

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672

2798 SCOMM 122: COMMISSION ON PRIVATIZATION. ., 1999

Report for the Privatization Task Force
September 20, 1999

VIII. Technology Used to Perform Mission

A) Data Systems

Medical Assistance	MMIS -Medicaid Management Information System (this is run by a private firm-First Health) STARS -Service Tracking, Analysis and Reporting System-Decision Support
Public Assistance	EIS -Eligibility Information System-Determines the eligibility of individuals and families for a variety of Public Assistance programs and the eligibility for Medicaid
Mental Health and Developmental Disabilities	ARORA -Supports the management of clients receiving services from grantees DDMIS -Information system supporting the management of services provided to clients with developmental disabilities
Public Health	Vital Statistics -Registers Births, Deaths, Marriages, Adoptions RPMS -Nursing-Information Systems reporting on the Public Health Nursing services be provided to clients WIC -Women, Infants, Children EPI -Disease Reporting and Rapid Telephonic Reporting Trauma Registry EPSDT -Early Periodic Screening Diagnosis and Treatment
Family Services	PROBER -Recording and reporting Reports of Harm, Harm Investigations, Placements, Youth Supervision and Youth Corrections PROVIDER -Provider billing Subsidized Adoptions
Alcoholism and Drug Abuse	ADAMIS -Centralized recording and reporting based on data received from Private Treatment Vendors

B) Equipment

Lab Equipment, Medical Equipment - Nursing, Electronic Monitoring Equipment

C) Electronic Benefit Transfer (Food Stamp Program)

IX. List Contracts and Grants – Appendix B

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September 20, 1999

X. Existing Privatization Practices

- ✧ Harborview - Total closure and deinstitutionalization in 1998, approximately 125 State jobs eliminated, services provided by private non-profit agencies.
- ✧ Audiology - The Division of Public Health has privatized audiology services across the state. Six community-based private providers residing in Anchorage, Barrow, Homer, Kenai, and Juneau now provide services in regions previously served by three regional offices. Additionally, Bristol Bay Native Association has developed an audiology program to serve residents of Dillingham and surrounding communities. With privatization, services are available on a continual basis in communities previously served on an itinerant basis, communities never served before by State audiologists are receiving services, and the State has realized considerable cost savings.
- ✧ Medical Assistance - The Division of Medical Assistance utilizes a contractor, First Health, to process Medicaid claim payments to providers.
- ✧ Grants and Contracts to non-profits for service delivery - Grants or contracts are a regular method to deliver services in DHSS
- ✧ Community Equipment Closet - The Division of Mental Health and Developmental Disabilities has developed a program to recycle durable medical goods. The Community Equipment Closet is a collaborative project with the DMH&DD, Geneva Woods HealthCare Services, Hope Cottages, the Arc of Anchorage, Mat-Su Services and other community members. Used adaptive equipment and medical supplies are reconditioned and distributed to consumers with special health care needs by the private sector under contract. The cost of the reconditioned equipment is always less (often substantially) than the cost of new equipment. The savings in equipment and medical supply costs increase availability of resources for other individuals in need.
- ✧ Electronic Benefit Transfer - In June of 1998 the Division of Public Assistance completed statewide implementation of Electronic Benefit Transfer (EBT) system. EBT is a method of efficiently distributing public assistance benefits. With EBT, a plastic Alaska Quest debit card has replaced paper food stamps and some cash warrants. A design strength of EBT is its use of existing financial networks to support the system. EBT has improved client service, program management, and public support through increased program integrity. The Department of Health and Social Services has joined an alliance of six western states to gain better EBT pricing. Alaska has contracted with Citibank and Deluxe Electronic Payment Systems for Alaska Quest development and operation. Through the use of the Alaska Quest card, EBT has helped:

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- 1) Provide a safe, secure, and convenient way to receive food stamp and temporary assistance benefits.
- 2) Eliminate paper food stamps and the stigma associated with redeeming them in public.
- 3) Speed delivery of benefits by eliminating the delays for packaging and mailing coupons and warrants.
- 4) Reduce client and food retailer fraud.
- 5) Eliminate theft of mailed food stamps and the associated state penalty payments.
- 6) Move welfare recipients toward greater familiarity with modern financial transactions.
- 7) Improve the process for food retailers redeeming food stamp transactions.
- 8) Promote other business improvements such as direct deposit of cash payments for those with bank accounts wanting this service.

• **Consolidations** - In preparation for the new laboratory facility, the Division of Public Health has consolidated the functions of the Juneau Lab, the Lab Chief's Office, and the Anchorage Lab into one Anchorage location. The sections of Community Health and Emergency Medical Services were combined and consolidated from three different locations into one Juneau location.

• The Division of Public Health Nursing section was consolidated from five regions into four.

• **Medicaid Cost Containment** - Division of Medical Assistance, in partnership with Division of Mental Health and Developmental Disabilities, has developed new regulations for community mental health services that limit the amount scope and duration of services. A study is underway to recommend a model for managed care in Alaska. A comprehensive program of Quality Assurance has been instituted which will help to assure that the quality of service is not degraded as cost containment efforts move forward.

• **Computer and Information Technology** - The Department of Health and Social Services web site was established and now provides the public with information about the department as well as access to forms electronically (e.g., Energy Assistance Application Form and Vital Statistics Information request forms). Travel authorizations are prepared, distributed and authorized electronically. The Department is partnering with other agencies to automate timesheet processing. A Computerized Maintenance Management System (CMMS) has been established, which assures timely repair and maintenance, maximizing the return on maintenance dollars. The Department has developed and is in the initial stages of implementing a Data Warehouse. The Data Warehouse is a Decision Support System, which

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integrates data from the Department's administrative and program operation data systems.

- **Roof Audits** - The Facilities and Planning Section developed in-house expertise in diagnosing aging condition and deficiencies in building roofs, which will result in reducing the cost of hiring outside contractors to conduct the same analysis. Performing the analysis in-house will result in savings that can be applied toward roof repairs at a later date.

Subject: Privatization Meeting for September 21, 1999

Date: Mon, 20 Sep 1999 13:30:17 -0800

From: "Anderson, Stacey" <Stacey_Anderson@health.state.ak.us>

To: "Melba Piispanen" <Melba_Piispanen@legis.state.ak.us>, "Lana Decker" <Lana_Decker@legis.state.ak.us>, "Alyson Stogsdill" <Alyson_Stogsdill@legis.state.ak.us>, "Annette Deal" <Annette_Deal@legis.state.ak.us>, "Marco Pignalberi" <Marco_Pignalberi@legis.state.ak.us>

CC: "Emerson, Lisa G." <lisa_emerson@health.state.ak.us>

Good Afternoon!

Attached is a 12 page document for the Privatization meeting scheduled for tomorrow - please print and distribute the document at each of your sites. (We will distribute the information to the Juneau office.)

Additional information will be sent to each of you via fax this afternoon.

If you cannot open the document, please contact me and I will send it in a lower version.

Thanks!

<<Report PTF 9 17 99.doc>>

Stacey';)

 Report PTF 9 17 99.doc	Name: Report PTF 9 17 99.doc Type: Winword File (application/msword) Encoding: base64 Download Status: Not downloaded with message
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DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF ADMINISTRATIVE SERVICES
DIRECTOR'S OFFICE



FACSIMILE COVER SHEET

TO:
Annette Deal-Cowdery
Fairbanks L10-Melba P. P. P.
Kenn L10-Alyson Stogdill
Annette - 269-0223
FAX NUMBER
Melba - 456-3846
Alyson - 283-3075
PHONE NUMBER

FROM:	
Tina Clarke	
9/27	
DATE	NO. OF PAGES
465-2499	
FAX NUMBER	
465-3331	
PHONE NUMBER	

RE: Privatization Information for 9/28

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ OTHER

NOTES/COMMENTS:

*Letter from Tina 3 pgs
 *Attachment A 1pg
 *Attachment B 2 pgs
 *Attachment C 3 pgs
 Division of Admin Sves 22 pgs
 Privatization Articles 55 pgs
 *Differences Between DOA & Agencies 8 pgs
 This transmission

State of Alaska
 Department of Health & Social Services
 Division of Administrative Services/Director's Office
 P.O. Box 110650
 Juneau, Alaska 99811-0650

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES***DIVISION OF ADMINISTRATIVE SERVICES*****TONY KNOWLES, GOVERNOR**

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Juneau, AK 99811-0650
Phone: (907) 463-3082
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MEMORANDUM

DATE: September 27, 1999

TO: DHSS Privatization Task Force

FROM: Janet Clarke 
Director

SUBJECT: Response to Questions asked by the Privatization Task Force

Per your request, we are providing the following information to the Privatization Task Force Department of Health and Social Services subcommittee.

- **Denali KidCare:** What would happen if the state dropped the rate of children covered to 133% rather than 200%? How many kids would lose coverage and what other implications are there?

The Legislature approved the coverage of children at the 200% of poverty level during the 1999 session. A change in law would be required to reduce the number of children served by lowering this eligibility threshold. The number of children that would be effected can only be estimated for a reduction to the 150% level at this time because we have not conducted our analysis at the 133% level—the additional work to do so would take a great deal of time.

If eligibility were lowered to the 150% level, approximately 3,000 children would be uninsured in fiscal year 2000. This would result in a reduction in expenditures of about \$1,465,000 general funds and \$3,707,900 federal funds. However, the long term ramifications would be greater expenditures by health care providers for uncompensated care and increased costs to the entire health care system, including Medicaid, resulting from chronic and acute conditions that are brought on or exacerbated by the lack of appropriate care at an early stage. Early, appropriate, and periodic health care is essential to avoid long-term health consequences for children.

- Please provide information on the Poverty level in Alaska; (i.e. what it is and compared to other states if we have it).

The federal poverty guidelines are updated each year by the U.S. Department of Health and Human Services. These guidelines are published in the Federal Register during February or March of each year, and are adjusted to account for the previous year's increase in prices as measured by the consumer price index.

There are separate guidelines for (1) Alaska, (2) Hawaii, and (3) the 48 contiguous states and the District of Columbia. The Alaska guidelines are about 25% higher than the federal poverty

guidelines for the 48 contiguous states and D.C. The Hawaii guidelines are about 15% higher than the federal poverty guidelines for the 48 contiguous states and D.C.

For 1999, the federal poverty guidelines for Alaska are:

Family Size	Poverty Guideline
1	\$10,320
2	\$13,840
3	\$17,360
4	\$20,880
5	\$24,400
6	\$27,920
7	\$31,440
8	\$34,960
Each Addl.	\$3,520

- The committee wants to know the number of abortions we did last year (under the Hyde amendment, since we assume those would be the only ones done).

Eighteen abortions were paid for in fiscal year 1999.

- Please provide the budget plan for the downsizing of API and the increase to community services.

Between FY 00 and FY 04 the Department of Health and Social Services will be restructuring the community mental health services in Anchorage. This work will result in a smaller API (79 to 54 beds) and an increase in services provided by the private medical and mental health system. Services such as the Single Point of Entry, Designated Evaluation and Treatment, Crisis Respite and Enhanced Detoxification are community-based services designed to better serve consumers in a less restrictive setting.

We will, during this period of time, be moving care being provided at the state operated API to care being provided by local medical and mental health providers.

Fiscal Year	Community Services	API	Total
FY 00	\$8.8 million	\$15.9 million	\$24.7
FY 04	\$11.8 million	\$13.6 million	\$25.4

- What percent of clients served in the Mental Health and DD system were referred by other state agencies?

Attached is a listing of referrals (attachment A).

- How many delinquency cases have had prior CPS contact?

Attachment C – Breaking the Link, A forum on child maltreatment and juvenile delinquency provides data on the number of delinquency cases that had CPS contact.

- Provide information on privately operated juvenile systems from around the country.

We have included several articles on the privatization of juvenile systems. However, no states (that we know of) have ever contracted out existing juvenile facilities. Privatization has occurred as new facilities have been built.

- How many DHSS employees are on suspension with pay?

Three employees are on suspension with pay.

- Would you please identify which FY99 contracts are DFYS versus DJJ.

We have hand annotated the list of contracts for DFYS and DJJ (Attachment B).

If you have any additional questions, please give me a call at 465-1630.

cc: Karen Perdue, Commissioner
Elmer Lindstrom, Legislative Liaison
Lisa Emerson, Budget Chief

ARORA MIS Frequency Distribution on Referral From Field

		Frequency	Percent
Valid	API	589	7.8
	Private Psychiatric Hospital	451	5.8
	Alcohol Detox or Residential Program	79	1.1
	Drug Detox or Residential Program	12	.0
	General Hospital	530	6.9
	Nursing Home or Intermediate Care Facility	119	1.6
	Board and Care Facility	9	.0
	Developmental Disabilities Residential Program	14	.0
	Alaska Native Hospital (PHS or IHS)	77	1.1
	V.A. Hospital	8	.0
	Supervised Apartment	3	.0
	Halfway House	8	.0
	Crisis/Respite Care	50	.7
	Department of Corrections/Jail	295	3.8
	Partial Care or Day Care Program	17	.0
	Other Residential/Institutional	108	1.4
	MH Professional, Not Psychiatrist, Including School/Church	241	3.1
	Psychiatrist or Psychiatric Outpatient Clinic	289	3.8
	Physician	764	10.0
	Other CMHC Outpatient Caseload	396	5.1
	Court-Civil Proceedings	267	3.5
	Court-Criminal Proceedings	164	2.2
	Correctional Agency (Probation or Parole)	116	1.6
	Alcohol Program	88	1.1
	Drug Program	41	.6
	School	877	11.4
	Division of Vocational Rehabilitation	17	.0
	Division of Family and Youth Services	1507	19.6
	Other Social or Community Agencies	523	6.8
	Public Health (IHS, PHS, Division of Public Health)	78	1.0
	Developmentally Disabled Program	13	.0
	Village Health Aide	8	.0
	Totals	7785	100.0

CORRECTION

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



Rev. 6/98

Central Microfilm Services
Department of Education & Early Development
State of Alaska

ARORA MIS Frequency Distribution on Referral From Field

Valid	API	Frequency	Percent
	Private Psychiatric Hospital	599	7.8
	Alcohol Detox or Residential Program	451	5.8
	Drug Detox or Residential Program	79	1.1
	General Hospital	12	.0
	Nursing Home or Intermediate Care Facility	530	6.9
	Board and Care Facility	119	1.6
	Developmental Disabilities Residential Program	9	.0
	Alaska Native Hospital (PHS or IHS)	14	.0
	V.A. Hospital	77	1.1
	Supervised Apartment	8	.0
	Halfway House	3	.0
	Crisis/Respite Care	8	.0
	Department of Corrections/Jail	50	.7
	Partial Care or Day Care Program	295	3.8
	Other Residential/Institutional	17	.0
	MH Professional, Not Psychiatrist, Including School/Church	108	1.4
	Psychiatrist or Psychiatric Outpatient Clinic	241	3.1
	Physician	289	3.8
	Other CMHC Outpatient Caseload	764	10.0
	Court-Civil Proceedings	396	5.1
	Court-Criminal Proceedings	267	3.5
	Correctional Agency (Probation or Parole)	164	2.2
	Alcohol Program	116	1.6
	Drug Program	86	1.1
	School	41	.6
	Division of Vocational Rehabilitation	877	11.4
	Division of Family and Youth Services	17	.0
	Other Social or Community Agencies	1507	19.6
	Public Health (IHS, PHS, Division of Public Health)	523	6.8
	Developmentally Disabled Program	78	1.0
	Village Health Aide	13	.0
	Totals	8	.0
		7785	100.0

CONTRACT #	CONTRACTOR	PURPOSE OF CONTRACT	START	END	TOTAL	FY 99 AMOUNT
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DIVISION OF FAMILY & YOUTH SERVICES

