

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 A.M. on March 30, 2005 in Room 514-S of the Capitol.

All members were present except:

Representative Sawyer- excused

Committee staff present:

Alan Conroy, Legislative Research Department
 J. G. Scott, Legislative Research Department
 Amy VanHouse, Legislative Research Department
 Reagan Cussimano, Legislative Research Department
 Amy Deckard, Legislative Research Department
 Becky Krahl, Legislative Research Department
 Susan Kannarr, Legislative Research Department
 Jim Wilson, Revisor of Statutes
 Mike Corrigan, Revisor of Statutes
 Nikki Feuerborn, Administrative Assistant
 Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Representative Forrest Knox
 Gary Rowden, The GEO Group
 Phill Kline, Attorney General
 Pat Hurley, Corrections Corp. Of America (CCA)
 Sheila Lampe, Sunflower Solutions
 Chuck Sypher, Retired school psychologist
 Roger Werholtz, Secretary, Department of Corrections
 Andy Sanchez, Kansas Association of Public Employees (KAPE)
 Judy Bailey, volunteer at Topeka Correctional Facility
 Peter Nienemire
 Sister Therese Bangert, Kansas Catholic Conference
 Cathy Guebara, President of Kansas Cure
 Frank Smith, Silver Haired Legislator from Bluff City
 Karla Finnell, Kansas Association for the Medically Underserved (KAMU)
 Dick Morrissey, Department of Health and Environment

Others attending:

See attached list.

- Attachment 1 Testimony on **SB 243** by Representative Forrest Knox
- Attachment 2 Proposed Amendment to **SB 243** presented by Representative Knox
- Attachment 3 Testimony on **SB 243** by Gary Rowden
- Attachment 4 Testimony and proposed amendment on **SB 243** by Pat Hurley
- Attachment 5 Testimony on **SB 243** by Sheila Lampe
- Attachment 6 Testimony on **SB 243** by Chuck Sypher
- Attachment 7 Testimony on **SB 243** by Roger Werholtz
- Attachment 8 Testimony on **SB 243** by Andy Sanchez
- Attachment 9 Testimony on **SB 243** by Judy Bailey
- Attachment 10 Testimony on **SB 243** by Peter Ninemire
- Attachment 11 Testimony on **SB 243** by Sister Therese Bangert
- Attachment 12 Testimony on **SB 243** by Cathy Guebara
- Attachment 13 Testimony on **SB 243** by Frank Smith
- Attachment 14 Written testimony on **SB 243** by Thomas Kane
- Attachment 15 Testimony on **SB 84** by Karla Finnell
- Attachment 16 Testimony on **SB 84** on behalf of Dr. Howard Rodenberg
- Attachment 17 Fiscal Note on **SB 85**
- Attachment 18 Budget Committee Report on **HB 2395**

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 30, 2005 in Room 514-S of the Capitol.

Hearing on SB 243 - Allowing construction and operation of private prisons.

Representative Forrest Knox presented an explanation and testimony in support of **SB 243** (Attachment 1), and offered an amendment to change the language to limit the bill to apply to private prison construction in Woodson County only (Attachment 2).

Gary Rowden, Regional Director of the Central Region for The GEO Group, Inc. presented testimony in support of **SB 243** (Attachment 3).

Phill Kline, Attorney General, presented comments in support of **SB 243**. General Kline noted that his research indicates:

- The authorization of private prisons is becoming a national trend.
- Outcomes are better in private prisons.
- Costs are reduced with more efficient use of state dollars.
- Addresses prison space problem.
- Less liability risks.

Responding to questions from the Committee, General Kline indicated that the bill requires the private prison to carry liability insurance to cover lawsuits if the state is held accountable for wrongful death. The private prison would need to negotiate with the Department of Corrections to contract for housing of the state's inmates. There would not be guaranteed placement by the Department of Corrections. General Kline stated that he would provide information to the Committee on the research done by Harvard Law School on private prisons.

Pat Hurley, on behalf of Corrections Corporation of America (CCA), presented testimony in support of **SB 243** and offered a proposed amendment (Attachment 4). With reference to the amendment, Mr. Hurley noted that the Department of Corrections has suggested the addition of the word "solely" after the word "used" to read "and is not used solely for the placement or confinement of inmates from an agency of the federal government". Mr. Hurley stated that CCA would oppose an amendment limiting the private prison construction to Woodson County.

Sheila Lampe, Sunflower Solutions, on behalf of the Woodson Chamber of Commerce, presented testimony in support of **SB 243** (Attachment 5). Responding to a question from the Committee, Ms. Lampe stated that Woodson County and Yates Center have the infrastructure in place for the construction of a private prison.

Chuck Sypher, a retired psychologist, presented testimony in opposition to **SB 243** (Attachment 6).

The meeting was recessed at 10:00 a.m. and reconvened at 1:30 p.m.

Continued Hearing on SB 243 - Allowing construction and operation of private prisons.

Roger Werholtz, Secretary of Department of Corrections, presented testimony in a neutral position on **SB 243** (Attachment 7). Secretary Werholtz directed his testimony at the cost, flexibility and competition as they relate to private prisons. Secretary Werholtz indicated that it is less expensive to add inmate beds to existing prison facilities. Among the concerns voiced by Secretary Werholtz included the quality of the treatment programs offered for the inmates at a private prison, whether or not the state would be mandated or obligated to use the private facility and if the state would be involved in the regulation of the private facility. Secretary Werholtz noted that the Department of Corrections did not support the amendment to limit the construction of a private prison to Woodson county. Other comments by Secretary Werholtz included:

- Important to maintain the state's existing prisons because of the economic impact on the cities and counties where the prisons are located, if the facilities were to be closed.
- According to the legislation, the Department of Corrections would have the authority to set the specifications for how the private prison is to be constructed.
- When looking for private prison space, the legislation would require the Department of Corrections to look first within the state of Kansas.
- The amendment offered by Mr. Hurley with the addition of the word "solely" would be acceptable to the Department of Corrections with a concern that the state not be exempted from oversight. Another

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 30, 2005 in Room 514-S of the Capitol.

amendment offered with reference to "non-Kansas inmate" is also acceptable.

- Because of the current need for more medium security prison beds by the State, the Department of Corrections's recommendation is to build a maximum facility at El Dorado and use it as a medium facility until needed for maximum inmates.

The following offered testimony in opposition to **SB 243**:

- Andy Sanchez, Kansas Association of Public Employees (Attachment 8).
- Judy Bailey, volunteer at Topeka Correctional Facility (Attachment 9).
- Peter Ninemire, Families Against Mandatory Minimums Foundation (Attachment 10).
- Sister Therese Bangert, Kansas Catholic Conference (Attachment 11).
- Cathy Guebara, President of Kansas Cure (Attachment 12).
- Frank Smith, Silver Haired Legislator from Bluff City (Attachment 13).

Written testimony was received from Thomas Kane, Assistant Director for Information, Policy and Public Affairs for the U.S. Department of Justice Federal Bureau of Prisons (Attachment 14).

The hearing on **SB 243** was closed.

Hearing on SB 84 - Appropriations for FY 2006 for the department of health and environment, 340B federal drug pricing program.

Susan Kannarr, Legislative Research Department, explained that **SB 84** would appropriate \$750,000 from the State General Fund (SGF) to Department of Health and Environment (KDHE) for FY 2006 to finance prescription support for community-based primary care clinics. The bill specifies the funding will be used for (1) purchasing drug inventory under section 340B of the federal public health services act; (2) subsidize out-of-pocket costs for patients of 340B participating clinics; and (3) support operating costs of assistance program at clinics to increase access to pharmacy assistance programs operated by pharmaceutical manufacturers. Ms. Kannarr noted that the \$750,000 appropriation has already been added to the FY 2006 budget.

Karla Finnell, Kansas Association for the Medically Underserved, presented testimony in support of **SB 84** (Attachment 15). Ms. Finnell will provide a list of community health centers (CHCs) to any member of the Committee who requests a copy.

Dick Morrissey, Department of Health and Environment (KDHE), appeared on behalf of Dr. Howard Rodenberg, Director of Health for KDHE, and presented testimony in support of **SB 84** (Attachment 16). Mr. Morrissey noted that an amendment applied to the bill by the Senate would clarify the section on subsidy limited to patients of CHCs participating in the 340B program.

The hearing on **SB 84** was closed.

Representative Bethell moved to recommend **SB 84** favorable for passage. The motion was seconded by Representative Pottorff. Motion carried.

Hearing on Sub for SB 85 by Committee on Ways and Means--Social and rehabilitation services implement a program for breast reconstructive surgery from breast cancer for medicaid beneficiaries.

Audrey Dunkel, Legislative Research Department, explained that **SB 85** was originally introduced as an appropriations bill. The Senate Committee on Ways and Means recommended a substitute bill to expand Medicaid policy in substantive law. The substitute bill would require the Department of Social and Rehabilitation Services to provide breast reconstructive surgery for breast cancer patients in the Medicaid program. A fiscal note on the original bill was presented (Attachment 17). As amended by the Senate, the agency estimates a cost of \$450,000 all funds with \$180,000 State General Fund (SGF). A conference committee on the appropriations bill has funded this service at \$450,000 all funds and \$180,000 social welfare funds.

The hearing on **Sub for SB 85** was closed.

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 30, 2005 in Room 514-S of the Capitol.

Representative Ballard moved to recommend **Substitute for SB 85** favorable for passage. The motion was seconded by Representative Bethell. Motion carried.

Discussion and Action on HB 2395 - Changing the fees prescribed for licenses and permits in the pet animal act.

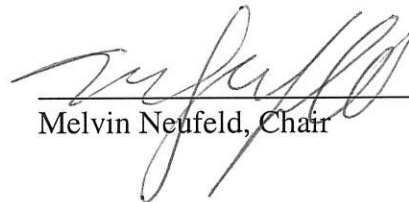
Representative Schwartz, Chair of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on **HB 2395** and recommended a substitute bill for **HB 2395** (Attachment 18). The motion was seconded by Representative Powell. Motion carried.

Amy VanHouse, Legislative Research Department, explained that HB 2395 increases the fees charged under the Kansas Pet Animal Act by 25 percent. Ms. VanHouse stated that the Budget Committee recommends a substitute bill that would increase most of the fees by 35 percent; create a new license category for animal shelters and pounds, with a fee not to exceed \$300 and add a provision that would allow federally licensed retail breeders to opt out of the state program.

Representative Feuerborn moved to remove the language from **SB 288** and insert the substitute language for **HB 2395** creating **House Substitute for SB 288**. The motion was seconded by Representative Bethell. Motion carried.

Representative Bethell moved to recommend **House Substitute for SB 288** favorable for passage. The motion was seconded by Representative Schwab. Motion carried.

The meeting was adjourned at 4:30 p.m. The next meeting of the Committee will be "on call of the chair".



Melvin Neufeld, Chair

HOUSE APPROPRIATIONS COMMITTEE

March 30, 2005

9:00 A.M.

NAME	REPRESENTING
<i>Stuart McFarland</i>	<i>Correctional Properties Trust</i>
ANGELINA MONACO	FAMILY MEMBER IN KS PRISON
<i>Peter Ninemire</i>	FAMM
<i>Chuck Sypher</i>	Parent
<i>Ladean Sypher</i>	Parent
<i>Karla Finnell</i>	KAMLU
<i>ADAM Kinoy</i>	ADJ GEN DEPT
<i>JAMES A. GEORGE</i>	INDEPENDENCE, KS
<i>Jamie Rose</i>	KACCT
<i>ALAN BURT</i>	SECRETARY OF STATE
<i>Kim Fowler</i>	Judicial Branch
<i>Jerry Sloan</i>	Judicial Branch
<i>Andy Shaw</i>	<i>The GEO Group Inc</i>
<i>Dary Rowden</i>	<i>The GEO Group</i>
JEREMY S BARCLAY	KDOC
ROGER WERHOLTZ	KDOC
CHARLES E SIMMONS	KDOC
TOM MADDEN	KDOC
<i>K. M. J.</i>	<i>HEIN LAW FIRM</i>
<i>Kathy Ambarca</i>	<i>KS CURF</i>

HOUSE APPROPRIATIONS COMMITTEE

March 30, 2005

~~9:00 A.M.~~ 1:30 P.M.

NAME	REPRESENTING
Jon Josseland	University of Kansas
Judy Bailey	Children of the Inca ^{created}
Carolyn Maddendoff	Ks St Ns Cessn
Karla Finwell	KAMU
Kathy Guebara	KS-CURE
Peter Winemire	KS-FAMM
Forest Knox	Representation
Shelia Lampe	Woodson County - Yates Center
Janie Massoth	Yates Center
Gwen Martin	Woodson County
Stewart Braden	Woodson Co/Yates Center
Jack Newcomb	Woodson County
JAY Leedy	woodson county / Neosho Falls
Charles Simmons	KDOC
Tim Meddon	KDOC
Keith Haxton	SEAK
Susan Kane	ICDTE
Dick Morrissey	KDHE
Andy Sanchez	KAPE
Paula Smith	PRIVATE CORRECTIONS INSTITUTE
Matthew Johns	Intern for Rep. McKinney

STATE OF KANSAS
HOUSE OF REPRESENTATIVES

13TH DISTRICT
STATE CAPITOL
300 S.W. TENTH STREET
ROOM 182-W
TOPEKA, KS 66612
(785) 296-7678



RT. 3, BOX 101
FREDONIA, KS 66736
(620) 633-5348

FORREST J. KNOX

House Appropriations Committee
30 March 2005, 9am
Senate Bill 243 - Private Contract Prison Act
Proponent

Chairman Neufeld and members of the House Appropriations Committee:

It is my privilege to stand before you this morning to address an issue that holds great promise for the state of Kansas. I am not here to speak on a topic that has occupied the media headlines this legislative session, but this topic is, quite possibly, the highest priority of government; public safety. In past years the topic of prison expansion has been a high priority and demanded many public dollars. I assure you, this will be the case again. The idea of private prisons has been heard before in these halls. I've heard it said that nothing ever dies here. This process works well, for each time it is resurrected, it is better. I ask you to consider, once again, the idea of allowing private prisons to be built in Kansas. It's an idea whose time has come.

I would point out that the strength of our great nation has been in letting free enterprise work. The whole world is now coming to understand that this is the true strength of this great 200 year old experiment in the United States of America. It is a difficult balance to provide the freedom of capitalism with the regulation of government, but it is being done in many areas. It is currently being done in corrections all over this country including Kansas. Federal prisoners are held in a private prison in Leavenworth. This has been so successful that an expansion doubling its size is underway. In my area, in Southeast Kansas, a boot camp run by a private company is a great success.

A partnership between government and private enterprise can work to great advantage for all;

- No fiscal note, while maintaining strict oversight.
- Lower ongoing cost per bed to the state.
- Greater flexibility and innovation in a multitude of programs.

A private prison can be on line quickly, serving out of state prisoners, and ready whenever Kansas needs it. The Secretary of Corrections will license, regulate, and monitor it. We have a community that is completely set up, ready and willing to have it.

(over, please)

HOUSE APPROPRIATIONS

DATE 3-30-2005
ATTACHMENT 1

In Senate Bill 243 we have legislation that has the nod of all the stakeholders; industry, the Secretary of Corrections, the Senate, and a community that has researched and planned and worked to bring this about for 20 years. The experts are here to give you the details.

Business not only can compete with government but outperforms government, if given a chance. It's time to partner with business in the prison industry in Kansas. I ask for your support to pass Senate Bill 243 out of committee favorably and quickly.

Respectfully,

Representative Forrest J. Knox

[As Amended by Senate Committee of the Whole]

Proposed amendment
March 25, 2005

As Amended by Senate Committee

Session of 2005

SENATE BILL No. 243

By Committee on Ways and Means

2-9

12 AN ACT concerning correctional facilities; relating to construction by
13 private companies; amending K.S.A. 2004 Supp. 75-52,129 and re-
14 pealing the existing ~~section~~ 19-101a and

sections; also repealing K.S.A. 2004 Supp. 19-101k

16 *Be it enacted by the Legislature of the State of Kansas:*

17 New Section 1. This act may be referred to as the private contract
18 prison act.

19 New Sec. 2. Definitions. As used in the private contract prison act:

20 (a) "Private contract prison" means a correctional facility situated in
21 ~~[this state]~~ Woodson county that is not owned by the state of Kansas or any subdivision
22 thereof or by the federal government or any subdivision thereof.

23 (b) "Private owner" means any corporation, partnership, limited li-
24 ability company, trust, person or other legal entity that engages in, or
25 proposes to engage in, the construction or ownership or both of a private
26 contract prison in ~~[this state]~~.

27 (c) "Private operator" means any corporation, partnership, limited
28 liability company, person or other legal entity that engages in, or proposes
29 to engage in, the operation of a private contract prison in ~~[this state]~~.

30 (d) "Private contractor" means a private owner or a private operator
31 or both.

32 (e) "Secretary" means the secretary of corrections.

33 (f) "Department" means the department of corrections.

34 (g) "Applicant" means a private contractor making application to the
35 department of corrections for a license as provided by this act.

36 (h) "Licensee" means a private contractor to which a valid license has
37 been issued by the department of corrections as provided by this act.

38 (i) "Private correctional officer" means a correctional officer as de-
39 fined by subsection (f) of K.S.A. 75-5202, and amendments thereto, ex-
40 cept that such officer is not an employee of the state of Kansas or any
41 subdivision thereof.

42 (j) "Non-Kansas inmate" means any inmate in the custody of any

HOUSE APPROPRIATIONS

DATE 3-30-2005
ATTACHMENT 2

2.2

1 subdivisions.

2 (k) "Kansas inmate" means any inmate in the custody of the secretary
3 of corrections.

4 New Sec. 3. Except as authorized by K.S.A. 75-52,127 or 75-52,133,
5 and amendments thereto, no private contractor shall authorize, construct,
6 own or operate any private contract prison in this state for the placement
7 or confinement of inmates unless such private contractor possesses a valid
8 license as provided by this act.

9 New Sec. 4. The secretary is hereby authorized to license, monitor
10 and regulate one or more private contractors meeting the requirements
11 of this act to construct, own or operate one or more private contract
12 prisons in ~~this state~~ Woodson county

13 New Sec. 5. The secretary shall not approve any application for a
14 license pursuant to this act unless the secretary has, after due diligence,
15 made the following findings:

16 (a) The applicant has the qualifications, experience and management
17 personnel necessary to design, construct, own or operate a private con-
18 tract prison in a manner that satisfies the requirements of this act;

19 (b) the applicant has the ability, if circumstances warrant, to expedite
20 the siting, design and construction of a private contract prison;

21 (c) the applicant has the ability to comply with applicable laws, court
22 orders and state and national correctional standards; and

23 (d) if Kansas inmates are being housed in the private contract prison,
24 the private operator has the ability to provide correctional services to the
25 state of Kansas at a cost that is no more than 90% of the department's
26 average per capita operating cost for the previous fiscal year for compa-
27 rable state correctional facilities and services.

28 New Sec. 6. Any license issued pursuant to this act shall require as
29 conditions of such license all of the following:

30 (a) All private correctional officers employed by the licensee must be
31 certified, at the licensee's expense, as having met the minimum qualifi-
32 cations and training requirements established for correctional officers by
33 the secretary and as are required of state correctional officers;

34 (b) the design for any private contract prison constructed, owned or
35 operated by the licensee shall meet or exceed all requirements of the
36 association responsible for adopting national correctional standards con-
37 sistent with the American correctional association standards *[as deter-*
38 *mined by the secretary]*;

39 (c) the design for any private contract prison, including, but not lim-
40 ited to, siting, shall meet or exceed any standard established by the Amer-
41 ican correctional association *[secretary]*;

42 (d) the licensee shall at all times consult the secretary during the
43 design and construction of the private contract prison;

2-3

1 (e) the licensee shall indemnify the state and the secretary, including
 2 their subdivisions, officials and agents, against any and all liability includ-
 3 ing, but not limited to, any civil rights claims. The secretary shall require
 4 proof of satisfactory insurance. ~~The amount of insurance shall be consis-~~
 5 ~~tent with industry standards~~, *the amount to be determined by the*
 6 *secretary*;

7 (f) the licensee shall seek, obtain and maintain accreditation by the
 8 American correctional association *and the national commission on cor-*
 9 *rectional health care*. In addition, the licensee shall comply with ~~the~~
 10 ~~association's those associations~~ amendments to the accreditation stan-
 11 dards upon approval of such amendments by the secretary. The secretary
 12 shall not unreasonably withhold approval so as to facilitate compliance
 13 with required standards by the licensee;

14 (g) the licensee shall agree to abide by operations standards for cor-
 15 rectional facilities as ~~identified by the American correctional association~~
 16 *adopted by the secretary*;

17 (h) if Kansas inmates are being housed in the private contract prison,
 18 the licensee shall be responsible for the range of dental, medical and
 19 psychological services and diet, education and work programs at least
 20 equal to those services and programs provided by the secretary at com-
 21 parable state correctional facilities. The work and education programs
 22 shall be designed to reduce recidivism;

23 (i) the secretary shall monitor all private contract prisons and the
 24 secretary and the department shall have unrestricted access to all private
 25 contract prisons for that purpose. The licensee shall bear the costs of
 26 monitoring the facility through the administration of the licensing fee
 27 pursuant to section 21, and amendments thereto;

28 (j) if the department contracts to house Kansas inmates at the li-
 29 censee's private contract prison, the licensee shall incarcerate all inmates
 30 assigned to the private contract prison by the department and as specified
 31 by the contract and may not reject inmates assigned to it by the depart-
 32 ment. The department shall have the right of first refusal to any space in
 33 the licensee's private contract prison, whether or not such space is oc-
 34 cupied by non-Kansas inmates. The department may not exceed the max-
 35 imum occupancy designated in the contract for the private contract
 36 prison;

37 (k) the licensee may not benefit financially from the labor of inmates
 38 except that inmates housed in any private contract prison operated by the
 39 licensee in this state may be given job assignments that assist in the op-
 40 eration and maintenance of the facility, including but not limited to jan-
 41 itorial or food service, or constitute work crews for the state or nearby
 42 communities if the inmates have the appropriate custody designation;

Woodson county

1 the licensee must require as a condition of that contract that each such
2 inmate to be released from custody must be released in the sending state;

3 (m) whenever any non-Kansas inmate is proposed to be brought into
4 this state for the purpose of being incarcerated at a private contract
5 prison, all records regarding each such inmate, including, but not limited
6 to, custody records, facility history records, disciplinary records and med-
7 ical and mental health records, shall be reviewed by the department prior
8 to such inmate being transported into this state. The cost of such review
9 shall be borne by the licensee through the administration of the licensing
10 fee pursuant to section 21, and amendments thereto. The secretary shall
11 have authority to refuse to allow any non-Kansas inmate to be transported
12 to or incarcerated in any private contract prison;

13 (n) the licensee shall be subject to review by the legislative division
14 of post audit; and

15 (o) any other provision the secretary considers necessary and appro-
16 priate for carrying out the purpose of this act ~~consistent with the con-~~
17 ~~tractual agreement with the private contractor.~~

18 New Sec. 7. No license issued pursuant to this act shall be construed
19 as authorizing, allowing or delegating authority to the licensee to:

20 (a) With regard to Kansas inmates being housed at a private contract
21 prison, reject any inmate appropriately classified by the Kansas custody
22 classification system for the custody level or levels of the private facility;

23 (b) with regard to Kansas inmates who are being housed at a private
24 contract prison, develop or adopt disciplinary rules or penalties that differ
25 from the disciplinary rules and penalties that apply to inmates housed in
26 correctional facilities operated by the secretary. With regard to non-Kan-
27 sas inmates, the licensee may develop or adopt disciplinary rules or pen-
28 alties consistent with the requirements of the sending entity provided that
29 the secretary shall retain authority to review *[and approve or reject]*
30 any such rules or penalties;

31 (c) make a final determination on a disciplinary action that affects the
32 liberty of an inmate. The licensee may remove an inmate from the general
33 prison population during an emergency, before final resolution of a dis-
34 ciplinary hearing in response to an inmate's request for assigned housing
35 in protective custody or when otherwise necessary to maintain order and
36 security of the private contract prison;

37 (d) make a decision that affects the sentence imposed upon or the
38 time served by an inmate, including a decision to award, deny or forfeit
39 earned time;

40 (e) make recommendations to the Kansas parole board with respect
41 to the denial or granting of parole or release except the licensee may
42 submit written reports to the Kansas parole board and shall respond to
43 any written request for information by the Kansas parole board;

2-5

1 (f) develop and implement requirements that inmates engage in any
2 type of work not previously authorized in this act, except to the extent
3 that those requirements are accepted by the department; and

4 (g) determine inmate eligibility for any form of release from a cor-
5 rectional facility including any private contract prison.

6 New Sec. 8. (a) No private contract prison shall house inmates until:

7 (1) The private operator has submitted to the secretary, and the sec-
8 retary has approved, a plan for the secretary to assume temporary control
9 and operation of the private contract prison in the event the private op-
10 erator becomes unable to meet the requirements of this act;

11 (2) each private contractor, whether a private owner or a private op-
12 erator, or both, involved in the private contract prison has submitted to
13 the secretary, and the secretary has approved, a plan for the temporary
14 assumption of operations and purchase of the private contract prison by
15 the secretary in the event of bankruptcy or the financial insolvency of any
16 such private contractor; and

17 (3) the private operator has submitted to the secretary, and the sec-
18 retary has approved, a plan to address emergencies including, but not
19 limited to, inmate disturbances, employee work stoppages, employee
20 strikes, escapes, natural disaster threats, bomb threats, riots, hunger
21 strikes, taking of hostages, fires, explosions, evacuations, hazardous ma-
22 terial spills or other serious events. The plan shall comply with applicable
23 national correctional standards. The plan shall identify how the state shall
24 recover its costs for such assumptions of operation or other interventions
25 and the general cost parameters. *The private operator shall be liable*
26 *for all expenses incurred by the state and its subdivisions in re-*
27 *sponding to any emergency or serious event. Such expenses shall be*
28 *consistent with the department's policies and procedures concern-*
29 *ing such emergency or serious event.*

30 (b) The secretary may from time to time require the private contrac-
31 tor to review, revise or update any plan required by this section. The
32 private contractor shall comply promptly with any request by the secretary
33 pursuant to this subsection, and failure by any private contractor to do so
34 within a reasonable period of time shall constitute cause for suspension
35 of such private contractor's license.

36 (c) Nothing in this section shall be construed to require the state to
37 purchase or lease any private contract prison or to assume responsibility
38 for the operation of any private contract prison or to assume costs asso-
39 ciated with events described in this section.

40 New Sec. 9. The secretary may suspend or revoke a license for cause,
41 including, but not limited to, failure to obtain or maintain facility accred-
42 itation or failure to comply with any requirement of this act, after written
43 notice of material deficiencies and after 60 workdays have been provided

2-6

1 to the contractor to submit a plan of action to correct the material
2 deficiencies.

3 New Sec. 10. If, as determined by the secretary, an emergency oc-
4 curs involving the noncompliance with or violation of the requirements
5 of this act and presents a serious threat to the safety, health or security
6 of the inmates, employees or the public, the secretary may require im-
7 mediate or timely corrective action or may, without prior notice, tem-
8 porarily assume operation and control of the private contract prison.
9 Nothing in this section shall be construed to require the state to assume
10 responsibility for the operation of private contract prisons or for costs
11 associated with events described in this section. If the state chooses, it
12 may assume responsibility upon approval by the legislature through the
13 enactment of legislation.

14 New Sec. 11. If a private owner intends to sell, convey, transfer, do-
15 nate, trade, barter or otherwise alienate title to a private contract prison,
16 the private owner shall first give notice of such intent to the secretary.
17 The state shall have the right of first refusal to lease or purchase such
18 private contract prison at fair market value, although the state shall not
19 be required to do so. Except as provided in this section, a private contract
20 prison may be transferred only to an entity that is licensed as required by
21 this act.

22 New Sec. 12. Each private operator shall require applicants for em-
23 ployment at a private contract prison to submit a set of fingerprints to
24 the Kansas bureau of investigation for a criminal background check. The
25 Kansas bureau of investigation may accept fingerprints of individuals who
26 apply for employment at a private contract prison and who shall be subject
27 to background checks. For the purpose of conducting background checks,
28 to the extent provided for by federal law, the Kansas bureau of investi-
29 gation may exchange with the secretary criminal history records, whether
30 state, multi-state or federal, of individuals who apply for employment at
31 a private contract prison.

32 New Sec. 13. This act shall not apply to the contracts between cities
33 and counties and the secretary under which the city or county agrees to
34 house the backlog of inmates as provided by K.S.A. 75-52,128 and 75-
35 52,129, and amendments thereto, which contracts shall be governed by
36 such.

37 New Sec. 14. Any private operator licensed under this act shall col-
38 lect and maintain data with respect to all Kansas and non-Kansas inmates
39 housed by the private contractor, in a fashion compatible with Kansas
40 department of corrections practices and procedures for inmate data col-
41 lection and maintenance, as specified by the secretary.

42 New Sec. 15. (a) ~~Any county that meets the requirements of this~~
43 ~~section may contract with a private contractor to develop and construct,~~

Re-letter remaining subsections accordingly.

