



# Office of Program Policy Analysis And Government Accountability



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## Follow-Up Report on the Review of Correctional Privatization

### Abstract

- **The Department of Corrections and the Correctional Privatization Commission have not worked cooperatively so that the Legislature can reduce costs and identify effective approaches.**
- **The Governor's staff is working to resolve the lack of cooperation.**
- **By not working cooperatively, the Department and the Commission are not maximizing the potential benefits privatization may offer the state. Instead of using privatization as a tool to increase the efficiency of corrections services delivery, the Department and the Commission have moved towards operating a dual corrections system that may be duplicative.**

### Purpose

In accordance with s. 11.45(7)(f), F.S., this follow-up report informs the Legislature of actions taken by the Department of Corrections and the Correctional Privatization Commission in response to our Report No. 95-12, issued November 13, 1995. This report presents our assessment of the extent to which the Department and the Commission have addressed our findings and recommendations.

### Background

The Florida Legislature authorized the construction and operation of private correctional institutions in 1989. The purposes of correctional privatization are to reduce the costs associated with the state's inmate population and to identify innovative and effective approaches to corrections. The inclusion of private prisons within Florida's correctional system provides a comparison for evaluations of the quality and cost of public corrections.

Five of Florida's prisons are operated by private vendors: one female prison is contracted through the Department of Corrections while four male prisons are contracted through the Correctional Privatization Commission.

### Exhibit 1

#### Florida Has Five Private Prisons

State Contracting Entity:	Number		
Private Prison.....	Type of Inmates	Date Opened	of Beds
<b>Department of Corrections:</b>			
Gadsden .....	Adult Female	March 1996	768
<b>Correctional Privatization Commission:</b>			
Moore Haven .....	Adult Male	August 1995	750
Bay.....	Adult Male	August 1995	750
South Bay.....	Adult Male	February 1997	1,318
Lake City.....	Youthful Adult Male	February 1997	350

Source: Department of Corrections and the Correctional Privatization Commission.

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## Prior Findings

The Office of Program Policy Analysis and Government Accountability recommended that the Department of Corrections and the Correctional Privatization Commission

- Develop an agreement to clarify their respective roles in correctional privatization. While the Department needs to retain the ultimate responsibility for the state's correctional system, the Commission must have the freedom to allow vendors to use innovative and effective approaches to benefit the state;
- Work together to identify comparable institutions and programs so that cost comparisons between public and private institutions can be made; and
- Facilitate vendor evaluations by maintaining data pertaining to facility costs; inmate and facility management performance; education and substance abuse outcomes; and results of grievances, investigations, and litigation. Such information will assist efforts to evaluate the results of privatization.

OPPAGA also found that additional potential savings of \$26 million were missed because the law required the Commission to select the most qualified vendor. These savings could have been achieved by selecting other vendors that were only slightly less qualified and had lower bids.

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## Current Status

The recommendations for cooperation between the Department and the Commission have not been implemented because of their inability to work together. The Department asked the Governor's Office to resolve this impasse. In reference to developing a methodology for comparing public and private prisons, the Department states that "it is unlikely that we will be able to come to a mutual agreement without the assistance of an unbiased third party, as we have recommended to the Legislature." While cooperative agreements have not been worked out, the Commission states that "The Commission has worked diligently to resolve problems with the Department, and is ready to cooperate to eliminate these problems prospectively."

Because the Department and the Commission have not been able to cooperate to resolve these issues, there is no cooperative transfer agreement, which is required by s. 957.06(2), F.S. As a result, there may be inequities in the transfer of inmates to and from private prisons, which may hinder comparisons of private and public prisons. Furthermore, both the Department and the Commission, by not working cooperatively, have moved toward operating dual or alternative corrections systems of publicly and privately operated prisons in Florida.

To give the Commission additional flexibility to achieve greater cost savings, the 1996 Legislature enacted Ch. 96-312, Laws of Florida, which requires private prison contracts to maximize the cost savings of operations.

## Actions Taken

The Governor's Office staff is reviewing the Department's request to intervene in the impasse between the Department and the Commission. OPPAGA staff met with the Governor's staff to discuss the plan of action the Governor's Office is considering to resolve these issues.

The Department is continuing to develop performance measures and standards for performance-based program budgeting. The Commission is not included in the performance-based program budgeting statutory requirements, and has not prepared an assessment of its data collection or development of performance measures and standards.

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## Conclusion and Recommendation

We recommend that the Governor authorize an independent body within the Executive Branch, such as the Corrections Commission, to mediate the disputes between the Department and the Commission and make recommendations to the Governor for final resolution.

This project was conducted in accordance with applicable evaluation standards. Copies of this report may be obtained by telephone (850/488-0021 or 800/531-2477), by FAX (850/487-3804), in person (Claude Pepper Building, Room 312, 111 W. Madison St.), or by mail (OPPAGA Report Production, P.O. Box 1735, Tallahassee, FL 32302). Web site: <http://www.state.fl.us/oppaga/>

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