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**National Institute
of Justice**

Research in Brief

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Contracting for the Operation of Prisons and Jails

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Prison and jail crowding has risen high on State legislative agendas. Governments are increasingly interested in the potential of reducing costs by engaging private-sector contractors to operate State and local correctional facilities.

To offer practical advice to public officials who are considering contracting for prison or jail operations, the National Institute of Justice commissioned a study of the experience of those governments that have already selected this option. The study results

are summarized in this *Research in Brief*.

The study discusses trends in contracting for State correctional facilities and reviews important issues that have developed in the privatization effort.

From the Director

The crisis on our streets has now become the crisis in our prisons. Fear of crime and increased feelings of vulnerability have hardened public attitudes and led to tougher penalties for criminals. The number of criminals in prisons passed the half million mark last year, an increase of 50 percent in 5 years. Struggling to keep pace with the prison population explosion, more than 60 percent of the States currently are under court order to reduce crowding or run the risk of releasing hardened criminals before the end of their prison terms.

At the same time, there is growing concern about the 7 out of 10 convicted offenders who are not incarcerated. Nearly 2 million offenders are on probation, essentially free in our communities.

As States attempt to cope with both these critical problems, research is widening the options available to corrections officials. Privately operated prisons are one promising option some States are using to complement public corrections and help ease the pressure on both prisons and the community.

The idea of contracting out correctional operations to private companies is a subject of considerable and sometimes heated debate. Without actual experience, there has been little for policymakers to go on. Organizations representing the highest policymakers, such as the American Bar Association and the National Governors' Association, have all urged careful study of the complex issues involved.

Today, privately operated corrections facilities are no longer a concept but a reality in some areas. Now that we have experience to draw on, the National Institute of Justice commissioned the Council of State Governments and the Urban Institute to examine existing contract programs as a guide for other States and localities that want to consider this option.

The results of their study are summarized in this *Research in Brief*. While each State must answer for itself the question "Should we contract?", the results of this research help sort out the complexities and provide detailed suggestions for getting optimum results from privately operated corrections.

All indications are that the States are taking exactly the kind of cautious approach recommended earlier. There

has been no mass rush to turn prison keys over to entrepreneurs. Clearly jurisdictions are using private operations to supplement public corrections facilities and not to supplant them, as some feared might happen.

Three years ago, no adult offenders were held in secure facilities at the State and local level—such as jails or prisons—under private management. As of last January, an estimated 1,200 adults were held in such facilities. Thousands more are in nonsecure facilities run by private organizations.

With prisons overflowing, States in this study have found that private industry can provide new cells faster than government, that the treatment of inmates is at least equal to that in State institutions, and that private correctional contractors appear to have performed creditably.

The National Institute of Justice will continue to assess the growing experience with privatization in corrections, with the aim of informing policies that can obtain the best the private sector has to offer.

James K. Stewart
Director
National Institute of Justice

Trends in private operation of correctional facilities

Approximately 1,200 adults are held in secure correctional facilities privately operated for State and local governments in the United States. Among the institutions, by jurisdiction:

State of Kentucky, Marion Adjustment Center, 200 males, minimum security, for-profit contractor.

State of Florida, Beckham Hall Community Correctional Center, Miami, 171 males, unsupervised work release, for-profit contractor.

Bay County, Florida, Jail and Annex, 350 men and women, for-profit contractor.

Hamilton County (Chattanooga), Tennessee, Silverdale Detention Center, workhouse, 340 men and women, for-profit contractor.

Ramsey County (St. Paul), Minnesota, Roseville Detention Center, 42 females, not-for-profit operator.

The Tennessee Department of Corrections issued a request for proposals in 1986 for operation of a medium-security prison, but received no bids it considered responsive. The department is now considering revision and reissue of the RFP.

Many States contract extensively for work release, prerelease, and other nonsecure detention space. For example, California contracts for 1,700 nonsecure beds, Alaska has contracted out a correctional restitution center, and 5 of Illinois' 15 community correctional centers are privately operated.

Private companies or organizations operate juvenile facilities in 12 States; secure juvenile facilities in Pennsylvania, Tennessee, Massachusetts, and Florida were considered in the preparation of this report.

