



# POLICY BRIEF

## **Private Prisons and the Public Interest** **Improving Quality and Reducing Cost through Competition**

by  
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# **Private Prisons and the Public Interest**

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### **I. Introduction**

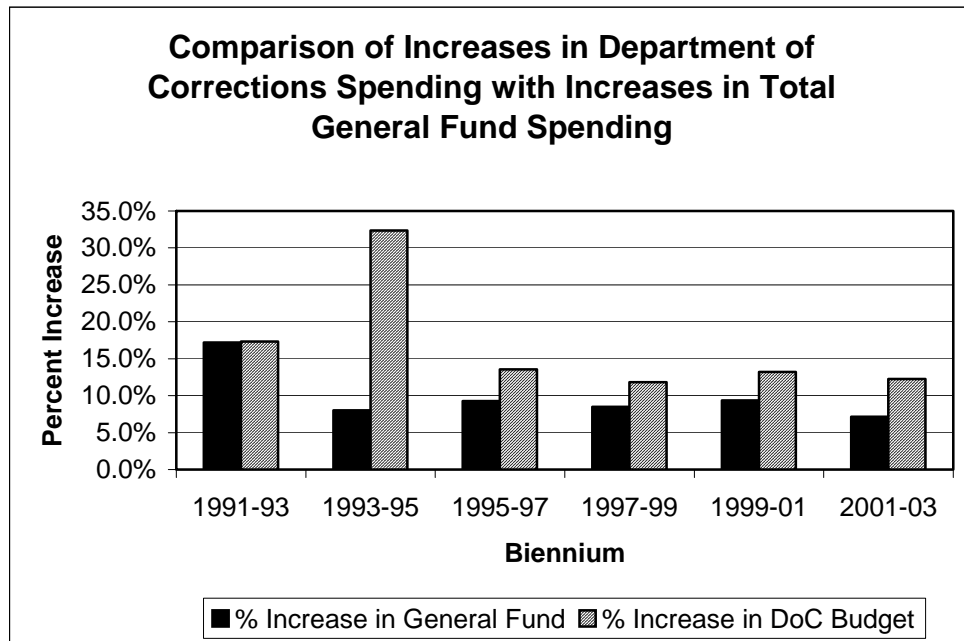
The primary function of government is to protect the lives, liberty and property of its citizens. Public safety is thus essential to the continuance of civil society. Public safety depends on a reliable and effective criminal justice system, and central to the administration of justice is a humane, secure and efficient prison system.

At first glance building and operating prisons would appear to be a natural and exclusive function of government. On closer inspection, however, there is really no reason operating a prison system should remain a government monopoly. Like many essential public services, the government's responsibility is to see that a sustainable, high-quality corrections system is provided, not that the government itself should build and operate it.

In the United States police powers are largely exercised by the states, and citizens look to their state and to local governments to protect them from domestic crime. State prisons and local jails are where most criminals serve their sentences, and state corrections policy mainly determines how the nation's criminal justice system functions.

In Washington, the cost of maintaining the state-run prison system is becoming increasingly unsustainable. The state Department of Corrections budget has more than doubled over the last ten years, rising from \$502 million in the 1991-1993 biennium to \$1,072 million in the current biennium.<sup>1</sup> Corrections costs rose more than 12.3% over the last two years, a rate more than four times higher than inflation.<sup>2</sup> The increasing cost of operating the state prison system has outpaced the rise in total General Fund spending in every biennium in the 1990's, and is now one of the fastest growing areas of state spending (see figure 1).

**Figure 1.**



Rising prison expenditures are a major cost driver for state government, and are one reason overall spending is increasing considerably faster than the rising level of tax revenues. Estimated tax revenues are expected to increase by some \$500 million in the 2003-2005 biennium, yet state legislators are facing an estimated \$2.4 billion deficit compared to what they had planned to spend in 2003-2005.

The single most important goal of the legislature this year is to pass a balanced budget. Lawmakers are seeking every means possible to close the projected budget gap, by either boosting taxes and fees, trimming planned spending increases, or a combination

<sup>1</sup> "Historical Reports: General Fund Expenditure History – Operating," published regularly by the Legislative Evaluation and Accountability Program Committee, (LEAP), at [www.leap.wa.gov](http://www.leap.wa.gov), Olympia, Washington, February 2003.

<sup>2</sup> *ibid.*

of both. Yet, barring a surge in the faltering state economy or fundamental budget reform,<sup>3</sup> lawmakers can expect to face a similar budget squeeze next year.

