



HOUSE REPUBLICAN POLICY OFFICE

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ANALYSIS BY:
COMMITTEE:
FLOOR MANAGER:

HB 5800 – Baldwin Prison Reuse
Rep. Hansen
June 12, 2006
Alicia M. Urbain, Legal Counsel
Judiciary
Rep. Hansen

BILL ANALYSIS

HIGHLIGHTS

- Allows GEO to run a private prison at the site of the former YCF for inmates from anywhere in the country.
- Requires inmates to be at or below Michigan's security classification Level IV for the 12 months proceeding placement at the facility.
- Michigan agencies will not have oversight of the facility.

FISCAL IMPACT

- Unknown, but assuming the facility runs at full capacity, it could create over 200 jobs and many more community benefits.

SHORT SUMMARY: A bill to allow a private vender to run a private prison for offenders from Michigan or others states at the site of the former Youth Corrections Facility (YCF).

BACKGROUND: The YCF was a State initiated program, designed to be constructed and operated by a private company. In 1996, the State of Michigan invited private companies to submit competitive proposals for the construction and operation of a state prison designed specifically for the youth offender population in 1996. The State of Michigan did not pay for the construction of the prison; it required the private contractor to pay for the prison construction costs and agreed to lease the prison from the private contractor for a term ending in 2029. The YCF was built in Webber Township in Lake County, Michigan (Michigan's poorest county).

In the fall of 2005, the State, at the hands of the Governor, closed the YCF and canceled the lease. At the time of the closing, it was projected that the loss of the YCF would cause Lake County to directly lose:

- 229 jobs.
- Nearly 10 percent of all wages earned in the county, which would raise the unemployment rate to 25 percent.
- More than 50 percent of the county's commercial/industrial taxable property.
- 40 percent of Webber Township's entire tax base.
- 25 percent of the village of Baldwin's Waste Water Treatment Plant revenues, which would either default on bonds or force huge rate increases on residents of the State's poorest county.

In addition, the YCF has had a profound impact on the local community and since 1999 has paid:

- \$1.6 million for the services of local hospitals and medical providers;
- \$5.3 million in property taxes that were distributed to Lake County schools and various other local taxing entities;
- \$43.6 million in wages and benefits to facility employees;

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- More than \$3 million for the expansion and extension of the local water and sewer systems and more than \$2 million to local utilities for water, sewer, electricity, and gas services;
- More than \$325,000 for local goods, services, and supplies; and
- Thousands of dollars to local charities, including scholarships for local students.

BILL ANALYSIS: House Bill 5800 (H-3) will allow the private vender that owns the facility on the site of the former YCF (The GEO Group, Inc.) to run a private prison to house offenders not only from the State of Michigan but also from around the country. Current statute allows only Michigan inmates to populate the YCF. GEO will have the option of directly contracting with any local, state, or federal agency or could have one or more local, state, or federal agency enter into an interlocal agreement with Webber Township, Lake County, or the Lake County Sheriff who in turn may contract with GEO to provide services. As drafted, there will be no oversight of the facility by the Department of Corrections (DOC) or any other Michigan agency.

The bill does require that any contract that GEO enters into with another local, state, or federal agency shall include provisions that require GEO to:

- Obtain accreditation of the facility by the American Correctional Association (ACA) within 24 months after GEO begins operations at the facility. (ACA claims accreditation can be done in 18 months.);
- Operate the facility in compliance with ACA standards;
- Train personnel to meet ACA standards. (ACA standards are lower than current Michigan standards.)
- Report any serious incident (all felonies, escapes, deaths of inmates, riots, and attempts of the aforementioned) to the Lake County Sheriff and the Michigan State Police (MSP);

In addition, the bill states that:

- Inmates at the facility are not allowed to participate in any work release program or activity occurring outside the secure perimeter of the facility;
- GEO shall allow on-site monitors from any local, state, or federal agency that sends inmates to the facility. (If Michigan does not send inmates, they are not allowed to have on-site monitors);
- Whenever GEO does a written report required by sending jurisdictions, they shall send copies to the Webber Township Supervisor, the Lake County Board of Commissioners, the Lake County Sheriff, and the DOC;
- GEO employees are allowed to use force in the same manner and to the same extent as DOC employees are authorized;
- Inmates shall not be housed at the facility unless they are at or below a Level IV security classification and have been at or below Level IV for the preceding 12 months. (H-4 will require that the prisoner has never been above a Level IV); and
- Inmates shall be returned to the sending jurisdiction prior to release.

H-4 will require that inmates are transported in a secure manner, but will not spell out what that should be due to security concerns. DOC has an extensive policy on how prisoners are to be transported, but

because of security issues, that policy is exempt from the public. The same security issues exist if GEO is required by statute to comply with a specific policy set out in statute.

QUESTIONS/CONCERNS:

1. What factors go into security classification levels in Michigan? Can a person sentenced to life without the possibility of parole for a premeditated mass murder spree or a terrorist attack have their security classification lowered to a Level IV or below over time, thus allowing them to be housed in the GEO facility?
2. Will anyone or should anyone be monitoring the facility to make sure they have maintained their ACA accreditation, their employees are properly trained, they are using secure transportation, and they have the appropriate security measures in place?
3. The bill allows GEO employees to use force in the same manner to the same extent that DOC employees are allowed to use force. What is DOC employees allowed to do?

POSITIONS:

SUPPORT:

OPPOSITION:

NEUTRAL:

COMMITTEE VOTE:

YES:

NO:

NOT VOTING: