A Case Study of Georgia's 21 County Correctional Institutions

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ABSTRACT

The Georgia prison system has a lack of inmate bed space and must outsource their excess inmates to 21 local option county correctional institutions and four private prisons located throughout the state under contractual arrangements. Host county governments receive a supplemental unpaid inmate labor force to perform public work. Inmates in private prisons do not work outside the prison walls. Private for-profit prison services corporations can easily determine their financial success through profit and loss statements but Georgia county governments and their correctional institutions do not have these types of financial documents and their financial success is difficult to ascertain. The objective of this research project was to explore the 21 county correctional institutions to understand them in greater detail, determine if their operations were financially successful, educate decision makers and the public about this obscure and unique method of incarceration, and perhaps develop a theory regarding operating these types of correctional facilities. A qualitative multiple case study was conducted of the 21 county correctional institutions through review of public documents and telephone interviews with their wardens and finance officials. The participation rate from the wardens was 100%. The major findings were all the studied county correctional institutions experienced significant annual losses when audited revenues were compared to audited expenses except for one. But when cost avoidance was factored in of not having to hire additional county employees or contractors to perform the work that inmates perform, all the counties experienced a significant "profit." Hosting and operating an optional county correctional institution brings significant financial benefits to the host county as well as the state.

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Chapter I

INTRODUCTION

The United States has the highest prison incarceration rate in the world. During 2019, the U.S. held approximately 2.3 million people in custody which equates to 698 people per 100,000 population. Of the 50 U.S. states, Oklahoma had the highest rate of prison incarceration with 1,079 people in custody per 100,000 population followed by Louisiana with 1,052, Mississippi with 1,039, and Georgia with 970. These incarcerated people were housed in various types of correctional facilities located throughout the nation and included federal prisons, state prisons, military prisons, private prisons, local jails and correctional institutions, juvenile correctional facilities, Indian Country jails, immigration detention facilities, civil commitment centers, state psychiatric hospitals, and prisons in U.S. held territories. As a comparison, other world nations have a much lower rate of prison incarceration than the U.S. For example, Cuba held 510, Russia held 413, Iran held 284, and China held 118 people in custody per 100,000 population during 2018 (Sawyer & Wagner, 2020; Wagner & Sawyer, 2018).

Prison facilities, such as the ones mentioned above, play crucial roles in all societies including protecting citizens from individuals that do not observe the formal rules of society through incarceration, punishing criminals to deter people from breaking the law, and providing rehabilitative measures to inmates that make it possible for them to reenter society (Cabral & Saussier, 2013; Mulch, 2009). State prison systems and prison facilities are vital services for all levels of government to provide, are one of the largest expenses of government, and need to be studied.

Project Overview

This research project focuses on the Georgia prison system, how it evolved from no formal form of incarceration, to a convict lease system, to chain gangs and county work camps, and to more state prisons due to growth of the state's inmate population as a result of increases in violent and property crimes and implementation of harsher sentencing laws that led to prison overcrowding. With prison overcrowding and the lack of inmate bed space, the state had to rely on county governments and their optional county correctional institutions and private for-profit prison services corporations and their private prisons to house excess state inmates. The private for-profit prison services corporations can easily determine their financial success from their profit and loss statements. County governments, on the other hand, congregate their correctional institutions among many other county departments with minimal financial segregation and no specific financial reporting making county correctional institutions' financial success difficult to ascertain. The general purpose of this study is to explore the optional county correctional institutions to understand them in greater detail and determine if their operations are financially successful.

Historical Perspective of the Georgia Prison System

From a historical perspective, Georgia's prison system had no formal system of incarceration during the colonial period from 1732 to 1788. During that time, justice was arbitrarily and capriciously meted out through corporal and capital punishment based on the British Criminal Code. When Georgia became a state in January 1788, the state still had no formal form of incarceration. During 1811, Georgia Governor David Mitchell had the state adopt a penal code that moved the state away from corporal and capital punishment to a penitentiary system and appropriated $10,000 to build a penitentiary in Baldwin County near Milledgeville, the capital of the state before the Civil War. The new penitentiary was completed in December 1816 and received its first inmate in March 1817. Even at this early time, the state strived to make the prison self-supporting by having inmates produce and sell products such as bricks, wagons, cabinets, saddles, and harnesses. Unfortunately, the prison workshops did not make the prison self-supporting which laid the foundation for a future convict lease system (Findlay, 2007; Mitchell, 2003).