67632	Agnew, Thea	Consultant	7/8/98	8/30/98	\$5,500	\$5,500
67649 DU	Aketh, Ruth A.	JYC Nurse	7/20/98	8/30/99	\$8,000	\$8,000
67651 DU	Atrops, Martin Dr.	On-site Assessment	2/19/99	3/19/99	\$1,500	\$1,500
67587 DU	Atrops, Martin Ph. D.	Psychological Services	8/20/98	8/30/99	\$20,000	\$20,000
67638	Baker Jennings Films	Foster Parent Recruitment	1/11/99	2/17/99	\$7,041	\$7,042
67658	Baker Jennings Films	Foster Parent Recruitment	2/25/99	3/15/99	\$7,814	\$7,814
67228 DU	Bergdahl, Patricia, DMD	Dental services for the Fairbanks Youth Facility.	1/1/97	8/30/99	\$40,000	\$17,500
67227 DU	Bering Sea Dental Center	Dental services for the Bethel Youth Facility.	1/1/97	8/30/99	\$40,000	\$17,500
67602 DU	Blasey, Larry J. Ph. D. CRC	Psychological Services	8/20/98	8/30/99	\$20,000	\$20,000
67495	Blake, F.M. & Associates	SSI Applications & Appeals	4/20/98	8/30/00	\$500,000	\$200,000
67318 DU	Bryant, Leslie, M.D., A.P.C.	Physician services for the McLaughlin Youth Center.	7/1/97	8/30/00	\$133,200	\$48,000
67550	C. Henry Kempe, Univ. of Colorado	Expert Consultation	7/1/98	8/30/00	\$14,000	\$7,000
67627 DU	Crawford, E. Ben	Mental Health Assessment Project	1/18/98	4/30/99	\$22,000	\$22,000
67588	Cutler, Louisiana Esq	Hearing Officer	8/24/98	9/30/99	\$10,000	\$10,000
67625	Cutler, Louisiana	Hearing Officer	11/2/98	4/15/99	\$10,000	\$10,000
67670 DU	David Mandt & Assoc.	Client Management Services	4/11/99	8/30/99	\$8,000	\$8,000
67636	Dillon & Findley DFYS/DJ split	Regulations Revision/DFYS Organizational Split	2/21/98	8/30/99	\$25,000	\$25,000
67697 DU	E. Ben Crawford, PhD	Staff Training - Mental Health Treatment Strategies	8/1/99	10/31/99	\$24,000	\$9,600
67231 DU	Fairbanks Clinic	Medical services for the Fairbanks Youth Facility.	1/1/97	8/30/99	\$120,000	\$48,000
67690	Guss, Mary E.	Hearing Officer	5/7/99	12/31/99	\$10,000	\$2,500
67309 DU	Hansen, George, DDS	Dental care for the McLaughlin Youth Center.	7/1/97	8/30/00	\$121,040	\$40,000

Tuesday, August 31, 1999

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Contracts are DFYS unless noted as DJJ (Juvenile Justice)

SEP: 27.1999

1:56PM

DHSS DRS DIR OFFICE

Attachment B NO. 854

P. 6/13

CONTRACT #	CONTRACTOR	PURPOSE OF CONTRACT	START	END	TOTAL	FY 99 AMOUNT	
67639	InformAlaska, Inc.	Licensing Regulations Revision/HB375&18	12/1/98	9/30/99	\$34,600	\$34,600	
67603 <i>DU</i>	Jimmerfield, Steven	One-on-One Control Tactics	Control Tactics Training	0/22/98	10/31/98	\$2,600	\$2,600
67638	Koehler, Vicki	CORE 102 Training	7/20/98	7/31/98	\$8,000	\$8,000	
67588	Koehler, Vicki Ms.	Core 102 Training	9/14/98	9/17/98	\$2,000	\$2,000	
67612	Longenbaugh, Leslie	Hearing Officer	0/12/98	3/1/99	\$10,000	\$10,000	
67429 <i>DU</i>	New Bethel Family Clinic	BYF Medical Services Contract	11/1/97	6/30/99	\$20,550	\$12,000	
67700	Nolan, Rice, Volland & Taylor	Hearing Officer	5/7/99	12/31/99	\$10,000	\$10,000	
67635 <i>DU</i>	Nome Dental Office	NYF Dental Contract	1/4/99	6/30/99	\$2,600	\$2,600	
67655	Northwest Resource Association	Alaskan Adoption Exchange	2/18/99	6/30/00	\$150,445	\$33,400	
67165	Northwest Resource Association	Adoption exchange and consultation services.	7/1/98	6/30/99	\$23,175	\$27,955	
67414	Northwest Resources Assoc.	Foster Parent Training	11/1/97	6/30/00	\$1,201,224	\$431,909	
67642	Northwest Strategies	Foster Parent Recruitment	1/20/99	3/15/99	\$8,940	\$8,940	
67660 <i>DU</i>	Norton Sound Health Corporation	NYF Dental Contract	1/4/99	6/30/99	\$2,500	\$2,500	
67659 <i>DU</i>	Norton Sound Health Corporation	NYF Medical Contract	1/4/99	6/30/99	\$10,000	\$10,000	
67316 <i>DU</i>	Patricia C. Patrick M.D.	Psychiatric evaluations for the McLaughlin Youth Center.	7/1/97	6/30/99	\$132,800	\$70,000	
67317 <i>DU</i>	Providence Behavioral Medicine Group	Court-ordered psychiatric evaluations on juveniles at McL	7/1/97	6/30/00	\$15,000	\$5,000	
67525	Schmid, Donald L.	Consultation re: development of Title IV-E funding for Alas	7/13/98	12/31/98	\$4,000	\$4,000	
67621	Schmid, Donald L.	Federal funding and program design enhancements Phase	11/1/98	6/30/99	\$49,640	\$49,640	
67632 <i>DU</i>	Sunrise Counseling	BYF Mental Health Services	1/4/99	6/30/00	\$47,000	\$17,000	
67516	Taylor Stocker Group, dba Alcohol Drug Test Servi	Urinalysis Testing Program	7/1/98	6/30/00	\$180,000	\$90,000	
67676 <i>DU</i>	Wood, Shelly	Training Victim Impact	5/3/99	5/7/99	\$2,500	\$2,500	
FY99 Total for DIVISION					\$1,368,399		

Thursday, August 31, 1999

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SEP. 27. 1999 1:57PM DHSS DRS DIR OFFICE

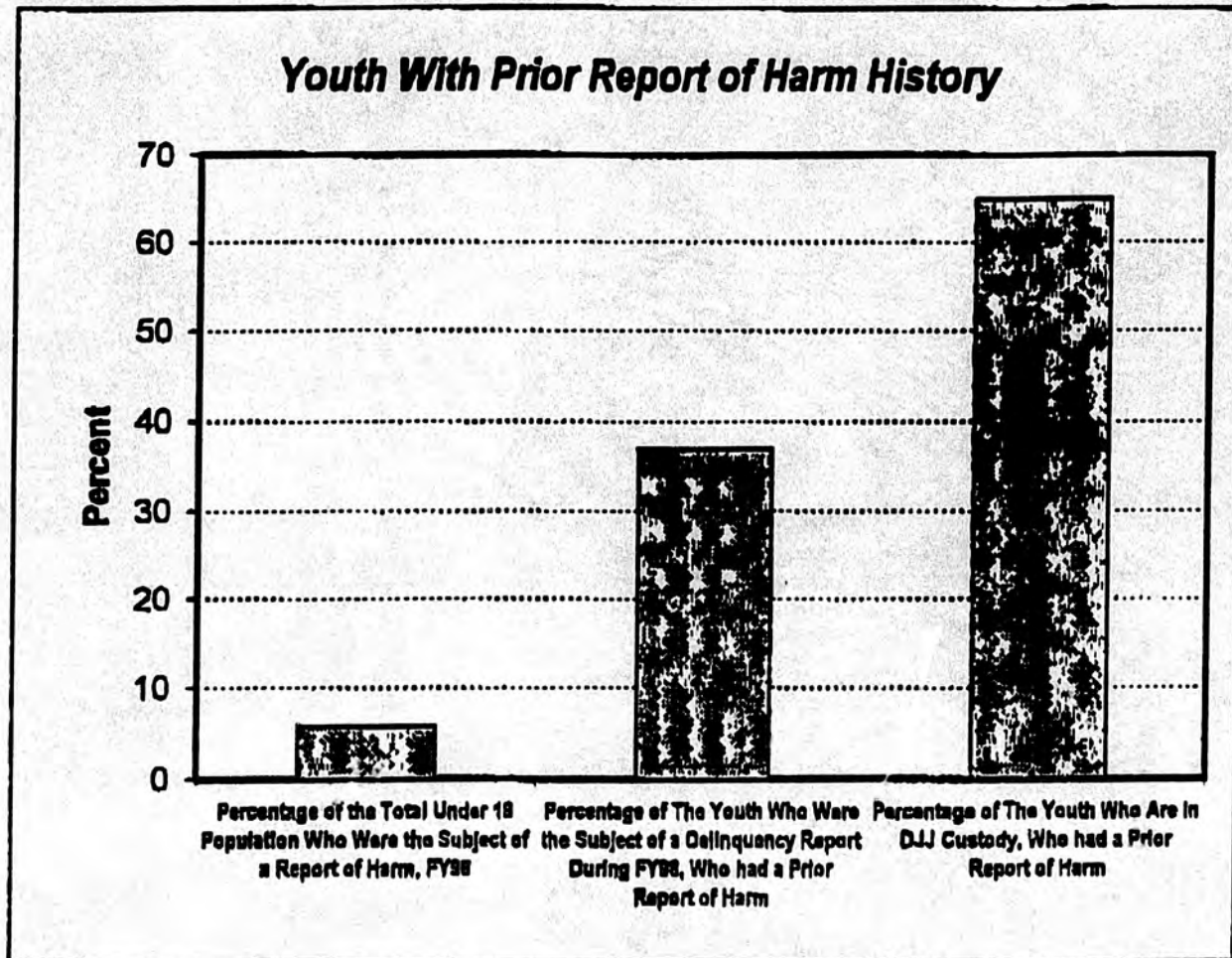
NO. 854 P. 7/13

BREAKING THE LINK

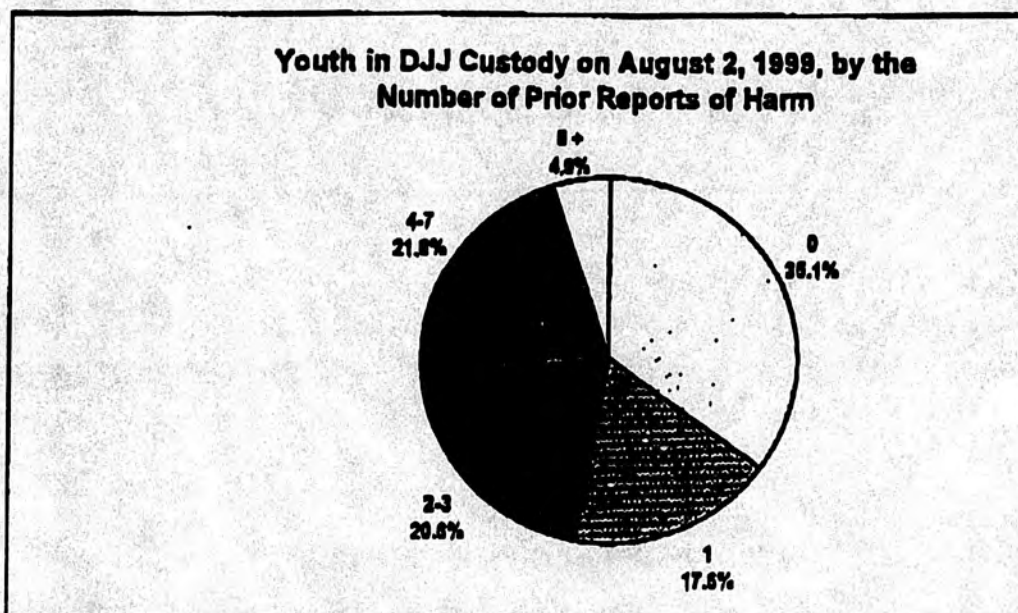
A Forum on Child Maltreatment and Juvenile Delinquency

During FY 98 in Alaska, approximately 5.8 percent of all children under 18 years old were reported as abused or neglected. Contrast that with Alaska's delinquent youths...

- Of the 5,424 juveniles who were the subject of at least one delinquency report in FY 98, 2009 (37 percent) had previously been reported as abused or neglected as children.
- Of the 427 juveniles in state (Division of Juvenile Justice) custody on Aug. 2, 1999, at least 277 – 65 percent – had previously been reported as abused or neglected as children.



- Nearly 26 percent of the juveniles in state custody on Aug. 2, 1999 had been the subject of *four or more* reports of abuse or neglect.



The link is even more significant for Alaska Native youths...

- About 74 percent of the Alaska Native juveniles in state custody had previously been reported as abused or neglected as children.
- Nearly 37 percent of those youths had been the subject of four or more reports of abuse or neglect.

Division of Administrative Services

Janet Clarke
Division Director



Mission

*To provide quality administrative service so that the
Department of Health and Social Services programs can achieve their mission.*

Budget Section

The Budget Section provides technical budget support to the Department, as well as management guidance and analysis to the Commissioner's Office. It is responsible for analyzing, monitoring, and controlling the Department's annual operating and capital budgets, budget amendments, revised programs, supplemental budgets, and fiscal notes. It is also responsible for departmental financial procedures, processing and controls, and position authorization control.

Data Integration

The Department's Data Warehouse database is a technological tool to provide decision support for the Department. All divisions provide statistical data that is integrated into a single decision support database. The Data Administrator works with the Department's research analysts to obtain the necessary data, and then generates appropriate reports that enable policy makers to make more informed decisions based on integrated statistical data.

Facilities and Planning Section

The Facilities and Planning Section is responsible for research, planning, and oversight of multi-agency activities for the Department. This includes managing all renovation and repair, deferred maintenance, and major capital construction projects, including oversight of design and construction for Department owned and operated facilities. The Department operates 33 State owned buildings throughout Alaska, at a replacement value of \$197.8 million. These buildings house mental health services, youth probation and detention services, for public health services. The Section is also responsible for Certificate of Need

review and approval for major new hospital and nursing home projects, and coordination of the Comprehensive Integrated Mental Health Plan (CIMHP). The Section also manages nearly all of the Department's capital grants, including named recipient grants and competitive grants in a variety of programs.

Finance Section

The Finance Section is responsible for the financial accounting and related support services to the department's divisions, boards, and commissions in fulfilling their financial obligations. Services include prompt and accurate payments to vendors and various financial expenditure accounting needs; daily and weekly draws of approximately \$500 million in federal funds, including maintenance of adequate cash management control; and the recording of all appropriated receipts to appropriate budget controls. The Finance Section is responsible for the Department's reporting structures; timely preparation and submission of quarterly, semi-annual, and annual reports to federal agencies for all federal grants administered by the Department; writing and updating the Department's cost allocation plan and negotiating approval with the Federal Division of Cost Allocation; coordination of financial audits by federal and legislative auditors, including the preparation of audit responses; and ensuring Department compliance to all state and federal accounting and reporting requirements.

Grants Administration

The Grants Administrator is responsible for the coordination and standardization of grant processes, as well as providing assistance and training for staff in the procurement and administration of grants department wide. This position compiles and maintains the Department's grant database and develops the annual Operating Grants Booklet. The Grants Administrator also directly assists the Program Managers for the Alaska Children's Trust (ACT) and the Community Partnerships for Access, Solution and Success (COMPASS) grant programs.

Human Resources Section

The Human Resources Section is responsible for personnel management within the Department. Procedural functions include initiating and maintaining personnel, payroll, leave, and related records. Programmatic functions include labor relations, risk management, position classification, hiring and recruitment, employee training, and management and employee consultations. The section serves about 2,000 employees located in more than 50 geographic locations.