These include the legal aspect of contracting, policy and program planning, requests for proposals and contract agreements, and contract monitoring.

The researchers did not attempt an evaluation or cost-benefit analysis of any of the projects studied, nor to provide any single answer to a government's question, "Should we contract?" The authors did provide recommendations, however, when they found agreement among officials' experiences, strong advantages or disadvantages of a certain approach, or clear-cut legal precedents.

Points of view or opinions expressed in this publication are those of the authors and do not necessarily represent the official position or policies of the U.S. Department of Justice.

The Assistant Attorney General, Office of Justice Programs, coordinates the criminal and juvenile justice activities of the following program Offices and Bureaus: National Institute of Justice, Bureau of Justice Statistics, Bureau of Justice Assistance, Office of Juvenile Justice and Delinquency Prevention, and Office for Victims of Crime.

From November 1985 through September 1986, staffs of the Council of State Governments and the Urban Institute conducted a study and analysis of the policy and program implications of contracting with the private sector for the operation and management of prisons and other secure correctional facilities.

The research team first reviewed existing literature, both scholarly and popular, then asked each of the 50 States for documents on the subject from their files. Twenty-two States responded with study reports in which the contract option was discussed, actual contracts, requests for proposals (RFP's), or inspection reports.

Then the researchers interviewed, both in person and by telephone, corrections agency personnel, contractor personnel, purchasing officials, legislators, and legislative staff. These included interviews with corporate officials of four private for-profit contracting companies and one not-for-profit contractor.

Because the types of inmates are so different, the research did not consider the experience of the Immigration and Naturalization Service with private operation of Federal detention centers or local experiences with community halfway houses.

State and local experience in contracting for the entire operation and management of a secure adult institution is still quite limited. Apparently only one secure, adult facility has thus far been contracted out by a State government—Kentucky's minimum security Marion Adjustment Center, which began operation in January 1986. Florida's Beckham Hall Correctional Center, operated in Miami by a contractor, is classified "minimum security" in Florida's corrections system, but it has neither guards nor bars and operates an unsupervised work release program.

This analysis took a detailed look at Kentucky's and Florida's experiences and also draws on State experience in contracting for secure juvenile facilities and local-level experience with an adult jail, a workhouse, and a female detention center.

The researchers first drew up a list of issues to which they sought answers, a list continually refined during the course of the project. The final list of 23 issues (see accompanying list) divides into four areas: legal issues, policy and program issues before deciding to contract, RFP and contract issues, and contract monitoring and evaluation.

Legal issues

The first major question a jurisdiction faces about contracting for operation of a correctional facility is, "Is such contracting legal?" The answer appears to be, "Yes, unless specifically prohibited by State law." Most States do not have specific legislation on the subject, but the trend seems to be toward either clarifying or granting authority for State agencies to contract.

Labor relations—State laws prohibiting strikes by public correctional officers probably would not apply to private employees. Some contractors say they will pay higher wages and provide better benefits than State employees get, and companies contend

that an emergency preparedness agreement with the State will permit time for the National Guard to intervene.

Even so, contracts should require that the private operator notify the State in advance of the end of a union contract period or of major worker grievances that could result in a work stoppage or slowdown.

Liability—Although there has been no court test of the liability of a contractor under section 1983 of the Civil Rights Act, it appears from analogous cases that the States will be able to shield neither contractors nor the State itself from civil liability if the rights of prisoners are abridged.

The government agency may, however, reduce its exposure by contractually specifying that it will be indemnified against any damage award and costs. However, such a guarantee would require a contractor bond or collateral reserve, and the State must determine whether the guarantee is worth the cost.

Use of force—While there are questions in many States as to how much force privately employed prison officers may use in their duties, there is a similar lack of understanding as to what their State counterparts can do. Presumably if State officers can use deadly force under certain circumstances, so could the private guards.

States using the Model Penal Code would not need further legislation to permit proper use of deadly force by contractor employees, inasmuch as the Code's definition of correctional officers would include such employees.

Once an escaping inmate has left the facility's property, however, public law enforcement officers should be responsible for the ultimate capture and return of the fugitive.

