMMIGRANTS SEEKING POLITICAL ASYLUM IN THE UNITED STATES RIOTED AT THE IMMIGRATION AND NATURALIZATION SERVICE'S (INS) HOLDING FACILITY IN ELIZABETH, NEW JERSEY. THE FACILITY WAS OPERATED BY A PRIVATE CONTRACTOR WHO CREATED AN ATMOSPHERE OF ABUSE AND PENNY-PINCHING.

ACCORDING TO THE INS' INVESTIGATION INTO THE RIOT AND ITS CAUSES, THE PRIVATE CONTRACTOR'S PRISON GUARDS PHYSICALLY AND VERBALLY ABUSED DETAINEES, SHACKLED THEM IN LEG IRONS, WOKE THEM UP IN THE MIDDLE OF THE NIGHT AND ROUGHED THEM UP. THE INVESTIGATION ALSO SHOWED THAT DETAINEES WERE RESTRICTED TO ONE PAIR OF CLEAN UNDERWEAR A WEEK, AND THAT WOMEN DETAINEES WERE DENIED SANITARY NAPKINS. THE INS STUDY ALSO FOUND THAT THE GUARDS AT THIS FACILITY WERE POORLY TRAINED AND POORLY PAID, WHICH CONTRIBUTED TO THE OTHER PROBLEMS.

THE INS CANCELLED THE PRIVATE CONTRACT FOR THE ELIZABETH, NEW JERSEY, FACILITY, AND IS NOW CONSIDERING AVOIDING PRIVATIZATION IN THE FUTURE.

ESCAPES AND RIOTS HIT AT THE HEART OF THE PUBLIC'S SAFETY AND WELFARE WHEN DEALING WITH CORRECTIONS. AND THERE ARE OTHER PROBLEMS IN THIS AREA AS WELL.

A PRIVATE OPERATOR OF A PRISON IN SANTA FE, NEW MEXICO, TRANSFERRED 54 INMATES FROM ANOTHER OF ITS PRISONS--THIS ONE IN OREGON--TO THE SANTA FE FACILITY BUT NEVER NOTIFIED LAW ENFORCEMENT OR CORRECTIONS OFFICIALS IN EITHER STATE OF THE TRANSFERS. WHEN RESIDENTS LIVING NEAR THE SANTA FE FACILITY NOTIFIED THE LOCAL PRESS THAT MORE INMATES WERE BEING TRANSFERRED IN, THE PRIVATE OPERATOR TOLD THE PRESS AND LOCAL CITIZENS NOT TO WORRY, THAT NONE OF THE TRANSFERRED PRISONERS HAD BEEN CONVICTED OF ANYTHING MORE SERIOUS THAN ARMED ROBBERY. INVESTIGATIONS BY THE PRESS, HOWEVER, SHOWED THAT THE GROUP OF 54 INMATES INCLUDED 11 CONVICTED MURDERERS, 17 RAPISTS, AND 2 KIDNAPPERS. IT IS UNTHINKABLE TO ME THAT A FIRM COULD MOVE SUCH A COLLECTION OF INMATES WITHOUT--AT A MINIMUM--LETTING OREGON AND NEW MEXICO STATE OFFICIALS KNOW ABOUT IT.

THESE ARE JUST A FEW EXAMPLES OF HOW PROFITIZING, OR PRIVATIZING, STATE PRISON FACILITIES CAN END UP COSTING THE STATE MONEY RATHER THAN SAVING IT, AND ENDANGERING THE PUBLIC RATHER THAN PROTECTING IT.

BEFORE ALASKA GOES CHARGING DOWN THE SAME PATH, WE OWE IT TO OURSELVES AND OUR CITIZENS TO SUDY THE PROFITIZATION/PRIVATIZATION ISSUE CAREFULLY, INCLUDING THE HIDDEN COSTS AND LIABILITIES TO THE STATE OF ANY PRIVATIZATION EFFORT. THE STATE OF ALASKA'S OBLIGATION TO PROTECT THE PUBLIC, AND TO OVERSEE AND BE ACCOUNTABLE FOR THE SPENDING OF PUBLIC DOLLARS DESERVES NO LESS.

(end testimony)

Privatization threatens Corrections

Privatization is a direct attack on public employees. The attack comes from independent contractors seeking to make a buck providing services that are better left in the hands of trained professionals.

The bottom line is that no matter who provides the services, government must still pay the costs. Not just the costs of the contracts, but other costs as well. These include 1) drafting and monitoring of private contracts, 2) loss of control over facilities and inmates, 3) the high probability of escape caused by inadequately trained, poorly motivated private security guards, 4) dan-

ger to the public from escaped inmates, 5) utilization of local law enforcement to recapture escapees, 6) the use of

It is frustrating that advocates of 'Prison Privatization' never want to consider these documented additional

Rep. Eldon Mulder has scheduled an October 19 public hearing -- for the House Finance Subcommittee on Corrections -- on "opportunities available to privatize correctional activities in Alaska." (9 a.m. at the Anchorage Legislative Information Office, 716 W. 4th Ave.) He says anyone interested in making a presentation should contact his Legislative Assistant, Denny DeWitt, at 465-2647. Please do so. We must let them know what a terrible idea they are promoting.

inmate labor for improper purposes and 7) the cost of stepping in when a contractor bails out of the corrections business.

These costs are real, and in each case there is a prior documented history of their falling back into the laps of federal, state, or local governments.

costs. All they want to talk about is the immediate financial savings. But, the fact is, any financial saving is offset by the damage caused by cutting corners.

The financial savings argument has been stretched to the extreme. Any savings realized through privatization of state services is at the expense of working men and women. Sixty percent of the costs of corrections is the labor force. Most other costs are fixed and are the same for both government

Please see page 2, **Privatization**

Backlog of grievances reduced by half

The grievance backlog which has frustrated Union staff and members alike for years was reduced more than 50% recently through innovative case management and mediation techniques.

Mediation, compared to arbitration, is a quicker, cheaper, and less formal way to settle labor/management disputes. When Local 52 and the State tried it for the first time last month on 36 Corrections cases, they settled all

but 12 in only two days.

Then, week before last, Union business agents and state labor analysts spent three days hashing out their differences face to face. Under the guidance of mediator Dr. John Abernathy, they resolved 57 of 101 grievances, and worked out tentative settlements on 18 or 19 more.

The backlog of grievances was created when the State refused to arbitrate further disputes (including ter-

minations) after it exhausted the funds it had set aside for arbitration in its 1993-94 budget. The Union responded by filing an unfair labor practice charge with the Alaska Labor Relations Agency. The Agency agreed with the Union that fiscal problems did not relieve the State from its contractual obligations, and it ordered the State to resume arbitrating grievances - some

Please see page 2, **Mediation**

Privatization...

Continued from page 1

and private corrections providers.

As always, business owners want to minimize salaries and benefits in order to maximize profits. But the security officers who work for privatized corrections contractors are too often poorly screened, trained, and prepared to deal with violent, emotionally unbalanced, socially misfit inmates. In many cases, the inmates are smarter than the private security guards, and they are able to manipulate them into dangerous situations.

By contrast, professional Correctional Officers are required to undergo psychological screening and intensive training in risk management and self defense. They are prepared to deal with the stress of managing inmates with only their wits to protect themselves and the public.

Without intelligent, trained officers, inmates will find ways to escape, putting the public at risk. And when escapes occur, the public will blame government officials -- who remain legally liable. In the end, government and the public will pay the real costs of privatization.

