

Corrections 2.0: A Proposal to Create a Continuum of Care in Corrections through Public-Private Partnerships

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Note: The discussion of comparative public and private sector per diem costs in Texas on pages 6-7 of this report was revised in April 2011 to reflect updated data reported by the Texas Legislative Budget Board (LBB). In addition, that discussion was revised to reflect a more robust LBB analysis comparing the estimated per diem costs of a 1,000-bed prototype public sector facility to those of a comparable privately operated facility. Earlier versions of this report cited systemwide average costs, as opposed to the more detailed facility-level cost comparison.

Part 1

Introduction

State fiscal crises are driving change in correctional systems. In recent years, states like Texas, Rhode Island and California have begun transformational shifts in corrections—applying strategies like the expansion of residential and community-based treatment and diversion programs, the adoption of sentencing reforms, and the increased use of out-of-state privately operated prisons—to help address some major challenges, including the need to reduce expenditures amid budget pressures, the need to target chronically high recidivism rates, and the need to avoid major capital expenditures on new prisons and other facilities. In short, fiscal crises are presenting an opportunity for state policymakers and corrections administrators to “think outside the box” in transforming and right-sizing correctional systems.

Current government correctional systems can be characterized as a fragmented collection of facilities and services—including prisons, halfway houses, probation systems, home monitoring, programming and rehabilitation—and offenders move between these facilities and services with little continuity of knowledge of their particular history and rehabilitation progress, leading to little accountability and poor results for the successful return of these individuals to society. Further, the facilities and services that comprise current systems are usually the legacy of policy decisions made years—even decades—ago and may not comport with the facility and service mix needed to improve performance of the system today and into the future. Given the disjointed nature of the current system, it should come as no surprise that recidivism is a persistent challenge, with offenders in most states more likely to return to prison than remain in free society upon release.

Corrections needs a new paradigm. This paper outlines a concept designed to target recidivism and drive cost reduction via a bold, new approach: a continuum of care through public-private partnerships (PPPs). PPPs are simply government contracts with private sector prison operators or service vendors to provide a range of correctional services—from financing, building and operating prisons to delivering a range of inmate services (e.g., health care, food, rehabilitation services) and administrative/operational support functions (e.g., facility maintenance, transportation and information technology).

PPPs provide an effective, cost-saving alternative for governments seeking to improve outcomes while taking pressure off their corrections budgets. While not a panacea, their expanded use through an integrated, continuum of care approach could play a major role in lowering costs and improving service delivery and system performance.

Part 2

Toward a New Model in Corrections

In the current correctional system, services designed to reduce recidivism are poorly coordinated across an inmate's entire experience with the justice system. Identifying solutions that might work for an inmate may begin as early as during the trial, but that information does not pass on into evaluations conducted once an inmate enters a secure facility. Likewise, what programs the inmate may participate in while serving his sentence are typically not coordinated with those in pre-release facilities and certainly not with post-release supervision.

Applying a *continuum of care* approach within a state correctional system would solve this challenge and maximize programming's effects on recidivism. It would coordinate and link evaluations, programs and resources for an inmate across all facilities and levels of care. So once an inmate is evaluated and a programming plan is established, all information about the success or failure of his programs, modifications and the resources for the programs he participates in follow the inmate to whatever facility or level of care he goes to, until he leaves the justice system. This accomplishes several things:

- Coordinating programs over the entire span of time the inmate is in the justice system maximizes the effect of the care and programming he receives. Piecemeal programming dramatically reduces the effect. When programming works in concert with previous care and moves deliberately through a succession of goals, the results can be dramatically improved.
- Successful programming requires continuous evaluation and modification when necessary. But typically each time an inmate moves to a new facility or to a new level of care, the process begins all over again, or he is plugged into what programs exist there with little regard to his needs or his previous programming plan. Preventing these disruptions and even sudden changes in programming is crucial to success, and continuum of care is the proper tool to manage that.
- A continuum of care approach would use resources much more effectively. First, resources are customized to each inmate and follow the inmate rather than him being top loaded into generic, facility-based programs regardless of his changing needs. Second, spending a lot of resources on uneven, uncoordinated programming for an inmate across various facilities and levels of care delivers a poor return on expenditures—the results fail to justify the high costs of programming. Coordination across a continuum of care would maximize the value of every tax dollar spent.

- By using only those programs that serve the goal, the continuum of care uses fewer facilities, resulting in better use of resources. Typical programming plans are based on available facilities and services targeting general inmate needs, rather than individual inmates' specific, evaluated needs. Better planning and programming through a continuum of care would place inmates in the right facilities at the right time, targeting the specific programming they need to get the maximum effect. Ideally this allows various specialized programming to be concentrated rather than dispersed across facilities, and inmates to be allocated accordingly to get the best effect from the programming and the most efficient use of resources.

The current correctional system structure is antithetical to the continuum of care approach because the various aspects of incarceration are not designed to coordinate with each other. Programming is developed independent of facility management or funding. Inmates are moved without regard for programming needs. Pre- and post-release facilities and services are also separately managed and funded, and have their own goals and priorities that do not include coordinating with or following through on programming begun during incarceration. While inmate programs attempt to reform inmate behavior, the fragmented structure of the current system presents a significant obstacle to achieving that goal.

However, public-private partnerships (PPPs) could provide integrated facilities and services for an organized continuum of care. A PPP that included all levels of care for, say, a region of a state—including post-release services—would give the private manager the flexibility and the incentives to provide a thorough continuum of care, coordinating programming and management decisions to optimize outcomes. The private partner or partners could consolidate and reorganize facilities and programs to ensure inmates are always in *the right place at the right time for the right programs*, continuously evaluating, modifying and coordinating programming as appropriate. Further, contract incentives based on programming success and even recidivism rates would align the common goals of the general public and private partners to reforming more offenders, as described in the following section.

Part 3

Corrections 2.0: A Proposal to Create a Continuum of Care in Corrections through Public-Private Partnerships

A. The Proposed Model: PPPs for a Corrections Continuum of Care

States are already making extensive use of competition in corrections, though on a piecemeal, unintegrated basis. Over 20 states house inmates in privately operated correctional facilities, either in state or out of state (see map in Appendix A). Private involvement in community corrections—such as operating low-security work-release or halfway-house facilities—is a long-standing tradition in the United States. Many states have outsourced some or all of the provision of correctional health care, food, transportation and other services essential to successful system operation. In addition, state governments have traditionally let contracts with for-profit and nonprofit providers for services that include substance abuse counseling, assessment and treatment of sexual offenders, and vocational training and placement.

The next evolution in correctional PPPs will involve putting these pieces together in a more integrated fashion to develop a continuum of care in corrections and reorient the system toward performance and value per dollar spent. Rather than operating individual facilities and programs independently, a continuum of care PPP would provide the delivery of most or all correctional services within an entire state department of corrections (DOC) region, including:

- the operation of prisons, community corrections facilities, halfway houses, work camps and similar facilities;
- the operation of reception/intake centers;
- probation and parole services;
- substance abuse treatment, education, rehabilitation, vocational and other programming for offenders;
- correctional medical, behavioral health and dental care; and
- building maintenance, custodial, transportation and other internal correctional system services.