Inmate rights—Courts have consistently held that the Federal Government's contracting out detention facilities violates no inmate rights provided that the facilities comply with certain minimum due process standards. Assuming that a State establishes reasonable safeguards and standards, the mere fact of contracting out detention does not infringe on due process.

Prison contracting: The issues

Legal issues

1. What are the legal issues in prison contracting?
2. What liability protection will a government agency and contract need?
3. How should the responsibility and authority for security be divided between the contracting agency and private operator?
4. What provision is there for protecting inmates' rights, including mechanisms for inmates to appeal decisions affecting them?

Policy and program issues before deciding to contract

5. What specific preanalysis should a State undertake prior to the contract decision (e.g., cost analysis, legal issues analysis)?
6. What are the reasons for considering or not considering contracting prison operation with private enterprise, particularly with for-profit firms?
7. How should publicity regarding a change in private operations be handled (e.g., agency, media, public)?
8. Should contracting be for (a) existing facilities; (b) a new institution replacing an existing facility; or (c) a new institution not replacing an existing facility?
9. What level of offender should be assigned to the contracted facility? What are the differences in attempting to contract minimum versus medium versus maximum security facilities? Are there different considerations for contracting facilities for specific populations (i.e., service vs. geography, protective custody, mentally ill, women, death row, mothers, and children)?
10. How many inmates should the contractor be expected to house? What provisions should be made for fluctuations in that number? What control does the contractor actually have over the number of inmates? Should minimums, maximums, or both be established in the contract?
11. How will inmates be selected? Will the private organization be able to refuse certain inmates (e.g., AIDS victims, psychologically disturbed offenders)?

12. What authority and responsibility should a private contractor have for discipline and for effecting the release date of inmates? What will be the relationship of these decisions to the State Board of Parole?

RFP and contract issues

13. Should contracting be competitive or noncompetitive? Are there enough prospective contractors to provide real competition? What are the relative merits of for-profit and nonprofit organizations as prison operators?
14. What criteria should be used to evaluate private proposals (e.g., percentage values for cost and quality of service)?
15. On what basis should the contract price be established (e.g., firm fixed price, fixed price per unit, cost plus fee)?
16. What provisions should be made to reduce service interruption (e.g., problems with transition periods, defaults by contractors, work stoppages, fallback provisions)? Should there be provisions to protect the private contractor (e.g., government obligations)?
17. What performance standards should requests for proposals and contracts establish?
18. What should be the duration of the contract and what provisions made for renewal?
19. What provisions for monitoring performance are needed in the RFP and proposal?
20. What provisions should be made for present correctional employees (e.g., rehiring rights, job benefits)?

Monitoring and evaluation

21. How and to what extent should contractor performance be monitored?
22. How should government evaluate the results of contracting?
23. What results can be expected from contracting (e.g., cost, service effectiveness and quality, alleviation of crowding, effects on other prisons in system)?

Another due-process question concerns contractor determination of "good time" or the award or refusal of early release—especially since virtually all contractors will be compensated on a per diem—per prisoner basis. When private entities exercise authority over individuals that would ordinarily be exercised by government, researchers concluded that the private units should use the same types of procedures the government would have and, preferably, make all their discretionary actions in the form of *recommendations* to the appropriate government entities.

Before deciding to contract

Before contracting, States should undertake a systematic, detailed analysis to determine whether and how contracting will help the corrections system. The analysis should examine whether statutory authority exists, current prison costs and performance, crowding, legal issues, availability of contractors, ways to avoid or minimize contractor default, and public attitudes.

Performance of the present prison system should become a benchmark for measuring contractor performance.

If the goal is to obtain new beds quickly, private operation offers an attractive alternative. If the goal is economy, however, the researchers believe the minimal evidence available suggests that contracting does not necessarily save a significant amount of money.

Public relations—Good, planned public relations are crucial to community education. The government should keep both community leaders and correctional employees fully informed during decisionmaking, and the media should be made aware at an early stage.

Upon award, the new private operator should use community resources whenever possible, hiring local people and buying supplies and services locally.