Since the tax burden has reached extraordinary levels – today the average Washingtonian works more than four months of the year to pay taxes at all levels of government – simply raising taxes is not a viable solution. Voters in the most recent election sent a clear signal that adding to their tax load is not a popular option.

The state’s tight financial situation lends fresh urgency to privatization and competitive bidding as a long-term way to bring rising spending under control. Introducing competition from the private sector would allow government leaders to provide the most critical services at lower cost, and maintaining an effective and humane prison system is clearly one of government’s highest priorities.

Do private prisons serve the public interest? Can competition improve the corrections system and assure public safety while reducing the state’s structural costs? This study addresses these questions by building on our previous research and by presenting new findings on the results of prison privatization in other states.<sup>4</sup> The following sections present:

- An overview of Washington’s existing prison system;
- A discussion of how free market competition improves the delivery of government services;
- New research that compares states with and without a substantial number of private prisons;
- Three states that have successful experience with private prisons, and;
- A review of the five primary objections to private prisons.

## **II. Overview of Washington’s Prison System**

Over the last fifteen years the population of Washington has increased to over six million people.<sup>5</sup> Over the same period the overall crime rate, especially for violent crime, has dropped dramatically. Much of that success is the result of voter-approved sentencing laws that ensure the most dangerous criminals stay behind bars.

Improved public safety measures have placed increased demand on the state prison system. The table below shows each facility’s operational capacity, its total

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<sup>3</sup> See “A Policy Guide for Budget Reform: Strategies for Improving State Government Services and Reducing the Deficit,” by Eric Montague, Washington Policy Center Policy Brief, January 2003, available at [www.washingtonpolicy.org](http://www.washingtonpolicy.org) or by calling 1-888-972-9272.

<sup>4</sup> See “Private Prisons: A Sensible Solution,” by Eric Montague, Washington Policy Center Policy Brief, August 2001, available at [www.washingtonpolicy.org](http://www.washingtonpolicy.org) or by calling 1-888-WPC-9272.

<sup>5</sup> “Population Change and Net Migration,” Washington Trends: Economy, Population, Budget drivers, Revenue, Expenditures, Office of Financial Management, Olympia, Washington, September 4, 2002, at [www.ofm.wa.gov/trends/htm](http://www.ofm.wa.gov/trends/htm).

population and the percentage relationship between the two.<sup>6</sup> Every facility listed, with the exception of the Cedar Creek Correction Center at 99% capacity, is overcrowded, some by as much as 50%. Only the Work Release and the Work Ethic Camp programs show significant space available, but because of the seriousness of their crimes many prisoners are not eligible for these programs.

**Figure 2.**

**Operational Capacity and Total Prisoner Population at  
Washington State Correctional Institutions, as of December 31, 2002**

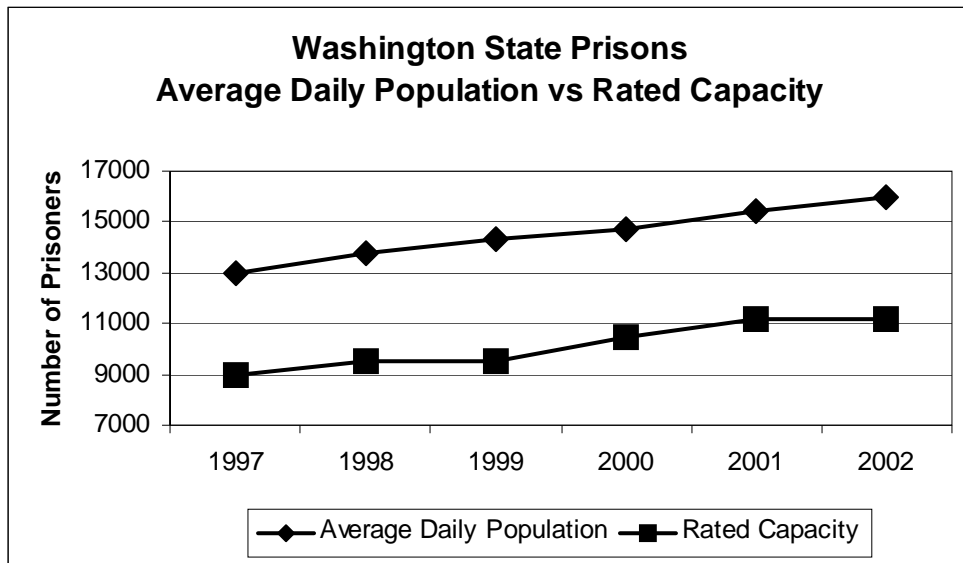
<b>INSTITUTIONS</b>	<b>OPERATIONAL CAPACITY</b>	<b>TOTAL POPULATION</b>	<b>% OF OPERATIONAL CAPACITY</b>
Airway Heights Corrections Center	1,936	2,117	109%
Ahtanum View Assisted Living Facility	120	126	105%
Cedar Creek Corrections Center	400	399	99%
Clallam Bay Corrections Center	858	899	105%
Coyote Ridge Corrections Center	400	592	148%
Larch Corrections Center	400	401	101%
McNeil Island Corrections Center	1,143	1,184	104%
Monroe Correctional Complex	2,010	2,439	121%
Olympic Corrections Center	340	360	106%
Stafford Creek Corrections Center	1,392	1,577	113%
Washington Corrections Center	1,285	1,926	150%
Washington Corrections Center for Women	650	897	138%
Washington State Penitentiary	1,825	2,244	123%
Pre-Release	469	521	111%
Work Release	803	596	74%
Work Ethic Camp	34	14	41%
<b>Totals</b>	<b>14,065</b>	<b>16,251</b>	<b>116%</b>

