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(FORM UPDATED: 08/11/2010)

**WISCONSIN STATE LEGISLATURE ...
PUBLIC HEARING - COMMITTEE RECORDS**

1997-98

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on ... Corrections Facilities (AC-CoFa)

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Mike Barman (LRB) (May/2012)

- Terry Craney - WEAC
- Phil Neuenfeldt, Wisconsin State AFL-CIO
- Bob Lyons, AFSCME Council 40
- Richard Akelson, AFSCME Council 48
- Dave Mehrer, Operating Engineers Local 310
- Carol Nelson, Northern Tier UniServ
- Karl Hacker, AFSCME Council 24
- Doug Lueck, 3048 N. Humboldt Blvd, Milwaukee 53212
- Steve Boudreaux, Iron Workers Local 8
- Paul Wright, AFSCME Local 3021
- James W. Knaack, Racine, Kenosha & Milwaukee County Areas - State Corrections Officers Union
- Ellen LaLuzeme, 2112 E. Main St., Madison 53704
- Harvey D. Hoefl, Correction Officers AFSCME
- Mike Moore, WEAC
- Tom Fisher, Wisconsin Laborers District Council
- Joe Oswald, WI Laborers' District Council
- Brad Foley, LHS, DOC
- Robert E. Burns Jr., AFSCME Local 219
- Julie Peters, Ethan Allen School & Mil. Corrective Sanctions
- Frank Ryan, AFSCME
- Robert McLinn, Waupun Corrections Local 18
- Dale Pierce, Oshkosh Corr. Inst.
- Bob Rudek, Taycheedah Corr. Inst.
- Mel Elgersma, Dodge Corr. Inst.
- Andrew Bath, Fox Lake Corr. Inst. Corrections Officers
- Gary Lonzo, Green Bay Corr. Inst.
- Lawrence Lautenschlager, Wis. Resource Center Employees
- Ronald D. McAllister, Lincoln Hills School IRAM WI

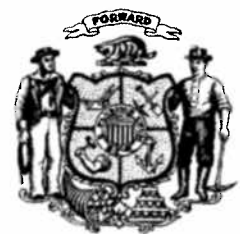
March 26, 1998

Failed to pass pursuant to Senate Joint Resolution 1.

Mark Grapentine
Committee Clerk



WISCONSIN STATE LEGISLATURE



WISCONSIN LABORERS' DISTRICT COUNCIL

AFFILIATED WITH A.F.L.-C.I.O.
LABORERS' INTERNATIONAL UNION OF NORTH AMERICA
2801 COHO STREET, SUITE 202 • MADISON, WISCONSIN 53713
PHONE (608) 274-5757 • FAX (608) 274-5707 - (800) 782-4634

MICHAEL R. RYAN
PRESIDENT/
BUSINESS MANAGER

WILLIAM E. JOHNSON
VICE-PRESIDENT

THOMAS E. FISHER
SEC-TREAS.
REC. SECY

January 27, 1998

To: Members of Assembly Corrections Facilities Committee
From: Michael Ryan, President/Business Manager
Re: Opposition to AB 634

As you know, Wisconsin has a prevailing wage law that applies to all qualifying public works projects in this state. Every year, the Department of Workforce Development conducts a comprehensive survey of all contractors in the state in order to determine wages that "prevail" in the private sector. It then uses that data to issue local wage determinations on public works projects as projects are proposed.

Prison construction has always been subject to the prevailing wage law.

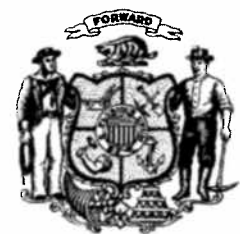
One of the objectives of the prevailing wage law is to prevent unscrupulous contractors from bidding and winning work based on pay scales that undermine area standards. By allowing private firms to construct a prison and house state inmates, AB 634 circumvents Wisconsin Prevailing Wage Law, allowing public money to undermine family supporting public construction jobs -- inviting the very sort of unscrupulous activity that the prevailing wage law was designed to prevent.

It is my understanding that companies from Oklahoma, Florida and Tennessee have already expressed interest in building and/or operating these facilities. Prison construction in Wisconsin should remain public works project.

A long time ago the people of this state decided that they were not going to take advantage of construction workers by rewarding contractors who slash wages in order to win work. We certainly do not need to start now.



WISCONSIN STATE LEGISLATURE





Representative Scott Walker

Phone: (608) 266-9180 or (414) 771-1938 ~ FAX: (608) 282-3614 ~ E-Mail: Rep.Walker@legis.state.wi.us

MEDIA ADVISORY – JANUARY 28, 1998

PRIVATE PRISON BILL GETS PUBLIC HEARING THIS MORNING ***Bill Allows Prisoners, Jobs to Stay in the State***

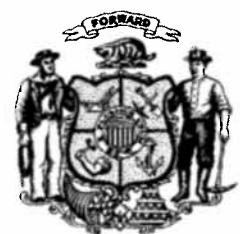
A bill allowing the state to contract with private prison companies doing business in Wisconsin gets a public hearing this morning in front of the Assembly's Committee on Corrections Facilities.

Under current law, the Department of Corrections can contract with private companies for the transfer and confinement of Wisconsin prison system inmates, but only in out-of-state facilities. Assembly Bill 634, co-authored by Reps. Scott Walker (R-Wauwatosa) and Bonnie Ladwig (R-Racine) lets the state make similar arrangements for prisoners in privately-run Wisconsin-sited facilities.

The hearing will be held this morning, **Wednesday, January 28th at 10 a.m.** in room **424 Northeast** in the State Capitol.