Solidarity Calendar

- Midnight Sun Chapter Stewards Meeting..... Wednesday, October 11
ASEA at 5:15 p.m..
- Bethel Chapter Meeting..... Wednesday, October 11
Noon to 1:00 p.m. in the BNC conference room
- Sitka Chapter Meeting..... Thursday, October 12
5:30 p.m., Pioneer Home Chapel.
- Rural Chapter Chairs' Teleconference..... Thursday, October 12
7:00 p.m. in the Union offices
- Ketchikan Chapter Meeting..... Tuesday, October 17
Noon, F&G conference room 2030 Sea Level Dr., #209
- PAC Committee Teleconference..... Tuesday, October 17
5:15 p.m. in the Union offices
- ALASKA DAY HOLIDAY..... Wednesday, October 18
- Cook Inlet Chapter Meeting..... Thursday, October 19
6:30 p.m. in the Kenai City Hall Council Chambers
- Pioneer Home Committee Teleconference..... Thursday, October 26
4:00 p.m. every fourth Thursday in the ASEA offices
- Rural Chapter Chairs' Teleconference..... Thursday, October 26
7:00 p.m. in the Union offices

(Please notify us of upcoming events at the number listed below.)

Mediation proves its effectiveness...

Continued from page 1

of which were four years old.

At times during the recent case management marathon, it took a visible effort for State and Union representatives not to fall back into acrimo-

nious habits. But they stifled their natural antagonism and kept their eyes on the prize -- which, of course, was to resolve as many cases as possible. To a large degree they succeeded, and for this they deserve our appreciation.

Interested in running for the PERS board?

Nominations are now open for two elected positions which will become vacant on the Public Employees' Retirement Board on April 6, 1996. (The other three positions on the board are appointed by the Governor).

The PERS board meets four to five times a year, one to three days each, to review operations and set policy for the system. There is no salary, but transportation and per diem expenses are provided.

The nominations deadline is November 17, 1995. For information, or to get nominating petitions, call 907/465-4470.

Open Registers

Closing 10/10/1995: Education Specialist I(SR19), II(SR21); Medical Assistance Administrator I(SR16), II(SR18), III(SR20); Library Assistant I(SR11), II(SR13); Habitat Biologist I(SR14), II(SR16), III(SR18), IV(SR20).

Closing 10/17/1995: Drafting Technician I(SR10), II(SR13), III(SR15).

Closing 10/31/1995: Health Program Manager I(SR17), II(SR19), III(SR21), IV(SR23); Public Health Specialist I(SR18), II(SR20).

Closing 11/16/1995: Wildlife Biologist I(SR14), II(SR16), III(SR18), IV(SR20)

Open Continuously: Numerous job classes which have a history of being hard to fill are open for recruitment on a continuous basis. Detailed bulletins for these, as well as the positions listed above, are available in the ASEA/AFSCME Local 52 offices or at your nearest Alaska Employment Service office. They also may be found at city halls, schools, post offices, or village council offices. Or call Juneau, 465-8910.

Member to Member

Donations of annual leave are needed for ASEA members who are unable to cover the time they must be away from work for medical or family emergency reasons and to replenish the Union leave bank, which has been depleted by protracted contract talks. ASEA members can donate annual leave by filling out a leave slip in the name of the person receiving the donation and bringing it or mailing it to ASEA. **Note: donation and business leave slips must now be received in the Union offices no later than 3:00 p.m., four days prior to the end of a pay period, to be credited.**

Danny Arthur, an Admin Clerk with H&SS Public Assistance in Anchorage, needs leave donations while out six weeks for cancer surgery.

Ed Tolley, an Accounting Clerk with the Dept. of Corrections, needs leave donations during his recovery from brain surgery.

Jack Dominick, a CO II at Wildwood, needs leave donations to help him recover from an on-the-job injury suffered last February.

Terri Stickler, a CO II at Wildwood Pretrial, needs leave donations for recent, serious complications from a job-related spinal injury two years ago.

Cathy Luther, a Data Communications Specialist with Juneau DOE, needs leave donations to help with an ongoing serious illness.

Judy Ivanoff, an Admin Clerk II with Public Assistance in Anchorage, needs leave donations while out with pneumonia.

Patricia Floyd, an Eligibility Tech II with H&SS in Soldotna, needs leave donations to help with a current, serious illness.

For changes in newsletter distribution, please call Michael Lacey at 1-800-478-2732.

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This demonstration is virtually identical to the BI PROFILE calls made by thousands of enrolled offenders every day.

BI PROFILE

THE POWER OF AUTOMATED CASELOAD MANAGEMENT

COLORADO

For convicts, 'Big Brother' is here

Electronic home arrest could revolutionize corrections industry

By SCOTT MAXWELL
Associated Press

As old as civilization, jails originally once were built for punishment and banishment. Then, early this century, reform-minded leaders decided prisoners needed a dose of rehabilitation.

Now, the day has arrived when many convicts may not have to spend time behind bars at all.

A rubber-coated bracelet adapted by BI Inc. of Boulder from technology used to track dairy cows is revolutionizing the prison industry.

The era of "Big Brother" has arrived — electronic home arrest and monitoring. Home-arrest prisoners wear an ankle bracelet with an electronic transmitter that tracks their movements and signals a monitoring center when they go astray.

Starting with its cow-monitoring technology, BI has become the nation's leading provider of both electronic arrest equipment and monitoring services. It provides 65 to 70 percent of the equipment and monitors 45 to 50 percent of the prisoners.

"It frees up prison space for the 'three strikes and you're out' type of offenders," said David Hunter, president and chief executive officer of BI Inc. "So you're getting tough on the people who need tough, and you're rehabilitating the people who at least still have a shot at getting back into society."

BI last year won an exclusive contract to provide equipment and monitoring services for the U.S. Probation Office, which has about 1,100 offenders under electronic monitoring. The company also has contracts with corrections officials in at least 46 states, said BI spokeswoman Joanna Manley.

The ankle transmitter sends an encoded signal to an electronic receiver installed in the offender's home whenever the offender is within range of the receiver — usually about 150 to 200 feet. The receiver uses a modem to signal a host computer at a monitoring center when the offender travels outside the range of the receiver.

The host computer, programmed with the offender's schedule (for work, counseling session and other court-approved activities) alerts the proper authorities — probation officers, police or the monitoring center staff — when an offend-



Associated Press

ENFORCING MEASURES: David Hunter, CEO and president of BI Inc., holds an alcohol-level monitor his Boulder company supplies to various parole and law enforcement agencies as part of home arrest programs.

er's activities don't match the schedule.

Federal state and local corrections agencies across the country are using the system in increasing numbers. They say it reduces costs and recidivism rates, frees up prison space needed for more violent or hardened convicts and allows offenders to maintain community and family ties, corrections officials say.

"Certainly home arrest has revolutionized corrections," Hunter said. "To the degree that we've gone from an abacus to a 406 computer, I'd say that's revolutionary."

More than 67,000 people in all 50 states, Guam and Puerto Rico currently are under electronic monitoring.

One reason electronic arrest is so attractive is its low cost — less than half that of keeping the same offender in a federal prison, said Robert Altman, administrator of the U.S. Probation Office's home confinement program.

The cost per day, per offender of electronic monitoring, including equipment and supervision, is \$19.55, Altman said. In 1992 (the latest year for which figures are available), the cost of keeping an offender in prison was \$56.84 a day, he said.

"And there's an added feature: When you have someone in the community they are a taxpayer, not a tax burden, because they are able to go to work," Altman said.

Electronic home arrest allows prisoners to keep their jobs — which means they can pay restitu-

tion, child support and alimony; add to the local tax base, and pay at least part of the cost of their home arrest.

"Of all the money we spend on home confinement, we collect 43 percent from the offenders," Altman said of the federal probation program. "We are able to offset the cost by 43 percent. And (that percentage) is going up."

Hunter said electronic monitoring also reduces recidivism.