The present over-capacity at Washington’s state prisons is part of an ongoing trend. The average daily population of offenders housed by the Department of Corrections, from 1991 to 1996, increased by 38%. From 1997 to 2002 the state prison population rose 24% (see figure 3). While this is an improvement over the previous reporting period, such recurrent and dramatic increases in the number of prisoners housed in state facilities cannot be sustained over time.

<sup>6</sup> “Institution Offender Population,” Washington State Department of Corrections, Olympia, Washington, December 31, 2002, at [www.wa.gov/doc/planningresearch/pop.htm](http://www.wa.gov/doc/planningresearch/pop.htm).

**Figure 3.**

**Trends in Average Daily Prisoner Population  
Compared to Institutional Rated Capacity**



Overcrowding is also evident at Washington’s 39 county jails. Together county jails are designed to hold 8,770 prisoners, but instead house an average daily population of a little fewer than 10,000, resulting in an average over-capacity throughout the system of just over 113%.<sup>7</sup>

### **III. The Benefits of Free-Market Competition**

The traditional corrections model based on government-run prisons is clearly outmoded and is having difficulty keeping up with the growing needs of public safety. The conventional answer is for lawmakers simply to put more money into the current system. Given budget restraints and the public’s strong anti-tax sentiment, however, that approach is no longer feasible.

The question of how to pay for needed prison capacity raises fundamental questions about how government services are provided. What basic services should government deliver? Are there services currently offered by the state that could be performed better by the private sector? How can government provide a high level of quality at the lowest cost to hard-pressed taxpayers?

To address these questions, Washington Policy Center identified four principles that show how competition can successfully improve quality and ease the budget strain of a core government program:

<sup>7</sup> “Counties, Rated Capacity, ADP, and Percent Use,” Jail Statistics, Washington Association of Sheriffs and Police Chiefs, December 2001, at [www.waspc.org/jails/adp\\_county.shtml](http://www.waspc.org/jails/adp_county.shtml).

- 1) Lower Cost – Private companies are disciplined to seek efficiencies through the need to operate at a profit while providing superior service at a competitive price. By employing the techniques of competition, public managers find efficiencies within their operations and lower the cost of performing a service.
- 2) Higher Service Levels – Monopolies, whether public or private, frequently lack the stimulus to innovate and improve service delivery. By opening services to competition governments can upgrade services and achieve cost savings.
- 3) Better Management – Government can streamline its operations by using the same accounting procedures and productivity measures that the private sector uses, which are more accurate and comprehensive than traditional government methods.
- 4) Changed Government Culture – When a government seeks dynamic competition over a monopoly status quo its culture changes. Instead of performing many functions with limited expertise, governments that are open to competition liberate themselves to perform a smaller set of core functions better than ever before, while leaving much of the routine work to contractors.

Across the country, more state governments are privatizing or contracting out services that were once performed exclusively by government agencies. Taxpayers are becoming less satisfied with public leaders who deliver declining levels of service while calling for ever-higher levels of taxation.

