



## Panel Ponders Private Punk Prison

If Michigan is looking to cut costs, the state should look at using more privately run prisons as opposed to shutting them down, a House panel was told today.

Gov. Jennifer GRANHOLM has recommended closing the privately run Michigan Youth Correctional Facility (MYCF) in Baldwin as part of her budget plan. Located north of Baldwin, the MYCF is the state's only private owned prison. It was built in 1999 and is operated solely for male youth 13 to 19 years old.

Florida-based The Geo Group Inc., runs the level five standard facility, which means it can house the worst-behaved offenders, if need be.

Wayne CALABRESE, Vice Chairman and President of The Geo Group Inc., said the facility is one of most cost-effective for the state.

"The state selected this area of state because of its economic difficulties," Calabrese said.

"The community is very supportive. You are paying us \$10 less than the normal level five. We built it because the state wanted to make it work for more than 30 years. It still makes sense to us."

The MYCF accounts for 10 percent of Lake County's work force. It also provides funding for the county's Sheriff Department, senior citizens and wastewater management projects.

Committee Chair Rep. Jack BRANDENBURG (R-Harrison Twp.) said he didn't agree with the idea of the state breaking the lease.

"It sends a terrible signal for people that want to invest in this state," Brandenburg said. "This state needs all the investors it can get. We're not in good shape and frankly, I am surprised we're even considering it."

Geoffrey SEGAL, the director of privatization and government reform policy at California based "Reason" think tank, said as incarceration rates continue to rise, more private correctional facilities will help states in their long-term budgets.

"Saving money, improving quality, finding flexibility and providing innovation are all important," Segal said. "But keeping your facility competitive may be the most important."

According to the [Mackinac Center for Public Policy](#), if the state were to contract with the GEO Corp. for all of its 58 facilities, general fund savings could exceed \$250 million.

"By not having any private prisons, we don't have that competitive pencil sharpening effect," said Jack McHUGH, [Mackinac Center](#) legislative analyst. "Governments around the globe have been hiring private companies to do this for years."

Throughout the hearing Rep. Alma SMITH (D-Ypsilanti) asked numerous questions on whether the state would lose control of facilities if they were privatized.

"We're concerned by what people are being paid and what their benefits are," Smith said.

Smith pointed out that advocates of privatization are focusing on lower costs to the state, but not considering the effects of lower wages and personal employee benefits.

"We aren't comparing apples and apples here," she said.

Calabrese, who has worked at GEO since the late 80s, said he believes they are paying their workers fair wages and benefits.

"The best way of looking at that is looking at the people that work there," Calabrese added. "We have a good core of people that have been there since it opened. It is not our idea that this facility would be for anything but the corrections."

The GEO Group makes up about 22 percent of the more than 200 private facilities across 36 states. South Africa, United Kingdom and Australia are also home of some of their privatized prisons.

Segal, who has authored numerous studies and articles on privatizing prisons, said private facilities house up about five to six percent of all inmates.

"A conservative estimate is that private facilities run at around 10 to 15 percent less than public facilities," Segal added. "We can find two to three examples where there were problems with the facilities, but more states are going into the direction of privatization."

Former senators Joel GOUGEON and John CISKY, who served in the upper chamber when MYCF was built, said the problem is not in privatizing, but with sending the wrong kids to the prison.

"We made a mistake when I was in the Senate and its time we help correct that," Cisky said. "We are sending the wrong kids there. What do you do with this facility? Closing it to juveniles is my opinion. The process should take care of kids in a proper manner."