He said an Illinois Governor's Task Force report released last year drew a correlation between electronic home arrest and reduced recidivism.

"I'd hold that up as an example that people are taking a hard look at electronic home arrest. These are not free rides," Hunter said.

Hunter said BI's electronic arrest concept grew from technology first developed to identify dairy cows and keep track of their diet and milking schedules. The system uses radio frequency technology that allows a computer to communicate with remote radio chips, reading information from the chip and writing updated information to the chip as necessary.

BI also offers a line of companion products: a device that can detect alcohol on the breath of offenders in their homes; a hand-held device that can detect when electronic monitoring offenders are inside a building, such as a home, school or workplace; a monitoring service; and jail management software.

Some critics say its "Big Brother" technology intrudes on

Monitoring eases jail crowding, saves money in California

By SCOTT MAXWELL
Associated Press

Tulare County, Calif., is saving taxpayers \$350,000 a year with its 6-year-old electronic monitoring program, which has 200 convicts on electronic home arrest.

Tulare County Chief Probation Officer Larry Price, who helped develop the county's electronic monitoring program in 1983, believes electronic monitoring may be the solution to prison crowding.

"We're saving about \$35 (per offender) a day (by using electronic monitoring)," Price said.

Robert Altman, administrator of the U.S. Probation Office's home-confinement program, said electronic monitoring costs an average of \$19.55 per prisoner per day, compared with \$58 to \$58 per day for keeping someone behind bars. In Tulare County, the average cost of jailing an offender is \$45 a day, and home monitoring costs about \$10, said Price.

Tulare County's adult offender monitoring program was created to replace a work furlough program when jail officials decided they needed more beds for serious offenders, Price said.

County judges also are developing plans to place offenders who once were released without supervision in the electronic monitoring program.

"This is an acceptable way to let them out into the community," Price said.

Tulare County pioneered the use of electronic monitoring for juveniles awaiting trial in 1988, Price said.

offenders' personal freedoms.

"Well, it is Big Brother. So what?" replies Altman. "Where would you rather have Big Brother watching you, in your home, where you're with your family, or in prison?"

Parolees to Report To a Computer

■ The move is expected to reduce much paperwork, thus allowing more time for staff work with parolees.

By Brian Ford
World Capitol Bureau

OKLAHOMA CITY — Parolees and probationers in Tulsa and northeast Oklahoma will be required to report to a computer instead of state parole officers beginning in July.

The move is designed to cut some of the paperwork for probation and parole officers, giving them more time to work with parolees.

BI Inc., of Boulder, Colo., announced Thursday it was awarded a Department of Corrections

contract for an automated case-load management and fee collection service.

Corrections spokesman Jerry Massie said the contract will affect probation and parole districts in Tulsa and most of northeast Oklahoma. If it proves to be successful after six months, the contract may be expanded to other parts of the state, he said.

Under the program, probationers and parolees will pay court-ordered supervision fees via a telephone call, said Joanna Manley, a spokesman for BI.

Probationers and parolees will pay \$27.50 for each call and will probably be required to call once a month, she said. The fee will be part of the monthly phone bill.

BI will retain part of the revenue generated by each call and will turn the rest of the money over to the Department of Corrections.

"Initially, approximately 5,000 clients will be enrolled in the pro-

See Parolees on News 3

Continued from News 1.

gram; which is expected to grow to over 15,000 over time," she said.

The company, which operates similar services for Kansas and Washington state, is expected to receive \$500,000 in revenue for its service, Manley said. None of that money will come from taxpayers, but will come from fees paid by those on probation or parole, she said.

Under the service, probationers and parolees will be assigned a personal identification number (PIN) and will be required to call a 1-900 telephone number to report status changes to a computer located in Boulder, Manley said.

A pre-recorded voice will ask

the probationer or parolee for changes in address, work status or whether he or she has been arrested in the last month.

Any change in status — especially an arrest — will then be transcribed and transmitted to the Department of Corrections so that the local parole officer manager can check it out the next day.

"It is a labor-saving device for the probation and parole officers so they are not spending time writing out monthly reports or filling out receipts for fees," Massie said. Staffers "are actually dealing one-on-one with the parolee or the probationer" more often.

Massie said the average proba-

tion and parole officer has 100 cases at any given time.

There are about 3,300 parolees and nearly 25,000 probationers in Oklahoma, Massie said.

BI has had a contract with the Department of Corrections to provide electronic monitoring of inmates on early release programs.

LOTTERIES

Results of lottery drawings Thursday:
■ Missouri Pick 3: 9-7-9.
■ Missouri Show Me: 11-13-19-26-28.
■ Kansas Pick 3: 8-2-6.
■ Texas Pick 3: 6-7-8.

ARAMARK CORPORATION



DANIEL E. JAMESON
VICE-PRESIDENT OF SALES AND MARKETING
CORRECTIONAL SERVICES

October 16, 1995

Honorable Representative Eldon Mulder
Alaska State Legislative - District 23
Alaska State Capitol
Juneau, AK 99801-1182

Re: Hearing on Privatization

Dear Representative Mulder,

On behalf of ARAMARK Correctional Services, I am pleased to hear of your interest in outsourcing various correctional activities in the State of Alaska. While we are extremely interested in this process, unfortunately, we are unable to make the legislative hearing to be held on October 19, 1995. I have enclosed materials which should be of interest to you and your committee members.

ARAMARK Correctional Services is the leading provider of food, commissary and laundry services to the corrections industry. Since 1976, ARAMARK has been meeting the unique needs and challenges of correctional facilities across the Country. Today, ARAMARK serves over 250,000 meals per day, trailing only the States of Texas and California in inmates served. We work with each of our clients to customize a program meeting the diverse needs of their facility and inmate population. This includes meeting the needs of present employees, working with local vendors, investment requirements and other sensitive transition issues.

Our experience has demonstrated significant cost savings can be realized by outsourcing those functions where corrections professionals do not have the expertise, but can rely on the expertise of others. Working in partnership with corrections departments across the Country, ARAMARK has eliminated an area of foremost concern in a correctional facility - food service - from inefficient operations to cost-effective departments. This allows the corrections professional time to dedicate their activities to their area of expertise and the taxpayer to benefit from our expertise.

If you have any question or if I can be of further assistance, please do not hesitate to contact me at 1 (800) 777-7090. I look forward to hearing from your office and hope we can assist you in exploring the benefit of outsourcing.

Sincerely,

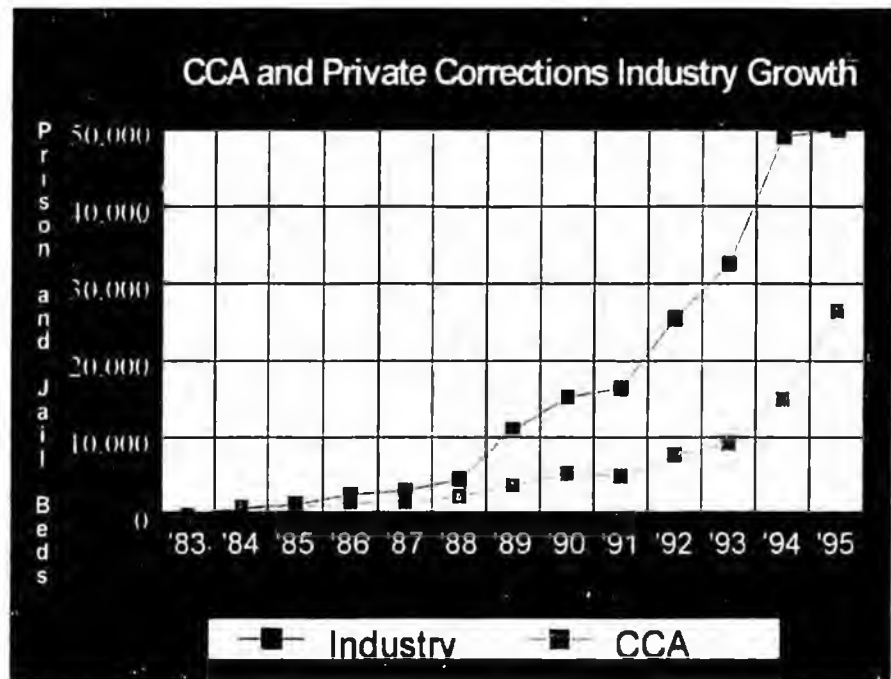
A handwritten signature in cursive script that reads "Daniel E. Jameson".

