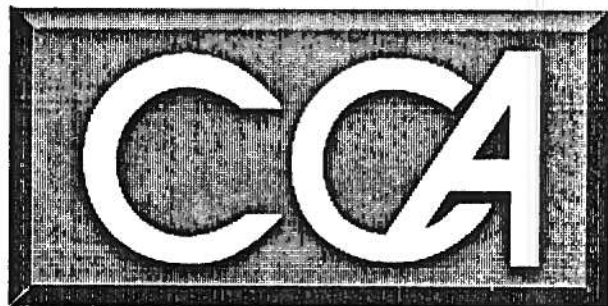


PRESENTATION

TO THE

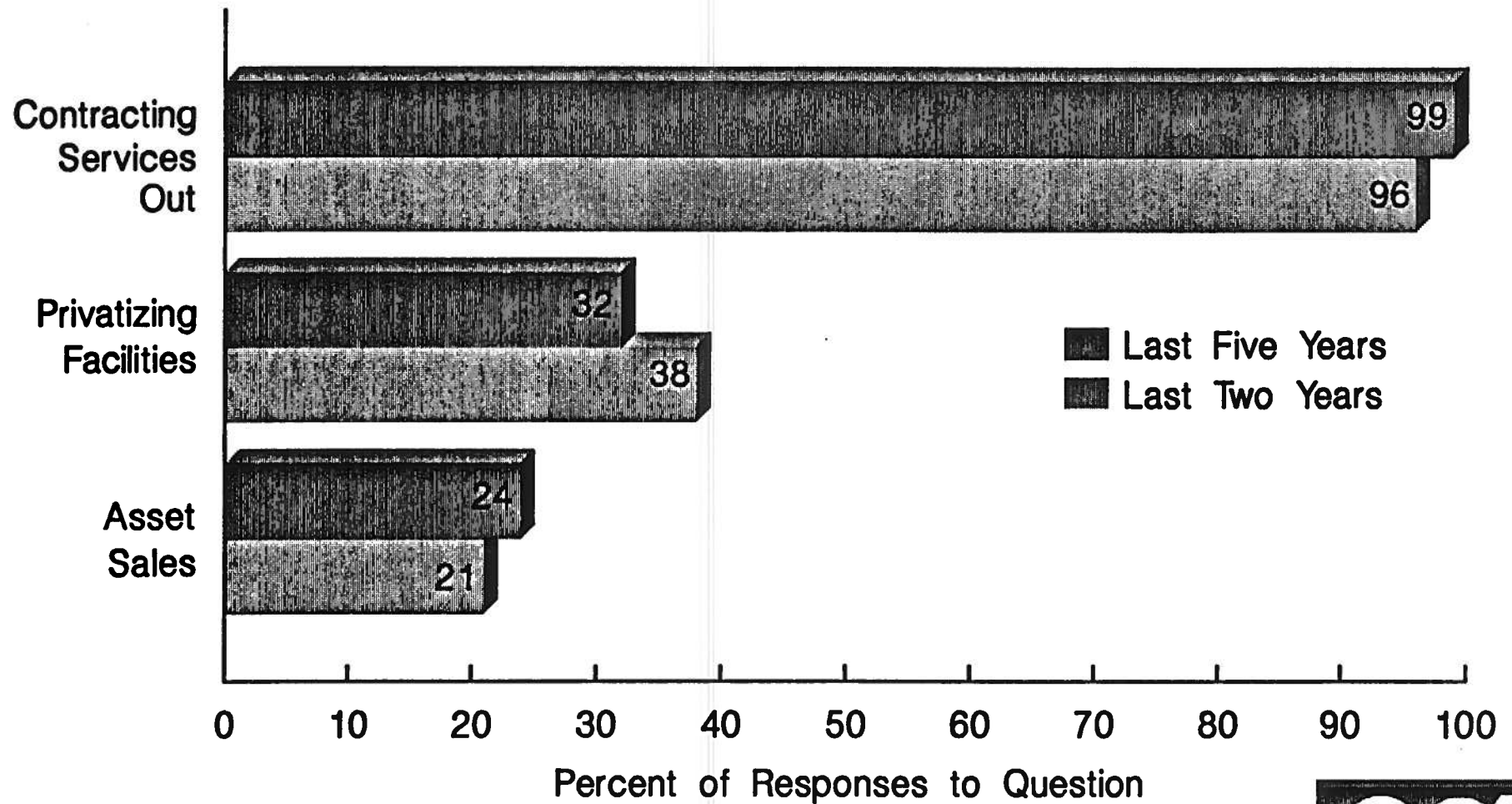
**House Judiciary Committee of the
House of Representatives
Commonwealth of Pennsylvania**