WISCONSIN STATE LEGISLATURE





Martin Beil
Executive Director

AFSCME Council 24

AFL-CIO

WISCONSIN STATE EMPLOYEES UNION

The Union That Cares

8033 Excelsior Drive, Suite C, Madison, WI 53717

Phone (608) 836-0024

Fax (608) 836-0222

Gary Lonzo
President

January 28, 1998

MARTIN BEIL'S TESTIMONY ON AB 634 BEFORE THE ASSEMBLY CORRECTIONS COMMITTEE

I appreciate the opportunity to share the concerns AFSCME Council 24 has with Assembly Bill 634.

Progressive public policy is a hallmark of Wisconsin government. Assembly Bill 634 steps away from this tradition and moves the state in a direction that is philosophically wrong and presents a potential fiscal risk to Wisconsin taxpayers.

Secretary Sullivan rightly points out that privatization will not save money. The departmental fiscal estimate supports his statement. A recent study, The State of Knowledge on the Privatization of Prison and Jail Operations, concludes that no **rigorous scientific research** has been conducted to support the contention that private prisons operate **more** efficiently, safely and provide the same quality of services that exist in the public sector. The study points out that there is extensive literature on this topic, but that it is primarily descriptive and lacks empirical evidence to support the claims posited.

What does emerge from existing literature are the many unanswered questions that must be addressed when considering the shift of such a fundamental responsibility from government to the private sector.

The first unanswered question that I ask you to consider today is, "What are the potential liabilities for the taxpayer when government delegates this responsibility?" The state may be open to significant damages not only from inmate lawsuits, but commercial and contractual liability as well. *While the state may delegate their responsibility, delegation does not absolve them of responsibility.*

The second question is what other costs may the state incur from this type of contractual relationship? We can look to privatization experiences in other states to get an idea of what may go wrong.

Consider that private prison operators answer FIRST to their shareholders. Bottom line pressures may and have provided incentives to private prison operators to retain their

inmate populations and do little to reduce recidivism. Some may report negatively on inmate behavior to reduce the opportunities for probation and parole. Most contracts require a minimum number of inmates to fulfill their contract requirements.

Consider that after making an investment in bed capacity that private prison operators have an enormous financial incentive in keeping those beds filled. Imagine yet another group of powerful private interests at your door, ready to milk the state coffers, encouraging you to lock the prisoners up sooner and keep them there longer.

Consider as well the difficulties in terminating a contract with a private provider who has invested enormous amounts in bed capacity and is performing poorly. Who will provide you with a comparable service and facility on such short notice? What will the state do if a private operator goes bankrupt? Should the state provide the risk reserves necessary to protect them from the mismanagement of a private facility? What happens if the employees strike? As you build private capacity, you will lose public sector capacity and that capacity will be enormously expensive to rebuild. Building more prisons, public or private, will not provide taxpayers with the ultimate solution to the burgeoning prison population.

Other questions arise on how private prisons will address infrastructure issues such as providing transportation and medical care. How will private prison operators respond to riots, natural disasters and other crises that present themselves in volatile environments? These are not tasks that can be safely shifted to public employees should the need arise. Professional correctional officers should not be expected to enter dangerous situations in unfamiliar facilities with staff that do not have the training and experience that serves as their greatest protection in crisis situations.

Even though this initiative is purportedly not based on cost savings, let's examine a few of the economic issues.

Unscientific comparisons have been done on the efficiencies of private vs. public. Several factors must be considered here.

First, you will not get an apples to apples comparison. No privatization efforts have encompassed the breadth and complexity of a typical state prison operation. A few have been modestly successful, but have been structured to serve a small number of minimum/medium security inmates who have been prescreened for behavioral problems and expensive medical conditions. The cream of the crop is taken by the private operators leaving the incorrigible and medically demanding inmates for the state operations.

Cost averages between public and private facilities are not comparable. Governmental accounting methods vary sometimes from agency to agency. The averages used for governmental prisons include maximum and specialty facilities while private operations have their costs based on low risk, less labor intensive types of facilities.

Purported cost savings in prison operations come from the wages and benefits of private prison employees. This has a negative impact on the recruitment and retention of quality staff which results in substandard prison management and jeopardizes the safety of employees. COs in private prisons often report that positions are left unfilled so that savings can be shown to insure continuation of public contracts. There is no better investment in any program or service, public or private, than the investment in a productive, reliable and skilled workforce. I dare say that as your tenure increases in the Legislature, the wisdom and experience you gain makes you a better legislator. I'm sure this is what you communicate to your constituents.

Finally, the most important questions for you to answer are: What is the role of government in protecting the safety of its citizens? What should the context of governmental power and authority be? The operation of any type of penal institution involves the use of coercive power and in our democratic system we have reserved and limited that power to government. The transfer of that power to a for-profit business is a dangerous move and inconsistent with our efforts to serve justice in an effective and humane manner. If this important governmental responsibility can be placed with people whose motives are profit, then why not have private prosecutors or judges? There are thousands of hungry young lawyers who would do either job, or both, for a fraction of the cost.

This bill is a sham. It's an attempt to shift responsibility from the Administration and Legislature to people in business suits. To sweep the dirt under the rug and away from the scrutiny of the taxpayer. Until you can produce one good reason why this initiative should be pursued, we would urge you to strike this bill from your agendas and get on with the business of improving the system we have. We're up to the task. Are you?