Daniel E. Jameson
Vice President
Sales and Marketing

2000 SPRING ROAD, SUITE 300
OAK BROOK, IL 60521
708 571 8250 FAX 708 571 0280
800 777 7090

CCA: A Quality, Cost-Effective Solution

Founded in 1983, Corrections Corporation of America has earned its reputation as the industry leader in private sector corrections. The company cost effectively designs, builds and manages correctional facilities in partnership with local, state and federal governmental agencies. CCA currently has contracts to operate more than 26,000 adult and juvenile beds in 45 facilities in the United States, Puerto Rico, Australia and the United Kingdom.



What are the benefits of contracting with CCA?

The benefits of a governmental agency contracting with a private corrections company include:

- cost savings
- limited up-front costs
- a customized facility designed to meet the agency's specific needs
- faster start-up
- high operational standards
- economic benefits to the local community

- Hiring an adequate number of staff and efficiently managing personnel to control overtime costs. The majority of staff are hired locally.
- Giving its facility administrators the freedom to operate without cumbersome bureaucratic regulations. CCA wardens may shop for the best values, which in many cases are found locally.

works with the governmental agency and arranges financing by turning to the private capital markets.

CCA finances. The process is even more efficient when government selects a firm that already has the financial resources to meet the front-end capital requirements at the design-and-build stage. CCA has these financial resources.

How does CCA operate cost effectively?

Three major ways that CCA saves money are:

- Building efficiently designed facilities, which house all operational areas under one roof, ensuring clear-sight observation areas, and saving space.

Can CCA finance the facility?

Yes. CCA can provide financing in one of two ways. In either case, the governmental agency pays nothing until the first inmate arrives at the facility.

CCA arranges financing. As an experienced private prison management company, CCA

How does CCA ensure that quality correctional services are provided?

CCA designs its facilities to meet the most critical operational needs and ensure the safety of the public, staff and inmates. Its facilities are built with state-of-the-art safety and security equipment and the most modern correctional technology.



are the company's most important resource. To enhance both employee and inmate morale, CCA provides a safe, clean and productive environment at its facilities. CCA employees are dedicated to maintaining that atmosphere and achieving quality. As illustrated below, this positive work environment results in fewer incidents, less stress, fewer sick days, less overtime and lower overall costs.

pays a per diem rate (cost per day per inmate). This rate covers all costs associated with housing an inmate, including medical, food service, education, counseling, clothing, general hygiene items, maintenance and administrative costs. If CCA has designed, built and financed the facility, the per diem may include a cost-of-capital component. Most initial contracts are three to five years.

Who is liable for a correctional facility operated by CCA?

CCA indemnifies the governmental agency and elected officials with whom it contracts. CCA's financial stability and \$15 million general liability insurance policy support that indemnification. If a suit is filed, CCA is responsible for handling the litigation. CCA is also responsible for insuring

CCA employs the highest caliber management team of corrections and business professionals. Employees are recognized with performance-based pay, promotional opportunities throughout the company, as well as ownership of the company through the Employee Stock Ownership Plan.

Additionally, CCA achieves the highest operational standards as demonstrated by the number of its facilities accredited by the American Correctional Association. The company has a quality assurance program that includes specific on-site monitoring of each facility. All of its facilities are managed in accordance with ACA's standards.

What makes CCA the best in the business?

CCA believes that its employees

What does a contract include?

The contractual relationship between government and CCA is fairly simple. Government usually



the entire institutional operation, including liability coverage for civil rights violations.

What types of facilities does CCA manage?

CCA has extensive experience in managing adult and juvenile corrections facilities for all levels of government. CCA was the first company to:

- design, build and operate a private prison (Houston Processing Center, 1984)
- design, build and operate a private women's prison (New Mexico Women's Correctional Facility, 1989)
- design, build and manage a private secure juvenile facility (Shelby Training Center, 1986)

- operate a private correctional facility outside the U.S. (Borallon Correctional Centre, 1990)
- operate a private medium-security prison in the U.S. (Winn Correctional Center, 1990)
- manage a maximum-security facility under direct contract with a federal agency (Leavenworth Detention Center, 1992)
- contract to house sentenced offenders in Great Britain (HMP Blakenhurst, 1992)

How long has private sector corrections existed?

As an industry, private sector corrections was founded in 1983 when CCA embarked upon a mission to provide quality corrections, at less cost to the

taxpayer, in partnership with government.

By 1995, the number of beds awarded to private companies exceeded 50,000, or approximately 5 percent of the U.S. jail and prison population. CCA remains at the forefront of the industry with one-half of the beds contracted to the private sector.

CCA currently has contracts to operate facilities in 11 U.S. states (Arizona, Colorado, Florida, Indiana, Kansas, Louisiana, Mississippi, New Mexico, Oklahoma, Tennessee and Texas), as well as in Puerto Rico, Australia and the United Kingdom.

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Founded in Nashville, Tennessee.

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March 1985
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Opened Venus Pre-Release Center in Texas for the TDCJ (500/1,000 beds).

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Opened Cleveland Pre-Release Center in Texas for the TDCJ (500/520 beds).

February 1990
With Australian partners, opened Borallon Correctional Centre—the world's first privately operated correctional facility outside the U.S.—for the government of Queensland, Australia (244/389 beds).

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Opened Mountain View Youth Development Center for the Tennessee Department of Youth Development (144 beds).

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Opened West Tennessee Detention Facility to house prisoners for the U.S. Marshals Service (416/440 beds).

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Opened Torrance County Detention Facility in New Mexico, to house prisoners for the U.S. Marshals Service (256/286 beds).

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August 1995
Acquired Corrections Partners, Inc. (2,946 beds under contract).

August 1995
Opened Bay Correctional Facility to house inmates for the state of Florida (750 beds).

October 1995
Assumed management of 300 beds at the Citrus County Detention Facility in Florida.

October 1995
Announced a 2-for-1 stock split.

October 1995
Finalized a contract to design and manage a medium-security youthful offender facility in Columbia County, Fla. (350 beds).

October 1995
Assumed management of the Eden Detention Center, which houses inmates for the Bureau of Prisons, in Texas (1,000 beds).

October 1995
Opened Bartlett State Jail in Texas to house inmates for the TDCJ (1,000 beds).

CCA offers a turn-key solution to overcrowded facilities and limited budgets

Founded in 1983, Corrections Corporation of America has earned its reputation as the industry leader in private-sector corrections. The company cost effectively designs, builds and manages correctional facilities in partnership with local, state and federal governmental agencies. CCA currently has contracts to operate nearly 26,000 adult and juvenile beds in 43 facilities in the United States, Puerto Rico, Australia and the United Kingdom.

What are the benefits of private-sector corrections?

The benefits of a governmental agency contracting with a private-corrections company include the following:

- limited up-front costs
- a customized facility designed to meet the agency's specific needs
- faster start-up
- cost savings
- high operational standards
- economic benefit to the local community

Will the private company finance the facility?

The private company can provide financing. This way, the governmental agency pays nothing until the first inmate arrives at the facility.

