

PRIVATIZATION OF CORRECTIONAL OPERATIONS & SERVICES

AN UNNECESSARY AND HARMFUL ALTERNATIVE

INTRODUCTION

With the current budget crisis and economic recession, Texas lawmakers have shown increased interest in privatizing prisons and state jails. Cost savings are often the justifications for privatization proposals, and the private prison industry spends vast resources to create the illusion that private prisons are a positive investment for the state.

Private prison companies have argued that their prisons can be a quick fix to deteriorating local economies. Accepting and implementing the industry's rhetoric, however, will be detrimental for Texas' economy, including for local prison host communities. Legislators who are serious about cutting costs from the criminal justice budget should look toward community supervision and alternatives to incarceration. Keeping people who are not a danger to the community out of prison is a more effective cost-saving strategy for Texas.

PRIVATE PRISONS WASTE TAXPAYER DOLLARS

Numerous studies have documented the fact that public prisons are as cost effective, and at times more so, than private prison operators. The U.S. Department of Justice and the U.S. General Accounting Office have shown that private prisons yield little or no long-term savings,¹ and an academic meta-analysis showed that "cost savings from privatizing prisons are not guaranteed and appear minimal."² Further, private prisons have higher recidivism rates, generating long-term costs.³ Publicly managed facilities, on the other hand, deliver better skills training, vocation classes, and substance abuse treatment, and they have fewer inmate grievances.⁴ Since skills training and education lower recidivism rates, and because lower inmate grievances lead to less paperwork and potential liability, publicly managed facilities could lead to cost savings in the long run.

It should be noted that private prisons can offer reduced *short-term* costs. However, **these savings are often the result of substandard conditions for employees.**⁵ This conclusion was mentioned in a recent study by the Florida Center for Fiscal and Economic Responsibility,⁶ which agreed with similar findings in an earlier study from the Colorado Criminal Justice Reform Coalition (CCJRC).⁷ Specifically, the CCJRC found that the rate of employee training was lower in private prisons.⁸

The single most cost-saving measure for criminal justice is to reduce the incarceration rate of people who are not a threat to the community. Studies have shown recidivism rates go down for individuals with nonviolent offenses when less costly options, such as community supervision, are utilized.⁹

PRIVATIZATION HARMS LOCAL ECONOMIES

When looking at the effects of privatization on the communities where new prisons are built, there is also evidence that moving operations to the private sector could negatively affect local economies. A literature review by the Detention Watch Network found four academic studies that analyzed the economic effects of prison expansion on host communities (using indicators such as unemployment and education rates, per capita income, etc.). In some cases, communities suffered increased job loss and long-term economic recession relative to communities without new prisons.¹⁰

Similarly, National Public Radio investigated this phenomenon and found incidents in which private prison corporations contracted with local governments then deserted their host communities, leaving the

communities in debt and with empty prisons.¹¹ In these cases, taxpayers pay nothing at the onset; however, if the prison is not filled, for-profit companies are able to break their contract, leaving the towns with the burden of paying for the facilities.¹² Oftentimes, the local communities cannot pay their debts and end up defaulting on bonds or lowering their rating to the point where they must increase city taxes, lay off employees, and forgo the purchase of needed city items such as new police cars.¹³

PRIVATE PRISON OPERATORS CUT CORNERS, HARMING WORKERS AND INMATES AT STATE EXPENSE

The short-term cost-saving measures associated with private prisons (*discussed above*) result in harmful conditions for both workers and inmates. Private prisons have higher employee turnover rates, due to lower wages, lower levels of training, and higher risks.¹⁴ In fact, the Senate Criminal Justice Committee's Interim Report to the 81st Texas Legislature indicated a 90% turnover rate in Texas' private prisons, while the Texas Department of Criminal Justice (TDCJ) experienced a 24% turnover rate.¹⁵ According to neutral testimony offered by TDCJ Director Brad Livingston at a House Corrections hearing, the only cost savings from prison privatization result from cuts to salaries and benefits to state employees.¹⁶ Employees in private prisons also experience inferior working conditions to those in publicly managed facilities. Prison employees have stated that private prisons offer unsafe work environments.¹⁷

Private prisons also provide inmates with poorer conditions of confinement, including inferior medical care, and they often limit the number of special-needs detainees in their facilities. By purposefully limiting special-needs beds, private prisons offload inmates requiring expensive medical care to the state system, at state expense. Further, poor medical care means poor preventative care as well, once again costing the state more for medical care in the long run.¹⁸

As public facilities become privatized, employees are also laid off, especially those with seniority, causing higher unemployment and more reliance on state services.¹⁹ This reliance puts stress on state finances in a different sector. Therefore, **the supposed short-term cost saving methods of private prisons in many ways merely shift costs to a different area of state services, effectively canceling any correctional savings.** For example, one study showed an increased poverty rate in private prison host communities and another showed a direct correlation between prison expansion and social service use.²⁰

PRIVATIZATION UNDERMINES PRISON SAFETY

In addition to offering inferior inmate medical care and special-needs services, private prison corporations have a poor track record in prison safety. According to the Department of Justice, private prisons experience 49% more assaults on staff and 65% more inmate-on-inmate assaults than their public counterparts.²¹ Additionally, the Bureau of Prisons concluded that private facilities have higher incidences of escape, disturbance, and drug use.²² In conjunction with a higher level of danger for workers, there is a higher level of danger for inmates.

