

# WHY DO GOVERNMENT ENTITIES CONTRACT WITH PRIVATE COMPANIES TO OPERATE PRISONS?

Privately operated prisons provide quality and cost efficiency

- MTC PRIVATE OPERATORS ARE ACCOUNTABLE TO THEIR GOVERNMENT PARTNERS.** Adherence to standards and requirements are mandated in prison operations contracts. Failure to live up to any governmental requirement comes at the cost of potentially losing the contract and the opportunity for future contracts.
- MTC ACCOUNTABILITY FOR PERFORMANCE IS MAINTAINED BY STRINGENT OVERSIGHT AND MONITORING.** Federal and state agencies deploy staff to monitor private prison operations daily. These public employees closely monitor the quality of the environment, the safety of the prison population, staff, and community, and the overall security of the prison.
- MTC PRIVATELY OPERATED PRISONS SAVE TAXPAYERS MONEY.** Nine states that currently have the highest number of inmates in privately operated prisons, published data which showed that contracted prison operations provide long-term cost savings of 12% to 58%, while maintaining at least the same quality as public prisons.<sup>1</sup>
- MTC PRIVATELY OPERATED PRISONS ACHIEVE A HIGH RATE OF ACCREDITATION BY THE AMERICAN CORRECTIONAL ASSOCIATION (ACA).** The ACA assesses services, programs, and operational procedures. More than 45% of privately operated prisons have attained ACA accreditation, while just over 10% of publicly operated organizations have done so.<sup>2</sup> MTC is seeking to accredit all of its facilities.
- MTC PRIVATELY OPERATED PRISONS ARE REQUIRED TO USE THE SAME ROBUST AND INTEGRATED REPORTING AND RECORD-KEEPING SYSTEMS AS THEIR PUBLIC COUNTERPARTS.** Government corrections officials continually monitor the number and type of incidents, offender behavior, offender participation rates in programs and services, provision of health care services, capacity utilization, and housing and segregation decisions.
- MTC STAFF TRAINING AND ELIGIBILITY REQUIREMENTS AT PRIVATELY OPERATED PRISONS ARE SET BY THE PUBLIC AGENCY, AND ARE MANDATED IN THE OPERATIONS CONTRACT.** Prison contracts mandate that staff at privately operated prisons receive exactly the same type and quality of training as staff at public institutions. In many cases, private prison staff are trained alongside their federal and state counterparts.
- MTC BOTH PUBLIC AND PRIVATELY OPERATED PRISONS CAN MAKE EACH OTHER BETTER.** Healthy competition between public and privately operated prisons spurs higher performance results as each entity learns from the other.

## PRISON GROWTH AND EXPENDITURES

- 1980 – 319,598 offenders  
\$18 billion in expenditures<sup>3</sup>
- 2009 – 1.6 million offenders  
\$80 billion in expenditures<sup>4</sup>

## CONSEQUENCES

- Significant overcrowding
- Significant financial burden

## SOLUTION

- Contracting with private companies to build, own, and/or operate prisons efficiently

## HOW DO PRIVATE PRISONS SAVE MONEY?

- Efficient procurement systems
- Less costly retirement savings programs
- Overtime reductions



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MTC advocates for contracting for performance. We encourage government entities to hold operators to the highest standards in terms of preparing offenders for successful transition to communities and in reducing recidivism.

## COMMON MYTHS AND FACTS

### MYTH 1: PRIVATE PRISON OPERATORS CUT COSTS BY REDUCING STAFFING.

**FACT:** Prison staffing levels are set by the state or federal corrections entity and are mandated in each prison operations contract. Levels are based on the number and type of positions required to maintain safety, and provide services specified for the facility. Vacant positions result in monetary offsets or liquidated damages imposed by our customer.<sup>5</sup>

### MYTH 2: PRIVATE PRISON OPERATORS LOBBY FOR LONGER SENTENCES.

**FACT:** Corrections companies have strict policies which prohibit lobbying for longer sentences and have no influence on arrest, conviction, or sentencing decisions. Research shows that the average length of an inmate sentence has remained stable since the late 1970s.<sup>6</sup>

### MYTH 3: PRIVATE PRISON OPERATORS DO NOT PROVIDE THE DEGREE OF SAFETY AND SECURITY THAT PUBLICLY OPERATED PRISONS PROVIDE.