What kind of facility?—Contracting for new facilities entails many fewer problems (such as displacing present personnel) than turning over an exist-

ing institution. Fewest problems seem to occur when contracting for additional minimum security beds. "Special needs" facilities, such as those for protective custody, the aged or infirm, handicapped, or retarded, also seem well suited for contracting.

Selection of inmates—Selection of inmates for placement in a private facility and decisions about their movement are responsibilities of the government. The criteria for such decisions should be written into the contract and mutually agreed to. These criteria must be explicit in describing the type of offender and level of custody being contracted for, and should be based on the State's current inmate classification policy.

The contract should specify both a minimum and maximum prisoner population level in order to facilitate planning and cost estimates. The contract should permit the State to make the decisions about inmate reassignment or reclassification if contract capacity is reached. The contract should provide a method for resolving any differences in contract interpretation.

Inmate discipline—To ensure that the contractor's disciplinary practices follow legally required practices, the State should require that the contractor adopt the policies followed by the State. Government staff should participate in all major disciplinary hearings.

Since even States that no longer have parole boards still have *some* releasing authority apart from the corrections authority, a private institution should play the same role as the State department of corrections with regard to this group: Providing information on the inmate's level of adjustment during the period of confinement in the facility.

RFP and contract issues

Thus far, not all governments have used fully competitive procedures when contracting for the operation of correctional facilities. Over the long run, however, competition based on a carefully drawn request for proposals

will reduce accusations of cronyism or fraud and may reduce costs. Further, development of a formal RFP clarifies what the correctional agency desires and forms a basis for eventual contract negotiation. By setting a more precise basis for judging cost proposals, it enhances competition and sets directions for the monitoring process.

Although few private companies thus far can claim corporate experience in managing and operating secure correctional facilities, the companies seeking such contracts tend to hire key personnel from State or local correctional agencies and thus may have staff with many years of experience.

To maximize the number of eligible suppliers, a State or local government should:

- Advertise in both major State and national newspapers and national correctional journals;
- Develop and maintain a list of prospective suppliers; and
- Permit both private for-profit and nonprofit organizations to compete.

Appraisal criteria—Many requests for proposals state specifically what criteria will be used to judge the proposals received; most of these specify the numerical weight given each criterion. This was the case with the Kentucky RFP that led to the Marion Adjustment Center contract, which allowed 40 points for each of five factors—facility, staffing, programs, security, and experience—a possible total of 200 points.

In Kentucky, the first proposals received were for costs higher than allowed in the agency budget. The RFP had to be amended and cost subsequently negotiated with the successful bidder. The agency seeking bidders must decide whether it should state the maximum acceptable bid and also what the relationship in weight will be between the weight of the cost proposal and technical criteria.

These recommendations on appraisal criteria arose from the research:

- Technical criteria should include the bidding company's experience and past performance on related work,

staff qualifications, quality of proposed programs, the bidder's financial stability and absence of criminal connections, and evidence that the personnel proposed will actually participate in the project if awarded.

- The scoring system for these criteria should be stated. RFP authors should consider using Kentucky's unusual but appropriate scoring plan, which eliminated any proposal that did not score at least 60 percent on *every* criterion.

- The relationship of cost to technical merit should be stated. If technical merit is evaluated first, the agency will be saved the time of reviewing costs for proposals that are not technically qualified; if cost is evaluated first, the State can avoid bothering with technical proposals whose cost exceeds the funds available.

- If the State knows of major budget limitations, it will save both its time and the bidders' by stating them in the RFP.

Contract pricing—Most contracts have been based on a set dollar cost per inmate per day, although both Pennsylvania and Florida have used fixed total pricing.

Though large savings in the actual number of inmate-days can occur, a single inmate-per-day rate may not reflect either the contractor's fixed costs, as for capital investments, or economies of scale available when more inmates are present. The jail contract in Bay County, Florida, was the only example the researchers found of the use of different per-day rates (lower) for additional numbers of inmates above prespecified numbers.

Contracts by the Massachusetts Department of Youth Services for secure treatment facilities are based on per diems, but also specify *maximum* total payments per year. Kentucky pays for 175 inmates per day at Marion even if not that many are housed, an example of a *minimum* payment. Above 175 (in a facility that will hold 200), a per diem is added for each additional inmate.