Private firm arranges financing. An experienced prison management company, working with the governmental agency, can arrange financing by turning to the private capital markets.

Private firm finances. The process is even more efficient when government selects a firm that already has the financial resources to meet the front-end capital requirements at the design-and-build stage.



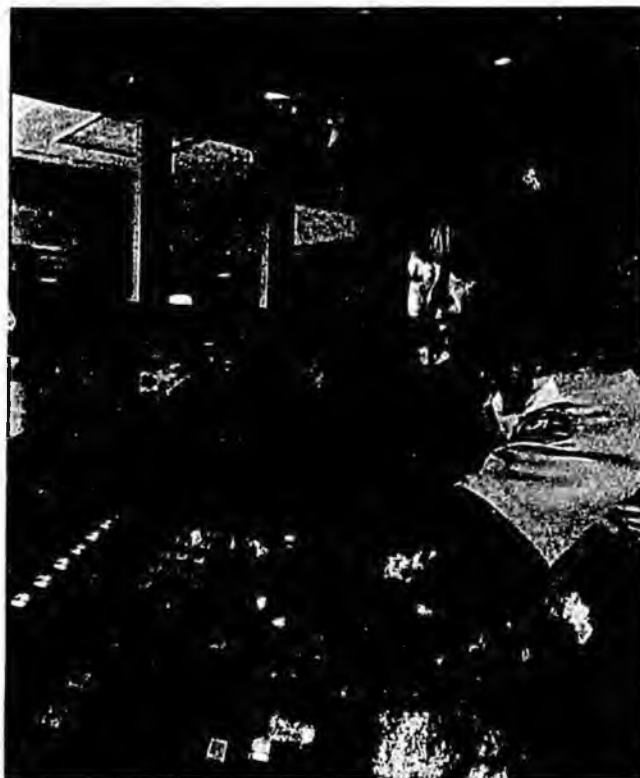
How does the private sector operate cost effectively?

Three major ways that the private sector can save money are:

1. Building efficiently designed facilities, which house all operational areas under one roof, ensuring clear-sight observation areas, and saving space.
2. Hiring an adequate number of staff and efficiently managing personnel to curb overtime costs.
3. Giving its facility administrators the freedom to operate without cumbersome bureaucratic regulations. Private-sector facility administrators may shop for the best values, which in many cases are found locally, and may hire locally.

What does the contract include?

The contractual relationship between government and the private company providing the service is fairly simple. Government usually pays a per diem rate (cost per day for each inmate housed). This rate covers all costs related to the operation of the facility, including medical, food service, education, counseling, clothing, general hygiene items, maintenance and administrative costs. If CCA has designed, built and financed the facility, the per diem may also include a cost-of-capital component. Most contracts cover a three- to five-year period initially.



Additionally, CCA achieves the highest operational standards as demonstrated by the number of its facilities accredited by the American Correctional Association. The company has a quality assurance program that includes specific on-site monitoring of each facility. All of its facilities are managed in accordance with ACA's standards. The ACA has accredited every CCA facility that has sought this distinction.

Where is private-prison contracting legal?

Many states have adopted legislation to allow private-sector contracting of correctional facilities. In the states without legislation, contracts normally are permissible. Only a few states have laws preventing such contracts.

How does CCA ensure that quality correctional services are provided?

CCA designs facilities to meet the most critical operational needs and ensure the safety of the public, employees and inmates. Its facilities are built with state-of-the-art safety and security equipment and the most modern correctional technology. Each uses the most advanced communication equipment and electronic controls.

Secondly, CCA employs the highest caliber management team of corrections and business professionals. Employees are recognized with performance-based pay, promotional opportunities throughout the company, as well as ownership of the company.

Who is liable for a correctional facility operated by the private sector?

The private company indemnifies the governmental agency and elected officials with whom it contracts. The private company's financial stability and general liability insurance policy support that indemnification. While government can not contract away all responsibility, privatization helps to reduce its legal exposure. If a suit is filed, the private company is responsible for handling the litigation.

What can the contracting agency do if it is not satisfied with the contractor's performance?

The governmental agency may remove itself from its contractual obligation if the private company doesn't comply with the contract provisions. This action can be taken at any point when a default is identified and supported. If a default situation does not occur, but the governmental agency does not want to continue its contractual obligation at the end of the management term, the governmental agency, without cause, may terminate the contract and then proceed with its operation under a different concept.

How is insurance coverage handled under private-sector contracts?

The contracting company is responsible for insuring the entire institutional operation, including liability coverage for civil rights violations.

What happens to a facility that is owned and operated by a private company once the contract is over?

This is addressed in the initial contract. Usually, the facility is deeded over to the governmental entity when the contract concludes. This obligation, because of its size in most cases, needs to be addressed in a longer term than the management contract. This type of contractual obligation is usually 20 to 30 years. If the management contract terminates during this contract period, the governmental entity may be obligated to purchase the facility. The cost would be calculated based on the construction costs minus the depreciation schedule used for that facility.

How long has private-sector corrections existed?

Private-sector corrections as an industry was founded in 1983 when Corrections Corporation of America embarked upon a mission to provide quality corrections, at less cost to the taxpayer, in partnership with government.

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- house sentenced offenders in England (HMP Blakenhurst, 1992)
- contract to design, build and manage a women's prison in Australia (Victoria Women's Prison, 1994)

For more information, contact:

Corrections Corporation of America
102 Woodmont Boulevard, Suite 800
Nashville, Tenn. 37205
(615) 292-3100.



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A Brief Recount of CCA's Story

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Key: (original beds/current beds)

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**Contract Correctional Health Care
(Privatization)
for the
Alaska Department of Corrections**

October 19, 1995

Presented By
PRISON HEALTH SERVICES, INC.



**PRISON HEALTH SERVICES, INC.
MISSION STATEMENT**

"Prison Health Services, Inc. specializes in providing quality managed health care services to correctional facilities throughout the United States.

We are a team of dedicated health care professionals sharing a common vision of delivering high quality, cost effective client services. We are committed to promoting and maintaining a positive work environment. We value and respect the contributions and ideas of employees and clients.

With this mission of excellence and commitment to client services, we will remain the industry leader.

"Client First, Always"



PRISON
HEALTH
SERVICES
INCORPORATED

October 11, 1995

Representative Eldon Mulder
Chairman - House Finance Subcommittee
Alaska State Legislature
716 W. 4th Ave.
Anchorage, AK 99501-2133

Dear Chairman Mulder:

Prison Health Services, Inc. (PHS) would like to thank you and the other Finance Subcommittee members for selecting us to be one of the companies for your hearing on privatization. We are extremely delighted that the Subcommittee has decided to review your prison/jail health care services for possible contracting.

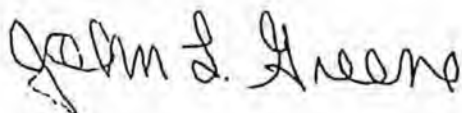
In addition, PHS would like to compliment the Subcommittee, your staff and the Alaska Department of Corrections on the level of professionalism we have experienced and also for the help and timely response to all our questions relative to this hearing. We welcome every opportunity to talk about our company (i.e., performance, history, experience, current/past contracts, philosophy, accreditations and comprehensive services and programs provided) because we are confident that the more you know about us the more obvious your decision becomes.

In the essence of time, we have put together a handout as an overview of what PHS feels we can bring to the Alaska Department of Corrections Prison/Jail System. Please let me know if there is any further assistance which we can offer or provide to assist you for possible private sector contracting of your health care services. We stand ready to participate in additional meetings and/or arrange visits or telephone contact with our current client sites where we are the provider.

