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## Davis to Close State's Privately Run Prisons

■ Funding: Elected with the help of \$2.3 million from guards' union, governor includes plan in budget.

By DAN MORAIN, TIMES STAFF WRITER

SACRAMENTO -- Gov. Gray Davis is ending California's experiment with privately operated prisons, fulfilling his promise to a state prison guards union that spent \$2.3 million to help elect him four years ago.

The governor's decision, tucked away in a little-noticed paragraph deep within his budget proposal, comes as he seeks the endorsement of the California Correctional Peace Officers Assn. and the hundreds of thousands of dollars in campaign donations that accompany it.

Although the union hasn't yet chosen between Davis and Republican Bill Simon Jr. for the November election, it is clearly pleased with Davis' move. In a recent telephone recording intended for union members, a longtime lobbyist for the Correctional Peace Officers said the proposal "does follow through with promises made by Gov. Davis in past years. . . . So the governor [is] a man of his word in that regard."

Davis' budget proposes closing five of California's nine private prisons on June 30 and phasing out the rest as their operating contracts expire. He cites budget concerns, saying that the state can save about \$5 million by closing the minimum-security facilities. Others, including the legislative analyst's office, dispute the potential savings.

Although administration officials cited problems with some private prisons, recent audits by the California Department of Corrections gave high marks to all five facilities slated for closure.

The governor's plan will be reviewed by the Legislature. But even if lawmakers try to keep the prisons open, the governor will have the last word: He can use his line-item veto authority to remove their funding.

Critics in the Legislature denounced the proposal as a favor to the prison guards' union, which has long fought the use of private prisons, where the public employees' organization has no jurisdiction.

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"Quite obviously, it is a political payback from the governor," said Assemblyman Phil Wyman (R-Tehachapi).

The plan is the latest instance in which Davis has taken actions to keep the union in his camp.

Most prominently, he signed into law a labor agreement, negotiated by his staff, that will boost prison guards' pay 33.76% over the next five years. By comparison, the administration has reached labor pacts giving most other state workers a 5% raise in their take-home pay over the next two years. The legislative analyst's office projects that all the contracts will cost a combined \$902 million by 2006-07. The agreement with the correctional officers, which takes full effect that year, will account for \$652 million of that sum.

### Union Among Largest Campaign Donors

Under the guards' contract, the union's 28,000 members will attain virtual parity in pay and benefits with California Highway Patrol officers, and their raises will be pegged to those given to police in Los Angeles, San Diego, San Francisco and Oakland.

The Correctional Peace Officers Assn. is among the largest campaign donors in the state. Its support bestows the imprimatur of law enforcement, which can be especially important for Democrats.

In the 1998 campaign, the union's endorsement "was a key part of the Davis team's strategy to defend against any notion that he was soft on crime," recalled Dave Puglia, a top aide to Republican Dan Lungren's failed campaign.

After the election, union President Don Novey estimated that his union had spent \$2.3 million in direct donations and independent spending to help elect Davis.

Since Davis took office in 1999, the union has donated \$55,000 directly to his campaign committee and helped him raise \$356,000 more by hosting the Governor's Cup golf tournaments at Pebble Beach, which attract a who's who of Sacramento's lobbyist corps.

"Clearly, [the union's endorsement] is a top priority," said Bob Stern of the Center for Governmental Studies in Los Angeles. "They're one of the most powerful interest groups in California, if not the most powerful group."

Wyman, the Republican legislator, felt the union's wrath when it spent more than \$200,000 to help defeat him in last week's Republican primary for a redrawn Assembly seat in the Lancaster area. Wyman attributes the union's animus to his support of private prisons, but Novey said there were other reasons.

Davis Press Secretary Steven Maviglio said the union's political sway had nothing to do with Davis' proposal to close the facilities. Rather, facing a \$17.1-billion deficit, Davis saw an opportunity to save money, Maviglio said. The governor believes his plan would save the state \$5.1 million. The

legislative analyst's office puts the savings at about half that sum.

"The main reason is to save money and because of the declining inmate population," Maviglio said. "But one of the reasons is that privatization is more trouble than it has been worth. There have been a lot of lawsuits and headaches."

"Whatever the reasons, we'll take it," former union lobbyist Jeff Thompson said in the recorded phone message to union members.

In the recording, Thompson both extolled the labor contract, citing a legislative analysis that the pay hike would "conservatively" cost the state between \$500 million and \$1 billion annually by 2006, and lauded Davis' proposal to scrap the five private prisons.