To initiate a continuum of care PPP, a state DOC would issue an “invitation to negotiate” asking potential private partners to submit their qualifications and a 10-year conceptual plan to provide an integrated continuum of care within a DOC region (or regions). Proposals would be evaluated based on the respondent’s ability to maximize the use of state resources, deliver cost savings, increase or decrease the number and operation of existing facilities as necessary, and implement best practices in correctional care, service delivery and programming. The PPP could also be designed to exclude or limit the private sector operation of certain maximum security prisons or units (e.g., death row) or other sensitive facilities for which policymakers may prefer ongoing public sector operation. The PPP could also give the DOC the flexibility to further subdivide regions into smaller districts if necessary to enhance the likelihood of competition and ultimate success for the continuum of care model.

A viable structure for a region-level continuum of care PPP would be a 10-year, performance-based contract designed not only to ensure a high quality of care in adherence with nationally recognized standards (e.g., accreditation of facilities, health care, etc.), but to also place a contractual responsibility on the private operator for demonstrably reducing recidivism in the region over time. Driving change in any system can take years, but a 10-year contract timeframe provides a reasonable window within which targeted recidivism rate reductions could be achieved by the private operator and validated by the state. However, the contract should also facilitate the ability for the state and its private partner to periodically amend terms based on changing conditions, lessons learned or unanticipated needs that may arise early during contract implementation.

It is important to note that any one individual corrections management company will not offer every single service that would be required under a continuum of care PPP. Rather, the global experience in PPPs in transportation and social infrastructure shows that companies typically partner with other firms to provide specialized services not available in-house, adopting a team approach by bidding together as one consortium for a PPP procurement.

To move forward, policymakers would need to grant statutory authority for a DOC to undertake the necessary internal reorganization and implement regionalized, continuum of care PPPs. Depending on the state, number and character of DOC regions and other regional considerations, policymakers may find it advantageous to consider using this approach in multiple regions in a pilot implementation, partnering with different operators in each to maximize competition and mitigate implementation risks from the DOC’s vantage point. Piloting the continuum of care PPP model in one or two regions would keep the implementation limited and manageable in scope while still applying it at a scale large enough for private operators to realize significant economies of scale in service delivery. Further, state DOC officials would have the flexibility to modify implementation as needed to improve the model midstream, incorporating lessons and best practices learned from a comparative analysis of multiple vendors’ performance and outcomes.

Though no state has yet adopted a continuum of care PPP model for correctional systems, there is certainly precedent in other states for large-scale adoption of correctional PPPs. For example, New Mexico contracted out 45% of its correctional system under the administration of former Gov. Gary Johnson, and a 2003 study by the Rio Grande Foundation surveyed prison expenditures in 46 states and found that public sector facilities in New Mexico were spending \$9,660 dollars per

prisoner per year less than peer states that had no privately operated correctional facilities.¹ As former Gov. Johnson explained in a 2010 Reason.tv interview:²

[i]n New Mexico we had over 600 prisoners housed out of state, we were under a federal court order—federal consent decree—regarding our prisons and how they should be run. I ended up—as a result of a legislature that was not wanting to address this issue—ended up privatizing over half of the state's prisons. Comparing apples to apples, the private side produced the same goods and services for two-thirds the price. To me that was good government.

B. Benefits of the Continuum of Care PPP Approach

Adopting a continuum of care PPP model in corrections offers a wide range of potential benefits to the state and taxpayers, including lower costs, reduced recidivism, improved system performance and better value through service integration.

1. Cost Savings through PPPs

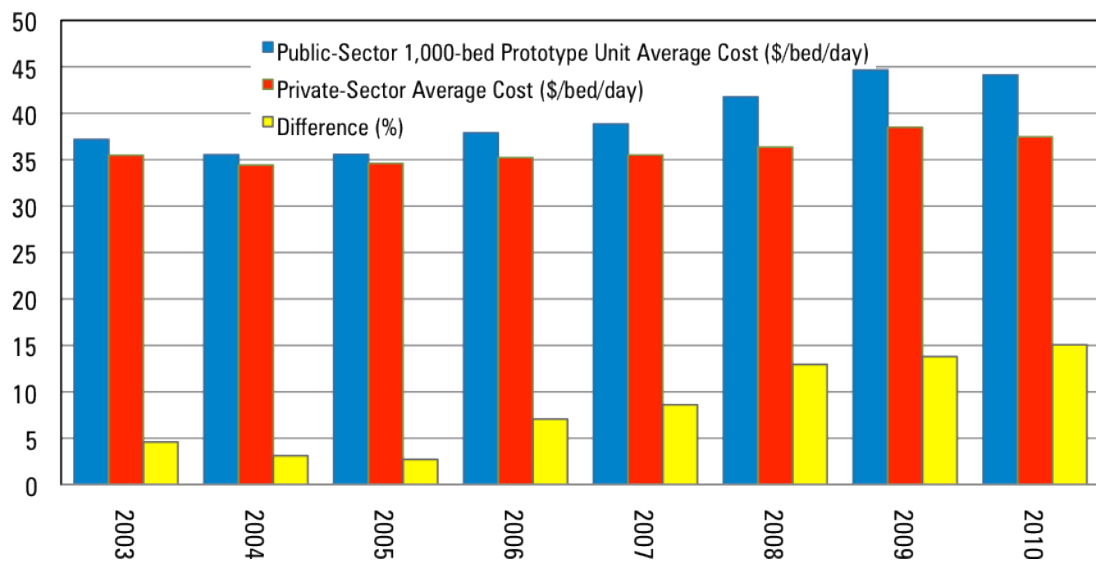
There is abundant academic and government research demonstrating that private corrections providers can operate correctional facilities at a lower cost than government-run facilities. The state of Texas offers compelling evidence for the cost savings possible through PPPs in the Texas Legislative Budget Board's (LBB) biannual cost comparison study of public and private sector prison operations. The LBB research offers long-term trend data demonstrating that average per-diem costs in state-run prisons have ranged been between 3% to 15% lower than the per-diem costs in comparable state-run facilities since 2003 (see Figure 1).³ In recent years, this differential has steadily increased from 7% in 2006 to over 15% in 2010, averaging an 11% annual cost savings over that five-year period. In 2010, operating costs per inmate per day in public and private sector prisons were \$44.12 and \$37.47, respectively, representing cost savings of over 15% that year in PPP facilities.⁴

Other notable research on cost savings through correctional PPPs include:

- A 2002 Reason Foundation study reviewed 28 academic and government studies on corrections PPPs and found that private corrections companies saved up to 23% in daily operating costs over comparable government-run systems.⁵ The studies reviewed support a conservative estimate that private facilities offer cost savings of between 10% and 15% over their public sector counterparts.
- A 2009 Avondale Partners survey of 30 state correctional agencies found that in states currently using private sector services, the average daily savings for partnership prisons was 28%.⁶
- A December 2008 Vanderbilt University study found that states that contracted with private corrections companies significantly reduced their overall prison expenditures compared to states that did not.⁷ According to researcher James Blumstein, “The

fundamental conclusion is that, over that six-year period, states that had some of their prisoners in privately owned or operated prisons experienced lower rates of growth in the cost of housing their public prisoners—savings in addition to direct cost savings from using the private sector.” In addition to saving money at privately operated prisons, the study found that public facilities that remain under state operation also had reduced costs, a likely result of competition.

Figure 1: State of Texas Per-Diem Comparison: State-Operated 1,000-Bed Prototype Unit vs. Privately Operated Facilities (2003–2010)



Source: Texas Legislative Budget Board, *Criminal Justice Uniform Cost Report*, various editions.

Given that the initial transition of a state DOC region to a continuum of care PPP model would involve complex integration and operational issues, cost savings through PPPs would likely start small and increase incrementally over time as the model is refined and unanticipated transition issues are resolved. A typical scenario might involve cost savings of 0% to 2% in the early years of the contract, ramping up to a 5% to 15% cost savings level by year 10. States can define their targeted level of cost savings up front, inviting private bidders to compete to lower costs beyond a minimum threshold. Further, contracts would be established on a fixed-price basis, ensuring long-term predictability in fiscal planning for the state.

2. Lower Recidivism and Improved Performance

Current state correctional systems are under stress and will be increasingly pressured to safely reintegrate growing numbers of offenders back into society on tighter budgets. Further, the fragmented nature of the typical state corrections system presents a significant barrier to lowering recidivism, as discussed in the previous section of this report.

Expanding private involvement in providing services to inmates throughout incarceration and after release can bring a new wave of innovation, as private correctional management companies have a well-established track record in providing effective rehabilitation, education and post-release programs aimed at reintegrating inmates into the community and reducing recidivism rates.

Shifting to a continuum of care PPP model and contracting for recidivism reduction would facilitate the development of more coherent, individualized rehabilitation plans that follow offenders as they move throughout the system, from reception center to prison to home. The private operator would be required to tailor rehabilitation programs to the individual and would be contractually accountable for ensuring high performance in tracking and working with offenders to successfully move them through the corrections cycle and back to society.

Further, under the continuum of care PPP model, the contract would be structured with an explicit focus on reducing recidivism. The United Kingdom can serve as a model in this regard, as it has shifted from a predominantly public system to one in which both public and private sector providers deliver community corrections services. Notably, it relies on performance-based contracts with public and private providers alike that tie payments to precise benchmarks and outcome-based measures of recidivism and public safety. So far, the use of PPPs in community corrections is having a positive effect on rates of recidivism in the U.K.; one recent study found that the recidivism rate had decreased 10.7%, from 43.7% of total offenders released in 2000 to 39% in 2006.⁸

In the proposed PPP model, a contractual mandate to reduce recidivism would drive companies to innovate in areas like drug and alcohol rehabilitation therapy, behavioral programs, and educational and vocational training. These programs not only make the prisons themselves safer but also save even more taxpayer dollars by lowering crime rates, judicial costs and further incarceration—and the private sector is often faster to embrace innovations in evidence-based service delivery methods. Overall, contracting with recidivism reduction as a central aim would properly align private sector economic incentives with public sector performance goals.

While reducing recidivism, PPPs can also improve system efficiency by controlling legal liabilities, reducing use of overtime, managing to prevent injuries and workers' compensation liabilities, and improving labor productivity. Moreover, as the aforementioned Vanderbilt University study suggests, private sector competition drives efficiency in the public sector corrections marketplace, because government facilities are pressured to become more efficient and to provide better services to compete with private corrections management companies. In other words, introducing privatization creates a competitive “tension in the system” that acts as a rising tide to improve the performance of both the public and private sector.

Outside of the corrections sector, a recent Florida legislative study on the operation of its three state psychiatric hospitals—including the privately operated South Florida State Hospital—provides strong evidence suggesting that large-scale privatization can drive both cost savings and improved *public sector* service delivery. In February 2010, the Florida Legislature's Office of Program Policy Analysis and Government Accountability (OPPAGA) issued a report showing that SFSH's per bed

costs were 6% to 14% lower than two state-run facilities and that the quality of care was similar. Because of better utilization SFSH was 39% to 48% less costly per person served than the two state-run facilities, even though the public facilities have significant economies of scale, with 46% to 83% more beds. The disparities in cost and quality had previously been larger but Florida's state-run hospitals have improved considerably since competition was introduced via the SFSH partnership in 1998. Indeed, introducing privatization seems to have had a positive effect on costs and quality of care throughout the state system, and similar results would be expected through continuum of care PPPs in corrections.

3. Improved Tracking and Management of Offenders

One of the major benefits of a continuum of care PPP model is the inherent flexibility to move personnel and facilities around in a nimble way that improves system efficiency, while also giving the private partner the ability to quickly adapt and tailor an individual's rehabilitation needs based on changing circumstances. It is difficult for many state corrections agencies to operate in this fashion, given inflexibility in personnel rules and operating policies and procedures.

Private partners would be required to implement and maintain state-of-the-art tracking systems and a comprehensive electronic database to follow offenders throughout the continuum, from intake to prison to post-release rehabilitation and reintegration into the community. This system would track an inmate's progression throughout the continuum of care, ensuring a continuity of knowledge and tracking the provider's success in rehabilitating and reintegrating offenders post-release.

Further, because their contracts are tied to performance, private operators would ensure that rehabilitation, educational, vocational and substance abuse programs are provided throughout the continuum of care within a region, thus maximizing the use of resources and enhancing the likelihood of successfully reintegrating offenders into the community and reducing recidivism rates.

4. "Bundling" for Better Value

Shifting to a bundled, region-wide PPP approach may at first appear to be a daunting endeavor, and indeed the shift would be unprecedented in the United States. However, in reality the concept reflects an ongoing trend of governments increasingly maturing in their sophistication with privatization and finding greater economies of scale, cost savings and/or value for money through bundling several—or even all—services in a given agency or agency subdivision (e.g., facility management and maintenance) into a PPP initiative, rather than treat individual services or functions separately.

There are many notable examples outside the world of correctional PPPs. At the municipal level, three new cities have been established in metropolitan Atlanta since 2005 that have relied on private contractors to perform almost all city functions outside of police and fire services. On a smaller scale, the two Florida cities of Bonita Springs and Pembroke Pines have both privatized all

of their community development services (planning, zoning, permitting, code enforcement, etc.) since 2008, and Centennial, Colorado privatized its public works department that year.

States offer other examples. For instance, Virginia and Florida have both made major shifts from piecemeal Interstate and highway maintenance contracting toward bundled maintenance PPPs in recent decades. The Florida Department of Transportation currently has nearly three dozen “total asset management” contracts covering a broad spectrum of highway maintenance activities across all manner of geographies, e.g., specific Interstate segments, entire stretches of Interstate, entire FDOT districts, bundles of highway segments, toll roads, etc. For 28 of those contracts, FDOT estimates savings over in-house provision at 16%, and savings over traditional short-term maintenance contracting of 10%.⁹ It’s likely that the true savings are even higher. Those 28 bundled contracts would have been 980 discrete contracts had they been issued through traditional short-term maintenance contracting, and instead of the 348 invoices they process annually under the 28 contracts, the state would have processed over 11,000 annually under traditional contracting approaches.

Georgia has applied a similar model in corrections and secure-site facility maintenance. Georgia’s Department of Juvenile Justice (DJJ) began outsourcing facility maintenance at 30 of its 35 facilities in 2001, contracting with CGL Engineering Inc. for a comprehensive maintenance solution, marking the first successful state correctional system maintenance outsourcing to a private firm. The partnership was structured to provide a long-term maintenance solution without increasing the budget—in essence, the state was aiming to have the private partner tackle major corrective maintenance projects the state had been unable to address itself, all on the same maintenance budget that existed under state operation (i.e., doing more with the same resources).