Scott Walker

Wauwatosa's Representative in the Wisconsin State Assembly

Assembly Bill 634 - Private Prisons in Wisconsin January 28, 1997 - Corrections Facilities Committee

As of January 23, 1998, the Wisconsin Department of Corrections held 14,987 inmates in facilities with a capacity of 10,897. With the uncertainty of the impact of the Supreme Court decision on inmates in county jails coming up this fall and the possible enactment of legislation to end parole and early release, it's safe to assume that the number of inmates within the system will not drop significantly and will, most likely, increase within the year.

Protecting Public Safety

With this in mind, Representative Bonnie Ladwig and I have introduced Assembly Bill 634 to deal with our future public safety needs. Act 27 (the 1997/98 state budget) authorizes funding for the construction of 1,000 medium security beds and a 600 bed detention facility in southeastern Wisconsin with 400 beds for parole and probation violators and 200 for AODA treatment.

The same budget provides funding to contract for 500 beds with a private prison *in another state* and for an additional 1,000 contract beds by the end of the biennium. Currently, 630 Wisconsin inmates are held at county jails in Texas with the statutory authority to hold up to 700.

As corrections officials can tell you, a system that routinely runs 4,000 or more inmates over capacity is a system that raises public safety concerns for corrections officials and for the general public. Our bill allows DOC the same authority to negotiate contracts (as we have with county jails in Texas and are currently in the process of negotiating with private prisons in other states) that ensure public safety and can be voided if those terms are not met by the prison management.

Interestingly, all of the peer-reviewed studies on private prisons that I have seen provide high ratings for public safety at private prisons. In a December 17, 1997 letter that I sent to Gary Lonzo, president of the correctional officers union, I noted several of these reports.

Protecting Wisconsin Jobs

Per Act 27, the Department of Corrections may contract with a private prison for the transfer and confinement *in another state* of prisoners from Wisconsin. With funding for 500 beds that must go to a private prison *in another state* and funding for an additional 1,000 that may go to a private prison in another state, it seems ridiculous that we would allow Wisconsin inmates to go to a prison where the staff is hired from another state.

AB 634 will protect Wisconsin jobs by keeping both the inmates and the jobs associated with housing those inmates in our own state. This means more people are working in Wisconsin, paying taxes in Wisconsin and helping the economy grow in Wisconsin.



Protecting Wisconsin Taxpayers

All of the reports that I cited in the December 17, 1997 letter show a significant cost savings at private prisons. A recent audit report (November 1997) by the Wisconsin Legislative Audit Bureau also reviewed various reports and found that they listed cost savings or no significant difference, but none showed that private prisons cost anymore than public systems.

Currently, the DOC is negotiating for the placement of Wisconsin inmates at private facilities in Tennessee. The daily inmate cost in these contracts is \$42 for maximum and medium security inmates. The overall daily cost per inmate in Wisconsin is \$53.51 while maximum security inmates cost \$61.71 and medium security inmates cost \$45.56. Any way that you look at the issue, taxpayers would save money.

Another report that was cited in the December 17, 1997 letter projects a cost savings of 11% to 14% for private prisons. These same reports show high levels of satisfaction from the public and from elected officials.

Summary

At our last meeting, DOC Secretary Michael Sullivan mentioned his interest in working on legislation to provide oversight for any private prison that might be built in this state. We have begun work with his office and with the Legislative Reference Bureau on this issue. In addition, in our December 17th letter, I personally invited Gary Lonzo and his members to assist us in the drafting of such language.

Our plan, AB 634, will allow the state to lock up more criminals in prison (and not be out on the street) while maintaining prison jobs in our state, helping to keep correctional officers safe and holding down costs for Wisconsin taxpayers.



Scott Walker

Wauwatosa's Representative in the Wisconsin State Assembly

December 17, 1997

Gary Lonzo, President
AFSCME Council 24
8033 Excelsior Dr., Suite C
Madison, Wisconsin 53717

Dear Gary:

During my brief tenure in the Wisconsin State Assembly, I have enjoyed working with the men and women who work in our state corrections system on a number of key issues. Last session, we worked together on the bill to build a Supermax prison to place our problem inmates away from the general population. I was glad to make the arguments with members of the Criminal Justice and Corrections and Joint Finance committees and on the floor as to why this was important for the safety of our correctional officers.

During this session, I proudly co-authored Truth-in-Sentencing with Representative Sykora and was happy to have your support as we look to replace "good time" with "bad time" and keep criminals in prison for their entire sentence. I was also happy to push for new prison beds in the budget and to fight to keep and add to the number introduced by the Governor in his budget recommendations.

In my opinion, the greatest challenge we face within state government is the issue of inmate overcrowding. I will continue to work to build more prison capacity. Under the current climate, however, it is very difficult to convince my colleagues to fund more prison construction within the next year. Considering the fact that our system is built to hold 9,538 and the adult population as of December 12, 1997 was 14,741, it is clear that we must consider additional short-term options.

Currently, we hold 630 inmates in county jails in Texas and have the statutory authority to increase that number to 700. In addition, the 1997/98 state budget provides funding for 500 out-of-state contract beds with a private facility. We also added funding to bring on 1,000 more contract beds by the end of the biennium (to replace intensive sanctions).

The capital budget provides for constructing 1,000 medium security beds and a 600-bed detention facility in southeastern Wisconsin for parole and probation violators (on which I worked very hard on with local officials). These facilities, however, will not be ready until after the year 2000.

With the number of inmates coming into the corrections system climbing each month, we are nearing a crisis situation. Our bill to allow DOC to contract with a private firm in this state or in another state is a response to the reality that we need as many options as possible to deal with overcrowding within the current system. At best, it seems disingenuous to raise concerns about private prisons in Wisconsin when your organization did not send out a single memo regarding the 1997/98 state budget which included contracting for 500 beds with a private prison in another state.

