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## A BILL FOR AN ACT

RELATING TO AN AUDIT OF CONTRACTS OF THE DEPARTMENT OF PUBLIC SAFETY WITH THE CORRECTIONS CORPORATION OF AMERICA AND THE FEDERAL DETENTION CENTER.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. In response to the governor's plan to address  
2 the State's budget shortfall by, among other things, closing the  
3 Kulani correctional facility, a senate ad hoc committee reviewed  
4 and assessed the impact that the imminent reduction in  
5 government services would have on Hawaii's communities, inmates,  
6 and the State's correctional system.

7           Information gathered in briefings held in Hilo and Kailua-  
8 Kona on the Big Island and the state capitol, revealed that:

9           (1) The Kulani correctional facility, in operation since  
10           1946, is a minimum security facility situated on eight  
11           thousand acres outside Hilo, Hawaii. The facility  
12           houses adult male felons serving the last four years  
13           toward their tentative parole date;

14           (2) The facility is the only department of public safety  
15           facility that is a mandatory work camp, requiring all  
16           inmates to work full time. Unlike other facilities



1 that have only limited vocational training in mostly  
2 unskilled positions, Kulani correctional facility  
3 offers a wide range of educational training and  
4 occupational skills programs focusing on mechanical  
5 repair and maintenance, construction, heavy equipment  
6 operation, computer work, and horticulture and  
7 conservation. Inmates use these skills in community  
8 service projects, helping Big Island communities with  
9 projects that would otherwise be unaffordable;

10 (3) The Kulani correctional facility is the only  
11 department of public safety facility with a sex  
12 offender treatment program for minimum-custody sex  
13 offenders who are neither violent nor mentally  
14 challenged and are willing to work. The Kulani  
15 correctional facility is the most successful sex  
16 offender treatment program in the nation; treatment  
17 providers attribute this success to the facility's  
18 unique provision of treatment in an environment where  
19 inmates must also work and function responsibly with  
20 minimum supervision. Options for inmate transfer to  
21 other facilities with sex offender treatment are  
22 limited, and would involve, for example, housing



1 minimum-custody inmates in medium-security facilities,  
2 which conflicts with the standards of the American  
3 Correctional Association and the department of public  
4 safety's policy and procedures;

5 (4) Discontinuing the programs offered by the Kulani  
6 correctional facility will significantly impede  
7 present and future inmates from completing their  
8 prescriptive programs. Since completion of a  
9 prescriptive program is a requirement for parole  
10 eligibility, this will force inmates to remain in  
11 incarceration longer. It may also impede their  
12 successful reentry into society upon release;

13 (5) While the Kulani correctional facility is a one  
14 hundred sixty-bed facility, it has housed up to two  
15 hundred twenty inmates without operational problems;

16 (6) Since 2000, the facility has received state capital  
17 improvement project funding of \$8,136,937; and

18 (7) As a result of the facility's closure, local vendors  
19 will lose tens of thousands of dollars of sales in  
20 goods and services, causing a detrimental economic  
21 ripple effect for businesses throughout the Big  
22 Island.



1           The legislature finds that the information gathered by the  
2 ad hoc committee raises questions about the wisdom of closing  
3 the Kulani correctional facility. The State has made a  
4 significant capital investment in this facility and its closure  
5 would severely impede the department of public safety's ability  
6 to meet the needs of present and future inmates, its own  
7 policies, and accepted corrections standards, and would result  
8 in numerous adverse impacts to Big Island communities.

9           The Community Safety Act of 2007 requires the department of  
10 public safety to develop a comprehensive and effective offender  
11 reentry system plan for adult offenders exiting the prison  
12 system. That Act further requires the department to develop  
13 comprehensive reentry plans and curricula for individuals  
14 exiting correctional facilities to reduce recidivism and  
15 increase a person's successful reentry into the community.  
16 Kulani correctional facility played a pivotal role in the  
17 reentry system, by preparing qualified inmates for their  
18 eventual return to the community by providing job training,  
19 treatment programs, and graduated exposure to the community.  
20 Moreover, Kulani correctional facility's programs were  
21 coordinated and articulated with those at the Hawaii community  
22 correctional center/Hale Nani, the reentry point for Big Island



1 inmates, thereby enhancing the effectiveness of reentry on the  
2 Big Island.

3       The legislature further finds that the closure of the  
4 Kulani correctional facility with its unique and needed  
5 programs, when considered with the fact that six of nine Hawaii  
6 correctional facilities are under capacity, raises the question  
7 of the cost-effectiveness of the department of public safety's  
8 policy of contracting with the Corrections Corporation of  
9 America to house a substantial number of Hawaii inmates in  
10 mainland private prisons at significant cost to the State and to  
11 the detriment of Hawaii inmates whose consideration for parole  
12 has and will be delayed due to the absence of programs at these  
13 facilities needed by the inmates to complete their prescriptive  
14 programs.

15       The department of public safety's own study, presented to  
16 the legislature in 2008, indicated that a significant number of  
17 inmates housed in medium security prisons on the mainland and at  
18 the medium security federal detention center should have been  
19 classified as minimum or community security. These inmates  
20 could have been housed at Kulani correctional facility and other  
21 underutilized facilities in Hawaii. Instead, the department



1 chose to pay a private vendor and the federal government an  
2 additional cost to house Hawaii inmates.

3       The purpose of this Act is to require an audit of the  
4 department of safety's contracts with the Corrections  
5 Corporation of America and the federal detention center in  
6 Honolulu, which focuses on a comparison, in terms of quality of  
7 programming, costs, and economic benefit to the State, of  
8 housing Hawaii inmates in mainland facilities and in the federal  
9 detention center with housing Hawaii inmates in Hawaii  
10 facilities operated by the State.

11       SECTION 2. The auditor is directed to conduct a financial  
12 and management audit of the department of public safety's  
13 contracts with the Corrections Corporation of America and the  
14 federal detention center in Honolulu, which focuses on a  
15 comparison, in terms of quality of programming, costs, and  
16 economic benefit to the State, of housing Hawaii inmates in  
17 mainland facilities and the federal detention center in Honolulu  
18 with housing Hawaii inmates in Hawaii facilities operated by the  
19 State. The auditor is directed to, among other things:

20       (1) Address the closure of the Kulani correctional  
21 facility as part of its analysis in conducting this  
22 comparison; and



1           (2) Make a recommendation on whether the continued housing  
2           of Hawaii inmates in mainland facilities and in the  
3           federal detention center in Honolulu is advisable, in  
4           view of the explicit requirements of the Community  
5           Safety Act of 2007 and its subsequent amendments.

6           SECTION 3. The auditor shall report its findings and  
7           recommendations, including any proposed legislation, to the  
8           legislature no later than twenty days prior to the convening of  
9           the regular session of 2011.

10          SECTION 4. This Act shall take effect upon its approval.



**Report Title:**

Corrections; Kulani Correctional Facility; Corrections Corporation of America; Ad Hoc Committee

**Description:**

Directs the auditor to conduct a financial and management audit of the Department of Public Safety's contract with the Corrections Corporation of America. (SD1)

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