To date, this partnership has generated significant improvement in facility conditions and resolved lingering maintenance needs, all while holding the budget flat. For the first six months of the contract, corrective maintenance work orders outnumbered preventive maintenance work orders as longstanding maintenance needs were addressed. After two full years of the contract, the equation had reversed: preventive maintenance work orders were almost double the corrective work orders. Significantly, the cost of preventive maintenance in the contract remained at year 2000 labor costs, the year before maintenance was outsourced. CGL also developed a computerized maintenance management system for all of the facilities as part of the initiative, dramatically improving budget and facility information management. Prior to this, the state did not collect this information.

This contract was viewed as such a success that policymakers subsequently decided to apply the same model beyond just DJJ, issuing a new contract covering maintenance at the 30 DJJ sites and an additional 18 secure-site facilities across two additional agencies—the Georgia Department of Corrections and the Georgia Bureau of Investigation. This multi-agency, multi-facility performance-based contracting approach is keeping maintenance budgets in check while helping the state tackle core facility maintenance challenges and do more with less.

The proposed continuum of care PPP model is similarly aimed at improving outcomes amid tightening budgets. States are already thinking big on PPPs in corrections—many state DOCs

already outsource healthcare, food, transportation and other services on an agency-wide or system-wide basis—so in effect, the proposed continuum of care PPP model can be viewed as an extension and integration of initiatives that many states are already doing on a more piecemeal basis.

C. Keys to Success

The continuum of care PPP model described in this section represents a new approach to corrections in the United States. However, because of the novel nature of the approach, ready-made templates for implementing continuum of care models do not yet exist and will require proper due diligence at every stage of program design and implementation. Some important keys to successful implementation include:

- ***Collaboration between the state DOC and the private sector:*** The collaborative development of a framework for the continuum care PPP between the state DOC and the private sector is a key to ultimate successful implementation of this innovative model. The state DOC should work collaboratively with the private sector to develop the continuum of care PPP framework, set measurable metrics and objectives, and craft a comprehensive implementation plan that combines private sector innovation and effective government oversight.
- ***Defining cost and performance metrics:*** Embracing continuum of care PPPs in corrections would be a major step forward in leveraging the private sector to effect systemic change in a state corrections agency and better performance at rehabilitating criminals. But to know what outcomes to contract for, the states will need a proper assessment of where they currently are and where they want to go.

Correctional systems in many states lack fundamental accountability and transparency. Because they lack a robust performance-based approach to measuring outcomes and results in the public sector, it is difficult—if not impossible—to get an accurate accounting of operational costs and performance at the individual facility level, much less across a system. This makes it difficult for state officials to answer even simple questions like, “how much does it cost to change a light bulb at State Prison X versus State Prison Y?”

The inability to answer these sorts of questions suggests that the officials and policymakers in charge of the corrections system may not have a clear sense of *what an efficient and effective prison even is*, given that what is not measured cannot be known. Without a clear sense of what the goal is, it is unsurprising that states are experiencing high recidivism rates.

For successful implementation of continuum of care PPPs, state DOC officials will need to undertake the proper upfront due diligence necessary to establish an accurate cost accounting at the facility level, evaluate how each facility is performing across a variety of service delivery metrics, and derive a clear and meaningful set of performance targets and desired outcomes that can be operationalized and incorporated into a PPP contract. Not only will this maximize a PPP’s likelihood of success, but this process would help

policymakers better distinguish between success and underperformance across all state facilities, whether operated by public or private entities.

- ***Using performance-based PPP contracts:*** Performance-based PPP contracts are a key means of capturing the broad range of service delivery goals that go beyond simple cost savings. The contractual mechanism in PPPs increases the incentive to produce high-quality work and ensure high performance. Indeed, the level of performance is firmly established in the contract. Generally, contracts should be performance-based (focusing on outputs or outcomes) and include quality control assurances. They allow governments to purchase results, not just process, rewarding the private firm only if specified quality and performance goals are met. This makes privatization even more dramatically a case of purchasing something fundamentally different from in-house services.

The power of a strong, performance-based contract should not be overlooked by public officials, who can incorporate quality assurances into service delivery—or incorporate quality controls into project delivery, in the case of new or expanded prison capacity built through PPPs—as ways of managing risk. Further, significant operational risks—perhaps most importantly, the risk of future service quality declines—can be minimized by incorporating financial penalties for underperformance into the contract. PPP contracts that involve building new correctional facilities should also transfer project delivery risks—including the risk of cost overruns and schedule slips—to the private partner, creating strong incentives for efficiency and performance in project delivery.

Because private corrections firms have to compete to win the right to manage a facility, they have a strong incentive to run efficient operations. They also have a greater incentive to meet quality standards for fear of losing their contract. These twin concerns give private firms the incentive to provide the same level or better of service and security that public prisons do while saving considerable taxpayer funds.

- ***Measuring and tracking performance:*** It is important to note that while the proposed continuum of care PPP model would change the DOC's role in a region's operation, it would not abdicate or eliminate it. Governments should never sign a PPP contract and walk away. Rather, a PPP is a *partnership* that outlines a framework and scope for the partners' roles on an ongoing basis. In a well-constructed PPP, the private partner's role is oriented toward innovation and delivering operational performance, while the public partner's role is oriented toward regulation, contract oversight and otherwise holding the private partner accountable for meeting the terms of the contract. This requires the public partner to develop and implement robust performance measurement and contract monitoring systems to ensure private sector compliance with contractual performance targets.
- ***Benchmarking performance across the entire system:*** The performance metrics delineated in the PPP contract have benefits that extend beyond the scope of the PPP contract itself. Not only can these performance metrics be used to evaluate the performance of a private operator in a region-level continuum of care PPP, but they can also be used to measure and

benchmark the performance of other regions. In time, this benchmarking and focus on managing for performance would likely lead to an overall improvement in the delivery of services by all regions system-wide—government-run and privately operated—contributing even further to the containment of overall costs throughout the corrections system.

Part 4

Continuum of Care PPP Example: Florida

As one of the largest state correctional systems, and one that already makes extensive use of PPPs in corrections, Florida provides a useful model for framing the cost savings benefits a state might realize through the use of correctional continuum of care PPPs.

With an inmate population of over 102,000 inmates, Florida has the third largest correctional system in the nation after California (174,000) and Texas (155,000).¹⁰ The state is responsible for overseeing the operation of 147 correctional facilities across four regions statewide that include prisons, work camps, treatment centers and work release centers. Of the state's 63 prison facilities, seven (or 11%) are currently operated under PPPs with private corrections management firms.¹¹ Additionally, the state is responsible for overseeing over 151,000 offenders under active community supervision.¹²

As a hypothetical model, of all of the Florida Department of Corrections (FDOC) regions, Regions I and IV would be logical choices to pilot a continuum of care PPP due to their already extensive use of privatization today. FDOC Region I, which covers the Florida panhandle, currently houses nearly 15% of its inmates in private prisons today, while FDOC Region IV, which covers south Florida, houses nearly 13.5% of its inmates in private prisons (see Table 1) and has partially privatized the delivery of correctional healthcare services.

Comparing private and governmental corrections services is sometimes more of an art than a science. Government agencies and private firms use different budgeting and accounting methods. Adjustments can help correct for many differences, but the result is a comparison of estimates, not specific expenditure data. Further, Florida and many other states often do not conduct activity-based costing at either the facility or regional level, requiring researchers to infer these costs using less direct means, as was the case here.