2-7

1 ~~own or operate a private contract prison in such county]~~
 2 ~~(b)~~ No private contract prison shall be constructed, owned or oper- Woodson
 3 ated pursuant to this act in ~~any~~ county unless the county commission has
 4 received written notice of approval from the sheriff of ~~such~~ county and
 5 the secretary of corrections. Upon receipt of such notice, the board shall
 6 adopt a resolution placing on the ballot the question in subsection ~~(a)~~ (b)
 7 No private prison shall be constructed pursuant to this section until the
 8 question has been submitted to and approved by a majority of the qual-
 9 ified voters of ~~the~~ county voting at an election thereon. Such election Woodson
 10 shall be called and held in the manner provided by the general bond law.
 11 (c) The form of the question described in subsection ~~(b)~~ shall be: (a)
 12 "Shall construction and operation of a private contract prison, pursuant
 13 to the Private Contract Prison Act, be allowed in ~~the~~ County?" Woodson
 14 (d) Except for land donation, no direct incentives, such as property
 15 tax abatement, industrial revenue bonds, tax increment financing or utility
 16 cost reductions, shall be offered by ~~the~~ county to the private contractor
 17 wishing to construct, own or operate a private contract prison in ~~such~~
 18 county.
 19 (e) At the discretion of the parties, the contract may allow for the
 20 leasing of the private contract prison by the private owner to ~~the~~ county
 21 or to the state.
 22 New Sec. 16. No contract for site construction between ~~the~~ county
 23 and the private contractor authorized by this act shall enter into force
 24 until reviewed and approved by the attorney general, as to form and legal
 25 sufficiency, ~~and the secretary, as to the determination of the best~~
 26 ~~interests of the state of Kansas].~~
 27 New Sec. 17. A contract entered into under this act does not accord
 28 third-party beneficiary status to any inmate or to any member of the
 29 general public.
 30 New Sec. 18. In the event any provision of any contract authorized
 31 by this act conflicts with any provision of any license issued pursuant to
 32 this act, the provision of the license shall supersede the provision of the
 33 contract. In the event any provision of any contract authorized by this act
 34 conflicts with any provision of this act, the provision of this act shall su-
 35 persede the provision of the contract.
 36 New Sec. 19. Nothing in this act shall be construed as requiring the
 37 department of corrections to place Kansas inmates in any private facility
 38 constructed, owned or operated pursuant to this act. Placement of Kansas
 39 inmates in such private facility shall be at the discretion of the secretary
 40 based on department needs and the best interest of the state and shall
 41 only be pursuant to contract between the secretary and the private
 42 operator.
 43 New Sec. 20. Not later than December 1 of each year beginning

20
28

1 with the 2006 fiscal year, the secretary shall submit a report to the speaker
2 of the house of representatives and the president of the senate concerning
3 the status of contracts in effect and licenses issued, and with respect to
4 completed prisons, the effectiveness of each private contract prison op-
5 erated pursuant to this act.

6 New Sec. 21. There is hereby created in the state treasury the cor-
7 rections licensing fee fund. All moneys collected by the secretary from
8 licensing application fees[, *monitoring fees, and any other fees au-*
9 *thorized by this act*] shall be remitted to the state treasurer in accord-
10 ance with the provisions of K.S.A. 75-4215, and amendments thereto.
11 Upon receipt of each such remittance, the state treasurer shall deposit
12 the entire amount in the state treasury to the credit of the corrections
13 licensing fee fund. All the moneys collected and deposited pursuant to
14 this subsection shall be used solely for payment of reasonable inspection
15 costs associated with licensing and the costs of inmate record review pur-
16 suant to subsection (m) of section 6, and amendments thereto [*the costs*
17 *associated with the implementation and enforcement of this act. The*
18 *secretary shall establish rules and regulations prescribing the fees*
19 *necessary for the implementation and enforcement of this act*].

20 Sec. 22. K.S.A. 2004 Supp. 75-52,129 is hereby amended to read as
21 follows: 75-52,129. (a) The secretary of corrections is hereby authorized
22 to negotiate and enter into contracts with Kansas cities and counties for
23 the placement of inmates, who are classified as medium custody or any
24 higher custody or security classification, in facilities owned and operated
25 by the cities and counties. If the secretary of corrections proposes to place
26 any inmates classified as medium custody or any higher custody classifi-
27 cation for confinement in facilities other than correctional or other insti-
28 tutions or facilities owned and operated by the department of corrections
29 or any other state agency, the secretary of corrections shall give first con-
30 sideration to entering into contracts with Kansas cities and counties under
31 this section before attempting to place any such inmate for confinement
32 at any *private contract prison, as defined in section 2, and amendments*
33 *thereto, or any* location outside the state of Kansas if the facilities to be
34 provided under such contracts are substantially equal to *private contract*
35 *prisons or* facilities at locations outside the state of Kansas and if arrange-
36 ments can be made in a timely manner. Except as provided in subsection
37 (b), the provisions of this section and any contract or preliminary letter
38 of commitment entered into pursuant to this section shall not apply to
39 any minimum custody or community custody status inmates, or any other
40 custody or security classification lower than medium custody, or to any
41 inmate who may be placed in a work release or prerelease program, cen-
42 ter or facility by the secretary of corrections, who is eligible for parole or
43 who is placed pursuant to the interstate corrections compact. Contracts

2-9

1 entered into pursuant to this section shall not be subject to competitive
2 bid requirements under K.S.A. 75-3739 and amendments thereto.

3 (b) The secretary shall not enter into any contract as provided in
4 subsection (a) with any city or county of this state for the placement of
5 inmates that does not provide that such city or county shall provide and
6 maintain appropriate and recognized standards of safety, health and
7 security.

8 Sec. 23. K.S.A. 2004 Supp. 19-101a, 19-101b, 19-101c, 19-101d, 19-101e, 19-101f, 19-101g, 19-101h, 19-101i, 19-101j, 19-101k and 19-101l hereby repealed.

9 Sec. 24. This act shall take effect and be in force from and after its
10 publication in the statute book.

Sec. 23. K.S.A. 2004 Supp. 19-101a is hereby amended to read as follows: See attached.

Renumber remaining sections accordingly.

19-101a, 19-101k and
are

Sec. 23. K.S.A. 2004 Supp. 19-101a is hereby amended to read as follows: 19-101a. (a) The board of county commissioners may transact all county business and perform all powers of local legislation and administration it deems appropriate, subject only to the following limitations, restrictions or prohibitions:

(1) Counties shall be subject to all acts of the legislature which apply uniformly to all counties.

(2) Counties may not consolidate or alter county boundaries.

(3) Counties may not affect the courts located therein.

(4) Counties shall be subject to acts of the legislature prescribing limits of indebtedness.

(5) In the exercise of powers of local legislation and administration authorized under provisions of this section, the home rule power conferred on cities to determine their local affairs and government shall not be superseded or impaired without the consent of the governing body of each city within a county which may be affected.

(6) Counties may not legislate on social welfare administered under state law enacted pursuant to or in conformity with public law No. 27174th congress, or amendments thereof.

(7) Counties shall be subject to all acts of the legislature concerning elections, election commissioners and officers and their duties as such officers and the election of county officers.

(8) Counties shall be subject to the limitations and prohibitions imposed under K.S.A. 12-187 to 12-195, inclusive, and amendments thereto, prescribing limitations upon the levy of retailers' sales taxes by counties.

(9) Counties may not exempt from or effect changes in statutes made nonuniform in application solely by reason of authorizing exceptions for counties having adopted a charter for county government.

(10) No county may levy ad valorem taxes under the authority of this section upon real property located within any redevelopment project area established under the authority of K.S.A. 12-1772, and amendments thereto, unless the resolution authorizing the same specifically authorized a portion of the proceeds of such levy to be used to pay the principal of and interest upon bonds issued by a city under the authority of K.S.A. 12-1774, and amendments thereto.

(11) Counties shall have no power under this section to exempt from any statute authorizing or requiring the levy of taxes and providing substitute and additional provisions on the same subject, unless the resolution authorizing the same specifically provides for a portion of the proceeds of such levy to be used to pay a portion of the principal and interest on bonds issued by cities under the authority of K.S.A. 12-1774, and amendments thereto.

(12) Counties may not exempt from or effect changes in the provisions of K.S.A. 19-4601 through 19-4625, and amendments thereto.

(13) Except as otherwise specifically authorized by K.S.A. 12-1,101 through 12-1,109, and amendments thereto, counties may not levy and collect taxes on incomes from whatever source derived.

(14) Counties may not exempt from or effect changes in K.S.A. 19-430, and amendments thereto.

(15) Counties may not exempt from or effect changes in K.S.A. 19-302, 19-502b, 19-503, 19-805 or 19-1202, and amendments thereto.

(16) (A) Counties may not exempt from or effect changes in K.S.A. 13-13a26, and amendments thereto.

(B) This provision shall expire on June 30, ~~2005~~ 2006.

(17) (A) Counties may not exempt from or effect changes in K.S.A. 71-301a, and amendments thereto.

(B) This provision shall expire on June 30, ~~2005~~ 2006.

(18) Counties may not exempt from or effect changes in K.S.A. 19-15, 139, 19-15,140 and 19-15,141, and amendments thereto.

(19) Counties may not exempt from or effect changes in the provisions of K.S.A. 12-1223, 12-1225, 12-1225a, 12-1225b, 12-1225c and 12-1226, and amendments thereto, or the provisions of K.S.A. 12-1260 through 12-1270 and 12-1276, and amendments thereto.

(20) Counties may not exempt from or effect changes in the provisions of K.S.A. 19-211, and amendments thereto.

(21) Counties may not exempt from or effect changes in the provisions of K.S.A. 19-4001 through 19-4015, and amendments thereto.

(22) Counties may not regulate the production or drilling of any oil or gas well in any manner which would result in the duplication of regulation by the state corporation commission and the Kansas department of health and environment pursuant to chapter 55 and chapter 65 of the Kansas Statutes Annotated and any rules and regulations adopted pursuant thereto. Counties may not require any license or permit for the drilling or production of oil and gas wells. Counties may not impose any fee or charge for the drilling or production of any oil or gas well.

~~(23) Counties may not exempt from or effect changes in K.S.A. 79-41a04, and amendments thereto.~~

~~(24) Counties may not exempt from or effect changes in K.S.A. 79-1611, and amendments thereto.~~

~~(25) Counties may not exempt from or effect changes in K.S.A. 79-1494, and amendments thereto.~~

~~(26) Counties may not exempt from or effect changes in subsection (b) of K.S.A. 19-202, and amendments thereto.~~

~~(27) Counties may not exempt from or effect changes in subsection (b) of K.S.A. 19-204, and amendments thereto.~~

~~(28) Counties may not levy or impose an excise, severance or any other tax in the nature of an excise tax upon the physical severance and production of any mineral or other material from the earth or water.~~

~~(29) Counties may not exempt from or effect changes in K.S.A. 79-2017 or 79-2101, and amendments thereto.~~

~~(30) Counties may not exempt from or effect changes in K.S.A. 2-3302, 2-3305, 2-3307, 2-3318, 17-5904, 17-5908, 47-1219, 65-171d, or 65-1,178 through 65-1,199 or K.S.A. 1998 Supp. 17-5909, and amendments thereto.~~

~~(31) Counties may not exempt from or effect changes in K.S.A. 2004 Supp. 80-121, and amendments thereto.~~

~~(32) Counties may not exempt from or effect changes in K.S.A. 19-228, and amendments thereto.~~

~~(33) Counties may not exempt from or effect changes in the wireless enhanced 911 act or in the provisions of K.S.A. 12-5301 through 12-5308, and amendments thereto.~~

~~(34) Counties may not exempt from or effect changes in K.S.A. 2004 Supp. 26-601, and amendments thereto.~~

~~(35) Counties may not exempt from or effect changes in sections 1 through 21, and amendments thereto.~~

(b) Counties shall apply the powers of local legislation granted in subsection (a) by resolution of the board of county commissioners. If no statutory authority exists for such local legislation other than that set forth in subsection (a) and the local legislation proposed under the authority of such subsection is not contrary to any act of the legislature, such local legislation shall become effective upon passage of a resolution of the board and publication in the official county newspaper. If the legislation proposed by the board under authority of subsection (a) is contrary to an act of the legislature which is applicable to the particular county but not uniformly applicable to all counties, such legislation shall become effective by passage of a charter resolution in the manner provided in K.S. A. 19-101b, and amendments thereto.

(c) Any resolution adopted by a county which conflicts with the restrictions in subsection (a) is null and void.

Testimony in Support of SB243
House Appropriations Committee
The Honorable Melvin Neufeld, Chairman
March 30, 2005

Provided by Mr. Gary Rowden
Regional Director, Central Region
The GEO Group, Inc.

Thank you Mr. Chairman and members of the committee, for the opportunity to provide this testimony regarding the benefits of privatization and to include a brief background of our organization. The GEO Group, formerly known as the Wackenhut Corrections Corporation, is the world leader in the delivery of correctional, detention management services and health, and mental health services to federal, state and local government agencies around the globe. Our turnkey approach includes design, construction, financing and operations. Our Company represents government clients in the United States, Australia, South Africa, New Zealand, Cuba, Canada and the United Kingdom. Approximately 30,000 beds are currently under contract in our North American services alone. In the continental United States, there are three regional offices that ensure quality and consistency in the delivery of services. Kansas is located in our Central Region, which is serviced from our Texas regional office. I am Gary Rowden, Regional Director, representing Mr. Don Houston the Central Regional Vice President. His staff and I are available to provide information and insight into our organization upon request.

The Kansas Department of Corrections and the GEO Group have the same objectives - managing correctional facilities that ensure public safety, the safety of staff that work within the facilities, as well as the safety of the offenders that reside within the facilities. We achieve these objectives in a very similar manner, by designing and constructing a facility that is secure, that can be safely managed, and that establishes a system that screens and hires professional staff that are properly trained. Both organizations design and establish policy, procedures and post orders that meet federal and state constitutional requirements, state statutes and industry standards while fulfilling the mission of the Agency.

Private corrections, however, does some things differently. The GEO Group has a profit and loss statement that is reviewed at all levels of the company, both weekly and monthly. This results in a very careful control of costs. We are required to compete and that requires us to provide the best quality at the best price. As a result of competition, we are required to continuously explore ways that we can improve operations, often resulting in progressive changes that may be adopted by the Agency as we share our processes and innovations. Private providers are required by contract to be performance based and are required to meet the highest standards in our industry. If we fail to perform we can have our contract terminated. This is a very real incentive to build quality operations and have a sound audit system in place that ensures and maintains compliance with contractual requirements.

As a reflection of our commitment to quality, GEO Group facilities are designed and operated in general accordance with the recommendations of the American Correctional Association (ACA), National Commission on Correctional Health Care (NCCHC) and the Joint Commission on Accreditation of Healthcare Organizations (JCAHO). Twenty-two facilities in the continental USA are currently accredited by ACA, while nine are accredited by e:

HOUSE APPROPRIATIONS

DATE 3-30-2005
ATTACHMENT 3

Further, most agreements provide for full time agency monitors on-site to ensure that quality and operational standards are being met.

The GEO Group manages a full range of correctional facilities from close custody to work release, and community residential programs. We also manage a "special needs" facility, and have several residential drug treatment programs that provide excellent programs with very positive results. The GEO Group strives to favorably impact the recidivism rate through innovative programs such as the Federal Prison Industry Enhancement Program (PIE) that is in place at Lockhart, Texas. The GEO Group recruited private industry to establish operations within the facility to provide marketable skills to offenders while paying for their labor. Part of the monies earned are returned to the state for such things as "room and board" and child support payments with some monies placed in an account and returned to the offender upon release.

At times, the private sector is accused of "cherry picking" or taking the "cream of the crop" when managing offender populations. The terms of the contract or agreement identify the populations and services to be provided. Whatever the Agency needs may be, we can provide professional management services. Any professional administrator, whether private or public, when given a properly designed facility and well trained staff, can manage any category of offender population. Our correctional professionals can meet the challenges. The GEO Group's strengths are creativity, innovation, but most of all, flexibility. Not only can the in-house GEO Group Design Services provide technical design support to insure that the client receives a state of the art physical plant to meet the needs of the targeted population, we can also customize offender programs to meet the needs of the client. This could include but not be limited to work opportunities, academic and vocational education, counseling, substance abuse awareness and structured leisure activities.

In addition, The GEO Group provides detention, corrections and custodial services to the Federal Bureau of Prisons, the Department of Homeland Security-Bureau of Immigration & Customs Enforcement (DHS-BICE) and the Marshals Service, thus making the GEO Group one of the largest providers of correctional services to the United States Federal Government.

GEO is very aware that most Governmental Agencies are operating under difficult budget limitations and therefore are looking for the best services for their dollars. While there is some disagreement as to the exact figures, several legitimate studies show that private prisons do provide cost savings. Conservatively estimated, savings range from 5% to 15%. To that end, cost savings can be realized through both construction and operations. Operational flexibility and cost efficiencies can be designed in while maintaining security and insuring safety. In addition, effective design and construction techniques allow for "fast track construction".

In closing, on the basis of quality services, sound operational expertise, corporate resources, financial strength and general liability protection, we feel the The GEO Group is the premier provider of private sector correctional management services, with a solid foundation in place for future growth and success. The GEO Group looks forward to having the opportunity of working with the State of Kansas, and I would be pleased to answer any questions the committee may have.

Testimony
of
Patrick J. Hurley
on behalf of
Corrections Corporation of America

Presented to the
House Appropriations Committee
on
SB 243

March 30, 2005

HOUSE APPROPRIATIONS

DATE 3-30-2005
ATTACHMENT 4

Mr. Chairman and members of the committee, I am Patrick J. Hurley and am appearing on behalf of Corrections Corporation of America at this hearing on Senate Bill 243.

Corrections Corporation of America is a company based in Nashville, Tennessee, which is in the business of ownership and management of private prisons throughout the United States. CCA has approximately 67,000 beds and 63 facilities, including 38 that they own, the balance which they manage. CCA currently manages more than 62,000 inmates, including males, females, and juveniles at all security levels and does business with all three federal corrections agencies, almost half of all states, and more than a dozen local municipalities.

CCA appears in favor of Senate Bill 243 in that it would allow the construction of private prisons in Kansas and the placement, therein, of inmates both from within the Kansas correctional system and from outside the state of Kansas, all under a series of conditions and controls left under the authority of the Kansas Secretary of Corrections.

Included in the facilities that CCA owns is the United States Marshals detention facility in Leavenworth, Kansas. I have attached to this testimony more information about that facility and its positive economic impact on the Leavenworth community.

Under current law, since that facility houses only federal inmates, it is exempt from the control or jurisdiction of the Kansas Secretary of Corrections.

If Senate Bill 243 is enacted into law, CCA and the U.S. Marshals Authority want to be certain that that portion of Kansas' law remains the same. We are therefore offering two amendments to the definition sections on the first page of SB 243, which would make it explicitly clear that the status quo under Kansas law, as to that facility, continues to be the same.

These two amendments would make it absolutely clear that this is still the intent of statutory law in Kansas as applied to their Leavenworth facility. We have discussed this with the Department of Corrections and they agree that SB 243 is no way intended to impact that particular facility and that such amendments to definition sections do not in any way otherwise alter the substance of this bill.

Corrections Corporation of America would therefore request that such amendments be added to this bill when acted upon by the committee.

Thank you for your consideration of this request. I would be happy to answer any questions.

Facility Fact Sheet 2005

Facility Name	Source of Prisoners/Inmates	Security Level	Number Employed	Rated Capacity	Date Opened/Assumed
Leavenworth Detention Center	USM, TRANSCOR, County	Maximum	151	767	Jun-92

Economic Impact

- ❑ CCA currently employs **151** corrections professionals at the Leavenworth Detention Center, with a combined annual payroll of approximately **\$5.9 million**.
- ❑ CCA pays approximately **\$664,000** annually in property taxes for this facility.
- ❑ CCA pays an estimated **\$300,000** a year in state/local sales, use and franchise taxes.
- ❑ CCA also pays out approximately **\$411,000** annually for local utilities in the Leavenworth Detention Center area.
- ❑ These dollars turn over in the local/area economy several times over the course of a year, resulting in increased wealth to the community.

Quality of Service

- Leavenworth Detention Center operates in accordance with the standards of the American Correctional Association (ACA), which represent the highest corrections standards in the country. The institution's commitment to such high standards has earned them accreditation by the ACA.
- Leavenworth Detention Center is program-intensive, providing comprehensive programs that emphasize counseling, substance abuse treatment, education and vocational opportunities to prepare inmates for a successful re-entry into society. Additionally, inmates participate in religious and recreational activities and programs sponsored by facility staff and local volunteers.
- CCA recognizes that being a good corporate citizen means being responsive and actively engaged in the communities in which we operate. Like all CCA facilities, Leavenworth Detention Center has a community relations committee that consists of facility managers as well as community representatives, including nearby residents, local officials/leaders and local media. The committee discusses the facility's operations and activities and addresses community questions or concerns. The Leavenworth Detention Center gives back to community in a variety of ways, such as making quilts to donate to the VA, nursing homes, and other community agencies.

Amendments to SB243

On page 1, new section 2(a), change to read:

(a) "Private contract prison" means a correctional facility situated in this state that is not owned by the state of Kansas or any subdivision thereof or by the federal government or any subdivision thereof **and is not used for the placement or confinement of inmates from an agency of the federal government.**

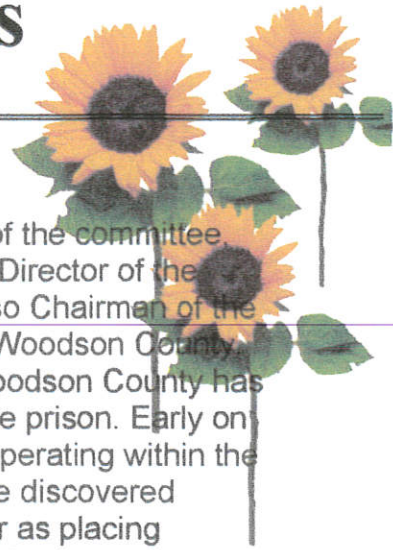
On page 1, new section 2(j), change to read:

(J) "Non-Kansas inmate" means any inmate in the custody of any **state or local** jurisdiction other than the state of Kansas or any of its political subdivisions.

Sunflower Solutions

A Private Prison Task Force

117 East Rutledge Street, Yates Center, Kansas 66783
Phone 620-625-2118 ~ Fax 620-625-3119



Yates Center Mayor
Vernon D. Burkhart

Chairman
Shelia Lampe

Public Relations
Janie Massoth

Media
Stewart Braden

Members
Rusty Arnold
Don Barney
Ron Call
Donna Curry
John Danler
Julie Galemore
Evelyn Hendrickson
John Hotalling
Lyle Kee
Jay Leedy
Jim Lomon
Gwen Martin
Jack Newcomb
Bill Norris
Cliff Parks
Ross Thornburg
Sheriff David Waddell
Les Wilhite

Good Morning Chairman Neufeld and members of the committee, my name is Shelia Lampe and I am the Executive Director of the Woodson County Chamber of Commerce, I am also Chairman of the Sunflower Solutions Private Prison Task Force of Woodson County. As you may or may not be aware, for 20 years, Woodson County has been involved with the issue of developing a private prison. Early on we discovered state laws prohibit private prisons operating within the state. During the process of exploring the issue, we discovered Kansas does contract with private prisons, in so far as placing prisoners in private prisons outside of the state of Kansas.

Woodson County is number 103 out of 105 counties economically, as a study done by a Kansas State University has stated. We have gone from 4,600 in 1980 to 3,600 currently. Woodson County also has the lowest personal income in the states 105 counties. Our largest employer is the school district, and they now have to make cuts because of the population decline. Woodson County has continued to watch our population and economic status decline in the last decade. Allowing this industry to locate in Woodson County would raise our economic profile by threefold. Our tax base would more than triple and would provide employment opportunities for Woodson County and Southeast Kansas within a 5 county radius. We are located at the crossroads of two major highways, 54 and 75, within an hour of Topeka and El Dorado, and within two hours of Wichita and Kansas City. We are also host to the Toronto Honor Camp for the state. The city of Yates Center has continued to upgrade the infrastructure in anticipation of growth and expansion. There are two sites chosen in preparation for the eventual location of a private prison in Yates Center. The sites have been viewed by the Department of Corrections and approved. The Department of Corrections also asked for and received all the infrastructure and specifications that would be required to build a facility. The packets that have been provided for you include letters of support from 1985 though the present, economic data that pertains to Woodson County and the area, as well as current infrastructure data. Please look over the information provided and do not hesitate to contact us for any additional information.

Thank you for your time and attention. I now stand down for questions from the committee.

Shelia Lampe

HOUSE APPROPRIATIONS

DATE 3-30-2005
ATTACHMENT 5

**ITEMS OFFERED BY THE CITY OF YATES CENTER AND
WOODSON COUNTY TO PROMOTE A PRIVATE CORRECTION FACILITY
IN OUR COMMUNITY**

- Land immediately available. Two location sites, one in Industrial Park and one just north of the city.
- Environmental Study completed on proposed location sites
- Local public support of 95% to 97%
- Trucking firm adjacent to building site
- Two major highways, U.S. Highway 54 and U.S. Highway 75 intersect within the city limits of Yates Center
- Centrally located with distances to area cities:

Emporia	60 miles
Wichita	100 miles
Topeka	80 miles
Pittsburg	100 miles
Girard	85 miles
Oswego	97 miles
El Dorado	60 miles
Kansas City	120 miles
Toronto Honor Camp	20 miles
- Railroad spur available
- Excellent volunteer ambulance service 24 hours a day
- Excellent law enforcement service 24 hours a day
- 18 member volunteer fire department with the recent purchase of a 2002 Commercial Pumper Fire Truck
- A new four-bay fire station located in the center of the city
- Very active Q.U.A.D. Facilitation Program
- IDL Room at high school
- Two medical clinics in the city. One clinic staffed with two doctors on call 24 hours a day
- Local dentist
- Distance to area hospitals:

Burlington	19 miles
Iola	20 miles
Chanute	30 miles
Eureka	30 miles
Fredonia	30 miles
- Paved airports available:

Iola (small jets)	20 miles
Chanute (small jets)	30 miles
Burlington (small jets)	25 miles
Fredonia	30 miles
- Yates Center has a lighted grass airstrip within two miles of the city
- The city has one of the few Carnegie libraries in existence.
- Excellent school system with a progressive school board
- All denominational faiths available with an active Ministerial Alliance

**ECONOMIC DEVELOPMENT PROJECTIONS FOR WOODSON COUNTY
AND THE CITY AND YATES CENTER
GENERATED FROM A PRIVATE CORRECTIONAL FACILITY**
(2006 figures reflect estimated projections)

- Population**

1980	-	4600	
2002	-	3668	
2006	-	4100	(2006 figures reflect estimated projections)

- Assessed Valuation (in millions of dollars)**

1992	-	23.5	
2002	-	27.6	
2006	-	52.9	(2006 figures reflect estimated projections)

Current 2005 figures:

<u>Woodson County</u>		<u>Yates Center</u>	
Valuation	\$27,916,977	Valuation	\$5,339,634
1 mill equals	\$27,850	1 mill equals	\$5,300
Mill Levy	79.559 mills	Mill Levy	61.18 mills

Based on the construction of the facility in Yates Center the correctional facility **ALONE** would raise the following:

Yates Center	\$ 382,375.00
Woodson County	\$ 497,243.75
USD#366	<u>\$ 151,631.25</u>
TOTAL	\$1,031,250.00

- Unemployment rate currently 7.30%**

Facility would create between 200 – 250 jobs (professional & skilled labor) depending on the size of the facility built

Work force would come from neighboring counties of Neosho, Allen, Wilson, Greenwood, Coffey

Woodson (.083) and Greenwood (0.78) counties rate in the bottom ten counties for highest unemployment rates

Current labor force is 15.88% meaning total available for work

- **According to a study done by Kansas State University, Woodson County is ranked the 4th highest county in Kansas for poverty.**
- **Strength Index** is made up of data from 2002 estimated personal income, the 2003 average employment numbers and the 2003 appraised value of real and personal property. The bottom five counties in ascending order are Chautauqua (1.94), Elk (1.98), **WOODSON (1.98)**, Greenwood (2.02), and Kearny (2.06)
- **School enrollment is currently at 527 students and 5 special education**
Projected enrollment – 677 students and 8 special education
- **2004 Sales Tax Revenue for the City of Yates Center - \$171,139**
Projected 2006 sales tax revenue - \$231,139 (1/3 increase)
- **High impact on gas, electric, water, and wastewater charges**
Total projected utility sales unknown at this time.

The infrastructure is in place for the construction of the facility. The water treatment plant is updated routinely and is currently undergoing additional improvements. There is ample water supply source from the Yates Center Reservoir. The wastewater treatment facility just completed a 2.7 million dollar renovation. Atmos Energy and Westar Energy have both submitted letters of support. SBC Fiber Optics available at chosen location with high speed DSL also available.
- **Greenbush** - USD#366 is one of the sponsoring school districts for the Southeast Kansas Educational Service Center (Greenbush) that currently provides educational services for the Kansas Department of Corrections.
- **Facility would obviously increase the number of privately owned businesses located within the city.** Currently we have approximately 80.

Yates Center recognized

YATES CENTER — National Community Development Week was celebrated Monday morning in Yates Center with Mayor Vernon Burkhart receiving a plaque for the city from Marilyn Graham, a representative for the state's Community Development Block Grant (CDBG) program. The recognition is for community development achievements using various Kansas Department of Commerce and Housing (KDOC&H) grants and other public financing.

Specifically, Yates Center was recognized for its work in community, economic and housing development.

Anthony, Clyde and Ellsworth counties also received awards for programs administered by KDOC&H.