March 14, 1991



Corrections
Corporation of
America

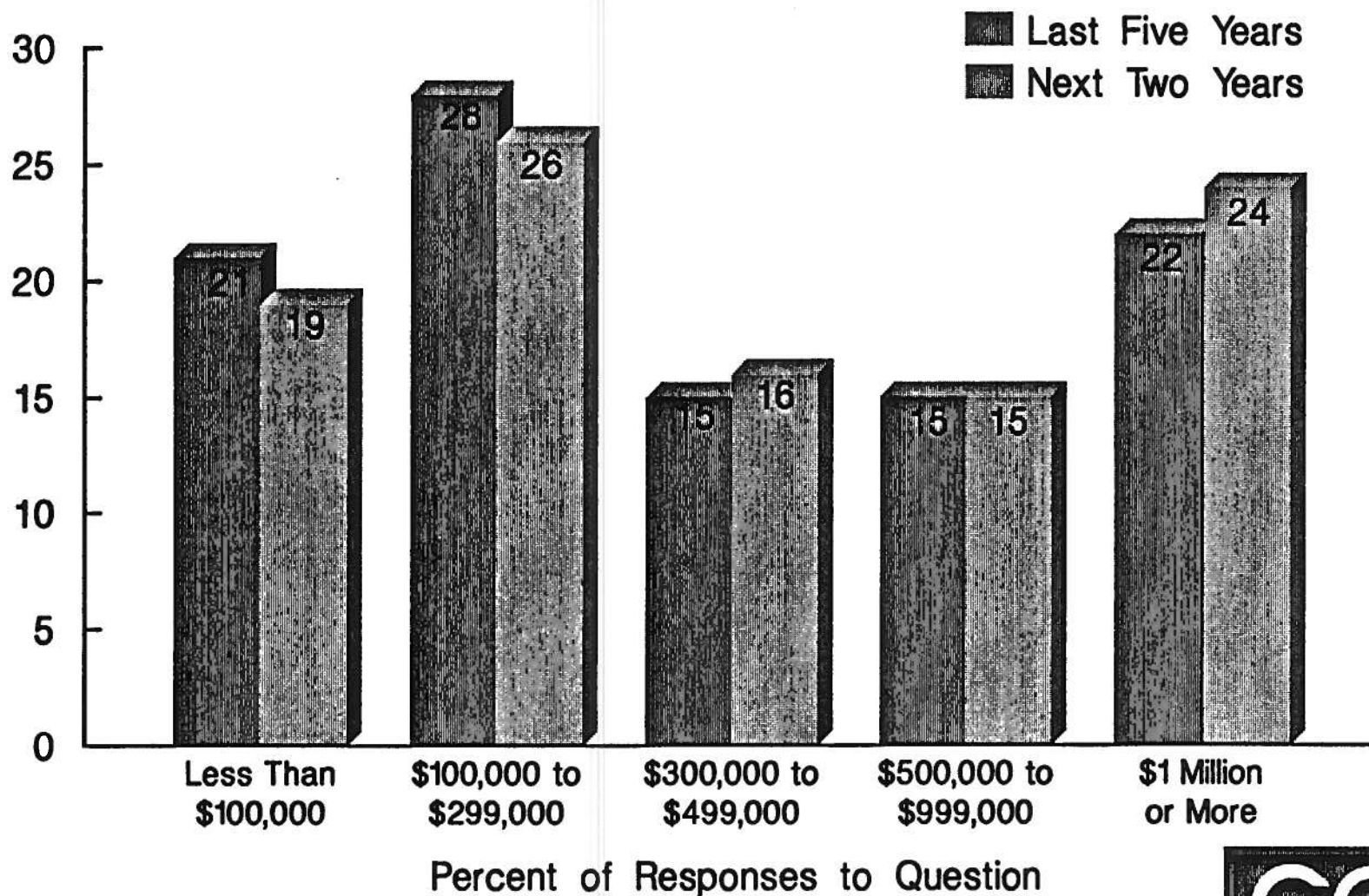
Use of Privatization



Source: *Privatization in America*, Touche Ross



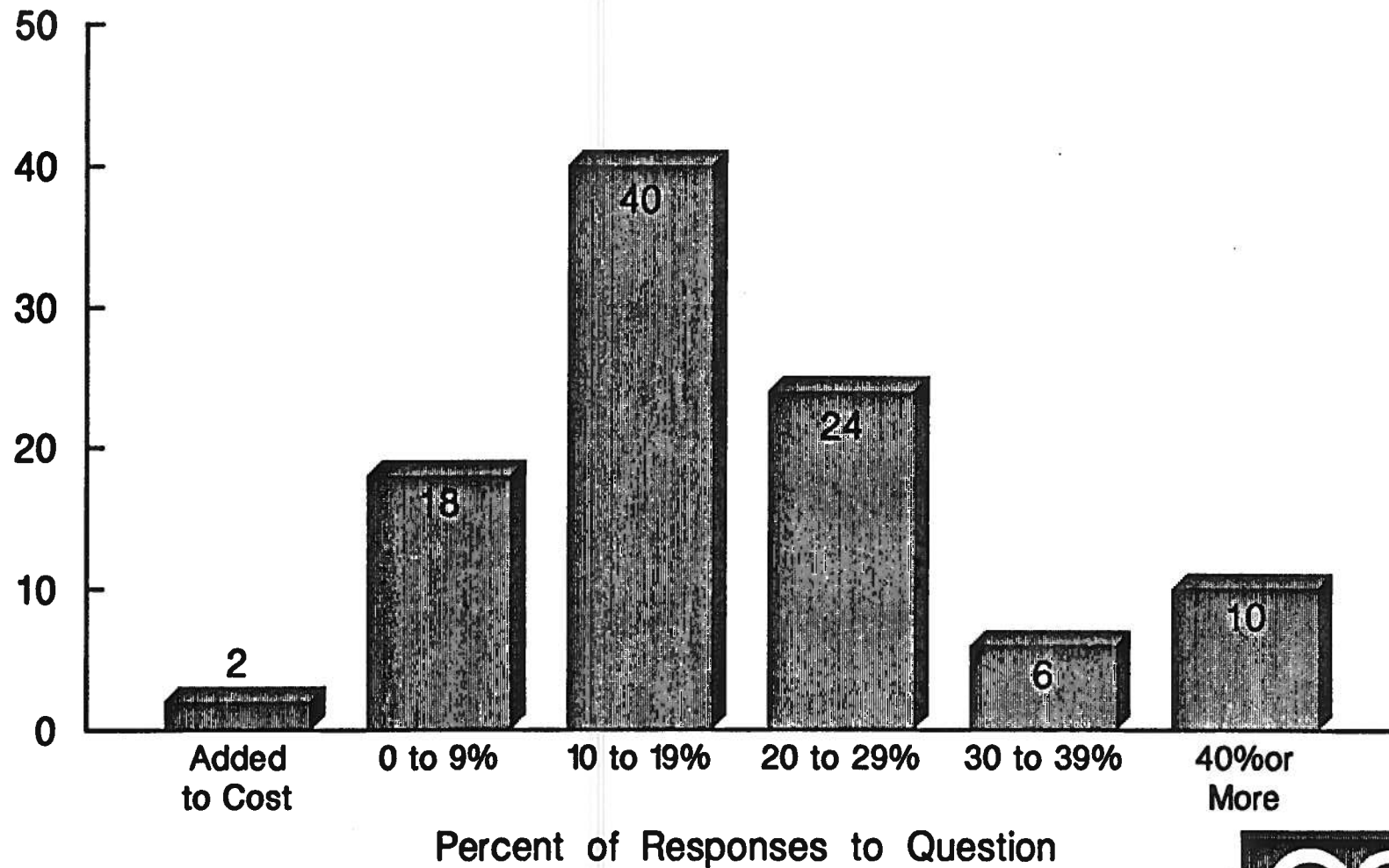
Value of Contracted Services



Source: *Privatization in America*, Touche Ross



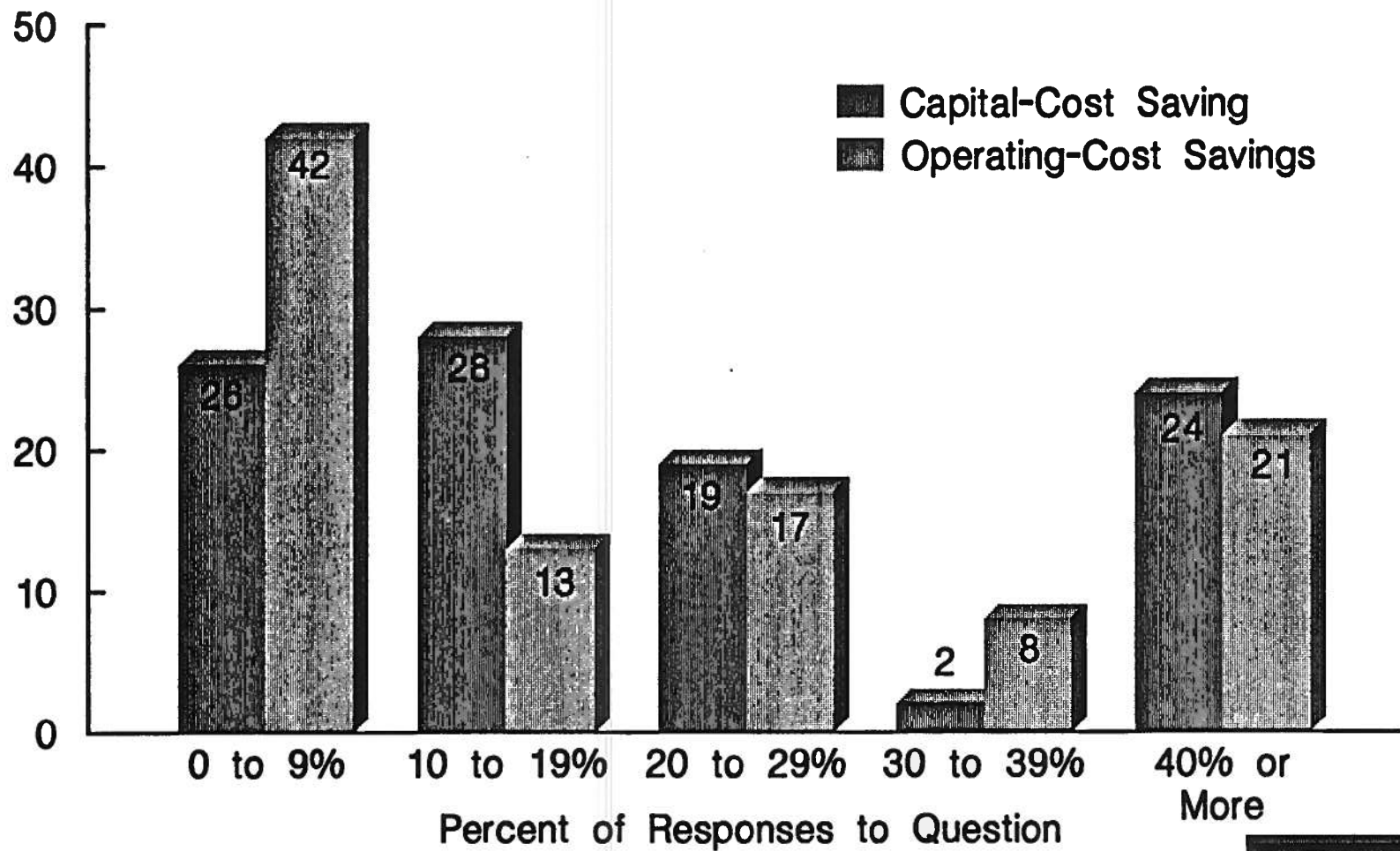
Cost Savings of Contracted Services



Source: *Privatization in America*, Touche Ross



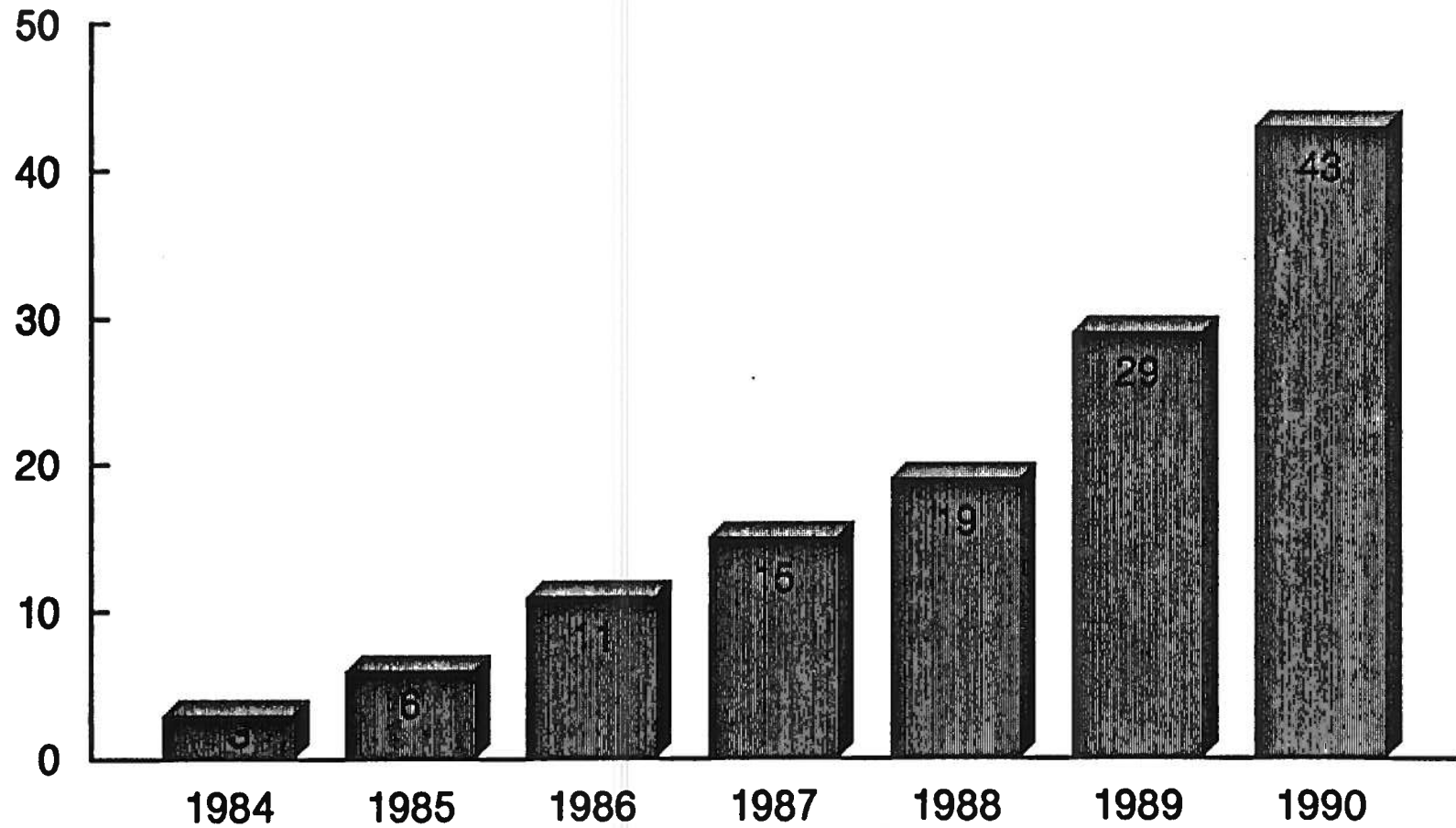
Cost Savings of Privatizing Facilities



Source: *Privatization in America*, Touche Ross



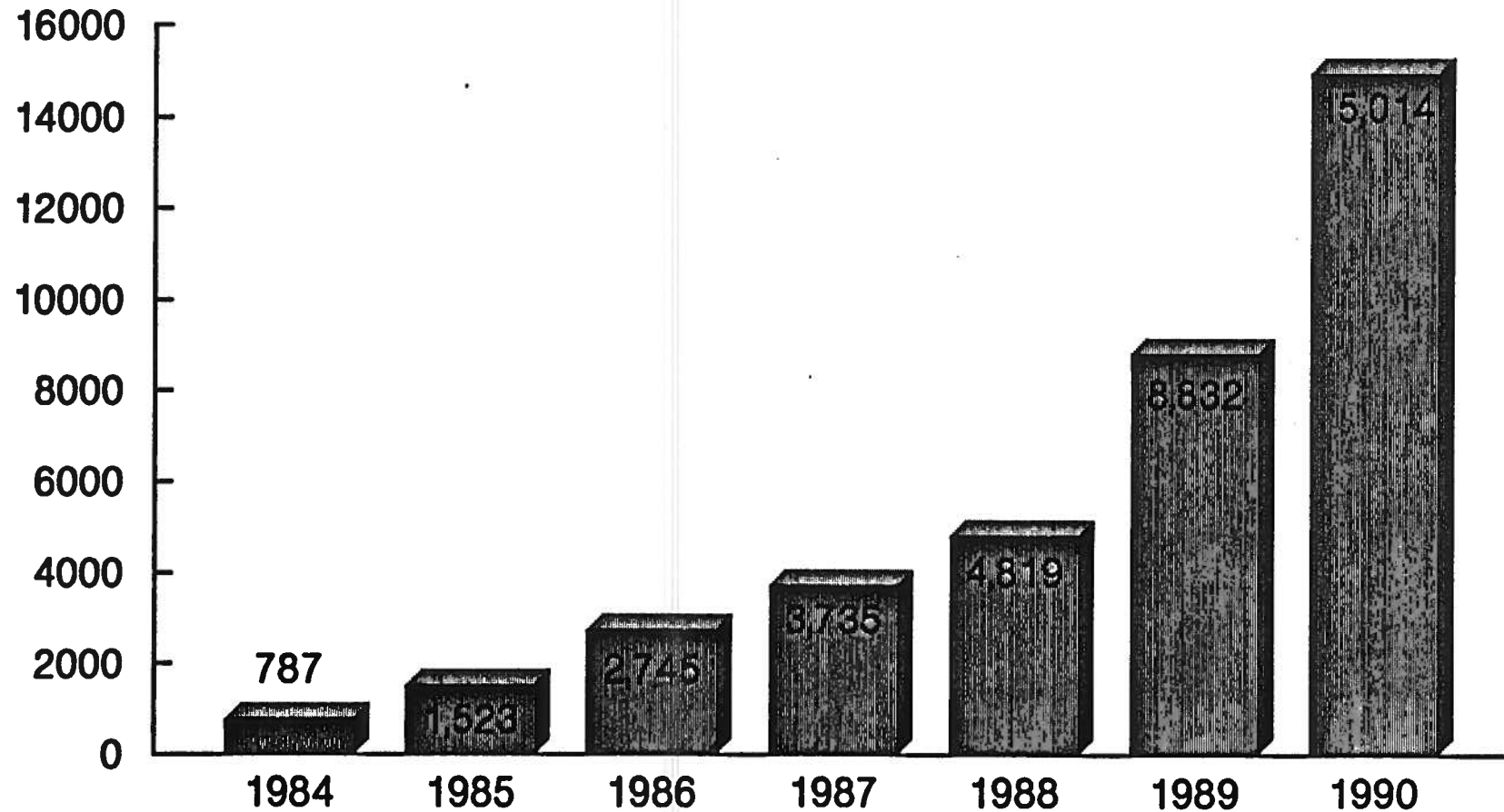
Private Sector: Adult Secure Facilities



Source: *Private Facility Census*, Charles W. Thomas, PhD



Private Sector: Adult Secure Beds



Source: *Private Facility Census*, Charles W. Thomas, PhD



Government's Alternatives

- **Early release programs**
- **Overcrowd local jails**
- **Private sector management**



CCA Solutions



Improve Facility Design

- **Reduce staffing requirements**
- **Use state-of-the-art technology**



Cost Comparison

	<u>Average Inmates</u>	<u>Average Per Diem</u>
4 states	52,800	\$54.36
28 states	12,513	\$54.70
18 states	1,932	\$70.35
CCA	5,410	\$35.28



Cost-Effective Operations

- **Provide adequate staff**
- **Eliminate overtime**
- **Consolidate purchasing**

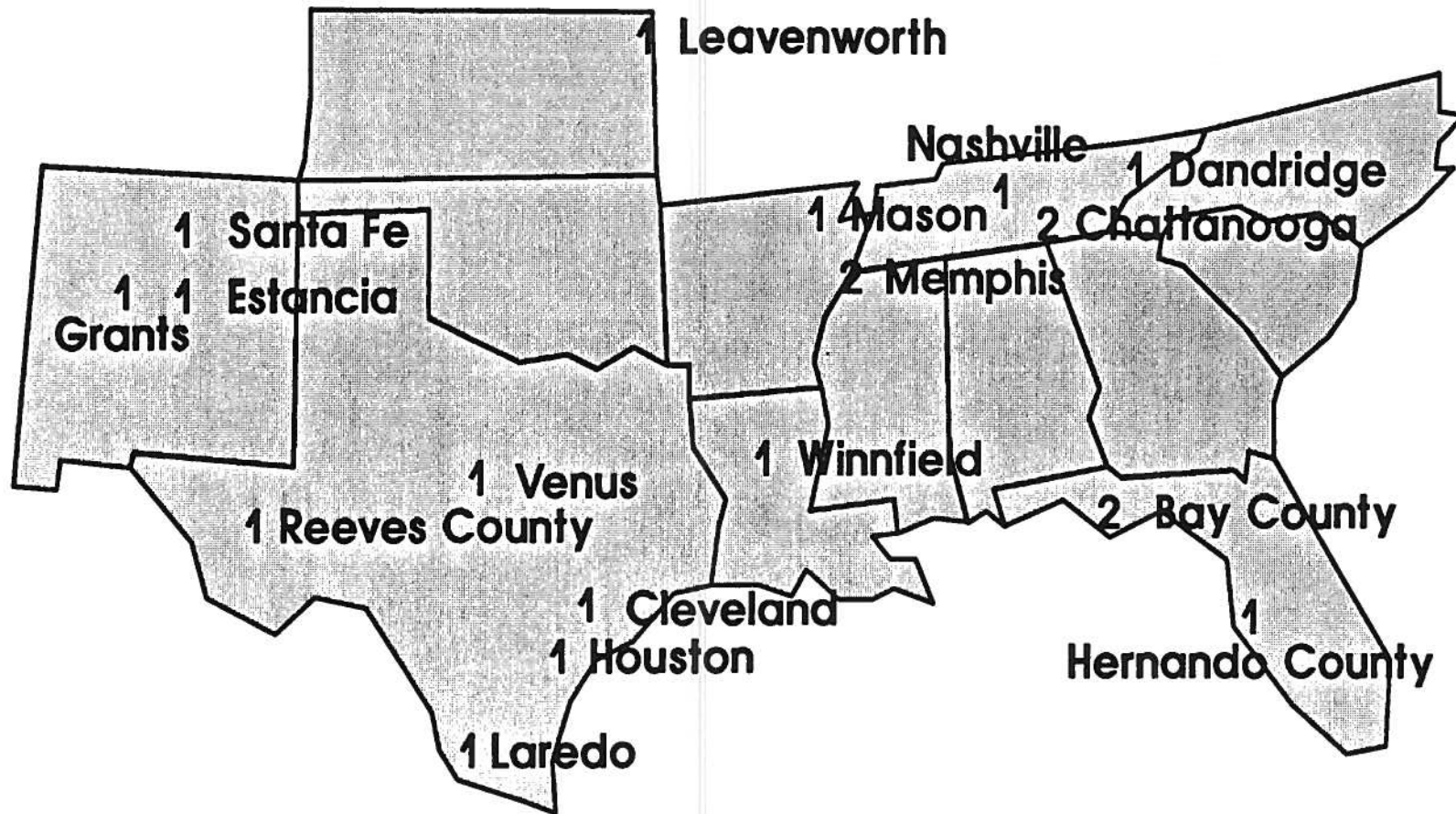


Cost Savings

<u>CCA Contract</u>	<u>Government Per Diem</u>	<u>CCA Per Diem</u>	<u>Savings</u>
Santa Fe, N.M.	\$75.00	\$44.90	40.1%
Grants, N.M.	\$92.00	\$69.75	31.9%
Houston, TX	\$34.50	\$23.00	30.9%
Memphis, TN	\$84.50	\$63.70	24.6%



