

Background information for the Private Prison Update:

1. Private & Public Prisons - Studies Comparing Operations & Other Costs (Compiled from sources listed in the Bibliography) This is a summary of the studies available attempting to compare the costs of private vs public prison costs.
2. Pros & Cons of Private Prisons-Ideological Arguments (Compiled from sources listed in the Bibliography) This is a summary of the philosophical reasons to support or oppose the use of private prisons.
3. Executive Summary and Forward, to *Emerging Issues on Privatized Prisons*. These are from a comprehensive review by the National Council on Crime and Delinquency on private prisons.
4. Chapter I and Chapter 11 of *Emerging Issues on Privatized Prisons* (See above)
5. Budget Brief-Stanley Prison Purchase (WI Legis. Ref. Bureau) This explains the legislative experience of the private prison construction in Wisconsin.
6. *Milwaukee Journal-Sentinel* Article on Stanley Prison. This article describes the actual experience of private prison development in the state.
7. Campaign Finance Profile for Wisconsin Democracy Campaign for Corrections Corp. of America and Wisconsin State Employees Union. These are copies of contributions made by parties involved in the private prison decisions.
8. Reason Public Policy Institute article on Private Prisons. This is an article by a think tank supporting private prisons.
9. Covert Quarterly article on Private Prisons. This is an article by a group opposed to private prisons.
10. List of Correctional Facilities in Wisconsin. Information from the DOC.
11. Questions and Answers about Wisconsin Prisons. Information from contacts at DOC.

Discussion Questions

1. In reviewing the philosophical pros and cons of private prisons which do you rate as valid or questionable? What others should be included?
2. In reviewing the economic pros and cons of private prisons which do you rate as valid or questionable? What others should be included?

Consensus Question

Do you support or oppose the use of private correctional facilities in Wisconsin? Why?

PRIVATE AND PUBLIC PRISONS - STUDIES COMPARING OPERATIONAL AND OTHER COSTS

Proponents of privatization believe that private contractors can operate prisons at less cost than the government, without reducing the levels or quality of service. Others

involved in the corrections field, say there is very little or no real evidence that privatizing corrections will ensure a cost savings compared to publicly run facilities. Public prisons account for over 95 percent of the prison beds in the U.S., and considering the recent surge in private prison building, there needs to be a careful review of the advantages and disadvantages of each system.

Documents from the Government Accounting Office (1996), Federal Bureau of Prisons (1999) and the State of Florida, Office of Program Policy Analysis (1997) reviewing studies comparing public and private prisons suggest that more study is needed to reach valid conclusions in comparing the two types of facilities.

In order to compare private and public prisons the analysis should be based on similar facilities. The problem cited by all studies is that there is no uniform comparison available. The comparison should be based on similarities of design, capacity, security level and types of inmates. Otherwise, any comparison of costs or quality of service will be invalid. For instance, higher security prisons generally have higher operating costs than lower security prisons because of the higher staff-to-inmate ratios for high security institutions. Facilities operating at 90% of capacity are more expensive than those operating at 130% of capacity.

Comparing quality of service can be more difficult than comparing costs. For example, the American Correctional Association (ACA) sets accreditation standards for prisons, yet accredited facilities can vary widely in terms of overall quality. According to these officials, these variances occur because ACA accreditation means that a facility has met minimum standards.

Four of the five studies reviewed by the GAO assessed operational costs of the two types of correctional facilities and there was little or no indication of differences in operational costs. In one study the costs of the existing private prison was substantially lower but the comparison was to a hypothetical public prison and the methodology was questioned. However, a more recent study in Louisiana (1996) did show some cost savings in the operation of a comparable private vs. public prison. The conclusion of these studies is similar: valid comparisons need to be made on prisons of similar size, location, types of inmates and programs offered. That information is not available yet.

It might be useful to review some of the purported **economic pro and cons** of public and private prisons:

- A) **Pro** privatization argues that the normal operation of a free market insures that only service providers who provide a quality product at a competitive market price will survive.