Washington state could greatly benefit from the nationwide trend toward contracting out and privatization. Construction and management of prisons is a prime government service that responds well to the benefits of competition.

#### **IV. Comparison of States Based on Prison Privatization**

Recent research compares two groups of states to measure the effectiveness of privately run prisons over four years, 1997 through 2001.<sup>8</sup> The first group consists of nine states that have taken strong advantage of competitive forces by devoting at least 20% of their corrections system to privately run prisons. The second group consists of 24 states with few or no private prisons. Washington is one of these. All the states in each research group are listed in the appendix. In every rated category, the states in the first group operated a more cost-effective prison system than those in the second group. The results are summarize in figure 4 and presented in greater detail in the appendix.

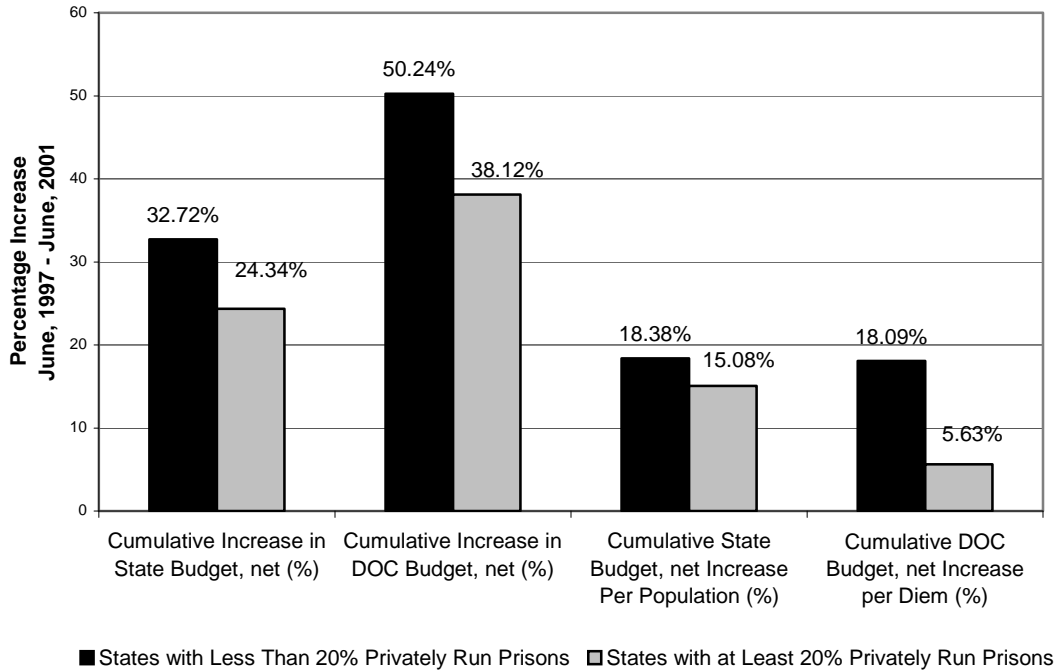
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<sup>8</sup> “Meeting the State Budget Challenge, How Private Prisons Help States Restrain Corrections Spending and Keep Overall State Budgets Under Control,” report by Lattimore Black Morgan & Cain, P.C. accounting firm, October 6, 2002.



**Figure 4.**

**Comparison of Rise in State Corrections Costs  
Based on Number of Privately Run Prisons**



Over the four-year period the states with few or no private prisons experienced significantly faster growth in total spending, rapidly rising Department of Corrections costs and markedly higher daily per-prisoner costs than states with a large proportion of privately run prisons.

States that made a greater investment in private prisons enjoyed far lower expenses per day per inmate than other states. These states had an average daily cost of \$82.59 per inmate in 2001, compared with an average daily cost of \$123.43 for states with few or no privately run prisons.

In Washington, with little prison privatization, per diem costs in 2001 were \$104.25. Yet in neighboring Idaho, where state leaders made a significant investment in private prisons, per diem costs were 42% lower, just \$60.21. Other Western states that greatly benefited from lower per day costs because they had significant number of private prisons were Montana (\$80.93), New Mexico (\$85.89) and Colorado (\$67.05).

There is a measurable relationship between states that have invested in private prisons and their ability to control the rise in total structural costs of state government. States with 20% or more private prisons experienced a lower net cumulative increase in

their overall state budget over the study period. Cumulative state budget costs rose an average of 24.34% over four years, compared with an cumulative average increase of more than 32% for non-privatized states.