During the past few years, Yates Center has pursued funds to improve housing, retain citizens and make its community more attractive for new jobs.

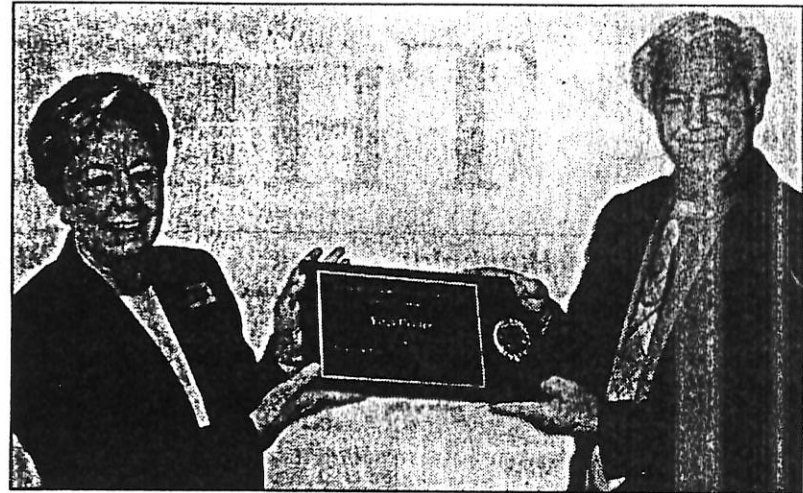
In 1998, Yates Center qualified for a Community Development Block Grant of \$200,000 for housing rehabilitation. To meet the needs of the elderly and low- to moderate income residents, the city formed a housing committee and matched the state grant with \$50,000 of city funds.

The funds were used to renovate 15 homes and demolish five severely deteriorated houses.

Additional funds were acquired in 1999 and 2000 to help first-time home buyers.

In 2001, Yates Center received a CDBG grant for \$400,000 to improve the city's sewer system.

Yates Center's most recent CDBG grant was for \$400,000 to upgrade the fire station, which shares space with the police department, city hall and public works department in an old lumber yard building. A new building will be built with the



Register/Jenelle Johnson

Marilyn Graham, left, presented Yates Center Mayor Vernon Burkhart with a Kansas Department of Commerce & Housing Community Achievement Award Monday morning at the Eastern Star Building in Yates Center.

help of a CDBG grant and matching funds from the city and the volunteer fire department.

Yates Center was also recognized for its volunteerism through preservation of the

Woodson Grand Hotel, Yates Center Days, Veterans Memorial Wall, an emergency shelter set up to help those in need during the 2002 ice storm and the summer reading program at the library.

5-5



CITY OF YATES CENTER

117 East Rutledge Street
Yates Center, Kansas 66783-1403

Member League of Kansas Municipalities

Vernon D. Burkhart
Mayor

Lana J. Massoth, CMC
City Clerk

Thomas L. Wilson
City Attorney

Telephone (620)625-2118
Fax (620)625-3119
E-Mail: yatescityhall@kscable.com

December 1, 2003

To Whom It May Concern:

The city of Yates Center is in complete support of locating a privatized correctional facility within our city. Struggling for any form of business opportunities, we have witnessed over the past ten years our tax base and employment opportunities plummeting. Within the past two months, National Mills, one of our major employers, closed its doors along with 38 jobs. The location of a privatized correctional facility within our city would more than triple our tax base, provide employment opportunities for our local citizens, and provide employment opportunities for surrounding communities, which are experiencing the same downward economic trend.

The city has been very supportive of this project since its conception in 1985 with a very active and updated prison task force. We also have had a private corporation since 1985 that will come to Yates Center and build the correctional facility, put it on the tax rolls, and employ our citizens. The city stands by its original offer from 1985; to provide the land and infrastructure for this needed facility. Along with the land, the city has shown a progressive trend by the construction of a new city water reservoir in 1986 and the recent completion a \$2.6 million renovation on their wastewater plant.

Our fire protection is very progressive for a city our size. We currently are serviced by an eighteen member volunteer fire department. In 2002 a new Commercial Freightliner fire truck was purchased and the city has just finished the construction of a new four-bay fire station located in the heart of our city. Our citizens currently experience the highest fire rating that a volunteer fire department can provide for their community. We also have mutual aid agreements with five surrounding city fire departments if needed.

The Governing Body is in full support for the city of Yates Center to be selected as a site for the construction of a privatized correctional facility and will serve you in any way that we can.

Thank you for your consideration.

Sincerely,

Vernon D. Burkhart
Mayor

Woodson Unified School District 366

P.O. Box 160, 101 W. Butler
Yates Center, Kansas 66783
Telephone (620) 625-8804 Fax (620) 625-8806

Rusty Arnold

Superintendent of Schools
rnold@usd366.net

Connie Morrison

February 28, 2005

Board of Education Clerk
cmorrison@usd366.net

Brenda Tracy

Board of Education Deputy Clerk
bttracy@usd366.net

To Whom It May Concern,

I am writing this letter in support of constructing a prison facility in Woodson County near the town of Yates Center. I have personally lived in Yates Center for the past five years and witnessed the gradual decline of our local economy; I believe that a private or public prison facility will rejuvenate a steadily declining local economy. Toronto Honor Camp, a minimum-security facility, is located in Woodson County near Yates Center and has proven to be a positive asset to our county by providing support during crisis such as natural disasters. I believe a prison facility or expansion of the Toronto facility will be a positive addition to our county and/or communities.

Board of Education

Mary Whisler, President

Edward Pennuto, Vice-President

Beth Clarke

Judy Lair

Donna Leach

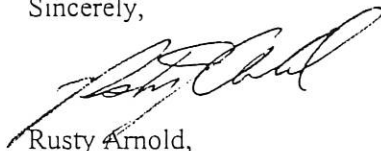
Danny McNett

Lee Robbins

Woodson School District 366 is one of the sponsoring school districts for the Southeast Kansas Educational Service Center (Greenbush) that currently provides educational services for the Kansas Department of Corrections. Our district is willing to cooperatively work to continue educational services through SEKSC or create an educational system to meet the needs of the inmates while incarcerated in any new facility located within our district.

I strongly support constructing a correctional facility and look forward to cooperatively working with the Department of Corrections to meet the educational needs of inmates. I am willing to speak with you personally concerning this issue, please contact me at your convenience by calling my home at 620-625-3395 or office at 620-625-8802.

Sincerely,



Rusty Arnold,
Superintendent of Schools

Member
NCA

North Central Association
of Colleges and Schools

Chamber of Commerce

From: "Bill Linde" <blinde@cox.net>
To: "Iola City Hall Beth Ann" <baturner@iolaks.com>
Cc: "Derek Schmidt" <dschmidt@sehclaw.com>; "City of Yates Center" <cityoffices@yatescenterks.net>; "KS-Coffey" <VBirk@coffeycountyks.org>; "KS-Woodson" <wococlrk@woodsoncounty.net>; "KS-Wilson" <wilsoncoclerk@twinmounds.com>; "KS-Neosho" <no.county.clerk@wan.kdor.state.ks.us>; "KS-Montgomery" <cschmidt@mgcountys.org>; "KS-Miami" <micoclrk@micoks.net>; "KS-Linn" <linnclrk@kanza.net>; "KS-Labette" <lschreppel@labettecounty.com>; "KS-Greenwood" <greenwoodcountyclerk@yahoo.com>; "KS-Franklin" <sperry@franklincoks.org>; "KS-Eik" <EKCLERK@terraworld.net>; "KS-Crawford" <kevina@ckt.net>; "KS-Cherokee" <ck.county.clerk@wan.kdor.state.ks.us>; "KS-Chautauqua" <cq_county_clerk@wan.kdor.state.ks.us>; "KS-Bourbon" <countyclerk@bourboncountyks.org>; "KS-Anderson" <pgettler@hotmail.com>; "KS-Allen" <coclerk@allencounty.org>; "Judy (KAC) Moler" <moler@kansascountries.org>; "Allen, KAC Randy" <allen@kansascountries.org>; "Chamber of Commerce" <chamber@wccc.kscoxmail.com>
Sent: Sunday, December 07, 2003 10:22 AM
Attach: Bill Linde.vcf
Subject: Senate Bill 275

Beth: The below is what I have written for the Woodson County Commission. I am going to propose signage of this on Tuesday when we meet in session. Bill Linde

Yates Center Prison Committee
 Yates Center City Hall
 Yates Center, Kansas 66783

Ladies and Gentlemen:

In light of the constant over-crowding of our State Correctional Facilities and the burdens there-of placed on the Community Correctional Programs, with early releases, we the Woodson County Board of County Commissioners, support the immediate passage of Senate Bill 275, Authorization of the Construction of Private Correctional Facilities in the State of Kansas.

William Ireland, Chairperson

Glady "Corkey" Yoho Vice Chairman

William W. Linde Member

Coffey Health System

December 8, 2003

To Whom It May Concern:

Coffey Health System is supportive of a Private Prison in Woodson County. We will provide support by offering health services to the prison population and the new employees in the community. We are in a collaborative relationship with Dr John Atkin and Dr. Timothy Spears of Yates Center Medical Clinic who just became employees of Coffey Health System. We are committed to high quality health care in the rural community of Coffey County, Woodson County and surrounding area. Quality Health Services is the most important issue to the survival of rural communities.

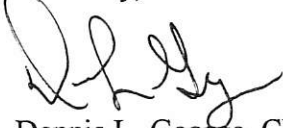
This project would be a great benefit for both Woodson and Coffey counties, because the project would create new employment, increased tax base for Woodson County and a new patient base to support the survival of health services in both communities. Under the current reimbursement system, patient volume is the key to long term success of health care services in the rural community.

To quote an old saying, this is a neighbor-helping-a neighbor. I am very excited for Woodson County on how the Private Prison will increase the economic health of a great and deserving community.

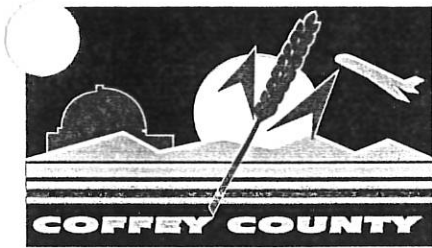
I would be glad to visit with any one to learn more about Coffey Health System and to illustrate how a quality health care organization will create a high quality of life in the rural community.

Thank you for your consideration of the Private Prison and to allow me to voice my support of the project and Woodson County residents and business.

Sincerely,



Dennis L. George, CEO
Coffey Health System



Coffey County Economic Development
110 S. 6th St.
Burlington, Kansas 66839
(620) 364-8780
Fax (620) 364-8643
www.coffeycountyks.org
jhotaling@coffeycountyks.org

December 5, 2003

Ms. Lana J. Massoth, CMC
Yates Center City Clerk
117 E Rutledge St
Yates Center, KS 66783-1403

Dear Ms. Massoth:

Coffey County Economic Development strongly supports the City of Yates Center in its effort to pass legislation allowing private prisons to operate in Kansas with the intention of locating such a prison in your community.

The operation of a private prison in Yates Center would provide jobs to residents of southern Coffey County. This part of our county has the highest unemployment and was hit especially hard with layoffs at several manufacturing plants in Coffey County.

Coffey County Economic Development operates an employment program for Coffey County in conjunction with the Southeast Kansas Area Agency on Aging. The coordinator of this program could assist the private prison operator by providing pre-screened applicants for employment.

As a member of the SEK, Inc. Legislative Council, I would be pleased to assist with lobbying members of the legislature on this issue. I would also work closely with Whitney Damron who is the lobbyist for Coffey County on this issue.

I look forward to the next prison task force meeting and hope Coffey County Economic Development can assist you in making this economic development project come to fruition.

Sincerely,

Jon Hotaling, Director
Coffey County Economic Development

5-10

January 9, 2004

Ms. Lana J. Massoth, CMC
Yates Center City Clerk
117 E Rutledge St
Yates Center, KS 66783-1403

Dear Ms. Massoth:

The Coffey County Strategic Planning Committee supports the City of Yates Center in its effort to pass legislation allowing private prisons to operate in Kansas, and its effort to locate such a prison in Yates Center.

A private prison operating in Yates Center would provide jobs to residents of Southern Coffey County. This part of Coffey County has high unemployment due to layoffs at several manufacturing operations in the area.

The Coffey County Strategic Planning Committee is made up of business owners, elected officials and representatives from various governmental organizations in Coffey County. The committee develops a strategic plan for economic development in Coffey County annually. The support of private prison legislation and the location of such a prison in Yates Center will be included in our strategic plan for 2004. The committee will also lobby our local legislative representatives on this issue. We hope this project, which will be a positive for all of Southeast Kansas, comes to fruition in the near future.

Sincerely,



Darren Isch, Chairman
Coffey County Strategic Planning Committee

5-11



Office of **Emergency Preparedness** Coffey County Courthouse
110 S 6th St. Burlington, Ks. 66839 Phone 620-364-2721 Fax 620-364-8643

Date: December 9, 2003
To: Whom It May Concern
From: Coffey County Emergency Preparedness
Subject: Prison at Yates Center, Kansas

Coffey County Emergency Preparedness recognizes the importance of having the capability to respond to an emergency that might arise at a facility housing a special population, such as a prison. Planning for a possible emergency event at Wolf Creek Generating Station has provided us with experience in this area. We can provide assistance in emergency planning, exercising the plans or actual response to Woodson County and, through them, the City of Yates Center, if needed. Memorandums of understanding are in place between Woodson and Coffey Counties for response in the event of emergency or disaster.

We support you in this important project and wish you success.

A handwritten signature in cursive script that reads "Rebecca J. Jewett".

Rebecca J. Jewett
Coordinator

5-12

Coffey County Airport

PHONE: 316-364-5346
FAX: 316-364-5661
1899 HWY. 75
BURLINGTON, KS 66839-8918



To whom it may concern;

The Coffey County Airport Board of Commissioners would like to take this opportunity to express their support of a privatized prison facility that would be located in Yates Center Kansas. The Coffey County Airport being located only twenty-five miles from Yater Center would be able to support a privatized prison facility with 100LL and Jet A aviation fuels. We also have a concrete runway that is 5,500 feet long and 75 feet wide to handle many types of aircraft, also the airport has being installed an Automated Weather Automation Service with current local weather, a pilots lounge and full service maintenance facility to handle our customers needs.

The Staff at Coffey County Airport are courteous and have delt with prisoner transport aircraft in the past and would welcome any like activity in the future.

Respectfully,

A handwritten signature in cursive script, appearing to read "Myrl Dercas". The signature is written over a horizontal line.

Myrl Dercas

Coffey County Airport Commissioner

BOURBON COUNTY

FORT SCOTT, KANSAS

66701


December 5, 2003


To Whom It May Concern:


The Board of Bourbon County Commissioners supports SB275, which allows private prisons to operate in the state of Kansas, providing each county has the final say as to whether a private prison is operated in its county.

Sincerely,

The Board of Bourbon County Commissioners

 _____, Terry Graham-Chairman

 _____, Gary Houston-Commissioner

 _____, Robert Query-Commissioner

5-14

December 5, 2003

City of Yates Center
ATTN: Prison Committee
117 E. Rutledge
Yates Center, KS 66783

Re: Private Prisons in Kansas


Ladies & Gentlemen:

It is a sad state of affairs in our society when we have to continue to build more and more prison space to accommodate that part of society that breaks the law. However, it is reality and we cannot ignore it.

As long as we have to do this, I would like to lend support to your efforts to have such facilities built and operated by the private sector. Especially in the Southeast part of Kansas, the main job growth for years has been in public sector jobs. We do not need more government jobs; we need private industry jobs. Private industry has proved time after time that it can provide services more efficiently than the public sector.

It is not reasonable to expect a sparsely populated area like Woodson County to be able to attract manufacturing companies and similar facilities. Yet you have a dependable workforce and the space to accommodate confinement facilities on an efficient and cost-productive basis. We fully support your efforts to obtain private prisons in Kansas.

Sincerely,



Steve Robb, Director
Grants & Special Projects

Dec 11 - 2003

To: Whom it may concern

From: City of Neosho Falls

Subject - Need for private prison
in Woodson County

The City Council of Neosho
Falls Mo is 100% in favor of
a private prison in Woodson
Co.

With Labs & Drugs ARE AN
extreme problem in rural
Areas & small towns (180 people),
the fiber of our communities
is being destroyed by the
over use of probation AND
NO real threat of prison.

Jay E Leedy
MAYOR.

5-16

SEMPER PARVA PER ASPERA
KANSAS

DEPARTMENT OF HUMAN RESOURCES
Jim Garner, Secretary

KATHLEEN SEBELIUS, Governor

December 10, 2003

Sunflower Committee for Woodson County
108 S. Main
Yates Center, KS 66783

Dear Committee Members,

The Chanute Workforce Development Center, an office of Kansas Department of Human Resources, wishes to make it known to the committee, Sunflower Solutions of Woodson County, and prospective employers, that all resources available to our office will be used in the promotion, and advertising of employment openings connected with the proposed correctional facility to be located in the Woodson County area.

The Chanute Workforce Development Center commits to working with the Sunflower Committee and the employer's staff to customize this office's services to meet the employer's needs. Our staff will list the job openings, along with work requirements, for those positions on the Kansas Department of Human Resources internet website known as Kansas Job Link. Those listings have the potential to reach anyone using an internet linked computer anywhere in the world. All of the job orders we list will also be sent to America's Job Bank, again, making them available to any internet computer user.

The Chanute WDC will make use of public service announcements on radio and television, both locally and statewide, whenever possible to give the opportunity of drawing qualified applicants from the entire State of Kansas to meet the workforce needs of the employer.

Please be assured that our continued commitment of service to employers, prospective employers, and the prospective employees in our office's four county service area, and the extended region, is our primary goal. The task at hand, the recruitment of qualified employees for the proposed correctional facility, will be our main objective. We will focus the available resources of the Chanute Workforce Development Center and the Kansas Department of Human Resources toward that objective. We welcome the opportunity to be involved in meeting your employment needs, and the needs of the citizens of Kansas! You may reach us at 620-431-4950.

Sincerely,



Randal E Neely
Program Services Manager II
Chanute Workforce Dev. Center

5-17



Piqua State Bank

1356 Xylan Road • P.O. Box 305
Piqua, Kansas 66761
620-468-2555
620-365-6692

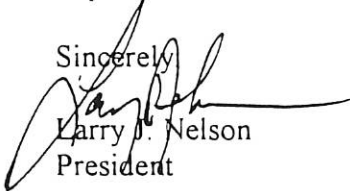
December 4, 2003

To Whom It May Concern;

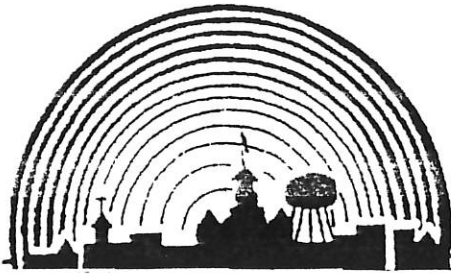
This letter is to inform you that the Piqua State Bank both applauds and supports Sunflower Solutions, a private prison task force, in their efforts to bring a private prison to the Yates Center, Kansas area. We feel that this project would provide a significant boost to the local economy in the form of jobs and revenue so sorely needed by both the City of Yates Center and Woodson County. The Piqua State Bank is a full service bank serving the entire Woodson County Community, and stands ready to help in any way possible, Sunflower Solutions and the State of Kansas, in making this goal a reality.

Please contact the bank, if we can provide any assistance in support of this important and worthwhile project.

Sincerely,



Larry J. Nelson
President



Woodson County Chamber of Commerce

108 S. Main P.O. Box 233

Yates Center, Kansas 66783

620 625 3232

Fax 620 625 2416

chamber@wccc.kscoxmail.com

December 8, 2003

To Whom It May Concern:

This letter is expressing the support of the Woodson County Chamber of Commerce we encourage and support the Sunflower Solutions private prison task force. This project would not only boost our local economy but the region as well. We stand ready to pledge our support and help in anyway that is deemed necessary by the task force.

Sincerely,

Shelia Lampe
Executive Director
Woodson County Chamber of Commerce

5-19

STATE OF KANSAS

STANLEY DREHER
REPRESENTATIVE 9TH DISTRICT
1496 2200 ST
ICLA, KS 66749
HOME: 620-365-6058



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
UTILITIES
TRANSPORTATION
FINANCIAL INSTITUTION
INSURANCE

STATE CAPITOL, ROOM 110-S
TOPEKA, KANSAS 66612-1504
785-296-7632

12-4-03

*Sunflower Solutions
Yates Center, Ks 66783*

*I am in full support of your
plan to encourage the building of a
prison in Woodson County.*

*It appears to me if the people are
in favor of this project and you have
a private company willing to build a
prison.*

*It should be the Governor and the
legislature's duty to support you.*

*Sincerely,
Rep Stanley Dreher
9th District*

5-20



Office of **Emergency Preparedness** Coffey County Courthouse
110 S 6th St. Burlington, Ks. 66839 Phone 620-364-2721 Fax 620-364-8643

Date: December 9, 2003
To: Whom It May Concern
From: Coffey County Emergency Preparedness
Subject: Prison at Yates Center, Kansas

Coffey County Emergency Preparedness recognizes the importance of having the capability to respond to an emergency that might arise at a facility housing a special population, such as a prison. Planning for a possible emergency event at Wolf Creek Generating Station has provided us with experience in this area. We can provide assistance in emergency planning, exercising the plans or actual response to Woodson County and, through them, the City of Yates Center, if needed. Memorandums of understanding are in place between Woodson and Coffey Counties for response in the event of emergency or disaster.

We support you in this important project and wish you success.

Rebecca J. Jewett
Coordinator

5-21

Sunflower Solutions

A Private Prison Task Force

117 East Rutledge Street, Yates Center, Kansas 66783
Phone 620-625-2118 - Fax 620-625-3119

January 28, 2003

Woodson County Commissioners
Courthouse
105 West Rutledge Street
Yates Center, Kansas 66783

Yates Center Mayor
Vernon D. Burkhart

Chairman
Lyle D. Kee

Public Relations
Janie Massoth

Media
Chris Faimon

Members
Rusty Arnold
Don Barney
Ron Call
Donna Curry
John Danler
Julie Galemore
Evelyn Hendrickson
John Hotalling
Shelia Lampe
Jay Leedy
Jim Lomon
Jack Newcomb
Cliff Parks
Ross Thornburg
Les Wilhite


Re: Prison Task Force Appointment

Dear Commissioners:

Mayor Burkhart requests that the Woodson County Commissioners select one person to represent Woodson County on the Sunflower Solutions Private Prison Task Force. Please advise Janie Massoth of person you selected, so Mayor Burkhart can make the official appoint of your designee to the task force.

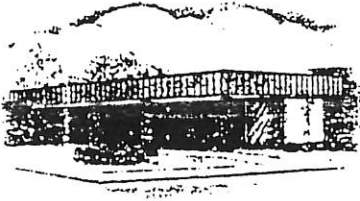
If you have any questions, please do not hesitate to contact me.

Sincerely,


Lyle D. Kee
Chairman

cc: Mayor Burkhart
Janie Massoth

5-22



THE STATE EXCHANGE BANK

YATES CENTER, KANS.

66783

AC 316-625-2125

W. E. OAKES
PRESIDENT

July 5, 1985

Legislative Selection Committee
for Penal Institutions
State of Kansas
Topeka, KS

Gentlemen:

The State Exchange Bank owns approximately 38 acres located one mile East of the city limits of Yates Center. This tract is on rural water and the sewer could be extended to it without difficulty. The legal description of this tract is:

Beginning at the Northwest corner of the Southwest Quarter (SW $\frac{1}{4}$) of Section Seven (7), Township Twenty-five (25) South, Range Sixteen (16) East, running then South 57 rods, thence East 84 rods, thence North 57 rods, thence West 84 rods to place of beginning.

We would be willing to donate this tract of land to the State of Kansas for use in building a Penal Facility. The city has indicated a willingness to extend water and sewer lines to this property if it was used for this purpose.

We feel that the benefits to the city and to this bank, should a Penal Facility be built on this location, would far exceed the value of the property.

We are in total support of the possibility of a Penal Institution being located in or near Yates Center and will cooperate with your committee in every way possible to obtain this end.

Very truly yours,

W. E. Oakes
President

jm

5.23

Woodson School District No. 366

Post Office Box 160
YATES CENTER, KANSAS 66783
Telephone 316 625-3205

BILLY M. NORRIS
Superintendent of Schools

DORIS M. RYAN, Clerk
Board of Education

July 5, 1985

Mr. John Danler, Vice President
State Exchange Bank
Yates Center, Kansas 66783

Dear John:

I am writing you in regards to your question concerning the availability of courses to enable people to pass a G.E.D. course.

The G.E.D. testing for our area is located at Allen County Community College. Dr. Jack Lundy is the person responsible.

In previous years Yates Center High School has provided facilities and instructors for residents of Toronto Honor Camp. Most recently the instructors have driven to Toronto to teach their classes.

We would work with any group in providing instruction which would allow someone to be better prepared to successfully pass their G.E.D. test. This could be done at the local high school.

Also on different occasions we have had people from the Honor Camp take part in the Allen County Outreach Program in which classes are taught here in our facilities. Classes may be taken for college credit or for learning skills that would enable a person to be better qualified for a job. The classes usually available in the academic areas are language arts, psychology, history, accounting and computer programming which would enable a person to receive a bachelor degree.

The vocational offerings are usually auto mechanics, welding, woodworking (carpentering and furniture repair) and computer programming.

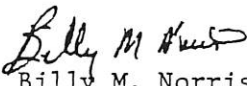
We do have one of the best equipped vocational facilities in the area and could provide instruction to meet most of the needs in that area.

A person could possibly get an associate arts degree by taking outreach programs here at Yates Center.

I am sure that we could provide the educational facilities and people to meet the needs of the population of the institution that you are speaking of.

John should you desire more information please don't hesitate to let us know. We will be glad to provide any service that we can.

Sincerely,


Billy M. Norris
Superintendent

BMN:cm

5-24



KANSAS GAS AND ELECTRIC COMPANY
P.O. Box 227
Yates Center, Ks. 66783

July 5, 1985

John Danler
c/o State Exchange Bank
101 S. State
Yates Center, Ks. 66783

RE: Proposed site for new prison

Dear John:

For the three proposed locations, City Lake, Industrial Park and the race track we have lines to or near all of these. Depending on the type of service required these lines may or may not be adequate. If they are not adequate the cost to update our lines will be based on our line extension policy. Expected revenues are credited toward construction costs so it is likely that there would be no cost to the customer.

If you have any further questions please feel free to contact me.

Sincerely,

Bob Vietti
Marketing Rep.

5-25

THOMAS L. WILSON LAW OFFICE
120 WEST RUTLEDGE
P.O. BOX 181
YATES CENTER, KANSAS 66783

Thomas L. Wilson
Leo T. Gensweider

TELEPHONE
316-625-3277

July 8, 1985

Mr. John Danler
State Exchange Bank
101 South State
Yates Center, Kansas 66783

Re: Proposed prison

Dear Sirs:

My wife, Dr. Ruth Weber, has asked that I write to you. She is currently completing her residency in family practice at Wesley Medical Center, Wichita, Kansas. She will begin her practice of medicine in Yates Center, Kansas, July 1, 1987.

If the State were to place a medium security prison in Woodson County, my wife has asked me to confirm in writing, on her behalf, that she would be willing to see and treat inmates at that institution.

If there is any additional information which you need, my wife can be reached through Wesley Family Practice Program, Wesley Medical Center, Wichita, Kansas.

Thank you very much!

Yours truly,



Thomas L. Wilson

TLW:kak

Steven D. Epler, D.D.S.

109 WEST BUTLER
YATES CENTER, KANSAS 66783
TELEPHONE (316) 625-2185

July 5, 1985

Mr. John Danler
Vice President
State Exchange Bank
Yates Center, KS 66783

Dear Mr. Danler:

I wish to express my support of Yates
Center's request to be the site of a new
prison facility. If located in Yates Center,
I would work with you in providing the dental
needs of the facility.

Sincerely,



Steven D. Epler, D.D.S., P.A.

gmh

5-27

Dr. E. J. Kluender

OPTOMETRIST

YATES CENTER, KANSAS
66783

July 7, 1955

TO WHOM IT MAY CONCERN:

Our office has, since 1947, performed the eye examinations for the Kansas Department of Corrections facility at Topeka.

The contract for these services (which is handled by several optical companies.

Our office would be willing to continue on this basis should a new facility open in our area.

Sincerely,

E. J. Kluender

E. J. Kluender, O.D.

EJK/ek

BOARD MEMBERS

ALLEN COUNTY
 EUGENE MYERS M.D.
 LESLIE NORTON
 EDWARD E. LONG M.D.