In order to provide the simplest and most direct estimates of current region-wide operating costs possible, we have chosen to rely on data from FDOC and the state budget to approximate the total annual operating costs for each FDOC region. As detailed in Appendix B, for each type of correctional facility within each FDOC region (e.g., prisons, reception centers, work camps, etc.), we multiplied the total population by the average per diem for that facility type (as reported in the fiscal year 2008–9 FDOC budget), aggregating them for a region-wide annual cost estimate for

correctional facilities. Similarly, for each category of community supervision within each FDOC region—probation, drug offender, community control, pre-trial intervention and post-prison release—we multiplied the total population by the average per diem for that type of supervision (using 2010 FDOC data), aggregating them for a region-wide annual cost estimate for community corrections. Adding the total regional correctional facility and community corrections costs together yields an estimated total annual cost of region operation. Total estimated annual costs for Regions I and IV were \$597.3 million and \$419.5 million, respectively (see Table 1).

With an estimate of the annual costs for Regions I and IV in hand, an estimate of potential cost savings through continuum of care PPPs became possible. As stated in the previous section, cost savings through correctional PPPs typically range from 5% to 15%. Given current Florida law requiring all private prison contracts to achieve a minimum 7% cost savings as a mandatory condition of approval, it was assumed that this would represent the minimum level of cost savings private corrections firms would be required to achieve in a continuum of care PPP.

However, given that a 7% cost savings level would be the minimum eligible bid, bidder competition would be expected to drive the actual contracted cost savings higher. Even though a 15% cost savings would be a realistic high-end estimate of savings based on current state experience (see discussion in previous section on cost savings through correctional PPPs in Texas and other states), we assumed a more conservative range of 7% to 10% cost savings for discussion purposes.

	FDOC Region I	FDOC Region IV	Combined FDOC Regions I & IV
Number of Correctional Facilities	37	34	71
Inmate Population (October 2010)	32,960	21,028	53,988
Inmate Population held in Privately Operated Facilities	4,905	2,829	7,734
% of Inmate Population held in Privately Operated Facilities	14.9%	13.5%	14.3%
Estimated Annual Correctional Facilities Cost	\$545,572,731	\$367,795,601	\$913,368,331
Offenders under Community Supervision	36,366	37,958	74,324
Estimated Annual Community Corrections Cost	\$51,700,601	\$51,735,165	\$103,435,766
Total Estimated Annual Cost	\$597,273,332	\$419,530,765	\$1,016,804,097
Estimated Continuum of Care PPP Cost Savings (7%)	\$41,809,133	\$29,367,154	\$71,176,287
Estimated Continuum of Care PPP Cost Savings (10%)	\$59,727,333	\$41,953,077	\$101,680,410
Total Estimated 10-Year Cost	\$5,972,733,317	\$4,195,307,654	\$10,168,040,971
Estimated 10-Year Continuum of Care PPP Cost Savings (7%)	\$418,091,332	\$293,671,536	\$711,762,868
Estimated 10-Year Continuum of Care PPP Cost Savings (10%)	\$597,273,332	\$419,530,765	\$1,016,804,097

Sources: Number of Correctional Facilities: derived from Florida Department of Corrections, *Annual Statistics for Fiscal Year 2008-2009*, <http://www.dc.state.fl.us/pub/annual/0809/facil.html>, (accessed 12/16/2010). Inmate Population: Florida Department of Corrections, "End-of-Month Florida Prison Populations by Facility: October 2010," *Inmate Population by Facility for Fiscal Year 2010-2011*, <http://www.dc.state.fl.us/pub/pop/facility>, (accessed 12/16/2010). Offenders Under Community Supervision: Florida Department of Corrections, Bureau of Research and Data Analysis, *Florida's Community Supervision Population—Monthly Status Report (October 2010)*, pp. 5-8, <http://www.dc.state.fl.us/pub/spop/2010/10/1010.pdf>, (accessed 12/16/2010). Estimated Annual Correctional Facilities Cost & Estimated Annual Community Corrections Cost: Author's calculation (see Appendix B).

According to the analysis:

- For FDOC Region I, shifting to a continuum of care PPP model would be expected to reduce the annual costs of correctional facility operation and community corrections by \$41.8 million to \$59.7 million per year. Assuming an average annual 10% cost savings, a continuum of care PPP could potentially save the state \$597.3 million over a 10-year time frame.
- For FDOC Region IV, shifting to a continuum of care PPP model would be expected to reduce the annual costs of correctional facility operation and community corrections by \$29.4 million to \$41.9 million per year. Assuming an average annual 10% cost savings, a continuum of care PPP could potentially save the state \$419.5 million over a 10-year time frame.
- If applied in both Regions I and IV, shifting to a continuum of care PPP model would be expected to reduce the annual costs of correctional facility operation and community corrections by \$71.2 million to \$101.7 million per year. Assuming an average annual 10% cost savings, a continuum of care PPP could potentially save the state over \$1 billion over a 10-year time frame.

Potential savings could even be higher. The 10-year cost savings estimates are based on holding current annual costs constant each year, ignoring the likelihood of public sector cost inflation over a decade-long period. Also, an agency's budget normally does not include various central administrative and support expenses. For example, some state prison budgets do not include the cost of some medical services, legal services, risk management or personnel administration services, many of which are handled on a central accounting basis by other state agencies. Even within an agency budget, many costs may be borne by a central office that should actually be allocated to specific service units, facilities, etc. in a proper accounting scheme. To the extent that certain costs of correctional operation may fall outside of FDOC's agency budget, potential cost savings may be understated.

While a more thorough analysis of potential cost savings possible through continuum of care PPPs would require a full accounting of facility-level and service-level operating costs within each region, the estimates in this analysis suggest that implementing the proposed PPP model could lower the state corrections budget by \$419 million to over \$1 billion over a ten-year period, depending on whether officials chose to pursue PPPs in one region or both. Estimated cost savings of this magnitude—in addition to recidivism reduction and the other potential benefits of the proposed PPP model discussed in the previous section—offer a compelling reason for policymakers to consider embracing the approach.