CCA Facilities



1 Queensland, Australia



CCA Contracting Agencies

U.S. Immigration Service

U.S. Bureau of Prisons

U.S. Marshals Service

State of Louisiana

State of Nevada

State of New Mexico

State of Oregon

State of Tennessee

State of Texas

Texas Board of Pardons and Paroles

Texas Youth Commission

Inter-Mountain Youth

Bay County

Citrus County

Hernando County

Cibola County

Colfax County

Guadalupe County

Los Alamos County

Rio Arriba County

San Juan Pueblo

San Miguel County

Sandoval County

Santa Fe County

Torrance County

Union County

Hamilton County

Shelby County

Reeves County

City of Bernalillo

City of Las Vegas

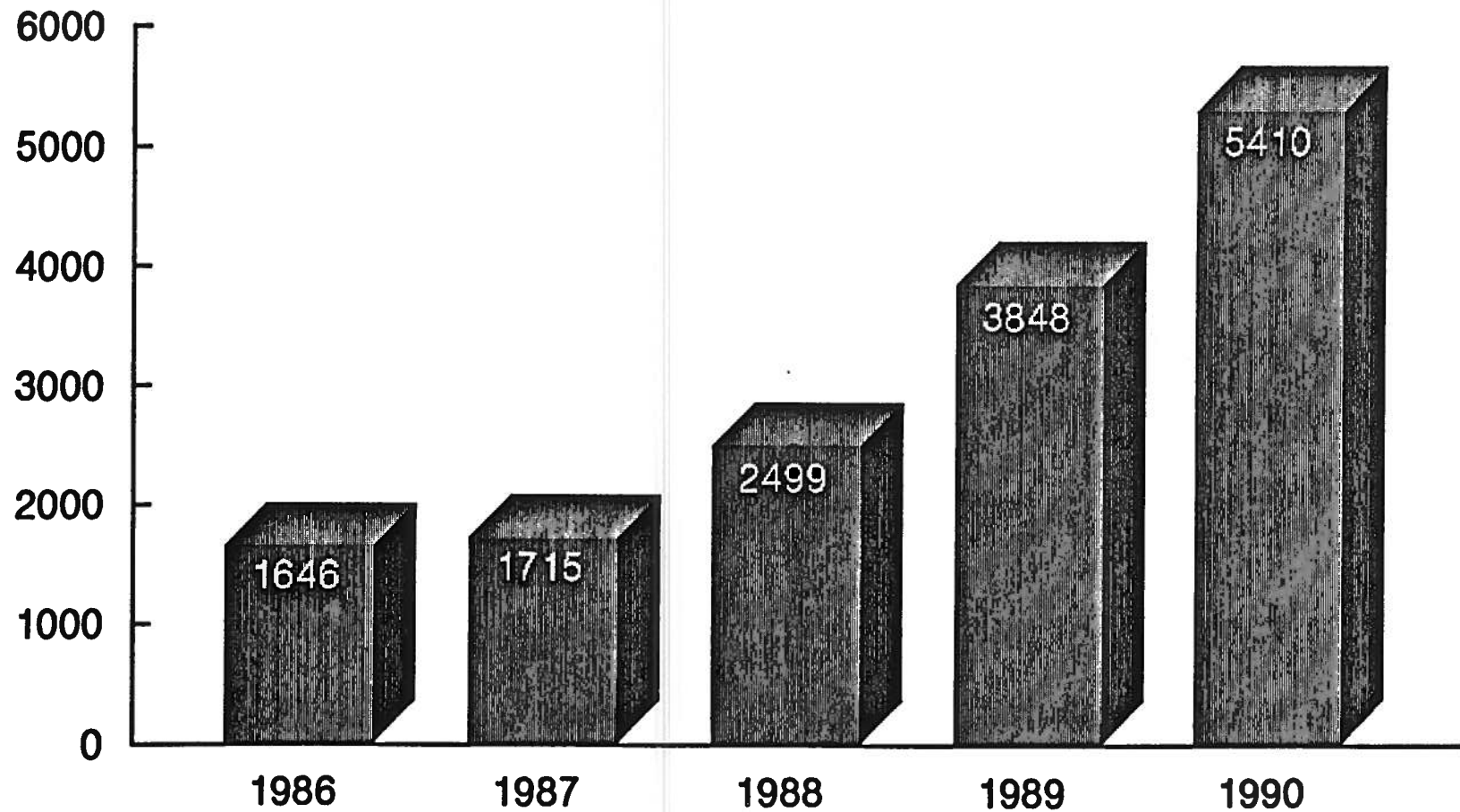
City of Rio Rancho

City of Santa Fe

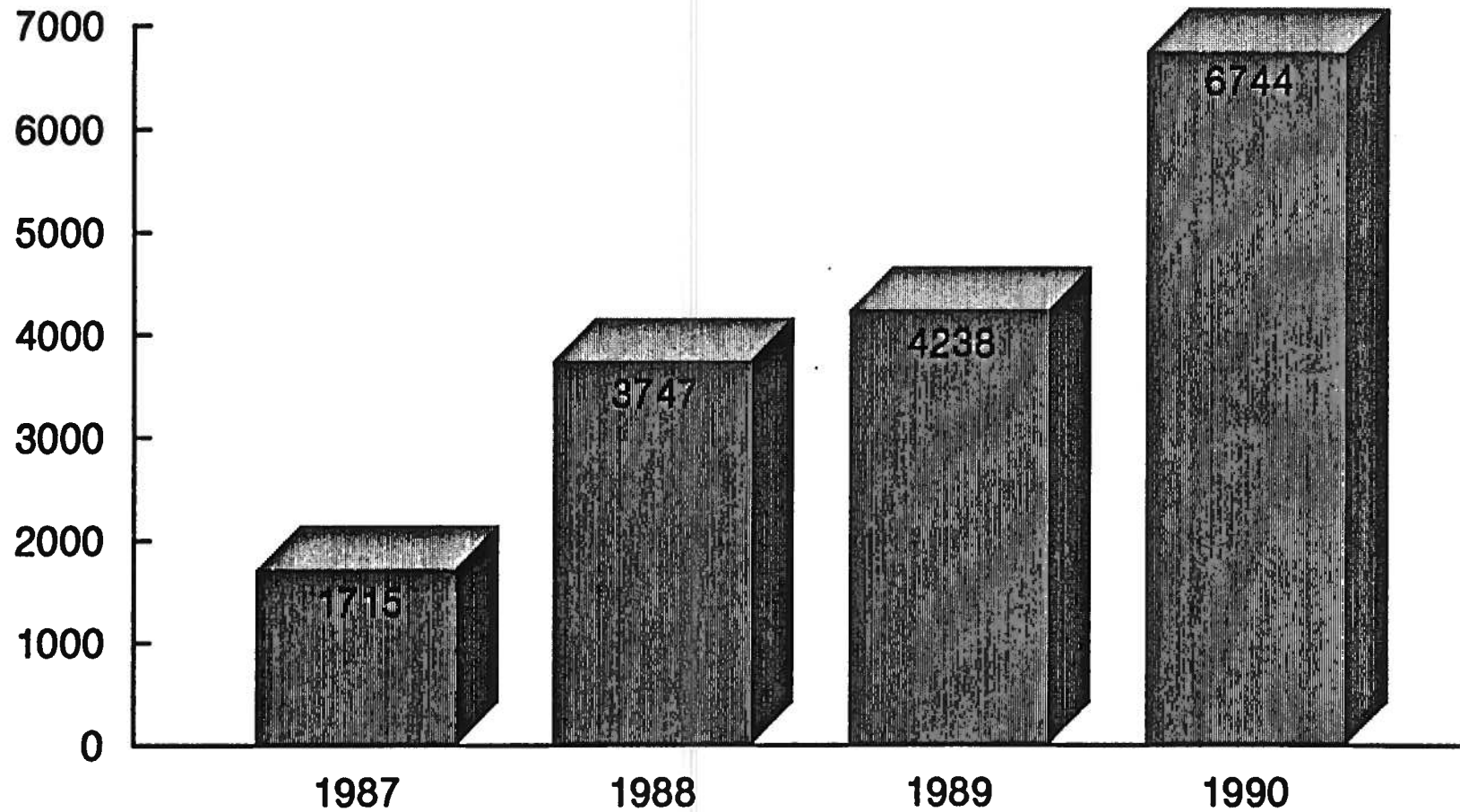
Village of Pecos



Beds In Operation

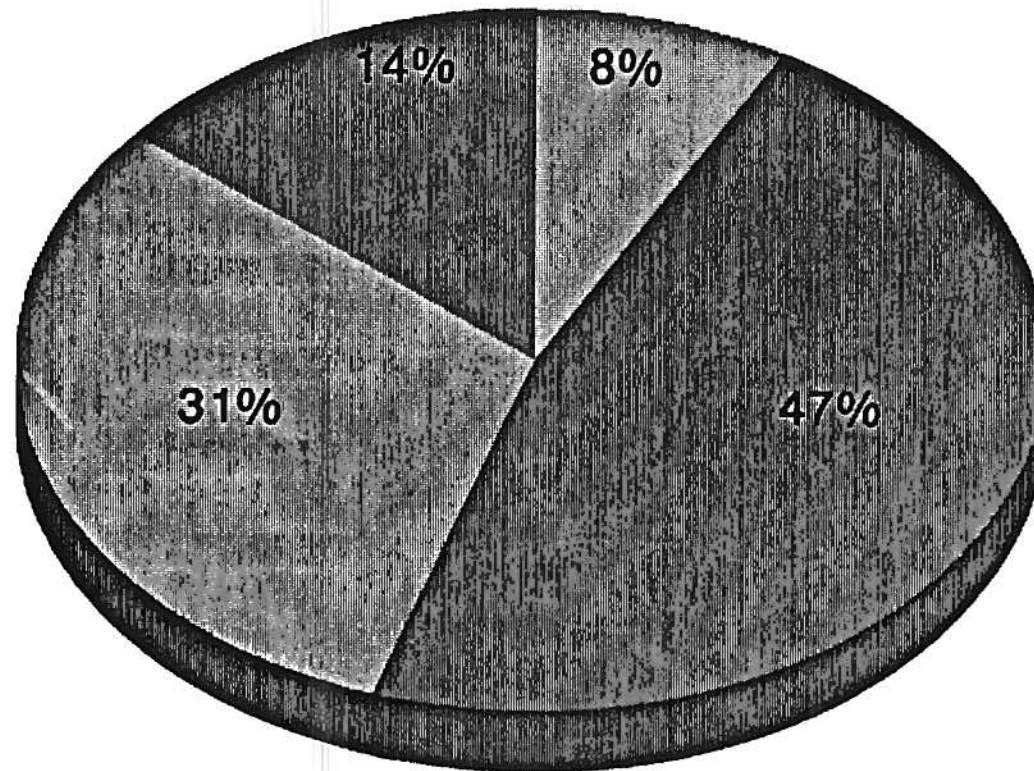


Beds Under Contract



Inmate Population

- Juvenile
- Minimum
- Medium
- Maximum



Balance Sheet

(000's)	December 31, 1990
Current assets	\$19,130
Total assets	95,634
Current liabilities	7,202
Bank borrowings	6,528
First mortgage bonds	23,177
Senior secured notes	20,000
Convertible subordinated notes	11,000
Total liabilities	69,019
Stockholders' equity	26,615



Historical Highlights

October 1983

First design, build, manage adult contract in history

October 1984

First adult county facility in history

April 1985

First turnkey juvenile contract in history

July 1988

First female multi-security prison in history

August 1989

First international management contract in history

February 1990

First male medium-security prison in history

June 1990

First maximum-security prison in history



FACILITY PROFILES

Houston Processing Center

Located in an industrial park north of Houston, Texas, the CCA Houston Processing Center looks more like an office building than a prison. Awarded to CCA by the Department of Justice, Houston Processing Center was CCA's first finance, design, construct and manage contract and the first such contract in the private prison industry.

CCA designed and constructed Houston Processing Center in just six months and opened the doors to the 67,000 SF facility in April 1984. In February 1986, the facility was accredited by the American Correctional Association and is the first privately managed adult detention facility to be accorded this status.

The 350-bed Houston Processing Center houses undocumented aliens for the Immigration and Naturalization Service and parole violators for the Texas Department of Criminal Justice, Pardons and Paroles Division. The facility accommodates the adult male population in dormitory-style living areas. Inmate recreation areas include outdoor basketball courts, indoor weight training equipment and a library.

In addition to hiring and training a staff of 80 employees, CCA provides medical services, transportation, security, laundry, counseling and food service.

Illegal aliens detained at the facility may attend English as a Second Language classes. In addition, CCA counseling staff have developed a pre-release curriculum for the Pardons and Paroles inmates that concentrates on developing employment and social skills to facilitate an inmate's re-integration into society.

Bay County Workcamp/Jail Annex

Unobtrusively located on 10 acres of pine forest near Panama City, Florida, CCA's Bay County Workcamp/Jail Annex opened in early April 1986. CCA contracted with the county to design, construct and manage this 45,000 SF facility when it assumed management of the Bay County Jail in downtown Panama City. The Annex successfully completed an ACA accreditation audit in December 1988.

While maximum-security inmates are housed at the downtown jail, the Annex houses minimum- to medium-security, adult and juvenile, male and female offenders. Originally rated at a capacity of 207 beds, CCA completed a 11,500 SF, 48-bed addition in June 1989. The facility currently has the capacity to house 255 inmates.

Inmates at the Annex are housed in single and double cell living areas, opening onto multi-purpose dayrooms. Adjacent outside recreation yards provide daily exercise opportunities for the inmate population.

CCA hires and trains the Annex staff of 60 employees. In addition, CCA is responsible for security, laundry, visitation, recreation, transportation, medical and food services at the Annex. Inmates participate in Alcoholics Anonymous and drug abuse counseling, and CCA staff conduct GED preparatory classes.

The Annex provides inmate work crews who volunteer for county projects in conjunction with the school district and the county librarian. DUI offenders housed at the Annex also participate in county work programs.

New Mexico Women's Correctional Facility

CCA's New Mexico Women's Correctional Facility is the first women's prison in the U.S. to be awarded to private sector management. CCA contracted with the New Mexico Corrections Department for management of the facility and designed, built and financed the 104,000 SF unit in 11 months at a cost of \$12 million.

Opened in June 1989 and located in Grants, New Mexico, the New Mexico Women's Correctional Facility has a rated capacity of 200 beds. The multi-security prison houses all the female inmates in the state of New Mexico. CCA designed single-cell living quarters for medium- to maximum-security inmates, while minimum-security inmates are assigned to dormitory-style living units.

In addition to basic living space, inmates have supervised access to a chapel, general and law libraries, educational and vocational classrooms, a gymnasium and counselor's offices. A family visitation trailer accomodates inmate visitors. Administrative and support services space are located near the entrance to the facility.

CCA hires and trains all staff at the New Mexico Women's Correctional Facility, which employs 100 individuals. The facility provides health care, food, clothing, security, transportation, group and individual counseling and educational and vocational programs. A state-operated micro-graphics industry is located within the unit, providing work opportunities to the inmate population and enabling them to develop marketable job skills.

Shelby Training Center

In May 1986, CCA opened Shelby Training Center, a secure juvenile facility located in Memphis, Tennessee. The Juvenile Court of Memphis and Shelby County awarded CCA the contract to design, build and manage the center, which was constructed in just 11 months. After little more than a year in operation, Shelby Training Center was accredited by the American Correctional Association in September 1987.

The original 150-bed, 73,000 SF facility was expanded by 25 beds and 5,800 SF in 1990. It houses juvenile offenders for the Juvenile Court of Memphis and Shelby County.

Residents at Shelby Training Center live in individual rooms which open onto a dayroom area. The building's design includes easily accessible food service, medical and laundry facilities, as well as a secure control center and separate administrative area.

CCA provides health care, food, security, programs, clothing, general hygiene and transportation services. In addition, CCA is responsible for hiring and training the staff of 100 employees.

Shelby Training Center's highly structured environment strikes a balance between behavior control and education. The Center provides a comprehensive academic and vocational program, including pre-employment courses, food service classes and metal shop. Counseling programs focus on reintegrating the youth into society and require family participation in counseling sessions.

Mountain View Youth Development Center

When the Tennessee Department of Youth Development decided to turn to the private sector for juvenile detention center management, they selected CCA to finance, design, build and manage the Mountain View Youth Development Center. The 144-bed secure training center houses male and female juvenile offenders from the East Tennessee area.

Located in Dandridge, Tennessee, the 106,000 SF facility is comprised of six buildings in a campus-like setting. Residents live in 12-bed units, each student having his own room. Indoor recreation activities are held in the gymnasium. The administrative/support building contains a school, classification and counseling offices, a kitchen and administrative personnel space.

CCA provides health care, food, security, clothing, general hygiene and transportation services at Mountain View. The facility employs 120 individuals, including teachers, counselors, food service, medical, maintenance, security and administrative personnel. CCA hires and trains all staff at the Mountain View unit.

The Mountain View Youth Development Center focuses on academic and vocational education. Students attend math, English, health and pre-vocational classes, as well as a GED preparatory course. Vocational courses give students hands-on experience in food service, building trades, carpentry and computer and word processor operation.

Laredo Processing Center

Laredo Processing Center presents a prime example of CCA's ability to fast-track facility construction in order to provide much needed detention space as quickly as possible. After signing a contract with the Department of Justice, Immigration and Naturalization Service, CCA designed and constructed the Laredo Processing Center in just 145 days.

The Center houses minimum-security male and female illegal aliens for the Immigration and Naturalization Service, as well as juveniles in custody of the Bureau of Prisons and the Texas Youth Commission. Residents live in multiple occupancy living units, which include dayroom space and personal storage areas.

Although the facility was originally built with a rated capacity of 208, CCA completed a 50-bed, 6,400 SF addition in early 1990, bringing the rated capacity to 258 and total square footage to 48,000.

CCA hires and trains all personnel at the Laredo Processing Center, which employs a staff of 50. CCA provides medical care, food service, security, counseling, transportation, laundry, recreation and library services. In addition, CCA educational staff have developed an extensive academic program for the juvenile population.

Venus Pre-Release Center

As part of the first, significant state-level private prison management projects, CCA was awarded the contract for design and management of two 500-bed pre-release centers. CCA opened the Venus Pre-Release Center in Venus, Texas in August 1989, and operates the minimum-security prison under contract with the Texas Department of Corrections.

CCA designed the 124,000 SF facility, which contains four double-celled living units, classrooms for academic and vocational education, a gymnasium and administrative/support space. The facility employs a staff of 130.

CCA's responsibilities include providing security, transportation, visitation, recreation, clothing, laundry, medical and food service to the all-adult male inmate population. In addition, inmates have access to a law library and a recreational library. CCA hires and trains all personnel at the facility.

Education is the primary focus of the Venus Pre-Release Center, which helps the inmates develop marketable skills prior to their reintegration into society. Educational classes include social studies, math, reading and English. Inmates enrolled in the vocational program receive certified training in refrigeration and air conditioning, culinary food services, automated warehousing and computer systems configuration.

Inmates participate in work programs throughout the facility, including kitchen service and building repair and routine maintenance. Counseling staff coordinate programs such as Alcoholics Anonymous, provide pre-employment and living skills classes, and conduct group and individual counseling sessions in a mandatory eight-week course for each inmate.

Winn Parish Correctional Facility

In 1989, the Louisiana General Assembly passed legislation permitting the Department of Corrections to contract with the private sector for prison management. After a competitive bidding process and negotiations, the department selected CCA to operate a 600-bed prison in Winnfield, Louisiana. In January 1990, CCA began management of the Winn Parish Correctional Facility, the first privately managed prison in the state of Louisiana and the first privately managed medium-security prison in the United States.

Designed and built by the state, the prison consists of 35 buildings located within a 78-acre fenced complex. The complex contains administrative, housing, dining, vocational, educational, medical and indoor/outdoor recreation facilities.

CCA administers inmate medical care, including a full-time physician, 24-hour nursing coverage, a part-time dentist and mental health services. CCA provides food, security, counseling, visitation, recreation and laundry services for the adult male inmate population. The Winn Parish Correctional Facility employs a staff of over 200, hired and trained by CCA.

The facility offers academic programs ranging from Basic Literacy and other GED preparatory classes to special education classes. Vocational programs available to the inmate population include culinary arts, computer systems, heating and air conditioning and building trades. CCA administers inmate work industries programs in conjunction with the state.