REPRESENTATIVE ELDON MULDER
ALASKA STATE LEGISLATURE
PAGE TWO

In closing, we sincerely thank you for this opportunity to present ourselves and sincerely desire to begin a long and mutually successful and beneficial relationship with the Alaska Department of Corrections. We respectfully submit our track record and accomplishments, proudly detailed since 1978, as the leading provider of quality health care in correctional facilities. If there are items we have overlooked or if there are additional items or issues needing clarification, please do not hesitate to call on us.

Sincerely,

A handwritten signature in cursive script that reads "John L. Greene". The signature is written in dark ink and is positioned above the typed name.

John L. Greene
Regional Sales Manager

JLG/dac



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1. PHS Overview
2. Qualifications of Prison Health Services, Inc.
3. Advantages of Contracting
4. Personnel/Administrative and Program Support Services
5. Key Benefits to the Alaska Department of Corrections
6. On-Site/Off-Site Services
7. Management Information Reporting
8. Community Relations
9. States Currently Contracting with Private Health Care Companies

1.

PHS OVERVIEW



1. PHS OVERVIEW

- Sixteen (16) + years experience in correctional health care. Founded in 1978.
- National firm with contracts and offices located in thirteen (13) states.
- Significant size
 - 3,000+ employees nationally
 - Annual payroll of \$43,000,000+
- Current Contracts
 - Over 82,500 inmates under contract
 - 35 individual contracts
 - 167 individual facilities and sites
 - City, County, and State Facilities
 - Males, Females, and Juveniles
- U.S. Jails
 - Approximately 22,000 inmates under contract
 - 26 individual contracts
 - 43 individual facilities
- U.S. Prisons
 - Approximately 60,000 inmates under contract
 - 9 individual contracts
 - 124 individual facilities
- Fully Staffed Regional Office
 - Western Region Office located in Alameda, California
 - Over 6,000 inmates under contract
 - Direct supervision, linear, multi-story, and multi-site experience
 - Vice President, Operations - JoRene Kerns
 - Regional Sales Manager - John L. Greene



- Utilization Management Nurse - Bonnie Cardozo, RN
- Administrative Assistant - Debbie Christian
- Fully automated; computers, modems, e-mail, facsimile machines

• State/Multi-Site Contracts

<u>Contract</u>	<u># of Inmates</u>	<u>Facilities/Sites</u>
Maine DOC	500	1
Tennessee DOC	980	2
Illinois DOC	1,115	1
Alameda Co., CA	3,500	2
City of Philadelphia	5,300	7
Kansas DOC	6,290	24
Maryland DOC	12,600	11
Georgia DOC	34,300	80



2.

QUALIFICATIONS OF
PRISON HEALTH SERVICES, INC



2. QUALIFICATIONS OF PRISON HEALTH SERVICES, INC.

PHS cites the following as its qualifications:

1. Experience in correctional health care:
 - 16+ years
 - 35 current contracts
 - 167 individual facilities and sites
 - 13 states
 - Over 82,500 total inmates under contract

2. Experience in providing correctional health care programs in facilities with inmate populations exceeding 3,000:
 - 6 individual contracts with ADP of 3,000+
 - 128 individual facilities and sites

3. Experience in obtaining and maintaining accredited programs:
 - Over 74 NCCHC accreditations obtained to date
 - 24 current programs accredited
 - PHS pays for all accreditation costs
 - PHS to obtain NCCHC accreditation at the Alaska DOC facilities within the first year of contract, if requested.

4. All insurance and bonding requirements met in addition to complete indemnification to the Alaska Department of Corrections:
 - PHS provides the requested per occurrence and the requested in the aggregate dollar amounts for general medical malpractice liability insurance.
 - PHS provides a performance bond that complies with any Alaska Department of Corrections requirements.

5. Immediate Program Start-up:
 - PHS proposes start-up within 60 days.
 - JoRene Kerns, Regional Vice President, headquartered in the Alameda, California Regional Office and personally involved in start-up.
 - Karen Thom, Manager, Professional Services, directs our NICH program for immediate nursing staff.



- John L. Greene, Regional Sales Manager, will be liaison to assure timely start-up and no loss in communications.
6. Utilization Review/Cost Containment:
 - 6 full time UR nurses
 - PHS' UR panel of specialists
 - Ensures care rendered is medically necessary and provided safely in the least costly setting while maintaining the quality of care.
 - Savings in security personnel time at the hospital.
 7. Quality of PHS' programs:
 - PHS' commitment to CCHP program (Certified Correctional Healthcare Professional). PHS has over 60 employees who have obtained this award.
 - Accreditations of programs. NCCHC (National Commission on Correctional Health Care), JCAHO (Joint Commission on Accreditation of Healthcare Organizations), ACA (American Correctional Association).
 8. In-service training provided:
 - Group and individual programs.
 - PHS has an extensive video library for access.
 - Experience in direct supervision, linear, multi-story and multi-site (campus style) correctional facilities.
 9. OSHA/Infection Control experience and knowledge:
 - PHS assures the Alaska DOC that its program will meet existing and future OSHA standards.
 - PHS is aggressive and aware of infection control.



CURRENT HEALTH CARE ACCREDITATIONS

CONTRACT	NCCHC	ACA	JCAHO	CMA
Alameda County/Santa Rita Jail, CA	X			X
Alameda County/North County Jail, CA	X			X
Alameda County Inpatient Psych. Unit, CA	X			X
Atlantic County Justice Facility, NJ	X	X		
Chatham County Sheriff's Complex, GA	X	X		
City of Ft. Lauderdale Detention Facility, FL	X			
Clayton County Jail, GA	X			
Dutchess County Jail, NY	X			
Fulton County Jail	X	X		
Humboldt County Juvenile Hall, CA	X			X
Humboldt County Jail, CA	X			X
Kansas DOC, KS (state-wide system)	X*	X*		
Robinson Correctional Center, IL		X	X	
Shasta County Jail, CA	X			X
Shasta County/Inmate Work Facility Annex, CA	X			X
Tennessee DOC/Tennessee Prison For Women, TN		X		
Tennessee DOC/Riverbend, TN	X	X		
Ulster County Jail, N	X			
Wyandotte County Detention Center, KS	X			

*8 individually accredited sites within the Kansas DOC.



IN SUMMARY, PRISON HEALTH SERVICES, INC. WAS:

- **FIRST** private contractor in the correctional health care industry.
- **FIRST** company founded by health care professionals with experience working in corrections.
- **FIRST** nationwide contractor with contracts from coast to coast, and longest in the business.
- **FIRST** to provide health care programs in both state correctional institutions and local detention facilities.
- **FIRST** to obtain formal health care accreditation for its clients.
- **FIRST** to utilize independent peer reviews to ensure quality services.
- **FIRST** to develop Quality Improvement and Risk Management programs specifically designed for correctional health care.
- **FIRST** to sponsor national conferences on correctional health care topics such as AIDS and legal liability.
- **FIRST** to develop NICH traveling nurses program.
- **FIRST** private contractor to attain JCAHO "Accreditation with Commendation" in a correctional facility.
- **FIRST** private contractor to attain NCCHC and CMA accreditation for California contracts.

3. ADVANTAGES OF CONTRACTING



3. Advantages Of Contracting

Advantages Of Contracting For Inmate Medical Services

We are certain that the subcommittee has considered the potential advantages to be gained under a private contract for inmate health care services. Prison Health Services, Inc., understands from experience that the following advantages are inherent in a contract arrangement. We are prepared to incorporate all of these points in any formal contract for services with the Alaska Department of Corrections (ADOC).

Fixed, Guaranteed Cost

The total annual cost to the ADOC is guaranteed under the contract. Any unforeseen expenses which might be incurred are the financial responsibility of Prison Health Services, Inc., thus enabling the ADOC to set a fixed annual budget and be ensured that budgeted expenses will not be exceeded. Also, considering the possibility of a multi-year contract, even future years' budgets are reasonably predictable, and contract costs are controlled based on a predetermined Consumer Price Index based formula.