Part 5

Conclusion

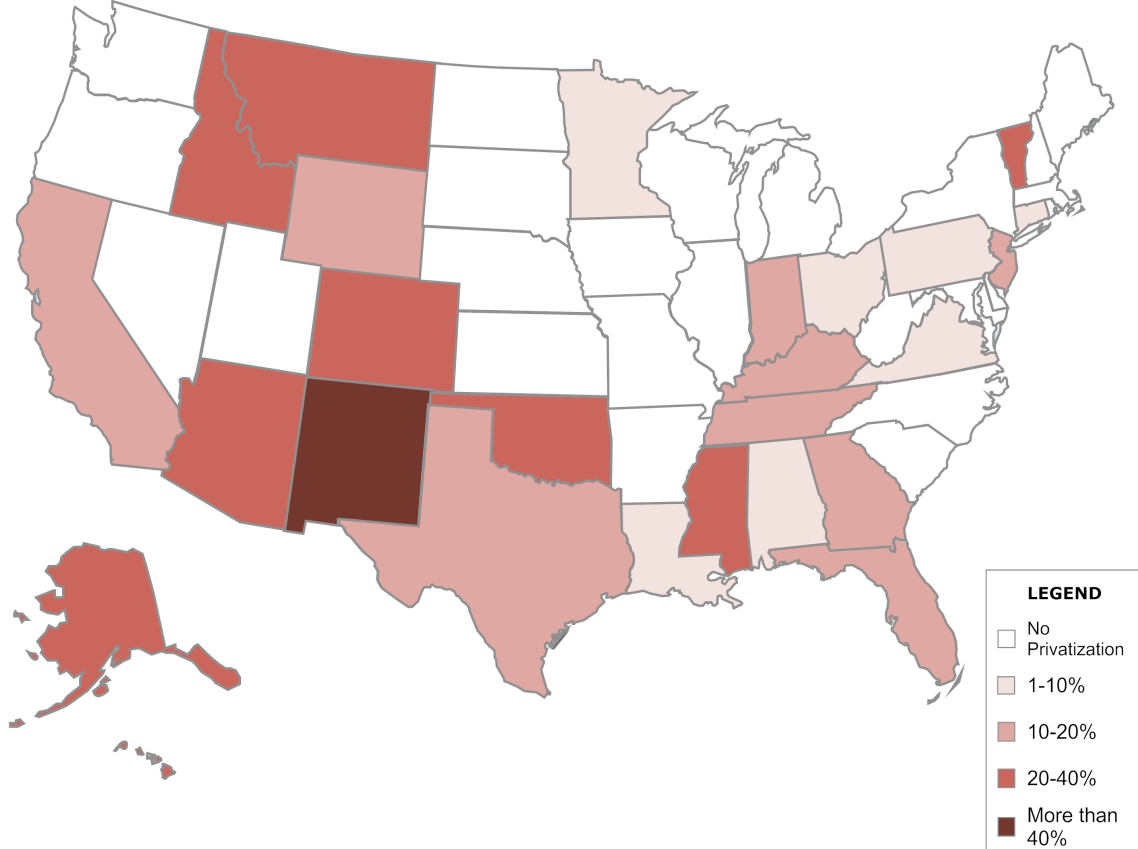
Since the introduction of corrections PPPs in the United States in the 1980s, governments at all levels have found that they can play a critical role in driving down corrections costs (5% to 15% on average, though sometimes far more), stretching limited tax dollars and improving the quality of prison services—and thus, of offender outcomes in terms of behavioral changes through rehabilitation. Expanding the use of PPPs to create a continuum of care in corrections—one that follows offenders from intake, through prisons and into post-release services—would create a more integrated and coordinated system of programming and management to provide as ideal a programming continuum as possible to optimize outcomes while lowering costs.

Given its current usage and experience with implementing correctional PPPs, Florida provides a useful example of the cost savings benefits a state might realize through the use of correctional continuum of care PPPs. As this analysis shows, shifting to a continuum of care PPP model in two regions of the state could reduce the annual costs of correctional facility operation and community corrections by \$71 million to \$102 million per year. Over a 10-year time frame, this adds up to approximately *\$1 billion in potential savings*.

In the current fiscal environment, the potential to achieve cost savings at this scale while improving offender outcomes should compel policymakers in Florida and other states to seriously consider adopting a continuum of care in corrections through PPPs. PPPs already have a long and successful track record at helping correctional agencies control costs, deliver high-quality inmate rehabilitation services, safely operate correctional institutions and—ultimately—curb recidivism and improve correctional outcomes. Extending the PPP model to create a continuum of care would better orient the system toward high performance and ensure that offenders are always in *the right place at the right time for the right programs* to maximize the likelihood of a successful return to society.

Appendix A

Figure A1: Estimated Correctional Privatization in the United States (2010)



Source: Author's calculation based on 2009 data from U.S. Department of Justice, Bureau of Justice Statistics, Prisoners in 2009 Report, <http://bjs.ojp.usdoj.gov/content/pub/pdf/p09.pdf> (accessed December 27, 2010). 2009 state private prison population data were adjusted to reflect announcements of private prison activations and new private prison contracts in 2010 in the states of California, Florida, Georgia and Indiana.

Appendix B

Table B1: FDOC Region I: Estimated Annual Cost of Correctional Facilities

Facility Summary (1)	Total (1)	Population as of October 2010 (2)	Average Per Diem (3)	Estimated Annual Cost (4)
Correctional Institutions				
Apalachee CI (East & West Units)		1,925	\$42.31	\$29,728,064
Jefferson CI		1,118	\$42.31	\$17,265,442
Jackson CI		1,297	\$42.31	\$20,029,766
Calhoun CI		1,315	\$42.31	\$20,307,742
Century CI		1,429	\$42.31	\$22,068,261
Holmes CI		1,071	\$42.31	\$16,539,614
Walton CI		1,222	\$42.31	\$18,871,529
Gulf CI & Annex		2,837	\$42.31	\$43,812,217
Franklin CI		1,458	\$42.31	\$22,516,113
Okaloosa CI		954	\$42.31	\$14,732,765
Wakulla CI & Annex		2,899	\$42.31	\$44,769,692
Santa Rosa CI & Annex		2,644	\$42.31	\$40,831,689
Liberty CI & Quincy Annex		1,706	\$42.31	\$26,346,014
Total Correctional Institutions	13	21,875		\$337,818,906
Youth Custody				
Total Youth Custody	0	0	\$0.00	\$0
Reception Centers				
NWFRC - Main & Annex		2,012	\$85.94	\$63,112,617
Total Reception Centers	1	2,012		\$63,112,617
Work Camps, Boot Camps, Stand Alone Work/Forestry Camps, Treatment Centers				
River Junction WC		386	\$42.31	\$5,961,056
Liberty WC		271	\$42.31	\$4,185,094
Caryville WC		120	\$42.31	\$1,853,178
Graceville WC		275	\$42.31	\$4,246,866
Okaloosa WC		264	\$42.31	\$4,076,992
Holmes WC		314	\$42.31	\$4,849,149
Calhoun WC		280	\$42.31	\$4,324,082
Jackson WC		279	\$42.31	\$4,308,639
Century WC		239	\$42.31	\$3,690,913
Gulf Forestry Camp		280	\$42.31	\$4,324,082
Bay City WC		268	\$42.31	\$4,138,764
Walton WC		274	\$42.31	\$4,231,423
Wakulla WC		414	\$42.31	\$6,393,464
Berrydale Forestry Camp		123	\$42.31	\$1,899,507
Total Work Camps	14	3,787		\$58,483,209
Work Release Centers				
Panama WRC		67	\$30.80	\$753,214
Pensacola WRC		82	\$30.80	\$921,844

Table B1: FDOC Region I: Estimated Annual Cost of Correctional Facilities

Facility Summary (1)	Total (1)	Population as of October 2010 (2)	Average Per Diem (3)	Estimated Annual Cost (4)
Tallahassee WRC		114	\$30.80	\$1,281,588
SHISA House West		32	\$30.80	\$359,744
Total Work Release Centers	4	295		\$3,316,390
Road Prisons				
Tallahassee Road Prison		86	\$42.31	\$1,328,111
Total Road Prisons	1	86		\$1,328,111
Private Institutions				
Gadsden CI		1,503	\$45.53	\$24,977,530
Bay CF		974	\$45.53	\$16,186,370
Blackwater River CF		563	\$45.53	\$9,356,187
Graceville CF		1,865	\$45.53	\$30,993,409
Total Private Institutions	4	4,905		\$81,513,497
Region I Total	37	32,960		\$545,572,731

(1) Facility counts by facility type are drawn from Florida Department of Corrections, "Facilities," *Annual Statistics for Fiscal Year 2008-2009*, <http://www.dc.state.fl.us/pub/annual/0809/facil.html>, (accessed 12/16/2010).