The degree of scandal surrounding private prison facilities has magnified their unconscionable track record. For example, the privatization of the Travis State Jail led to a sex scandal and 12 assaults in two years. The Wackenhut Corporation racked up \$625,000 in fines relating to staff.²³ Ultimately, the Travis County Sheriff openly admitted that the facility was understaffed, existing staff were underpaid, and the prison was poorly run.²⁴ Since 1996, there have been at least 145 recorded private prison scandals in Texas' adult facilities alone, including abuse of inmates, guards smuggling contraband, and multiple sexual assault cases.²⁵ As private prison cost-cutting continues to undermine safety for employees and inmates, the conditions remain ripe for corruption, poor working conditions, and inmate abuse.

PRIVATE PRISONS UNDERMINE ACCOUNTABILITY AND DEMOCRACY

Privatization partially removes the government as an integral part of the accountability system in Texas. When vital social institutions become business opportunities and limited transparency exists in the process, economic interests often outrival social welfare. This can lead to a dynamic in which private prison companies have an economic interest in high crime rates and incarceration, as opposed to low crime rates and public safety. For example, in publicly operated facilities, the government has the right to remove wardens and demand prison transparency and accountability. The government has no such authority in private prisons. While this power is rarely used, its potential is necessary.²⁶

Additionally, private prisons leave room for legal loopholes. For example, it was recently discovered in Florida that sexual assault punishment only applied to public facilities. The lack of accountability and oversight in Florida's prisons had dire consequences; these mistakes could be repeated in Texas.²⁷

PRIVATE PRISON EXPANSION CAUSES POLITICAL BACKLASH

Supporting privately operated jails, prisons, and detention centers has proven to be a risky decision for political reasons. Numerous religious and grassroots organizations, as well as labor unions, have taken stands against private prisons and detention centers.²⁸ Nationally, political pressure also exists to resist prison privatization. For example, Ohio's governor unleashed a plan to sell five state prisons and was met with backlash from the community, including through the release of two reports predicting devastating long-term effects of privatization.²⁹ Additionally, over the last few years, severe media scrutiny has exposed the relationship between legislators and the private prison industry.³⁰ It is too soon to tell, but images of legislators who receive perks from private prison corporations could cost elected officials credibility with their constituents.

Many states have begun to end their contractual relationships with private prison companies, and lawmakers have had to reverse policies they originally supported.³¹ Below are some examples of what other states are experiencing:

- Florida established a privatization commission that failed to prove that private facilities saved money, and thus it returned some facilities to public operations.³² Texas has had similar experiences in the past.
- Louisiana Governor Bobby Jindal received such intense political pressure and public criticism for his plan to privatize three LA state prisons that he was forced to freeze his proposals.³³
- Ohio is currently seeing resistance to private prisons at the local level.³⁴

Privatization is a serious political decision. Lawmakers should avoid supporting corporations that erode the trust between constituents and elected governmental representatives.

PRIVATIZING MEDICAL CARE HAS SERIOUS AND HARMFUL CONSEQUENCES

In recent years, Texas legislators have been looking toward privatization of medical care in public jails and prisons as a quick fix to the out-of-control criminal justice budget. However, other states have found that privatizing medical services will not lead to significant cost-savings. In fact, in South Carolina, privatized prison medical care actually raised the cost of medical care.³⁵ Furthermore, TDCJ has already found that **private vendors tend to offer unreasonably low bids before raising prices in the future.**³⁶

Lawsuits against private vendors are also common. Numerous successful lawsuits and judgments have been costly to private prison health companies and governments alike. A lawsuit against one private vendor,

Physicians Network Association, and Reeves County, Texas, was filed after an epileptic man died alone in his cell after being denied medication and having seizures for hours.³⁷ Corrections Medical Services (CMS), the largest private provider of correctional medical care in the country, has also been involved in countless scandals and lawsuits. Below are a few examples:

- North Carolina has prosecuted CMS for involuntary manslaughter stemming from short-staffing, which resulted in an inmate's death.³⁸
- In 1993, the U.S. Department of Justice's Civil Rights Division cited CMS for providing "grossly inadequate" care at Virginia's Norfolk County Jail; from 1981-1994, the company paid out \$4.1 million in indemnity claims.³⁹
- In 1997 alone, CMS had 500 suits pending against it throughout the country.⁴⁰
- Inmates in Youngstown, Ohio won a \$1.5 million judgment against CMS for a variety of medical care abuses.⁴¹
- Two recently published long-term studies of the Michigan prison health care system, prompted by a string of inmate deaths and lawsuits, concluded that CMS was providing inadequate care for inmates.⁴² One year after the reports were published, Michigan terminated its contract with CMS.⁴³ The Michigan Department of Corrections has since been contracting for three-year terms with other private medical providers but the systemic issues surrounding privatization are still prevalent.⁴⁴
- Dozens of lawsuits have been filed against CMS by the ACLU, the NAACP, the UAW (representing public correctional officers in Michigan), the Southern Poverty Law Center, and lawyers hired privately by inmates' families.⁴⁵ The ACLU has also notified several state correctional departments about gross deficiencies in privatized prison health care.⁴⁶

Numerous examples of problems with private medical providers for prisons exist, and CMS is not the only company involved in cases of death, neglect, and abuse.

CONCLUSION

Policy-makers have no need to rush into the privatization of operations or medical services in Texas' prisons, jails, and/or detention centers. Texas lawmakers should examine every factor when it comes to making sweeping decisions that could be detrimental to the state, both on an economic and social level. Further, legislators who are serious about reducing the cost of corrections should look to long-term cost-saving measures such as reducing the number of inmates who are not a danger to society and decreasing reliance on the profit-driven private sector.

ENDNOTES

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