

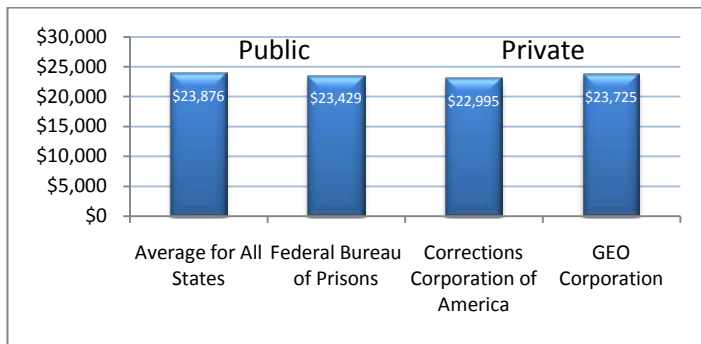
# SEIU LOCAL 1000: Focus on the Facts



## Do Private Prisons Cost Less?

California's prisons are too costly. But is the answer to rising prison costs privatization? Even though Gov. Arnold Schwarzenegger insists it is, facts tell us something different. Per-inmate costs at private prisons are actually similar to state-run prisons when measured against the national average. Add to that the minimal or no requirements for private prisons to report their costs and operating expenses. And with conflicting findings of major studies on savings in private prisons, the rationale for transferring billions of taxpayer's dollars into a private corrections scheme falls apart. Anticipated savings from private prisons are dreams, not realities.

**Annual Cost Per Inmate<sup>i</sup>**



As shown in this graph, the average annual cost per inmate for all state and federal public prisons is virtually the same compared to average cost per inmate of Corrections Corporation of America (CCA) and GEO Corporation—the nation's two largest private prison companies.

## Lack of transparency obscures comparison

Private companies often skirt the Freedom of Information Act or state public records that ensure transparency and accountability.<sup>ii</sup> Poor data collection led to an aborted attempt in 2007 by the federal General Accounting Office (GAO) to compare costs between private facilities and federal prisons: Researchers found that “a methodologically sound cost comparison analysis of (federal) and private ... facilities is not currently feasible because (federal government) does not gather data from private facilities that are comparable to the data collected on (federal) facilities.”<sup>iii</sup>

Per Diem Rates for Inmates		
State	Public	Private
Tennessee	\$35	\$35
Washington	\$24	\$22
California	\$41	\$43

*The table shows the findings of three seminal prison privatization studies done in the 1990's on cost savings.*

Still, almost every major governmental study on private-prison costs that doesn't run into a roadblock because of inconclusive data concludes that savings from privatization are negligible, such as three studies from the 1990s.<sup>iv</sup> According to a major late-nineties GAO study, the data “offer little generalizable guidance for other jurisdictions about what to expect regarding comparative operational costs and quality of service if they were to move toward privatizing correctional facilities.”<sup>v</sup>

## Endnotes

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<sup>i</sup> The public prison data for the graph was taken from the report Public Safety, Public Spending: Forecasting America's Prison Population 2007-2011, Revised June 2007. P. 20-21.  
[http://www.pewcenteronthestates.org/report\\_detail.aspx?id=32076](http://www.pewcenteronthestates.org/report_detail.aspx?id=32076) The data on per inmate costs for Correctional Corporation of America and GEO Corporation was taken from the report California Department of Corrections and Rehabilitation: Out- of- State Prison Program Procurement Process, California Assembly Committee on Accountability and Administrative Review. January 20, 2010.

<sup>ii</sup> Quick Facts About Prison Privatization, Private Corrections Institute. 2008.  
<http://www.privateci.org/privatepics/Private%20prison%20fact%20sheet%202009.pdf>

<sup>iii</sup> US General Accounting Office, Cost of Prisons: Bureau of Prison Needs Better Data to Assess Alternatives for Acquiring Low and Minimum Security Facilities, October 2007 P.10.

<sup>iv</sup> Public Safety, Public Spending: Forecasting America's Prison Population 2007-2011, P. 21

<sup>v</sup> US General Accounting Office, Private and Public Prisons: Studies Comparing Operational Costs and/ or Quality of Service GAO? GGD-96-158 (Washington, DC: GPO, 1996) P.3.