

Privatization of Secure Juvenile Facilities

What can we learn from past mistakes?

Over the past ten years, the number of private prison beds has grown significantly across the nation. As new opportunities in adult corrections have become limited, private prison corporations have focused on juvenile secure facilities for expansion. Once again, privatization is being touted as the answer to problems in the state's juvenile justice system. State leaders should learn from Oklahoma's past mistakes and those of neighboring states and resist the temptation to contract out the future of our troubled youth.

Oklahoma's Experience

The Office of Juvenile Affairs has had experience with a for-profit private juvenile facility. The agency contracted with Avalon Correctional Services for beds at Union City. After concerns about the operations and the need to cut the OJA budget, the contract was terminated in 2002.

The Oklahoma Commission on Children and Youth, the state agency that monitors juvenile programs, had continuing concerns about staffing, lack of educational programming, and proper nutrition for state custody juveniles. While Union City was open, OJA employees from the state-operated institutions spent hours at state expense, working to bring the services at the private facility up to standard.

Union City was less expensive than the state institutions, but at what cost to the juveniles housed at the facility? When Union City was closed and residents were moved to state-operated institutions, employees reported youth who were hungry, underweight and without records documenting treatment and educational progress.

Bottom Line

Private facilities are in business to **make a profit and maximize the bottom line**. With fixed costs of utilities and food, the profit often comes out of employee benefits, client treatment and rehabilitation programs, and staff training. In order to maximize profits the goal of a private institution is to keep beds full and not invest in rehabilitative programs for youth. The goals of state-operated facilities are services to turn around the lives of Oklahoma's troubled youth and provide the best value for taxpayer funds. State employees don't have stockholders to serve or the goal of making profit from the challenges facing troubled youth and their families.

Flexibility

State operated facilities can always find room for another client. With for-profit corporations, each client comes with a per diem price and a profit margin for the stockholders.

Human Resources

Proponents of privatization often indicate they will retain current employees to run the private facility. The obvious question is why privatize in the first place? This will only give the corporation an opportunity to take their profit out of the health insurance and retirement benefits of Oklahoma citizens. With state employee compensation so far below market, the private provider will obviously be unable to maintain staff with lower salaries. State agencies have invested in employees and their families who are dedicating their lives to public service. Even if workers are employed by the private corporation, the state must pay the severance package, an unnecessary expense in these troubled economic times.

Privatization Challenges in State Government

In addition to the Union City Juvenile Center, Oklahoma has had several other failed privatization contracts. While the Union City contract was cancelled because of budget cuts and continuing performance problems, other vendors have walked away from their contracts when the state refused to pay more money.

After closing the civil unit at Eastern State Hospital in Vinita and laying off employees, the Department of Mental Health and Substance Abuse Services contracted with Parkside Community Mental Health Center to provide in-patient services for the mentally ill in Eastern Oklahoma. Parkside demanded more funding for the second year of its contract. When the state refused, Parkside walked away from the contract leaving the state to provide the safety net. The agency leased a vacant facility and patched together services using state employees across Oklahoma on their days off to provide care for this vulnerable population. Eventually, the in-patient facility became the state-operated Tulsa Center for Behavior Health..

In October 2006, Cornell Corrections, which operates the Great Plains Correctional Center in Hinton, gave the Oklahoma Department of Corrections notice that 800 inmates would be evicted from the prison in 180 days. According to newspaper reports the company was cancelling the Oklahoma contract to “pursue other business opportunities.” Other states and the federal government were paying as much as \$20 per day more than Oklahoma. Unable to meet the demands of the company, DOC was forced to absorb 800 inmates into a system already facing overcrowding.

Design/Build/Lease/Purchase

The Office of Juvenile Affairs should investigate a new state-operated facility through the design/build/lease purchase option. The Rader Center and Central Oklahoma Juvenile Center are obsolete both in function and energy efficiency. OJA employees have served well by caring for the state’s troubled youth and protecting the public in spite of the environment in which they have been forced to work. The residents, employees and taxpayers of Oklahoma all deserve better juvenile facilities for rehabilitation and public safety.