Information Systems

The Information Systems section is responsible for two levels of information technology support: it meets the needs of the Division of Administrative Services, as well as being responsible for coordination of Department information technology efforts. As support for the Department, staff are responsible for maintaining network and file services for 100 users, including maintenance of desktop machines, file servers, application servers, printers, software maintenance and instruction, and wiring infrastructure. As support to the Department, staff coordinate electronic mail services, represent the Department at statewide agency meetings, maintain the communications infrastructure, track mainframe logon IDs, coordinate Department telephone services, and provide technical support to other small groups in the Department that do not have technical staff.

Procurement Section

The Procurement Section is responsible for procurement, property control and leasing for the Department. Staff also oversees the processing of all professional services contracts, streamlines the review and approval of all contractual documents, and provides clear interpretation of respective regulations, as well as receiving and distributing the Department's mail. The central office in Juneau, along with the regional office in Anchorage, serves all of the Department's regions.

Division Contacts

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Juneau, Alaska 99811-0650
Phone (907) 465-1620/Fax 465-2499

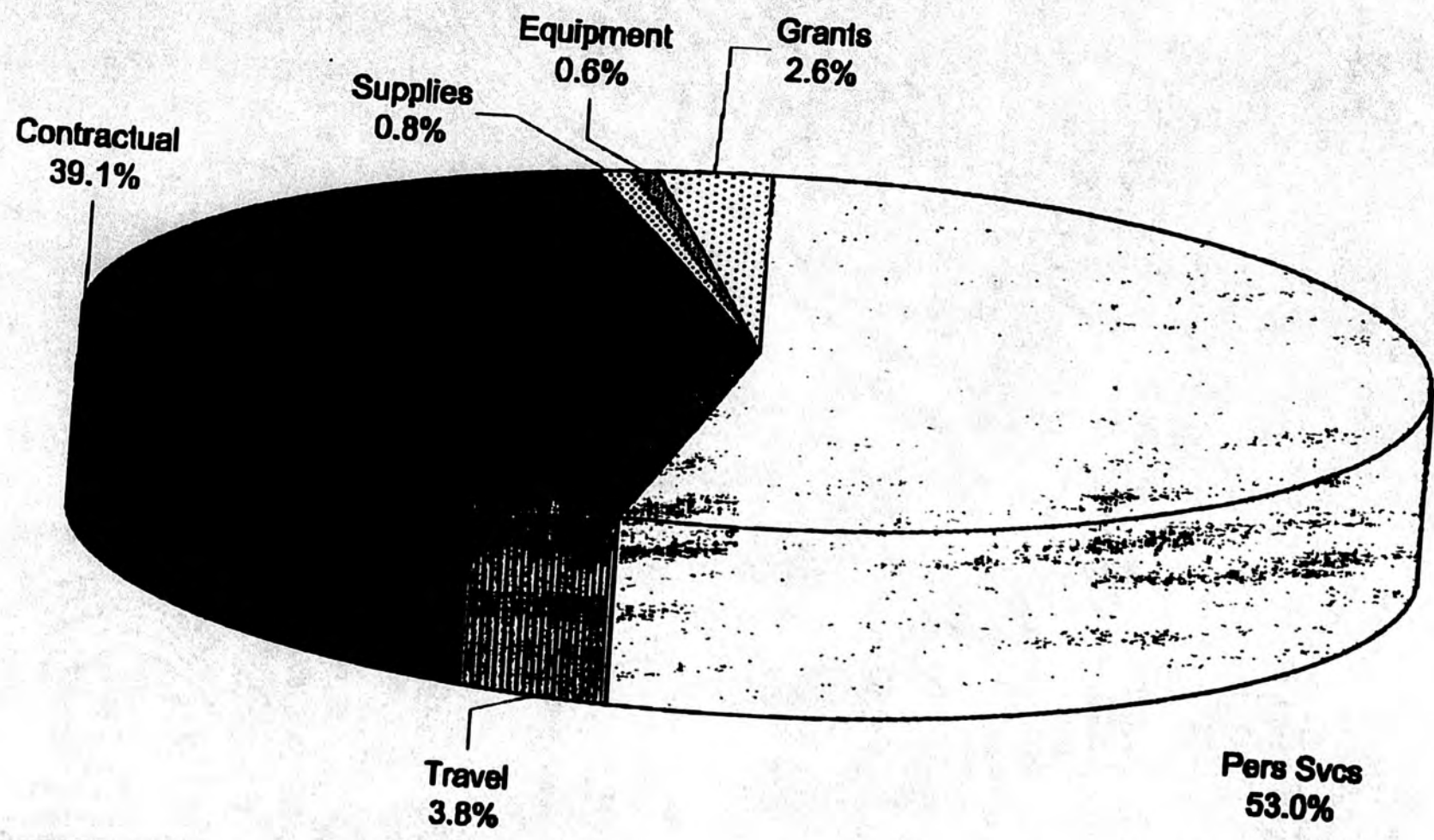
Finance Section
Orlando Moskito, Finance Officer
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Department of Health and Social Services
Division of Admin Services



FY2000 Authorization
DHSS Div of Admin Svcs, Budget Section
8/30/99

DHSS FY 99 Contracts

CONTRACT #	CONTRACTOR	PURPOSE OF CONTRACT	START	END	TOTAL	FY 99 AMOUNT
ADVISORY BOARD ON ALCOHOLISM AND DRUG ABUSE						
67650	Dapcevic, Donald	Legislative Liaison	2/18/98	8/30/99	\$5,031	\$5,031
67674	Hamilton, Steve, C & S Management Associates	Web Site Development & Maintenance	5/1/99	8/30/00	\$3,000	\$2,000
67519	Steve Hamilton, C&S Management Associates	Statewide Strategic Plan Development	7/8/98	12/31/98	\$11,000	\$11,000
FY99 Total for DIVISION						\$18,031
ALASKA MENTAL HEALTH BOARD						
67685	C & S Management Associates	Mental Health Outcomes, Indicators and Performance Measures	4/15/99	8/31/99	\$15,000	\$15,000
FY99 Total for DIVISION						\$15,000
DIVISION OF ADMINISTRATIVE SERVICES						
67642	Access Alaska, Inc.	Americans with Disabilities Act training	7/20/98	11/30/98	\$20,977	\$20,977
67586	Bhargava, Raj		8/3/98	8/3/98	\$2,371	\$2,371
67563	Information Insights	Comprehensive Integrated Mental Health Plan	8/21/98	3/30/99	\$28,950	\$28,950
67416	Informix Software, Inc.	Data Warehouse Development	11/1/97	8/30/99	\$334,985	\$100,000
67548	Ka Mell Architects		9/30/98	11/30/98	\$5,000	\$5,000
67629	Leonard, David F.	Certificate of Need Program	8/1/99	12/31/99	\$10,000	\$4,000
67634	Yaletown Technology Group, Inc.	Brit User Training	8/1/98	8/30/98	\$10,000	\$10,000
FY99 Total for DIVISION						\$171,298

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Division of Administrative Services
FY 2000 Operating Grants

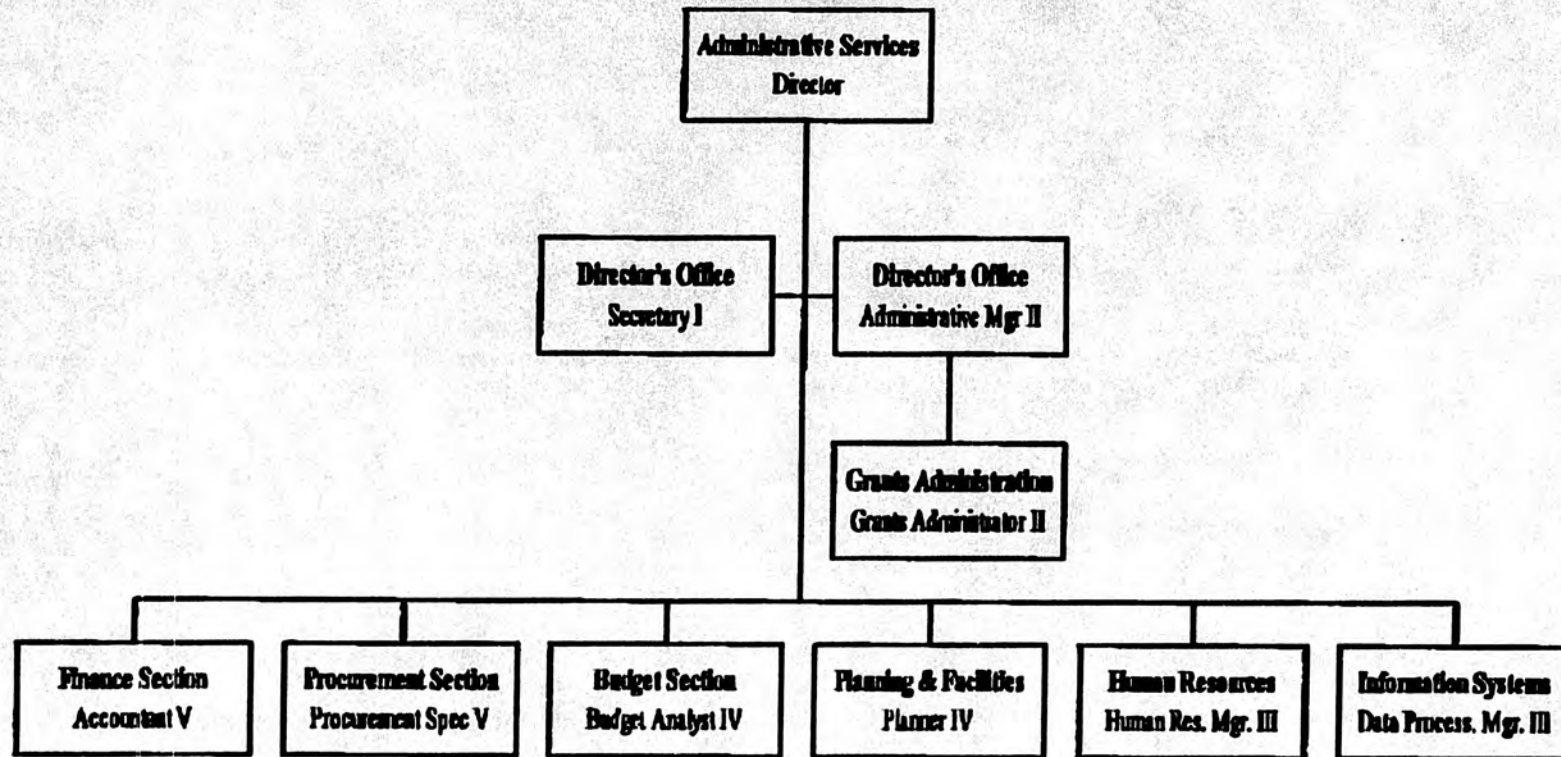
Program	Grantee	Location	2000 Award
Alaska Children's Trust	AK Public Radio Network	Statewide	\$26,800
Alaska Children's Trust	Anchorage Center for Families	Anchorage	\$12,000
Alaska Children's Trust	Boys and Girls Club of Anchorage	Anchorage/Eagle River	\$3,935
Alaska Children's Trust	Covenant House	Anchorage	\$13,500
Alaska Children's Trust	Eastern Aleutian Tribes	Sand Point	\$20,556
Alaska Children's Trust	Fairbanks Resource Agency	Fairbanks	\$15,088
Alaska Children's Trust	Frontier Community Services	Kenai/Soldotna	\$21,000
Alaska Children's Trust	Gateway Center for Human Services	Saxman	\$15,000
Alaska Children's Trust	Homer Children's Services	Homer	\$25,704
Alaska Children's Trust	Mat-Su Borough School District	Sutton	\$25,900
Alaska Children's Trust	Nome Community Center	Nome/Koyuk	\$28,429
Alaska Children's Trust	Resource Center for Parents & Children	Fairbanks	\$23,993
Alaska Children's Trust	St. George Traditional Council	St. George	\$16,000
Alaska Children's Trust	Volunteers of America	Anchorage	\$9,841
Alaska Children's Trust	Wrangell Community Services	Wrangell	\$18,980
Alaska Children's Trust	Yup'it School District	Tuluksak	\$14,175
		Total	\$290,881

SEP 27 1999 2:03PM DSS DCS DIR OFFICE

NO. 855 P. 7/23

9/1/99

**Department of Health & Social Services
Division of Administrative Services**



OBJECTIVE:	REFERENCE DATA:		PERFORMANCE MEASURES:	
	FY 99 ACTIVITY LEVELS:	FY 99 TARGET:	FY 99 ACTUAL	FY 00 PROJECTED TARGET:
HEALTH PLANNING AND FACILITIES MANAGEMENT:				
Provide reliable, defensible Certificate of Need (CON) reviews in a timely manner	9 CON's Received	Complete CON reviews within 120 days statutory limit	100% CON Reviews completed within 120 days	Anticipate completing CON reviews within 120 day statutory limit
Process capital grant payments efficiently and accurately	87 Competitive Grants; 15 Named Recipient Grants	Process all grant payments within 15 days from receipt; close grants within 90 days from completion	90% of grant payments were made within 15 days; 91% of all grant agreements were closed out within 90 days of completion	Process 100% grant payments within 15 days from receipt; close 92% grants within 90 days from completion
Provide competent management of capital projects	24 Capital projects were undertaken	Complete all capital projects on time and within budget	22 capital projects were completed on time for 92%	Anticipate 90% of capital projects completed on time and within budget
PERSONNEL AND PAYROLL:				
Provide time and accurate classification	648 Classification Actions	50% of Classification actions finalized within 10 work days	46% Classification Actions finalized within 10 work days	Anticipate 50% of Classification Actions Finalized within 10 work days
Process Personnel Actions (PA's) timely	6,870 PA's Processed	92% PA's processed within 15 work days	86% PA's processed within 15 work days	Anticipate 92% PA's processed within 15 work days
Ensure legal hires and timely approval of job offers (Workplace Alaska)	4,484 Applicant Profiles	92% approvals made within 4 working days	100% of approvals made within 4 work days	Anticipate 95% approvals made within 3 work days

OBJECTIVE:	REFERENCE DATA:		PERFORMANCE MEASURES:	
	FY 99 ACTIVITY LEVELS:	FY 99 TARGET:	FY 99 ACTUAL	FY 00 PROJECTED TARGET:
PERSONNEL AND PAYROLL, CONTINUED:				
Administer sound labor relations practices	131 Grievances Filed	Resolve 98% of all grievances/complaints without arbitration	96% of all grievances/complaints resolved without arbitration	Anticipate resolving 98% of all grievances/complaints without arbitration
Provide Safety training about on the job injuries and their associated costs	9 Training Sessions held for 190 employees	Reduce Worker's Comp claims by 10%	61% Reduction in Worker's Comp claims	Anticipate reducing Worker's Comp by 5%
ADMINISTRATIVE SUPPORT SERVICES:				
FINANCE SECTION:				
Efficient payment turnaround on all financial transactions	91,000 Payments Made; 3,353 Agency Receipts Processed	Process 90% of payments within 5 work days	90% of payments process within 5 work days	Anticipate 92% of payments processed within 5 work days
To ensure federal funds are drawn down timely	1,026 Federal Draw Downs were completed	Process 100% of Federal Fund Requests Daily and Weekly through State Treasury	100% Federal Draw Downs were done Daily & Weekly through State Treasury	Process 100% of Federal Fund requests Daily & Weekly through State Treasury
To ensure Federal reports are submitted timely and accurately	135 Reports Submitted	Submit 90% of Federal reports on time	70% of Federal Reports were on time. 30% processed 1-10 days late	Submit 90% of Federal reports on time
PROCUREMENT SECTION:				
Efficient processing of purchase documents ensuring timely receipt of goods	806 Purchase Requisitions Received	Action taken on 100% of PR's within 3 work days	Action was taken 100% of PR's within 3 work days	Anticipate turnaround time within average of 3 work days

