



Levin: Correct competition in corrections

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TPPF director says privatization per se is not bad



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Albert Einstein's observation that "in the middle of difficulty lies opportunity" could easily apply to the Texas Youth Commission.

Following a series of abuse scandals, the closure of a TYC contract detention center operated by the GEO Group prompted a Texas Senate hearing last week on the role of private operators in juvenile and adult corrections. Texas should not abandon the use of competition in corrections, but this is a promising opportunity to boldly restructure such outsourcing.

While the conditions at the GEO lockup were unsanitary, the sexual abuse cases at the core of this spring's TYC scandal occurred almost entirely in government-operated facilities. Moreover, TYC spends \$62,000 per year per youth on its own facilities, but its contract with GEO Group for this facility was \$24,000 less. Of course, there's no virtue in saving money if kids are being neglected, but the conditions could and should have been remedied for a cost far lower than that difference.

At the Texas Department of Criminal Justice, private adult prisons save taxpayers 10 to 15 percent and are contractually required to provide exactly the same product as TDCJ facilities – right down to the cell locks. However, that's not necessarily a good thing, as one-third of TDCJ offenders are re-incarcerated within three years of release. Similarly, the GEO Group provided the same re-socialization programming as TYC's own facilities, and most likely had a recidivism rate equal to TYC's dreadful 52 percent.

The true promise of competition in corrections lies not in saving money while providing the same product as state-run prisons, but in harnessing the innovation of the private sector to develop programming that will reduce recidivism, since 99 percent of inmates are ultimately released.

The average Texas inmate has a sixth grade education and lacks vocational skills, both of which are highly correlated with returning to a life of crime. Future requests for proposal should not simply seek the lowest bidder, but combine a per diem with performance incentives based on the recidivism rate, the number of GEDs earned by inmates, demonstrated educational progress by inmates, and the amount of restitution and child support paid by inmates through earnings from on-site private industry work programs. Private operators would thus compete to come up with innovative programs that measurably reform offenders, reducing the crime rate and the future burden of incarceration on taxpayers.

Oversight of private facilities must also be restructured. TYC-employed monitors, seven of whom have since been fired, evidently failed for months to report the squalor at the GEO facility. Ordinarily, a corrections agency has an incentive to whitewash problems at all facilities because they reflect poorly on an agency's oversight. However, the situation reverses when, as in the case of TYC, capacity is being reduced and the agency might want to safeguard its own budget, employees, and turf.

To avoid this kind of Jekyll and Hyde oversight, legislators should assign to the Texas Commission on Jail Standards the authority to monitor conditions at private lockups. The Commission effectively performs this function for county jails and would not face the conflicts inherent in simultaneously contracting and competing with the private operator.

Besides offering innovation and cost control if contracts are properly structured, privately operated facilities have several other advantages. First, they can be used as a stopgap measure for overflow while new prison diversion initiatives reduce the need for new prisons. State-run lockups are virtually impossible to close due to the jobs they create in those rural communities.

Private prisons also buffer against overly powerful prison guard unions. The state corrections employees union in California has made more than \$10 million in political donations and sank Gov. Arnold Schwarzenegger's December 2006 plan for prison alternatives. As a result,

California taxpayers will pay \$7.4 billion for new prisons, while some guards make more than \$100,000 a year.

Competition can work in corrections, but policymakers must think outside of the cell rather than trying to wring the last dollar of savings from replicating the state's cookie cutter corrections programs.

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