ANDERSON COUNTY
 TERRY SOLANDER
 LORAN WILSON
 ANITA DENNIS

BOURBON COUNTY
 HENRY BENEDICT
 VIRGIL SCHILLING
 ROY LAMER

LINN COUNTY
 JOYCE SERGENT
 JANICE WURTZ
 LENA SAUNDERS

NEOSHO COUNTY
 ELIZABETH PIEPER
 SHIRLEY HADDEN
 RICHARD HINES

WOODSON COUNTY
 EDWARD MISCHÉ
 RICHARD JOHNSON

SOUTHEAST KANSAS MENTAL HEALTH CENTER

Administrative Office:

1106 South Ninth Street

Paul R. Thomas, MSW, ACSW, Administrator
 S L Pomerantz, M.D., Psychiatrist
Offices at:

Humboldt, Kansas 66748

1106 South Ninth Street
 Post Office Box 39
 Humboldt, Kansas 66748
 Phone: (316) 473-2241

207 East First Street
 Post Office Box 704
 Fort Scott, Kansas 66701
 Phone: (316) 223-5030

318 East Sixth Street
 Post Office Box 312
 Garnett, Kansas 66032
 Phone: (913) 448-6806

13 North Lincoln Street
 Post Office Box 335
 Chanute, Kansas 66720
 Phone: (316) 431-7890

119 South Sixth Street
 Post Office Box 343
 Mound City, Kansas 66056
 Phone: (913) 795-2254

July 8, 1985

Legislative Selection Committee for Penal Institutions
 State of Kansas
 State House
 Topeka, Kansas 66612

Ref: Medium Security Facility

The Southeast Kansas Mental Health Center wishes to support Woodson County as a site for a medium security facility.

This Center will support this selection by providing community mental health services and consultation educational services to the staff and residents of such a facility.

This Center has provided staff training to the Toronto and Fall River Honor Farms and the Kansas Highway Patrol.

Your serious consideration of the selection of Woodson County as the site of this facility would be appreciated.

Sincerely,

Paul R. Thomas, MSW, ACSW, LSCSW
 Administrator

PRT:bt



ALLEN COUNTY COMMUNITY COLLEGE

1801 NORTH COTTONWOOD

IOLA, KANSAS 66749-1698

July 8, 1985

(316) 365-5116
Dr. Jack T. Lundy
Vice President
for Academic Affairs

Department of Corrections
Topeka, KS 66612

Attn: Michael Barbera

Dear Sir:

I have learned of the intention of the Chamber of Commerce at Yates Center, Kansas, to petition the Department of Corrections to establish a penitentiary.

Should this become a reality, Allen County Community College would be willing to contract with the Department of Corrections to develop Vocational, Educational and Adult General Education classes for the inmates.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jack T. Lundy".

Jack T. Lundy
Vice-President for Academic Affairs

dc

5-30

Allen County Hospital, Inc.

July 8, 1985

TO WHOM IT MAY CONCERN:

Allen County Hospital is an acute care hospital with the capability of providing primary acute care to our patients. We are willing to provide this type of care to the inmates of a medium security prison in our area.

If you have any questions or need additional information, please contact me.

Sincerely,

Bill May

Bill May
Executive Director

BWM:dw

Yates Center, Kansas
July 8, 1985

The Honorable Phil Kline, chairman
The Legislative Committee of Penal Correction
Topeka, Kansas 66600

Dear Committee Members,

As a member of the Yates Center Community, I feel that we can serve the state by the establishment of a minimum security prison in Yates Center.


Yates Center has adequate churches, schools, communication services, transportation, and personnel to support such a prison. There are five hospitals available with good highways for their availability.

The Honor Camp established at Toronto, Kansas, is a credit to the state with every needed accommodation met by the community.

Due to fewer and larger farm operations we have many employees available for any positions necessary.

Thank you for considering Yates Center. Our community is willing to meet all requirements necessary for the prison and will cooperate fully with your committee.

Sincerely yours,


Maynard Stockebrand
R.R.1
Yates Center, Kansas 66785

KANSAS SENATE

ROBERT V. TALKINGTON
SENATE PRESIDENT

P.O. BOX 725
TOPEKA, KANSAS 66612



OFFICE OF THE PRESIDENT

STATE CAPITOL
TOPEKA, KANSAS 66612
913-296-2419

July 8, 1985

CHAIRMAN:
LEGISLATIVE COORDINATING COUNCIL
CHAIRMAN:
ORGANIZATION, CALENDAR AND RULES
MEMBER:
INTERSTATE COOPERATION
JUDICIARY
WAYS AND MEANS

Senator Joseph Harder, Chairman
Joint Building & Construction Committee
State House
Topeka, Kansas 66612

Dear Chairman Harder:

It is my understanding the Yates Center Chamber of Commerce and other interested parties from Woodson County will appear before your committee concerning the construction of a medium security prison in the Yates Center area.

Mrs. Linda Call, of the Yates Center Chamber of Commerce, contacted me and advised the community was very interested in working with the committee on the Department of Corrections in an effort to have this medium security prison located in their area.

The Honor Camp at Toronto is in close proximity to Yates Center and the community has had no problems with the Honor Camp being located so near.

Any consideration given to their presentation concerning the location of this medium security prison will be greatly appreciated and considered a personal favor.

Thank you very much.

Very truly yours,

A handwritten signature in black ink that reads "Robert V. Talkington".

Robert V. Talkington
President Kansas Senate

RVT:hb

5-33



John D. Atkin, M.D.
DIPLOMATE • AMERICAN BOARD FAMILY PRACTICE

FAMILY PRACTICE
1004 EAST MADISON
YATES CENTER, KANSAS 66783
TEL. (316) 625-2312

July 8, 1985

TO WHOM IT MAY CONCERN

Dear Sir:

I have been asked by Carolyn Standifer, President of the Yates Center Chamber of Commerce, to indicate a willingness to provide medical coverage should a medium security correctional facility be built in the vicinity of Yates Center, Kansas.

In Yates Center, we have a clinic which is open five and a half days a week. It closes at noon Saturday. It is staffed by one physician and one physician assistant and in approximately 18 to 24 months another physician will be added to the staff. Currently, there is a rotational weekend agreement between five physicians to cover the area during the weekend and on holidays. Therefore, there would be medical coverage at all times for the medium security facility should it be built in the vicinity of Yates Center.

The hospital, used by all of the physicians, is located in Iola, Kansas. It is operated by Research Medical Center in Kansas City, Missouri, and is currently undergoing extensive renovation. I am sure that this facility would be happy to provide hospital coverage and we do have a room which can be locked in case hospitalization is necessary. Should the facility become definite for the Yates Center area, I am sure that during renovation, arrangements could be made for more security in one or more of the hospital rooms. I will enclose a letter of comment from Mr. Bill May, the Administrator of the hospital in Iola, Kansas.

In short, we would be happy to see the facility near Yates Center and would be willing to make every reasonable attempt to provide medical coverage for that facility.

Sincerely,

John D. Atkin, M.D.
John D. Atkin, M.D.

gj
Enclosure

5-34

UNION GAS SYSTEM, INC.

INDEPENDENCE, KANSAS

July 5, 1985

State Exchange Bank
P. O. Box 326
Yates Center, KS 66783

Attention: John Danler

Dear Mr. Danler

Please be advised that in the Yates Center area, Union Gas System has a supply of natural gas capable of supplying all the requirements necessary for the medium security properties notes in our telephone conversation of 7/5/85.

Sincerely,



R. J. Saunders

W. D. "RED" DeLONG
Sheriff

Office — 316-625-2147
Home — 316-625-2129

LEON BALES
Undersheriff

Office — 316-625-2147
Home — 316-625-2539



YATES CENTER, KANSAS 66783

EMERGENCY
911

ADMINISTRATIVE
316-625-2147

INVESTIGATION
316-625-2148

July 5, 1985

John Danler, Vice-President
State Exchange Bank
Yates Center, Kansas 66783

Dear Sirs:

In regard to the building of a medium security institution, It is my understanding that Woodson County and more particularly, the Yates Center area may be considered for a construction site.

I feel that this area has much to offer. One such benefit would be that it is located in Eastern Kansas where the largest population of the state is concentrated, but still away from a large city if problems involving escape or police action should arise.

This letter is to offer my support as Woodson County Sheriff in getting the institution located in this area.

Sincerely,

W. D. "Red" DeLong, Sheriff
WOODSON COUNTY KANSAS

eh

5-36

No Private Prisons in Kansas!

To: *Appropriations Committee, House of Representatives*
From: *Chuck & LaDean Sypher*
Date: *3-23-2005*
Regarding: *Opposition to S.B. 243, supporting private, for-profit, prisons in The State of Kansas.*

Recently I e-mailed many of you a letter voicing our support of H.B. 2231. Today I am e-mailing you in opposition of S.B. 243. Our family has first-hand experience with a private prison in Groesbeck, Texas. I testified in opposition of S.B. 275 in the House Justice Committee in the spring of 2004 detailing the deplorable conditions inside Limestone County Detention Center and the fears our family was experiencing. I will provide a copy of that testimony and examples of our concerns if I am allowed to testify to the Appropriations Committee.

I have continued to research the private prison issue and I am more convinced now than last year that private prisons are not good for Kansas and definitely will not save the State money. Private, for-profit companies claim to save money. If money is saved, it is at the expense of the individual inmates. These companies are not bound by the same guidelines as State operated facilities. Normally there are fewer guards, less supervision, more escapes, 23 hour per day lockdown, poor quality food, little or no treatment or rehabilitation, low wages for guards and support personnel which equates to a high turnover rate. Prisoners become frustrated with the confinement, which equates to more fights and disagreements with other inmates. Guards normally receive less training before being placed with the inmates. It is easy to obtain drugs and sex is often exchanged for drugs.

The information stated above can be easily verified by searching Private Prisons on the Internet and then narrow the search to Not With Our Money, Private Prisons. This web site will provide you with at least 570 articles about private prisons. These articles are very descriptive regarding the negative aspects of private prisons. I will provide six articles that cover the myth about the cost saving measures for a State, the dangerous conditions that exist inside these prisons, the higher percentage of escapes, the cost to the State to capture these inmates and return them to the facility, trading sex-for-drugs, and why students in over 50 collages in the United States are voicing opposition to private prisons.

Just remember that these companies are in business to make a profit, they will likely make that profit at the expense of the inmates. Individual needs are not taken into consideration. Also remember that these companies probably have no desire to rehabilitate individuals because they make more money at full capacity. A high recidivism rate is great business; they can build more prisons and generate more profit. The vast majority of the incarcerated individuals for drug charges are capable of being rehabilitated if given the appropriate treatment and support. If you want the prison system to continue to grow and expand greatly in the future then lock them up without treatment, treat them all exactly alike and convince yourself that you are solving the drug problems in America. I seem to remember a time in America's history when Black people

HOUSE APPROPRIATIONS

DATE 3-30-2005
ATTACHMENT 6

were treated with prejudice because of the color of their skin. Many White people believed the Blacks were inferior and incapable of contributing to our society. These beliefs were based on lack of knowledge, fear, and just plain ignorance in some cases. Today we are functioning in a like fashion with drug addiction. Many believe addicts are all alike and incapable of change. In fact, over 60% of the men in prison were emotionally, physically or sexually abused as children, which helped to contribute to their drug addiction. With appropriate treatment many will turn their lives around and become productive citizens. If you don't provide treatment and rehabilitation and deal with the underlying problems then you can expect that 85% of them will return to prison within five years. Then, you can build more prisons. It appears to me that supporting private prisons will close the door on treatment and rehabilitation of this population.

Please research this data for yourself and then make an informed decision. There is overwhelming research to support defeating this bill. Once you approve private prisons in Kansas you have taken the first step down a very "Slippery Slope." Please vote NO on S.B 243!

Respectfully,

Chuck & LaDean Sypher
Chuck & LaDean Sypher

Chuck & LaDean Sypher
2574 South Shore Drive
Vassar, Kansas 66543

785-828-4145

cesypher@yahoo.com

May 4, 2004

Dear Representative/Senator:

We are writing regarding two matters that we feel are extremely important and timing is of the essence. Many of you are aware that recently 96 Kansas inmates were transferred to Limestone County Detention Center in Groesbeck, Texas. This arrangement with Civigenics is made possible by VOI/TIS money from the Federal Government. The State of Kansas has a contractual agreement with Civigenics, a private, "for profit" prison organization. I have read the contractual agreement between Civigenics and KDOC and firmly believe that KDOC has attempted to establish a satisfactory placement for these inmates. In actuality however, the terms and conditions as spelled out in the contractual agreement and the actual conditions inside this detention center appear to reveal many discrepancies. Our information comes from multiple sources through families that have loved ones in this facility. We have received telephone calls and e-mails from families regarding the deplorable conditions inside this facility. Many of these people did not know each other while in Limestone and do not know each other today. They were in different cells and had limited or no contact with men in other eight-man or sixteen-man cells, but the conditions appear to remain constant from cell to cell which lends additional creditability to the reports. The major concerns reported to us are the unsanitary conditions that exist in the cells, no cleaning supplies are provided, 23 hour per day lockdown for the majority of these men who are non-violent, non-sex offenders with drug addictions. Insects, bugs and brown recluse spiders have been reported from several sources. There are reports from Kansas's inmates of Texas prisoners that have been bitten by the brown recluse spiders. As you are aware, this can be a serious health risk. The quality of the food is reported to be deplorable and limited in quantity. Food is reported to be cold or under cooked most of the time. The Kansas inmates report that ten rolls of toilet paper are allotted for eight men each week. If the men run out of toilet paper they are told to take a shower. Some of the cells have shower drains that are clogged and water stands in the floor of the shower while the men take showers. Delayed and ineffective medical and dental treatment has been reported also. Inadequate counseling or total lack of counseling for psychological problems is of great concern for some families. The health nurse at Limestone reported to one parent that all of the Kansas men appear depressed and without hope, so depression is no big deal. It appears that

the inmates from Kansas are being treated like maximum-security prisoners. The guards appear to be untrained and under paid. Last week inmates reported that contraband such as tobacco and marijuana are being smuggled in by some of the guards. According to information discovered on the Internet this facility has a history of problems with guards. In the past a different private vendor, Capital Correctional Resources, Inc., "CCRI", was in control of management. However, it is very likely that Civigenics retained some of the guards that worked for the previous vendor. When the men complain about the conditions the guards are said to tell them, "You are in Texas now and we will do what we want to do with you." These conditions were reported to KDOC and to the House sub-committee on Juvenile Justice and Corrections that was reviewing S.B.#275 on March 15th, 2004. KDOC completed an inspection the following Friday, but has not yet offered a report regarding their findings. Extensive cleaning was performed at Limestone for three days prior to the inspection. Inmates that remain in the facility report that there have been no noticeable changes in the conditions since the inspection. I believe that KDOC officials are not in total agreement with this placement, but feel they have no other option at this point in time. Numerous officials, including several Representatives have informed us that this is a money issue for the State of Kansas. In our opinion, money should never take precedence over basic human rights and human dignity regardless of the nature of a person's offense. Companies that guarantee a saving of money to the State of Kansas must be closely monitored to determine exactly where the money is saved. If the saving is generated at the cost of human dignity, sanitation and health related issues then this is an issue you as a Senator or Representative must rationalize in your own mind. This appears to be a prime example of the problems that are associated with private, "for profit" prisons.

I believe there are multiple options for solving our prison overcrowding problems and actually make our streets and homes safer. I will be happy to share these views at a later time, but right now I am respectfully asking you to fully investigate this matter. Since we have not actually visited this facility it is difficult for us to determine if all of these allegations are true or false. However, the reports from numerous sources lend credibility to these claims. I see three easy solutions for a total investigation of the Limestone facility, the first is to request a Federal Audit of the grant to determine if the conditions set out by KDOC are indeed being met by Civigenics. The second would be to request the American Red Cross to do an unannounced inspection to determine if the living conditions are sanitary and meet all of the standards of the 8th amendment of the constitution. The third option would be a request for the Legislative Budget and Audit committee to look into the matter. A fourth mini inspection could be a request for the Texas State Health Department to inspect the cleanliness of the kitchen since some inmates have reported cock roaches and an infestation of ants in the kitchen area.

Timing is critical since we believe the contract with Civigenics is due for renewal in June of 2004. I sincerely hope you will seriously consider these requests and initiate an inspection or investigation of this facility. If these conditions are true, as a citizen of this great State I cannot sit idly by while these men are enduring such extreme hardships. It is true they have committed crimes and deserve appropriate consequences for their actions, we all agree. However, the substandard nature of this treatment appears to be far beyond what they deserve. We beg of you to investigate this matter. If you substantiate our claims please work to abolish this contract and return these men to Kansas's prisons were they would receive the care and dignity they deserve as human beings.

Thank you for your time and consideration in this matter. We are willing to answer any questions you might have regarding this letter.

Sincerely,

Chuck & LaDean Sypher
Chuck & LaDean Sypher

6-6
9-9

E-mail from a parent of a son that was incarcerated in LCDC

(Permission given to reproduce this e-mail)

Business exists for the purpose of profit. Some provide services and some provide goods. Private prisons are in the business of providing a service to Departments of Correction to house inmates. To generate their profit, they must create more revenue than expense. In this business, cutting costs to increase profits is being done at the expense of the inmates in the areas of safety, security and living conditions. I became very aware of this fact about a year ago when my son was transferred to the LCDC in Groesbeck, TX. What I learned in a few short weeks about the living standards there was truly disturbing. I will relate some of the things that even yet exist at this particular private prison. Being a business of service for the purpose of profit explains why expenditures in private prisons result in substandard living conditions for the inmates housed there.

Plumbing repairs went undone. Water back-ups from the showers, sinks and toilets were to the point that standing water on the cell floors was common. At times, this was sewage back-ups as well. No regard was given to odors or sewage gases in the cells. Bugs and ants were on the walls, in the beds and in footlockers. Nothing was done to exterminate them. Cleaning supplies were provided but in small amounts and only once a week. One roll of toilet paper per inmate was provided. It was also to be used as tissue, a cleaning cloth and for mopping the floor as well as its intended use. If the paper ran out midweek, the inmate did without until the next time supplies were issued. Food was served in very small portions and very often cold. The main meal item was beans in some form or another and tasteless. My son worked in the kitchen at one point while there. He said there was mold on the walls and in serving areas. The only time that cleaning was directed was upon impending health inspections. Once the inspection was completed, nothing was done to maintain the cleanliness. The lack of attention to what should have been routine details of a business of service attests to the failure of the private prison to have any regard for the inmates.

Medical and dental provisions are another area where costs were cut and services were not provided. The doctor and dentist were on some sort of circuit schedule. They were at the prison only once monthly. Inmates could see them on a first come, first serve basis. My son required prescription medication that was not provided. Attention to this matter was given only after many conversations were directed to officials in Kansas as well as in Texas. Enough pressure was finally put on the private prison that the medication was given. I visited my son while he was in Texas. I was astounded at the lack of safety and security that existed there. I had the opportunity to talk with one guard privately. He wore no name badge and would not offer me his name. He told me the educational and training requirements for the guard staff there was extremely minimal. The wages were as low as legally possible. I noticed that from one day to the next, security procedures were not consistent. He told me that I would not want to know some of the things that went on there between the guards and inmates as well as some of the staff personnel. I easily understood he was referring to the availability of drugs, cigarettes and sexual favors given from the guards to the inmates. Even if knowledge of this made it to officers in charge who were not involved in it, nothing was reported to higher officials. Any inmate's safety was in jeopardy according to what deals could be made. My son wrote me in desperation to do whatever I could to have him returned to Kansas. I was very fortunate that I was able to convince the DOC that my son's mental health and general welfare depended on his safe return. Even at that, it was a 30-day struggle to have him reassigned to a Kansas facility. The Kansas DOC very well knows that housing inmates in private prisons is of financial advantage to them. It is very easy to realize why private prisons can house inmates for a smaller daily charge. It is obvious that huge profits can exist when expenses are cut but should we allow this when the inmate is the one who suffers for that profit? No doubt, anyone who is incarcerated is there as a result of poor choices made. It makes them no less a human being and no less deserving of a descent standard of living.

It is my request that grave consideration is given to the building of private prisons in the state of Kansas. As a businessperson, I live by the standard that I would not impose anything on the ones I work with that I would not be willing to endure myself. If the inmate's situation and yours were reversed, would you accept substandard living conditions with little safety and security? Consider this question with respect and then consider how private prisons operate in housing inmates for less money than the Kansas DOC facilities.



CITRUS COUNTY

ONLINE

Tampa Bay's MARKETPLACE

- SHOP ALL ADS
- JOBS
- HOMES
- CARS
- CLASSIFIED
- CIRCULARS



sptimes.com

Text-only

News sections

- Arts & Entertainment
- AP The Wire
- Business
- Citrus County
- Columnists
- Floridian
- Hernando County
- Hillsborough
- Letters
- Movies
- Neighborhood Times
- News Update
- North Pinellas
- North of Tampa
- Obituaries

- E-mail this article
- Print this article
- Reuse or republish this article
- Subscribe to the St. Petersburg Times

Private prisons don't save taxpayers' money

Letters to the Editor
Published December 16, 2004

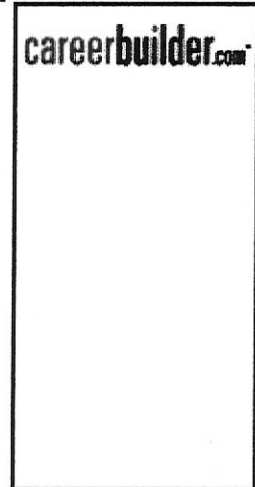
Editor: Recent news events related to problems associated with the outsourcing of state functions prompt this letter.

Sen. Nancy Argenziano, R-Crystal River, is heading an effort through her chairmanship of the Senate Governmental Oversight and Productivity Committee to take a hard look at whether the state is receiving the quality of services it expected with privatization and whether the state is saving any money by contracting out these functions. At the Committee's Dec. 1 meeting, Argenziano stated: "Sometimes the concept looks very well, but the implementation really stinks."

The Florida Police Benevolent Association hopes the committee will add for-profit private prisons to their list.

Over the years, the FPBA has documented corruption, lack of oversight and questionable cost savings from this failed experiment in privatization. Some examples: In 1999, Dr. Charles Thomas, a former consultant for the state agency charged with oversight of private prisons in Florida, was fined \$20,000, the largest civil penalty in the Florida Commission on Ethics history, for his financial relationship to the private prison industry

tampabay.com
Zippy news for
time-challenged adults



8-9

- Opinion
- Pasco County
- South Pinellas
- Sports
- State
- Tampa Bay
- TV Times
- World & Nation
- Find your local news section
- Weekly sections**
- Brandon Times
- City Times
- Homes
- Outdoors
- Perspective
- Personal Tech
- Sunday Money
- Tampa Bay Business
- Taste
- Travel
- Weekend
- Xpress
- Special Sections**
- Arena football
- Buccaneers
- College football
- Devil Rays
- Lightning
- Police reports
- Schools
- Seniority
- Subscriber Services**
- Subscribe
- Renew
- Help
- Advertise**
- In print
- Online
- Market Info

at the same time he was evaluating it for the state.

In 2002, Thomas' former boss, Mark Hodges, was fined \$10,000 for running a private criminal justice consulting business from his state office with the Correctional Privatization Commission. One of his business partners was Thomas.

The lack of ethical behavior at the very top of the agency led to slack enforcement of contract provisions which resulted in the for-profits costing the state untold thousands, if not hundreds of thousands, of dollars.

Under state law, for-profit private prisons are supposed to produce at least a 7 percent cost savings over similar state prisons to the state. While there has been report after report showing that this threshold has not been met and private prisons might cost more than their public counterparts, the state continues to fund them.

Last fiscal year, the taxpayers of Florida picked up more than \$1.8-million in medical costs for private prisons because there is a medical cap on their inmates. This just adds to their lack of cost savings.

Ironically, at the same time that Argenziano's committee met, there was another Senate committee meeting taking place that questioned the supposed cost savings by the for-profit private prison industry. That day, members of the Senate Criminal Justice Committee were told by the Department of Corrections that the state provides prison services for less money than the privates.

The FPBA looks forward to seeing a discussion during the upcoming legislative session on whether to continue the private prison contracts.

-- David Murrell, executive director, Florida Police Benevolent Association

Code Enforcement not doing its job

CheapTickets.com

Save up to \$1000 on major cruise lines at

The World's Largest Cruise Sale.



CheapTickets.com

▶▶ just click. you're there.™

6-9

6-10



HOME ABOUT US PRISONS LEHMAN SODEXHO ACTIONS
lockdown USA | prison profit | globalization | immigrants & 911 | faq & resources

Prisons

PRISON PROFIT

Industry

What's wrong with prison privatization?

Problems

Seventeen years after it began, there is mounting evidence that the private prison experiment has failed. Not only are conditions even worse in private prisons than in already troubled public prisons, but the profit motive is helping to compromise justice compromise justice and fuel prison expansion.

Political Influence

Worse conditions for prisoners and staff

Lehman Brothers

Experts say private prisons are more dangerous and offer fewer programs than public prisons. As a result, the most vulnerable incarcerated populations (youth, women, non-citizens) suffer more violence and abuse.

Sodexho

Activism

FAQ on prison privatization

49% to 65% higher rates of violence, according to a 1997 survey by criminologist James Austin.

Case Study: Private Prisons and Truth in Sentencing

Average guard turnover of 52%, compared to 16% in public prisons, according to The Corrections Yearbook for 2000. The Yearbook also reports that the average maximum salary and hours of training received by private guards are both 39% lower

Resources and links

Problems across most areas of operations even in one of the industry's "model" prisons, according to the most comprehensive study of conditions to date, conducted by researcher Judith Greene at CCA's Prairie Correctional Facility

Costs equal to, or greater than, public prisons

Private prisons market themselves as cheaper to operate than public prisons, and because their bottom line is profit, they really do find ways to cut costs. But these measures do little more than boost prison profits, while passing on the real costs to prisoners, family members, prison staff and taxpayers.

There is no evidence that meaningful cost-savings have been achieved by prison privatization, according to two national surveys of existing research, conducted by Abt Associates and the General Accounting Office respectively.

Private prisons create illusory savings by selecting the least costly prisoners.

6-11

according to a 2001 study by Policy Matters Ohio

Private prisons receive substantial subsidies from already over-burdened communities. according to a 2001 report by Good Jobs First. For example, all six private prisons in Mississippi received a subsidy, three of the four prisons in Georgia received a subsidy, and 78% of prison run by CCA (a company with annual revenues of over \$300 million) are subsidized .

Facilitation and promotion of unnecessary prison expansion

It's clear private prisons cannot exist on their own. They are not cheaper to operate and the community gets short-changed. The privates find ways to suck money from the state, and the poorest taxpayers carry this burden.

Women

Women in prison are especially vulnerable to sexual violence by under-trained prison guards, and/or other male inmates. Women at Cornell's Santa Fe County Detention Center said they were forced to intermix with male prisoners ("Inmate claims guards let men, women mix," Associated Press, May 11, 2001) and a woman at the same facility charged one guard with raping her and another for sexually abusing her ("Ex-inmate files claim alleging rape in jail," Albuquerque Journal, May 12, 2001, <http://www.abqjournal.com/archives/>).

Youth

A girl and her mother filed a lawsuit against Cornell Corrections alleging that an employee had sexually abused her while she was detained at Cornell's Youth Detention Center in Santa Fe, New Mexico. ("Ex-Inmate Sues Over Treatment," Albuquerque Journal, April 6, 2001)

Fourteen-year-old Sara Lowe's family and 11 other girls who were confined at Wackenhut's Juvenile Justice Center in Coke County, TX filed a suit against Wackenhut alleging that the girls had been sexually abused at Coke County. Sara eventually committed suicide, on the same day the company agreed to settle the lawsuit without publicly accepting responsibility.

([More info](#))

Immigrants

Salah Dafali, an asylum seeker, was hospitalized after being beaten "so badly that his clothes were covered in blood and his face was swollen" at CCA's detention center in Elizabeth. The INS reported that excessive force had been used ("Beating of asylum seeker described," April 19, 1999).

Inadequate CCA conditions prompted a day-long non-violent protest at CCA's Cibola County Correctional Center; protesters were tear-gassed and the prison was in lockdown. ("Prisons in Lockdown after Protest," Albuquerque Journal, April 25, 2001).

Privatization exacerbates prisoner problems

General problems with privatization are exacerbated because prisoners have less recourse. For helpful information on the fight against privatization and to protect public jobs check the American Federation of State, County and Municipal Employees (AFSCME):

<http://www.afscme.org/private/index.html>

6-12

Hidden Costs Boost Corporate Profits -- But Increase Taxpayers' Costs



Those studies are just a few of the analyses available that prove that private prisons do not save taxpayers money. However, the Florida analysis is the only one that incorporated considerations for the **hidden** costs of prison privatization. When these costs are included, prison privatization is, by far, more costly to taxpayers. For instance, escapes from poorly secured facilities require a jurisdiction's enforcement officials to conduct expensive searches, at taxpayers' expense. Similarly, when prisoners riot or cause damage to a private facility due to substandard conditions, the jurisdiction must assist in restoring control to the private firm. Here are examples of some of the private business practices that foster these hidden costs:

Private firms routinely understaff facilities. Lawmakers in North Carolina recently discovered that the U.S. Corrections Corporation would have 68 correctional officers supervising 528 inmates instead of the 141 officers that the state would use for the same number of inmates.⁶ In another example, in speaking before a Tennessee legislative panel in October 1997, Russel Boraas, who oversees private prisons for the Virginia Department of Corrections, noted that some private prisons in Texas have made up for the low reimbursement rates they receive from the state "by leaving positions vacant a little longer than they should."⁷

Private firms boost profits by paying inferior wages and replacing guaranteed pensions earned at state-run prisons with cheaper, riskier stock-ownership plans. A recent study of the CCA-run South Central Correctional Center in Clifton, Tennessee, showed that CCA paid about \$1.8 million less in salaries and benefits than the state did at comparable prisons.⁸

The lower wages and benefits that private firms offer lead to less-qualified staff and lower employee retention rates. An October 1997 Wall Street analysis of CCA's projected profit margin noted that the firm's earnings per share were lower than expected because of costs associated with its "high employee turnover at new facilities."⁹ In addition, the state legislature in Tennessee recently heard testimony that turnover at its CCA-run South Central facility "is more than twice the level at state prisons."¹⁰

Special Note

Privatization erodes living standards in the local community. Privatization depresses worker living standards by replacing stable, middle-class jobs with insecure, lower-compensated ones (private prison guards are overwhelmingly non-union). Income is redistributed from unionized correctional officers, who spend money in the local community, to shareholders and corporate officers outside of the community. In 1996, average annual earnings for unionized correctional officers was \$33,332. This compares to only \$23,972 for non-union correctional officers — one third less.¹¹ Private corporations also bypass local businesses and distributors, eroding the local economy.