Concurrently, such states were better able to contain costs in their Department of Corrections budgets. In the states with more private prisons, Department of Corrections costs increased an average of 38.12%, while the states that had neglected privatization opportunities saw their corrections budget soar an average of 50%. Over the same period the populations of the two groups of states rose at similar rates, in the 15% to 18% range.

Details from the study reveal striking examples of the efficiencies states gain from investing in prison privatization.

- Utah spent \$125.40 per day for each prisoner housed, while neighboring Colorado spent just \$67.05 per day for the same service.
- Minnesota spent \$164.03 per prisoner per day, while Wisconsin spent \$93.33 per day, or 43% less.
- Tennessee was able to *reduce* prisoner costs per day by more than 8% over four years, while in neighboring North Carolina per diem corrections costs over the same period increased by 15%.
- In Washington per day costs increased almost 25% over four years, while in Idaho the same costs increased at less than one-third that rate, by only 7.4%.

## V. Three Examples of Privatization

The general conclusions about the benefits of privatization are underscored by the experiences of three states that have initiated major prison privatization programs. Tennessee was first in the nation to launch a privatization program. In 1984 Hamilton County officials authorized a contract for a private jail run by the Corrections Corporation of America (CCA). The following year Kentucky awarded a contract to another firm, US Corrections Corporation, to create the first statewide, privately run, secure adult correctional facility in the country.<sup>9</sup>

Since then the number of privately built and operated correctional facilities has grown steadily. By 2000, 31 states, the District of Columbia and Puerto Rico were operating private adult correctional facilities.

The measurable results of prison privatization have been overwhelmingly positive. While the private prison system is not perfect, the high quality, low cost and

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<sup>9</sup> "Privatization of Prisons in Alabama," by Patrick S. Poole, Alabama Family Alliance, Birmingham, Alabama, 1998, p 3.

management innovations that resulted from competitive pressures have been beneficial to the public interest.

Following are brief presentations of private prison programs in Texas, Louisiana and New Mexico that give a more detailed idea of how private prisons are operating successfully in other states.<sup>10</sup>

## Texas

The private prison program in Texas started in 1987 with authorization from the state Department of Criminal Justice to contract for 2,000 beds in four privately-constructed and operated pre-release prison facilities. Initially, the program was designed as a pilot project to determine the effectiveness of private prisons compared to public facilities. The success of the program has resulted in a significantly expanded privatization initiative comprising over 30,000 prisoners housed in 43 facilities.<sup>11</sup>

Private prisons in Texas achieved a contractually guaranteed 10% savings over the cost of a state-run facility, while maintaining consistent high quality. When the added tax revenue generated by the private prison is factored in, the savings rise to 14%.<sup>12</sup> The table below compares the per-day cost of private versus public prisons in Texas.<sup>13</sup>

**Figure 5.**

### Texas – Cost Comparison of Private versus Public Prisons

Type of Prison	Unit Cost Per Day
Public	\$42.47
Private	\$35.25

In addition to the savings shown here, private prisons pay property and business taxes back to the government, thus reducing the overall cost to taxpayers and lowering real costs per day per inmate. The cost for public prisons does not incorporate debt service expenses, which are included in the per-day cost of private prisons. When debt service fees are included for public prison, costs rise by \$1 to \$2 per inmate per day.

## Louisiana

In the mid-1980's Louisiana faced a situation similar to the one Washington state confronts today. The prison system was overcrowded, funds for new prisons were

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<sup>10</sup> For more information on each example see "Private Prisons: A Sensible Solution," by Eric Montague, Washington Policy Center, August 2001.

<sup>11</sup> Homepage of Dr. Charles W. Thomas, retired professor of criminology at the University of Florida, at <http://web.crim.ufl.edu/pcp/index.html>, April 2000.

<sup>12</sup> "Breaking the Mold: New Ways to Govern Texas," Texas Sunset Review Commission Agency Performance Review, July 1991, Austin, Texas, p 2.

<sup>13</sup> *ibid.*

limited, and political pressure for finding solutions was growing. In response, the Louisiana Department of Public Safety and Corrections (DPSC) authorized a test to evaluate the effectiveness of privately constructed and operated prisons.<sup>14</sup>

The DPSC designed three medium security prisons: Avoyelles, Allen and Winn correctional centers. All were built with identical layouts and each had a capacity for 1,474 medium security inmates. The first was operated as a traditional state prison and professional corrections companies managed the other two.