In your December 8, 1997 press release, you state that "All recent studies we have seen, including the abhorrent beating of inmates in a private Texas facility, show that privatization leads to abuse and mishandling of inmates." Please provide me with copies of these studies, because all of the peer-reviewed studies that I have seen show just the opposite to be true.



Gary Lonzo
December 17, 1997
Page Two

A study by Professor Charles H. Logan of the University of Connecticut entitled, "Comparing Quality of Confinement in a Public and a Private Prison" actually gave a higher overall rating to private prisons versus public prisons, as well as higher scores for security, safety, order, activity, conditions and management. Last December, Professors William G. Archambeault, Ph.D. and Donald R. Deis, Jr., Ph.D. of Louisiana State University published, "Cost Effectiveness Comparisons of Private Versus Public Prisons in Louisiana" and found private prisons to be "significantly more cost-effective to operate by 11.69% to 13.8%," to "provide safer work environments for employees," and to "provide significantly safer living environments for inmates in terms of preventing assaults by inmates on inmates."

The 1996 Annual Report of the Florida Corrections Commission endorsed privatization, encouraged expansion and fuller utilization of the exist[ing] privatized operations."

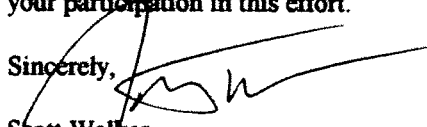
In December of 1996, the Wisconsin Policy Research Institute published the report, "Controlling Prison Costs in Wisconsin" which provided a comprehensive review of privately-operated prison facilities. The reports projects a cost savings of 11% to 14% for the state and notes the high level of satisfaction from elected officials of the management regarding these facilities. Furthermore, the report notes that the business agent of Council No. 65 of AFSCME has been open to working with Corrections Corporation of America (CCA) in Minnesota.

In addition, your press release referenced the incident at a county jail in Texas that was managed by CCRI. First, pointing to one isolated incident as an indictment of the entire system of privately-run prisons is absurd. Interestingly, the week that "Dateline NBC" ran the videotape from Brazoria County, Texas and interviewed the inmates was also the week that "Prime Time Live" ran a story on inmate beatings at Georgia prison run by public employees. Should we assume that inmates are beat at all prisons - public and private - based on these stories? Or closer to home, should we assume that all guards discriminate against minorities because of the story of one officer? Of course not.

Second, what you conveniently left out in your statement "including the abhorrent beating of inmates in a private Texas facility," is the fact that the Wisconsin Department of Corrections had reviewed a facility operated by CCRI when considering contracts for the current inmates held in Texas jails and had rejected the CCRI-run facility because of concerns over management. In other words, our DOC officials are capable of choosing between a qualified private prison and an unqualified private prison.

Which leads me to the final point. When Secretary Sullivan testified before the Assembly Committee on Corrections Facilities, he mentioned an interest in contracting with a private prison in Wisconsin if we could also forward legislation that would provide DOC with oversight authority over these private prisons. According to last December's Wisconsin Policy Research Institute report, 28 private facilities were accredited by the American Correctional Association. Of the remainder, 10 were in the progress of being accredited, 18 were seeking accreditation and 37 were not accredited.

We would be open to drafting language that would limit contracting for prison beds with private firms only to accredited facilities (or some similar language) as a way to address some of your potential concerns. We ask for your participation in this effort.

Sincerely,

Scott Walker
State Representative
Chair, Corrections Facilities Committee

cc: Governor Tommy G. Thompson; Secretary Michael Sullivan; Speaker Scott Jensen; Representative Bonnie Ladwig; Senator Dave Zien; members of Corrections Facilities Committee



PRIVATE



AB 634
folder

CORRECTIONS

CCA
CORRECTIONS CORPORATION OF AMERICA

FOR PUBLIC



BENEFIT

CORRECTIONS CORPORATION OF AMERICA (CCA)
IS THE LEADING PRIVATE SECTOR PROVIDER OF
DETENTION AND CORRECTIONS SERVICES. THE
COMPANY COST-EFFECTIVELY DESIGNS, FINANCES,
BUILDS AND MANAGES CORRECTIONAL FACILITIES
IN PARTNERSHIP WITH FEDERAL, STATE AND
LOCAL GOVERNMENTS.

CCA'S MISSION IS TO PROVIDE QUALITY
CORRECTIONS, AT LESS COST TO THE TAXPAYER,
IN PARTNERSHIP WITH GOVERNMENT. FOUNDED
IN 1983, CCA CURRENTLY OPERATES ADULT
AND JUVENILE BEDS IN FACILITIES THROUGHOUT
THE UNITED STATES, PUERTO RICO, AUSTRALIA
AND THE UNITED KINGDOM.

TRANSCOR AMERICA, A CCA SUBSIDIARY, IS THE
NATION'S LARGEST AND MOST EXPERIENCED LONG-
DISTANCE PRISONER TRANSPORTATION COMPANY.

CCA IS A PUBLICLY TRADED COMPANY LISTED
ON THE NEW YORK STOCK EXCHANGE UNDER THE
SYMBOL "CXC."

