

News from Around the State

Organizational Update



Does Privatization Work?

Every level of government is looking for ways to cut cost. A growing number are considering “Privatization”—better known as the outsourcing of traditional governmental functions to the private sector.

Every legislative session the Florida PBA sees an attempt by the proponents of prison privatization who claim that companies like GEO and Corrections Corporation of America can operate prisons less expensively than the Department of Corrections. They promise to do the same job of control and custody of inmates for a fraction of what the state currently spends to house them. Last year, it was Suwannee Correctional Institution that their lobbyists tried to persuade state lawmakers to privatize in the waning moments of the legislative session. The Florida PBA, ever vigilant to these types of last minute tactics, was able to prevent that from happening.

This year will be no different, because the state is once again projecting revenue shortfalls in the billions of dollars. The lobbyists of those companies will be working harder than ever to privatize Florida’s correctional institutions.

Does privatization really work? Do these for-profit corporations really save the taxpayer 20 percent on the operation of a state correctional facility? All one has to do to find the answer to these questions is go on the internet and Google “Prison Privatization.” You get back over 38,000 hits containing studies, position papers, court rulings, etc.

There are numerous studies showing little or no cost differences between public and private prisons. Here’s a sampling of what I found:

- In 1998, the Tennessee Legislature compared the cost of having a for-profit company run one of its institutions with the costs of two comparable state institutions. The result was little difference in total cost between the three prisons.
- Florida conducted a comparison of the CCA-operated Bay Correctional Facility with Lawtey Correctional Institution. The comparison showed that the private facility cost the state 10 cents more per inmate per day.
- The University of Cincinnati analyzed 33 cost comparisons between public and private prisons from 24 independent studies—revealing that private prisons were no more cost-effective than public prisons.

This is just a small example of what I found showing that the promises of big savings the proponents make, when trying to persuade our lawmakers to privatize state correctional institutions, won’t happen. You would think

that the statistical data would prevent the further privatization of this vital core function of government.

In the few cases that I found where the private prisons did turn a modest two to three percent profit, it was as a result of a contract that allowed them to cherry-pick inmates who are already the cheapest to house – low-security with no medical, disciplinary or mental health problems. The contracts also cap health care expenses and transportation costs—an environment that can’t be replicated at a state run institution.

So it’s clear that privatization is not the answer to saving taxpayers money. It’s just a shell game that promises a windfall that never materializes. Even in the best of circumstances, the savings are minimal. But the potential risks (riots or escapes) far outweigh any perceived or promised benefits.

On page 12 is an article about the state of Arizona’s attempt to privatize its entire state correctional system. That’s right. Arizona is going to privatize death row and super max lockdown units—something a for-profit corporation has never done. Can anybody spell unfunded liability?

Why in the world would a corporation, much less the state, agree to do that? It’s in the fine print of the bill...it requires the state to split the savings generated 50/50 with the corporation. That’s right—they’re going to give them 50% of the savings back. The bill also allows the corporation to increase how much they charge per inmate, per day, every year for the length of the contract, with no cap on how high they can go. I’m sure the privateers are ready to bid on this lucrative deal. Sounds like fuzzy math to me.

Bottom line is that in these difficult economic times where budgets continue to shrink, states are continuing to search for the proverbial magic bullet to get this economy turned around. Some of the things they are considering are almost comical. It’s our job to see to it that they don’t erode your rights and benefits in the process.

This year the Florida PBA’s number one priority is to protect your job from elimination. After three plus years of budget cuts, there are very few vacant or frozen positions managers can offer to reduce their budgets. The only things left are positions with real bodies in them. It’s our job to ensure that the core function (Public Safety) of government isn’t eroded any further by eliminating or privatizing law enforcement jobs. To do so puts those you’re charged with protecting and serving at risk—the citizens of the State of Florida. ■

Jim Wiggins
Director of Organizational Services

Please encourage non-members to join the 36,000 officers throughout Florida who belong to the Florida PBA!

Corrections Issues

In The News

New Prison Admission Estimates Drop

The Criminal Justice Estimating Conference of the Florida Legislature has revised its estimate of new prison admissions and overall offender population to reflect a decrease from its prior estimate. The conference is made up of staff from all pertinent committees for the Senate, House, Governor’s Office, the courts and the Department of Corrections. They meet quarterly to estimate the need for new prison beds.

If the state does not keep up with building prison beds, it risks the early release of inmates. If the state has too many beds, then it is wasting money on empty space that could have been used for other purposes. So the conference reports are very important for short-term and long-term planning by the Department of Corrections.

The revised estimate is good news because it means that there will be less pressure on the already strained budget and no new threats from the for-profit private prison industry for new private beds.

To give you some idea of how many fewer beds are needed, the conference is predicting just over 9,000 fewer beds will be needed by fiscal year 2013-14. This equates to six fewer prisons needing to be built. At estimates of \$120 million to build each prison, this means that state will save \$720 million. This does not include the estimated \$25 million per year in operating costs per prison.

If the downward trend continues, then the state might be able to turn its economic situation around and our members might see a pay raise and/or better benefits. ■



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