These business practices weaken security and job performance in private prisons, leaving citizens vulnerable and increasing bottom-line costs to taxpayers. The following examples provide further evidence:

Security guard charged with aiding escape of two inmates. In March 1998, a Wackenhut security

guard purposely left a door open at the Broward County Work Release Center in Florida so that two inmates could walk to freedom. Investigators learned of the plot after the two were arrested and confessed the details of their escape. The guard was arrested and charged with two counts of aiding and abetting an escape.¹²

6-13

Colorado ends contract for juvenile prison. Physical abuse and sex between staffers and their young prisoners convinced the state to revoke the license of a privately run prison. A state investigation of the High Plains Youth Center began in February 1998, when a 13-year-old from Utah committed suicide at the prison in Bush, 75 miles northeast of Denver. The probe uncovered gross mismanagement by Rebound Corporation, the private firm that operated the prison. Barbara McDonnell, head of the Department of Human Services, stated that the "staff was unqualified and insufficient for the number of inmates."¹³

Escapes and riot prove costly in Basile, La., private prison. In September 1997, five Idaho inmates, including two murderers and a rapist, escaped from a detention center operated by Louisiana Correctional Services Inc. Two months earlier, 100 Idaho inmates rioted there, causing \$35,000 in damage. The escapes and riot prompted an Idaho Department of Corrections audit which revealed substandard conditions, inadequate staff training, and extensive use of pepper spray by the guards. The audit also reported that the warden of the facility was only on duty two days a week. Louisiana officials responded afterwards that the prison should be housing only nonviolent offenders and in October sent 100 prisoners back to Idaho.¹⁴

Sex offenders escape from illegal alien processing facility in Texas. In 1996, two Oregon sex offenders escaped from a CCA-run processing center intended only for illegal immigrants. Until local police were notified that the rapists were on the loose, neither state nor local officials had any inkling that anyone other than illegal immigrants was being held there. CCA imported the rapists to keep beds full and improve its profit margin. The incident became more troubling after authorities learned that convicts escaping from private facilities could not be prosecuted under state law for the offense of prison escape. Since that escape, according to the Houston Chronicle, "there has been a rash of escapes, riots and other prisoner uprisings, rape and even murder in privately run jails and detention centers across Texas."¹⁵

Prisoner abuse in privately operated facility in Brazoria County, Texas. The Brazoria County jail, operated by Capital Correctional Resources Inc. (CCRI), became the target of national outrage in 1997 because of a widely publicized videotape showing guards shocking prisoners with stun guns, making them crawl on their bellies, and allowing dogs to bite them. CCRI reported that the videotape was used as a training device. The release of the videotape came one year after the private operators repeatedly refused to provide information to outside investigators looking into reports of abuse at the facility. As a result of the videotape release, the FBI, Texas Department of Public Safety, and United Nations 149th Subcommittee on Human Rights have all launched investigations.¹⁶

Inmate abuse by poorly trained and paid guards at privately operated facility in Elizabeth, N.J. In 1995, an Immigration and Naturalization Service (INS) detention center for illegal aliens in Elizabeth, N.J., under contract with Esmor Correctional Services (since renamed Correctional Services Corporation) endured a riot involving 300 prisoners. Twenty illegal immigrants were injured in the melee when the detainees, shouting accusations of mistreatment, took over a building, demolished its interior, and held two guards hostage for five hours before police broke through their barricades. The INS conducted an investigation and concluded that officials of Esmor failed to exercise control over guards, who were improperly trained or had not been fully investigated before being hired. The INS report stated that "poorly trained and abusive guards preyed on immigrants," while their lack of training was evident when the riot began as guards adopted an "every person for himself mentality." As a result of the episode, the INS ended its contract with the private company.

In March 1998, a jury sentenced three of the private prison guards for abuse in the vicious beating of the immigrants; eight other guards are still to be tried. The detainees were forced to walk while saying, "America is number one," as guards punched and kicked them, authorities said. Other abuses included grabbing and pulling an inmate by his penis with pliers, and dragging inmates by their beards and pushing their heads into toilets.¹⁷

At the time of the riots, Esmor prison guards were paid only \$8.00 an hour, or \$16,640 a year; well below the norm for correctional officers. Entry-level correctional officers in New Jersey earned \$31,805 per year in 1995,¹⁸ almost double the earnings of the private guards at the Elizabeth, N.J., INS center. Although it paid low wages to guards, it paid handsome compensation to its top executives. The CEO and president earned \$238,000 and \$197,000,

respectively.¹⁹

Additional Methods of Passing Hidden Costs to Taxpayers

Another way that private firms conceal the true cost of privatization is by constructing contracts with cost ceilings and limits on the type of inmates they will house (i.e., skimming). For instance, in Florida, the government picks up medical costs over \$7,500 per inmate at its privately operated facilities.²⁰ Similarly, a recent news story revealed that Tennessee inmates infected with HIV or AIDS were being routinely transferred from CCA-run facilities to state facilities. "We're saving stockholders' money, but not saving taxpayers' money," said State Rep. John Windle (D).²¹

* Prison privatization creates perverse incentives that will actually cost taxpayers more in the long run. Private firms have no incentive to seek less expensive alternatives to incarceration. In fact, private firms continuously lobby jurisdictions for greater prison construction and incarceration. The growing trend toward private prison construction and financing will only increase this growth incentive, pushing up corrections operating budgets in future years.

⁶ Joseph Neff, "Lawmakers Want To Let A Private-Prison Company Double The Capacity Of The Facilities It Is Building," News and Observer Publishing Company, February 6, 1998.

⁷ "Prisons For Profit," The Nation, January 5, 1998, p.14.

⁸ "CCA Makes Money By Cutting Personnel Costs," Associated Press, March 23, 1998.

⁹ "Genesis Lowers '98 EPS Estimate On Corrections Corp. of America," PR Newswire, October 24, 1998.

¹⁰ "Prisons For Profit," The Nation, January 5, 1998, p.15.

¹¹ Barry T. Hirsch and David A. Macpherson, Union Membership And Earnings Data Book: Compilations From The Current Population Survey, 1997 Edition, Bureau of National Affairs, 1997.

¹² Sallie James, "Security Guard Charged With Aiding Escape of Two Inmates," Sun-Sentinel, April 2, 1998.

¹³ "Colorado Prison Loses License Over Reports Claims of Abuse, Sex With Inmates Prompted Decision," Charleston Daily Mail, April 21, 1998.

¹⁴ "Audit Finds Concerns At Prison, Review of Private Facility Follows Escape of Inmates," The Spokesman Review, October 15, 1997.

¹⁵ Kathy Walt, "State Rules For Private Prisons Prompt Misgivings," Houston Chronicle, August 24, 1997.

¹⁶ John Moritz, "Investigation May Tighten Jail Scrutiny," Star-Telegram Writer, September 7, 1997; Kathy Walt, "State's Rules For Private Prisons Prompt Misgivings," Houston Chronicle, August 24, 1997; Steve Olafson, "Last Missouri Prisoners Gone," Houston Chronicle, August 21, 1997.

6-14

6-15

ARTICLES

PRIVATE PRISONS

Over the next 5 years analysts expect the private share of the prison "market" to more than double

by Eric Bates



A few hours after midnight one August evening last year, Walter Hazelwood and Richard Wilson climbed a fence topped with razor wire at the Houston Processing Center, a warehouse built to hold undocumented immigrants awaiting deportation. Once outside, the two prisoners assaulted a guard, stole his car and headed for Dallas.

When prison officials notified the Houston Police that the men had escaped, local authorities were shocked. Sure, immigrants had fled the minimum - security facility near the airport a few times before. But Hazelwood and Wilson were not being detained for lacking the papers to prove their citizenship. One was serving time for sexual abuse; the other was convicted of beating and raping an 88 year- old woman. Both men , it turned out, were among some 240 sex offenders from Oregon who had been shipped to the Texas detention center months earlier - and local authorities didn't even know they

were there.

The immigration center is owned and operated by Corrections Corporation of America, which manages more private prisons than any other company worldwide. While CCA made nearly \$14,000 a day on the out-of-state inmates, the company was quick to point out that it had no legal obligation to tell the Houston police or county sheriff about their new neighbors from Oregon. "We designed and built the institution," explained Susan Hart, a company spokeswoman. "It is ours."

Yet like a well-to-do rancher who discovers a couple of valuable head of cattle missing. C.C.A. expected Texas rangers to herd the wayward animals back behind the company's fence. "It's not our function to capture them," Hart told reporters.

Catching the prisoners proved easier, however, than charging them with a crime. When authorities finally apprehended them after eleven days, they discovered they could no more punish the men for escaping than they could lock up a worker for walking off the job. Even in Texas, it seemed it was not yet a crime to flee a private corporation.

6-16

"They have not committed the offense of escape under Texas law," said district attorney John Holmes. "The only reason at all that they're subject to being arrested and were arrested was because during their leaving the facility, they assaulted a guard and took his motor vehicle. That we can charge them with, and have."

The state moved quickly to pass legislation making such escapes illegal. But the Texas breakout underscores how the rapid spread of private prisons has created considerable confusion about just what the rules are when a for-profit company like Corrections Corporation seeks to cash in on incarceration. Founded in 1983 with backing from the investors behind Kentucky Fried Chicken, C.C.A. was one of the first companies to push the privatization of public services. The selling point was simple: Private companies could build and run prisons cheaper than the government. Business, after all, would be free of red tape - those inefficient procedures that waste tax dollars on things like open bidding on state contracts and job security for public employees. Unfettered American capitalism would produce a better fetter, saving cash-strapped counties and states millions of dollars each year.

Sooner or later, people realize that "the government can't do anything very well," Thomas Beasley, a co-founder of C.C.A. and a former chairman of the Tennessee Republican Party, said near the start of prison privatization. "At that point, you just sell it like you were selling cars or real estate or hamburgers."

highest bidder selling human beings to the

Not everyone is quite so enthusiastic about the prospect of selling human beings like so many pieces of meat. By privatizing prisons, government essentially auctions off inmates - many of them young black men - to the highest bidder. Opponents ranging from the American Civil Liberties Union to the National Sheriffs Association have argued that justice should not be for sale at any price. "The bottom line is a moral one," says Ira Robbins, who wrote a statement for the American Bar Association opposing private corrections. "Do we want our justice system to be operated by private interests? This is not like privatizing the post office or waste management to provide services to the community. There's something meaningful lost when an inmate looks at a guard's uniform and instead of seeing an emblem that reads 'Federal Bureau of Prisons' or 'State Department of Corrections,' he sees one that says 'Acme Prison Corporation.'"

Eric Bates is a staffwriter with The Independent in Durham North Carolina. Research support was provided by the Investigative Fund of The Nation Institute.

But such moral concerns have gone largely unheeded in all the excitement over how much money the boys at Acme might save taxpayers. There is only one problem: The evidence suggest the savings reaped from nearly fifteen years of privatizing prisons are more elusive than an Oregon convict in a Texas warehouse.

In 1996 the General Accounting Office examined the few available reports comparing costs at private and public prisons. Its conclusion: "These studies do not offer substantial evidence that savings have occurred." The most reliable study cited by the G.A.O. found that a C.C.A.-run prison in Tennessee costs only 1 percent less to operate than two comparable state prisons. The track record also suggests that private prisons political corruption and do little to improve quality, exacerbating the conditions that lead to abuse and violence.

6-17

Although private prisons have failed to save much money for taxpayers they generate enormous profits for the companies that own and operate them. Corrections Corporation ranks among the top five performing companies on the York Stock Exchange over the past three years. The value of its shares has soared from \$50 million when it went public in 1986 to more than 53.5 billion at its peak last October. By carefully selecting the most lucrative prison contracts, slashing labor costs and sticking taxpayers with the bill for expenses like prisoner escapes, C.C.A. has richly confirmed the title of a recent analysis by Paine Webber: "Crime pays."

"It's easier for private firms to innovate," says Russell Boraas who oversees private prisons for the Virginia Department of Corrections. As he inspects a medium-security facility being b C.C.A. outside the small town of Lawrenceville. Boraas that the prison has no guard towers--an "innovation" that the company \$2.5 million in construction costs and eliminates twenty-five full-time positions. "Think about it." Boraas A state corrections director who eliminates guard towers will lose his job if a prisoner escapes and molests a little old The president of the company won't lose his job, as long as he's making a profit." to-day.

Although corrections officials like Boraas initially viewed the drive to privatize prisons with skepticism, many quickly became converts. The crime rate nationwide remains well below what it was twenty-five years ago, but harsher sentencing, has packed prisons and jails to the bursting point. There are now 1.8 million Americans behind bars—more than twice as many as a decade ago—and the "get tough" stance has sapped resources and sparked court orders to improve conditions.

With their promise of big savings, private prisons seemed to offer a solution. Corporate lockups can now hold an estimated 77,500 prisoners, most of them state inmates. Over the next 5 years, analysts expect the private share of the prison "market" more than double.

Corrections Corporation is far and away the biggest company in the corrections business, controlling more than half of all inmates in private prisons nationwide. C.C.A. now operates sixth-largest prison system in the country—and is moving aggressively to expand into the global market with prisons in England, Australia and Puerto Rico. That's good news for investors. The Cabot Market Letter compares the company to a "hotel that's always at 100 % occupancy. . . and booked to the end of the century." C.C.A. started taking reservations during the Reagan Administration, when Beasley founded the firm in Nashville with a former classmate from West Point. Their model was the Hospital Corporation of America, then the nation's largest owner of private hospitals. "This is the home of H.C.A.," Beasley thought at the time. "The synergies are the same."

From the start, those synergies included close ties to politicians who could grant the company lucrative contracts. As former chairman of the state G.O.P., Beasley was a good friend of then Governor Lamar Alexander. In 1985 Alexander backed a plan to hand over the entire state prison system to the fledgling company for \$200 million. Among C.C.A.'s stockholders at the time were the Governor's wife, Honey, and Ned McWherter, the influential Speaker of the state House, who succeeded Alexander as governor.

Although the state legislature eventually rejected the plan as too risky, C.C.A. had established itself as a major player. It had also discovered that knowing the right people can be more important than actually saving taxpayers money. The company won its first bid to run a prison by offering to operate the Silverdale Work Farm near Chattanooga for \$21 per inmate per day. At \$3 less than the county was spending, it seemed like a good deal - until a crackdown on drunk drivers flooded the work farm with new inmates. Because fixed expenses,

81-9

were unaffected by the surge, each new prisoner cost C.C.A. about \$5. But the county, stuck with a contract that required it to pay the company \$21 a head found itself \$200,000 over budget. "The work farm became a gold mine," noted John Donahue, a public policy professor at Harvard University.

When the contract came up for renewal in 1986, however, county commissioners voted to stick with Corrections Corporation. Several enjoyed business ties with the company. One commissioner had a pest-control contract with the firm, and later went to work for C.C.A. as a lobbyist. Another did landscaping at the prison, and a third ran the moving company that settled the warden into his new home. C.C.A. also put the son of the county employee responsible for monitoring the Silverdale contract on the payroll at its Nashville headquarters. The following year, the U.S. Justice Department published a research report warning about such conflicts of interest in on-site monitoring—the only mechanism for insuring that prison operators abide by the contract. In addition to being a hidden and costly expense of private prisons, the report cautioned government monitors could "be co-opted by the contractor's staff. Becoming friendly or even beholden to contract personnel could lead to the State receiving misleading reports."

But even when problems have been reported officials often downplay them. The Justice Department noted "substantial staff turnover problems" at the Chattanooga prison, for instance, but added that "this apparently did not result in major reductions in service quality." The reason? "This special effort to do a good job," the report concluded "is probably due to the private organizations finding themselves in the national limelight, and their desire to expand the market."

The same year that federal officials were crediting C.C.A. with a "good job" at the undermanned facility, Rosalind Bradford a 23 year-old woman being held at Silverdale, died from an undiagnosed complication during pregnancy. A shift supervisor who later sued the company testified that Bradford suffered in agony for at least twelve hours before C.C.A. officials allowed her to be taken to a hospital. "Rosalind Bradford died out there, in my opinion, of criminal neglect," the supervisor said in a deposition.

Inspectors from the British Prison Officers Association who visited the prison that year were similarly shocked by what they witnessed. "We saw evidence of inmates being cruelly treated," the inspectors reported. "Indeed the warden admitted that noisy and truculent prisoners are gagged with sticky tape, but this had caused a problem when an inmate almost choked to death."

Note

The inspectors were even more blunt when they visited the C.C.A.-run immigration center in Houston, where they found inmates confined to warehouse like dormitories for twenty-three hours a day. The private facility, inspectors concluded demonstrated possibly the worst conditions we have ever witnessed in terms of inmate care and supervision."

Reports of inhumane treatment of prisoners, while deeply disturbing, do not by themselves indicate that private prisons are worse than public ones. After all, state and federal lockups have never been known for their considerate attitude toward the people under their watch. Indeed C.C.A. and other company prisons have drawn many of their wardens and guards from the ranks of public corrections officers. The guards videotaped earlier this year assaulting prisoners with stun guns at a C.C.A. competitor in Texas had been hired despite records of similar abuse when they worked for the state.

6-1-9

Susan Hart, the C.C.A. spokeswoman, insisted that her company would never put such people on the payroll-well, almost never. "It would be inappropriate, for certain positions, [to hire] someone who said 'Yes, I beat a prisoner to death,'" she told *The Houston Chronicle*. "That would be a red flag for us." She did not specify for which positions the company considers murder an appropriate job qualification.

In fact, C.C.A. employs at least two wardens in Texas who were disciplined for beating prisoners while employed by the state. And David Myers, the president of the company, supervised an assault on inmates who took a guard hostage while Myers was serving as warden of a Texas prison in 1984. Fourteen guards were later found to have used "excessive force," beating subdued and handcuffed prisoners with riot batons.

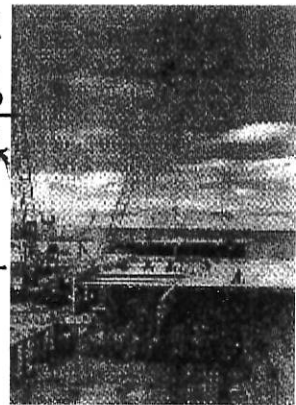
Note

The real danger of privatization is not some innate inhumanity on the part of its practitioners but rather the added financial incentives that reward inhumanity. The same economic logic that motivates companies to run prisons more efficiently also encourages them to cut corners at the expense of workers, prisoners and the public. Private prisons essentially mirror the cost-cutting practices of health maintenance organizations: Companies receive a guaranteed fee for each prisoner, regardless of the actual costs. Every dime they don't spend on food or medical care or training for guards is a dime they can pocket.

As in most industries, the biggest place to cut prison expenses is personnel. "The bulk of the cost savings enjoyed by C.C.A. is the result of lower labor costs," Paine Webber assures investors. Labor accounts for roughly 70 percent of all prison expenses, and C.C.A. prides itself on getting more from fewer employees. "With only a 36 percent increase in personnel," boasts the latest annual report, "revenues grew 41 percent, operating income grew 98 percent, and net income grew 115 percent."

Like other companies, C.C.A. prefers to design and build its own prisons so it can replace guards right from the start with video cameras and clustered cellblocks that are cheaper to monitor. "The secret to low-cost operations is having the minimum number of officers watching the maximum number of inmates," explains Russell Boraas, the private prison administrator for Virginia. "You can afford to pay damn near anything for construction if it will get you an efficient prison."

At the C.C.A. prison under construction in Lawrenceville, Boraas indicates how the design of the "control room" will enable a guard to simultaneously watch three "pods" of 250 prisoners each. Windows in the elevated room afford an unobstructed view of each cellblock below, and "vision blocks" in the floor are positioned over each entranceway so guards can visually identify anyone being admitted. The high-tech panel at the center of the room can open any door at the flick of a switch.



Note

When the prison opens next year, C.C.A. will employ five guards to supervise 750 prisoners during the day, and two guards at night.

Another way to save money on personnel is to leave positions unfilled when they come open. Speaking before a legislative panel in Tennessee in October, Boraas noted that some private prisons in Texas have made up for the low reimbursement rates they receive from the state "by leaving positions vacant a little longer than they should." Some C.C.A. employees admit

6-20

privately that the company leaves positions open to boost profits. "We're always short," says one guard who asked not to be identified. "They do staff fewer positions - that's one way they save money." The company is growing so quickly, another guard explains, that "we have more slots than we have people to fill them. When they transfer officers to new facilities, we're left with skeletons."

Prisons for Profit Continued...

Legal Cases | 1601 Pennsylvania Avenue | Peace Park

30th Anniversary!

dollars&sense THE MAGAZINE OF ECONOMIC JUSTICE

[home](#) [subscribe](#) [current issue](#) [about D&S](#) [search](#)

support
d&s!

[subscribe](#)

[current issue](#)

[archive](#)

[reprint policy](#)

[buy d&s books](#)

[about d&s](#)

[write for d&s](#)

[advertise](#)

[internships](#)

[reader input](#)

[subscriber
services](#)

[make a
donation](#)

[search](#)

College Students Oppose Private Prisons

By Carolyn Bigda



Dump Sodexho Marriott. That was the message students at over 50 U.S. colleges sent this spring as they protested against university contracts with companies that they believe operate private prisons. According to the Prison Moratorium Project, a national campaign against private prisons, "greed, inhumanity and incompetence characterize the [prison] industry today. Private prisons tend to be poorly managed and largely unregulated, while private prison guards are underpaid, unorganized, and minimally trained. As a consequence, mistreatment of prisoners [is] all too common." In the last two years, student protesters have taken up the cause, pressuring university administrators to end their contracts with the food-service provider Sodexho Marriott, due to its corporate association with private prison operations. At a few schools, such as American University and Evergreen State College, the protest campaigns have succeeded.

Sodexho Marriott came under attack for being a subsidiary of Sodexho Alliance, a Paris-based food and management services company that owned over 10% of Corrections Corporation of America (CCA). CCA is one of the largest owners and operators of private prisons in the United States. While Sodexho Alliance sold its CCA shares this past June, the corporation recently acquired Australian Integrated Management Services and United Kingdom Detention Services, which contract with prisons in their respective countries.

Activists argue that their universities' exclusive and often mandatory meal contracts force students to fund the private prison operator. The Prison Moratorium Project argues that "each year, students and parents provide more than \$1.2 billion in revenues to Sodexho Marriott, further enriching Sodexho Alliance."

The national umbrella group Not With Our Money: Students Stop Prisons-for-Profit has helped students organize protests on campuses across the country. In one of the largest collaborative efforts, activists held a Student Labor Solidarity Day of Action last April 4, mobilizing boycotts and organizing forums connecting groups

6-22

from different universities.

Students at American University organized one of the most energetic anti-Sodexo campaigns. Chris Biggs of the university student activist group, The Movement, described months of "letters to the school paper, tons of flyers, banners, chalking on university property, and meetings with key decision makers in the university administration to get student support and educate the administration." American announced on April 9 that it would not renew its contract with Sodexo Marriott. The administration cited "social responsibility" as one of the reasons for its decision and Director of Retail and Leasing Operations Hillary Dell said that "student concerns were factored in" to the move.

Sodexo Alliance divested from CCA for equally vague reasons, stating that the investment was "no longer in line with our strategic objectives." Sodexo Marriott's Vice President of Public Relations, Leslie Aun, acknowledged that student movements did have some influence on Sodexo's actions. "We try to be responsive to clients. We heard that it was an issue for them. We're there to solve problems." Chris Biggs believes the real issue for the company, as ever, was the bottom line: "I do not think that the protests caused any kind of crisis of conscience among the corporate elite. The real question is whether or not Sodexo Alliance believed that the protests could equal a loss in profit."

Since Sodexo Alliance no longer owns stock in CCA, it technically does not own any prisons. Kevin Pranis, coordinator for Not With Our Money: Students Stop Prisons-for-Profit, however, argues that the company's services for prisons in Australia and the U.K. include operational and management functions. "The important issue from our standpoint," he says, "is that the prisons are privately 'operated' - not just food and groundskeeping, but also security and overall management - just as Corrections Corporation of America privately 'operates' some prisons that are publicly owned, with the same consequences in terms of human rights." Given the resolve at Not With Our Money to map out the "incriminating" connections between Sodexo Alliance and private prisons, the battle is surely far from over.

Carolyn Bigda is a Dollars & Sense intern and an undergraduate at Northwestern University.

Issue #237, September-October 2001

6-23

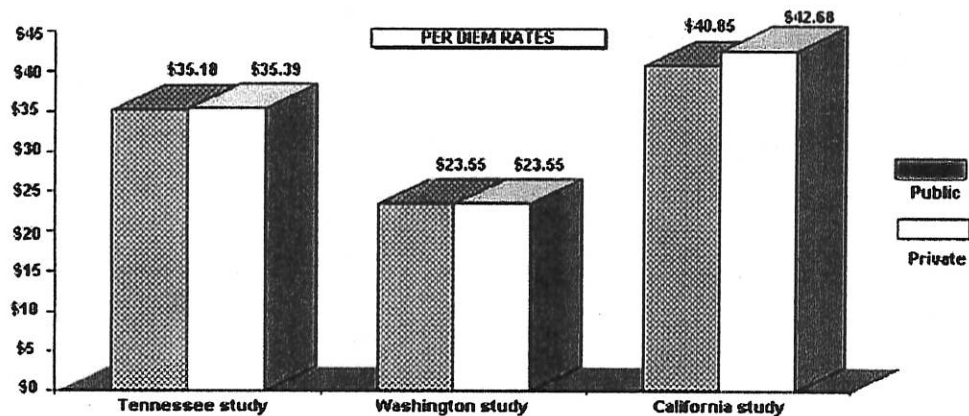
Private Prisons Do Not Save Money



Proponents of prison privatization claim that private contractors can operate prisons less expensively than the government. Promises of savings in the range of 15 percent to 20 percent are commonly promoted — but fail to materialize. Despite the claims of private management firms, the big promise of double-digit savings simply do not exist.

This was the case during the recent legislative session in Tennessee, which featured a bill to turn over nearly the entire Tennessee correctional system to private profiteers. The prison privatization crusade failed because its proponents could not establish credibility in their contentions that privatization would save taxpayers' money. Initially, supporters claimed up to \$100 million would be saved. Later, that was scaled down to \$25 million, but even then a close examination of the evidence proved the claims were exaggerated and tenuous.¹

The United States General Accounting Office (GAO), a nonpartisan congressional agency, spent a full year examining comprehensive studies of private and public operational costs of several state prisons. The GAO detected "little difference," "mixed results," and ultimately "could not conclude whether privatization saved money."²



The GAO report analyzed five studies (from California, Washington, Tennessee, New Mexico, and Louisiana) of which only three compared actual operational costs.

Other studies also document that private prisons do not save money:

Florida: The 1996-97 Annual Report found that the cost to Florida taxpayers for private prisons ranged from \$45.04 to \$47.57 per inmate per day, while the average cost of a comparable institute operated by the Department of Corrections (DOC) was \$43.79. It was difficult for the DOC to compare the "true" cost of privatization because private firms in Florida enjoy many financial advantages (e.g., cap on health care costs, services provided by the state, etc.). When the DOC adjusted its analysis to capture these "hidden costs," it found that the cost of incarcerating inmates in private facilities ranged from \$48.04 to \$49.16. Meanwhile, the adjusted cost for DOC-operated facilities was \$43.14.³

Oklahoma: A 1996 state legislative analysis found that the corrections department was paying 45 percent more — \$6.3 million more per year — to house

inmates at the private Davis Correctional Facility in Holdenville, compared to costs at a comparable state-owned facility, the publicly operated Dick Conner Correctional Center in Hominy. According to the report, the cost per inmate per day at the Corrections Corporation of America (CCA)-run facility was \$42.15 compared to \$29.04 at the state facility. The differential doesn't include an additional \$4 per inmate per day that the state will pay for transportation, records management, and major medical services at the privately operated facility. According to State Sen. Cal Hobson, the "government is doing a better job at managing our resources than private industry."⁴

6-24

U.S. Marshals Service: The U.S. Marshals Service uses hundreds of local and state-owned institutions to house its 22,000 inmates. Less than a dozen of these are privately run. The U.S. Marshals Service found that in the same regions, the privately operated jails cost 24 percent more than publicly operated ones.⁵

¹ Tom Humphrey, "Private Prisons Bill Bites Dust for This Year," Knoxville News-Sentinel, April 15, 1998.

² U.S. General Accounting Office, "Private And Public Prisons: Studies Comparing Operational Costs and/or Quality Of Service", GAO/GGD-96-158, August 1996, pgs. 3, 7, 9, 23.

³ Florida Department Of Corrections Website: <http://www.dc.state.fl.us/>

⁴ Anthony Thornton and Randy Ellis, "Holdenville Prison Lease Sets Stiff Terms For State," The Sunday Oklahoman, December 15, 1996.

⁵ Jeff Gerth and Stephen Labaton, "Prisons For Profit," New York Times, November 24, 1995.