THE INDUSTRY LEADER

As the world's largest provider of private sector corrections, CCA continues to lead the way for the entire industry. CCA's accomplishments have charted the course of private corrections throughout the nation and abroad. CCA was the first company to:

- Design, build and operate a private prison (Houston Processing Center, 1984)
- Design, build and operate a private women's prison (New Mexico Women's Correctional Facility, 1989)
- Design, build and manage a private secure juvenile facility (Shelby Training Center, 1986)
- Operate a private correctional facility outside the U.S. (Borallon Correctional Centre, 1990)
- Operate a private medium-security prison in the U.S. (Winn Correctional Center, 1990)
- Manage a private maximum-security facility under direct contract with a federal agency (Leavenworth Detention Center, 1992)
- Contract to house sentenced offenders in Great Britain (HMP Blakenhurst, 1992)

- Operate a private prison in Puerto Rico (Guayama Correctional Center, 1995)
- Negotiate the purchase, lease-back and management agreement of an existing government institution (Correctional Treatment Facility, Washington, D.C., 1996)
- Help create a Real Estate Investment Trust, the world's first publicly traded REIT for correctional facilities (July 1997)

THE CCA WAY

CCA offers a necessary and fundamental service to government at less cost to taxpayers. CCA's contractual partners enjoy the benefits of working with a well-managed, fiscally sound organization that moves quickly to accommodate individual customer needs. CCA produces cost savings by applying proven business principles to the construction and management of a correctional setting.

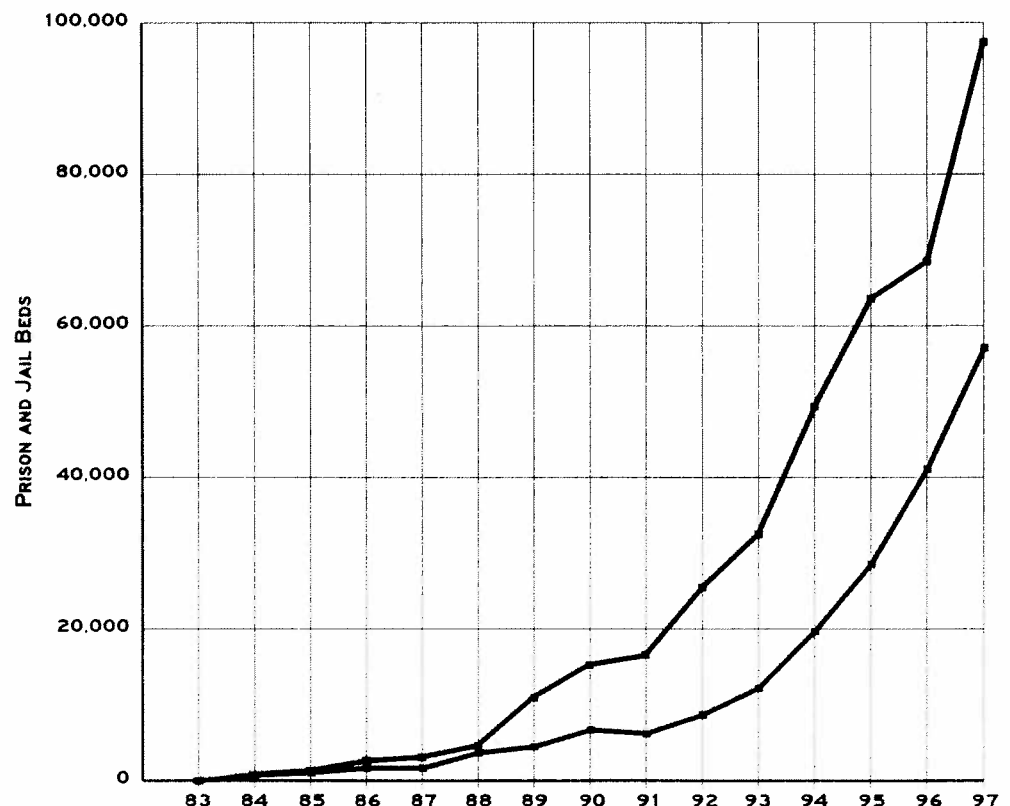
Efficient Design

CCA designs facilities to house all operational areas under one roof, ensuring clear sight observation and avoiding unusable space.



CCA AND PRIVATE SECTOR
CORRECTIONS INDUSTRY GROWTH

- Industry
- CCA



State-of-the-Art Technology

CCA facilities feature the most modern correctional technology, including electronic controls and surveillance equipment. These measures help to ensure the safety of staff, inmates and the community.

Professional Staff

CCA hires an adequate number of staff, provides extensive training and efficiently manages personnel to control overtime costs. The majority of staff are hired locally.

Decentralized Management

Philosophy

CCA allows its facility wardens to operate without cumbersome bureaucratic regulations. Purchasing decisions, many of which are local, are made based on the best value for the facility.