After six years of operation, state auditors found that the privately run prisons “significantly outperformed the public, state-operated prison.”<sup>15</sup> In every major assessment category, such as cost, safety, discipline, staffing, prisoner education and community placement, the private prisons performed as well as or better than the public one. In one category, operating costs, the two private prisons rated as 11% and 13% more efficient than the public facility, as shown in figure 6.<sup>16</sup>

**Figure 6.**

**Louisiana - Private versus Public Cost Per Inmate Day**

<b>Fiscal Year</b>	<b>Avoyelles (public)</b>	<b>Allen (private)</b>	<b>Winn (private)</b>
1991-92	\$29.37	\$24.12	\$24.47
1992-93	\$25.62	\$22.16	\$22.50
1993-94	\$24.72	\$22.09	\$22.84
1994-95	\$26.24	\$22.64	\$23.77
1995-96	\$27.05	\$23.66	\$23.88
Average	\$26.60	\$22.93	\$23.49
<b>% Difference</b>	--	<b>-13.80%</b>	<b>-11.69%</b>

**New Mexico**

In 1988 New Mexico hired Corrections Corporation of America to build and manage the first private prison in the state, a full-security women’s facility for 200 inmates.

<sup>14</sup> “Cost Effectiveness Comparisons of Private Versus Public Prisons in Louisiana: A Comprehensive Analysis of Allen, Avoyelles, and Winn Correctional Centers,” by William G. Archambeault, Ph.D., and Donald R. Deis, Jr., Ph.D., Louisiana State University, Baton Rouge, Louisiana, December 10, 1996, p 9.

<sup>15</sup> *ibid.*

<sup>16</sup> As in Texas, when state business and property taxes paid by the private companies are included, private prison savings increase.

In a follow-up audit state officials compared operations at the private prison with a state prison and a federal prison in the area. The evaluation was based on eight performance categories: security, activity, safety, justice, order, conditions, care and management. In all but one category, care, the private prison outperformed the state and federal prisons.<sup>17</sup> Auditors concluded the lower rating for care in the private prison was a reflection of inmate unhappiness with the tight regulations that had created safer and more orderly conditions in the prison.

The performance of New Mexico's contract with Corrections Corporation of America is consistent with the positive experiences of other states. The state has since greatly expanded its use of competitive contracting by adding seven new private prisons to its correction system.

The experiences of Texas, Louisiana and New Mexico demonstrate that private prisons are a cost-effective policy option for states seeking to reduce cost and improve quality in their prison services.

## **VI. Objections to Prison Privatization**

In the course of research for this study we encountered five primary objections to why prison privatization does not serve the public interest. Space limitations do not allow a full discussion of each one, but the following section outlines each objection and presents a brief response.

1. Opposition to existing corrections policy. Some people feel too many citizens are in jail already and that privatization would make incarceration more common by making it cheaper and more efficient.

Response: This is really an argument against the policies of the criminal justice system itself – mandatory sentencing guidelines, anti-drug abuse laws, “three-strikes-you’re-out” legislation and other anti-crime measures. This point of view does not argue against private prisons and in defense of public ones. Instead it argues for putting fewer people in jail at all, regardless of whether they are sent to serve their time in a public prison or a private one.

2. Moral objections. Some people feel that housing prisoners in private facilities makes a court-decreed punishment illegitimate; that only a government institution can carry out a government-imposed sentence.

Response: It is the moral obligation of the government to protect public safety and to serve the cause of justice. The means the government uses to accomplish these ends do not alter the rightness of the ends themselves. When a person is sentenced to a term in prison according to due process, how the government

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<sup>17</sup> “Well Kept: Comparing Quality of Confinement in a Public and Private Prison,” by Charles H. Logan, University of Connecticut, Storrs, Connecticut, 1992, pp 1-5.

chooses to carry out the sentence does not change the exercise of its legitimate power to impose the punishment in the first place.

In fact, prison privatization has a beneficial moral aspect. By allowing policymakers to make better use of limited criminal justice spending, they can avoid the court-ordered release of dangerous criminals caused by overcrowding or inhumane conditions in the public prisons. Private prisons enable the government to serve the cause of justice more effectively, while freeing public funds for other important programs.

3. Corruption. Opponents argue that the prison industry will lobby state legislators to pass tougher sentencing laws, thereby increasing the number of convictions and the length of prison terms, to the direct benefit of the prison industry.