KANSAS

KANSAS DEPARTMENT OF CORRECTIONS
ROGER WERHOLTZ, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

Testimony on SB 243
to
The House Appropriations Committee

By Roger Werholtz
Secretary
Kansas Department of Corrections

March 30, 2005

I would like to preface my comments regarding private correctional facilities with my opinion that it is preferable for a state to operate its own correctional facilities whenever possible. In addition to the management of the facility regarding the day to day operations and emergency responses, state ownership of the facility allows the State to change the mission or operation of a facility without having to take into consideration the property and contract rights of a private entity. Secondly, any excess capacity of state's correctional facilities may be leased to other jurisdictions, but on terms and in accordance with the regulations, operational orders, standards and policies that the Department of Corrections controls. **Finally, private prisons cannot operate more efficiently or less expensively than capacity added to existing state prisons.** Should the time come that the state is facing building an entirely new prison, a privately constructed and operated prison could be competitive. However, the department, in response to SB 45 of the 2004 legislative session, has presented capacity expansion options at existing facilities that would add more than 1,600 beds to the state's prison system before a new prison would need to be built. That number goes well beyond the ten year horizon of the Sentencing Commission's population projections. On that cost basis, and on the basis that **the state must have the flexibility to respond to changing needs** and changing directions from the legislature **without any need to renegotiate contracts and costs** for services, I believe the state's correctional interests are best served through maintaining state operation of our corrections capacity.

However, if the legislature should make a different decision and approve the establishment and operation of one or more private for profit prisons in the state, I believe that the department must be given the tools to properly protect the interests of the state and the safety of the general public. I proposed to the Senate amendments to SB 243 that would accomplish that. The proposed amendments were incorporated into the current version of SB 243 and substantially fill the gaps we have identified in making this change in policy as workable as possible. I am appreciative of the consideration given to those suggestions we made.

900 SW Jackson – 4th Floor, Topeka, KS 66612-1284
Voice 785-296-3310 Fax 785-296-0014 <http://www.dc.state>

HOUSE APPROPRIATIONS

DATE 3-30-2005
ATTACHMENT 7

If the decision is made to authorize private prisons in Kansas, you can be assured that the Department of Corrections will make a good faith effort to see that that policy succeeds, and that the public safety and economic interests of the state are well served. **I would also hope that the legislature will be alert and resist any attempts, now or in the future, to weaken the regulatory authority or increase the obligations of the state to private prison operators that are established in the current version of the legislation.** In particular, the current version of SB 243 limits the maximum amount the department can pay for a bed in a facility authorized by this legislation to "90% of the department's average per capita operating costs for the previous fiscal year for comparable state correctional facilities and services" (see page 1 of the attachments). This is consistent with legislative policy in limiting reimbursement to county jails to exclude administrative overhead, capital construction and depreciation, etc. There are ample tools at the legislature's disposal to insure that the Department of Corrections fulfills its obligations in good faith. I would hope that, if you approve this legislation, operators of private for profit prisons will be held to the same standards.

Per Capita Operating Costs: KDOC Facilities (based on Governor's budget recommendations)

FY 2005	Facility	ADP	Total Expenditures	Annual Per Capita	Daily Per Capita
	Lansing Correctional Facility	2,484	\$32,699,457	\$13,164	\$36.07
	Hutchinson Correctional Facility	1,835	25,023,992	13,637	37.36
	El Dorado Correctional Facility	1,370	21,237,972	15,502	42.47
	Topeka Correctional Facility	670	11,740,111	17,523	48.01
	Norton Correctional Facility	815	12,603,052	15,464	42.37
	Ellsworth Correctional Facility	830	10,849,786	13,072	35.81
	Winfield Correctional Facility	795	10,393,890	13,074	35.82
	Larned Correctional Mental Health Facility	350	8,308,828	23,740	65.04
	Subtotal	9,149	\$132,857,088	\$14,521	\$39.78
	Inmate Medical and Mental Health Care	9,149	26,934,607	2,944	8.07
	Inmate Programs	9,149	5,295,760	579	1.59
	Food Service	9,149	13,116,703	1,434	3.93
	Total Expenditures	9,149	\$178,204,158	\$19,478^d	\$53.37

FY 2006	Facility	ADP	Total Expenditures	Annual Per Capita	Daily Per Capita
	Lansing Correctional Facility	2,489	\$34,454,714	\$13,843	\$37.93
	Hutchinson Correctional Facility	1,840	26,272,299	14,278	39.12
	El Dorado Correctional Facility	1,390	22,160,949	15,943	43.68
	Topeka Correctional Facility	680	12,295,513	18,082	49.54
	Norton Correctional Facility	835	13,192,932	15,800	43.29
	Ellsworth Correctional Facility	830	11,387,824	13,720	37.59
	Winfield Correctional Facility	800	10,789,985	13,487	36.95
	Larned Correctional Mental Health Facility	360	8,757,419	24,326	66.65
	Subtotal	9,224	\$139,311,635	\$15,103	\$41.38
	Inmate Medical and Mental Health Care	9,224	41,191,502	4,466	12.24
	Inmate Programs	9,224	5,175,760	561	1.54
	Food Service	9,224	13,492,525	1,463	4.01
	Total Expenditures	9,224	\$199,171,422	\$21,593^e	\$59.17

System-wide annual per capita operating costs were computed by dividing the recommended expenditures for facility operations, health care, inmate programs, and food service by the system-wide average daily population (ADP) housed in KDOC facilities. Daily per capita operating costs were computed by dividing the annual cost by 365 days. Per capita costs do not include costs associated with central office administration, correctional industries, debt service, and capital improvements.

Housing Expansions Options

7-4

	Estimated Construction Cost	Estimated Const. Cost Per Bed	Estimated Operating Cost	Estimated Cost Per Inmate/Yr	Estimated Cost Per Inmate/Day	Estimated One Time Start up Cost
<u>General Population – Maximum Security</u>						
EDCF – 2 Housing Units 256 Max Beds	\$16,232,800	\$63,409	\$5,930,000	\$23,164	\$63.46	\$829,000
<u>General Population – Medium Security</u>						
EDCF -2 Housing Units 512 Med. Beds	16,232,800	31,705	7,645,000	14,932	40.91	910,000
EDCF-1 Housing Unit 256 Med Beds	9,117,000	35,613	3,841,000	15,004	41.11	507,000
EDCF-Yates Center Unit 500 Med Beds	47,580,100	95,160*	10,092,000	20,184	55.30	2,498,000
NCF-Stockton Unit 500 Med Beds	48,410,000	96,820*	10,209,000	20,418	55.94	2,498,000
<u>General Population – Minimum Security</u>						
EDCF- Housing Unit 100 Bed	3,003,800	30,038	1,410,000	14,100	38.63	319,000
ECF- Housing Unit 100 Bed	3,194,800	31,948	1,540,000	15,400	42.19	311,000
NCF-Stockton Unit Expansion 72 Beds	3,325,900	46,193	797,000	11,069	30.33	330,000
EDCF-Toronto Expansion 75 Beds	2,541,400	33,885	975,000	13,000	35.62	325,000
<u>Special Needs – Mental Health</u>						
LCMHF-Housing Unit 256 Med Beds	13,922,600	54,385	3,476,000**	13,578	37.20	500,000
<u>Special Needs – Medical</u>						
HCF-East Unit 258 Med Beds	5,736,400	22,234	3,068,000	11,891	32.58	400,000
ECF-Century Building 178 Med & 112 Min Beds	6,217,300	21,439	3,937,000	13,576	37.19	719,000
TCF-Housing Unit 200 Med and 40 Work Release Beds	12,300,500	51,252	4,802,000	20,008	54.82	550,000

* Land survey not completed, estimated cost may vary once land survey and subsoil investigation is completed. Project estimated with no work being performed by inmate crews.

**These figures do not include any costs for Larned State Hospital to provide food service, laundry and some utility services.

RFP # 07816	
Corrections Corporation of America (CCA)	40.95 ¹
Integrity Correctional Center	35.50 ²
Emerald Companies	54.00 ³

RFP # 04839 (FY 2003)	
Civigenics	38.50 ⁴
Geo/Wachenhut	56.75 ⁵
Corrections Corporation of America	54.66 ⁶
Correctional Services Corporation	55.71 ⁷
IIM	39.75 ⁸

Contract # 621806755	
Corrections Corporation of America	52.63 ⁹

¹ Does not include comprehensive medical or mental health coverage.

² Does not include comprehensive medical or mental health coverage, accredited status, or compliance with all bid specifications.

³ Does not include comprehensive medical or mental health coverage, not NCCHS accredited, did not meet the RFP provision of proximity to Kansas.

⁴ Does not include comprehensive medical or mental health coverage, offender programming. Over 50% of the medium custody referrals were rejected on the basis of their disciplinary history.

⁵ Does not include comprehensive medical or mental health coverage, offender programming. Demanded guaranteed payment whether beds were utilized or not.

⁶ Does not include comprehensive medical or mental health coverage, offender programming.

⁷ Does not include comprehensive medical or mental health coverage, offender programming.

⁸ Did not meet bid specifications

⁹ While the contract price is listed as \$52.63, the vendor forgave payment of the first 3,000 days (equivalent of one month for 100 inmates), making the actual price paid approximately \$43.96. This price was substantially lower than the price paid by the host state of Colorado. CCA wanted the contract price to be \$52.63 so as to more closely resemble the price paid by the State of Colorado.

PRIVATE PRISON BEDS- February 2004

7-6

Company	Beds Available *	Cost **
Corrections Corporation of America (CCA) Jim Gillam (615) 263-3098	6,500	Depends on # of beds/location
Wackenhut (GEO Group Inc.)	526-650	Not Provided
Cornell Companies Inc. Fred Yocum (713) 471.9870	"Plenty of beds available" Would not provide specifics w/o on-site visit	Not Provided
Management and Training Corporation Jim Hartwick (801) 693-2863	200 (may have additional 1,000 by March 1)	Not Provided
Correctional Services Corporation Tom Rapone 1-800-275-3766 Ext. 215	500	Not Provided
CiviGenics Peter Argeropulos 508-486-9300	400 (Site is the Bowie Co. Detention Facility)	\$38.50 (current contract)

The above vendors represent over 90% of all medium custody beds available from private vendors. Corrections Corporation of America has approximately 55% of all medium custody beds. GEO Group Inc. has approximately 25% of all medium custody beds.

* Several Vendors noted that there is a "lot of activity" at this time and bed availability is subject to change. For example, New Hampshire has submitted on RFP for 1,000 beds. Connecticut has submitted an RFP for 2,500 beds.

** Vendors were unable or unwilling to provide cost estimates, noting that the cost of beds is dependent upon the number of beds requested, programming provided, and geographic location. Beds in southern states are generally less expensive than those in the more northern states. I spoke with officials at the Oklahoma Department of Corrections and found that their private vendor per diem rates range from \$39-\$45. CCA rates in Oklahoma range from \$42 to \$48. The department has negotiated rates of \$42 and \$38.50.

History of Privatization in Kansas

1988-Department of Corrections contracted with a company (VIP) for operation of community residential centers in Topeka and Wichita. The contract was terminated in 1989 due to the failure of the contractor to deliver services in compliance with the terms of the contract.

HB 2835 was considered in the 1990 session but was not enacted. It would have permitted the creation of regional prison authorities by cities or counties with the power to construct or purchase prison facilities.

SB. 748 (1990 Legislature): Provides that, unless authorized by Kansas statute, local units of government and private entities are prohibited from authorizing, constructing, owning, or operating any type of correctional facility for the placement or confinement of inmates from any agency of another state until such time as the Legislature has reviewed and provided a public policy regarding such activity. Provisions expire July 1, 1991.

Studied by interim Special Committee on Judiciary (1990): Committee recommended that the moratorium on the construction of private prisons to house prisoners from other states be extended indefinitely. The Committee questioned the economic feasibility of the plans, the potential exposure of local governments or the state to civil liability, and that the proposal raised the basic issue of the fundamental role of government. As a result of the interim study HB No. 2003 was introduced in the 1991 session to extend the moratorium indefinitely. K.S.A. 75-52,133 was enacted, providing that no city, county or private entity shall authorize, construct, own or operate any type of correctional facility for the placement of inmates from any agency of another state.

March, 1994: Attorney General Opinion 94-27 issued. Opinion concludes that with some narrowly drawn exceptions, cities, counties and private entities are prohibited from authorizing, constructing, owning or operating a correctional facility for the placement or confinement of inmates from any agency of another state. There is no constitutional or statutory impediment which would prevent a city, county or the state from contracting with a private entity for the construction or operation of a jail or correctional facility for the placement or confinement of persons held pursuant to Kansas law.

1997: HB 2576(e)-Ch. 192 Sec. 45 Session Laws: preparation and issue of request for proposals for design, construction, and operation of a 200 bed medium security facility and a 200 bed low cost special management unit; bidders could bid on both projects; DOC could submit proposals. Award based on review of updated inmate population projections and approval of the state finance council.

- RFP issued in June 1997 (assisted in preparation by Richard Crane, national expert on privatization)
- Responses received August 1997
- Review of inmate population projections resulted in a recommendation to defer additional capacity expansion to the 1999 session. No award made of a contract from the RFP.

1997: HB 2571 would permit any county to construct, own or operate any type of correctional facility for the placement or confinement of inmates from the department of corrections and any agency of another state. HB 2571 was not passed.

Privatization was discussed in the 10 year Strategic Development Plan prepared for the State in January, 1998.

1998-KDOC issued an RFP for operation of a female conservation camp.

2004: SB 275 proposed. Bill would have permitted use of privately constructed and operated correctional facilities for the incarceration of offenders from other states. Bill was not enacted.

**Kansas
Association of
Public Employees**

KAPE

Working to Protect Kansas Public
Employees since 1962

State Headquarters:

1300 SW Topeka Blvd.
Topeka, KS 66612
(785) 235-0262 / (800) 232-KAPE
Fax: (785) 235-3920
Email: comments@kape.org
On the web: www.kape.org

Topeka & NE Kansas:

David Riedesel, Field Rep.
1300 SW Topeka Blvd.
Topeka, KS 66612
(785) 235-0262 / (800) 232-KAPE
driedesel@kape.org

Salina & Western Kansas:

Don Dooley, Field Rep.
2055 S. Ohio
Salina, KS 67401
(785) 493-0790 / Fax: (785) 493-0898
ddooley@kape.org

Wichita & SE Kansas:

Marty Vines, Field Rep.
1300 SW Topeka Blvd.
Topeka, KS 66612
(800) 232-5273 / (785) 235-0262
mavines@kape.org

Board of Directors:

Betty M. Vines, President
Barbara Fuller, Executive VP
Mary Beems, VP Political Ed.
Al Dorsey, VP Community Action
Brian Thompson, Secretary/Treasurer
Patricia Fox, SRS Professional
Keith Springer, Retiree Representative
Theresa McGuire, Local Government
Wayne Weible, Law Enforcement
Mark Ready, Health Care
Ophra Leyser, Higher Education
Jimmie Stark, Corrections
Vacant - SRS Professional
Lisa Cameron, Service/Maint./Clerical
Gerald Raab, Technical Unit
Marsha Hargreaves, K-12

KAPE/AFT Staff:

Andy Sanchez, Executive Director
Sarah Byrne, Attorney
Marty Vines, Director of Negotiations
Lisa Vines, Director of Public Relations
Michael McLin, Labor Relations Specialist
Monica Shane, KAPE/AFT Account Specialist
Cindy Lovell, Data Control

**Working Together,
We Make A Difference!**



**Testimony on SB 243
Before the
House Appropriations Committee
March 30, 2005**

Presented by Andy Sanchez, Executive Director
Kansas Association of Public Employees

Thank you Mr. Chairman and members of the Committee. I appreciate the opportunity to appear before you today and offer our opposition to SB 243. As most of you already know, KAPE represents state, city and county employees across the state. KAPE is the bargaining representative for all of the state correctional facilities except Lansing. Our opposition to this bill is fundamentally based on incarceration being a responsibility to be carried out by government. We support this claim for the following reasons:

- I. Corporations create a risk to public safety in their pursuit of profits.**
- II. Private prisons target rural areas with empty promises of economic development.**
- III. Legal responsibility, or the lack of indemnification is an inherent flaw of for-profit prisons.**

I. Private prisons exist to make a profit and it is worth noting just how a profit is accomplished. It is done by cuts in the basic functions necessary to operate a prison, such as staff wages and benefits, staff levels, staff training, inmate programs and care. Medical care and food service are two examples of inmate care. A December 2003 "Grassroots Leadership" report (a corporate research project of Good Jobs First and Prison Privatization Report International) cites these very reasons as a recipe for disaster and adds staff turnover as another contributor. In a March 2000 report by the Federal Bureau of Prisons it found that almost half of the private prisons had a separation rate (turnover) of 50% or more. This report was mandated by the U.S. Congress because of the very issues and concerns we share with you today.

We believe private prisons continue to build a poor track record of violent outbreaks, riots and escapes. Also worth noting is that this occurs despite the private prisons preference to lower level security inmates. This is what is known as "cherry-picking", or selectively choosing inmates based on how they are classified.

HOUSE APPROPRIATIONS

DATE 3-30-2005
ATTACHMENT 8

II. The private prison industry has become adept at targeting rural areas with the promise of economic development. The hope is that the construction and operation of a facility will bring good paying jobs providing "linkages" to other aspects valuable to a local economy. Expectations are that prison employees will buy local houses, purchase local products, and services and increase local tax revenue. Then the linkages would have a multiplier effect of new jobs to the community. But, there is no data to support such claims. In fact, just the opposite is more likely to occur. In a 2003 Iowa State University report by Terry Besser and Margaret Hanson they concluded there was no benefit to prison building to other small town businesses. In another report by the "Sentencing Project" titled Big Prisons, Small Towns: Prison Economics in Rural America, their analysis makes similar claims, no economic growth, no impact on unemployment rates and no impact on income. Here is why, the dynamics of the labor market are such that they create these results. The construction of a facility requires specialty tradesman, requirements most local applicants do not meet. Once built, Correctional Officers that staff the facility reside in neighboring counties and not the host county. Local businesses may not stock the raw materials (nor the volume) for the construction of a prison facility to benefit on such an undertaking. Last, local residents may find themselves in competition with inmates as inmates are sometimes used in a joint venture of business a government.

The Sentencing Report also cites employees not living in the host county as a factor prohibiting economic development. Last year KAPE decided to look at this claim and apply it to the host city of some of our public prisons in Kansas. The majority of positions required for a prison are Correctional Officers. In Kansas a look at El Dorado, Ellsworth, Larned, and Winfield reveal that Correctional Officers drive an average of 23.5 miles to commute to work in these towns.

Last, the state cannot completely free itself from responsibility with the tightest of contracts. Thus, monitoring and negotiating contracts of private prison services will be more expensive than estimates. The state also cannot simply free itself from liability. And it is here, where unseen costs can add up quickly. Litigation because of an out break of violence or the mistreatment of inmates can be costly to the state.

These are just some of our concerns with SB 243. We encourage long term solutions to our prison system and not a quick fix. If there are cumbersome laws that make our system inefficient lets fix them. If alternatives exist such as reclassifying older and disabled inmates let's consider doing that. But, let's not throw our hands up and say you (the contractor) take care of it.

Thank You

Testimony in opposition to SB 243 submitted by Judy Bailey

My name is Judy Bailey. I am a social work graduate student at Washburn University. Over the last six years I have served as a volunteer at the Topeka Correctional Facility working to facilitate family reintegration. I teach parenting classes and help coordinate parenting retreats. We bring the children to the mothers so that they can practice the parenting skills they have learned in class. As we consider bringing private prisons to our state, it is important to remember that prisoners are not isolated individuals who can be punished in a vacuum. Their families and especially their children are profoundly affected by the consequences of their crimes and of the punishment phase. Because it is difficult for this population and their children to come before you to offer their testimony, I am here today to represent them.

Children are six to eight times more likely to be incarcerated as adults if one of their parents was incarcerated. One of the keys to breaking this cycle is to foster the parent/child relationship. If we as a state choose to go down the path of building more prisons in reality these are the children that we will be building those prisons for. Our efforts should be focused on providing human services for these families to prevent prisons in their futures; not building prisons for their futures

Restoring and strengthening the family units are important strategies for reducing recidivism rates. Families have many obstacles to overcome when a parent is incarcerated. But, if they are at least in the same state we can begin our work. The private prisons that you are considering are not going to house our Kansas prison population. These prisoners will come from other states and will be returned immediately upon their release to their state of origin. The language of the bill states that there will be comparable programs. When it comes to any program involving building family or community supports it is simply not going to be geographically realistic or possible. How can parents practice their parenting skills on weekend visitations if their children do not have the means to get to them? How will the majority of the children even get to see their parents at all? Just to list one example here in Kansas our incarcerated mother have the opportunity to participate in a program for girl scouts. Girl Scout's Behind Bars bring daughters in to the facility so they can participate in scouting with their mothers. Programs like these one or any programs for children can not happen when their parents are not in the same state.

Private prisons present a moral and ethical dilemma. Is it ethical to profit from the imprisonment of human beings? The National Association of Social Work, our guide and our moral compass when we are considering what is ultimately best for the betterment of our society, states in their publication **Social Work Speaks**, Sixth Edition (2003-2006):

In order to safeguard the interests of society and the rights of individuals, the government must retain responsibility for the direct provision of programs for the incarceration and rehabilitation of offenders. Development of standards and continued research are necessary to ensure that the interests of society are protected and responsible care and rehabilitation occur.

HOUSE APPROPRIATIONS

DATE 3-30-2005
ATTACHMENT 9

Our Kansas Department of Corrections starts from a place of concern for public safety, social justice, offender rehabilitation, and victim restoration. Private prisons start from a place of concern for the profit that can be made. Private prisons correct nothing for the victims, the offenders, their families, or their communities. They actually remove the incarcerated from their families and communities. Rehabilitation is the desired result of incarceration and it does not happen without a concerted effort. The private prison industries have no incentives to promote successful rehabilitation and reintegration. Analysis of this bill needs to be based on more than just cost per prisoner. Equivalent rehabilitation, which includes family reintegration, must be included or the cost comparison is not valid.

We need to start looking at the incarcerated as individuals. We need to focus on their children. Yes, there are offenders that we definitely need protection from. But we can not continue to treat everyone in our prisons as though they present the same level of threat to us. To care about this population and their children does not mean the victims of crime are not cared for as well. The answer for our state is to care for both. That is the only way to break the cycle for these individuals, for their children, and for our nation. We need to build new lives, and new families, not new private prisons.

I thank those of you here for your leadership and your efforts towards our goal of decreasing our state's recidivism rate. You have already made giant strides towards accomplishing this goal. There are policies and programs in place that will eventually yield fruit given the opportunity. It is through these policies and through the statewide expansion of programs like the Shawnee County Reentry Program that Kansas will find the true keys to the moral and economic development of our state. Let's celebrate our progress and keep moving forward. Let's not take a step backwards and give up before allowing your previous efforts the time to produce their desired outcomes.

Thank you for your time, and your thoughtful consideration of this bill. I ask that you carefully weigh the ethical problems inherent in a for-profit approach to punishment. Crime should not pay or financially benefit any sector. Kansas has higher ideals and values than to settle for private prisons.



Families Against Mandatory Minimums

F O U N D A T I O N

March 30, 2005

Representative Neufeld and Honorable Committee Members:

My name is Peter Ninemire. It truly is an honor to be here, and I mean that with utmost sincerity. A little over four years ago I was serving my 10th year of a 27 year-year federal mandatory minimum sentence for cultivation of marijuana. And then on the greatest day of my life, January 20, 2001, former President Clinton commuted the remaining 15 plus years on my sentence and I became a free man.

Today, I am a couple of months away from graduating from Wichita State with a Bachelors in Social Work, and have recently been accepted into their Masters Program. I acquired my Kansas Drug and Alcohol Counselor Certification in 2002 while in pursuit of my Bachelors degree. I am presently the Coordinator for an adolescent program serving at-risk youth and their families in the field of addictions. But I am here today in my capacity as the Midwest Trainer/Organizer for Families Against Mandatory Minimums(FAMM), a national sentencing reform organization. FAMM supports sentencing policies that promote public safety, while utilizing the most efficient and effective use of our limited state resources.

We do not believe these principals would be met if SB 243, which would allow private prisons to contract and operate in Kansas, were to become law. Aside from the obvious conflict of interest that the bottom line entails with privatization, this does not compel us to promote any type of sentencing reform on our own. The private prison officials will purport that they can incarcerate for less, but when the numbers of incarcerated increase, that is soon not the case. And they have been actively engaged in increasing the numbers by lobbying for tougher sentences in many states.

FAMM suggests managing our prison populations through thoughtful reform in a myriad of ways, many listed in your "Smart on Crime" reports. The truth is, **The Truth in Sentencing and Get Tough on Crime Policies** of the late 80's and 90's have created a 200 billion dollar shortfall that states have really began to feel in the new millennium. At the same time these policies have had an negative effect on recidivism, all the way to our children whom recent studies show are 6 - 8 times as likely to become incarcerated if they have a parent in prison.

Criminologist Elliott Currie says that "over the last 30 years in the United State the carrot of welfare has been almost totally eliminated in favor of more and larger sticks. A growing prison system was what we had instead of an anti-poverty policy, instead of an employment policy, instead of a comprehensive drug-treatment or mental health policy."

In his book, "An Expensive Way to Make Bad People Worse", Jens Soering writes,

"This nation's three-decades-long preference for hiding away social problems behind penitentiary walls has produced the ironic result that the "land of the free" now cages a greater percentage of its own citizenry than any other country in the world. From just under 100 prisoners per 100,000 population in the 1970's, the incarceration rate in the United States grew to the current world record of 715 per 100,000 - compared with our

HOUSE APPROPRIATIONS

DATE 3-30-2005
ATTACHMENT 10

counterparts in England, Canada and France who taken together still average close to where we were in 1970. Locking up so many Americans has not given this nation a crime rate appreciably lower than those of other industrialized countries. In fact, the domestic crime rate today is exactly the same as it was 30 years ago. The "big stick" of prison has proved ineffective." (Soering, J., 2004, Lantern Books)

A 2003 study by The Sentencing Project found that three fourths of the 5 billion dollars spent incarcerating 251,000 state drug offenders, went toward confining people who never committed a violent crime. These were mostly drug offenders, 58% of whom had no history of either violence or high level drug dealing. Recent statistics reveal that close to 80% of the men and women in our prisons today have a history of drug and alcohol abuse. I interacted with many them during my 10 years in federal prison, and realize that most who came there as drug addicts will eventually leave without having there root problem addressed. The overall bottom line is that the prison environment and surviving that experience leaves many in worse shape than when they came.

It is time to change our approach to the long-term imprisonment of these type of non-violent, low-level, drug offenders/addicts, to one that considers shorter-term intervention with drug treatment and rehabilitation in the mix. The National Center on Substance Abuse and Addiction's 2003 evaluation of Brooklyn New York's Drug Treatment Alternative to Prison program found that all levels of non-violent drug offenders who participated respectively produced 23 to 37 to 66 percent better outcomes in terms of re-arrest, re-conviction and employability. The study concluded that D TAP was a promising example of what law-enforcement, corrections and the treatment community can do to reduce the number of addicted drug offenders in America's prisons. (Similar sentiments were expressed by respective parties in relation to SB123, the drug treatment alternative to prison bill in Kansas, at recent hearings on Rep. McCreary's bill to make similar provisions apply to those in Kansas prisons for like offenses.)

However that does not appear to be the case within private prisons. Study after study and article after article show a much higher incidence of drug use in private prisons. A recent article in Hawaii reporting on the chaotic situation of their inmate's in Oklahoma, describes rampant drug dealing in private prisons ran by gangs, with inmate attacks on corrections officers and other inmates. In April 2003, "more than one out of every four inmates who underwent drug testing, came up positive for drug use." Other problems cited in Oklahoma were female officers supplying male gang-members drugs. Six officers were fired for "inappropriate relationships" with inmates and activities that led to drug abuse.

As a person formerly incarcerated for drug offenses who made a personal transformation while in prison, the study conducted a few years ago by the University of Minnesota Law School Institute on Criminal Justice is the one that holds the most significance to me. The main purpose of the study was to compare cost savings of private prisons, as well as correctional services. The comparisons were made between three Minnesota DOC ran prisons, and Appleton, ran by CCA. The administrations and programs at all facilities were well established. A survey was designed for select prisoners who would be transferred by DOC case managers and was designed to explore their perceptions about all aspects of prison operations.

Except in the area where the private prison provided inmate employment with the private sector, the private prison did not compare. There were important differences between how prisoners perceived the requirements placed upon them by private and public systems that indicated the public system maintained a significantly higher degree of control over the daily activities of prisoners than was the case at the private prison. Two-thirds of the DOC prisoners agreed that they were kept busy all day, compared with around 20% of those in the private prison. And while 85% of the prisoners in the DOC agreed that they must work, study or be in treatment, only a tiny fraction, (9%) of those in the private facility agreed.

Therefore, we should therefore not find it surprising that there were much higher rates of drug use among inmates at the private facility. Lack of structure and work related assignments leads to chaos. This is evident by the rate of assaults by inmates on staff, which is 45% higher, and 65% higher on other inmates in privately ran facilities. Perhaps some of this could be attributed the turnover rate of staff that has a 52 to 16 % differential.