Reduced Liability

Your risk of lawsuits is significantly reduced as a result of professional management of the health care program. Moreover, PHS assumes responsibility for any liability arising from our administration or delivery of health care services. PHS will handle all lawsuits and pay all associated legal costs incurred as a result of our program administration or health care delivery. PHS will insure for all necessary professional and malpractice liability coverage.

Centralized Control and Professional Management of Health Services

PHS will provide a full-time, on-site Health Services Administrator (HSA)/ Regional Manager who will have day-to-day responsibility for coordinating and controlling the activities of the health care professionals and managing the entire health care delivery system within the ADOC System. This will ensure that the health care professionals interact as may be necessary and appropriate, that health services are delivered most efficiently, and that costs and quality of services are centrally monitored and controlled.



Single Point of Accountability

Our Health Services Administrator (HSA)/Regional Manager provides a single point of accountability in all matters relating to the inmate health care program. This individual will be directly responsible to the appropriate authority within the ADOC. Our HSA will have the authority and responsibility to resolve problems and satisfy the needs and expectations of the corrections administration.

Personnel Recruitment and Management

PHS will be responsible for recruiting, training and staffing of all health service personnel. However, Commissioner Margaret Pugh has final approval authority to have PHS retain or terminate any health service employee. This policy ensures that the health care program will be staffed with personnel with whom you are satisfied, while relieving Commissioner Pugh of the day-to-day personnel management responsibilities.

Fast Start-Up and Response

PHS maintains an extensive, nationwide personnel recruitment network. We have the ability to attract experienced medical personnel and implement our contracts and begin operations quickly. Our NICH (Nurses In Correctional Healthcare) program consists of a team of nurses who can be dispatched to travel to any of our contract sites on short notice to provide rapid start-up or immediate staffing whenever absenteeism occurs. Our NICH nurses are experienced in correctional health care delivery as well as PHS systems, policies, and procedures.

"Buffer Zone" For Complaints

Since PHS is an independent contractor and assumes full responsibility (and liability) for the delivery of inmate health services, we are responsible for responding to all complaints or criticism about health services from inmates themselves, from inmates' relatives or their attorneys, from state or local health authorities, or any other responsible parties. The corrections administration would direct such complaints to our HSA/Regional Manager for handling, and we would be responsible for resolving them to the satisfaction of the administration and the other parties involved.



**4. PERSONNEL/ADMINISTRATIVE AND
PROGRAM SUPPORT SERVICES**



4. PERSONNEL/ADMINISTRATIVE AND PROGRAM SUPPORT SERVICES

- **RECRUITMENT PRACTICES:** PHS has established a National recruitment network and follows formal procedures in recruiting all personnel.
- **EQUAL EMPLOYMENT OPPORTUNITY:** PHS is an Equal Opportunity Employer. We agree to accept and abide by the specific EEO practices followed by the Alaska DOC.
- **LICENSURE/CERTIFICATION:** All medical staff must have current Alaska Licenses accepted by the DOC before employment.
- **ORIENTATION OF NEW PERSONNEL:** Employee must participate in our own orientation program, as well as any Alaska DOC formal orientation program.
- **CONTINUING EDUCATION:** PHS will provide funds for full-time employees who seek to further their education.
- **THIRD PARTY BILLING SERVICES:** PHS pursues every opportunity to have third party providers pay for inmate health care services.
- **LIAISON WITH CORRECTIONAL STAFF:** For the Health Care Delivery System to function effectively, the health care services staff and corrections staff must work together. The health care services staff must be sensitive to the security needs and overall operating policies of the institution.
- **CONTINUOUS QUALITY IMPROVEMENT (CQI) PROGRAM:** To assist in the identification of potential problems, the PHS quality improvement program is designed so that every health care provider, and every patient who receives services, has an opportunity to be reviewed.
- **RISK MANAGEMENT:** PHS has developed a customized Risk Management Program specifically designed to meet the needs and challenges of the



correctional health care environment. The primary focus is prevention of patient/employee injury and promotion of quality patient care and services.

- **MANAGEMENT INFORMATION REPORTING:** PHS presently uses a multi-level data collection system (i.e. Hardware and Software) to gather and analyze statistical data and utilization rates.

- **STRATEGIC PLANNING AND CONSULTATION:** We can assist in strategic planning and offer our consultation services relative to all areas of Correctional Health Care Services.

- **DISASTER PLAN:** PHS will develop a disaster plan that will interface with and comply with the Alaska DOC disaster plan.

- **COMPLAINT PROCEDURE:** PHS will work with the Alaska DOC to establish a formal complaint procedure which can be utilized by inmates, staff and any outside individuals.



**5. KEY BENEFITS TO THE
ALASKA DEPARTMENT OF CORRECTIONS**



5. KEY BENEFITS TO THE ALASKA DEPARTMENT OF CORRECTIONS

- **TRANSITION OF EXISTING STAFF.** PHS is sensitive to the apprehensions of the existing staff of this change. PHS will meet with the Commissioner, her staff, and any suggested/requested state agency upon contract award to review current staff credentials and final staffing plan requirements to determine program needs. We will begin immediately to meet with each person individually to introduce PHS, describe program needs and review each person's resume. PHS will make every effort to retain existing staff who are properly licensed, if this is the desire of the state and ADOC detention facilities administration. We will meet individually to discuss financial transition from the current state benefits to PHS corporate benefits.
- **PHS IS FINANCIALLY SOUND.** The significant growth in new contracts, as well as renewal of existing contracts, is evidence of our competitiveness and administrative abilities. This leads to higher financial ratings, greater ability to negotiate lower rates with subcontractors due to increased financial strengths and ability to "promptly pay" invoices. The Commissioner and the State can be assured of PHS' ability and commitment to being a "long-term" provider.
- **EXPERIENCED STAFF.** PHS has invested heavily to retain a highly qualified staff of experienced and extremely dedicated professionals. Their backgrounds are diverse and relate directly to the corrections industry.

Our staff consists of professional and technical personnel in the areas of:

- Corrections Administration
- Nursing and Nursing Administration
- Hospital Administration
- Law
- Finance
- Design and Construction (Correctional Facilities)
- Personnel and Benefits Planning
- Insurance



This representative and talented group fully understands the specialized service that PHS provides and the environment in which we operate. Of utmost importance, PHS has extremely low turnover. There is strong stability which assures our clients of continuity of service with known contacts.

- **PROGRAM ACCREDITATION.** PHS has the highest number of accredited programs of any correctional health care provider. We believe that our independent compliance with established standards as well as our independent goal of achieving accreditation are a professional approach to business. We also believe that our clients are more comfortable with this standard PHS approach. We call to your attention our NCCHC, CMA, ACA, and JCAHO accreditations as strong evidence of our commitment to high quality professional programs.
- **COST SAVINGS.** PHS feels that Utilization Management/Cost Containment and Risk Management are all inter-connected programs. PHS' early establishment of these formal programs has resulted in a high number of awards and accreditations and a low number of successful "open and pending" inmate litigation. PHS delivers a high quality program on an ongoing basis.

Using the proposed on-site dental operatory will not only control but significantly reduce the direct costs associated with the DOC's transportation and off-site, out-patient services.