Response: This objection raises a legitimate concern. Private contractors in any field naturally have an interest in expanding their business with the government. In the case of private prisons there are simple and effective ways to prevent corruption of the law-making process. The most obvious check is campaign finance law, which requires public disclosure of donations that may influence policymaking. A private company has a strong incentive to avoid scandal, since the resulting media attention would adversely affect its stock price and do more harm to its profitability than it could gain by trying to improperly influence criminal justice policy.

Most importantly, however, it is in the long-term interest of the prison industry itself to run a corrections system that works by increasing public safety, reducing recidivism and providing education and training for inmates. As with all contracting out policies, it is the quality of the service that insures a contractor's continued business with the government, not any short-term consideration gained through corruption.

Also, public corruption is always a concern, regardless of how government services are provided. Government programs are equally subject to undue influence from, for example, powerful public-sector unions that have a direct interest in preserving state monopolies.

4. Opponents to privatization of any government service often say a contractor can only earn a profit by cutting staff wages and benefits, thus putting "profits before people."

Response: This objection overlooks the kind of innovation that is common in the private sector. There are several management areas in which private companies routinely reduce costs without cutting staff wages or benefits, in addition to offering employees more generous benefits such as stock options and profit sharing.

- a) Efficient construction. Private firms can often build prison facilities for 15% to 25% less than is usual with public works projects.
  - b) More efficient use of staff time. Flexible schedules, fewer work rules and worker incentives that are often banned in the public sector allow private companies to put staff time and skills to the most effective use.
  - c) Superior design. The layout of private prisons is often more innovative and efficient than public ones and usually require fewer guards to safely monitor the same number of prisoners.
  - d) Lower administrative cost. Freed from cumbersome civil service requirements, private prisons often spend up to one-third less on administrative expenses.
  - e) Streamlined purchasing. Private companies are not bound by uneconomic purchasing rules, and can often buy equipment and supplies at much lower cost than the government.
5. Private prisons are more likely to violate the rights of prisoners.

Response: Recent court cases provide private prisons with a strong legal incentive not to cut corners and to respect the rights of prisoners. The employers of private guards can be sued for violating prisoners' rights.<sup>18</sup> Additional outside oversight is provided by elected officials, defense attorneys, prisoner rights groups, judges and the media.

Private prisons allow government managers to concentrate on managing the contract and monitoring compliance rather than being tied to running day-to-day operations. If a private company is operating a prison poorly or in bad faith the government always has the option of calling in a competing company, or of taking over the facility itself. Prison contracts can also be made subject to regular performance reviews by the State Auditor's office.<sup>19</sup>

## **VII. Conclusion**

Limited correctional privatization is already working in our state. Security Specialists Plus has owned and operated a 50-bed work release facility for Whatcom County since 1991. The firm charges \$28 a day to house and care for each inmate. The cost of keeping the same prisoner in the county jail is \$60 a day. With an average of 38 inmates a day over ten years, the arrangement has gained documented savings of over \$4

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<sup>18</sup> "A Tale of Two Systems: Cost, Quality, and Accountability in Private Prisons," by Alexander Volokh, 115 Harvard Law Review, 1838, 1867 (2002), Part III of Developments in the Law: The Law of Prisons.

<sup>19</sup> Such additional oversight would require action by the legislature, since the staff of the State Auditor's office is not legally empowered to conduct routine performance audits.

million.<sup>20</sup> This small Washington firm is a realistic indicator of what could be achieved if privatization were adopted at the state level.

Not only is there ample opportunity to reduce cost by contracting out many current prison services, there are also many examples from around the nation which have proven that privately-operated prisons are cost effective, and provide opportunities for educating prisoners, providing job training, and reducing overall recidivism rates. During a Washington Policy Center conference, representatives from three prison companies showed how they consistently realize operational savings of 10% to 20%, and construction savings of around 15%, while maintaining the high level of service and quality taxpayers want from government.

A further benefit is that improved service and lower criminal justice costs take financial pressure off other programs that are funded through the state's General Fund. Savings from competition can help lawmakers avoid painful trade-offs that pit funding for important social programs against the need to maintain public safety. Extensive research and real-world experience show that prison privatization serves the public interest by offering state leaders a proven way to lower costs, while maintaining a safe, humane and high-quality corrections system.

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<sup>20</sup> Interview with Greg Rustand, Security Specialists Plus, Bellingham, Washington, July 5, 2001.