Cleveland Pre-Release Center

CCA was awarded the contract for design and management of two 500-bed pre-release centers as part of the first, significant state-level private prison management projects. CCA opened the Cleveland Pre-Release Center in Cleveland, Texas in September 1989 and operates the minimum-security prison under contract with the Texas Department of Corrections. After less than a year in operation, the Cleveland facility was awarded an ACA accreditation in August 1990.

CCA designed the 124,000 SF facility, which contains four double-celled living units, classrooms for academic and vocational education, a gymnasium and administrative/support space. The facility employs a staff of 132, hired and trained by CCA.

CCA's responsibilities include providing security, transportation, visitation, recreation, clothing, laundry, medical and food service to the all-adult male inmate population. In addition, inmates have access to a law library and a recreational library. CCA hires and trains all personnel at the facility.

Education is the primary focus of the Cleveland Pre-Release Center, which helps the inmates develop marketable skills prior to their reintegration into society. Educational classes include social studies, math, reading and English. Inmates enrolled in the vocational program receive certified training in refrigeration and air conditioning, culinary food services, automated warehousing and computer systems configuration.

Inmates participate in work programs throughout the facility, including kitchen service, building repair and routine maintenance. Counseling staff coordinate programs such as Alcoholics Anonymous, provide pre-employment and living skills classes, and conduct group and individual counseling sessions in a mandatory eight-week course for each inmate.

Hernando County Jail

In Hernando County, Florida, county commissioners designed, built and financed a new jail, then turned to the private sector for management. After a competitive bidding process, the commission awarded the contract to CCA, and on October 1, 1988, CCA assumed management of the Hernando County Jail.

The 252-bed jail houses adults and juveniles, males and females for Hernando County and the federal government. After completing booking procedures, CCA staff utilize a detailed classification process to ensure proper cell assignments for the sentenced, unsentenced and pre-trial population.

The multi-security jail is comprised of single, double and multiple-occupancy cells that encircle the pods' central control booth, allowing the officer on duty continuous observation.

CCA has developed an extensive library at the jail and administers medical service, food service, laundry, security, transportation, recreation and counseling. CCA hires and trains the jail's 80-person staff, including correctional officers, counselors and administrative/support personnel. The jail provides Hernando County with work crews for public service projects.

Reeves County Law Enforcement Center

CCA assumed management of the Reeves County Law Enforcement Center in September 1988. Located in Pecos, Texas, the facility houses minimum-security adult males for the Federal Bureau of Prisons and the U.S. Marshals Service.

The 556-bed law enforcement center houses inmates in twenty 24-bed dormitory-style living units. Inmates have supervised access to a seven-acre recreation yard and a library. CCA is responsible for providing security, medical, food, clothing, transportation and laundry services to the inmate population, as well as hiring and training a staff of 110 employees.

The Reeves County Law Enforcement Center offers diverse educational opportunities, including English as a Second Language and GED preparatory classes. Inmates can participate in Alcoholics and Narcotics Anonymous groups, as well as individual counseling sessions.

In addition to classroom education, the facility focuses on hands-on job experience. Inmates have the opportunity to work in various assignments throughout the facility, such as food service, general maintenance and landscaping, as well as participate in the center's 100-acre agricultural program.

Santa Fe County Detention Center

Santa Fe County Detention Center was CCA's first facility under management in New Mexico and the first private detention facility in the state. The facility was financed, designed and built by the county. CCA assumed management in August 1986, within a year of its completion. In May 1988, the Santa Fe County Detention Center successfully completed an ACA accreditation audit. The center was the first adult and juvenile detention facility in the U.S. to be accredited under a hybrid set of adult and juvenile standards.

The multi-security level detention center houses sentenced and pre-trial offenders for Santa Fe County and City as well as various county and governmental agencies. With an original capacity of 153, a 6,100 SF addition built by CCA in late 1989 brought the facility's accommodations to 208 male and female adults and 27 male and female juveniles in separate living areas. Through an inmate classification system, CCA ensures that minimum, medium and maximum security offenders are properly segregated.

The Santa Fe County Detention Center provides food service, medical service, basic education opportunities, laundry, transportation, recreation and security, as well as counseling and library services. CCA hires and maintains a trained staff of 75 employees. In addition, CCA is responsible for booking and pre-trial release of inmates.

The facility's inmate work program includes a work release component and a home monitoring program for non-violent first offenders to encourage reintegration into society. Juvenile offenders participate in counseling, mental health programs, physical education training and basic (GED) education and tutoring designed to help them adjust to incarceration and prepare for release. Recreational activities, a variety of religious services and programs are provided separately for both juvenile and adult offenders.

Silverdale Facilities

In 1984, CCA contracted with Hamilton County, Tennessee for management of the Silverdale Workhouse and Women's Jail, the first privately-run adult detention facilities in the state. Originally a minimum-security facility, Silverdale now incarcerates maximum-security adult males and DUI weekenders for the state, in addition to minimum- and medium-security county inmates. The Silverdale women's jail houses minimum- to maximum-security females incarcerated by state and federal agencies.

After assuming management of Silverdale, CCA financed the renovation of existing structures in need of repair and constructed new buildings to ensure the facility would meet federal, state and county corrections standards. CCA's contributions include a 11,000 SF, 128-bed minimum-security dormitory for work release/trustee males, a new 6,000 SF dining hall/kitchen and a renovated programs building. Silverdale's current rated capacity is 414 beds.

CCA's management responsibilities include health care, food service, security, laundry, transportation and recreation. Facility administrators coordinate work programs, legal services, library access, educational classes and rehabilitative counseling. In addition, CCA employees at Silverdale handle all booking procedures. Silverdale employs a staff of 95, hired and trained by CCA.

Tall Trees

Located in South Memphis under shady oak trees, Tall Trees provides a home-like environment for male juveniles in the custody of the Department of Youth Development and the Memphis and Shelby County Youth Services Bureau. CCA manages this facility for the Juvenile Court of Memphis and Shelby County, Tennessee.

Tall Trees represents CCA's first facility in operation. After CCA assumed management of the facility in January 1984 and renovated the existing structure, Tall Trees became CCA's first youth facility to receive an ACA accreditation. CCA expanded the original 50-bed facility to 63 beds in 1990 by adding 900 SF in living space.

The youth facility employs 30 personnel, all hired and trained by CCA. CCA provides security, transportation, medical, food, laundry service and programs at the facility.

Administration and staff at Tall Trees emphasize education and living skills. Residents attend the Memphis City Schools and receive after-school instruction at Tall Trees to supplement their classroom work. Tall Trees staff conduct nightly group sessions in topical areas of drug intervention, values training and life skills.

Tall Trees stresses job skill development as well, enrolling residents 16 or older in Positive Mental Attitude Association courses, where the students prepare to enter the job market and receive on-the-job training in various employment positions during the summer, as well as community service year round.

TORRANCE COUNTY DETENTION FACILITY

CCA has built a 256-bed facility northeast of Estancia, New Mexico in Torrance County. The facility opened in November of 1990. The minimum- to medium-security detention center houses prisoners for the U.S. Marshals Service, allowing the Marshals to consolidate beds they were using in several surrounding jurisdictions.

The 71,000 SF detention center is located on 4000 acres, providing a 3-mile buffer zone between the facility and the Estancia community. CCA employs approximately 80 persons at the facility with an annual payroll of \$1.1 million.

CCA provides all management services at the facility, including security, transportation, food service, medical treatment and general and substance abuse counseling. In addition, inmates have the opportunity to participate in recreation, religious services, arts and crafts and basic educational preparation.

WEST TENNESSEE DETENTION FACILITY

In September 1990, CCA opened the first private detention facility dedicated to exclusive use by the U.S. Marshals Service. The 256-bed West Tennessee Detention Facility, located in Mason, Tennessee, houses minimum- to medium-security male prisoners in U.S. Marshals Service custody.

Designed, built and financed by CCA, the 71,000 SF detention facility contains classrooms, a kitchen, a commissary, a gymnasium, an outdoor recreation yard, a library, a medical department, contact and non-contact visitation and administrative/support space. Prisoners are housed in 4 medium-security, double-celled living units and 2 minimum-security dormitories. The facility employs a staff of 82, hired and trained by CCA.

CCA's responsibilities include providing security, transportation, visitation, recreation, clothing, laundry, medical and food service. Counselors supervise individual and group substance abuse programs as well as providing living skills classes and basic counseling services. CCA coordinates community volunteer and religious services at the facility.

Prisoners may participate in indoor and outdoor recreation, visitation, counseling and library services. A facility work program allows prisoners to gain culinary, landscaping, maintenance, and janitorial experience while incarcerated.

Accreditation team praises women's pen

By Dave McDonald
Beacon staff writer

New Mexico Women's Correctional Facility, which opened on Grants' far eastside in 1989 with a staff that is 90 percent local, has been rated nearly perfect in all respects -- and may be one of the best run, best maintained prisons in the country.

A special three-person accreditation team from the Maryland-based American Correctional Association studied every aspect of the prison operation during an intensive two-day audit and inspection Monday and Tuesday. The association, which bills itself as "a multidisciplinary organization consisting of correctional professionals, individual agencies and organizations involved in the entire spectrum of correctional activities," is the arbiter and watchdog of prison standards nationwide.

CCA's Grants facility was rated by the team on 495 standards.

The prison scored 100 percent on mandatory standards and 99.2 percent on non-mandatory items, said ACA accreditation team chairman Sigmund L. "Sig" Fine. Fine is director of the Adult Corrections Department

for the State of Minnesota.

Of the 495 standards, NMWCF only failed to rate 100 percent on four "and they were mechanical," Fine said. Noise levels in the living quarters were slightly higher than mandated, he said, because of the design of the air conditioning equipment.

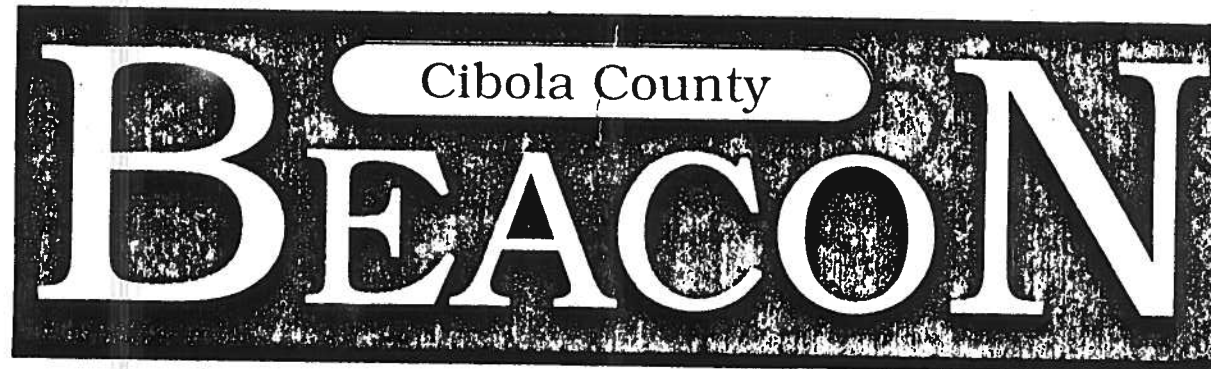
Warden Sharon L. Johnson said changes to the equipment already are under way.

The warden gave credit to the facility's 110-member staff for the prison's stellar rating, singling out Assistant Warden Tom Newton and Maintenance Supervisor Robert Cook for special mention and calling the entire staff "the epitome of correctional excellence."

James A. Gondles Jr., ACA executive director-designee and another member of the team, called the prison "the brightest, the cleanest -- and for the most part, the happiest" correctional institution he has seen, adding that he was "impressed with the professionalism of the staff."

"This can meet any correctional institution in the nation -- for men or women -- head-on," Gondles told the CCA staff Wednesday as the survey re-

Continued on Page 2



Friday, March 1, 1991 Grants, New Mexico 87020

Prison

Continued from Page 1
sults were released.

Gondles said it was his first experience with a private-sector correctional facility. NMWCF, the state's only full-service women's prison, was designed, built and is run by Nashville-based Corrections Corporation of America under contract with the state Department of Corrections.

The corporation runs 22 correctional facilities nationwide and in Europe and Australia.

The third member of the evaluation team, Marilyn Waldenville, is ACA coordinator for the Division of Programs and Services for the Oklahoma Department of Corrections.

Waldenville said it was the

first facility she had audited where there were no complaints about medical treatment or services.

She singled out NMWCF's educational programs for special mention. "You are developing real job skills to take out into the community," Waldenville said.

She noted the prison's "active volunteer program" and urged expansion of it.

She, like Gondles, also urged expansion of the prison's work-release program.

The survey team's findings now will be sent to a special accreditation committee of the ACA and formal accreditation should come in about three months, Fine said.