OBJECTIVE:	REFERENCE DATA:		PERFORMANCE MEASURES:	
	FY 99 ACTIVITY LEVELS:	FY 99 TARGET:	FY 99 ACTUAL	FY 00 PROJECTED TARGET:
PROCUREMENT SECTION, CONTINUED:				
Maintain efficient processing of mail	59,707 Piece Mailed out quarters	Process 100% of all incoming/outgoing mail daily	100% of mail was processed daily	Anticipate processing 100% of all outgoing mail daily
GRANTS ADMINISTRATION:				
Review and make recommendations for grant waivers requests and amendments timely and accurately	124 Request for 235 Grantees received	Action taken on 100% of Waivers and Amendments within 3 work days	91% processed within 3 work days; 9% within 6 work days	90% processed within 3 work days
Review received Request for Proposals (RFP's) timely and accurately	18 RFP's received	Action taken on 100% of RFP's within 5 work days	90% reviewed and returned within 5 work days	Anticipate reviewing 100% of Grant RFP's within average of 5 work days
BUDGET SECTION:				
Revised Program Requests (RP's) efficiently and accurately	503 Revised Programs Logged	Process 100% within 3 work days	386 processed within 3 work days; average Budget Section Processing 2.9days	Process 85% within 3 work days
Process Fiscal Notes/Bill Analysis/Legislative Inquiries efficiently and accurately	35 Fiscal Notes Processed; 36 Bill Analyses Processed; 73 Legislative Requests Processed	Process 100% of Fiscal Notes/Bill Analysis/Legislative Inquires within 5 work days	26 Fiscal Notes completed by due date (74%); 30 Bill Analyses completed by due date (83%); average departmental processing time for Legislative inquires was 4.6 work days	Process 90% within 5 work days

OBJECTIVE:	REFERENCE DATA:		PERFORMANCE MEASURES:	
	FY 99 ACTIVITY LEVELS:	FY 99 TARGET:	FY 99 ACTUAL	FY 00 PROJECTED TARGET:
DATA WAREHOUSE:				
Provide reliable platform for decision support information	Removal of artifacts from the match history to allow matching levels to increase	Anticipate increasing accuracy client match across divisions data systems by 10%	This achieved approximately 10% increase of the missed matches	Anticipate increasing accuracy client match across divisions data systems by 20%
INFORMATION SYSTEMS:				
Provide stable and effective LAN work environment for employees	365 days x 24 hours = 8,760 hours per year	Keep network up and running 99% of time	Network was up and running 8,733.72 hours during the year (or 99.7%)	Anticipate network up and running 99% of the time
Provide stable Email system	365 days x 24 hours = 8,760 hours per year	Keep reported Email failures to less than 1% of volume of Email	Estimated Email volume for year is approximately 4000 messages per day x 260 work days = 800,000 messages. Less than 100 reports of failure = .0096%	Keep reported Email failures to less than 1% of volume of Email

Component Detail
Department of Health and Social Services
FY2000 Budget

Component: Alaska Mental Health Board (2022)
BRU: Mental Health Trust Boards

FY2000 Mgt Plan

71000 Personal Services	350.8
72000 Travel	70.1
73000 Contractual	40.4
74000 Supplies	4.3
75000 Equipment	0.0
76000 Land/Buildings	0.0
77000 Grants, Claims	0.0
78000 Miscellaneous	0.0

Totals **465.4**

Funding Sources :

1007 VA Rcpts	125.5
1037 GF/MH	339.9

Positions :

Permanent Full Time	4
Permanent Part Time	1
Non Permanent	0

SEP. 27. 1999 2:05PM DSES DAS DIR OFFICE

NO. 655 P. 13/23

12

Component Detail
Department of Health and Social Services
FY2000 Budget

Component: Governor's Council on Disabilities and Special Education (2023)
BRU: Mental Health Trust Boards

FY2000 Mgt Plan

71000 Personal Services	322.3
72000 Travel	159.3
73000 Contractual	1,193.9
74000 Supplies	10.0
75000 Equipment	5.0
76000 Land/Buildings	0.0
77000 Grants, Claims	0.0
78000 Miscellaneous	0.0
Totals	1,690.5

Funding Sources :

1002 Fed Rcpts	954.5
1007 I/A Rcpts	168.0
1037 GF/MH	10.0
1092 MHTAAR	558.0

Positions :

Permanent Full Time	5
Permanent Part Time	0
Non Permanent	1

SEP. 27. 1999 2:05PM DHSS DAS DIR OFFICE

NO. 855 P. 14/23

13

Component Detail
Department of Health and Social Services
FY2000 Budget

Component: Advisory Board on Alcoholism and Drug Abuse (2024)
BRU: Mental Health Trust Boards

FY2000 Mgt Plan

71000 Personal Services	183.1
72000 Travel	68.8
73000 Contractual	24.0
74000 Supplies	6.5
75000 Equipment	6.0
76000 Land/Buildings	0.0
77000 Grants, Claims	0.0
78000 Miscellaneous	0.0

Totals **288.2**

Funding Sources :

1037 GF/MH	288.2
------------	-------

Positions :

Permanent Full Time	3
Permanent Part Time	0
Non Permanent	0

SEP. 27. 1999 2:05PM DHSS DAS DIR OFFICE

NO. 655 P. 15/23

14

Component Detail
Department of Health and Social Services
FY2000 Budget

Component: Unallocated Reduction (2301)
BRU: Administrative Services

FY2000 Mgt Plan

71000 Personal Services	0.0
72000 Travel	-0.0
73000 Contractual	0.0
74000 Supplies	0.0
75000 Equipment	0.0
76000 Land/Buildings	0.0
77000 Grants, Claims	0.0
78000 Miscellaneous	0.0
Totals	-0.0
Funding Sources :	
1003 G/F Match	58.7
1004 Gen Fund	-165.2
1037 GFAMH	106.5
Positions :	
Permanent Full Time	0
Permanent Part Time	0
Non Permanent	0

SEP. 27. 1999 2:05PM DHSS DAS DIR OFFICE

NO. 855 P. 16/23

5

Component Detail
Department of Health and Social Services
FY2000 Budget

Component: Commissioner's Office (317)
BRU: Administrative Services

FY2000 Mgt Plan

71000 Personal Services	793.5
72000 Travel	77.2
73000 Contractual	31.0
74000 Supplies	8.4
75000 Equipment	0.0
76000 Land/Buildings	0.0
77000 Grants, Claims	0.0
78000 Miscellaneous	0.0

Totals	\$10.1
---------------	---------------

Funding Sources :

1002 Fed Rcpts	339.7
1003 G/F Match	228.2
1004 Gen Fund	82.1
1007 I/A Rcpts	255.7
1061 CIP Rcpts	4.4

Positions :

Permanent Full Time	10
Permanent Part Time	0
Non Permanent	0

SEP.27.1999 2:06PM DHSS DAS DIR OFFICE

NO.055 P.17/23

15

Component Detail
Department of Health and Social Services
FY2000 Budget

Component: Personnel and Payroll (319)
BRU: Administrative Services

FY2000 Mgt Plan

71000 Personal Services	1,209.5
72000 Travel	15.0
73000 Contractual	43.0
74000 Supplies	11.7
75000 Equipment	5.1
76000 Land/Buildings	0.0
77000 Grants, Claims	0.0
78000 Miscellaneous	0.0
Totals	1,284.3

Funding Sources :

1002 Fed Rcpts	219.1
1003 G/F Match	148.4
1004 Gen Fund	573.7
1007 I/A Rcpts	341.6
1061 CIP Rcpts	3.5

Positions :

Permanent Full Time	22
Permanent Part Time	0
Non Permanent	0

SEP. 27. 1999 2:05PM DHSS DAS DIR OFFICE

NO. 855 P. 18/23

12

Component Detail
Department of Health and Social Services
FY2000 Budget

Component: Administrative Support Services (320)
BRU: Administrative Services

FY2000 Mgt Plan

71000 Personal Services	2,716.7
72000 Travel	21.3
73000 Contractual	494.8
74000 Supplies	43.5
75000 Equipment	38.0
76000 Land/Buildings	0.0
77000 Grants, Claims	0.0
78000 Miscellaneous	0.0

Totals	3,314.3
---------------	----------------

Funding Sources :

1002 Fed Rcpts	1,031.8
1003 G/F Match	552.8
1004 Gen Fund	1,421.5
1007 I/A Rcpts	256.5
1061 CIP Rcpts	51.9

Positions :

Permanent Full Time	48
Permanent Part Time	0
Non Permanent	0

SEP. 27. 1999 2:05PM DHSS DAS DIR OFFICE

NO. 855 P. 19/23

Component Detail

Department of Health and Social Services FY2000 Budget

Component: Health Planning & Facilities Management (2020)
BRU: Administrative Services

FY2000 Mgt Plan

71000 Personal Services	740.3
72000 Travel	39.6
73000 Contractual	193.4
74000 Supplies	13.0
75000 Equipment	20.1
76000 Land/Buildings	0.0
77000 Grants, Claims	0.0
78000 Miscellaneous	0.0

Totals 1,606.4

Funding Sources :

1002 Fed Rcpts	104.7
1003 G/F Match	13.2
1004 Gen Fund	179.2
1007 I/A Rcpts	118.9
1061 CIP Rcpts	540.4
1092 MHTAAR	50.0

Positions :

Permanent Full Time	11
Permanent Part Time	0
Non Permanent	0

SEP.27.1999 2:06PM D:\SS DAS DIR OFFICE

NO.855 P.28/23

19

Component Detail
Department of Health and Social Services
FY2000 Budget

Component: COMPASS Community Grants (2257)
BRU: Administrative Services

FY2000 Mgt Plan

71000 Personal Services	0.0
72000 Travel	0.0
73000 Contractual	0.0
74000 Supplies	0.0
75000 Equipment	0.0
76000 Land/Buildings	0.0
77000 Grants, Claims	25.0
78000 Miscellaneous	0.0
Totals	25.0
 Funding Sources :	
1004 Gen Fund	25.0
 Positions :	
Permanent Full Time	0
Permanent Part Time	0
Non Permanent	0

SEP. 27. 1999 2:06PM DHSS DAS DIR OFFICE

NO. 855 P. 21/23

20

Component Detail
Department of Health and Social Services
FY2000 Budget

Component: Children's Trust Programs (2146)
BRU: Children's Trust Programs

FY2000 Ngt Plan

71000 Personal Services	0.0
72000 Travel	0.0
73000 Contractual	55.7
74000 Supplies	0.0
75000 Equipment	0.0
76000 Land/Buildings	0.0
77000 Grants, Claims	290.0
78000 Miscellaneous	0.0
Totals	345.7
Funding Sources :	
1086 ChildTrEm	345.7
Positions :	
Permanent Full Time	0
Permanent Part Time	0
Non Permanent	0

SEP. 27. 1999 2:06PM DHSS DAS DIR OFFICE

NO. 855 P. 22/23

21

Component Detail
Department of Health and Social Services
FY2000 Budget

Component: Facilities Maintenance (2371)
BRU: Facilities Maintenance

FY2000 Mgt Plan

71000 Personal Services	0.0
72000 Travel	0.0
73000 Contractual	2,584.9
74000 Supplies	0.0
75000 Equipment	0.0
76000 Land/Buildings	0.0
77000 Grants, Claims	0.0
78000 Miscellaneous	0.0
Totals	2,584.9
Funding Sources :	
1007 I/A Rcpts	2,584.9
Positions :	
Permanent Full Time	0
Permanent Part Time	0
Non Permanent	0

SEP. 27. 1999 2:06PM DHSS D&S DIR OFFICE

NO. 855 P. 23/23

2

Articles

REALITIES OF PRIVATIZATION IN JUVENILE CORRECTIONS

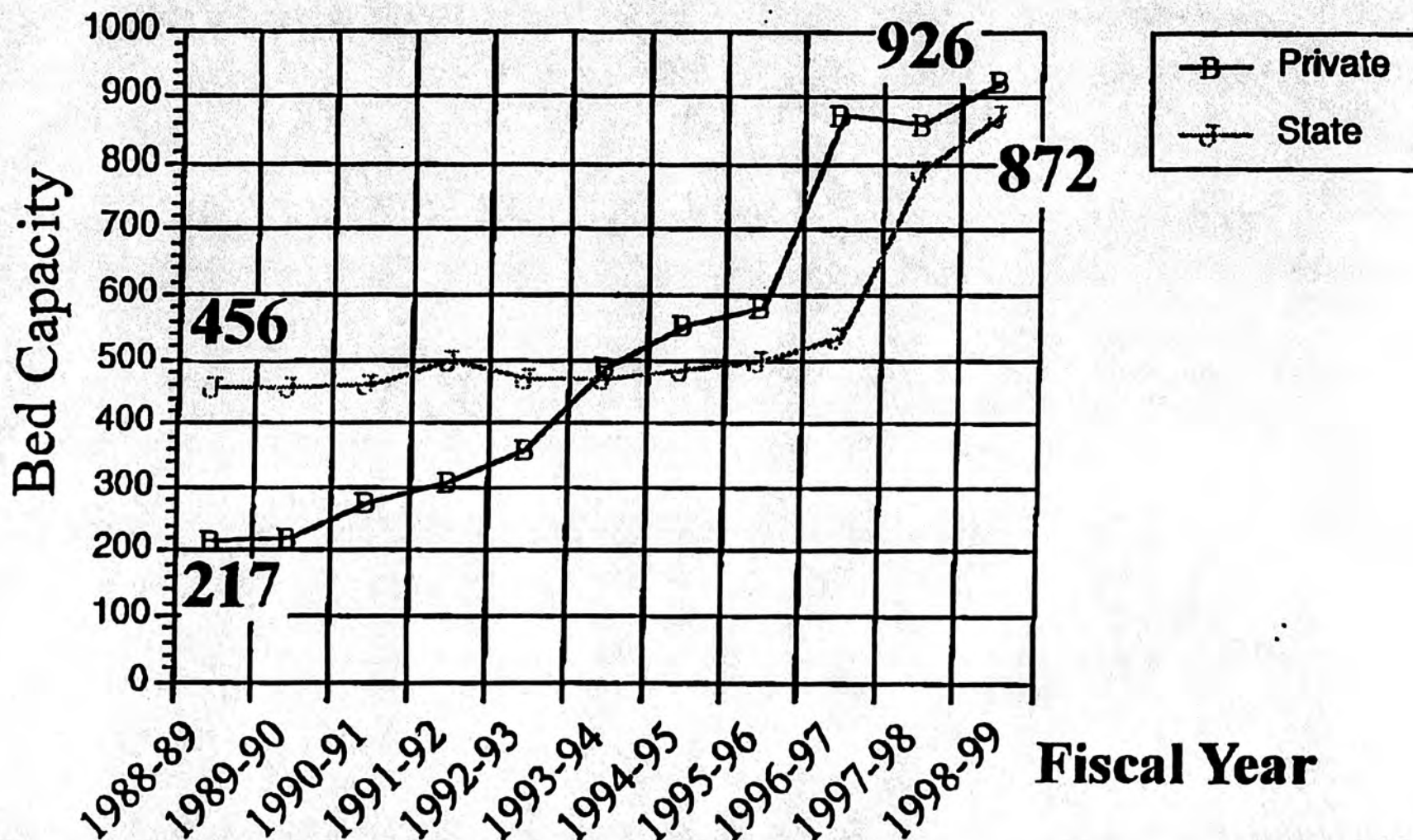
WHY PRIVATIZE?

