

LINDA LINGLE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF PUBLIC SAFETY

919 Ala Moana Boulevard, 4th Floor
Honolulu, Hawaii 96814

CLAYTON A. FRANK
DIRECTOR

DAVID F. FESTERLING
Deputy Director
Administration

TOMMY JOHNSON
Deputy Director
Corrections

JAMES L. PROPOTNICK
Deputy Director
Law Enforcement

No. _

TESTIMONY ON SENATE BILL 2533, SD1
RELATING TO AN AUDIT OF CONTRACTS OF THE DEPARTMENT OF
PUBLIC SAFETY WITH THE CORRECTIONS CORPORATION OF AMERICA
AND THE FEDERAL DETENTION CENTER

by

Clayton A. Frank, Director
Department of Public Safety

House Committee on Finance
Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair

Thursday, March 25, 2010; 11:00AM
State Capitol, Conference Room 308

Representative Oshiro, Representative Lee, and Members of the Committee:

The Department of Public Safety (PSD) opposes Senate Bill 2533, SD1. This measure is flawed and would require the expenditure of funds that would be unnecessary because the audits required by this measure would be repetitive. These contracts and agreements referenced in this measure are already audited on a regular basis by an independent auditor.

Given the severe economic challenges presently faced by the State, it would not be prudent to expend very limited financial resources on functions that are already in place.

Based on the foregoing reasons, PSD strongly opposes this measure due to its impact on the priorities set forth in the Executive Supplemental Budget for Fiscal Year 2010-2011.

Thank you for the opportunity to provide testimony on this measure.



888 Mililani Street, Suite 601
Honolulu, Hawaii 96813-2991

Telephone: 808.543.0000
Facsimile: 808.528.4059

www.hgea.org

The Twenty-Fifth Legislature, State of Hawaii
House of Representatives
Committee on Finance

Testimony by
Hawaii Government Employees Association
March 25, 2010

S.B. 2533, S.D. 1 - RELATING TO AN AUDIT
OF CONTRACTS OF THE DEPARTMENT OF
PUBLIC SAFETY WITH THE CORRECTIONS
CORPORATION OF AMERICA AND THE
FEDERAL DETENTION CENTER

The Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO, strongly supports the purpose and intent of S.B. 2533, S.D. 1, which calls for an audit of the Department of Public Safety's contracts with the Corrections Corporation of America. The audit will focus on the quality of programming, costs and economic benefit to the state by housing Hawaii inmates in Mainland facilities or at facilities operated by the federal government as compared to Hawaii facilities operated by the state.

Hawaii spends over \$55 million a year to house Hawaii inmates in private facilities. We should be certain that the money spent provides services of comparable value to that which is provided in state facilities. Unfortunately, privatization of services often times jeopardizes the deliver of high-quality programs. The contractor's priority to maximize profits can result in hiring inexperienced personnel at low wages, skimping on contract requirements or providing inadequate supervision. For-profit prisons also have been known to increase profits by providing less programming than they are obligated to provide.

When public services are shifted to the private sector, we should be certain that we are not moving to a closed system susceptible to abuse and added expense to taxpayers. A legislative audit would be able to determine whether this is the case.

Thank you for the opportunity to submit our testimony in support of S.B. 2533, S.D. 1.

Respectfully Submitted,

Nora A. Nomura
Deputy Executive Director

House Finance COMMITTEE

Marcus Oshiro Chair

Marilyn B. Lee, Vice Chair

Thursday, March 25, 2010

11:00AM room 308.

STRONG SUPPORT for SB2533 – Audit of PSD Contracts & Kulani Closure

Aloha Chair Oshiro, Vice Chair Lee and members of the committee,

Kulani Correctional Center was the prototype of what Hawaii prisons should be. They provided rehabilitation to inmates:

- Substance abuse treatment
- Sex offender treatment
- Auto mechanic certification
- 19 separate work lines
- Operating ranch (shut down previously)

PSD claimed that shutting down Kulani would save the State money, yet 90% of personnel were reassigned.

PSD promised that transferred inmates would continue to receive rehab, yet they haven't.

To shut down a model prison to save money (general fund operating budget) and then request \$235 million in bonds to build a prison in Pu'unene (that will turn into \$20 million in debt servicing (future general funds operating budgets) and about \$20 million in operating costs is extreme fiscal irresponsibility.

In the hotel industry the business model is to have the most guests with the longest stays, and the most repeat visits. This is fine. However private prisons operate with the exact same model -- except that us taxpayers are footing the bill and civil rights questions are raised. The rape of women at Otter Creek and the murder of Bronson Nunuha at Saguaro Prison should be enough to alert the legislature that CCA is not operating safe facilities.

The solution to reducing prison overcrowding is to systematically reduce the prison population through sentencing reform, addictions treatment and rehabilitation.

I suggest Hawaii invite **Justice Reinvestment** (www.justicereinvestment.org) to work with Hawaii to develop a data driven analysis of Hawaii's current corrections spending and proven strategies to increase public safety by reducing the prison population and reinvesting the savings in the communities to which most inmates return.

Justice Reinvestment is a project of the Council of State Governments. They have already helped numerous states (including very conservative states such as Texas) save money and increase public safety.

Mahalo for hearing my concerns,

Netra Halperin, MA (Psychology)
Kihei, Maui