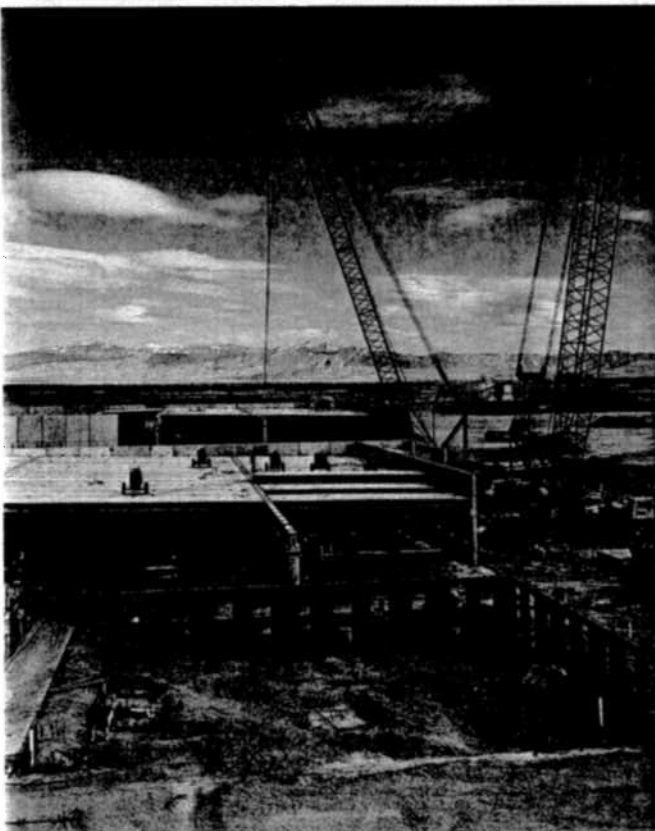
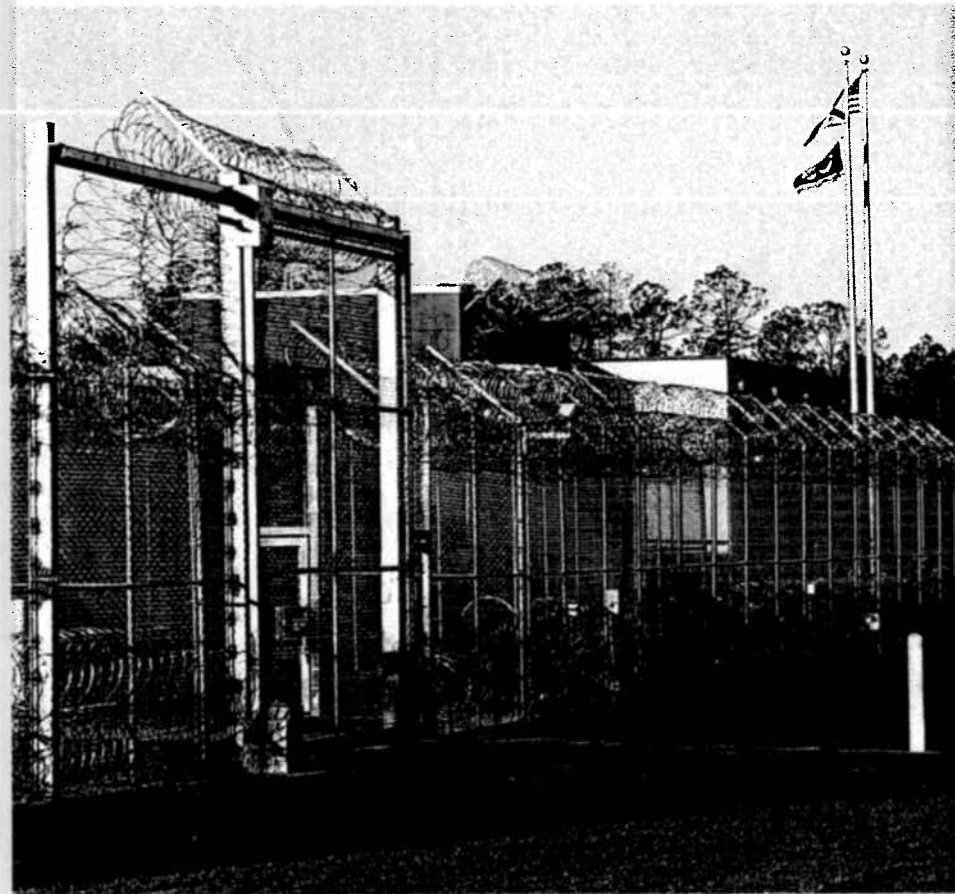
Financial Stability

CCA has more than \$225 million in assets, supported by \$30 million in general liability insurance per facility. CCA fully indemnifies the governmental agency and its elected officials, agents and employees against all lawsuits filed against the facility during the term of the contract.

A BROAD SPECTRUM OF SERVICE

CCA's expertise covers adult and juvenile, male and female offenders at all levels of security. The average security level of the adult population in CCA facilities is 15 percent maximum security, 70 percent medium security and 15 percent minimum security.

CCA offers a broad range of services aimed at increasing the productivity of offenders during the time they are housed at the facility. Education, counseling, religious and recreational services are provided at each CCA facility. In addition, vocational training and substance abuse treatment offer inmates an opportunity to learn useful skills and change their lifestyles. In fact, CCA's therapeutic community substance abuse treatment program is renowned throughout the country. The three-phase program emphasizes responsibility, accountability and attitudinal changes. This treatment model has been implemented in several CCA facilities in the U.S. and Puerto Rico.



EXCELLENCE IN CORRECTIONS

Quality is CCA's top priority. Each facility is managed according to the highest operational standards of the American Correctional Association. In addition, CCA has an internal quality assurance program that includes independent on-site monitoring of each facility.

