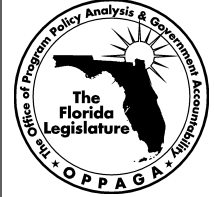




Office of Program Policy Analysis And Government Accountability



John W. Turcotte, Director

March 1998

Follow-Up Report on the Gadsden Correctional Institution

Abstract

- The Department of Corrections developed procedures for the annual analysis and comparison of the cost of services provided by the private vendor at Gadsden with similar services provided by the department; but, it has not finalized procedures for comparing the quality of services. Those procedures are being developed as part of implementing performance-based program budgeting for Fiscal Year 1998-99.
- The department negotiated revisions to the contract to include sanctions in the form of reduced payments to the vendor for noncompliance with contract provisions.
- While the department has not provided an on-site monitor for Gadsden, it has assigned part-time monitoring responsibilities to various department staff. However, this alternative does not provide the on-going oversight that an on-site monitor would provide.

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 in response to Office of Program Policy Analysis and Government Accountability (OPPAGA) Report No. 95-48, issued April 1, 1996. This report presents an assessment of the extent to which the department has addressed the findings and recommendations in that report.

Background

Chapter 91-193, Laws of Florida, mandated that the Department of Corrections enter into a contract with a private vendor to construct and operate a correctional facility in Gadsden County, Florida. The Department of Corrections contracted with U. S. Corrections Corporation of Louisville, Kentucky to construct and operate the Gadsden Correctional Institution. The operating contract was awarded for a five-year period, with a provision for department discretionary termination after three years.

Gadsden Correctional Institution was designed to house 768 adult male inmates. Shortly before Gadsden opened in March 1995, U. S. Corrections Corporation agreed, at the department's request, to house adult female inmates.

Prior Findings

The department had not required vendor compliance with the contract. Further, the department had not developed procedures for comparing the cost and quality of similar department services to the services provided by the private vendor at Gadsden. We recommended that the department:

- develop procedures for the annual analysis and comparison of the cost and quality of services provided by the private vendor with similar services provided by the department in accordance with the requirements of s. 944.105(1), F.S.;
- provide a full-time on-site monitor to provide ongoing, continuous guidance for adherence to the contract and compliance with associated laws, rules, policies and procedures; and

- negotiate contract revisions to include sanctions to ensure vendor compliance with the contract and revise the contract to base annual per diem rate increases on the state's per diem rate increases rather than the current provision of 5% annual per diem rate increases.

OPPAGA recommended that the Legislature:

- clarify the requirements for an on-site monitor and independent periodic monitoring at Gadsden; and
- require private prison vendors to submit audited financial statements to the department with such documentation as is necessary to clarify the statements, including notice of emergency financial situations, such as those listed in Ch. 218, Part V, F.S.

Actions Taken

The Legislature has not acted on OPPAGA's recommendations. The department developed procedures for the annual analysis and comparison of the cost of services provided by the private vendor at Gadsden with similar services provided by the department.

The department has not finalized its procedures for comparing the quality of services. The department intends to conduct this qualitative evaluation as part of performance-based program budgeting, which is scheduled for implementation with the 1998-99 budget.

The department negotiated contract revisions in July 1996 to include sanctions of reduced payments to the vendor for noncompliance with contract provisions. Examples of contract non-compliance included low inmate participation in programs and excessive vacancies in staff positions. The department's Inspector General and the contract monitor have noted numerous vendor over-billings related to these non-compliance issues. For

noncompliance, the department deducted more than \$100,000 from payments to the vendor since June 1996. The vendor's contract compliance has improved although problems of this type of noncompliance continue to occur.

The department requested a special review by the contract monitor to verify the accuracy of payment deductions in conjunction with his semi-annual monitoring report of Gadsden. The special report, issued December 31, 1997, noted several problems and errors in the calculation of payment reduction amounts for the period June through November 1997. During that period, more than \$30,000 had been deducted from payments to the vendor for not meeting contract requirements. The contract monitor's report recommended several corrections and noted issues that need to be resolved in order to verify payment deductions. For example, the department allows Gadsden a 14-day grace period with no deduction for contract position vacancies. The monitor found no specific contractual authority for the 14-day grace period. An on-site monitor, as recommended by OPPAGA, would enhance the on-going identification of such discrepancies to help ensure that they do not recur.

The department has not provided an on-site monitor for Gadsden. It has assigned part-time monitoring responsibilities to various department staff; however, they do not provide the continuous oversight of an on-site monitor. OPPAGA again recommends that an on-site monitor be assigned to Gadsden Correctional Institution. Perhaps one of the department's 12 classification staff located at Gadsden could be assigned on-site monitoring responsibilities without incurring additional costs.

In 1997, Gadsden Correctional Institution met its contract requirement to achieve accreditation from the American Correctional Association.

OPPAGA provides objective, independent, professional analyses of state policies and services to assist the Florida Legislature in decision making, to ensure government accountability, and to recommend the best use of public resources. Copies of this report in print or alternate format 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.oppaga.state.fl.us/>

Project supervised by: Byron Brown (850/487-9215)

Project conducted by: Lee Cobb (850/487-9273)