- **HIGHLY AUTOMATED.** PHS has an impressive commitment to computer automation of its business. We tenaciously report and track costs on a daily basis and compile this information in a comprehensive data base. The ADOC and the other state agencies can be assured of high quality and timely monthly reports from PHS on health care activities within each facility. PHS can also provide custom tailored reports (within reason) with minimal effort and costs.
- **MOST EXPERIENCED CORRECTIONAL HEALTH CARE PROVIDER.** PHS is the most experienced correctional health care provider to U.S. correctional facilities, with over 82,500 inmates under contract. PHS has been providing high quality health care to inmates in correctional facilities since 1978. We were the first correctional health care provider with contracts on a national basis. We sincerely feel that this breadth and depth of knowledge and experience available to the ADOC would be reassuring. PHS also assures the state of Alaska that correctional health care is our primary business and not a side-line.



- **COMMITMENT.** PHS has built a reputation based upon delivering high quality health care and having a supporting and serving approach to the corrections administration and staff. We understand "who's the boss" and where we work. We assure the ADOC and the state of Alaska that this corporate attitude will not change if we are selected as your health care provider. We urge you to check our references and contracts and also note the number and length of contracts and renewals.

- **LITIGATION MANAGEMENT.**

The goal of our Risk Management, Insurance and Defense Program is to accept full responsibility for loss and liability issues related to the delivery of health care services to the ADOC facilities. We handle indemnification requests fairly and promptly. We take the lead and coordinate the defense of medically related frivolous and substantial matters in a fashion that takes both the risk and responsibility out of your hands. We consider our job to be handled well when, with a minimum of involvement, you receive maximum satisfaction from the manner in which we handle incident identification, claims review and defense. PHS does this by working closely with the Attorney General and the ADOC legal staff in identifying solutions that will serve your needs first.

In addition to assuming all liability for health related claims and losses, we also take the responsibility for handling claims and incident investigation, case management, interviewing and factual development, document review, case negotiation, file development and deposition preparation as well as handling the defense. Therefore, the ADOC can diminish the responsibility, time and effort which you may be accustomed to in your loss adjustment experience. We maintain contact during case work-up, negotiations and trial as appropriate. We are extremely sensitive to and respond to political and local issues in making decisions with respect to defense and make it our business to keep you briefed, informed and comfortable with the direction and course of the case development.



6. ON-SITE/OFF-SITE SERVICES



6. ON-SITE AND OFF-SITE SERVICES

- RECEIVING SCREENING
- COMPREHENSIVE APPRAISAL
- DETOXIFICATION AND SUICIDE PREVENTION
- DAILY TRIAGING OF COMPLAINTS
- SICK CALL
- INFIRMARY
- HOSPITAL CARE
- SPECIALTY SERVICES
- EMERGENCY SERVICES
- ANCILLARY SERVICES
- RADIOLOGICAL SERVICES
- MEDICAL RECORDS
- PHARMACEUTICALS
- SPECIAL NEEDS PROGRAM PLANNING
- PRENATAL CARE
- INFECTION CONTROL AND ENVIRONMENTAL HEALTH AND SAFETY
- HEALTH EDUCATION - STAFF
- VISUAL SERVICES AND PROSTHETIC SERVICES



ON-SITE/OFF-SITE SERVICES
(Continued)

- AUDITORY SERVICES
- DENTAL CARE
- MENTAL HEALTH
- CONTINUITY OF CARE



ON-SITE/OFF-SITE SERVICES

(Continued)

RECEIVING SCREENING: Twenty-four (24) hour a day, seven (7) days a week. Performed by trained health care staff. Bi-lingual staff members available for non-English speaking inmates.

COMPREHENSIVE APPRAISAL: Performed within seven (7) days of admission.

DETOXIFICATION AND SUICIDE PREVENTION: PHS has developed successful in-house detoxification program for correctional environment.

DAILY TRIAGING OF COMPLAINTS: Program developed by PHS over a number of years. Overseen by the Senior Medical Director.

SICK CALL: On-Site, daily, conducted by physician or other professional medical personnel.

INFIRMARY: Operated strictly by NCCHC and ACA standards.

HOSPITAL CARE: We will utilize a local JCAHO hospital or hospitals. We pay all costs.

SPECIALTY SERVICES: We will provide all services necessary to comply with NCCHC and ACA. Our structures triage system, referral control, on-site clinics and review of outside services guarantees the fewest number of outside trips possible.

EMERGENCY SERVICES: Physician, Dentist and Psychiatrist on-call twenty-four (24) hours a day. Twenty-four (24) hour, seven days a week nursing coverage.

LABORATORY SERVICES: All lab tests which cannot be conducted on-site will be sent out to National Laboratories. All stat lab work will be performed at a local hospital or qualified lab nearest the Alaska DOC facility requesting the test, with results telephoned immediately to requesting physician.

RADIOLOGICAL SERVICES: X-rays will be taken on-site at the Prisons that have an X-ray technician, using existing equipment. Other X-rays will be taken at the most convenient facility acceptable to the Alaska DOC.



EKG SERVICES: We will provide EKG services, equipment and supplies.

MEDICAL RECORDS: We follow NCCHC and ACA guidelines in the management of all records. Standard POMR methodology is employed. We ensure patients' confidentiality.

PHARMACEUTICALS: We will comply with all federal and state regulations as well as the standards set forth by the NCCHC and ACA. We will submit our formulary to the Alaska DOC Commissioner and/or medical authority for approval.

SPECIAL NEEDS PROGRAM PLANNING: We provide all necessary special health care services including chronic and convalescent care.

HEALTH EDUCATION - STAFF AND INMATES: We work closely with community agencies to develop and carry out educational programs both for inmates and staff members.

VISUAL SERVICES AND PROSTHETIC SERVICES: PHS will provide optometry services consistent with NCCHC and ACA guidelines. PHS provides all necessary prosthetic devices.

AUDITORY SERVICES: PHS provides all necessary auditory services.

DENTAL CARE: Licensed Dentists will visit the Prison daily and be on-call twenty-four (24) hours a day. We will utilize existing dental space and equipment. PHS will maintain equipment and purchase all dental supplies required.

SAFETY, SANITATION AND INFECTION CONTROL: PHS has continuously improved and updated its SSI program to keep up with the evolution of AIDS and other infectious diseases.

MENTAL HEALTH: PHS will work closely with the Alaska DOC and the State Mental Health Department and psychiatrists and psychologists to ensure that inmates receive proper treatment.

Our Utilization Review staff is supported in the review process by our Medical Director, Dr. John Shook, and a Board of Specialty Consultants, chaired by our Senior Medical Consultant, Dr. Jay Harness, a Board Certified Surgeon.



- Dr. John Shook, Board Certified Internal Medicine Specialist - Prison Health Services, Inc. Dr. Shook has worked for PHS for over eleven years as Corporate Medical Director and serves on numerous committees and medical staff appointments. He is also head of the physician management care initiative for the North Broward Hospital District, which is the third largest health care system in the U.S.
- Dr. Jay K. Harness, Board Certified General Surgeon - Currently teaching in the Department of Surgery for University of California - Davis and University of California - San Francisco, Oakland, California. Dr. Harness has an extensive background in Corrections and has publications and numerous presentations in both the field of Corrections and General Surgery.
- Dr. Stephen L. Nemerofsky, Board Certified Orthopedic Surgeon - Currently practices orthopedic surgery, with a sub-specialty in spinal surgery in Fort Lauderdale, Florida. He is presently continuing his education with courses toward a law degree.
- Dr. C. Ray Bennett, Board Certified in Oral and Maxillofacial Surgery - Currently an Associate Professor with the Department of Oral Surgery at Meharry Medical College, Nashville, Tennessee. Dr. Bennett has had a long standing relationship with providing dental and oral surgery services for the Tennessee Department of Corrections. He is widely recognized for his publications and presentations in his field.
- Dr. Donald Bruce, Board Eligible in Obstetrics and Gynecology - Currently practices at Meharry Hubbard Medical Center, Nashville, Tennessee. Dr. Bruce provides women's health services for the Tennessee Department of Corrections.