**FACT:** Public corrections agencies monitor the day-to-day operations at prisons to ensure a high degree of safety and security is provided. ACA also assesses safety and security as part of their accreditation process.

### MYTH 4: PRIVATELY OPERATED PRISONS GET THE YOUNGER, HEALTHY INMATES.

**FACT:** Government entities determine the placement of offenders. Contractors provide a safe, secure, environment and appropriate programming to all offenders.

### MYTH 5: PRIVATE PRISON OPERATORS CUT COSTS BY PAYING STAFF LOW WAGES.

**FACT:** Salaries for all staff at prisons operated for the federal corrections agencies are set by the government in accordance with the Service Contract Act.<sup>7</sup> Wages at state prisons are determined by a review of wages and salaries paid at publicly operated correctional facilities, and a comparative wage analysis for similar positions in the local community.

### MYTH 6: PRIVATE PRISON OPERATORS PROVIDE INFERIOR STAFF TRAINING.

**FACT:** Private prison operators provide the same pre-service and in-service training as their public counterparts. Staff training requirements are specified in contracts.

### MYTH 7: PRIVATE PRISON OPERATORS REDUCE COSTS BY CUTTING SERVICES AND PROGRAMS FOR INMATES.

**FACT:** Public corrections agencies monitor the day-to-day operations at prisons to ensure contract compliance. Any deviation from the contract will result in sanctions and a potential for loss of the contract.

### MYTH 8: IT IS NOT ETHICAL FOR PRIVATE COMPANIES TO MAKE PROFITS ON INCARCERATED INDIVIDUALS.

**FACT:** Government entities have contracted with companies for years to provide education, health care, mental health, security, food, and other services to citizens with great success. Contracting with companies to operate prisons has been equally successful. In the U.S., 37 states and the federal government have contracted with private companies to operate prisons because of the cost savings and the quality of services provided.

### MYTH 9: MINORITIES ARE DISPROPORTIONATELY SENT TO PRIVATELY OPERATED PRISONS

**FACT:** Government entities determine the placement of offenders at correctional facilities.

### MYTH 10: PRIVATELY OPERATED PRISONS PROVIDE SUBSTANDARD CONDITIONS.

**FACT:** Public corrections agencies utilize on-site monitors to oversee the day-to-day operations at prisons thereby ensuring an acceptable degree of cleanliness, proper maintenance, and upkeep.

### MYTH 11: THE 2013 COST COMPARISON STUDY ON PRIVATIZATION IS NOT VALID.

**FACT:** The economics professors from Temple University analyzed published, *public* cost data from nine sites that showed a 12%-58% cost savings.

### MYTH 12: MEDICAL CARE IS INFERIOR IN PRIVATELY OPERATED PRISONS.

**FACT:** Public corrections agencies monitor the day-to-day operations at prisons to ensure medical care at privately-operated prisons meets or exceeds medical standards. One MTC medical facility is accredited by The National Commission on Correctional Health Care and others are in the process of obtaining this accreditation.

#### REFERENCES:

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3. U.S. Department of Justice, Bureau of Justice Statistics, "Prisoners in 2012 – Advance Counts" July 25, 2013
4. The National Association of State Budget Officers, "State Spending for Corrections: Long-Term Trends and Recent Criminal Justice Policy Reforms," <https://www.nasbo.org/publications-data/issue-briefs/state-spending-corrections>
5. STATE OF ARIZONA-NOTICE OF REQUEST FOR PROPOSAL- ADOC 13-00002734/130052DC, Issued May 21, 2013
6. Pfaff, John F. "The Micro and Macro Causes of Prison Growth" Georgia State University Law Review, Volume 28, Issue 4
7. U.S. Department of Labor, Compliance Assistance, By Law, The McNamara-O'Hara Service Contract Act (SCA) <http://www.dol.gov/compliance/laws/comp-sca.htm>