Reintegration efforts are equally startling. In the Appleton study, 35 % of the prisoners at the DOC prison reported that planning for release was a required activity, compared to only 6% at the private prison. I see some of this type of impersonal, or non-existent case management, in lines 25 - 36 of this bill. There is little to no input sought into the overall progress of individual inmates, or day to day activities while in prison. They are not allowed to make comments to parole boards, or determine inmate eligibility for any form of release from corrections. This has the very purely warehousing effect to me, and may help explain some of today recidivism rates.

Taken together, the findings from the Minnesota study provide strong empirical evidence supporting that privatization significantly lowers the level of correctional effectiveness, facility security, and public safety to what is being provided by the public system. The comparative deficiencies in the CCA prison in Minnesota can be traced to the company's efforts to control costs. The bulk of these have to do with staff compensation and training, which I believe are of paramount importance. All in all, I have serious concerns about providing human services of this nature with a profit incentive that is directed by the bottom line.

And apparently I am not alone in my concerns. While recently reading a chapter on Privatization and Human Service Corporations (Karger, Chapter 7) related to my Social Work studies, there were empirically stated assertions in many areas that are relevant to our discussions today. The overall consensus was that "private practice on the small scale could be condoned, but corporate exploitation of the new health and human service markets is met with considerable skepticism. According to Henry Freedman of the Center for Social Welfare and Laws, "No company can be expected to protect the interest of the needy at the expense of the bottom line, least of all a publicly traded corporation with a fiduciary duty to maximize shareholder profits" (as cited by Karger). I also learned in my readings that by initially offering low bids, corporations have a long history of establishing monopolistic pricing once they gain a large share of the market. Despite apparent short-term savings, privatizing public prisons entails a variety of long-term risks to both the recipient and government.

We need to focus more on long term solutions, especially in the area of finding more efficient and

effective alternatives to incarceration for low-level, non-violent drug offenders/addicts. A 2002 national study by Peter Hart Research Associates showed that public attitudes towards criminal justice have shifted away from "tough on crime" policies of the past, with 65% supporting treating the root cause instead of the symptoms of drug abuse and crime, and only 32% favoring harsher and more sentences. (This is contrast with private prison who have actually lobbied for tougher sentences in some states.) A more recent poll conducted in May 2004 by the Eagleton Center for Public Interest Polling at Rutgers University found that an overwhelming majority, - fully 4-in -5 (80% to 14%) - support mandatory treatment and community service sentences for low-level, non-violent drug offenders, if such sentences would reduce the amount of money New Jersey spends on corrections.

Closer to home, the KU school of Communications Research Department conducted a poll in 2002/2003 at the bequest of the Kansas Sentencing Commission to explore Kansan's attitudes in relation to SB123. The poll, which included the retroactivity aspect, revealed that 73% of Kansans felt that "if Kansas could empty 400 - 600 prison beds by using community punishment that includes drug addiction treatment instead of incarceration for possession convictions, then we should do it." SB123 was modeled after California's proposition 36. Recent studies not only reveal positive outcomes, but a recent poll sponsored by the National Council on Crime and Delinquency found that 73% of California voters would now vote for proposition 36, up from the 61 percent of voters who passed the initiative in 2000.

If we support private prisons coming to Kansas, we become a direct accomplice in the Prison Industrial Complex which has sent the message that we can incarcerate our way out of every social problem we confront as a society today. Kansans have come to expect better than that. In his college-level text-book, Karger also pointed out that privatization induces human service organizations to accept the industrial mode of production in which the accepted measure of success is not necessarily the quality of service rendered, but the number of people processed. Oligopolization of human services presents a daunting specter in that a small number of wealthy and powerful corporations are in a strong position to shape social policy to conform to their interests. In the area of private prison that will continue to contribute to the dismal numbers I referred to earlier in relation to hiding many of our social problems away behind penitentiary walls. In the end, this will only cause us tremendous fiscal expenditures and surely perpetuate more social costs for us to deal with down the road. And the cycle goes on.

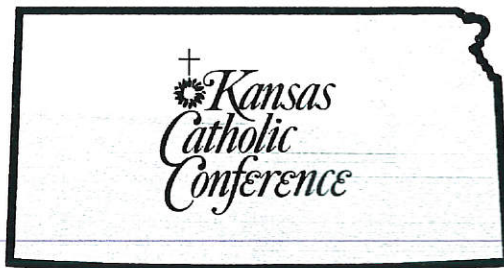
You, ladies and gentlemen of this committee have an opportunity to help break this cycle by voting NO TO SB 243. Thank you for your time and consideration of my testimony.

Sincerely,



Peter Ninemire
Families Against Mandatory Minimums
Midwest Regional Trainer/Organizer
Wichita, KS - Ph: (316)651-5852
E-mail: pj9mire@sbcglobal.net

10-4



6301 ANTIOCH • MERRIAM, KANSAS 66202 • PHONE/FAX 913-722-6633 • WWW.KSCATHCONF.ORG

**House Appropriations
March 23, 2005
Testimony in opposition to SB243
Kansas Catholic Conference - Sister Therese Bangert**

Last year the Kansas Legislature passed a law setting up the 3R Commission. A final report from that commission is expected before January 2006. Should the legislature at least listen to this report before making SB243 public policy for Kansas?

In December 2000, the United States Conference of Catholic Bishops (USCCB) released a statement titled **Responsibility, Rehabilitation and Restoration - A Catholic Perspective on Crime and Criminal Justice**. It is a thoughtful and pastoral document noting that response to crime in the United States is a moral test for our nation and a challenge for our Church. With this document in mind and heart, the Kansas Catholic Conference asks you to oppose Sub. HB243.

The Bishops note how the locked doors of our Churches, microphone equipment locked away and funerals for homicide victims stand as signs of the impact of criminal behavior in our local church communities. They acknowledge the need for society to be safe and victims to have resources for healing. **They acknowledge, too, the complexities of the issues around responsibility, rehabilitation and restoration.**

Additionally, the Bishops question if increased incarceration is the answer. They point out that in 1998, the imprisonment rate in America was six to twelve times higher than the rate of other Western countries. The Sentencing Project, a nationally recognized source of criminal justice policy analysis, reported that in 2002 the population of state and federal prisons combined with local jails was over 2 million (www.sentencingproject.org).

“We bishops question whether private, for-profit corporations can effectively run prisons. The profit motive may lead to reduced efforts to change behaviors, treat substance abuse, and offer skills necessary for reintegration into the community.”

MOST REVEREND RONALD M. GILMORE, S.T.L., D.D.
DIOCESE OF DODGE CITY

MOST REVEREND JOSEPH F. NAUMANN, D.D.
Chairman of Board
ARCHDIOCESE OF KANSAS CITY IN KANSAS

MOST REVEREND PAUL S. COAKLEY, S.T.L., D.D.
DIOCESE OF SALINA

MOST REVEREND JAMES P. KELEHER, S.T.D.
BISHOP EMERITUS - ARCHDIOCESE OF KANSAS CITY IN KS

MICHAEL P. FARMER
Executive Director

MOST REVEREND EUGENE J. GERBER, S.T.L., D.D.
BISHOP EMERITUS - DIOCESE OF WICHITA

MOST REVEREND GEORGE K. FITZSIMONS, D.D.
BISHOP EMERITUS - DIOCESE OF SALINA

HOUSE APPROPRIATIONS

DATE 3-30-2005
ATTACHMENT 11

Making a profit on incarcerating men and women is troubling especially in light of the prevailing characteristics of persons who populate our prisons: those who are poor, illiterate, addicted and mentally ill. Furthermore there is no denying that the racism and discrimination that continue to haunt our nation are reflected in similar ways in the criminal justice system.

I remember clearly the dreadful experience of a private prison - a minimum security facility in Topeka during the late 80's. Let's not repeat this experience.

Honorable Committee Members:

The tenants of a good economic development plan are that the recruited industry is one that offers sustainability and compliments the existing retail and industrial businesses.

All research indicates that prison populations have expanded to the point the industry can not continue as it has existed. This reality called for changes in sentencing policy and alternatives to incarceration. Kansas has responded with changes in policy and federal re-entry initiatives which will reduce the number of prison beds required for public safety in Kansas. The research on this national trend is readily available and has been provided by Families Against Mandatory Minimums trainer, Pete Ninemire and Frank Smith, who has monitored the for profit private prison industry for years. I hope you have the opportunity to review the materials before repealing the law prohibiting private prisons in Kansas. This bill should not become law for many reasons. Certainly as an economic development plan for rural Kansas private for profit prisons do not meet the basic tenants of good business.

This summary of contact outcomes highlights the information KS CURE has acquired regarding this issue. Senator Schmidt never returned a phone call or e-mail regarding requests for information on alternative businesses his constituency may have explored. The chamber of commerce staff reported they were unaware of neither: legislative committees actively exploring options for rural Kansas economic development and federal government websites outlining assistance for local rural economic development. The county commissioners did respond to say their desire is to reduce the loss of population from their area to larger communities and generate alternative tax revenue sources. Their spokesperson said the honor camp worked very well to fill that need. There was never acknowledgment that a for profit prison, designed to import prisoners from all over the country, was not the same business as a state run honor camp for minimum security inmates.

The following is a short article from the Kansas City Star which illustrates the impact of any prison on competing industries in rural areas. Thank you for supporting the law as it is in the statutes and promoting successful economic growth by opposing SB 243.

Kansas call center can't find takers for openings

The Associated Press

HAYS, Kan. — A Virginia-based company wants to add more than 80 jobs to this north-west Kansas town's economy in October. The problem is in finding enough applicants to fill the positions.

N.E.W. Customer Service Companies Inc. plans to open its call center Oct. 4. But so far, it has filled fewer than half of the open positions.

As of Thursday, the company said, 80 people had submitted applications and 25 had been hired either outright or pending a check of references.

Barbara Zeiller, vice president for human resources for the Dulles, Va.-based company, said potential applicants might have been put off by the closing of another call center — this

one operated by Sykes Enterprises — earlier this year.

N.E.W. coincidentally is moving into the former Sykes building.

Former Sykes employees said they did not want to take new call-center jobs only to have them eliminated, Zeiller said.

"If we were making doughnuts they wouldn't have associated us with Sykes," she said, while stressing that N.E.W. was not comparing itself to the other company in its recruitment efforts.

Both companies take customer service and technical calls from others.

Despite the loss of the Sykes call center, Ellis County has a low unemployment rate — 2.9 percent, far lower than the state average of 4.9 percent.

HOUSE APPROPRIATIONS

DATE 3-30-2005

ATTACHMENT 12

Frank Smith
390 S.E. 110 Ave.
Bluff City, KS 67018-7630
(620)967-4616 (phone & fax)
fsmith@kanokla.net
March 22, 2005

SB 243 - Kansas For-Profit Prison Testimony

Dear Representatives:

Although I'm retired, and the Silver Haired Legislator from Bluff City, I've been involved in directing corrections programs, post-release programs and research for the past thirty years. I am considered by many to be the leading authority on for-profit prisons in the Midwest. I'm a volunteer with the Private Corrections Institute.

I also spent two years in Viet Nam. The legislation you have before you reminds me of the punji stake traps used against our troops there. On the surface, it appears solid, crafted to give some sense of security, but when relied upon, drops the unsuspecting victim to be impaled on unseen stakes below.

Wackenhut Corrections, now known as GEO Group, has a truly sordid public record of operations. I've brought a few stories along detailing the physical and sexual abuse of juveniles, escapes, murders and questionable influence purchasing from around the country and the world. You may have seen coverage on network news magazines originating from Jena, Louisiana, Texas, and even Woomera, Australia, where scores of hunger protestors sewed their lips shut in protest against the mistreatment they received.

Yesterday afternoon, I received news of still another common occurrence in our neighboring state. The CCA Cimarron prison had a brief disturbance in which one prisoner was killed, another is at death's door, and many others hospitalized. In the last ten months there have been riots at Watonga, Oklahoma, Beattyville, Kentucky, Crowley, Colorado and Tallahatchie, Mississippi, all involving convicts from other states as far away as Hawai'i. The prison proposed for Kansas cannot survive without importing these felons from afar. I've visited a number a number of these sites, post-predictable riot.

The promises of rural economic development offered by these prisons can be expected to come to naught. It will not help counties like Woodson, spending beyond their means, to fare any better than they do now. They are approaching the legislature with their hands extended, but filling them would be as much a disservice to their residents as it would be to taxpayers in 104 other counties who would be expected to support these boondoggles. Studies by the Universities of Ohio and Washington, Iowa, Kentucky and Kentucky State, as well as think tank research, unanimously conclude that prison siting will hurt these counties, chasing away safer and better paying industries and placing unforeseen burdens and externalized costs on the hosting communities. They won't keep anyone "down on the farm."

HOUSE APPROPRIATIONS

DATE 3-30-2005
ATTACHMENT 13

There is no economic feasibility study accompanying the Woodson plea. Any economist could tell you there simply is no labor force available to staff it. Even a cursory examination of census data, EITC filings, and unemployment statistics would demonstrate that. Any banker would want to see a workable business plan before underwriting even a four figure loan. Representative Weber might be able to address these aspects. It is my impression that GEO must know this, and is simply using Woodson business interests to get the state's prohibition changed, to site in some more workable county. The package presented by Sunflower Solutions to Senate Ways and Means contains twenty-year-old endorsements from long-retired officials and a promise of a land donation for a *public* prison, land that was actually sold long ago from a bank that changed hands in the distant past.

These prisons pay terrible wages, and offer worse benefits. \$8-\$10 hourly would not attract high school graduates willing to drive many hours daily from Emporia or Topeka, to brave the dangers of deer leaping across winding two lane, thicketed roads. The for-profits averaged 52% staff turnover annually, the last time they were willing to disclose the figures. This is not a young man or woman's occupation. The federal government will not hire anyone older than 35 for these line jobs.

I am an American Correctional Association member, and it is my considered opinion that the low standards, more policy reviews than actually performance assessment, offered by that organization, offer little in the way of protecting the public. Institutions accredited by the ACA included GEO's Jena, Louisiana, New Morgan Academy (Cornell), and CCA's Youngstown, Ohio, shortly before they were all shut down by courts and state administrations. Youngstown experienced numerous murders and escapes by many murderers, before its gates were locked for 2 ½ years. Officials ranging from the Mayor to the Governor (Voinovich) to the Attorney General were outraged by, but helpless, to guard against corporate malfeasance.

The county and state would acquire substantial liability exposure by hosting a for-profit prison. Perhaps Representative Newton might contribute an opinion on the dangers and costs of the probability of an escape, or a murder, by an out of state prisoner. Private guards and their employers do not possess the qualified immunity of state prison correctional officers. According to American University professor Ira Robbins, the state cannot relieve itself of this responsibility. Hawaiian prisoners who murdered a Montana inmate in Texas have become a burden on the latter state, once their original sentences run their course. For-profit hosting states provide varying oversight to see that problems don't occur, from Kentucky, which had no oversight over Indiana prisoners or the facility in which they were held, to Colorado, whose vaunted monitoring program was as unable to recognize the patently obvious signs of a massive riot brewing at Crowley as the blind men of folklore were able to realistically envision the elephant. These prisons experience 49% higher inmate-on-staff assaults, 65% higher inmate-on-inmate violence, as do public institutions. A California study indicated thirty times higher incidence of escape as the for-profits, no matter what their salesmen or lobbyists would like you to believe. GEO was just reported to have had 1,416 lawsuits filed against it in just the last five years.

GRW, our operator here in Kansas, finally had a story leaked about sex between its guards and inmates from many states, about smuggling by staff, as well as a cover-up by its warden, only the day after legislation restricting importation of prisoners was turned down by a reluctant committee in the Colorado House for weeks ago. Persistent attempts by the bill's sponsor to find out the facts of the investigation and indictments were spurned, as I saw sitting with her moments before the hearing.

CCA lost the contract to run Tulsa's jail just this week, after sexual assaults, escapes, erroneous releases, etc. The Sheriff will take it over once more.

The for-profits also promise cost savings and rapid construction of facilities. GEO is well into its third year in its attempt to build in Pueblo, and have yet to receive assurance that they will be able to lay a single brick. Cornell is said to be giving up its quest to build in Alaska, after nine inappropriate sites fell by the wayside in a nine-year period. Study after legitimate study has indicated they save at best a few cents a day, usually by "creaming" inmates, but externalized costs are rarely considered in those calculations. If they were, the picture would be much more grim. They vastly overcompensate executives. GEO's Chairman made \$3.83 million, their COO made \$2.10 million, their CAO \$1.35 million two years ago. I'm guessing their pay has gone up considerably since then. Add to that the cost of lobbying, campaign contributions (one governor got \$53,000, three days after his election, as GEO strove to keep open a redundant prison), insurance, perks, bogus "research" and public relations, and it's easy to see why they don't save taxpayers anything.

As our representatives, you need to exercise caution on behalf of public safety, and with regard to the safety of future staff and inmates alike. A vote for this boondoggle will not be easily undone. As Secretary Werholtz testified last year, if they are allowed to build, it may well be they who he feared "will be driving corrections" and criminal justice policy in Kansas, in an insatiable quest for more market, and more market share.

I'm rushing to print this, having spent all night typing and researching it, so I hope I am able to provide sufficient copies of my testimony and those limited news stories below for the Committee. The drive to Topeka is 200 miles each way.

Sincerely yours,

Frank Smith

References:

1 Inmate dead, 5 hurt in gang riot at prison. 3/22/05 The Oklahoman
County to look at privatizing jail. 3/6/05 The Montgomery Courier, Houston, Texas
Gangs, drugs plagued Oklahoma prison. 3/6/05 The Honolulu Advertiser
Prison operator makes corrections to expand. 8/24/03
A Record of Dishonesty 7/2/02 The Austin Chronicle
Locked Inside a Nightmare 5/9/2000 CBS News.com

. inmate dead, 5 hurt in gang riot at prison

By Carrie Coppernoll
The Oklahoman

CUSHING - One inmate was killed and five others were injured, one critically, when gang members, some armed with bats, rioted at the Cimarron Correctional Facility Tuesday afternoon, officials said.

 NEWS 9 report

The fight at the private prison in Cushing broke out between two gangs using an outdoor recreation area at about 1:20 p.m. and was under control quickly, prison spokeswoman Linda Hurst said.

"Initial indications are that it was gang-related with an undetermined number of inmates using recreation equipment located in the gym as weapons to assault another group of inmates," Hurst said.

Softball bats were used as weapons, she said, although she did not know what was used to kill the inmate. Inmates normally get bats by checking them out at the gym, Hurst said, but she did not know if they were checked out in this instance.

She said staff immediately responded "and within 10 minutes, the incident was ended, and the area was under full control by correctional officers." From 40 to 65 inmates were in the gym at the time, but Hurst did not know how many were involved in the fighting.

The name of the dead inmate was not released because his family had not been notified, said Louise Chickering, spokeswoman for the Corrections Corporation of America, the company that operates the prison.

Hurst said six inmates were sent to Cushing Regional Hospital. One died, one was in critical condition, and the other four were expected to recover, she said. Two of the injured were transferred to a hospital in Stillwater, Hurst said. Eight others were being treated at the prison.

No tear gas was used and no inmates escaped, Hurst said. The prison was placed on lockdown, "meaning all inmates are confined to cells, and movement is restricted until further notice." The lockdown will last "as long as it's necessary," she said.

No staff injuries were reported.

State Corrections spokesman Jerry Massie said no riot squads were requested or sent from state-owned prisons.

The inmate's death is the prison's first assault-related death since it opened in May 1997.

Hurst said she did not know the disciplinary record of those involved. The medium-security prison houses inmates doing time for sentences ranging from second-degree burglary to murder.

Following procedures, law enforcement and the Corrections Department were notified. Gov. Brad Henry was briefed by Corrections Director Ron Ward, Henry's Communications Director Paul Sund said.

"They've not requested any specific assistance," he said. "They said the matter was well in hand."

Hurst said further details would not be released until corrections investigators, facility management and criminal investigators complete an investigation.

The state agency sent its private prison administrator, Dennis Cotner, along with several investigators, Massie said. An Oklahoma State Bureau of Investigation agent also was sent to the scene. The Cushing Police Department and other local law enforcement were helping with the investigation, Chickering said.

The Cimarron facility has 960 beds and housed 967 Oklahoma male inmates, two per cell, as of Monday, according to the state Corrections Department. Hurst said race was a factor in the fight, but she did not know which gangs or what race might have been involved.

... a prison," she said. "Things like this do happen."

Officials did not believe gangs have been a problem in the past, she said.

According to CCA's website, Cimarron is one of four prisons, all medium-security, that the Nashville, Tenn., company owns in Oklahoma. The others are the Davis Correctional Facility in Holdenville, Diamondback Correctional Facility in Watonga and North Fork Correctional Facility in Sayre.

The Cushing facility is accredited by the American Correctional Association.

The Myth of Prison Privatization Cost Savings

On June 20, 2002, Mr. Thomas Kane, Assistant Director for Information, Policy and Public Affairs for the U.S. Department of Justice Federal Bureau of Prisons responded to an inquiry from Oklahoma Senator Don Nickles concerning the Bureau's experience with private prisons. Senator Nickles forwarded that request on to the FBOP. Here is some of what Assistant Director Kane of the FBOP had to say about private prisons and federal inmates:

"Over the years, the private sector has had significant problems with the incarceration and management of medium-security and highsecurity offenders. In particular, the private sector has not demonstrated the ability to manage high security sentenced inmates for long-term confinement, though they have held such offenders as short-term detention cases."

"With regard to cost efficiencies, a recently completed comparison of the cost of the privately operated prison in Taft, California with similar Bureau facilities found that the BOP institutions were somewhat less costly than the private facility."

1) U.S. General Accounting Office, *Private and Public Prisons - Studies Comparing Operational Costs and/or Quality of Service*. (Washington, DC: Report to the Subcommittee on Crime, Committee on the Judiciary, House of Representatives, August 1996).

HOUSE APPROPRIATIONS

DATE 3-30-2005
ATTACHMENT 14

“We could not conclude from these studies that privatization of correctional facilities will not save money. However, these studies do not offer substantial evidence that savings have occurred.” (page 3)

“While the five studies varied in terms of methodological rigor, they do, to differing degrees, offer some indication of comparative operational costs and/or quality of service in the specific settings they assessed. However, regarding operational costs, because the studies reported little difference and/or mixed results in comparing private and public facilities, we could not conclude whether privatization saved money.” (page 7)

2) Office of Program Policy Analysis and Government Accountability, *Review of Bay Correctional Facility and Moore Haven Correctional Facility*. Report to the Florida Legislature, No. 97-68, April 1998.

“Although vendor performance during 1996-97 fiscal year was satisfactory, the private prisons are not providing the state with the level of overall cost savings initially projected by the commission” (page i)

“The (Florida Department of Corrections) disagrees with our methodology, arguing that if we had used multiple public prisons as a basis for comparison, we would have found that public prisons were at least 11% less costly than private prisons.” (page iii)

<u>For-Profit Prisons</u>		<u>Calif. Dept. of Corrections</u>
	2004	
Total Escapes: 41 Total Population: 140,000		Total Escapes: Zero Total Population: 160,000

	2003	
Total Escapes: 29 Total est. Population: 140,000		Total Escapes: Zero Total Population: 160,000

	2002	
Total Escapes: 24 Total est. Population: 140,000		Total Escapes: Zero (?) Total Population: 155,000

	2001	
Total Escapes: 27 Total est. Population: 140,000		Total Escapes: Zero Total Population: 159,000

	2000	
Total Escapes: 23 Total Population: 122,871 Offenses: Murder, robbery, kidnapping		Total Escapes: 1 Total Population: 160,606

	1999	
Total Escapes: 42 Total (est.) Population 121,482 Murder, rape, robbery, burglary		Total Escapes: 1 Total Population: 162,000

	1998	
Total Escapes: 27 Total Population: 116,932 Murder and aggravated rape		Total Escapes: 1 Total Population: 160,332

	1997	
Total Escapes: 45 Total Population: 70,937 Murder, aggravated burglary, rape, aggravated assault on police officer, child molestation		Total Escapes: 5 Total Population: 155,276

	1996	
Total Escapes: 45 Total Population: 48,478 Double murder, child rape, murder 1,		Total Escapes: 1 Total Population: 145,565

	1995	
Escapes: 20 Total Population: ?		Escapes: 2 Total Population: 135,133

Profile of Selected Economic Characteristics: 2000
Data Set: Census 2000 Summary File 3 (SF 3)
Woodson County, Kansas

EMPLOYMENT STATUS		
Population 16 years and over	3,064	100.0
Civilian labor force	1,676	54.7
Employed	1,616	52.7
Unemployed	60	2.0
Percent of civilian labor force	3.6	(X)
Not in labor force	1,387	45.3

With earnings	1,100	67.0
Mean earnings (dollars)	32,650	(X)
With Social Security income	714	43.5
Mean Social Security income (dollars)	10,402	(X)
With Supplemental Security Income	91	5.5
Mean Supplemental Security Income (dollars)	7,195	(X)
With public assistance income	38	2.3
Mean public assistance income (dollars)	2,342	(X)
With retirement income	290	17.7
Mean retirement income (dollars)	13,949	(X)

Social Characteristics -	Number	Percent
Population 25 years and over	2,667	100.0
High school graduate or higher	2,224	83.4
Disability status-population 21- 64	460	25.4
Housing Characteristics		
Single-family owner-occ. homes	771	100.0

Prison guard work requires a High School Diploma or a GRE.
Felony and some misdemeanor convictions disqualify.
Domestic violence history disqualifies.
Must pass physical, psychological and medical exams.
Annual staff turnover: 52% for-profits vs. 16% public prisons.

14-4



Kansas Association for the Medically Underserved
The State Primary Care Association
 112 SW 6th St, Suite 201 Topeka, KS 66603-3806

House Appropriations:

March 30, 2005

Dear Chairman Nuefeld and Distinguished Members of the Committee:

Today, we know that between 280,000-300,000 Kansans are uninsured. Of those, 72% of the uninsured have family income at 200% of federal poverty level or below. Primary care safety net clinics are an important source of care for the poor and uninsured. In, 2003, clinics provided comprehensive primary health care services to almost 40% of the poor. More specifically, primary care safety net clinics –

- Provided comprehensive primary health care safety net clinics to 114,000 users, 275,000 visits;
- 66% of all users of the clinics are uninsured;
- 92% of all patients' family income is 200% of the FPL or below;
- 64% of all users have family income that is 100% of the FPL or below.

Nevertheless, work remains ahead to ensure access to low-cost affordable health care. Today, I appear before you regarding SB 84, which requests appropriation in the amount of \$750,000.00 to increase access to low cost and free pharmaceuticals at primary care clinics.

There are a number of diagnoses that are classified as ambulatory care sensitive discharges such as asthma, heart disease, diabetes, pneumonia and hypertension. These diagnoses are classified as ambulatory care sensitive diseases because with quality primary care and appropriate management of disease available in ambulatory settings, hospitalizations and emergency room visits can be avoided. To give you an indication of the costs savings, the cost of an average hospital admission is \$5,300.00; the average cost of an admission for heart disease is \$26,000.00. The cost of an emergency room visit can be \$300.00 and more. For every dollar spent on primary care health care, \$3.00 is saved by avoiding more expensive forms of care.

Two of the most frequent diagnosis of patients seen at clinics are diabetes and hypertension. It is of course very important, to get patients with chronic conditions started on a treatment protocol quickly. We recently found in a local need assessment survey in Hutchinson that 78% of the target population (uninsured and below 200% of FPL) reported frequently or occasionally worrying about not being able to afford a prescription drug for themselves or a member of their household. A similar survey in Newton and the surrounding three counties found that 41.2% of respondents or a member of respondents' household where not able to get a prescription filled within the last year.

Similarly, when unable to obtain prescriptions, some may turn to more expensive forms of public assistance. In Kansas, adults that are medically needy can spend down to qualify for Medicaid. A person's income cannot exceed \$475.00 to qualify for Medicaid spenddown. Income that exceeds the threshold may be spent down on medical expenses to qualify. There may be some individuals who do not seek relief through Medicaid if able to access affordable prescriptions. Disabilities occurring due to the progression of chronic diseases that are left untreated may also be avoided.

In conclusion, SB 84 will increase access to prescriptions valued at over \$20M and is anticipated to reach over 88,000 Kansans. For every dollar invested by the State, an additional \$2.70 will be leveraged with local, federal and patient resources, to purchase low-cost prescriptions and operate the programs necessary to maximize utilization of manufacture's prescription assistance programs. The clinics have proven to be good stewards of the state's investment. Through a combined sense of mission and faith, these diverse groups of primary care safety clinics reach out to some of Kansas's most needy population without regard of ability to pay. With your support, the primary care safety net clinics are prepared to do more.

Thank you for your time and consideration. I stand before you for questions.

Sincerely,

Karla Finnell
 Executive Director

1. According to the study conducted by KHI in 2003, *Statewide Survey Health Policy Concerns of Kansans*, found that 44% of all Kansans are very or somewhat concerned about the ability to afford prescriptions

Kansas Health Centers - A Good Invest

785-233-8483

Fax 785-233-8403

HOUSE APPROPRIATIONS

DATE 3-30-2005
 ATTACHMENT 15



SB 84- Access to Low Costs Prescriptions For The Uninsured Synopsis

Intent: Increase access to low-cost pharmaceuticals for the most vulnerable uninsured Kansans living in poverty or near poverty.

Method 1: Expand access to prescriptions through the 340B federal drug price.