Research findings recommend variable daily rates with lower per diems

for larger numbers of inmates. Both maximum and minimum annual payments should be stated.

RFP's and the contracts that follow them should specify which cost elements are covered. Problems were found when contracts did not clearly specify responsibilities for such costs as medical, transportation, staff training, utilities, maintenance, record-keeping, and legal aid for inmates. If the contract involves furnishing new facilities, it should specify how the facilities will be disposed of and paid for at the contract's end.

Provisions for adjustments due to unforeseen circumstances are wise, but reopening the contract should not be overly easy. Since not all States have a "Prompt Payment Act," the contract should include a schedule of frequent and timely payments to the contractor. This is needed to help maintain the financial stability of contractors.

Interruptions in service—The contract should consider requiring performance bonds for the contractor, but only if the added protection to the government is worth the cost of the bond. In the event a contract is terminated for cause, the contractor should be obligated to pay the State's transition costs. Contingency plans should be ready for cases of emergency default by the contractor.

Financial stability of the contractor and absence of criminal connections should be established in the proposal process to lessen the danger of default in the first place. The State should require and review annual financial statements from the contractor.

Performance standards—Facility contractors should be required to meet State laws, regulations, and policies, but the requirements should be reviewed in order to eliminate any that are primarily appropriate to government-operated facilities but might inhibit innovation under private operation.

Other operating standards, such as those of the American Correctional Association, are appropriate, but the State may want to strengthen and adapt them to its own internal situation. If a contractor is taking over operation of an existing, aged facility, it will

likely require additional time and money to bring it up to ACA standards.

Duration and renewal—Existing contracts for correctional facility operation range in duration between required rebids from 1 year to 32 years. There are wide variations within those extremes. Research suggests that contracts should be competitive and should provide for rebidding about every 3 years, probably not less frequently than every 5 years.

Although it is troublesome and time-consuming to conduct anew a full-fledged competitive procurement, periodic rebidding encourages the private company to keep quality and efficiency high and costs reasonably low. Rebidding also permits correcting major unforeseen problems in current contracts.

Provisions for monitoring—The State should consider its performance monitoring needs in advance of drafting the RFP and should write specific monitoring provisions into the contract. Specifications should include:

- Performance criteria for which the contractor is responsible.
- Reporting requirements, with schedules clearly indicating the information that must be provided.
- Full access to the facility and its records.
- Cooperation with inspections.
- Providing space for an onsite monitor, particularly in large facilities (more than 150 inmates).

The contract should require prompt correction of problems and specific sanctions if correction does not occur in a specified time period.

States should include performance targets and, after gaining experience with the monitoring process, should consider adding bonuses for exceeding the goals and penalties for falling short.

Present employees—When a State expects to displace public employees by contracting out an existing facility, it should:

- Plan well in advance to help employees and reduce anxiety during the transition period.

- Require the contractor, whenever possible, to give existing employees first right to employment.

- Provide retraining, job referral, and placement programs either in or out of government for employees who do not join the contractor's staff.

- Work out carefully the disposition of employee benefits, especially earned benefits toward retirement, vacation, and sick leave.

- Inform the government employees as soon as a decision has been reached on benefits. Encourage the new contractor to brief potential employees thoroughly on benefits and salaries, working conditions, and required training or changes in work assignments.

- Act quickly once decisions are made, so as to reduce the period of uncertainty.

- When deciding whether to contract or not, include in cost comparisons the cost of any one-time termination expenses such as early retirement, retaining employees until placements are found, or retraining displaced employees.

Monitoring and evaluation

Discussed earlier were the monitoring requirements that should be written into the contract. Here we consider operational questions, such as what specific elements should be monitored, how the auditing should be done, and how to use the information gained by monitoring.

How to monitor and how much—
The monitoring process should include:

- Regular tabulation, analysis, and reporting of "extraordinary occurrences"—escapes, attempted escapes, deaths, major illnesses and injuries, assaults both on staff and on inmates, use of force by staff, and major disciplinary violations (those involving loss of good time).