Fall 2002

Con privatization notes that two corporations (Coffecbons C- orporation of America and Wackenhut Corrections Corporation) control over 70% of the market.

B) **Pro** privatization argues that -a free market introduces discipline and efficiency through the mechanisms of supply and demand.

Con priv;@UI@itibih ftu6t the firrt a-nd foremost g@Yal of a private prison is to -generate a profit for shareholders of the company.

C) **Pro** privatization argues that publi, prisons are more labor intensive than necessary and those workers are unionized and not dedicated or known for their zeal.

Con privatization argues ftt thb@o wbrko-tt are lower oa@id and less skilled.

D) **Pro** privatization argues the private firms have cost reduction opportunities to design and build facilities.

Con privatization, argues designs tO iM-pr6VO prigo- n efficiencies, whether public or private sector, can be used by everyone for prison construction.

PROS AND CONS OF PRIVATE PRISONS - IDEOLOGICAL ARGUMENTS

(Prepared by members of the Corrections Committee based on information gathered from the complete bibliography)

Since research on the relative economic efficiency of private vs. public prisons is as yet inconclusive, the debate is frequently carried on at the ideological, or theoretical level. Those opposed to privatization of prisons often place more emphasis on these arguments.

The General Argument:

Certain functions of government that are a nation's primary responsibility toward its citizens should be carried out by the state, and not be contracted out to private individuals or groups. Such, for example, is national defense. U.S. citizens would not consider allowing the government to contract out our military forces to privately run, for profit, armies, navies or air forces. The same could be said for our local defenses, our police forces and corrections facilities. One of the primary functions of our system of corrections is to ensure public safety. The state should run and control every aspect of its corrections system

A) **CON:** The most extreme sentence against an individual that the state can exact, besides the death penalty, is depriving him/her of personal freedom. Responsibility for carrying out the terms of imprisonment should rest with the state...This responsibility should not be turned over to private individuals or corporations.

PRO: The government should not have a monopoly of services to its citizens, in prisons as well as in other community services. Private companies have successfully run a number of government services, such as water utilities, health, sanitation, and education.

B) **CON:** The state has a larger concern with the successful rehabilitation of the prisoner, so that when he/she returns to the community the former prisoner will not be a danger to society, but rather have become a better citizen, less likely to end up in prison again. A corporation has little stake in rehabilitation, or in the health

of society as a whole.

PRO: Private institutions have more flexibility in treatment, including faith-based alternatives, than public institutions, which are bound by numerous laws, rules and regulations.

C) **CON:** In carrying out its contract with the state regarding treatment of prisoners in its facility, a private prison company is primarily interested in making a profit for the company, not in the treatment of the prisoners. The temptation to cut corners is greater.

PRO: Private prisons do not have to carry the weight of excessive state bureaucracy, union contracts, and state employee fringe benefits. They can maintain quality with less expense.

D) **CON:** Taxpayers pay the costs of both public and private prisons. Adding a layer of profit to the other costs of prisons does not make them less expensive for the taxpayer, other things being equal, such as the cost of safety, personnel, supplies, programs, maintenance, etc.

PRO: Even if they do not cost less, private prisons provide jobs where they are located and market opportunities for those selling products to them, thus benefiting the general economy of the locality and the state..

E) **CON:** Public prisons, like all public institutions, are open to public scrutiny. Privately run prisons are less open to public oversight, less transparent. Infringements of contracts are difficult to correct.

PRO: States contracting out the operation of prisons to private companies inspect to be sure the contracted services are being implemented. A good contract ensures the desired services.

F) **CON:** The state has an incentive to decrease the prison population, thus saving expense and taxes. The private prison company has an incentive to increase the prison population, thus increasing their profits. They develop powerful lobbies to influence public policy.

PRO: The prison company does not determine the laws under which criminals are sentenced - the legislature does. Laws placing more law-breakers behind bars for more time and less serious offenses reflect a reaction to the public outcry against crime, not the wishes of private companies.

Fall 2002

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LVVMI Interviews with Past and Present Employees of the Wisconsin Department of Corrections (dates?)