## VIII. Appendix: Budget Effects of Prison Privatization

### States with At Least 20% Privately Run Prisons

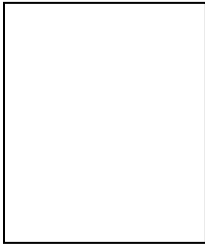
States with At Least 20% Privately Run Prisons	1997 – 2001			2001
	Cumulative Increase in State Budget, net	Cumulative Increase in DOC Budget, net	Cumulative State Budget, net Increase Per Population	Budget Per Diem
Alaska	-0.54 %	12.93 %	0.66 %	\$ 108.36
Colorado	25.53 %	36.04 %	2.02 %	\$ 67.05
Hawaii	6.43 %	29.81 %	7.72 %	\$ 68.34
Idaho	32.38 %	48.81 %	7.40 %	\$ 60.21
New Mexico	30.32 %	19.57 %	6.09 %	\$ 85.49
Oklahoma	31.27 %	50.00 %	29.20 %	\$ 43.34
Montana	25.78 %	54.84 %	9.34 %	\$ 80.93
Tennessee	24.54 %	8.61 %	-8.09 %	\$ 53.69
Wisconsin	19.03 %	44.33 %	-3.70 %	\$ 93.33
Average	24.34 %	38.12 %	5.63 %	\$ 82.59

### States with Less Than 20% Privately Run Prisons

States with Less than 20% Privately Run Prisons	1997 – 2001			2001
	Cumulative Increase in State Budget, net	Cumulative Increase in DOC Budget, net	Cumulative State Budget, net Increase Per Population	Budget Per Diem
Alabama	17.25 %	17.18 %	-5.19 %	\$ 26.71
Arkansas	23.90 %	38.33 %	7.00 %	\$ 36.88
Connecticut	22.24 %	24.44 %	2.90 %	\$ 72.43
Delaware	40.62 %	67.96 %	25.30 %	\$ 66.55
Illinois	33.67 %	39.19 %	23.32 %	\$ 70.37
Iowa	18.01 %	49.40 %	22.39 %	\$ 84.89
Kansas	26.40 %	34.02 %	22.21 %	\$ 83.38
Maine	53.68 %	51.52 %	39.52 %	\$ 161.83
Maryland	2.10 %	18.99 %	11.27 %	\$ 88.81
Massachusetts	19.47 %	26.67 %	40.51 %	\$ 203.68
Michigan	16.72 %	28.17 %	16.01 %	\$ 97.42
Minnesota	32.84 %	28.71 %	5.67 %	\$ 164.03
Missouri	21.45 %	43.77 %	20.90 %	\$ 410.53
Nebraska	31.21 %	51.43 %	31.73 %	\$ 73.63
New Hampshire	27.88 %	34.04 %	24.23 %	\$ 74.30
New York	20.98 %	9.40 %	9.99 %	\$ 108.35
North Carolina	35.50 %	11.03 %	15.28 %	\$ 77.07
Oregon	25.22 %	55.59 %	10.95 %	\$ 120.45
Rhode Island	22.85 %	24.14 %	29.90 %	\$ 125.36
South Carolina	20.67 %	4.59 %	-1.26 %	\$ 50.45
Utah	19.89 %	43.10%	9.27 %	\$ 125.40
Vermont	25.51 %	55.56 %	3.62 %	\$ 107.62
<b>Washington</b>	<b>17.41 %</b>	<b>49.48 %</b>	<b>24.87 %</b>	<b>\$ 104.25</b>
West Virginia	13.51 %	97.67 %	43.73 %	\$ 56.39
Average	32.72 %	50.24 %	18.09 %	\$ 123.43

Source: "Meeting the State Budget Challenge," Lattimore Black Morgan & Cain, P.C., October 6, 2002.

## About the Author



**Paul Guppy** is a graduate in Liberal Arts of Seattle University and holds a Master of Arts degree in American government and public policy from Claremont Graduate University, and a Master of Science degree in political science from the London School of Economics. He completed higher education programs at The Sorbonne, Paris and at Gonzaga University in Florence, Italy. He served for 12 years in Washington D.C., most of that time as a Legislative Director and Chief of Staff in the United States Congress, before joining Washington Policy Center in 1998 as Vice President for Research. He is the author of previous Policy Center studies on civil rights, labor policy, property taxes, insurance regulation and health care reform.

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