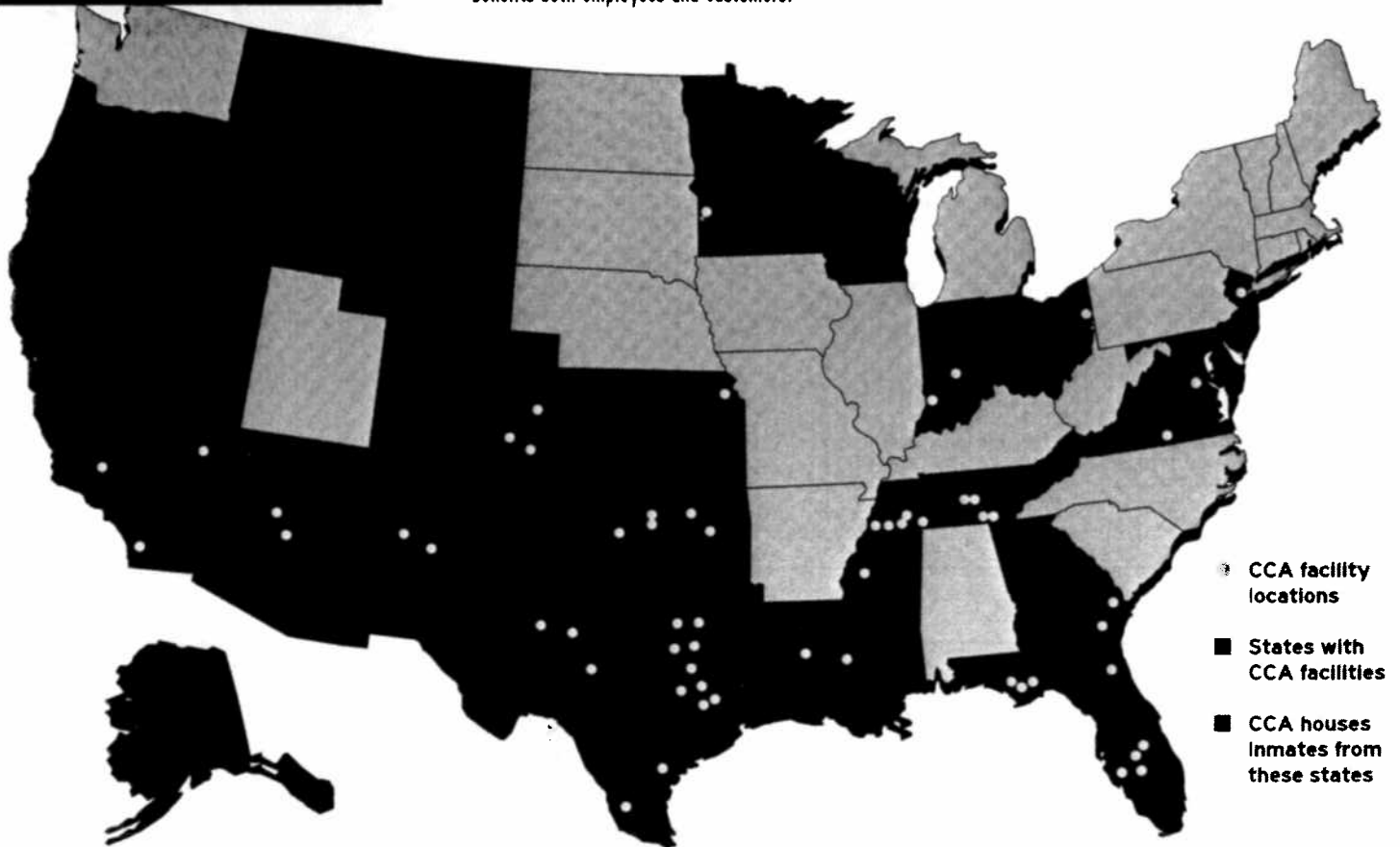
CCA's focus on quality corrections succeeds because it emphasizes the contributions of those who most affect it: CCA employees. CCA's employee-centered management philosophy advocates a safe and secure work environment, extensive training, competitive compensation, and employee incentives and recognition.

In an industry where employee turnover is high and costly, CCA also secures employee loyalty and longevity by providing staff an investment in their future. One of the benefits for all CCA employees is company ownership through the Employee Stock Ownership Plan (ESOP). Through voluntary contributions to the ESOP and contributions made by CCA on behalf of each employee, every individual working at the company has a stake in its success. CCA's ESOP is a unique incentive that directly benefits both employees and customers.

A LOCAL PLAYER

CCA is an active contributor to the local economy and quality of life in each of its communities. In addition to cost savings, each facility brings new jobs and new business to the community. CCA facilities make a significant percentage of their purchases in the local area.

CCA's management and staff work together to contribute to causes and events that directly benefit the local area. Facilities regularly host community tours and educational programs for children of all ages. As an educator, employer and economic contributor, CCA is a good neighbor bringing multiple benefits for those who live and work in the area.



BRIEF HISTORY

January 1983 Founded and incorporated in Nashville, Tenn., by Thomas W. Beasley, Doctor R. Crants and T. Don Hutto

January 1984 Assumed management of Tall Trees, a non-secure juvenile facility, for the Juvenile Court of Memphis and Shelby County (63 beds)

April 1984 Opened Houston Processing Center in Texas, the world's first design, build and manage prison contract for the INS (411 beds)

October 1984 Assumed management of Silverdale Detention Facilities, a multi-security workhouse in Chattanooga, for Hamilton County, Tenn. (414 beds)

March 1985 Opened Laredo Processing Center, a multi-security facility in Laredo, Texas, for the INS and the BOP (258 beds)

October 1985 Assumed management of Bay County Jail, a multi-security county jail in Panama City, Fla., for the county (276 beds)

April 1986 Opened Bay County Jail Annex, a multi-security jail annex in Panama City, Fla., for the county (401 beds)

May 1986 Opened Shelby Training Center, the world's first design, build and manage secure juvenile training school, to house offenders for the Juvenile Court of Memphis and Shelby County (200 beds)

August 1986 Assumed management of Santa Fe Detention Center, a multi-security jail in New Mexico, for the County and City of Santa Fe (201 beds)

October 1986 Issued initial public offering of 2 million shares (NASDAQ: CCAX)