These incidents should be compared when possible with those at similar facilities (preferably within the same

State) and, if the facility is not a new one, with the facility's record before the contractor took over.

- Regular systematic sampling of current and released inmates to obtain opinions regarding conditions and programs in the facility. Preferably, such surveys should also be made, for comparison purposes, for other similar facilities, including those that remain government operated.

- Particularly for larger institutions, monitors either stationed onsite or making frequent, unannounced visits. The monitors should use checklists and be trained in performance-monitoring procedures. This will provide early warning of facility problems so they can be solved before getting worse.

- Onsite inspections at least every year to determine conformance with State laws, regulations, and policies, including those specified in the contract. The inspection should cover records, health, safety, security, food, and programs, and should be based on formal inspection checklists with which the contractor is familiar.

Actual documented performance, not merely the presence of written policies and practices, should be verified by these inspections.

- Government examination of both regular and periodic reports (from inspections, monitors, and the contractor) soon after they are completed. When corrections are required, deadlines should be set in writing together with the sanctions that will be implemented if the deadline is missed.

- Meticulous review prior to the date for contract rebidding or renewal. This means data should be scheduled so as to be available in time to be used for evaluating the current contractor well before the time for renewal or rebidding.

Essentially the same monitoring process should occur at publicly operated facilities as at those under contract, furnishing a basis for comparison and a measure of the effectiveness of contracting. Such monitoring should help encourage quality performance at publicly operated facilities.

Evaluation issues—Although a correctional agency should *monitor* the performance of a specific vendor under a specific contract, here we are concerned with *evaluating* the correctional contract process as a whole. While monitoring needs to occur on a regular and frequent basis, evaluation need be conducted only once every several years, but synchronized with the rebid and budget cycles.

When in May 1986 the Tennessee Legislature authorized contracting one medium security prison (not yet accomplished), the legislation permitted contract renewal only if evaluation reveals the contractor is providing "at least the same quality of services as the State at a lower cost, or . . . services superior in quality . . . at essentially the same cost."

With this background, and with the Okeechobee School for Boys evaluation the only one known to have been attempted at a secure (albeit juvenile) correction facility, the research team recommends:

- **Timing.** Evaluation should begin collecting baseline data before the first contract is initiated. But full evaluation of the contractor's efforts should await completion of a shakedown period and should extend for at least 1 and preferably 2 or more years past the startup period.

- **Scope.** Except for reincarceration indicators that would have to be collected separately, performance indicators could be those obtained through the ongoing process of monitoring contractor performance.

- **Questions to ask.** If the facility is a new one, as was the one in Marion, Kentucky, the State should compare the contract operation to both (1) the option of not adding the additional facility at all or (2) the option of adding the facility but operating it with government employees.

If the contract was to take over an existing facility or to build and operate a new facility replacing an old one, the comparisons can be made both between the costs and performance of the old one and between the new arrangement and any comparable facilities still government operated.

- **Personnel.** A full-fledged evaluation requires training and experience.

Many correctional agencies have personnel in the research, statistics, or planning units who probably can direct an evaluation—if given the time to do it. Otherwise, the agency should seek outside help such as a university or consulting firm.

● **Design.** An experimental approach with random assignment of inmates to the contracted facility and a similar government-run facility should be used if possible to facilitate evaluation; however, practical and legal problems may make such an experiment very difficult to implement and sustain long enough to be useful.

If an experimental design is impractical (as well might be the case), a "before and after" (time series) comparison can be made if the contract covers a previously existing institution. And the contract facility should be compared with government-operated facilities that are as similar as possible. This comparison facility should be roughly the same size and have similar classifications of inmates.

● **Comparability.** Even if the best of evaluation designs is used, one contracting effort represents just one trial at contracting. Either the contractor or the government-operated institution might be unusually good or particularly weak. Ideally there would be many different evaluations under many different conditions to determine whether, as a whole, the private approach appears to have significant benefits under typical conditions.

The research team believes that, ideally, there should be a national effort to support and encourage appropriate evaluations so that all State and local governments can learn from a collection of experiences undergone in a variety of conditions.