PRESENTATION

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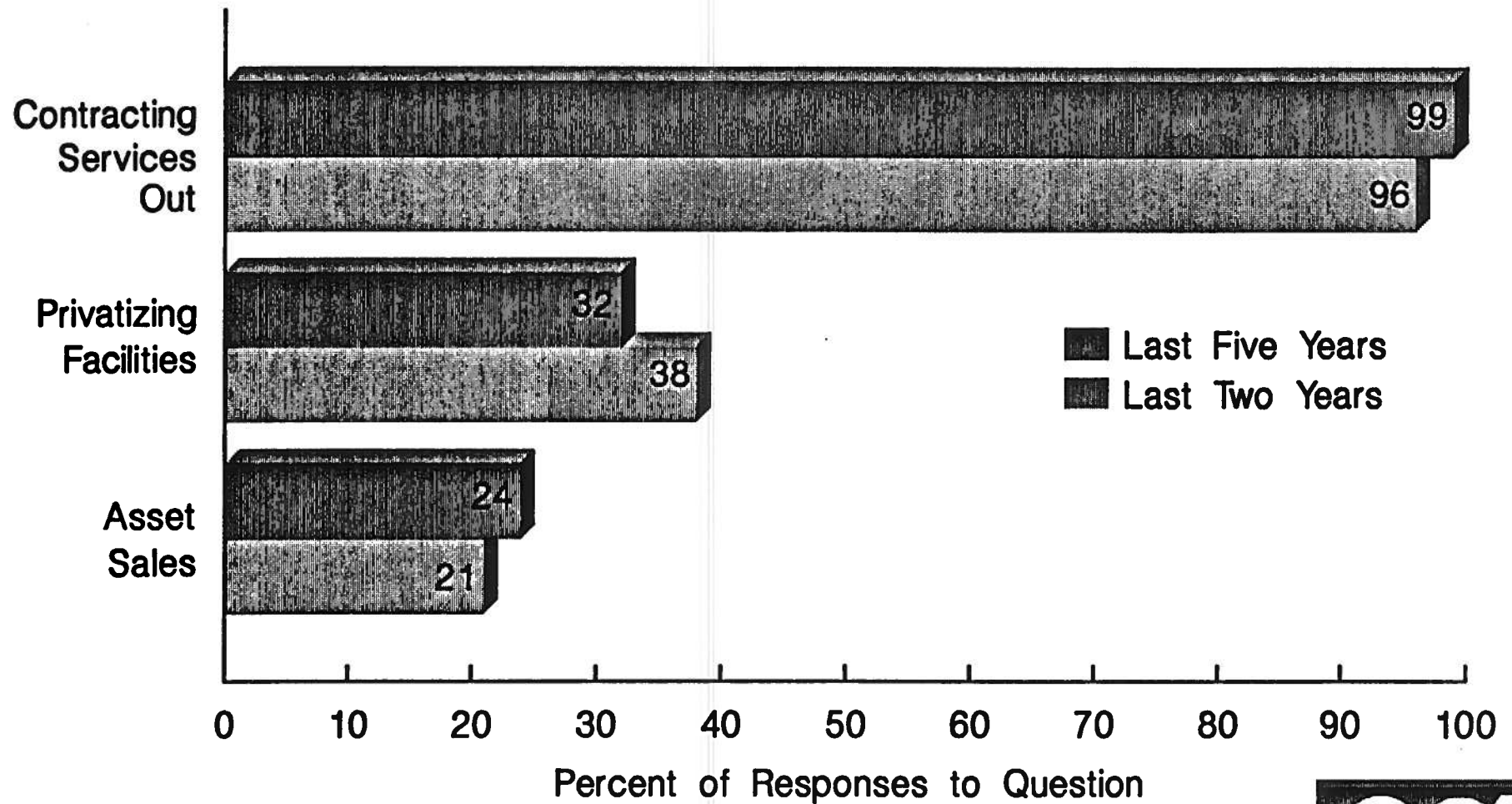
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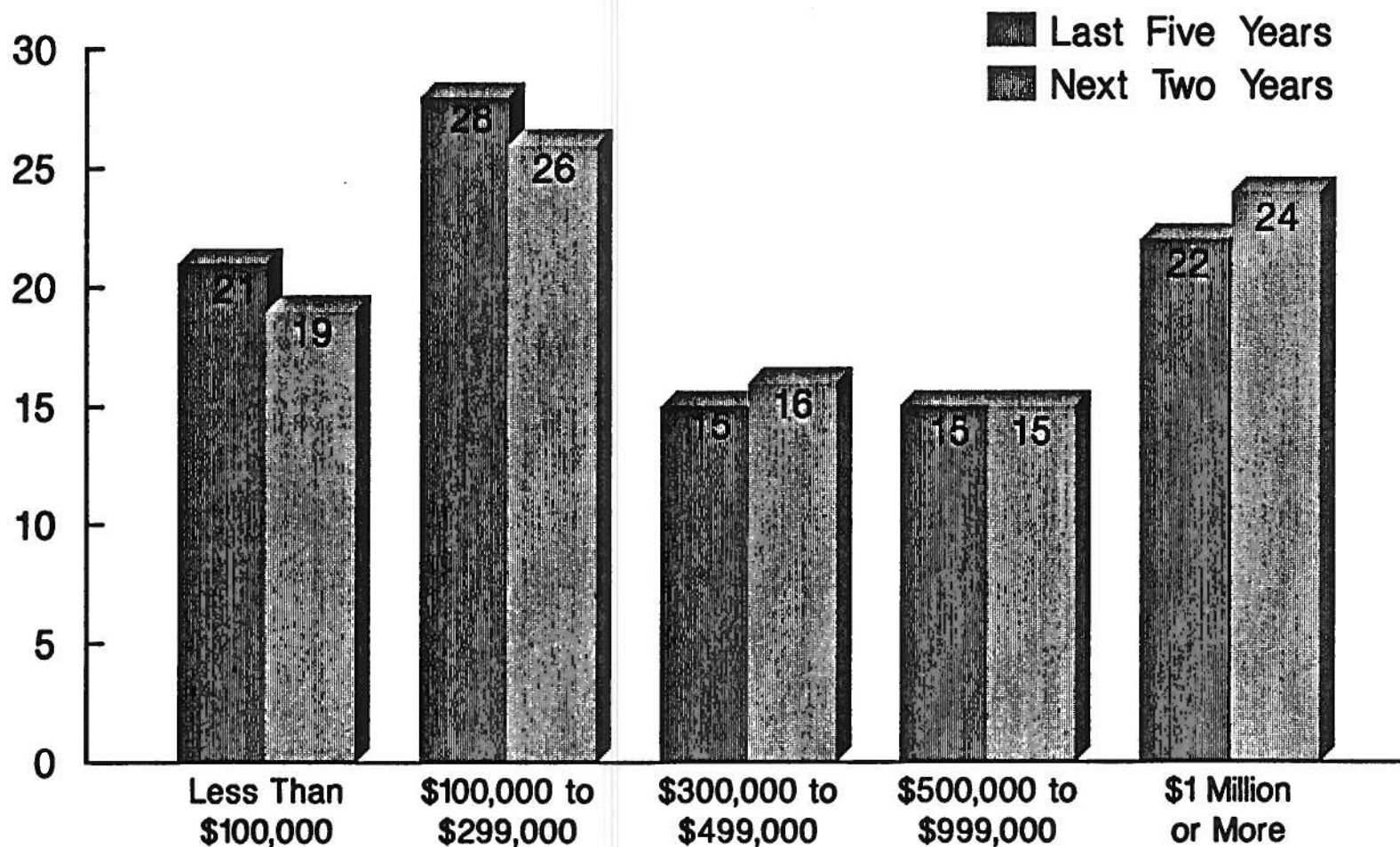
Use of Privatization



Source: *Privatization in America*, Touche Ross



Value of Contracted Services

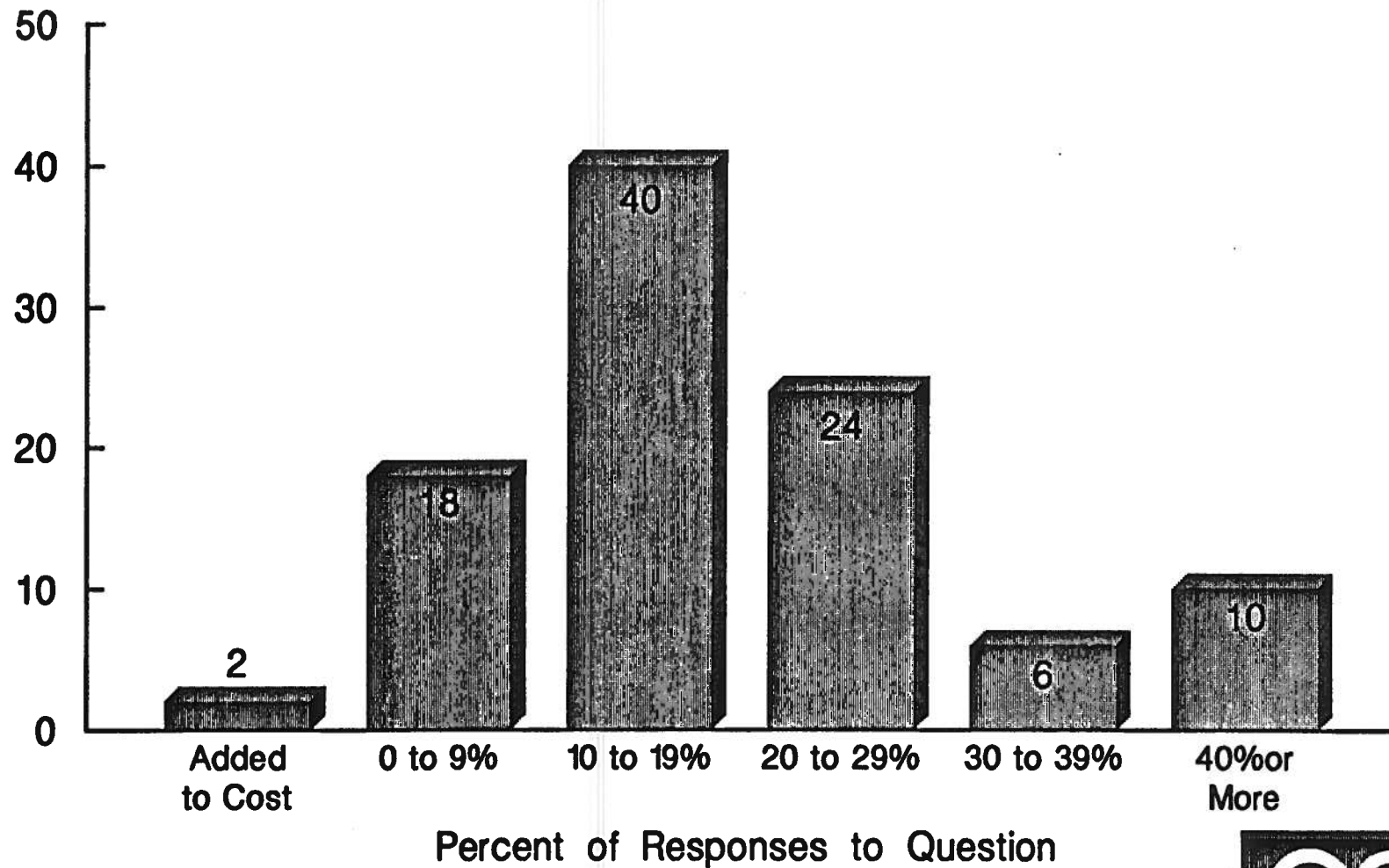


Percent of Responses to Question

Source: *Privatization in America*, Touche Ross



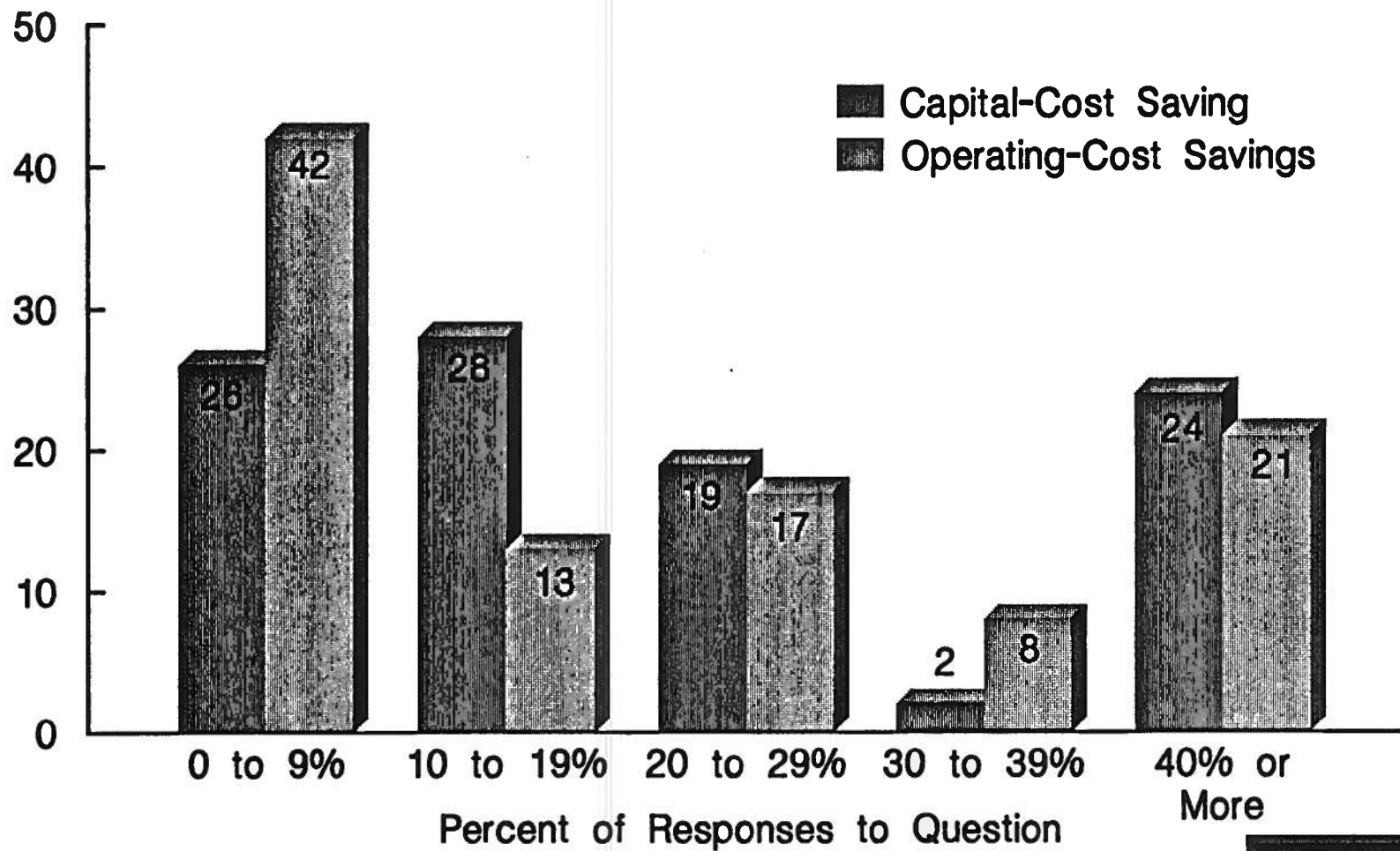
Cost Savings of Contracted Services



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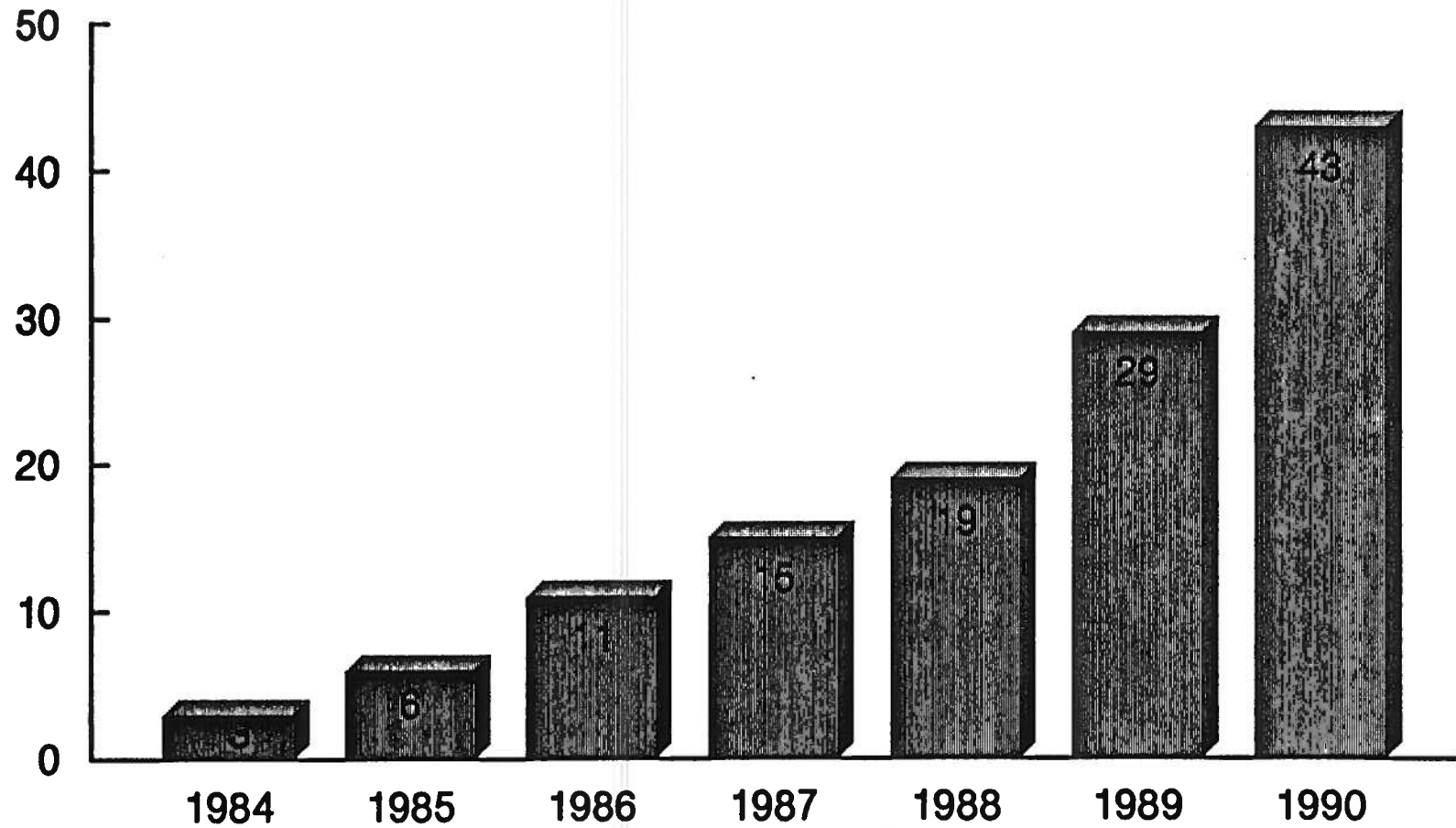
Cost Savings of Privatizing Facilities



