

STAND. COM. REP. NO.

2105

Honolulu, Hawaii

FEB - 9 2010

RE: S.B. No. 2533

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committee on Public Safety and Military Affairs, to which was referred S.B. No. 2533 entitled:

"A BILL FOR AN ACT RELATING TO AN AUDIT OF CONTRACTS OF THE DEPARTMENT OF PUBLIC SAFETY WITH THE CORRECTIONS CORPORATION OF AMERICA AND THE FEDERAL DETENTION CENTER,"

begs leave to report as follows:

The purpose of this measure is to direct the Auditor to conduct a financial and management audit of the Department of Public Safety's (DPS) contracts with the Corrections Corporation of America and the Federal Detention Center.

Your Committee received testimony in support of this measure from the three nonprofit entities, two labor organizations, and six individuals. Testimony in opposition was received from one government entity. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Specifically, the audit will focus on a comparison, in terms of quality of programming, costs, and economic benefit to the State, of housing Hawaii inmates in mainland facilities and the Federal Detention Center in Honolulu, with housing Hawaii inmates in Hawaii facilities operated by the State.

Your Committee finds that a Department of Public Safety study, presented to the Legislature in 2008, indicated that a significant number of inmates housed in medium security prisons on the mainland and at the medium security Federal Detention Center should have been classified as minimum or community security.

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These inmates could have been housed at Kulani Correctional Facility and other underutilized facilities in Hawaii. However, DPS chose to pay a private vendor and the federal government an additional cost to house Hawaii inmates.

Your Committee further finds that the recent closure of Kulani Correctional Facility with its unique and needed programs, when considered with the fact that six of nine Hawaii correctional facilities are under capacity, raises the question of the cost-effectiveness of DPS's policy of contracting with the Corrections Corporation of America to house a substantial number of Hawaii inmates in mainland private prisons at significant cost to the State and to the detriment of Hawaii inmates whose consideration for parole has and will be delayed due to the absence at these facilities of programs needed by the inmates to complete their prescriptive programs.

The audit will:

- (1) Address the closure of the Kulani Correctional Facility as part of its analysis in conducting this comparison; and
- (2) Make a recommendation on whether the continued housing of Hawaii inmates in mainland facilities and in the Federal Detention Center in Honolulu is advisable, in view of the explicit requirements of the Community Safety Act of 2007 and its subsequent amendments.

The Auditor will report findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2011.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2533 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Public Safety and
Military Affairs,

Will Espero

WILL ESPERO, Chair



Record of Votes
Committee on Public Safety and Military Affairs
PSM

*Only one measure per Record of Votes