#### Message Refers to Promises by Davis

"As many of our members are aware, the whole concept of privatization has been a thorn in our side," the message said. "That move is appreciated. It does follow through with promises made by Gov. Davis in past years on this subject matter. So the governor [is] a man of his word in that regard."

The union asked Davis and Lungren about their positions on private prisons during the 1998 campaign, but it's not an issue that Davis discussed publicly. Maviglio said he was unaware of any promise by Davis, and Thompson could not be reached. Union President Novey said he has not discussed the issue with the governor.

The California Correctional Peace Officers Assn. represents the 28,000 guards in state prisons but has no jurisdiction over private institutions. Novey said his opposition has nothing to do with the union's lack of influence over the private facilities.

"They are prisons for profit," Novey said in an interview. "They're there to make a profit. Public safety should never be put in a position of having to make money. . . . It doesn't have to do with the numbers. You don't barter public safety issues."

The decision to scrap private prisons amounts to a reversal of policies of Davis' Republican predecessors, George Deukmejian and Pete Wilson, who authorized them as a way to house minimum-security inmates at relatively low cost, and help ease crowding at state prisons at a time when the number of inmates was rising rapidly.

Today, the prison population has fallen to 156,000 from a peak of 162,000. Still, California's 33 prisons remain at almost 190% of capacity, according to the Department of Corrections.

By state prison standards, the private lockups are small. The five slated for closure house a combined 1,400 inmates. The inmates are nearing the end of their sentences, and all have been screened by state corrections officials and deemed low-risk.

The five prisons scheduled to close on June 30 are Mesa Verde in

Bakersfield; Leo Chesney in Live Oak, north of Sacramento; Baker Community Correctional Facility in the desert town east of Los Angeles; Eagle Mountain in Riverside County; and McFarland Community Correctional Facility in Kern County.

Four additional prisons would close when their contracts expire in 2007: Victor Valley and Desert View, both in Adelanto, San Bernardino County; and Central Valley and Golden State, both in McFarland.

"I don't think Gov. Davis knows enough about what the private prisons are doing," said Marvin Wiebe of Cornell Cos., the Houston-based firm that runs the Baker and Live Oak facilities. "If he could send his people out, I think he'd have a different perspective."

Although the state estimates that it houses prisoners for slightly less than Cornell's annual cost of \$14,910 per inmate, Wiebe said the state doesn't count the cost of building state prisons, roughly \$500 million each. When construction and other costs are taken into account, the state cost is far higher than the private prison cost, he said.

"I absolutely think it will cost the state money. We're significantly less expensive," Wiebe said.

#### Corrections Official Praises Live Oak Prison

In a letter last August, Gregory Harding, the Department of Corrections official who oversees private prisons, said that in a two-year period there were only two drug-related offenses at the Live Oak prison, suggesting it "is largely free of drugs and drug use."

"The inmates are treated with fundamental fairness and the facility is a clean, orderly, well-managed facility with excellent leadership," Harding's letter says.

Companies that run four of the five prisons--Cornell, Management and Training Corp. of Utah, and Wackenhut Corrections Co. of Florida--operate in other states. Alternative Programs Inc., however, has only Mesa Verde in Bakersfield, where it is based.

An audit done in 2000 found Mesa Verde to be in compliance with 95% of the state's requirements. What's more, the company charges the state less per inmate now than when it opened in 1987, and a state corrections official lauded Mesa Verde in 1998 as "an efficient, well-run operation" that is involved in community projects. It donates much of the harvest from its vegetable garden to local homeless shelters, for example.

"It's the union," said Gary White, Mesa Verde's co-founder. "They've stated for years that they want to do away with privatization. [Davis] needs their backing for the upcoming election. That's my opinion. He has got to have their backing, and the money that goes with it. That's politics."

Private prisons won't disappear without a battle. Sen. Richard Polanco (D-Los Angeles), a critic of state prisons and of the guards' union, vowed to try to persuade Davis that closing the private prisons will cost the state

money and "create more problems and overcrowding in the [state] prisons."

Steve Green, spokesman for the Youth and Adult Correctional Agency, said that even though some private prisons are well run, particularly the one at Live Oak, others have caused "enormous administrative problems."

But he said the decision to close the facilities is firm. "We've come to the conclusion that we don't want any more contract prisons, and we're going to let the contracts expire," he said.

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