Source: *Privatization in America*, Touche Ross



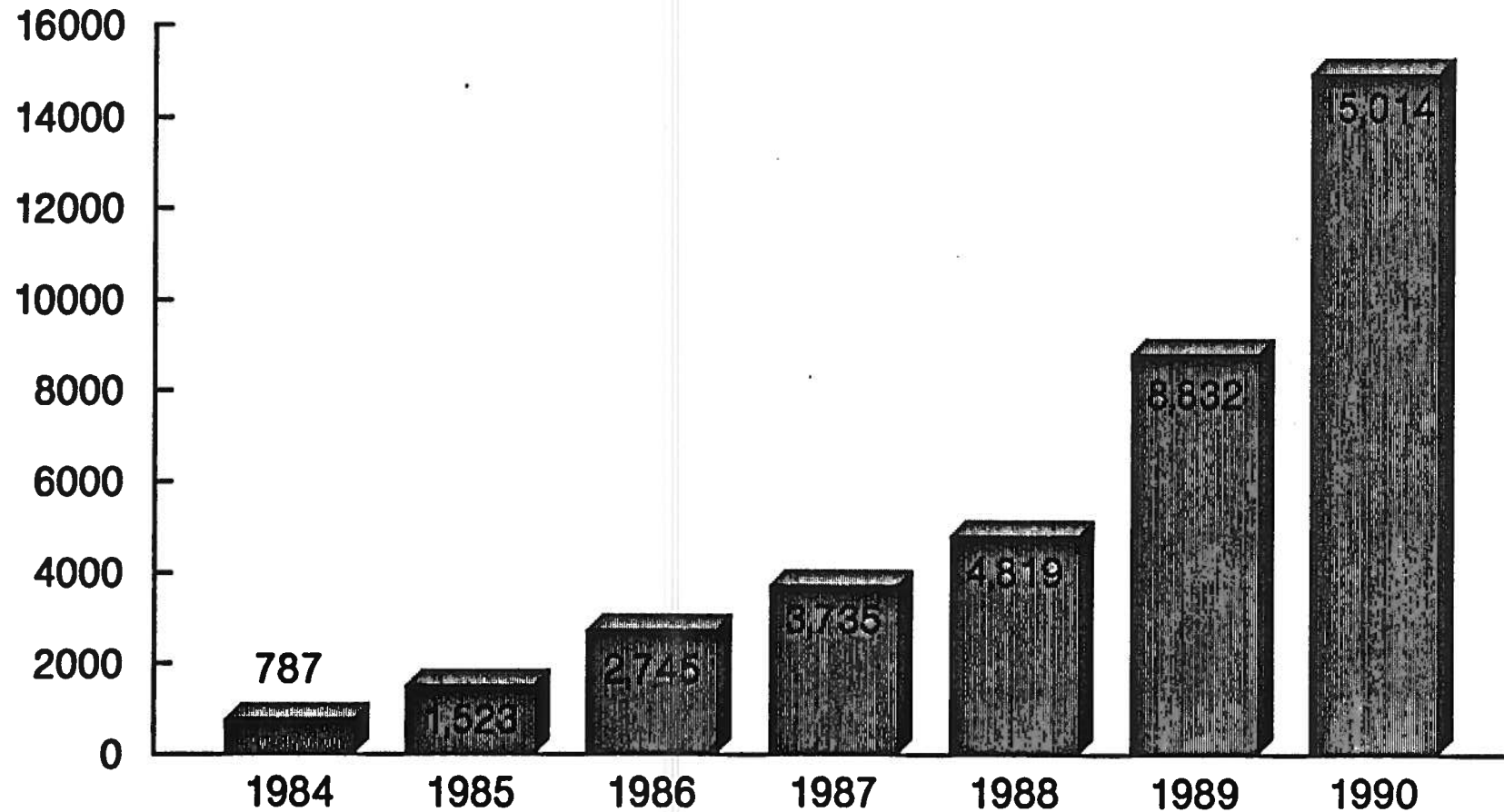
Private Sector: Adult Secure Facilities



Source: *Private Facility Census*, Charles W. Thomas, PhD



Private Sector: Adult Secure Beds



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- **Overcrowd local jails**
- **Private sector management**



CCA Solutions



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- **Use state-of-the-art technology**



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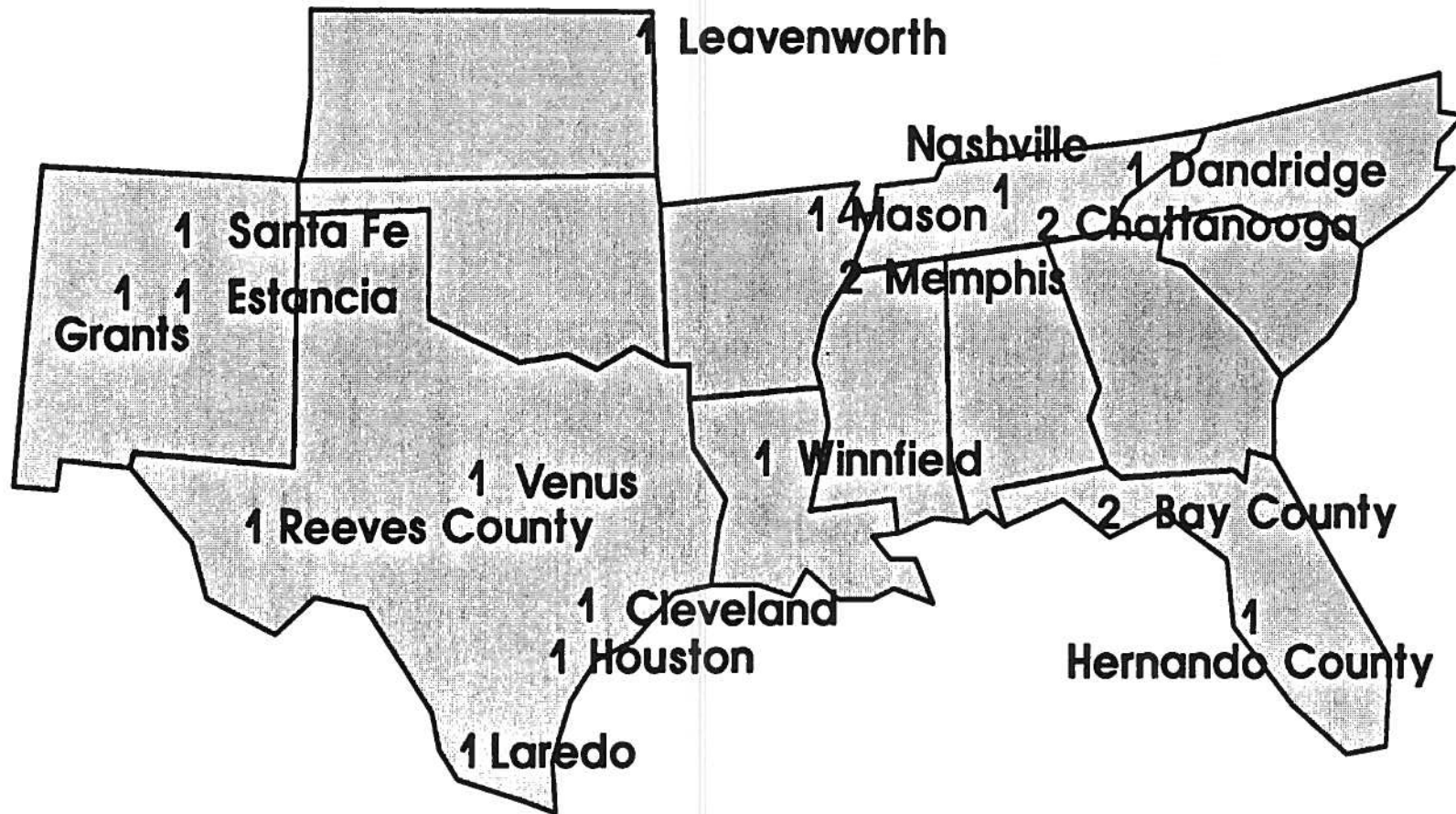


Cost Savings

<u>CCA Contract</u>	<u>Government Per Diem</u>	<u>CCA Per Diem</u>	<u>Savings</u>
Santa Fe, N.M.	\$75.00	\$44.90	40.1%
Grants, N.M.	\$92.00	\$69.75	31.9%
Houston, TX	\$34.50	\$23.00	30.9%
Memphis, TN	\$84.50	\$63.70	24.6%



CCA Facilities



1 Queensland, Australia



CCA Contracting Agencies

U.S. Immigration Service

U.S. Bureau of Prisons

U.S. Marshals Service

State of Louisiana

State of Nevada

State of New Mexico

State of Oregon

State of Tennessee

State of Texas

Texas Board of Pardons and Paroles

Texas Youth Commission

Inter-Mountain Youth

Bay County

Citrus County

Hernando County

Cibola County

Colfax County

Guadalupe County

Los Alamos County

Rio Arriba County

San Juan Pueblo

San Miguel County

Sandoval County

Santa Fe County

Torrance County

Union County

Hamilton County

Shelby County

Reeves County

City of Bernalillo

City of Las Vegas

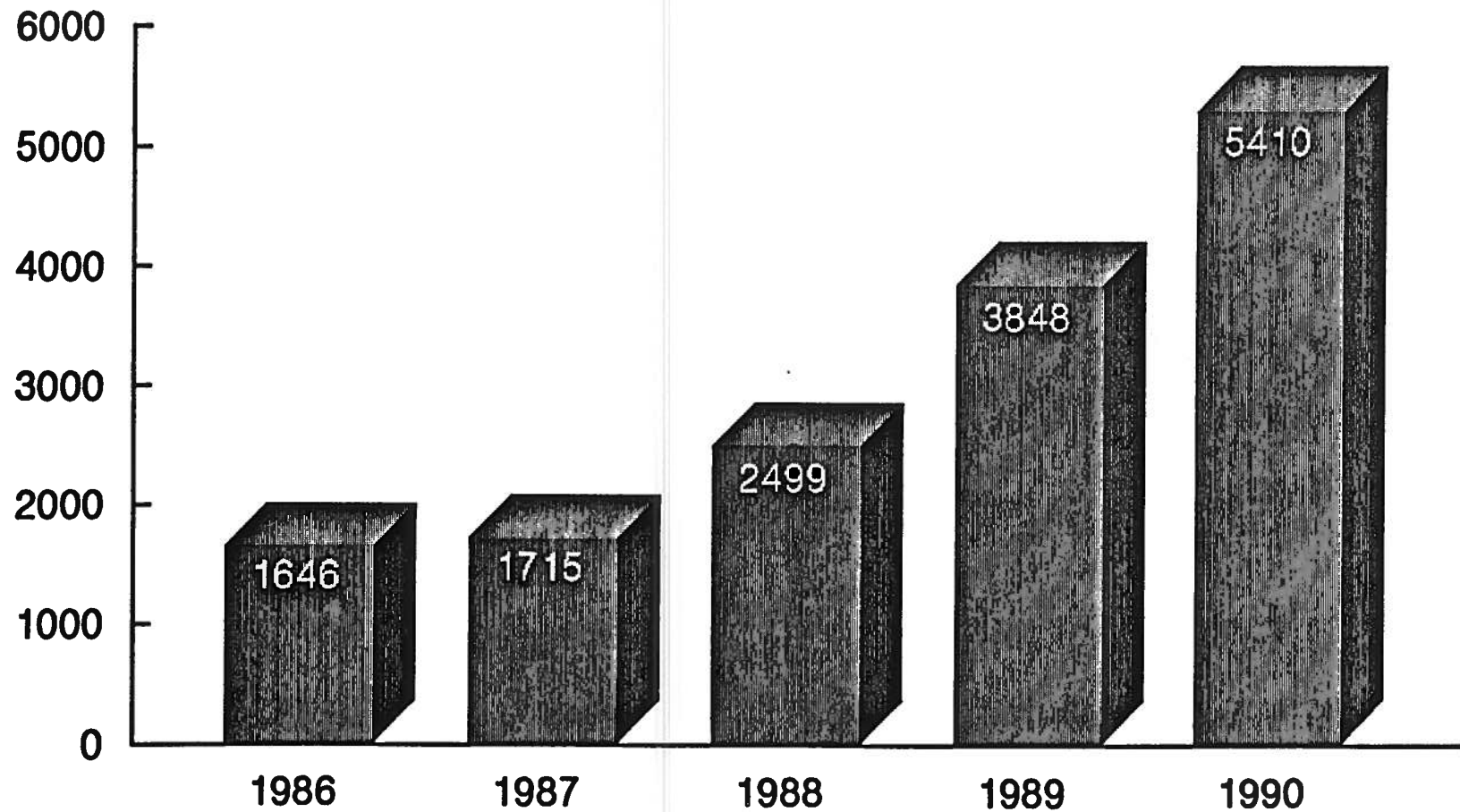
City of Rio Rancho

City of Santa Fe

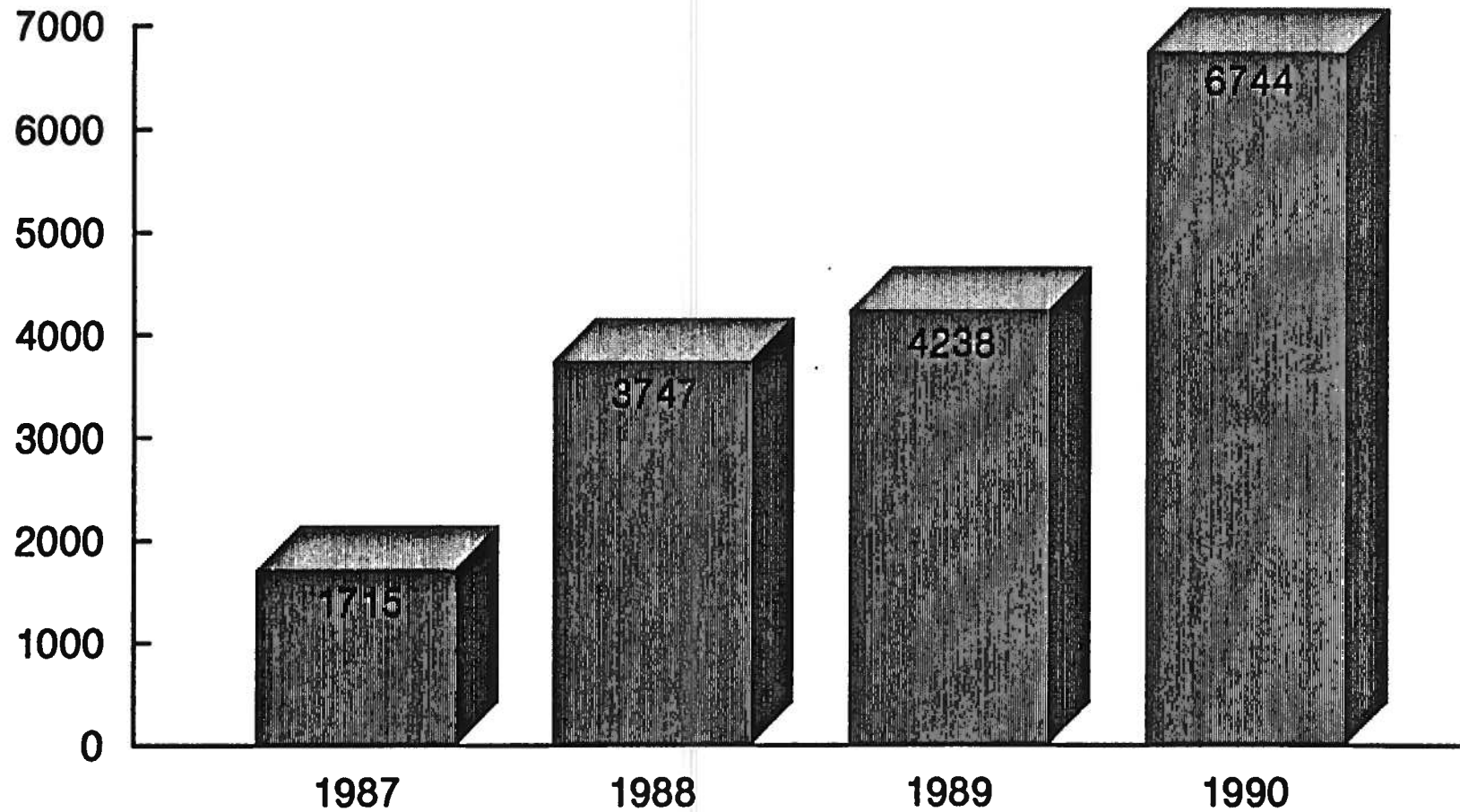
Village of Pecos



Beds In Operation

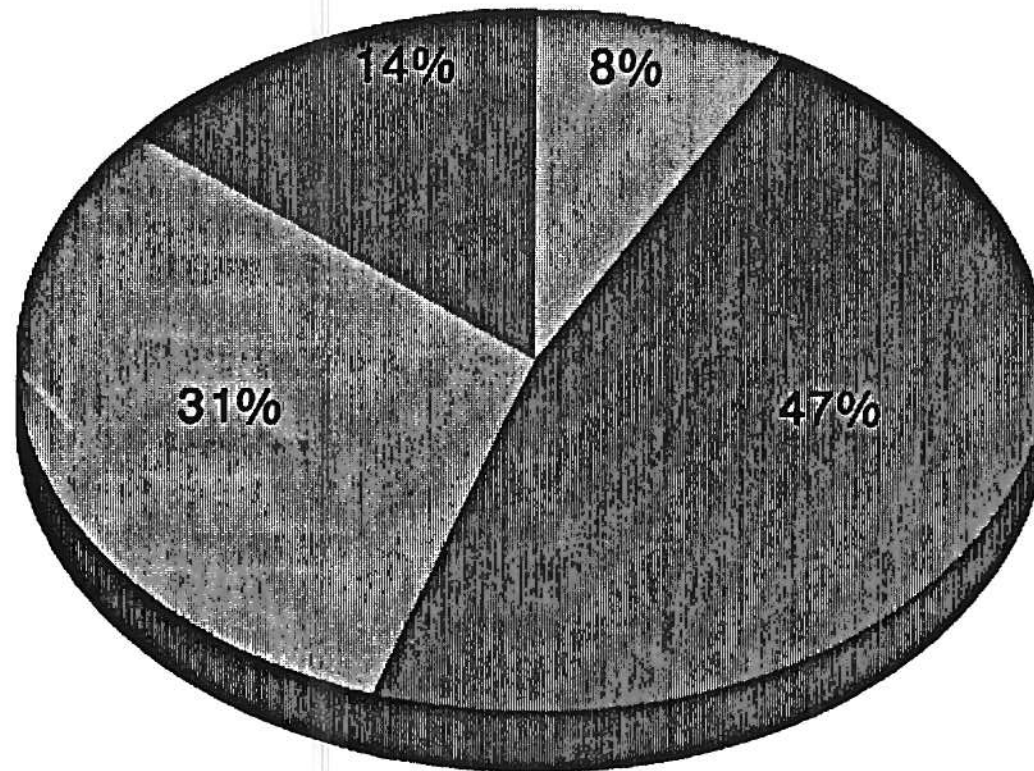


Beds Under Contract



Inmate Population

- Juvenile
- Minimum
- Medium
- Maximum



Balance Sheet

(000's)	December 31, 1990
Current assets	\$19,130
Total assets	95,634
Current liabilities	7,202
Bank borrowings	6,528
First mortgage bonds	23,177
Senior secured notes	20,000
Convertible subordinated notes	11,000
Total liabilities	69,019
Stockholders' equity	26,615