- SYSTEM BECOMES CUSTOMER
- MORE COST-EFFECTIVE/COST EFFICIENT
- READILY ADAPTABLE TO NEEDS OF SYSTEM
- VARITEY OF PROGRAMS/SERVICES
- PERFORMANCE DRIVEN - OUTCOME BASED
- CONTRACTS CONTROLLED BY SYSTEM

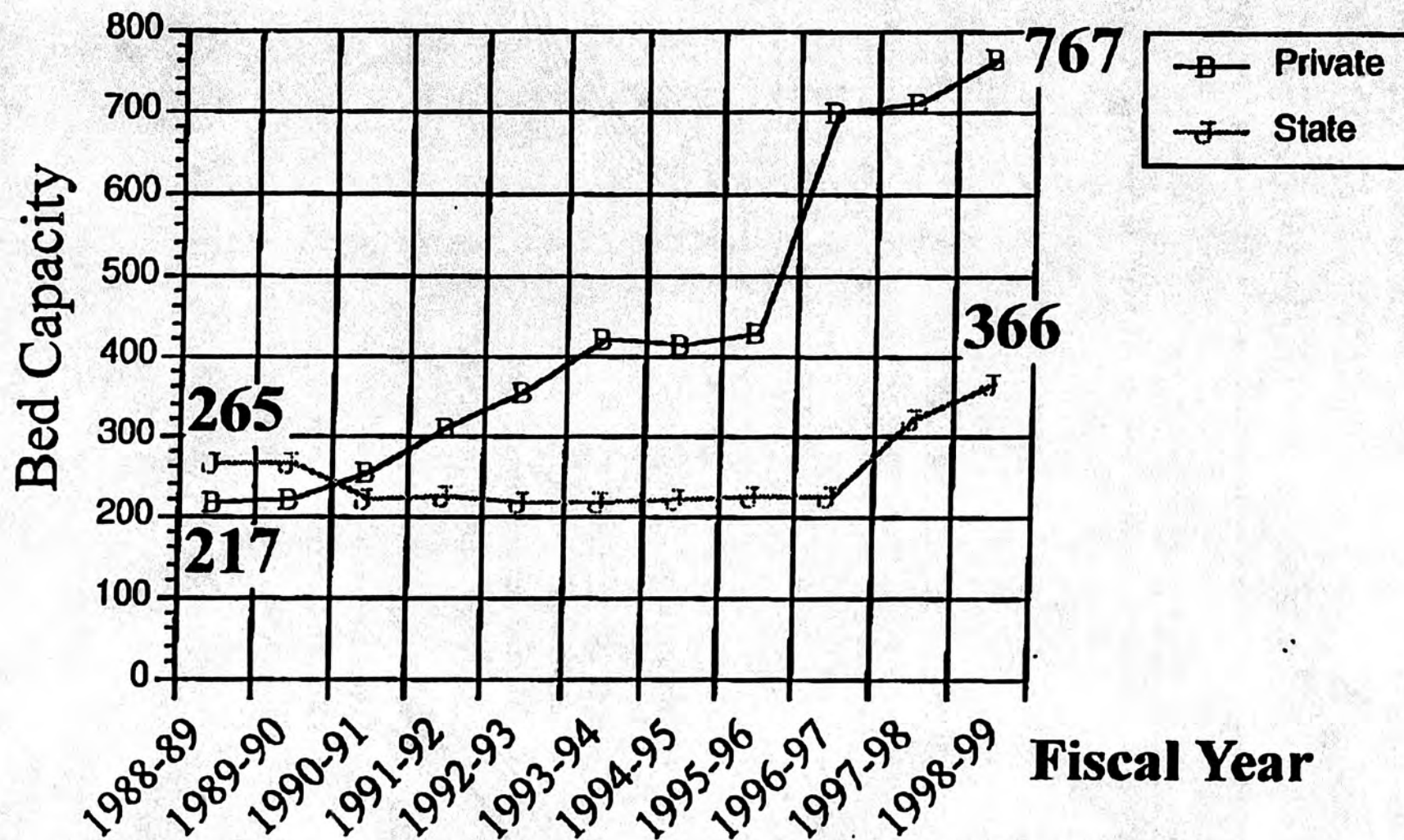
WHY NOT PRIVATIZE?

- PROFIT IS BOTTOM LINE --- ONLY LINE!
- COMPETITION IS CRITICAL
- DEPENDENCY CREATES HOSTAGES
- SELECTIVELY OF PRIVATE SECTOR
- POLICY DRIVEN POLITICALLY
- CONTRACT COMPLIANCE REQUIRES VILIGANCE
- PUBLIC LIABILITY IS RETAINED

COLORADO DIVISION OF YOUTH CORRECTIONS TRENDS IN DYC DETENTION AND COMMITMENT CAPACITIES



COLORADO DIVISION OF YOUTH CORRECTIONS TRENDS IN DYC COMMITMENT CAPACITIES





TEXAS YOUTH COMMISSION ESSENTIAL ELEMENTS OF CONTRACTING FOR JUVENILE SERVICES

Identify Statutory Authority

- ◆ Enabling legislation, Chapter 61 of the Human Resources Code, provides authority to contract for
 - Residential;
 - Non-residential; and
 - Parole Services

Ascertain Procurement Requirements

- ◆ General Services Commission waived competitive bidding and going through GSC for TYC purchase of services, however must comply with the following:
 - Negotiate fair and reasonable rate; and
 - Ensure qualified provider.
 - Formal study of providers and proposal
 - Request for Proposal
- ◆ Post on Texas Marketplace

Ensure Need for Services

- ◆ Base decision on statistics
- ◆ Projected commitments to TYC
- ◆ Agency performance measures

Build Trust and Relationships

- ◆ Partnership with provider
- ◆ State and Community acceptance
- ◆ Coordination and cooperation with education entity

Establish a Contract and Statement of Work

- ◆ TYC outlines the basic and additional services required
 - License or Certification
 - Staff Ratios and Training
 - Medical and Dental Services
 - Psychiatric, Psychological and Treatment Services
 - Target Population
 - Daily Living Services
 - Education Services
 - Clothing
 - Transportation Services
 - Security Measures/Public Safety
 - Youth Complaint and Resolution System
 - Youth Rights and Privileges
 - Trust Fund
 - Volunteer and Chaplaincy Services
- ◆ Provider responds to SOW outline in narrative form
- ◆ Negotiate a fair and reasonable rate
- ◆ Federal and State Requirements

Provide Technical Assistance/Training

- ◆ TYC provides training in critical areas
- ◆ On-going technical assistance

Establish Performance Measures and Standards

- ◆ Used for evaluating all residential contract programs
 - Percent positive releases
 - Percent negative releases
 - Number of escapes
 - Percent of students escaping
 - Misdemeanor arrests
 - Confirmed mistreatments
 - Percent early movement
 - Felony arrests
- ◆ Standards set annually

Monitor for Compliance and Quality

- ◆ Risk assessment
- ◆ Formal monitoring system
 - Standardized monitoring instruments
 - Quarterly monitoring schedules
 - Covers all components of contract
 - Identifies staff responsible for monitoring
 - Developed in Central Office
- ◆ Control and tracking system for all monitoring
- ◆ Corrective action plan tracking
- ◆ Sanctions tracking system

10/13/97 8:28AM

Jettix Job 172 Page 2/5

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ISSN-0084-2413



Page 1

Vol. 25 No. 18

September 25, 1997

FEDS SAY GANGS SPREADING THROUGH INDIAN RESERVATIONS

Once confined to inner cities, street gangs now are spreading rapidly to the nation's Indian reservations, often overwhelming tribal police forces and courts. Federal law enforcement officials said Sept. 17.

Studies indicate the number of gangs has more than doubled since 1994, and the FBI has reported a "dramatic increase" in violent crime linked to gang activity, said Kevin Di Gregory, a top official in the Justice Department's criminal division.

He told the Senate Judiciary and Indian Affairs committees that the "emergence of gangs in Indian country strains already limited tribal law enforcement resources and threatens the safety and security of many tribal communities."

The problem appears particularly acute in Arizona. The Navajo Nation reports 55 gangs with 900 members, and the Gila River Indian Community says it has 20.

The Salt River Pima-Maricopa Indian Community, a small tribe near Phoenix, estimates it has 19 gangs, about one for every 300 tribal members on the reservation.

This year, five members of the reservation's East Side Crips Rolling Thirties gang were convicted of murder and other offenses under a Federal organized crime law.

"Our police departments are outmanned and outgunned," said Ivan Makil, president of the Salt River tribe. "Even the technology used by the

(See GANGS, page two)

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* In Utah:

ANOTHER PRIVATE YOUTH PROGRAM IN TROUBLE

First there was Proctor Advocate, then Challenger and North Star. Now, another private youth treatment program is in trouble with the law, and facing possible revocation of its Utah state license.

This time, the probe involves allegations of mismanagement and possible sexual abuse at A Better Way Residential Treatment Services, which contracts with the state.

(See UTAIL, page two)

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Page 2

JUVENILE JUSTICE DIGEST

September 25, 1997

(GANGS, from page one)

gangs is more sophisticated than our police have. That's a fact."

Surveys have found significant gang activity on numerous other reservations, particularly those close to cities, including: Seattle; Tulsa, Okla.; Albuquerque, N.M.; and Rapid City, S.D., said Charles Rinkovich, director of the Federal Law Enforcement Training Center.

Problem At "Crisis Level"

Several reservations "are at a crisis level," said Rinkovich. "Parks and schools are dominated by gangs, the community is living in fear of gangs, there is an increase in truancy/dropouts, and crime and the police are overburdened."

In New Mexico, a man was beaten with a beer bottle, stabbed 72 times and left with a ritualistic triangle carved in his side. In South Dakota, four gang members from the Lower Brule reservation broke into a patrol car and threw a Molotov cocktail in it.

Gang activity has been reported throughout reservations in North Dakota and South Dakota, said Woudy Wright, director of an Indian police training center that recently surveyed tribes in the region. "All of them are seeing it," he said.

The rise in gang activity correlates to a sharp increase in violent crime overall on reservations. The homicide rate on Indian lands has soared 87 percent in the past five years, even as it has declined nationwide by 22 percent.

President Clinton recently ordered Interior and Justice officials to meet with tribal leaders and recommend ways to deal with the problem.

A study by the Bureau of Indian Affairs this year estimated there are 375 Indian gangs with 4,650 members, up from 181 gangs in 1994.

Meanwhile, the number of Indian juveniles jailed in Federal prisons for serious offenses has nearly doubled from 78 in 1994 to 143 this year.

Indian gangs take names similar to national gangs such as the Crips and Bloods, but they often are less coordinated than their urban counterparts and less interested in robbery and other money-making crimes, said Di Gregory, a deputy assistant attorney general.

Part of the reason for the rise in gang activity is the lack of police, social services and detention facilities for juvenile offenders, he said. Without proper law enforcement, Indian youth feel "they can commit crimes with impunity," he said.

* (UTAH, from page one)

Regulators say the scenario raises questions about Utah's headlong rush to privatize youth services.

"The state is going to have to bear some of the responsibility here," said Assistant Utah Attorney General Craig Barlow, who directs the Children's Justice Division.

Barlow is overseeing the criminal investigation of alleged child sexual abuse at one of A Better Way's homes in Salt Lake County.

All Privatized Programs Have Same Problem

"Privatized programs all have the same problem--they need a profit margin--all the while dealing with sophisticated problems requiring sophisticated staff," he said.

But, most often, staffing expenses and administrative oversight are generally the first to suffer when a company is trying to stay afloat, Barlow said.

"The profit motive says you hire staff at less," he said. "And, unfortunately, it's hard to find sophisticated staff at \$7 an hour."

"It's definitely the downside of privatization," added Carol Verhulst, an attorney in the A.G.'s Child Protection Division.

Earlier this month, the state's Office of Licensing petitioned to pull A Better Way's license to operate in Utah. The action came after numerous violations were alleged, including using improperly or inadequately trained staff; failure to conduct or document proper criminal background checks; failure to provide adequate educational opportunities for patients, and failure to timely report allegations of abuse or neglect of a child.

At the same time, A Better Way closed the doors of a treatment home for girls in Salem after the city moved to shut it down for allegedly violating the terms of its business license.

Barlow confirmed only that he has begun "a criminal investigation into some of the staff" at a home

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September 25, 1997

JUVENILE JUSTICE DIGEST

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for teenage sex offenders operated by A Better Way in Murray.

Sources familiar with the probe, however, say it involves allegations that some of the boys—many victims of sexual abuse themselves—were molested by counselors. The sources spoke only on condition of anonymity.

This comes after an 11-year-old boy placed in another home for young sex offenders the company operates in Cedar City was allegedly raped last month by an 18-year-old resident.

Marion Polk, an Omaha, Neb., attorney representing A Better Way—which is incorporated in Utah—said the company planned to contest the state's allegations.

"I can confirm that there is an investigation and that we intend to fully cooperate," Polk said. Meantime, A Better Way will "continue doing business in Utah," she said.

That also appears to be where company owners Larry Gelwix, Sterling Devenaux and Rodney Rice, a former Brigham Young University football star, were focusing their attention.

State Has Encouraged Contracting

More than perhaps anywhere else in state government, Youth Corrections and the Division of Family Services have been encouraged by Gov. Mike Leavitt and legislators to contract with private providers whenever possible.

Private companies provide services ranging from mental health counseling to operating detention centers.

At the same time, youth residential and inpatient treatment programs have flourished, outpacing the state's ability to regulate and license them.

In the private sector, this explosion of new programs has been met with tragedy. The now-defunct Challenger wilderness therapy program and its off-spring, North Star, both saw young patients die on poorly supervised wilderness outings.

Berkow, Verdoia and others familiar with those cases believe the companies' desire to put profits over patients played some role in those tragedies.

But even before that, there were troubles. Proctor Advocates, a program which in the mid-1990s placed troubled teens in refuge homes, was sanctioned by the

state and its founder unsuccessfully prosecuted on child abuse charges.

More stringent oversight has resulted, child advocates allow, but add that the state can only do as much. A Better Way's problems are indicative of those that arise at the nexus of for-profit companies and the state's drive to privatize, regulators say.

"In this case, it is a possibility that because of profit margins that the people they hired failed to do things they should do," Verdoia said.

"The sad fact is that the state just doesn't have the resources to help good, strong programs develop," she said. "Yet, the state has the responsibility to monitor them and, ultimately, is responsible for what happens to the children in them."

"A Better Way" Not Better

Bob MacDougall, the licensing specialist seeking to put A Better Way out of business in Utah, said the vast majority of contractors do the work they're paid to do.

"There's nothing wrong with having a bottom line," he said. "But when kids are involved, it better not get in the way."

The company, which was incorporated in March 1996, until two weeks ago had operated three residential homes in Utah and an offshore, private treatment program in American Samoa.

Company officers, according to incorporation papers on file with the Department of Commerce, Larry Gelwix, Sterling Devenaux and Rodney Rice, a former Brigham Young University football star.

Interviews and information on the company's World Wide Web Internet site indicate the company is focusing on the program at the Robert Louis Stevenson Academy on the island of Upolu in Western Samoa. That facility takes only private-paying youth, at a cost of tens of thousands of dollars for a regimen that can last up to a year.

Only the Utah programs would be affected by any licensing sanctions.

A Better Way operated residential treatment facilities in Cedar City, Salem and Murray. The Cedar City home and the Murray residence cater to male sex offenders, ages 12 through 18. In all, there were 25 beds available.

//

The Salem home, according to company literature, was for up to 10 girls with "depressive symptomatology, anxiety disorders, victims of abuse and neglect, family discord and behavioral issues."

The city, however, was operating under the impression that the home was for "handicapped kids," said Mayor Randy Brailsford. When it found out differently, the city moved to revoke A Better Way's business license.

"We'd had problems with runaways, rowdy kids and the like," Brailsford said. "We're not sure whether we were intentionally misled or whether this was just some sort of misunderstanding."

City Attorney Junior Baker said the business licenses carried a specific notation that the home was for handicapped children. "And that was based on their representations to us," he said.

FORMER DARE STUDENT SAYS POLICE FORCED HER TO INFORM ON PARENTS

The police officer giving Crystal Grendell and her fellow Searsport, Maine, sixth graders a DARE course on the dangers of drug abuse confused her. Crystal had seen her parents smoke marijuana at home for years, but she says, "They didn't act any different."

In a set of circumstances still in dispute, officer James Gillway later questioned the 11-year-old girl, Crystal says, assuring her nobody would be arrested if she cooperated. He warned her not to tell mom and dad because "often parents beat their children after the children talk to police," Crystal recalls him saying.

Soon afterwards, state narcotics agents raided her house, her parents were arrested on her birthday, and the soft-spoken girl with hazel eyes was left to pick up the pieces of a life she says has been torn asunder by guilt and anger.

"It makes it hard for me to trust anybody," says Grendell, now 18. "People I thought I could trust let me down."

A lot is unclear about what exactly happened that spring of 1991 in this once prominent ship-building town. Grendell has gone to Federal court to sue Gillway, now Searsport police chief, accusing him of violating her constitutional rights.

Meanwhile, civil libertarians portray the case as an example of what they have long claimed: The nationwide program known as DARE (Drug Abuse Resistance Education) is not only ineffective, it encourages children to rat on their parents.

"How strange that we're spending all this time and money trying to get our 10- and 11-year-olds to worship uniformed officers of the state," said Gary Peterson of Fort Collins, Colo., head of Parents Against DARE. "Gee, where did that happen in history before?"

Los Angeles-based DARE America Inc. boasts that 33 million school children around the world—25 million in the United States—will take its course this year in skills to resist drugs, gangs and violence.

DARE, which started in 1983 and trains local police officers, denies charges it seeks to recruit child informants. The program's boosters say its goal is to bring families together and point out there have been very few incidents where police officers have had to act on tips given them by pupils.

"If the children know that if they're going to that DARE officer and tell that officer something that's going to cause problems in their homes, quite honestly, I don't think it would be very good for the relationship," said Frank Pegueros, a former Los Angeles Police commander who now helps train DARE officers.

How everything started is a bit of a mystery. Grendell says a guidance counselor called her out of English class one day to tell her she knew her parents grew marijuana. Grendell insisted in an interview she doesn't know how the counselor found out, since she hadn't told anyone since second grade about the drugs.

But Gillway's attorney, Edward Benjamin, disputes that: "This kid Crystal had been telling anybody who would listen to her for three years about her parents and drugs." Grendell's own lawyer, Jed Davis, says "this girl came forward because of what she heard in the DARE class."

After a few meetings, the counselor suggested the girl talk to police, Grendell said.

Gillway, then a sergeant, interviewed Grendell, who told him her parents were growing marijuana plants under grow lights in a closet, according to court documents. She also answered the

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EMERGING ISSUES ON PRIVATIZED PRISONS

Prepared by

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March 15, 1999

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EXECUTIVE SUMMARY

Current Trends in Privatization

1. It is estimated that there are 186 privately operated correctional facilities in the world which hold a total of 132,346 inmates.
2. Within the United States, 30 states, Puerto Rico, and the District of Columbia have 158 private correctional facilities operating within in their jurisdictions. The most active state is Texas with 43 facilities, followed by California (23), Florida (10) and Colorado (9). Most states with private correctional facilities tend to represent the south and western regions of the United States.
3. Another 26 facilities exist in five other countries, with most in Australia (12) and the United Kingdom (10).
4. The total amount of revenue now allocated to private prisons and jails is estimated at \$1 billion.
5. Despite rapid increases in the presence of private correctional facilities, they represent only a small share of the entire correctional population market. With a total jail and prison population of approximately 1.7 million in the United States, the estimated 116,626 bed capacity in the United States reflects less than seven percent of the U.S. market. Less than five percent (52,370 inmates) of the total 1.2 million prison population is housed in private facilities.

Prior Research Findings on Privatization

1. There have been an insufficient number of conclusive studies completed to date regarding the impact of private prisons on costs, protection from harm, recidivism, and conditions of confinement.
2. Of the few studies completed meeting minimal evaluation standards, the major conclusion one can reach is that privately operated prisons function as well as publically operated prisons.
3. With respect to operating costs, privately operated prisons can reduce expenditures in those markets where public employee benefit rates are relatively high in comparison to national rates.
4. Management problems that have occurred with privatized prisons can be linked to a poorly drafted contract, lack of oversight by the contracting agency, and improper transfer of

inmates with classification levels which do not meet the resources and capabilities of the private prison.

5. There is some evidence that the presence of private prisons has encouraged public facilities to adopt similar cost saving strategies in the areas of staff deployment and procurement policies.
6. There is evidence that private entities can construct new facilities faster and at less cost than the public sector.

National Survey Results

1. The vast majority of privately operated prisons (not jails or detention centers) are relatively new, with bed capacities of 800 or less, and designed for medium and minimum custody inmates.
2. Similar to the results reviewed in previous individual studies, privately operated prisons function similarly to publically operated prisons with respect to program and work participation by inmates, and the distribution of staff by key functional areas.
3. The three exceptions to the above findings are in the areas of staffing levels, staff salaries, and critical incidents. Privately operated facilities have a significantly lower staffing level and offer significantly lower salaries than public state correctional agencies. They also reported a significantly higher rate of assaults on staff and inmates.
4. These differences may be related to other factors such as reporting standards or the fact that most correctional facilities experience management difficulties when newly opened. However, one must also entertain the notion that insufficient training and a lack of qualified staff in key positions may also be a valid explanation for these differences. Nonetheless, the notion that privately operated prisons are safer or better managed than publically operated facilities is not supported by these results.

Future Trends

1. The number of privatized prisons is likely to increase, but not at the pace exhibited during the past decade.
2. The number of privatized prison companies is likely to decrease as competition and the costs of doing business increase, thus forcing a consolidation of firms within the industry.
3. It is unlikely that privatized prisons will develop a strong market in the high security inmate population market due to a recent flurry of well-publicized disturbances. However, important inroads can be expected for the private sector within low security medical, mental health and geriatric inmate populations.

4. The so-called "speculative prisons" will face the greatest scrutiny and resistance by state and federal correctional agencies. These types of facilities are the most difficult to monitor and regulate.
5. Unless there is a sharp reduction in major incidents at private prisons, one can anticipate increased litigation directed at such facilities which are immune from the PARA.

**Privately Operated Prisons in the United States:
A Brief Overview of the Landscape**

**Douglas McDonald
Abt Associates Inc.**

Some recent maps of the terrain

McDonald, Fournier, Russell-Einhorn and Crawford, *Private Prisons in the United States: An Assessment of Current Practice* (Abt Associates Inc. 1998, at www.nlcic.org)

- sponsored by National Institute of Corrections
- survey of state and federal correctional agencies regarding contracts for privately operated secure facilities at year-end 1997 (past, present, future)
- assessment of research on cost and performance
- legal issues

Austin and Coventry, *Emerging Issues on Privatized Prisons* (NCCD, forthcoming)

- sponsored by Bureau of Justice Assistance
- survey of privately operated facilities ("prisons"); used BJS survey instrument to permit comparison with public facilities
- data pertains to 1997-98
- review of research
- the future

Camp and Camp, *The Corrections Yearbook 1998* (Criminal Justice Institute, Inc.)

- surveyed privately operated facilities
- data pertains to January 1, 1998
- includes facilities holding state, federal, local prisoners
- information about inmates, staff, facilities, and programming

Thomas, Bolinger, Badalamenti, *Private Adult Correctional Facility Census*, Tenth Ed. (Univ. of Florida, 1997) and Eleventh Edition (<http://web.crim.ufl.edu/pcp/census/1998>)

- year-end 1996 and 1997 data
- information collected from private firms and other sources
- includes facilities holding state, federal, local prisoners
- characteristics of facilities, client jurisdictions, firms' market shares

Q. How many privately operated prisons?

A. It depends what you call a "prison."

- Secure adult facilities of all types--about 140-160, but includes illegal immigrant detention centers, county jails, etc.
- Year-end 1997: 84 facilities had contracts with 91 state/federal correctional agencies to hold prisoners (includes states, BOP, DC, PR, USVI); some facilities not operational at time of census (McDonald)
- Missed facilities housing prisoners that were not under direct contract, but passed through another governmental agency (e.g., local sheriff's department)
- Thomas et al. count 142 on 12/31/87, but include jails, immigrant detention centers, etc.
- Austin and Coventry count 65 "state prisons"; rely on private firms to identify "prisons"
- Camp and Camp count 83 facilities; but includes those holding local, state, and federal prisoners/detainees
-

How many prisoners in privately operated facilities?

- About 64,000 in all forms of secure facilities, year-end 1997 (<3% of nation's inmates)
- State and federal correctional agencies send about 80% (about 52,400 prisoners)
- 28 state/federal governments sent 37,700 prisoners to privately operated facilities under direct contract
- Another 14,700 prisoners placed in private facilities through intergovernmental agency agreement rather than direct contract
- 50% of prisoners classified as medium security, 45% minimum, 4% high
- Small proportion housed in facilities located out-of-state (6,000, or about one-seventh of non-federal prisoners)
- Non-secure adult facilities, privately operated: 529 under contract at year-end 1997.

Growth of the industry

- 1986-96: no. of beds in such facilities grew at about 45%/year, on average
- Industry revenues about \$1B at year-end 1997
- Concentrated in a few states: ten governments responsible for 80% of prisoners in privately held facilities

BOP	(9,951)	FL	(3,877)	CA	(2,948)
TX	(7,223)	LA	(3,581)	CO	(2,390)
OK	(4,588)	TN	(2,958)	MS	(2,522)
				DC	(1,927)

- Heaviest reliance in OK (23% in privately operated)

DC	(22%)
CO, TN, LA	(19-21%)
MS	(16%)
TX	(5%)
FBOP	(10%)

- "Privatization" or "contracting out"?
- Provision of new capacity by contracting rather than conversion of public to private
- Exploiting market opportunities created by rapid growth in prison population
- Industry concentration: a few big firms
- Changing organizational structures (e.g., separation of facility ownership from operations, REITs, etc)

Principal approaches to serving the market

- Publicly owned prisons, privately operated (one principal client)
- Privately owned and operated, but serves a dominant client
- Privately owned and operated, serves many clients
- [Privately owned facilities, operated by public correctional agencies]

Control by governments greater in first two arrangements, weakest in latter

Integration into jurisdiction's correctional system generally closer in first two, weakest in latter

Privatization as a result of policy, rather than administrative, decision

- Most correctional directors report that decision to contract was made by legislature or chief executive
- Differs from decisions to contract out for specific services and programs
- Correctional managers typically make these about contracting for

health care
mental health services
food services
community residential programs
substance abuse & sex offender treatment programs
educational/vocational programs
etc.

Q. Are government's purposes for contracting being achieved?

Q. But what is government asking for, anyway?

- Legislative objectives sometimes spelled out in authorizing statutes (e.g., save 10%), but not always
- Asked state and federal correctional directors in 28 states that contract to rank main reason for contracting with privately managed prisons.

Reduce overcrowding/get new beds quickly	16 states
operational cost savings	8
gain operational flexibility	1
Improve services	1
Other	3

- Divining public will not always easy here
 - Lack of consensus regarding purposes
 - Politics makes strange bedfellows
- Sometimes unstated objectives
 - Create competition for public correctional agencies
 - Spur greater vigilance re: expenditures
 - Avoid building constituency for new public facilities

Are beds brought on-line faster by means of contracting?

Are costs to taxpayers lower?

Problem of calculating the cost of direct public provision

Should focus on *marginal* cost of adding new public facilities

The overhead cost problem

Need to account for differences in spending for *capital* and *operations*

Cost of public expenditures in support of contracting

- What the state evaluations show, in those states that seek lower costs by contracting

A different question: Are private facilities less costly than public ones?

- Conflicting findings of research
- Some potential sources of lower costs:

In design/build/operate arrangements, savings from

- designing for fewer staff
- faster and less costly construction
- lower labor costs (salaries, benefits, staff/inmate ratios)
- lower costs for purchased services (e.g., medical care)

In management contracts,

- lower labor costs
- lower costs for purchased services

- "Inherent" advantages or advantages that stem from specific opportunities in the market?

Do privately operated facilities perform better, the same, or worse?

- What constitutes "performance"?
- Performance as *compliance* with standards?
- Performance as measured by *outcomes*?
 - Recidivism?
 - Incidents?
- Importance of distinguishing types of facilities, contractual arrangements, etc.
 - Out-of-state facilities
 - "Spec" facilities,
 - In-state/tightly integrated facility, etc.
- What the research shows
- Are correctional services suited to performance-based contracting?

Or:

How can clients affect contractor's performance?

Big differences in approaches to monitoring and control

- **Of 28 contracting govts. surveyed by Abt Associates:**

20 had contract monitors in addition to contract administrators

- **Of 91 different contracts active on 12/31/97:**

Half had monitors on-site on daily basis, generally worked on full-time basis

16 contracts had part-time monitors (one-day per week, on average), on-site monthly

Ten had part-time monitors (one day per week), with quarterly visits

Are privately operated prisons showing the way to a more innovative correctional system?

- **Innovation is not commonly stated objective for client governments**
- **The two-way street: public corrections' influence on private corrections, and vice-versa**
- **Evidence regarding effects on public correctional administration**



Pros & Cons of Private Prisons

Policy Issues

Executive Summary

In 1989, the Florida Legislature authorized the Department of Corrections to enter into contracts with private corrections firms for the construction and operation of private prisons. From this starting point, the State of Florida opened its first 768-bed private prison in Gadsden County in March of 1995. Since this time, contracts have been awarded for the construction and operation of four additional private prisons, creating a combined capacity of 3,936 beds. This number represents almost six percent of Florida's total state prison beds.

While some preliminary studies have been done, time and continued observation is needed to properly evaluate the effectiveness of this venture. This paper summarizes the benefits that Florida hopes to receive as a result of our prison privatization efforts and shares some of the concerns and public policy issues that have been encountered over the past decade that this option has been actively pursued.

Potential benefits of private prisons

- Cost savings in both construction and operation
- Speedy construction of private prison beds
- Comprehensive educational and training programs
- Introduction of competition into the prison industry
- Fruits of competition: innovation, efficiency & value

Public policy concerns

- Need for accountability
- Potential public safety hazard from out-of-state prisoners & other escapees
- Difficulty in measuring "success" of private prisons
- Need for cooperation between private and state prisons
- Ethical considerations when "for profit" corporations are faced with profits vs. quality of care issues

The Honorable Allen Trovillion

Chairman of the Florida House of Representatives Corrections Committee

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Potential Benefits of Private Prisons

Cost Savings in Both Construction and Operation

In general, the savings that were expected from the construction of private facilities was not realized. Site acquisition and preparation costs were lower for contracted private prisons than comparable costs for public prisons. However, private prison building costs were higher. One of the primary reasons cited for the higher building costs is that inmate labor was not utilized in the construction of private prisons.

The Florida Legislature established a goal for private prisons to operate at a cost that is at least seven percent less than a comparable state-run facility. Comparing state and private prisons has been problematic, and controversial. While the costs of operating private prisons did not meet the expected seven-percent level of savings for the 1996-1997 fiscal year, a saving of approximately four percent was realized. (See OPPAGA Report # 97-68.)

Prison costs are typically analyzed in terms of "inmate per diem," the average daily operational cost of incarcerating an inmate. Per diem costs are affected by a number of factors including prison size, types of inmates housed, location, and programs. The Department's reported inmate per diem rates ranged widely, from as low as \$32.24 to as high as \$284.83, and averaged \$45.38 during fiscal year 1995-96. These reported per diem rates do not include Department administrative costs, which have been previously determined to add approximately \$3 to the per diem rate.

Inmate per diem rates for the private prisons are specified by contract. Typically, the contracts guarantee a rate based on 90% of capacity, and include a second, lower rate for additional inmates. For the contract year most comparable to the 1995-96 fiscal year, these per diem rates ranged from \$38.44 to \$45.88 for 90% capacity and from \$8.61 to \$40.00 for each additional inmate. (This number does not include certain indirect costs incurred by the state.) The average per diem paid by the state for private prisons varied depending on programs offered. However, none of the private prisons operating in Florida during the 1995-96 fiscal year were directly comparable in these categories to a public prison. (See OPPAGA Report #96-69.)

