

Testimony – Kerry Korpi, Director of Research for AFSCME International
House Public Safety Policy and Finance Committee
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From a national perspective, the Minnesota corrections system stands out in a couple of ways:

- 1) By many measures, it is one of the best in the country.
- 2) Compared with other states, Minnesota so far makes very little use of private prisons.

Looking at corrections systems across the country, there are a number of measures on which Minnesota does well.

- Spending – Minnesota ranks 39th nationally in per capita spending on corrections. In terms of spending as a percent of personal income, it ranks 49th. Source: Sourcebook 2005, *Governing*
- Incarceration rate – In part, low spending is due to the fact that Minnesota has maintained a low rate of incarceration because of both its low crime rate and its extensive community programs. In 2004, with 8,613 inmates, it ranked 49th in the country. Source: Ibid
- Cost controls - Minnesota's inmate population is increasing, though. While many states are seeing slower growth in inmate populations, Minnesota's inmate population was the fastest growing in the country in 2004. At the same time, the DOC managed to bring its cost per inmate down by 12% between 1996 and 2004. Source – Population growth from Bureau of Justice Statistics, October, 2005. Cost data from Minnesota DOC Performance Report FY 2004
- Staffing – Since labor costs comprise about 65-70% of total prison costs, they are the most obvious place to cut corners and in fact private prisons do provide lower wages and benefits and have lower staffing than public prisons. Yet cutting corners leads to adverse consequences. In a job in which experience counts, Minnesota correctional facilities had a turnover rate of 9.5% in 2004 compared with a national average of 15.5 % among public facilities. In 2003, turnover in private prisons was 40.9%. Source – Wage and benefit information from *Emerging Issues on Privatized Prisons*, Bureau of Justice Assistance, February 2001. Public sector turnover rates from *2005 Directory of Adult and Juvenile Correctional Departments* (American Correctional Association). Private sector turnover rates from *The Prison Index* (Prison Policy Initiative, 2003)
- Outcomes – Cost and staff information is meaningless if a prison system does not equip prisoners with the skills and tools they need to return to society. Minnesota employs 12% of its inmates, more than double the national average. The percent of inmates idle is 14% compared with 40% nationally. This may help to explain why the three-year reincarceration rate in Minnesota is 33%. Nationally, over half of the 650,000 people released from state and federal prisons each year return

to prison within three years. The national study concluded that prisoners are not getting the help they need before they are released from prison. While recidivism rates are higher than they should be, compared with other states, Minnesota must be doing something right. Source – MN inmate statistics from Minnesota DOC. National figures, *Wall Street Journal*, January 14, 2005 reporting on Re-Entry Policy Council study

- Use of Private Prisons – As of 2004, 34 states and the federal government contracted with private facilities for almost 99,000 prison beds. Minnesota at that time had no contracts with private facilities. Minnesota now has several hundred prisoners at the Appleton facility and that number is planned to increase to 1,700 by 2007. By my estimate, that would mean around 20% of the state's inmates in this CCA facility. That would appear to make it the largest facility in the state.

Nationally, 5.6% of state prisoners were in private institutions in 2004. Minnesota, with its flagship prison system, would go from being a low user of private prisons to one of the highest. Source – Bureau of Justice Statistics, October 2005

This is dangerous public policy for a number of reasons:

The traditional rationale for using private prisons is that they allegedly save money. Yet numerous studies by neutral researchers, comparing “apples to apples”, find little to no cost savings, including:

US General Accounting Office, August 1996

Wissner, *The Tennessean*, March 2, 1998

Florida Office of Program Policy Analysis and Government Accountability. April 1998

Abt Associates, July 16, 1998

Pratt and Maahs, *Crime and Delinquency*, September 1, 1999

Cunningham, 4th Annual Privatizing Correctional Facilities Conference, September 24, 1999

Austin and Garry, National Council on Crime and Delinquency Monograph, February 2001

What we find is that, while private prisons do not save taxpayers money, they do cut corners. Private prisons often will not handle inmates with serious medical or behavioral problems, or will charge the public jurisdiction for their costs. In fact, that is explicitly the arrangement with Appleton. Challenges identified by the DOC include the cost of health care, mental

health issues and drug offenders, especially those involved with methamphetamines. Contracting with a prison that has the explicit right to refuse inmates with these problems seems an inadequate way to address these challenges.

Private prisons, including Appleton, often provide less programming for inmates. In 1998 and 1999, Judy Greene, a Senior Soros Fellow, interviewed prisoners at Appleton as well as three state-run medium security prisons. She found that service offered in the public prisons were rated much higher than those at Prairie on several dimensions and that more DOC prisoners were in education or treatment programs. While this data is relatively old, it could help to explain Minnesota's relative success in terms of recidivism.

The private prison industry also has a mixed safety record, has encountered serious legal problems and has seen more than its share of financial ups and downs. There are numerous studies and even more numerous anecdotes to support these assertions. (See, eg, *Corrections Corporation of America: A Critical Look at its First 20 Years*). In addition, once a jurisdiction contracts out a function, it loses control. Your neighbors in North Dakota just found that out when they were asked to take their inmates back from Appleton. Finally, and fundamentally, any jurisdiction should be very concerned about turning over such a critical governmental responsibility to a for-profit company. Depriving a person of their freedom is a very serious matter – not something that should be let to the lowest bidder.

That said, Minnesota has an increasing inmate population with continuing increases projected into the future, largely due to more drug offenders. Conversely, you have limited available prison beds. Even Prairie Correctional facility will be full in the near future if current trends hold. This is a critical time for the future of your corrections system.

In essence, prison funding has not kept up with sentencing policies. This is a dilemma many other states have faced in recent decades. Some have dealt with this dilemma the way you plan to - by sending prisoners to private prisons. Many have come to regret that. Some jurisdictions have revoked their contracts, and in some cases private companies decided to discontinue operating facilities. In recent years:

Maryland discontinued a contract for a private juvenile facility.
Source – Maryland Department of Juvenile Services

The State of Nevada took over operation of a women's prison from CCA.
Source – *AP*, July 16, 2004

Tulsa County, OK did not renew CCA's contract and brought the operation back in-house. Source – *AP*, July 2, 2005

The State of Michigan closed its only private juvenile facility.
Source – The GEO Group, September 30, 2005

The Federal Bureau of Prisons did not renew CCA's contract for the Eloy Detention Center in Arizona. Source - *Nashville Business Journal*, January 11, 2006

As many jurisdictions have come to realize, addressing this dilemma by putting so much responsibility in the hands of a private company, may seem like short-term relief but is likely a prescription for long-term problems. In this case, the facility you are contracting with does not even plan to handle the problems that are driving the increases in your inmate population. This situation calls for a thoughtful, long-term policy solution, not a short-term reaction.

HF 3004 would put Minnesota on the path to a long-term solution by requiring that the state purchase Prairie. We urge you to maintain Minnesota's commitment to a high quality corrections system by supporting HF 3004.