Historical Highlights

October 1983

First design, build, manage adult contract in history

October 1984

First adult county facility in history

April 1985

First turnkey juvenile contract in history

July 1988

First female multi-security prison in history

August 1989

First international management contract in history

February 1990

First male medium-security prison in history

June 1990

First maximum-security prison in history



FACILITY PROFILES

Houston Processing Center

Located in an industrial park north of Houston, Texas, the CCA Houston Processing Center looks more like an office building than a prison. Awarded to CCA by the Department of Justice, Houston Processing Center was CCA's first finance, design, construct and manage contract and the first such contract in the private prison industry.

CCA designed and constructed Houston Processing Center in just six months and opened the doors to the 67,000 SF facility in April 1984. In February 1986, the facility was accredited by the American Correctional Association and is the first privately managed adult detention facility to be accorded this status.

The 350-bed Houston Processing Center houses undocumented aliens for the Immigration and Naturalization Service and parole violators for the Texas Department of Criminal Justice, Pardons and Paroles Division. The facility accommodates the adult male population in dormitory-style living areas. Inmate recreation areas include outdoor basketball courts, indoor weight training equipment and a library.

In addition to hiring and training a staff of 80 employees, CCA provides medical services, transportation, security, laundry, counseling and food service.

Illegal aliens detained at the facility may attend English as a Second Language classes. In addition, CCA counseling staff have developed a pre-release curriculum for the Pardons and Paroles inmates that concentrates on developing employment and social skills to facilitate an inmate's re-integration into society.

Bay County Workcamp/Jail Annex

Unobtrusively located on 10 acres of pine forest near Panama City, Florida, CCA's Bay County Workcamp/Jail Annex opened in early April 1986. CCA contracted with the county to design, construct and manage this 45,000 SF facility when it assumed management of the Bay County Jail in downtown Panama City. The Annex successfully completed an ACA accreditation audit in December 1988.

While maximum-security inmates are housed at the downtown jail, the Annex houses minimum- to medium-security, adult and juvenile, male and female offenders. Originally rated at a capacity of 207 beds, CCA completed a 11,500 SF, 48-bed addition in June 1989. The facility currently has the capacity to house 255 inmates.

Inmates at the Annex are housed in single and double cell living areas, opening onto multi-purpose dayrooms. Adjacent outside recreation yards provide daily exercise opportunities for the inmate population.

CCA hires and trains the Annex staff of 60 employees. In addition, CCA is responsible for security, laundry, visitation, recreation, transportation, medical and food services at the Annex. Inmates participate in Alcoholics Anonymous and drug abuse counseling, and CCA staff conduct GED preparatory classes.

The Annex provides inmate work crews who volunteer for county projects in conjunction with the school district and the county librarian. DUI offenders housed at the Annex also participate in county work programs.

New Mexico Women's Correctional Facility

CCA's New Mexico Women's Correctional Facility is the first women's prison in the U.S. to be awarded to private sector management. CCA contracted with the New Mexico Corrections Department for management of the facility and designed, built and financed the 104,000 SF unit in 11 months at a cost of \$12 million.

Opened in June 1989 and located in Grants, New Mexico, the New Mexico Women's Correctional Facility has a rated capacity of 200 beds. The multi-security prison houses all the female inmates in the state of New Mexico. CCA designed single-cell living quarters for medium- to maximum-security inmates, while minimum-security inmates are assigned to dormitory-style living units.

In addition to basic living space, inmates have supervised access to a chapel, general and law libraries, educational and vocational classrooms, a gymnasium and counselor's offices. A family visitation trailer accomodates inmate visitors. Administrative and support services space are located near the entrance to the facility.

CCA hires and trains all staff at the New Mexico Women's Correctional Facility, which employs 100 individuals. The facility provides health care, food, clothing, security, transportation, group and individual counseling and educational and vocational programs. A state-operated micro-graphics industry is located within the unit, providing work opportunities to the inmate population and enabling them to develop marketable job skills.

Shelby Training Center

In May 1986, CCA opened Shelby Training Center, a secure juvenile facility located in Memphis, Tennessee. The Juvenile Court of Memphis and Shelby County awarded CCA the contract to design, build and manage the center, which was constructed in just 11 months. After little more than a year in operation, Shelby Training Center was accredited by the American Correctional Association in September 1987.

The original 150-bed, 73,000 SF facility was expanded by 25 beds and 5,800 SF in 1990. It houses juvenile offenders for the Juvenile Court of Memphis and Shelby County.

Residents at Shelby Training Center live in individual rooms which open onto a dayroom area. The building's design includes easily accessible food service, medical and laundry facilities, as well as a secure control center and separate administrative area.

CCA provides health care, food, security, programs, clothing, general hygiene and transportation services. In addition, CCA is responsible for hiring and training the staff of 100 employees.

Shelby Training Center's highly structured environment strikes a balance between behavior control and education. The Center provides a comprehensive academic and vocational program, including pre-employment courses, food service classes and metal shop. Counseling programs focus on reintegrating the youth into society and require family participation in counseling sessions.

Mountain View Youth Development Center

When the Tennessee Department of Youth Development decided to turn to the private sector for juvenile detention center management, they selected CCA to finance, design, build and manage the Mountain View Youth Development Center. The 144-bed secure training center houses male and female juvenile offenders from the East Tennessee area.

Located in Dandridge, Tennessee, the 106,000 SF facility is comprised of six buildings in a campus-like setting. Residents live in 12-bed units, each student having his own room. Indoor recreation activities are held in the gymnasium. The administrative/support building contains a school, classification and counseling offices, a kitchen and administrative personnel space.

CCA provides health care, food, security, clothing, general hygiene and transportation services at Mountain View. The facility employs 120 individuals, including teachers, counselors, food service, medical, maintenance, security and administrative personnel. CCA hires and trains all staff at the Mountain View unit.

The Mountain View Youth Development Center focuses on academic and vocational education. Students attend math, English, health and pre-vocational classes, as well as a GED preparatory course. Vocational courses give students hands-on experience in food service, building trades, carpentry and computer and word processor operation.

Laredo Processing Center

Laredo Processing Center presents a prime example of CCA's ability to fast-track facility construction in order to provide much needed detention space as quickly as possible. After signing a contract with the Department of Justice, Immigration and Naturalization Service, CCA designed and constructed the Laredo Processing Center in just 145 days.

The Center houses minimum-security male and female illegal aliens for the Immigration and Naturalization Service, as well as juveniles in custody of the Bureau of Prisons and the Texas Youth Commission. Residents live in multiple occupancy living units, which include dayroom space and personal storage areas.

Although the facility was originally built with a rated capacity of 208, CCA completed a 50-bed, 6,400 SF addition in early 1990, bringing the rated capacity to 258 and total square footage to 48,000.

CCA hires and trains all personnel at the Laredo Processing Center, which employs a staff of 50. CCA provides medical care, food service, security, counseling, transportation, laundry, recreation and library services. In addition, CCA educational staff have developed an extensive academic program for the juvenile population.

Venus Pre-Release Center

As part of the first, significant state-level private prison management projects, CCA was awarded the contract for design and management of two 500-bed pre-release centers. CCA opened the Venus Pre-Release Center in Venus, Texas in August 1989, and operates the minimum-security prison under contract with the Texas Department of Corrections.

CCA designed the 124,000 SF facility, which contains four double-celled living units, classrooms for academic and vocational education, a gymnasium and administrative/support space. The facility employs a staff of 130.

CCA's responsibilities include providing security, transportation, visitation, recreation, clothing, laundry, medical and food service to the all-adult male inmate population. In addition, inmates have access to a law library and a recreational library. CCA hires and trains all personnel at the facility.

Education is the primary focus of the Venus Pre-Release Center, which helps the inmates develop marketable skills prior to their reintegration into society. Educational classes include social studies, math, reading and English. Inmates enrolled in the vocational program receive certified training in refrigeration and air conditioning, culinary food services, automated warehousing and computer systems configuration.

Inmates participate in work programs throughout the facility, including kitchen service and building repair and routine maintenance. Counseling staff coordinate programs such as Alcoholics Anonymous, provide pre-employment and living skills classes, and conduct group and individual counseling sessions in a mandatory eight-week course for each inmate.

Winn Parish Correctional Facility

In 1989, the Louisiana General Assembly passed legislation permitting the Department of Corrections to contract with the private sector for prison management. After a competitive bidding process and negotiations, the department selected CCA to operate a 600-bed prison in Winnfield, Louisiana. In January 1990, CCA began management of the Winn Parish Correctional Facility, the first privately managed prison in the state of Louisiana and the first privately managed medium-security prison in the United States.

Designed and built by the state, the prison consists of 35 buildings located within a 78-acre fenced complex. The complex contains administrative, housing, dining, vocational, educational, medical and indoor/outdoor recreation facilities.

CCA administers inmate medical care, including a full-time physician, 24-hour nursing coverage, a part-time dentist and mental health services. CCA provides food, security, counseling, visitation, recreation and laundry services for the adult male inmate population. The Winn Parish Correctional Facility employs a staff of over 200, hired and trained by CCA.

The facility offers academic programs ranging from Basic Literacy and other GED preparatory classes to special education classes. Vocational programs available to the inmate population include culinary arts, computer systems, heating and air conditioning and building trades. CCA administers inmate work industries programs in conjunction with the state.

Cleveland Pre-Release Center

CCA was awarded the contract for design and management of two 500-bed pre-release centers as part of the first, significant state-level private prison management projects. CCA opened the Cleveland Pre-Release Center in Cleveland, Texas in September 1989 and operates the minimum-security prison under contract with the Texas Department of Corrections. After less than a year in operation, the Cleveland facility was awarded an ACA accreditation in August 1990.

CCA designed the 124,000 SF facility, which contains four double-celled living units, classrooms for academic and vocational education, a gymnasium and administrative/support space. The facility employs a staff of 132, hired and trained by CCA.

CCA's responsibilities include providing security, transportation, visitation, recreation, clothing, laundry, medical and food service to the all-adult male inmate population. In addition, inmates have access to a law library and a recreational library. CCA hires and trains all personnel at the facility.

Education is the primary focus of the Cleveland Pre-Release Center, which helps the inmates develop marketable skills prior to their reintegration into society. Educational classes include social studies, math, reading and English. Inmates enrolled in the vocational program receive certified training in refrigeration and air conditioning, culinary food services, automated warehousing and computer systems configuration.

Inmates participate in work programs throughout the facility, including kitchen service, building repair and routine maintenance. Counseling staff coordinate programs such as Alcoholics Anonymous, provide pre-employment and living skills classes, and conduct group and individual counseling sessions in a mandatory eight-week course for each inmate.

Hernando County Jail

In Hernando County, Florida, county commissioners designed, built and financed a new jail, then turned to the private sector for management. After a competitive bidding process, the commission awarded the contract to CCA, and on October 1, 1988, CCA assumed management of the Hernando County Jail.

The 252-bed jail houses adults and juveniles, males and females for Hernando County and the federal government. After completing booking procedures, CCA staff utilize a detailed classification process to ensure proper cell assignments for the sentenced, unsentenced and pre-trial population.

The multi-security jail is comprised of single, double and multiple-occupancy cells that encircle the pods' central control booth, allowing the officer on duty continuous observation.

CCA has developed an extensive library at the jail and administers medical service, food service, laundry, security, transportation, recreation and counseling. CCA hires and trains the jail's 80-person staff, including correctional officers, counselors and administrative/support personnel. The jail provides Hernando County with work crews for public service projects.

Reeves County Law Enforcement Center

CCA assumed management of the Reeves County Law Enforcement Center in September 1988. Located in Pecos, Texas, the facility houses minimum-security adult males for the Federal Bureau of Prisons and the U.S. Marshals Service.

The 556-bed law enforcement center houses inmates in twenty 24-bed dormitory-style living units. Inmates have supervised access to a seven-acre recreation yard and a library. CCA is responsible for providing security, medical, food, clothing, transportation and laundry services to the inmate population, as well as hiring and training a staff of 110 employees.

The Reeves County Law Enforcement Center offers diverse educational opportunities, including English as a Second Language and GED preparatory classes. Inmates can participate in Alcoholics and Narcotics Anonymous groups, as well as individual counseling sessions.

In addition to classroom education, the facility focuses on hands-on job experience. Inmates have the opportunity to work in various assignments throughout the facility, such as food service, general maintenance and landscaping, as well as participate in the center's 100-acre agricultural program.

Santa Fe County Detention Center

Santa Fe County Detention Center was CCA's first facility under management in New Mexico and the first private detention facility in the state. The facility was financed, designed and built by the county. CCA assumed management in August 1986, within a year of its completion. In May 1988, the Santa Fe County Detention Center successfully completed an ACA accreditation audit. The center was the first adult and juvenile detention facility in the U.S. to be accredited under a hybrid set of adult and juvenile standards.

The multi-security level detention center houses sentenced and pre-trial offenders for Santa Fe County and City as well as various county and governmental agencies. With an original capacity of 153, a 6,100 SF addition built by CCA in late 1989 brought the facility's accommodations to 208 male and female adults and 27 male and female juveniles in separate living areas. Through an inmate classification system, CCA ensures that minimum, medium and maximum security offenders are properly segregated.

The Santa Fe County Detention Center provides food service, medical service, basic education opportunities, laundry, transportation, recreation and security, as well as counseling and library services. CCA hires and maintains a trained staff of 75 employees. In addition, CCA is responsible for booking and pre-trial release of inmates.

The facility's inmate work program includes a work release component and a home monitoring program for non-violent first offenders to encourage reintegration into society. Juvenile offenders participate in counseling, mental health programs, physical education training and basic (GED) education and tutoring designed to help them adjust to incarceration and prepare for release. Recreational activities, a variety of religious services and programs are provided separately for both juvenile and adult offenders.

Silverdale Facilities

In 1984, CCA contracted with Hamilton County, Tennessee for management of the Silverdale Workhouse and Women's Jail, the first privately-run adult detention facilities in the state. Originally a minimum-security facility, Silverdale now incarcerates maximum-security adult males and DUI weekenders for the state, in addition to minimum- and medium-security county inmates. The Silverdale women's jail houses minimum- to maximum-security females incarcerated by state and federal agencies.