Comprehensive Educational and Training Programs

The private prisons in Florida use a programmatic approach, a program-rich environment in which most inmates are assigned to academic or vocational education programs and substance abuse treatment programs. The department has used a similar programmatic approach at its youthful offender prisons and at its drug treatment centers. However, adult male prisons in Florida (DOC) typically provide a limited number of academic and vocational education programs and substance abuse treatment that can serve only a small proportion of the population at any given time. (See OPPAGA Report # 97-68.)

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Pros & Cons of Private Prisons

Fruits of Competition: Innovation, Efficiency & Value

One advantage of prison privatization is the opportunity to introduce different and sometimes innovative correctional practices that may provide a basis for re-examining public prison practices. Four major differences have been identified in the private prisons: a more programmatic approach to inmates, a more compact construction design, air-conditioned housing units, and the use of civilian staff and technology to reduce prison staffing needs.

Measures of safety, medical health services, and program services generally indicate that private prison performance compares favorably with public prison performance. Currently, Florida's contracts with private prisons serve a select inmate population. The inmates transferred to private prisons must be relatively healthy and trainable. A maximum health cost of \$10,000 is provided for in the contracts. In addition, performance on measures of public safety, staff safety, and inmate safety indicate assault and disciplinary report rates that are lower than the statewide average for public prisons. (See OPPAGA Report # 97-68.)

Public Policy Concerns

Need for Accountability

The most obvious form of accountability in corrections, is legal accountability. If the rule of law can limit and constrain the power of the state, then surely it can hold a private firm at least equally accountable. Constitutional standards, for example, will apply equally to all prisons, whether run by government employees or by contractors. In addition, many state laws provide for accountability including the following examples:

- *Promotes the development and use of objective performance measures.*
- *Enforces adherence to procedures and limit or control discretion in the discipline of inmates.*
- *Forces responsiveness to the attitudes and needs of local communities when siting a prison.*
- *Encourage much broader interest, involvement, and participation in corrections by people outside of government.*

Potential Public Safety Hazard from Out-of-State Prisoners & other Escapees

The potential for private correctional facilities contracting to house out-of-state offenders in Florida would create new employment opportunities and may boost local economies. However, specific statutory, procedural, and liability safeguards would be necessary to regulate the practice to ensure that Florida's interests are not compromised.

Two 1997 escapes from the Bay County Jail Annex exemplify the need to establish statutory and procedural safeguards to regulate private correctional facilities contracting to house out-of-state offenders in Florida.

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Pros & Cons of Private Prisons

Difficulty in Measuring "Success" of Private Prisons

One important measure of success is the extent to which the private prisons are able to reduce inmate recidivism. In January 1998, the commission issued a review of recidivism of inmates released from private prisons. This study, conducted by staff of the Private Corrections Project from the University of Florida, provides an initially favorable analysis of one-year recidivism data for inmates released after less than a year in private prison, but the data must be considered preliminary.

On February 2, 1998, the staff of the Florida Joint Legislative Management Committee's Division of Economic and Demographic Research reviewed the methodology used in the recidivism study. The reviewers found three major deficiencies. The first was that there were insufficient numbers of inmates who had served most of their time in private correctional facilities and who have spent a reasonable amount of time out of prison to permit a reliable comparison.

Second, the conclusions drawn in the report were out of proportion to the weak evidence collected. An extremely small sample size of 1.7% of total releases was used in the study which was not a true representation of the total inmate population in private and state correctional facilities.

Finally, the methodology used did not adequately take into account that program participation (type, length, quality, etc.) may have an impact on post release behavior.

The role of program participation as a possible explanatory variable for the difference in outcomes between public and private facilities was not explored in the study, despite the fact that the researchers acknowledged its probable importance.

Future reviews need to improve methodology by analyzing whether public prison inmates used for comparison participated in or completed educational or substance abuse treatment programs, and by comparing sample populations on length of incarceration and type of post-release supervision. No conclusions about the private prisons' effect on recidivism should be made until data covering two years after release is available on inmates who were housed in private prisons for more than one year.

The Office of Program Policy Analysis and Government Accountability (OPPAGA) recommends that a two-year period after release allows more time for cases to be processed through the court system and more information on inmate post-release behavior to be collected. (See OPPAGA Report # 97-68.)

Need for Cooperation between Private and State Prisons

By not working cooperatively, the department and the commission may not be maximizing the potential benefits privatization may offer the state. For example, instead of using privatization as a tool to increase the efficiency of today's corrections services delivery, the department and the commission have moved the state towards operating a dual or alternative corrections systems of publicly and privately operated prisons that may be duplicative.

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Pros & Cons of Private Prisons

Ethical Considerations when "For Profit" Corporations are Faced with Profits Vs. Quality of Care Issues

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

Felons hired as jail guards

By DANIEL J. CHACON

The New Mexican

April 27, 1999

Cornell Corrections knowingly hired three convicted felons to work as guards inside Santa Fe County's juvenile jail, the jail director admitted.

Despite conducting background checks, the private company employed the felons as correctional officers to supervise minors at the Youth Development Program center on Airport Road, said Pete Looker, the juvenile jail director.

Cornell operates both the adult and juvenile jail facilities on contract with Santa Fe County.

The company is required to send all background information on potential employees to the contract monitor, which is the Santa Fe County Sheriff's Department. But the company was not doing as required, County Manager David Wolf said.

"We just became aware of this late last week. We did not realize this was Cornell's hiring practice," Wolf said.

"Their background checks were not given to the sheriff for the sheriff to review," he said. "These people should not have been hired."

Information on the guards' convictions was not available Monday.

Looker, who hired the felons, said corporate policy did not allow him to comment on the guards' backgrounds. But Looker said none of the guards was a "sex offender."

"We have no one in this facility who has raped anybody, who is a pedophile or who engages in that type of sexual deviancy," Looker said. "We have no sex offenders in this facility - absolutely not."

In related matters, the Sheriff's Department is investigating allegations that a guard - who either quit or was fired - raped and molested a female inmate at the juvenile jail about two weeks ago. And on April 17, five juvenile female inmates accused another guard of pecking at them while they were in the shower.

Alleged actions at the adult jail also are under investigation.

On April 16, a male guard at the adult jail was arrested on charges of sexual assault of a male inmate. Police said the inmate traded convenience-store burritos for oral sex.

Wolf, in a letter to Cornell's chief operating officer dated Friday, stated that the county will no longer allow convicted felons or others with morally questionable misdemeanor charges to be hired at the juvenile jail.

"I'm telling them that that's an area that needs to be fully implemented immediately," he said.

And Wolf said he wants the three guards who have convictions out of the jail.

"I want those individuals removed from our facility immediately," Wolf said. "It will be Cornell's position on how they will handle that."

But Looker said the three guards with felony convictions still work at the juvenile facility, which currently houses 81 minors - both male and female - and by the beginning of June, will accommodate 115 juvenile inmates.

Looker said he hired the former felony convicts because he determined they had entered and completed a rehabilitation process.

"I certainly don't discriminate," he said. If he thought there was potential the juvenile inmates would be in danger, Looker said, then the former felons would not have been placed in the facility.

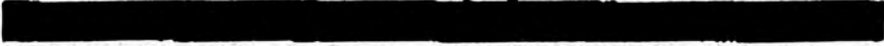
"A lot of our kids think: 'There's no hope for me,' " Looker said. "We can demonstrate that you can change and become a productive member of society" by hiring the former convicts as examples to the younger generation of inmates.

The contract between the county and Cornell does not prevent the company from hiring convicts.

If Cornell complies with the county's request, "then this issue stops here," Wolf said. But if it doesn't, failure to comply will be considered a breach of contract.

Looker said hiring convicts "was an incorrect interpretation on my part in the contract. (Now) I understand clearly what the county needs, and we will respond to their needs."

Santa Fe County Sheriff Ray Sisneros said that, according to adult jail officials, "they have no convicted felons that are employees there."



CORNELL ABRAXAS YOUTH CENTER

Multi-Service Site Providing Secure Care, Secure Care for Adolescent Sex Offenders, and Fire Setters, Detention, and Shelter Services

10058 South Mountain Road, P.O. Box 334 ■ South Mountain, Pennsylvania 17261

Cornell Abraxas was established in 1973 as a treatment alternative to incarceration for young offenders referred through the justice system because of their use and abuse of legal and illegal chemical substances.

Over the years, we have developed programs for special populations including females, drug sellers, sex offenders, and families. We have also developed specialized services in the areas of mental health, education and job placement.

Today, Cornell Abraxas brings to its programs a range of experience and expertise unequalled in the area of treatment and habilitation of children, adolescents, and delinquent and dependent juveniles. Most importantly, our programs provide not only meaningful treatment options but also continuing care bridges back to the community.

Demographics

- Situated on the grounds of the South Mountain Restoration Center (state facility), South Mountain, PA (Franklin County)
- Multi-service site includes secure care, secure care for adolescent sex offenders and fire setters, detention, and shelter services
- 72-bed facility includes: 36-bed secure care - 18 hardware and staff secure beds for serious and violent male offenders and a separate 18-bed unit for sex offenders and fire setters; 18 hardware and staff secure detention beds for males and females; and 18-bed staff secure, open residential shelter for male and female youth
- Brick facility with three floors of residential housing, administrative offices, classrooms, laundry, food service, and on-site high and low ropes courses
- Secure Care programs serve adjudicated delinquent 14-18 year-old males; Detention services are provided for delinquent males and females, 14-18 years old; Shelter Care serves dependent and delinquent male and female youth ages 12-18
- 8 to 1 client to direct care staff ratio (waking hours)
- Multi-service site offers a full range of services from shelter care to specialized secure care, as well as the Abraxas Leadership Development Program
- Intensive programming and education
- Licensed, private on-site school operates year-round
- Licensed by the PA Departments of Public Welfare (Office of Children Youth and Families), and Education

Key Services

- Video conferencing capability
- Transportation provided to counties on a first come, first served basis
- Assessment and diagnostic services available for youth placed in detention and shelter care
- Cognitive, behavioral treatment approach
- Zero tolerance of inappropriate behavior
- Bi-monthly progress reports (Secure Care)
- Wraparound services available through the Cornell Abraxas Mental Health Program
- Individual and group counseling
- GED track or opportunity to earn credits toward graduation; SAT preparation classes
- Community Service
- Life skills training
- Health and medical services
- Family services
- Balanced attention to the development of client competencies, community safety, and victim issues
- Discharge and continuing care planning

Treatment Approach

- Strong emphasis on treatment and habilitation services
- Holistic treatment philosophy: Reality Therapy, Behavioral Change approaches, Cognitive Models with strong emphasis on Criminal Personality Theory

Client Profile - Secure Care**ADMISSIBLE**

- Serious, violent, and chronic offenders
- Adjudicated delinquent 14-18 year old males
 - Serious and Violent Offenders
 - Sex Offenders/ Fire Setters

INADMISSIBLE*(Exceptions based on individual case review)*

- IQ below 80
- Serious medical, physical, or mental health conditions, or other conditions that cannot be managed safely within the scope of the program

Client Profile - Shelter/Detention**ADMISSIBLE**

- Dependent and delinquent male and female youth
 - 12-18 years of age for Shelter Care
 - 14-18 years of age for Detention
- Meet with JCJC standards for detention

INADMISSIBLE*(Exceptions based on individual case review)*

- IQ below 80
- Serious medical, physical, or mental health conditions, or other conditions that cannot be managed safely within the scope of the program

Referral Sources (In-State/Out-of-State)

- Juvenile courts
- Childrens service agencies

Continuum of Care

The Cornell Abraxas Youth Center is an integral component of a complete continuum of care offered by Cornell Abraxas programs. The Cornell Abraxas spectrum of services at the South Mountain location includes:

- Military-style Leadership Academy (LDP)
- Secure Treatment (SMSTU and CAYC)
- Sex Offender/Firestarter (CAYC)
- Secure Detention (CAYC)
- Staff-Secure Shelter Care (CAYC)
- Diagnostic and Wrap Around Services (CAYC)

Additional services included in the Cornell Abraxas continuum include:

- Drug and Alcohol Rehabilitation and Drug Sellers
- Day Treatment
- Work Bridge
- Female Offenders
- Community-based Treatment
- PsychoSocial Rehabilitation Unit
- Mental Health Clinic
- Mental Health Wrap Around Services

Referral Information

To make a referral, please contact:

Your local Cornell Abraxas Court Liaison

or

Cornell Abraxas Court Services

Harrisburg, PA

(800) 210-7215

(717) 221-0500

(717) 221-0606 (fax)

or

Cornell Abraxas Youth Center

South Mountain, PA

(717) 749-3066

(717) 749-3229 (fax)



MAHLER'S UNFINISHED SYMPHONY / ROBERT D. KAPLAN IN BULGARIA

The Atlantic Monthly

DECEMBER 1998

AN OLD-FASHIONED CHRISTMAS

AUSTRIA BRINGS
OUT THE BEST
IN THE HOLIDAY

BY CORBY
KUMMER

AMERICA'S MAGINOT LINE

CAN THE U.S.
AFFORD TO
STAY INVOLVED
IN EAST ASIA?

BY PAUL
BRACKEN

TRANSLATION SOFTWARE

TWO WEB SITES
THAT OFFER FREE
TRANSLATIONS
TO AND FROM
ENGLISH

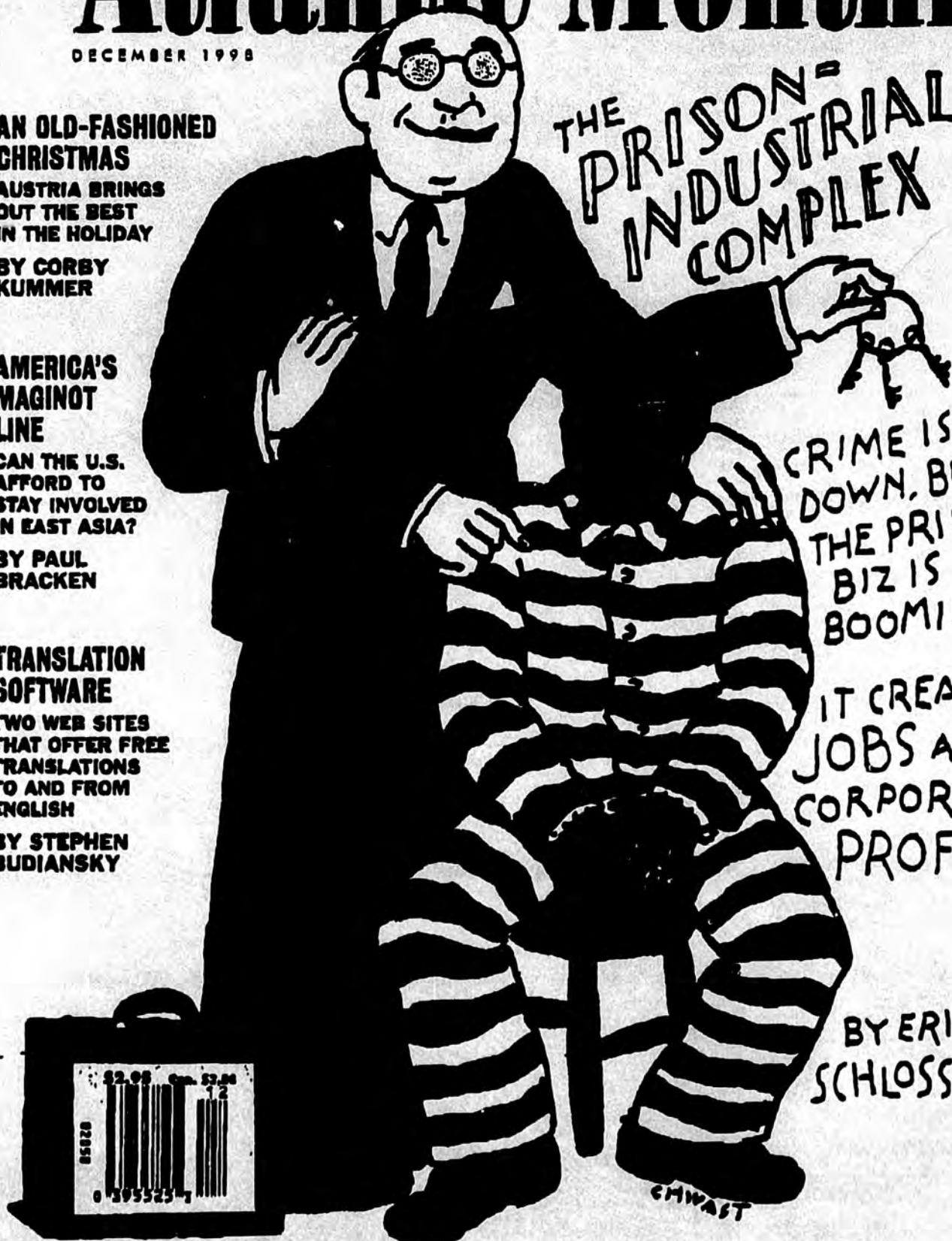
BY STEPHEN
BUDIANSKY

THE PRISON- INDUSTRIAL COMPLEX

CRIME IS
DOWN, BUT
THE PRISON
BIZ IS
BOOMING—

IT CREATES
JOBS AND
CORPORATE
PROFITS

BY ERIC
SCHLOSSER



THE PRISON- INDUSTRIAL COMPLEX

by ERIC SCHLOSSER

*Correctional officials see danger in prison overcrowding.
Others see opportunity. The nearly two million Americans behind bars—
the majority of them nonviolent offenders—
mean jobs for depressed regions and windfalls for profiteers*