(2) Inmate population counts drawn from Florida Department of Corrections, "End-of-Month Florida Prison Populations by Facility: October 2010," *Inmate Population by Facility for Fiscal Year 2010-2011*, <http://www.dc.state.fl.us/pub/pop/facility> (accessed 12/16/2010).

(3) Average per diem costs by facility type are drawn from Florida Department of Corrections, "Budget Summary," *Annual Statistics for Fiscal Year 2008-2009*, <http://www.dc.state.fl.us/pub/annual/0809/budget.html>, (accessed 12/16/2010).

(4) Estimated annual cost is calculated by multiplying actual October 2010 population counts by the average per diems (FY08-09) by facility type.

Table B2: Florida DOC Region I Community Corrections: Active Community Supervision Offender Population

Supervision Type	Total Annual Cost (FY2010-2011 Budget) (1)	Total Population (October 2010) (2)	Estimated Annual Cost Per Offender (3)	Region I Population (October 2010) (4)	Estimated Annual Cost for Region I (5)
Probation	\$125,678,002	109,692	\$1,146	25,993	\$29,781,099
Drug Offender	\$20,724,651	16,717	\$1,240	4,118	\$5,105,229
Community Control	\$33,595,479	10,636	\$3,159	2,886	\$9,115,885
Pre-Trial Intervention	\$4,430,182	9,331	\$475	1,920	\$911,580
Post-Prison Release	\$23,882,634	5,099	\$4,684	1,449	\$6,786,809
TOTAL	\$208,310,948	151,475	\$10,703	36,366	\$51,700,601

(1) Total annual cost by supervision type from FDOC enacted budget: Florida House of Representatives, Florida House Bill 5001 (Enrolled), Regular Session 2010, pp. 127-130,

http://www.myfloridahouse.gov/Sections/Documents/loadoc.aspx?FileName=HB_5001_Enrolled.pdf&DocumentType=Bill&BillNumber=5001&Session=2010 (accessed December 20, 2010)."

(2) Total population counts by supervision type from Florida Department of Corrections, Bureau of Research and Data Analysis, Florida's Community Supervision Population: Monthly Status Report (October 2010), p.1, <http://www.dc.state.fl.us/pub/spop/2010/10/1010.pdf> (accessed December 20, 2010).

(3) Annual per-offender cost estimates are calculated by dividing Total Annual Cost (FY 2010-2011 Budget) by Total Population (October 2010) for each supervision type.

(4) Region I population counts by supervision type from Florida Department of Corrections, Bureau of Research and Data Analysis, Florida's Community Supervision Population: Monthly Status Report (October 2010), p.5, <http://www.dc.state.fl.us/pub/spop/2010/10/1010.pdf> (accessed December 20, 2010).

(5) Region I annual cost estimate is calculated by multiplying estimated annual cost per offender by the Region I actual October 2010 population by supervision type.

Table B3: FDOC Region IV: Estimated Annual Cost of Correctional Facilities				
Facility Summary (1)	Total (1)	Population as of October 2010 (2)	Average Per Diem (3)	Estimated Annual Cost (4)
Correctional Institutions				
Everglades CI		1,636	\$42.31	\$25,264,993
Okeechobee CI		1,622	\$42.31	\$25,048,789
Glades CI		670	\$42.31	\$10,346,911
Homestead CI (Female)		670	\$69.30	\$16,947,315
Martin CI		1,293	\$42.31	\$19,967,993
Dade CI		1,574	\$42.31	\$24,307,518
Hardee CI		1,597	\$42.31	\$24,662,711
De Soto CI - Annex		1,453	\$42.31	\$22,438,897
Charlotte CI		963	\$42.31	\$14,871,753
Hendry CI		940	\$42.31	\$14,516,561
Total Correctional Institutions	10	12,418		\$198,373,441
Youth Custody				
Indian River CI		486	\$60.37	\$10,709,034
Total Youth Custody	1	486		\$10,709,034
Reception Centers				
So. Florida RC - Main & So. Units		1,466	\$85.94	\$45,985,635
Broward CI (Reception Center)		732	\$85.94	\$22,961,449
Total Reception Centers	2	2,198		\$68,947,084
Work Camps, Boot Camps, Stand Alone Work/Forestry Camps, Treatment Centers				
Martin WC		201	\$42.31	\$3,104,073
Glades WC		276	\$42.31	\$4,262,309
Sago Palm WC		223	\$42.31	\$3,443,822
Ft. Myers WC		117	\$42.31	\$1,806,849
De Soto WC		281	\$42.31	\$4,339,525
Hendry WC		257	\$42.31	\$3,968,890
Hardee WC		287	\$42.31	\$4,432,184
Total Work Camps	7	1,642		\$25,357,652
Work Release Centers				
Ft. Pierce WRC		81	\$30.80	\$910,602
Hollywood WRC		114	\$30.80	\$1,281,588
Atlantic WRC		42	\$30.80	\$472,164
Bradenton Transit Ctr (contract)		110	\$30.80	\$1,236,620
Pompano Transit Ctr (contract)		207	\$30.80	\$2,327,094
Bridges of Pompano (contract)		199	\$30.80	\$2,237,158
Miami North WRC		182	\$30.80	\$2,046,044
West Palm Beach WRC		141	\$30.80	\$1,585,122
Opa Locka WRC		132	\$30.80	\$1,483,944
Total Work Release Centers	9	1,208		\$13,580,336
Road Prisons				
Big Pine Key RP		62	\$42.31	\$957,475
Loxahatchee RP		89	\$42.31	\$1,374,440
Arcadia RP		96	\$42.31	\$1,482,542
Total Road Prisons	3	247		\$3,814,458
Private Institutions				
Moore Haven CF		979	\$45.53	\$16,269,463
South Bay CF		1850	\$45.53	\$30,744,133
Total Private Facilities	2	2,829		\$47,013,595
FDOC Region IV Total	34	21,028		\$367,795,601

(1) Facility counts by facility type are drawn from Florida Department of Corrections, "Facilities," Annual Statistics for Fiscal Year 2008-2009, <http://www.dc.state.fl.us/pub/annual/0809/facil.html>, (accessed 12/16/2010).

(2) Inmate population counts drawn from Florida Department of Corrections, "End-of-Month Florida Prison Populations by Facility: October 2010," Inmate Population by Facility for Fiscal Year 2010-2011, <http://www.dc.state.fl.us/pub/pop/facility> (accessed 12/16/2010).

(3) Average per diem costs by facility type are drawn from Florida Department of Corrections, "Budget Summary," Annual Statistics for Fiscal Year 2008-2009, <http://www.dc.state.fl.us/pub/annual/0809/budget.html>, (accessed 12/16/2010).

(4) Estimated annual cost is calculated by multiplying actual October 2010 population counts by the average per diems (FY08-09) by facility type.

Table B4: Florida DOC Region IV Community Corrections: Active Community Supervision Offender Population

Supervision Type	Total Annual Cost (FY2010-11 Budget) (1)	Total Population (October 2010) (2)	Estimated Annual Cost Per Offender (3)	Region IV Population (October 2010) (4)	Estimated Annual Cost for Region IV (5)
Probation	\$125,678,002	109,692	\$1,146	28,884	\$33,093,420
Drug Offender	\$20,724,651	16,717	\$1,240	3,160	\$3,917,563
Community Control	\$33,595,479	10,636	\$3,159	2,235	\$7,059,599
Pre-Trial Intervention	\$4,430,182	9,331	\$475	2,273	\$1,079,177
Post-Prison Release	\$23,882,634	5,099	\$4,684	1,406	\$6,585,406
TOTAL	\$208,310,948	151,475	\$10,703	37,958	\$51,735,165

(1) Total annual cost by supervision type from FDOC enacted budget: Florida House of Representatives, Florida House Bill 5001 (Enrolled), Regular Session 2010, pp. 127-130,

http://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?FileName=HB_5001_Enrolled.pdf&DocumentType=Bill&BillNumber=5001&Session=2010 (accessed December 20, 2010).