After assuming management of Silverdale, CCA financed the renovation of existing structures in need of repair and constructed new buildings to ensure the facility would meet federal, state and county corrections standards. CCA's contributions include a 11,000 SF, 128-bed minimum-security dormitory for work release/trustee males, a new 6,000 SF dining hall/kitchen and a renovated programs building. Silverdale's current rated capacity is 414 beds.

CCA's management responsibilities include health care, food service, security, laundry, transportation and recreation. Facility administrators coordinate work programs, legal services, library access, educational classes and rehabilitative counseling. In addition, CCA employees at Silverdale handle all booking procedures. Silverdale employs a staff of 95, hired and trained by CCA.

Tall Trees

Located in South Memphis under shady oak trees, Tall Trees provides a home-like environment for male juveniles in the custody of the Department of Youth Development and the Memphis and Shelby County Youth Services Bureau. CCA manages this facility for the Juvenile Court of Memphis and Shelby County, Tennessee.

Tall Trees represents CCA's first facility in operation. After CCA assumed management of the facility in January 1984 and renovated the existing structure, Tall Trees became CCA's first youth facility to receive an ACA accreditation. CCA expanded the original 50-bed facility to 63 beds in 1990 by adding 900 SF in living space.

The youth facility employs 30 personnel, all hired and trained by CCA. CCA provides security, transportation, medical, food, laundry service and programs at the facility.

Administration and staff at Tall Trees emphasize education and living skills. Residents attend the Memphis City Schools and receive after-school instruction at Tall Trees to supplement their classroom work. Tall Trees staff conduct nightly group sessions in topical areas of drug intervention, values training and life skills.

Tall Trees stresses job skill development as well, enrolling residents 16 or older in Positive Mental Attitude Association courses, where the students prepare to enter the job market and receive on-the-job training in various employment positions during the summer, as well as community service year round.

TORRANCE COUNTY DETENTION FACILITY

CCA has built a 256-bed facility northeast of Estancia, New Mexico in Torrance County. The facility opened in November of 1990. The minimum- to medium-security detention center houses prisoners for the U.S. Marshals Service, allowing the Marshals to consolidate beds they were using in several surrounding jurisdictions.

The 71,000 SF detention center is located on 4000 acres, providing a 3-mile buffer zone between the facility and the Estancia community. CCA employs approximately 80 persons at the facility with an annual payroll of \$1.1 million.

CCA provides all management services at the facility, including security, transportation, food service, medical treatment and general and substance abuse counseling. In addition, inmates have the opportunity to participate in recreation, religious services, arts and crafts and basic educational preparation.

WEST TENNESSEE DETENTION FACILITY

In September 1990, CCA opened the first private detention facility dedicated to exclusive use by the U.S. Marshals Service. The 256-bed West Tennessee Detention Facility, located in Mason, Tennessee, houses minimum- to medium-security male prisoners in U.S. Marshals Service custody.

Designed, built and financed by CCA, the 71,000 SF detention facility contains classrooms, a kitchen, a commissary, a gymnasium, an outdoor recreation yard, a library, a medical department, contact and non-contact visitation and administrative/support space. Prisoners are housed in 4 medium-security, double-celled living units and 2 minimum-security dormitories. The facility employs a staff of 82, hired and trained by CCA.

CCA's responsibilities include providing security, transportation, visitation, recreation, clothing, laundry, medical and food service. Counselors supervise individual and group substance abuse programs as well as providing living skills classes and basic counseling services. CCA coordinates community volunteer and religious services at the facility.

Prisoners may participate in indoor and outdoor recreation, visitation, counseling and library services. A facility work program allows prisoners to gain culinary, landscaping, maintenance, and janitorial experience while incarcerated.

Accreditation team praises women's pen

By Dave McDonald
Beacon staff writer

New Mexico Women's Correctional Facility, which opened on Grants' far eastside in 1989 with a staff that is 90 percent local, has been rated nearly perfect in all respects -- and may be one of the best run, best maintained prisons in the country.

A special three-person accreditation team from the Maryland-based American Correctional Association studied every aspect of the prison operation during an intensive two-day audit and inspection Monday and Tuesday. The association, which bills itself as "a multidisciplinary organization consisting of correctional professionals, individual agencies and organizations involved in the entire spectrum of correctional activities," is the arbiter and watchdog of prison standards nationwide.

CCA's Grants facility was rated by the team on 495 standards.

The prison scored 100 percent on mandatory standards and 99.2 percent on non-mandatory items, said ACA accreditation team chairman Sigmund L. "Sig" Fine. Fine is director of the Adult Corrections Department

for the State of Minnesota.

Of the 495 standards, NMWCF only failed to rate 100 percent on four "and they were mechanical," Fine said. Noise levels in the living quarters were slightly higher than mandated, he said, because of the design of the air conditioning equipment.

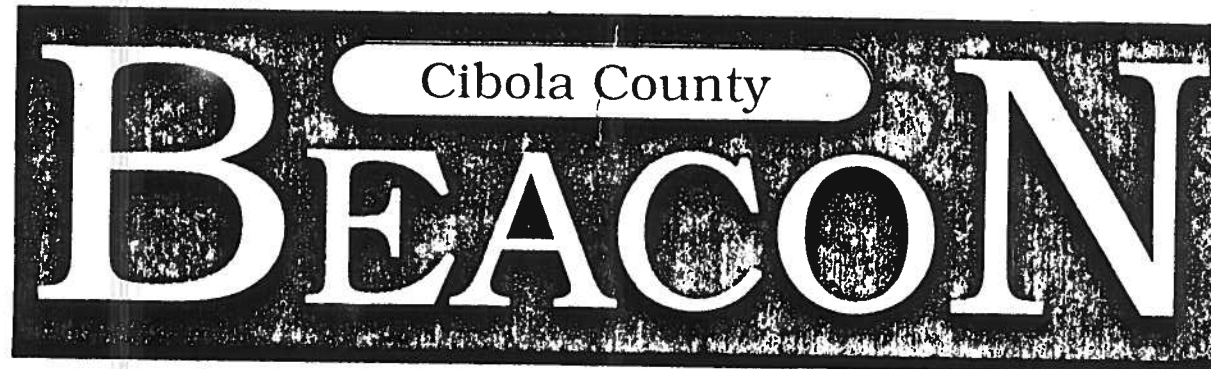
Warden Sharon L. Johnson said changes to the equipment already are under way.

The warden gave credit to the facility's 110-member staff for the prison's stellar rating, singling out Assistant Warden Tom Newton and Maintenance Supervisor Robert Cook for special mention and calling the entire staff "the epitome of correctional excellence."

James A. Gondles Jr., ACA executive director-designee and another member of the team, called the prison "the brightest, the cleanest -- and for the most part, the happiest" correctional institution he has seen, adding that he was "impressed with the professionalism of the staff."

"This can meet any correctional institution in the nation -- for men or women -- head-on," Gondles told the CCA staff Wednesday as the survey re-

Continued on Page 2



Friday, March 1, 1991 Grants, New Mexico 87020

Prison

Continued from Page 1
sults were released.

Gondles said it was his first experience with a private-sector correctional facility. NMWCF, the state's only full-service women's prison, was designed, built and is run by Nashville-based Corrections Corporation of America under contract with the state Department of Corrections.

The corporation runs 22 correctional facilities nationwide and in Europe and Australia.

The third member of the evaluation team, Marilyn Waldenville, is ACA coordinator for the Division of Programs and Services for the Oklahoma Department of Corrections.

Waldenville said it was the

first facility she had audited where there were no complaints about medical treatment or services.

She singled out NMWCF's educational programs for special mention. "You are developing real job skills to take out into the community," Waldenville said.

She noted the prison's "active volunteer program" and urged expansion of it.

She, like Gondles, also urged expansion of the prison's work-release program.

The survey team's findings now will be sent to a special accreditation committee of the ACA and formal accreditation should come in about three months, Fine said.

Filed for Introduction on 2/14/91

HOUSE BILL No. 1261

by

Purcell, Naifeh.

AN ACT relative to the Private Prison Contracting Act of 1986 and to amend Tennessee Code Annotated, Title 41, Chapter 24.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE

Section 1. Tennessee Code Annotated, Section 41-24-103 (c) is amended by deleting it in its entirety and by substituting instead the following

(c) A contract for correctional services as defined in Section 41-24-102(2)(F) is authorized only for medium security or minimum security facilities opened after July 1, 1990, and only according to the requirements and procedures specified in this chapter. Provided, however, no such contract shall be authorized for a facility intended primarily to serve special needs inmates.

Section 2. Tennessee Code Annotated, Section 41-24-104 is amended by deleting subsection (c) and by substituting instead the following:

(c) No award of any such contract shall be made unless an acceptable proposal is received pursuant to any request for proposal. An "acceptable" proposal means a proposal which meets all the requirements and/or conditions set forth in this chapter and meets all the requirements in the request for proposal. No proposal shall be accepted unless such proposal offers a level and quality of services which are at least equal to those which would be provided by the state. The select oversight committee on corrections, or any other committee designated by the speaker of the house and the speaker of the senate, shall review the proposals and shall advise the persons listed in subdivision (a)(1) of this section of the level and quality of services proposed.

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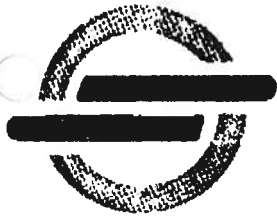
Section 3. Tennessee Code Annotated, Section 41-24-105 (e), is amended by deleting the language, "select oversight committee on corrections", and by substituting instead the language, "select oversight committee on corrections, or any other committee designated by the speaker of the house and the speaker of the senate".

Section 4: Tennessee Code Annotated, Section 41-24-105 (f), is amended by deleting the language, "fiscal review committee", and by substituting instead the language, "fiscal review committee, or any other committee designated by the speaker of the house and the speaker of the senate".

Section 5. Tennessee Code Annotated, Section 41-24-114, is amended by deleting it in its entirety.

Section 6. This act shall take effect upon becoming a law, the public welfare requiring it.

Spitzer



THE PENNSYLVANIA PRISON SOCIETY

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TESTIMONY BEFORE PENNSYLVANIA HOUSE JUDICIARY COMMITTEE HEARING ON PRIVATE PRISONS

March 14, 1991
Ann Schwartzman
Associate Executive Director/Advocacy



My name is Ann Schwartzman, and I am the Associate Executive Director of the Pennsylvania Prison Society. On behalf of the Society, I appreciate the opportunity to appear today to testify on the issue of private prisons.

Privatization may, at first glance, appear to be an attractive alternative to current prison overcrowding problems. Those in favor suggest that it is a cheaper way to incarcerate and that building new facilities is much quicker. Opponents, however, disagree. Not only is the financial issue in question, but legal and ethical issues also are raised. Who, for example, is ultimately responsible for the facility or the inmates or the employees? If profit is the motivating factor, will programs be cut? Will inmates be kept longer? Should correctional officers have weapons? Should corporate officials decide where prisoners will be housed or what food they will be served? Should employees be able to unionize or strike? Should the government allow private citizens to punish offenders? These and other questions are the root of the debate over privatization.

The Prison Society has been and continues to be opposed to private for profit prisons. We have taken this position due to four primary issues including:

1. Ethical: Historically, the abridgement of an individual's rights and liberty has been the primary responsibility of the state. Should the enforcement of this sanction be delegated to a

private company? Can it? "One must wonder about the kind of statement a government is making about itself when, after invoking its mechanisms of social control, it turns the convicted offender over to a profit-making firm to administer its punishment," Mark Cunniff, executive director of the National Association of Criminal Justice Planners, wrote in a critique of private prisons. "Does a government that does not trust itself to administer one of its most basic functions deserve its citizens' trust and support?" An editorial in the St. Petersburg Times (1/6/90) stated "As an act of public policy, turning criminal justice over to profiteers in economically and morally bankrupt."

2. Legal: The contractual agreement between the federal, state, or county authority and the private corporation is of crucial significance. Although companies claim they have sole legal liability in case of a suit, the recent U.S. Supreme Court decision in West v. Atkins indicates that the government authority does maintain responsibility. Other legal and practical questions include: Can private companies refuse to accept certain inmates?

3. Financial: The possibility exists that private vendors will operate in a manner similar to defense department contractors--underbid initially and then return several years later claiming they need increased public funding. In addition, and of central importance, will the economic motives conflict with the goal of

providing decent conditions for the incarcerated? Will services, treatment, or programs be cut to some money for corporate profits? Will offenders be encouraged to recidivate to keep the private prisons filled? Privatized medical care already exists in many county jails and state prisons in PA. In one example, Dr. Thomas Ford Brewer, a physician in the Commonwealth's privatized medical care in corrections, stated "I think all of us had that concern, yes." When asked in a telephone deposition January 17, 1990. "Do you have any concerns that private-for-profit providers of medical services may be reluctant to provide such (AIDS care at \$16,000 per person per year), given its cost, to inmates?"

4. Public Input: Elected officials may resort to private sector financing in order to circumvent less flexible public bond questions. For example, if Shearson-Lehman builds a prison, which circumvents the need for electoral referenda, open discussion and democratic decision-making on important policy issues will be thwarted. Will corporate lobbying outweigh current criminal justice policy?

The debate over privatization in corrections in PA has been going on for at least six years. Legislation has been introduced in previous sessions providing for the regulation and licensing of private prisons, private prisons for special needs offenders, and

now, draft legislation soon to be offered calling for private prisons for low risk county offenders.

In previous sessions, the legislation was halted by outstanding, unanswered questions. The legislation that was enacted on this issue was the 1986 Private Prison Moratorium and Study Act (Act 19 of 1986) which effectively suspended privatization by putting in place a moratorium, restrictions on operating private prisons in PA, and a legislative task force study on the issue.

The moratorium was enacted following the 268 Center fiasco in Armstrong County where 55 Washington D.C. inmates were to be incarcerated in the private 268 Center. The business dealers neglected to contact or seek approval of the governor and other PA officials, and the situation was further complicated by the groundswell of community opposition. A court order to block the deal was signed and the 55 inmates were sent away. The 268 Center filed for bankruptcy shortly after this incident.

Since that time, the debate has continued, and so have the questions and the concerns. John D. Donahue from the John F. Kennedy School of Government at Harvard University wrote "The Privatization Decision," concerning privatization issues and problems in four areas--military procurement, state and local contracting for a variety of services, prison management, and job training. Regarding prisons, he states, "What are the prospects

for private prison management? The potential cost savings seem modest. There is little room for radical technical improvements in the business of locking people up. The cost of labor probably cannot be reduced by very much without lowering the quality of the workforce." In a New York Times book review by Robert Heilbroner (12/17/89), he comments that privatization of prisons is negative overall.

Evaluation of current privatization projects is important. But there are obstacles to evaluation Alexis M. Durham III cites some of them in the June 1988 issue of Federal Probation-Evaluating Privatized Correctional Institutions: Obstacles to Effective Assessment. Difficulties are numerous and are shown as the result of pressures already experienced by the correctional system. One such problem is that overcrowding creates interest in the speedy adoption of private initiatives--perhaps too quickly without necessary long-range planning. Staff reluctance to cooperate with evaluating data collection reflects the economic structure which is characteristic of private enterprise operations; in other words, the closed secretive environment of the corporation seeking profits. Hidden costs may also appear when evaluations are conducted with adequate attention given to the full operation. This has, unfortunately, not been Durham's experience.

The current draft legislation includes some necessary safeguards, but the question remains as to whether they are adequate. The Kansas Department of Corrections canceled its contract with a private contractor -- VIP Companies of Oklahoma on July 31, 1989. The contractor had been running Community Residential Centers for low risk offenders in Topeka and Wichita. The Department of Corrections found deficiencies which were uncovered in an audit that were not remedied by VIP by the deadline. The Department then hired 60 new employees to run the centers. Temporarily, inmates were relocated, but only until the Department assumed VIP's lease and made renovations to house 200 inmates. Kansas witnessed first hand an expensive mistake.

The Prison Society is appreciative of the interest and concern of the House Judiciary Committee in the overcrowding crisis. In spite of unprecedented construction with unprecedented expenditures, the system will remain overcrowded. Solutions such as those suggested by the Sentencing Project, including amending or repealing mandatory sentences (especially for low-risk offenders), shifting the war on drugs from law enforcement to treatment and public health, shortening sentences by early release, increasing quality treatment and programs, redirecting police efforts to "community policing" (in an effort to address problems before they become crises), and a greater use of alternatives or intermediate

punishments should be examined and employed, not prisons for profit. The profit notice can only distort the future of a system that is already stretched beyond capacity. Stockholders may be pleased, but will the public?