Strategy: FQHCs and look-alikes will purchase prescriptions through the 340B program for uninsured low-income patients. The very poor will be provided prescriptions on a sliding fee scale. The 340B program is available through Section 340B of Public Health Service Act which requires pharmaceutical manufacturers whose drugs are covered by the Medicaid program to enter into an agreement with the secretary of HHS obligating manufacturers to provide discounts on covered drugs purchased by specified PHS and government-supported facilities. On average, 340B prices are estimated to be 51% lower than AWP, 39% lower than AMP and 19% lower than the Medicaid net price. 2

Eligible Sites: Community health centers (also called FQHCs) and FQHC Look-Alikes in Kansas.

Target Population: All patients of eligible sites, that is community health centers and FQHC Look-alikes. Patients without prescription coverage that are 200% of FPL or below will be eligible for sliding fee discount to be determined by the board of directors of the community health center.

Method 2: Expand access to prescriptions available through the prescription assistance programs ("PAP") or manufactures' indigent drug programs through primary care safety net clinics.

Strategy: Reduce the known barriers to utilizing the PAP program by expediting the processing of applications, as well as timely and accurate tracking of submissions, by utilizing both dedicated personnel and web-based technology.

Eligible Sites: Not-for-profit or publicly-funded primary care clinics, including federally qualified community health centers and federally qualified community health center look-alikes as defined by 42 U.S.C. 330, that provide comprehensive primary health care services, offer sliding fee discounts based upon household income and serve any person regardless of ability to pay. Policies determining patient eligibility due to income or insurance status may be determined by each community but must be clearly documented and posted.

Target population: Uninsured served by primary care safety net clinics and the medical community working in collaboration with clinics with incomes that are 200% of FPL or higher as defined by participating manufacture's prescription assistance programs.

2 Covered entities are subject to two important restrictions:

- 1) Section 340B prohibits the resale or transfer of discounted outpatient drugs to anyone other than a patient of the covered entity;
- 2) The drug purchased through the 340B program shall not be subject to both a 340B discount and Medicaid rebate.



Providing
Healthcare
for the
Working
Poor

March 29, 2005

House Appropriations Committee

Dear Chairman Neufeld and Distinguished Members of the Committee:

Guadalupe Health Clinic urges you to include in the Appropriations Legislation for 2006 the sum of \$750,000 to the Kansas Department of Health and Environment for the expansion of the 340B Pricing Program and the Expansion of the Prescription Assistance Program.

Guadalupe Clinic utilizes the Prescription Assistance Program for the uninsured individuals that make use of the clinic for Primary Care. Guadalupe Clinic has learned that it is essential to provide medications or avenues to secure medications at low or reduced cost for the clients in order to foster compliance in management and treatment. Without the help of the Manufacturer's Drug Programs, many of the clients we serve would be unable to afford treatment and management modalities. With the small staff of Guadalupe Clinic, we have secured over \$200,000 worth of medications for our patients over the last three years. If we were able to employ some one to evaluate each clients needs and match them with a program, this would easily double or triple in the future. Qualifying for the Prescription Assistance Programs is time consuming because each client must fill out forms for each individual medication, and be notified of renewal for a specified time frame. Initial applications can take 1-3 hours, and renewals 1/2 to 2 hours depending on the company requirements. These actions require a dedicated, trained employee to maintain continuity.

Please, for the sake of the people we serve; include the \$750,000 appropriation to the KDHE in the 2006 legislation.

Sincerely,

Marlene Dreiling
Executive Director

MARIAN CLINIC

March 29, 2005

TO: The House Appropriations Committee
Dear Chairman Neufeld and Members of the Committee:

My name is Marilyn Page and I am the Executive Director of Marian Clinic, a safety net clinic here in Topeka.

Summary of operations-

I had asked one of our patients to come to talk earlier in the session with the Senate Ways and Means Committee but she works 2 jobs, 60 hours a week, neither business offering her health insurance. Our patient is 47 years old and has been a patient at Marian Clinic for 17 months. She has diabetes, which was diagnosed in 1998. Because of the diabetes she has pain in her feet. Up to 17 months ago, she had always had health insurance through her husband's job to pay for her medicines. Her husband has lost his state job of 17 years due to downsizing. The family income is \$21, 500 annually.

Besides coming to Marian Clinic to see our volunteer physicians for foot care and medical management of her diabetes, this woman is able to apply for free medicines through our efforts with the pharmaceutical companies. The patient states that this service is "wonderful to have right now." We have been able to help her get, for free, five medicines that are valued at \$760.75 for each three-month's supply. We help her keep her diabetes controlled so she is able to live fully and to work. By the way, she has faithfully paid the Clinic's charges for the 19 visits of these last 17 months, totaling \$189 at an average cost of \$10 per visit.

Through the work of our current Americorps worker our Clinic alone during this past year (January 2004 - December 2005) was able to provide 1,496 medicines for a value of \$306,102.80 for our patients at no cost to them.

www.marianclinic.org

1001 SW Garfield Avenue, Topeka, KS 66604 785-233-9780

BOARD OF DIRECTORS

Sister Rita Anderson, Vernon Brown, Al Carson, David C. Goering, MD, Jane S. Henry
Sister Paulette Krick, Roberta Krull, Mary Lou McPhail, Richard Meidinger, MD
Marilyn Page, PhD, Kathleen Urbom, Maureen Washatka, Mark Wheeler

15-4

Enrolling patients in the prescription assistance programs through the pharmaceutical company is challenging. Each company has its own application forms and proof of income to obtain its medicines. In addition, the forms have to be resubmitted usually every three months for each patient's medicines. For us to help all our patients, it would take one staff person an entire week dedicated to just this one task. We rely now on a volunteer to do this work. While we appreciate the work of our volunteers, maintaining volunteer staff requires continual recruitment and training. As we move our program forward, with the support of a software program to manage the prescription assistance program, it would ensure consistency, quality and efficiency to dedicate a full time employee to help our patients.

Please support this bill. Thanks for your attention.

A handwritten signature in cursive script, appearing to read "Marilyn Page".

Marilyn Page, Executive Director



Community Health Center of Southeast Kansas

1700 North Locust • Building A • Pittsburg, KS 66762 • 620.231.9873

March 23, 2005

Dear Chairman Neufeld & Distinguished Members of the Appropriations Committee:

You have the opportunity today to make a difference in the lives of thousands of Kansans. With your support of SB84, a small investment this year will translate into hundreds of thousands of dollars of savings for those who – at this very moment – may be choosing between whether to buy groceries or have their high blood pressure medicine refilled. Every day we see patients at our Community Health Center – young and old alike – who simply cannot afford to buy the medicines they need. We currently are assisting more than 750 of them – who average more than 10 prescriptions each – find samples or apply to the drug companies' indigent programs. We negotiate with local pharmacies for them and many are willing to sell them medications at their cost – which still may be as much as \$2 a pill... So while we debate nationally about the wisdom of allowing individuals to purchase drugs in Canada or discuss the potential risk to Medicare with the increase in prescription benefits, we have a solution at our fingertips.

By supporting Community Health Centers who can purchase prescriptions far below wholesale cost and then resale them at a price most people can afford, we know we can immediately help about 80% of those we currently serve. We also know that we can reach out to countless others who will come forward once they know this option is available.

Kansas has been very forward thinking on this issue. However, it's not enough – for example, try buying drugs from Canada. For a population that often can't get to the doctor because they have no transportation, or filling out a complicated form is beyond their reading ability or, more importantly, they don't have the credit card to charge it to, this is no easy task. Take that same person who is already being cared for by a "safety net" provider that knows the pills might have to be counted out or the patient might need to be called every morning and reminded to take her medicine, you'll see what your investment is accomplishing. You're making a real difference for real people.

CHC/SEK is already a 340B provider. Medicine Shoppe has already agreed to maintain the inventory and dispense the drugs for us saving us the expense of a pharmacist we can't afford. The only thing preventing us is the initial investment needed to purchase the start-up inventory. Please make that investment – not for the clinics, but for the 88,000 Kansans clinics like ours serve.

Thank you so much for your consideration.

Krista Postai, Chief Operating Officer

15-6

UNITED METHODIST WESTERN KANSAS MEXICAN-AMERICAN MINISTRIES
 COMMUNITY HEALTH CENTER AND COMMUNITY CENTERS



March 29, 2005

House Appropriations Committee

Dear Chairman Neufeld and Distinguished Members of the Committee:

United Methodist Mexican-American Ministries (MAM) urges you to include in the Appropriations legislation for 2006 the sum of \$750,000 to Kansas Department of Health and Environment for the 340B Drug Pricing Program and Expansion of the Prescription Assistance Program.

The appropriation to KDHE will allow Community Health Centers to create or expand 340B prescription programs. MAM has used 340B for about five years. Drugs purchased through 340 B are at least 51% lower than the Average Wholesale Price (AWP). Many commonly used medications are lower than that with cost savings passed on to clients. Drugs purchased through 340 B can only be used for center clients. Over 75% of our clients cannot afford medications without assistance from 340 B or other programs that provide no-cost or sliding fee scale cost.

The appropriation will also allow us to serve more clients through Manufacturer's Prescription Drug programs. These programs provide free medications for clients who qualify. We currently have about 400 clients on the various programs. That number could double or triple with help for a dedicated person to assist with the complex and time-consuming forms.

This money is a wise investment for the people of Kansas. Every dollar the State invests in 340 B will leverage at least \$4.00 more in local and patient revenues. Every dollar invested in the Manufacturer's Prescription Drug program will be matched 1-1 by the clinic receiving funds. Qualifying clients will have assurance of receiving the expensive medications needed to manage and control chronic conditions such as hypertension, diabetes, and renal disease.

In 2004 only 16% of MAM's 5,919 unduplicated clinic users had Medicaid or SCHIP coverage to provide prescription assistance. Eleven percent (11%) had private insurance, but many with insurance had no pharmacy coverage. Since 82% of clients have household incomes below 150% of the federal poverty line, clients would reap substantial health and wellness benefits from expansion of both 340 B and Manufacturer's Prescription Drug programs.

Please, for the sake of the medically underserved and all Kansans, include the \$ 750,000 appropriation to Kansas Department of Health and Environment in the 2006 appropriations legislation. Thank you.

Sincerely,

Penney Schwab
 Executive Director

15-7

Executive Director	Medical Director	Community Developers			
Penney Schwab	Karen Nonhof	Dora Ponce	Jose Olivas	Isela Lerna	Elva Dominguez
712 St. John	311 N. Grant	311 N. Grant	321 W. Grant	224 N. Taylor	1700 Ave. F
P.O. Box 766	P.O. Box 1815	P.O. Box 1815	Ulysses, KS 67880	P.O. Box 766	P.O. Box 1584
Garden City, KS 67846	Liberal, KS 67901	Liberal, KS 67901	(620) 356-4079	Garden City, KS 67846	Dodge City, KS 67801
				(620) 375-1766	(620) 225-0625





Salina Health Education Foundation
A Federally Qualified Community Health Center
501 S. Santa Fe, Suite 200 • Salina, Kansas 67401
785-825-7251

**Smoky Hill Family Medicine
Residency Program**

March 29, 2005

House Appropriations Committee
Kansas House of Representatives
Topeka, KS

Dear Chairman Neufeld and Distinguished Members:

This is a letter of strong support for Senate Bill 84-Appropriations to KDHE for 340B Drug Pricing Program and Expansion of Prescription Assistance Programs. I speak as a family physician and as the Medical Director of the Salina Family Healthcare Center, a community health center in Salina, KS. Approximately 40% of our patients are at an income level where they have great difficulty in being able to afford their prescription medications. Access to care has been improved with our center being designated as a community health center. However, we are still in a situation where patients have great difficulty in actually getting the medicines that they have been prescribed. Currently we have two people working almost full time in our office completing applications for prescription assistance programs and are still unable to meet the need. With added state support we would be able to do much more.

While I believe caring for the uninsured and under-insured is a responsibility I have as a physician, I also believe that improving prescription coverage for this population is a fiscally responsible move as well. Just two days ago we admitted a patient to the hospital who had been prescribed a medication the day before in the emergency room. She could not afford to fill her prescription, became worse, and ended up in the hospital. Naturally this is at a greatly increased cost. Last week we admitted a patient, who prior to coming to our office, had not taken any insulin for his diabetes for over three years due to an inability to afford his insulin. His hospitalization might have been avoided if he had been able to obtain the insulin.

Both of these cases are examples of situations where I believe significant additional costs are incurred due to the inability of patients to obtain their medications. There has been research done in the Medicare population showing this and I believe it would show the same in the indigent and uninsured population if studies were done.

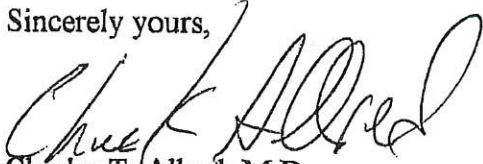
Salina Health Education Foundation, dba SALINA Family HealthCARE Center
A United Way Funded Program



15-8

I urge your support for Senate Bill 84. It will be a step forward for the health of patients in Kansas that are at significant risk.

Sincerely yours,

A handwritten signature in black ink that reads "Chuck Allred". The signature is written in a cursive, slightly slanted style.

Charles T. Allred, M.D.

Medical Director - Salina Family Healthcare Center

Program Director - Smoky Hill Family Medicine Residency Program

CTA/bas

15-9



KANSAS

RODERICK L. BREMBY, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

DEPARTMENT OF HEALTH AND ENVIRONMENT

Testimony on Senate Bill 84

House Committee on Appropriations

Presented by
Howard Rodenberg, MD, MPH
Director of Health

Kansas Department of Health and Environment

March 30, 2005

Chairman Neufeld and members of the Committee, I am Dr. Howard Rodenberg, Director of Health for the Kansas Department of Health and Environment and Kansas State Health Officer. I'm pleased to appear before you today to provide comments on Senate Bill 84. This legislation would appropriate \$750,000 in state general funds to KDHE to improve access to prescription drugs for Kansans served by certain federally qualified health centers (FQHCs), state-funded, and other community-based primary care clinics. I'd like to focus my remarks today on the ways in which KDHE might implement this program.

BACKGROUND: Since 1991, the Legislature has appropriated, and KDHE administered, state funds to provide support to locally organized primary care clinics whose programs are targeted to underserved populations. In the current year, KDHE will administer local grants totaling \$1,520,840. Grantees are community based organizations and local public health departments providing primary care in twenty-nine locations operating in twenty counties and serving an estimated 60,000 Kansans providing over 160,000 medical or dental encounters. Six of the state funded clinics are also Community Health Centers (CHC). Community Health Centers, also known as Federally Qualified Health Centers (FQHCs), are the backbone of the nation's primary care safety net and the focus of recently expanded federal initiatives for improving access to care for low-income and uninsured persons. There are 10 federally funded CHCs operating in Kansas. These health centers must meet certain requirements including public or non-profit status and a majority of the nine-to fifteen member governing board must be patients of the clinic. CHCs must participate in Medicare and Medicaid, offer discounts to low-income persons, accept any patient regardless of ability to pay, plan for the integration of mental health and dental services into the clinical program, assist with obtaining prescription drugs, and provide other enabling services. In support of this program, the CHCs receive federal professional liability coverage at no cost, assistance with recruitment of health care providers and eligibility to participate in the federal 340B drug pricing program, a program referenced in SB84.

Overview of Prescription Support Proposed in SB84

SB84 proposes three forms of prescription support for community based primary care clinics. The first category would be for purchase of drug inventory under section 340B. This support would be limited to CHC/FQHCs and to a single Kansas clinic that is modeled after CHCs and known as a FQHC Look-Alike. Section 340B limits the cost of drugs to federal purchasers and to certain grantees of federal agencies including the CHCs established by the Health Resources and Services Administration, Bureau of Primary Health Care. The 340B Drug Pricing Program is authorized through Public Law 102-585, the Veterans Health Care Act of 1992, which is codified as Section 340B of the Public Health Service Act.

Two CHCs in Kansas have 340B programs currently in place. Seven other Kansas CHCs are already positioned to take advantage of start-up assistance to establish a drug inventory. If the Legislature appropriates new funds for this purpose, KDHE is able to administer the funds without any changes in the current Primary Care Clinic grant program since the purchase of pharmaceuticals is already an authorized budget item.

*have
fixed*
The second method of support is to provide a subsidy for each prescription to a qualifying individual. Although not mentioned in the bill, we assume the subsidy was limited to patients of CHCs participating in the 340B program who are required to provide sliding fee discounts. If the Legislature recommends a subsidy for prescriptions, KDHE would be able to develop guidelines and policies for projecting a new grant application targeting pharmaceutical support.

The third category of support is to provide funding for operating costs of prescription medication assistance (PMA) programs, also known as manufacturers' indigent drug programs or "compassionate drug programs." As we understand it, the operational costs are intended to assist with the expense of hiring persons to administer the various pharmaceutical industry drug assistance programs. Staff would coordinate the application procedures and eligibility requirements for physicians and patients in order to obtain supplies of free, or low-cost pharmaceuticals through manufacturers' indigent drug programs. In these programs, filled prescriptions are mailed directly to the physician and under physician supervision the RN may disburse the medication to patients of the clinic. Financial support for operating costs related to health professional and clerical personnel are currently permitted through the Primary Care Clinic Program. If the Legislature were to approve new funding for this purpose, it could be administered through the current application process.

Thank you for your interest in this important issue, and in serving the health needs of Kansans. I will be happy to answer any questions.

February 23, 2005

The Honorable Dwayne Umbarger, Chairperson
Senate Committee on Ways and Means
Statehouse, Room 120-S
Topeka, Kansas 66612

Dear Senator Umbarger:

SUBJECT: Fiscal Note for SB 85 by Senator Barnett

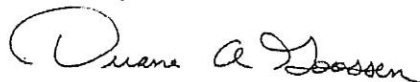
In accordance with KSA 75-3715a, the following fiscal note concerning SB 85 is respectfully submitted to your committee.

SB 85 would appropriate to the Department of Social and Rehabilitation Services \$450,000 from the State General Fund for FY 2006 to finance the expansion of the Medicaid Program to include breast reconstructive surgery for breast cancer patients.

Estimated State Fiscal Effect				
	FY 2005 SGF	FY 2005 All Funds	FY 2006 SGF	FY 2006 All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$450,000	\$1,125,000
FTE Pos.	--	--	--	--

The appropriation of \$450,000 from the State General Fund would be matched with \$675,000 from federal Medicaid funding. The Department of Social and Rehabilitation Services estimates the average cost of reconstructive breast surgery at \$15,223. Therefore, the total funding of \$1.1 million could provide surgery for approximately 74 Medicaid patients. Any fiscal effect resulting from enactment of SB 85 would be in addition to amounts included in *The FY 2006 Governor's Budget Report*.

Sincerely,



Duane A. Goossen
Director of the Budget

cc: Jackie Aubert, SRS

HOUSE APPROPRIATIONS

DATE 3-30-2005
ATTACHMENT 17

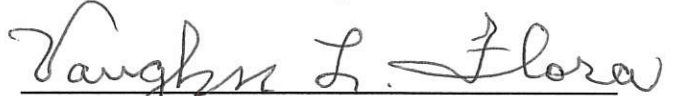
Agriculture and Natural Resources Budget Committee

Recommendation on House Bill 2395

The Agriculture and Natural Resources Budget Committee recommends a substitute bill.



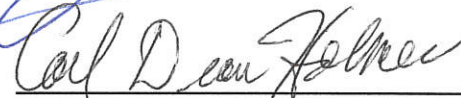
Representative Sharon Schwartz, Chair



Representative Vaughn Flora



Representative Joann Freeborn



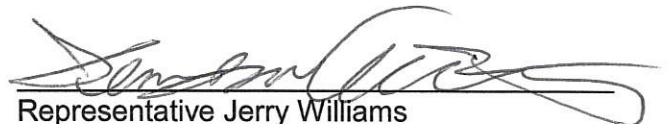
Representative Carl Holmes



Representative Larry Powell



Representative Tom Sloan



Representative Jerry Williams

HOUSE APPROPRIATIONS

DATE 3-30-2005
ATTACHMENT 18

Agriculture and Natural Resources Budget Committee

Recommendation on House Bill 2395

Brief

House Bill 2395 increases the fees charged under the Kansas Pet Animal Act by 25 percent as follows:

- A premises licensed under the federal Animal Welfare Act (including a breeder premises, distributor, retail breeder, out-of-state distributor, pet shop, or research facility) \$190
- A premises not licensed under the federal Animal Welfare Act (including a breeder premises, distributor, retail breeder, pet shop, pound, animal shelter, or research facility) \$375
- Out-of-state distributor not licensed under the federal program \$625
- Hobby breeder or kennel operator \$ 95
- Temporary closing permit \$ 95
- Late fee (renewals over 45 days late) \$ 65

Background

At the hearing on the bill, the Kansas Animal Health Department, Kansas Veterinary Medical Association, and several representatives of the pet industry appeared as proponents of the bill. Opponents included several representatives of the pet industry.

The fiscal note from the Division of the Budget on the original bill indicates that the bill would generate additional revenue of \$10,183 for the State General Fund and \$40,732 for the agency's fee fund.

Recommendation

The Agriculture and Natural Resources Budget Committee recommends Substitute for HB 2395 as follows:

- Increase most fees by 35 percent.
 - Federally licensed premises \$200
 - Non-federally licenced facility \$405
 - Out-of-State Distributor \$675
 - Hobby breeder or kennel operator \$ 95
 - Temporary closing permit \$ 95
 - Late fee \$ 70
- Create a new license category for animal shelters and pounds, with a fee not to exceed \$300.
- Add a provision that would allow federally licensed retail breeders to opt out of the state program. If a valid complaint is filed on a licensee that has opted out of the state program, the Animal Health Department would be allowed to inspect the licensee. Upon the licensee failing the state inspection, the licensee would be required to permanently return to the state program, and would not be allowed to only be licensed under the federal program.

18-3

HOUSE BILL No. 2395

By committee on Appropriations

2-9

9 AN ACT concerning animals; relating to the pet animal act; amending
10 K.S.A. 2004 Supp. 47-1721 and repealing the existing section.

11
12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. K.S.A. 2004 Supp. 47-1721 is hereby amended to read as
14 follows: 47-1721. (a) Each application for issuance or renewal of a license
15 or permit required under K.S.A. 47-1701 *et seq.*, and amendments
16 thereto, shall be accompanied by the fee prescribed by the commissioner
17 under this section. Such fees shall be as follows:

18 (1) Except as provided in paragraph (5) for a license for premises of
19 a person licensed under public law 91-579 (7 U.S.C. § 2131 *et seq.*), an
20 amount not to exceed ~~\$150~~ \$190.00.

or (6)
\$200.00;

21 (2) Except as provided in paragraph (5) for a license for any other
22 premises, an amount not to exceed ~~\$300~~ \$375.

or (6)
\$405.00;

23 (3) For a temporary closing permit, an amount not to exceed ~~\$75~~
24 \$95.00.

;

25 (4) For an out-of-state distributor permit, an amount not to exceed
26 ~~\$500~~ \$625.

\$675.00;

27 (5) For a hobby breeder license or a kennel operator license an
28 amount not to exceed ~~\$75~~ \$95.00.

;

29 ~~(6)~~ A late fee of ~~\$50~~ \$65.00 shall be assessed to any person whose
30 permit or license renewal is more than 45 days' late.

(6) for a license for an animal shelter or a pound, an amount
not to exceed \$300.00; and

31 (b) The commissioner shall determine annually the amount necessary
32 to carry out and enforce K.S.A. 47-1701 *et seq.*, and amendments thereto,
33 for the next ensuing fiscal year and shall fix by rules and regulations the
34 license and permit fees for such year at the amount necessary for that
35 purpose, subject to the limitations of this section. In fixing such fees, the
36 commissioner may establish categories of licenses and permits, based
37 upon the type of license or permit, size of the licensed or permitted
38 business or activity and the premises where such business or activity is
39 conducted, and may establish different fees for each such category. The
40 fees in effect immediately prior to the effective date of this act shall
41 continue in effect until different fees are fixed by the commissioner as
42 provided by this subsection.

(7)
\$70.00

43 (c) If a licensee, permittee or applicant for a license or permit re-

18-4
18-81

1 quests an inspection of the premises of such licensee, permittee or ap-
2 plicant, the commissioner shall assess the costs of such inspection, as
3 established by rules and regulations of the commissioner, to such licensee,
4 permittee or applicant.

5 (d) No fee or assessment required pursuant to this section shall be
6 refundable.

7 (e) The commissioner shall remit all moneys received by or for the
8 commissioner under this section to the state treasurer in accordance with
9 the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt
10 of each such remittance, the state treasurer shall deposit the entire
11 amount in the state treasury to the credit of the animal dealers fee fund,
12 which is hereby created in the state treasury. Moneys in the animal deal-
13 ers fee fund may be expended only to administer and enforce K.S.A. 47-
14 1701 *et seq.*, and amendments thereto. All expenditures from the animal
15 dealers fee fund shall be made in accordance with appropriation acts upon
16 warrants of the director of accounts and reports issued pursuant to vouch-
17 ers approved by the Kansas livestock commissioner or the commissioner's
18 designee.

19 (f) Premises required to be licensed under the Kansas pet animal act
20 shall not be required to pay for more than one license. If more than one
21 operation is ongoing at the premises, each operation shall comply with
22 the applicable statutes and rules and regulations pertaining to such
23 operation.

24 (g) Except as provided further, when a premises required to be li-
25 censed or permitted under the Kansas pet animal act applies for an initial
26 license or permit, the commissioner shall prorate to the nearest whole
27 month the license or permit fee established in subsection (a). The com-
28 missioner shall have discretion to determine whether the application is
29 an initial application or an application for a premises which has been doing
30 business but is not licensed or permitted. If the commissioner determines
31 the premises has been doing business without a license or permit, the
32 commissioner is not required to prorate the fee.

33 (h) This section shall be part of and supplemental to K.S.A. 47-1701
34 *et seq.*, and amendments thereto.

35 Sec. 2. K.S.A. 2004 Supp. 47-1721 is hereby repealed.

36 Sec. 3. This act shall take effect and be in force from and after its
37 publication in the statute book.

insert New Sec. 2. attached

Renumber sections accordingly

New Section 2 attachment

New Sec. 2. (a) Except as provided by this section, a retail breeder licensed under public law 91-579 (7 U.S.C. §2131 et seq.) shall be exempt from the requirement to be licensed under the Kansas pet animal act if such retail breeder elects to be exempt from such requirement in accordance with this section. The election to be exempt from the requirement to be licensed under the Kansas pet animal act shall be in writing and shall be filed with the commissioner in such form as may be required by the commissioner. After electing to be exempt from the requirement to be licensed in accordance with this section, such retail breeder may elect to again be subject to the requirement to be licensed under the Kansas pet animal act by submitting an application for the appropriate license accompanied by the applicable fee.

(b) Any retail breeder who is exempt from the requirement to be licensed under the Kansas pet animal act pursuant to an election filed in accordance with this section may withdraw that election and become subject to the requirement to be licensed under the Kansas pet animal act in accordance with procedures prescribed by the commissioner.

(c) (1) Any retail breeder who is exempt from the requirement to be licensed under the Kansas pet animal act pursuant to an election filed in accordance with this section shall be subject to inspection by the commissioner or the commissioner's authorized, trained representatives as provided in subsection (c) of K.S.A. 47-1709, and amendments thereto, upon receipt of a complaint by the commissioner and a determination by the commissioner that there are reasonable grounds to believe that the retail breeder is violating the provisions of K.S.A. 47-1701 et seq., and amendments thereto, or rules and regulations adopted thereunder or that there are grounds for suspension or revocation of such retail breeder's permit or that there are grounds that would be grounds for suspension or revocation of a license that such retail breeder would have been required to have if an election for an exemption was not in effect. If such grounds are substantiated pursuant to such inspection and the commissioner finds that the retail breeder is violating the provisions of K.S.A. 47-1701 et seq., and amendments thereto, or rules and regulations adopted thereunder or the commissioner finds that there are grounds for suspension or revocation of such retail breeder's permit

18-5

o. That there are grounds that would be grounds for suspension or revocation of a license that such retail breeder would have been required to have if an election for an exemption was not in effect.

(2) If the commissioner or the commissioner's authorized, trained representatives inspect a retail breeder who has been exempted from the requirement to be licensed in accordance from this section and the commissioner determines that there are reasonable grounds to believe that the retail breeder is violating the provisions of K.S.A. 47-1701 et seq., and amendments thereto, or rules and regulations adopted thereunder or that there are grounds for suspension or revocation of such retail breeder's permit or that there are grounds that would be grounds for suspension or revocation of a license that such retail breeder would have been required to have if an election for an exemption was not in effect, then the exemption provided such retail breeder under this subsection (c) shall no longer be in effect and such retail breeder shall be subject to the requirement to be licensed under the Kansas pet animal act.

(3) As used in this subsection (c), "violating the provisions of K.S.A. 47-1701 et seq., and amendments thereto, or rules and regulations adopted thereunder" shall not include failure to be licensed under the provisions of K.S.A. 47-1701 et seq., and amendments thereto.

(d) Any retail breeder, who was licensed under public law 91-579 (7 U.S.C. §2131 et seq.) and who elected to be exempt from the requirement to be licensed under the Kansas pet animal act in accordance with this section, shall no longer be exempt from the requirement to be licensed under the Kansas pet animal act if such retail breeder is no longer licensed under public law 91-579 (7 U.S.C. §2131 et seq.) and shall be required to be licensed under the Kansas pet animal act.

(e) This section shall be part of and supplemental to the Kansas pet animal act, K.S.A. 47-1701 et seq., and amendments thereto.