What results to expect

Contracting for correctional operations is still too new to make meaningful predictions as to its costs and effectiveness. The research team can only report its review of existing, and mostly new, contract facilities.

Official perceptions—Government agency oversight officials generally perceive their contract operations as

satisfactory. In the only formal evaluation that has been conducted—that by the American Correctional Association at the Okeechobee (Florida) School for Boys reported in 1985—the evaluators balanced some negative findings with the statement, "the contractor appears to have delivered a program of equal quality to that conducted by the State."

Contractors seemed to have made major efforts to do satisfactory work, at least in part because their trial efforts were in the national limelight.

Speed and quality—A fast startup was a major advantage of private operators, because the contractor could avoid extensive reviews and public hearings. This is particularly important if the government is trying to relieve crowding by use of new facilities.

Kentucky's Marion facility accepted prisoners within 3 months after contract award. Pennsylvania's secure juvenile facility was retrofitted in less than a month. In Bay County, Florida, and in Hamilton County and Shelby County, Tennessee, the counties felt the contractor provided the facility much faster than the county government could have—in each case, less than a year.

The limited, mostly impressionistic, information available indicated that the Marion and Bay County facilities, and a facility operated by a not-for-profit organization in Ramsey County (St. Paul), Minnesota, all showed improved treatment for inmates. (There was no systematic before-and-after or outcome data for similar facilities operated by government.)

Cost considerations—In-depth cost-comparison data between contracted and government-operated facilities is lacking.

The contract price of Kentucky's Marion facility, starting in January 1986, was \$25 per inmate day. This compares with 1983–84 costs at two similar State-operated institutions of \$22.74 and \$26.83. Thus the costs were quite similar, considering price changes that must have occurred in the 2-year interim.

Pennsylvania officials reported that their contracted secure juvenile facility

at Weaversville cost \$130 per inmate per diem in fiscal 1985–86—about 11 percent less than the \$141 and \$152 at two State-operated juvenile operations of approximately the same capacity. (They attributed the difference to the fact that the nonunionized contractor personnel were paid less than State staff. However, the contract facility was not charged full maintenance and utility costs because it shares the grounds with a State-run hospital; the State-run juvenile facility was charged for these.)

The ACA evaluation of Florida's School for Boys found its costs increased less than did those at State-run facilities; "However, the dramatic decrease anticipated . . . has not been realized."

Although the full report of this project provides cost comparisons from other sites, the comparability is not clear cut. In general, researchers concluded that contractors did achieve savings for the State and local governments, but might be achieving little or no profit for themselves at current per diem rates.

Public perceptions—In two out of eight jurisdictions, contracting efforts resulted in major public controversy. In Bay County, the sheriff, many jail employees, and many community members opposed shifting the jail operation to the contractor. In Marion, Kentucky, there was considerable public opposition, but relations improved greatly when the contractor hired 45 persons—most of the staff—from among county applicants.

Contracting in Pennsylvania, Massachusetts, and Florida, and in Shelby County, Tennessee, created no significant public relations problems. But with evidence from only one secure State-level adult facility (Marion), generalizations may be inappropriate.

Avoiding future problems—Although the first trials of contracting revealed, perhaps understandably, a lack of full competitive bidding and careful monitoring of performance, the next round will require more attention to establishing credible competitions for contracts and comprehensive, formal monitoring procedures.

Government agencies need greater assurance—for themselves, for elected officials, and for the public—that contracting activities will be administered in a fully appropriate, cost-effective, and accountable manner.

A strengthened contracting process should not be offensive to the private organizations themselves. Most of their officials support full monitoring of their work.

Judith C. Hackett of the Council of State Governments was project director and Harry P. Hatry of the Urban Institute was codirector of the research more fully reported in Issues in Contracting for the Private Operation of Prisons and Jails (NCJ 104330). Robert B. Levinson, Keon Chi, Edward D.

Feigenbaum, and Joan Allen were each major contributors. For information on how to obtain the full report, telephone the National Institute of Justice/NCJRS at 800-851-3420 or, in Maryland or the Metropolitan Washington, D.C., area, 301-251-5500.

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