October 1988 Assumed management of Hernando County Jail, a multi-security jail in Brooksville, Fla., for the county (302 beds)

June 1989 Opened New Mexico Women's Correctional Facility, the world's first design, build and manage contract for female offenders (322 beds)

August 1989 Opened Venus Pre-Release Center, a multi-security prison in Venus, Texas, for the state (1,000 beds)

September 1989 Opened Cleveland Pre-Release Center, a multi-security prison in Cleveland, Texas, for the state (520 beds)

February 1990 With Australian partners, opened Borallon Correctional Centre, the world's first privately managed correctional facility outside of the U.S. (455 beds)

March 1990 Opened Winn Correctional Center, the world's first medium-security prison to be privately operated, for the Louisiana Department of Public Safety and Corrections (1,474 beds)

September 1990 Opened West Tennessee Detention Facility, a multi-security facility in Mason, Tenn., for the U.S. Marshals Service (600 beds)

December 1990 Opened Torrance County Detention Facility, a multi-security facility in Estancia, N. M., for the U.S. Marshals Service (910 beds)

February 1992 Opened Metro-Davidson County Detention Facility, a multi-security facility in Nashville, Tenn., for Metro and Davidson County (1,092 beds)

March 1992 Opened South Central Correctional Center, a medium-security prison in Clifton, Tenn., for the state (1,506 beds)

June 1992 Opened Leavenworth Detention Center, a maximum-security jail in Leavenworth, Kan., for the U.S. Marshals Service (327 beds)

May 1993 With British partners, UK Detention Services, Ltd., opened HM Prison Blakenhurst, a medium-security prison in Redditch, Great Britain (649 beds)

June 1994 Entered into an international strategic alliance with Sodexho, Inc., to market CCA's prison services worldwide

October 1994 Opened Central Arizona Detention Center, a multi-security facility in Florence, Ariz., for the U.S. Marshals Service and various states (1,792 beds)

December 1994 Began trading stock and warrants on the New York Stock Exchange (NYSE: CXC)

January 1995 Acquired TransCor America, Inc., a long-distance inmate transportation company

April 1995 Acquired Concept, Inc. (4,426 beds)

August 1995 Acquired Corrections Partners, Inc. (2,946 beds)

August 1995 Opened Bay Correctional Facility, a medium-security prison in Panama City, Fla., for the Florida Privatization Commission (750 beds)

September 1995 Assumed management of 300 beds at Citrus County Detention Facility, a multi-security jail in Inverness, Fla.

October 1995 Authorized a 2-for-1 stock split

October 1995 Assumed management of Eden Detention Center, a minimum-security facility in Eden, Texas, for the BOP (1,016 beds)

October 1995 Opened Bartlett State Jail, a multi-security prison in Bartlett, Texas, for the state (962 beds)

November 1995 Assumed management of Liberty County Jail/Juvenile Center, a multi-security jail in Liberty, Texas, for the county and federal agencies (382 beds)

December 1995 Opened Guayama Correctional Center, a medium-security prison in Guayama, for the Commonwealth of Puerto Rico (1,000 beds)

April 1996 Opened Davis Correctional Facility, a medium-security in Holdenville, Okla., for the state (960 beds)

May 1996 Began secondary offering of 1,850,000 shares, which raised \$132 million

June 1996 Authorized a 2-for-1 stock split

August 1996 Assumed management of Bent County Correctional Facility, a medium-security prison in Las Animas, Colo., for the state (700 beds)

September 1996 Assumed management of Prairie Correctional Facility, a medium-security prison in Appleton, Minn. (1,338 beds)

December 1996 Opened Elizabeth Detention Center, a minimum-security facility in Elizabeth, N.J., for the INS (300 beds)

January 1997 Opened Ponce Regional Institutions, two medium-security institutions in Ponce, Puerto Rico, for the Commonwealth of Puerto Rico (1,500 beds)

January 1997 Opened T. Don Hutto Correctional Center, a medium-security prison in Taylor, Texas, for Williamson County and various states (480 beds)

February 1997 Opened Lake City Correctional Center, a secure facility in Lake City, Fla., for the Florida Privatization Commission (350 beds)

February 1997 Announced record-breaking revenues of \$293 million for 1996

March 1997 Assumed management of Correctional Treatment Facility in the District of Columbia, a medium-security facility specializing in substance abuse treatment (866 beds)

July 1997 Helped create Prison Realty Trust, the world's first publicly traded REIT to own and acquire prisons and detention centers

November 1997 Opened Marion County Jail II, a multi-security jail annex in Indianapolis, Ind. (670 beds)

December 1997 Opened Okeechobee Training Center, a Level 10 young offender facility in Okeechobee, Fla., for the Florida Department of Juvenile Justice

January 1998 To open Wilkinson County Correctional Facility, a medium-security facility for the state of Mississippi (500 cells)

January 1998 To open North Fork Correctional Facility, a medium-security prison in Sayre, Okla. (960 beds)

March 1998 To open Lawrenceville Correctional Center, a medium-security prison in Lawrenceville, Va. (1,500 beds)

October 1998 To open Diamondback Correctional Facility, a medium-security prison in Watonga, Okla. (1,440 beds)

November 1998 To open Burlington Correctional Center, a medium-security prison in Burlington, Colo. (768 beds)

November 1998 To open Coffee Correctional Facility and Wheeler Correctional Facility, medium-security prisons, both in Georgia (500 beds each)

March 1999 To open Polk County Jail Annex, a multi-security jail in Florida (1,000 beds)

July 1999 To open California City Correctional Center, a medium-security prison in California (2,304 beds)



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