IN the hills east of Sacramento, California, Folsom State Prison stands beside a man-made lake, surrounded by granite walls built by inmate laborers. The gun towers have peaked roofs and Gothic stonework that give the prison the appearance of a medieval fortress, ominous and forbidding. For more than a century Folsom and San Quentin were the end of the line in California's penal system; they were the state's only maximum-security penitentiaries. During the early 1980s, as California's inmate population began to climb, Folsom became dangerously overcrowded. Fights between inmates ended in stabbings six or seven times a week.

The poor sight lines within the old cellblocks put correctional officers at enormous risk. From 1984 to 1994 California built eight new maximum-security (Level 4) facilities. The bullet holes in the ceilings of Folsom's cellblocks, left by warning shots, are the last traces of the prison's violent years. Today Folsom is a medium-security (Level 2) facility, filled with the kind of inmates that correctional officers consider "soft." No one has been stabbed to death at Folsom in almost four years. Among its roughly 3,800 inmates are some 500 murderers, 250 child molesters, and an assortment of rapists, armed robbers, drug dealers, burglars,



and petty thieves. The cells in Housing Unit 1 are stacked five stories high, like boxes in a vast warehouse; glimpses of hands and arms and faces, of flickering TV screens, are visible between the steel bars. Folsom now houses almost twice as many inmates as it was designed to hold. The machine shop at the prison, run by inmates, manufactures steel frames for double bunks—and triple bunks—in addition to license plates.

Less than a quarter mile from the old prison is the California State Prison at Sacramento, known as "New Folsom," which houses about 3,000 Level 4 inmates. They are the real hard cases: violent predators, gang members, prisoners

unable to "program" well at other facilities, unable to obey the rules. New Folsom does not have granite walls. It has a "death-wire electrified fence," set between two ordinary chain-link fences, that administers a lethal dose of 5,100 volts at the slightest touch. The architecture of New Folsom is stark and futuristic. The buildings have smooth gray concrete façades, unadorned except for narrow slits for cell windows. Approximately a third of the inmates are serving life sentences; more than a thousand have committed at least one murder, nearly 500 have committed armed robbery, and nearly 200 have committed assault with a deadly weapon.

Inmates were placed in New Folsom while it was still under construction. The prison was badly overcrowded even before it was finished, in 1987. It has at times housed more than 300 inmates in its gymnasiums. New Folsom—like old Folsom, and like the rest of the California prison system—now operates at roughly double its intended capacity. Over the past twenty years the State of California has built twenty-one new prisons, added thousands of cells to existing facilities, and increased its inmate population eightfold. Nonviolent offenders have been responsible for most of that increase. The number of drug offenders imprisoned in the state today is more than twice the number of inmates who were imprisoned for all crimes in 1978. California now has the biggest prison system in the Western industrialized world, a system 40 percent bigger than the Federal Bureau of Prisons. The state holds more inmates in its jails and prisons than do France, Great Britain, Germany, Japan, Singapore, and the Netherlands combined. The California Department of Corrections predicts that at the current rate of expansion, barring a court order that forces a release of prisoners, it will run out of room eighteen months from now. Simply to remain at double capacity the state will need to open at least one new prison a year, every year, for the foreseeable future.

Today the United States has approximately 1.8 million people behind bars: about 100,000 in federal custody, 1.1 million in state custody, and 600,000 in local jails. Prisons hold inmates convicted of federal or state crimes; jails hold people awaiting trial or serving short sentences. The United States now imprisons more people than any other country in the world—perhaps half a million more than Communist China. The American inmate population has grown so large that it is difficult to comprehend: imagine the combined populations of Atlanta, St. Louis, Pittsburgh, Des Moines, and Miami behind bars. "We have embarked on a great social experiment," says Marc Mauer, the author of the upcoming book *The Race to Incarcerate*. "No other society in human history has ever imprisoned so many of its own citizens for the purpose of crime control." The prison boom in the United States is a recent phenomenon. Throughout the first three quarters of this century the nation's incarceration rate remained relatively stable, at about 110 prison inmates for every 100,000

people. In the mid-1970s the rate began to climb, doubling in the 1980s and then again in the 1990s. The rate is now 445 per 100,000; among adult men it is about 1,100 per 100,000. During the past two decades roughly a thousand new prisons and jails have been built in the United States. Nevertheless, America's prisons are more overcrowded now than when the building spree began, and the inmate population continues to increase by 50,000 to 80,000 people a year.

The economist and legal scholar Michael K. Block, who believes that American sentencing policies are still not harsh enough, offers a straightforward explanation for why the United States has lately incarcerated so many people: "There are too many prisoners because there are too many criminals committing too many crimes." Indeed, the nation's prisons now hold about 150,000 armed robbers, 125,000 murderers, and 100,000 sex offenders—enough violent criminals to

populate a medium-sized city such as Cincinnati. Few would dispute the need to remove these people from society. The level of violent crime in the United States, despite recent declines, still dwarfs that in Western Europe. But the proportion of offenders being sent to prison each year for violent crimes has actually fallen during the prison boom. In 1980 about half the people entering state prison were violent offenders; in 1995 less than a third had been convicted of a violent crime. The enormous increase in America's inmate population can be explained in large part by the sentences given to people who have committed nonviolent offenses. Crimes that in other countries would usually lead to community service, fines, or drug treatment—or would not be considered crimes at all—in the United States now lead to a prison term, by far

the most expensive form of punishment. "No matter what the question has been in American criminal justice over the last generation," says Franklin E. Zimring, the director of the Earl Warren Legal Institute, "prison has been the answer."

ON January 17, 1961, President Dwight D. Eisenhower used his farewell address to issue a warning, as the United States continued its cold war with the Soviet Union. "In the councils of government," Eisenhower said, "we must guard against the acquisition of unwarranted influence,

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whether sought or unsought, by the military-industrial complex." Eisenhower had grown concerned about this new threat to democracy during the 1960 campaign, when fears of a "missile gap" with the Soviet Union were whipped up by politicians, the press, and defense contractors hoping for increased military spending. Eisenhower knew that no missile gap existed and that fear of one might lead to a costly, unnecessary response. "The potential for the disastrous rise of misplaced power exists and will persist," Eisenhower warned. "We should take nothing for granted."

Three decades after the war on crime began, the United States has developed a prison-industrial complex—a set of bureaucratic, political, and economic interests that encourage increased spending on imprisonment, regardless of the actual need. The prison-industrial complex is not a conspiracy, guiding the nation's criminal-justice policy behind closed doors. It is a confluence of special interests that has given prison construction in the United States a seemingly unstoppable momentum. It is composed of politicians, both liberal and conservative, who have used the fear of crime to gain votes; impoverished rural areas where prisons have become a cornerstone of economic development; private companies that regard the roughly \$35 billion spent each year on corrections not as a burden on American taxpayers but as a lucrative market; and government officials whose fiefdoms have expanded along with the inmate population. Since 1991 the rate of violent crime in the United States has fallen by about 20 percent, while the number of people in prison or jail has risen by 50 percent. The prison boom has its own inexorable logic. Steven R. Donziger, a young attorney who headed the National Criminal Justice Commission in 1996, explains the thinking: "If crime is going up, then we need to build more prisons; and if crime is going down, it's because we built more prisons—and building even more prisons will therefore drive crime down even lower."

The raw material of the prison-industrial complex is its inmates: the poor, the homeless, and the mentally ill; drug dealers, drug addicts, alcoholics, and a wide assortment of violent sociopaths. About 70 percent of the prison inmates in the United States are illiterate. Perhaps 200,000 of the country's inmates suffer from a serious mental illness. A generation ago such people were handled primarily by the mental-health, not the criminal-justice, system. Sixty to 80 percent of the American inmate population has a history of substance abuse. Meanwhile, the number of drug-treatment slots in American prisons has declined by more than half since 1993. Drug treatment is now available to just one in ten of the inmates who need it. Among those arrested for violent crimes, the proportion who are African-American men has changed little over the past twenty years. Among those arrested for drug crimes, the proportion who are African-American men has tripled. Although the prevalence of illegal drug use among white men is approximately the same as

that among black men, black men are five times as likely to be arrested for a drug offense. As a result, about half the inmates in the United States are African-American. One out of every fourteen black men is now in prison or jail. One out of every four black men is likely to be imprisoned at some point during his lifetime. The number of women sentenced to a year or more of prison has grown twelvefold since 1970. Of the 80,000 women now imprisoned, about 70 percent are nonviolent offenders. About 75 percent have children.

The prison-industrial complex is not only a set of interest





groups and institutions. It is also a state of mind. The lure of big money is corrupting the nation's criminal-justice system, replacing notions of public service with a drive for higher profits. The eagerness of elected officials to pass "tough-on-crime" legislation—combined with their unwillingness to disclose the true costs of these laws—has encouraged all sorts of financial improprieties. The inner workings of the prison-industrial complex can be observed in the state of New York, where the prison boom started, transforming the economy of an entire region; in Texas and Tennessee, where private

New prison construction. Franklin County, N.Y.

prison companies have thrived; and in California, where the correctional trends of the past two decades have converged and reached extremes. In the realm of psychology a complex is an overreaction to some perceived threat. Eisenhower no doubt had that meaning in mind when, during his farewell address, he urged the nation to resist "a recurring temptation to feel that some spectacular and costly action could become the miraculous solution to all current difficulties."

THE LIBERAL LEGACY

THE origins of the prison-industrial complex can be dated to January of 1973. Senator Barry Goldwater had used the fear of crime to attract white middle-class voters a decade earlier, and Richard Nixon had revived the theme during the 1968 presidential campaign, but little that was concrete emerged from their demands for law and order. On the contrary, Congress voted decisively in 1970 to eliminate almost all federal mandatory-minimum sentences for drug offenders. Leading members of both political parties applauded the move. Mainstream opinion considered drug addiction to be largely a public-health problem, not an issue for the criminal courts. The Federal Bureau of Prisons was preparing to close large penitentiaries in Georgia, Kansas, and Washington. From 1963 to 1972 the number of inmates in California had declined by more than a fourth, despite the state's growing population. The number of inmates in New York had fallen to its lowest level since at least 1950. Prisons were widely viewed as a barbaric and ineffective means of controlling deviant behavior. Then, on January 3, 1973, Nelson Rockefeller, the governor of New York, gave a State of the State address demanding that every illegal-drug dealer be punished with a mandatory prison sentence of life without parole.

Rockefeller was a liberal Republican who for a dozen years had governed New York with policies more closely resembling those of Franklin Delano Roosevelt than those of Ronald Reagan. He had been booed at the 1964 Republican Convention by conservative delegates; he still harbored grand political ambitions; and President Nixon would be ineligible for a third term in 1976. Rockefeller demonstrated his newfound commitment to law and order in 1971, when he crushed the Attica prison uprising. By proposing the harshest drug laws in the United States, he took the lead on an issue that would soon dominate the nation's political agenda. In his State of the State address Rockefeller argued not only that all drug dealers should be imprisoned for life but also that plea-bargaining should be forbidden in such cases and that even juvenile offenders should receive life sentences.

The Rockefeller drug laws, enacted a few months later by the state legislature, were somewhat less draconian: the penalty for possessing four ounces of an illegal drug, or for selling two ounces, was a mandatory prison term of fifteen years to life. The legislation also included a provision that established a mandatory prison sentence for many second felony convictions, regardless of the crime or its circumstances. Rockefeller proudly declared that his state had enacted "the toughest anti-drug program in the country." Other states eventually followed New York's example, enacting strict mandatory-minimum sentences for drug offenses. A liberal Democrat, Speaker of the House Tip O'Neill, led the campaign to revive federal mandatory minimums,

which were incorporated in the 1986 Anti-Drug Abuse Act. Nelson Rockefeller had set in motion a profound shift in American sentencing policy, but he never had to deal with the consequences. Nineteen months after the passage of his drug laws Rockefeller became Vice President of the United States.

When Mario Cuomo was first elected governor of New York, in 1982, he confronted some difficult choices. The state government was in a precarious fiscal condition, the inmate population had more than doubled since the passage of the Rockefeller drug laws, and the prison system had grown dangerously overcrowded. A week after Cuomo took office, inmates rioted at Sing Sing, an aging prison in Ossining. Cuomo was an old-fashioned liberal who opposed mandatory-minimum drug sentences. But the national mood seemed to be calling for harsher drug laws, not sympathy for drug addicts. President Reagan had just launched the War on Drugs; it was an inauspicious moment to buck the tide.

Unable to repeal the Rockefeller drug laws, Cuomo decided to build more prisons. The rhetoric of the drug war, however, was proving more popular than the financial reality. In 1981 New York's voters had defeated a \$500 million bond issue for new prison construction. Cuomo searched for an alternate source of financing, and decided to use the state's Urban Development Corporation to build prisons. The corporation was a public agency that had been created in 1968 to build housing for the poor. Despite strong opposition from upstate Republicans, among others, it had been legislated into existence on the day of Martin Luther King Jr.'s funeral, to honor his legacy. The corporation was an attractive means of financing prison construction for one simple reason: it had the authority to issue state bonds without gaining approval from the voters.

Over the next twelve years Mario Cuomo added more prison beds in New York than all the previous governors in the state's history combined. Their total cost, including interest, would eventually reach about \$7 billion. Cuomo's use of the Urban Development Corporation drew criticism from both liberals and conservatives. Robert Gangi, the head of the Correctional Association of New York, argued that Cuomo was building altogether the wrong sort of housing for the poor. The state comptroller, Edward V. Regan, a Republican, said that Cuomo was defying the wishes of the electorate, which had voted not to spend money on prisons, and that his financing scheme was costly and improper. Bonds issued by the Urban Development Corporation carried a higher rate of interest than the state's general-issue bonds.

Legally the state's new prisons were owned by the Urban Development Corporation and leased to the Department of Corrections. In 1991, as New York struggled to emerge from a recession, Governor Cuomo "sold" Attica prison to the corporation for \$200 million and used the money to fill gaps in the state budget. In order to buy the prison, the corporation