(2) Total population counts by supervision type from Florida Department of Corrections, Bureau of Research and Data Analysis, Florida's Community Supervision Population: Monthly Status Report (October 2010), p.1, <http://www.dc.state.fl.us/pub/spop/2010/10/1010.pdf> (accessed December 20, 2010).

(3) Annual per-offender cost estimates are calculated by dividing Total Annual Cost (FY 2010-2011 Budget) by Total Population (October 2010) for each supervision type.

(4) Region IV population counts by supervision type from Florida Department of Corrections, Bureau of Research and Data Analysis, Florida's Community Supervision Population: Monthly Status Report (October 2010), p.8, <http://www.dc.state.fl.us/pub/spop/2010/10/1010.pdf> (accessed December 20, 2010).

(5) Region IV annual cost estimate is calculated by multiplying estimated annual cost per offender by the Region IV actual October 2010 population by supervision type.

About the Authors

Leonard Gilroy, AICP is the director of government reform at Reason Foundation, a nonprofit think tank advancing free minds and free markets. Gilroy, a certified urban planner (AICP), researches privatization, government reform, transportation, infrastructure and urban policy issues. Gilroy has a diversified background in policy research and implementation, with particular emphases on public-private partnerships, competition, government efficiency, transparency, accountability and government performance. Gilroy has worked closely with legislators and elected officials in Texas, Arizona, Louisiana, New Jersey, Utah, Virginia, California and several other states in efforts to design and implement market-based policy approaches, improve government performance, enhance accountability in government programs and reduce government spending. He is currently serving as a member of Arizona's Commission on Privatization and Efficiency.

Gilroy is the editor of the well-respected privatization newsletter *Privatization Watch*, and is the editor of the widely read *Annual Privatization Report*, which examines trends and chronicles the experiences of local, state and federal governments in bringing competition to public services. His articles have been featured in such leading publications as *The Wall Street Journal*, *Los Angeles Times*, *New York Post*, *The Weekly Standard*, *Washington Times*, *Houston Chronicle*, *Atlanta Journal-Constitution*, *Arizona Republic*, *San Diego Union-Tribune*, *San Francisco Examiner*, *Philadelphia Inquirer* and *The Salt Lake Tribune*.

Adrian Moore, Ph.D., is vice president of research at Reason Foundation, a non-profit think tank advancing free minds and free markets. Moore oversees all of Reason's policy research and conducts his own research on topics such as privatization, government and regulatory reform, air quality, transportation and urban growth, prisons and utilities. Moore, who has testified before Congress on several occasions, regularly advises federal, state and local officials on ways to streamline government and reduce costs.

Moore is also co-author of *Curb Rights: A Foundation for Free Enterprise in Urban Transit*, published in 1997 by the Brookings Institution Press, as well as dozens of policy studies. His work has been published in the *Los Angeles Times*, *Boston Globe*, *Houston Chronicle*, *Atlanta Journal-Constitution*, *Orange County Register*, *The Independent Review*, *Economic Affairs*, *Public Policy and Management*, *Consumer Affairs* and numerous other publications.

In 2002, Moore was awarded a World Outsourcing Achievement Award by PricewaterhouseCoopers and Michael F. Corbett & Associates Ltd. for his work showing governments how to use public-private partnerships and the private sector to save taxpayer money and improve the efficiency of their agencies.

Prior to joining Reason, Moore served 10 years in the Army on active duty and reserves. As a noncommissioned officer he was accepted to Officers Candidate School and commissioned as an Infantry officer. He served in the United States and Germany and left the military as a Captain after commanding a Heavy Material Supply company.

Endnotes

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- ¹ Matthew Mitchell, *The Pros of Privately Housed Cons: New Evidence on the Cost Savings of Private Prisons*, (Albuquerque, NM: Rio Grande Foundation, 2003).
 - ² Reason.tv interview with Gary Johnson, “Gary Johnson’s Our America (Full-Length Version),” February 2010, available at <http://reason.tv/video/show/gary-johnson-full-interview>.
 - ³ Calculations in this section are based on an analysis of data prepared by the Texas Legislative Budget Board in its *Criminal Justice Uniform Cost Report* series. All data are available at: http://www.lbb.state.tx.us/PubSafety_CrimJustice/PubSafety_CrimJustice.htm
 - ⁴ Texas Legislative Budget Board, *Criminal Justice Uniform Cost Report*, Fiscal Years 2008-2010, January 2011, http://www.lbb.state.tx.us/PubSafety_CrimJustice/3_Reports/Uniform_Cost_Report_0111.pdf
 - ⁵ Geoffrey F. Segal and Adrian T. Moore, *Weighing the Watchmen: Evaluating the Costs and Benefits of Outsourcing Correctional Services; Part II: Reviewing the Literature on Cost and Quality Comparisons* (Los Angeles, CA: Reason Foundation, 2002), <http://reason.org/files/50b944ab1f7d1cb15d8943c0c334df56.pdf>
 - ⁶ “Behind the Bars—An In-Depth View of the Corrections Industry,” Avondale Partners, LLC (March 2, 2009).
 - ⁷ James F. Blumstein, Mark A. Cohen and Suman Seth, “Do Government Agencies Respond to Market Pressures? Evidence from Private Prisons,” (Nashville, TN: Vanderbilt University, 2007).
 - ⁸ Kate Mize, *Stopping the Revolving Door: Reform of Community Corrections in Wisconsin* (Madison, WI: Wisconsin Policy Research Institute, 2009), <http://www.wpri.org/Reports/Volume22/Vol22No5/Vol22No5.pdf>
 - ⁹ Shirley Ybarra, “Temporary Fix for Transportation Trust Fund: States should look to private sector for help building, maintaining infrastructure,” Reason Foundation, October 1, 2008, <http://reason.org/news/show/1003153.html>
 - ¹⁰ Florida population from Florida Department of Corrections, “End-of-Month Florida Prison Populations by Facility: October 2010,” Inmate Population by Facility for Fiscal Year 2010-2011, <http://www.dc.state.fl.us/pub/pop/facility>, (accessed 12/16/2010). California and Texas population data from American Correctional Association, 2009 Directory of Adult and Juvenile Correctional Departments, Institutions, Agencies, and Probation and Parole Authorities.
 - ¹¹ Florida Department of Corrections, Annual Statistics for Fiscal Year 2008-2009, <http://www.dc.state.fl.us/pub/annual/0809/facil.html>, (accessed 12/16/2010). The privately operated Blackwater River Correctional Facility in Milton, Florida was activated in October 2010 and has been added to the total facility count (146) referenced in this FDOC report.
 - ¹² Florida Department of Corrections, Bureau of Research and Data Analysis, Florida’s *Community Supervision Population—Monthly Status Report* (October 2010), p. 4, <http://www.dc.state.fl.us/pub/spop/2010/10/1010.pdf>, (accessed 12/16/2010).



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