When the Civil War ended in April 1865, Georgia's public infrastructure, including its only prison, was badly damaged, its economy was depressed and in ruins, inexpensive slave labor was a thing of the past, and the state's treasury had $6.54 million dollars of debt with limited access to capital investments. The state had to rebuild its post war economy but its leaders had no appetite to increase taxes to fund prison construction or maintenance (Raza, 2011). Several months later in December 1865, the 13th amendment to the U.S. Constitution was ratified and stated that "neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction." That language along with federal and state case law set the stage for a post emancipation criminal justice system that allowed government inmates to be outsourced to private entities through a convict lease system and later outsourced to county governments through chain gangs and county work camps as early prisoner management systems.

Convict Lease System

Georgia legalized the convict lease system during December 1866. Under this prisoner management system, private contractors entered into agreements with the state to lease state inmates to work on railroads, turpentine farms, phosphate pits, brickyards, lumber yards, sawmills, and coal mines. The private contractors paid a fee to the state as well as funded the cost of housing, feeding, clothing, transporting, and guarding the inmates. The private contractors had complete autonomy and control of the inmates' working conditions (Allen & Abril, 1997; Lichtenstein, 2000; Taylor, 1942). The convict lease system benefited both the state government and the private contractors. The state received revenue, avoided the cost of building and maintaining new and expensive state prisons, and reaped the possibility of reducing or not increasing state taxes. The private contractors received an abundant supply of cheap labor and the possibility of maximizing profits. The Georgia convict lease system was promoted as an economic panacea that solved both the labor and capital scarcity problems the state was experiencing during Reconstruction to help lift itself out of its economic depression. This profitable but socially unacceptable prisoner management system lasted from May 1868 to September 1908 when the Georgia General Assembly passed a prison reform act eliminating the convict lease system as a response to unflattering media exposure of the inmates' inhumane treatment and cruel conditions, unfavorable public opinion, labor unions that feared the loss of paying jobs and lower wages, automobile owners who wanted inmate labor to build public roads rather than being leased out to private enterprise, Progressive

Movement reformers, and poor economic conditions that closed many businesses (Allen & Abril, 1997; Clark, 2016; Raza, 2011). Regardless of how the convict lease system is viewed, this initial prisoner management system established the method of outsourcing government inmates to private entities and later to public organizations through chain gangs and county work camps.

Chain Gangs and County Work Camps

The 1908 Georgia prison reform act that ended the private sector-based convict lease system ordered that state inmates must be housed and maintained at public state prison facilities or public county operated chain gang work camps staffed by government employees and funded solely by government revenues. Even though inmates could no longer be confined by private contractors, the private sector continued to play a role within the correctional system through the provision of ancillary support services and secondary facilities (Haley, 2013; Mulch, 2009; Todd, 2005). Georgia did not have many state prison facilities during this time and relied on county governments to secure their inmates at county work camps using the chain gang prisoner management system. This system was simply a group of prisoners working outside a penal facility wearing chains or other restraining devices under armed guard to prevent their escape. Georgia and its county governments supported this type of system because local public works projects could be performed on the cheap and year-round in the mild Southern climate. The state prisons and county work camp facilities used inmates to work on public works projects primarily roads as part of the Good Roads Movement. The Good Roads Movement was an economic effort to improve the transportation system by constructing roads and railroads to increase accessibility to the South, open new markets, and establish manufacturing industries without raising taxes (Allen & Abril, 1997; Rodimtseva, 2010). By 1911, 135 of Georgia's 146 counties at that time operated work camps that used state inmate labor for local public works projects. By the 1930s, the number of counties operating work camps increased to 150 of the state's 159 counties (Lichtenstein, 2000; Todd, 2005).

In 1932, Robert Burn's book, *I am a Fugitive from a Georgia Chain Gang,* and subsequent film, *I am a Fugitive from a Chain Gang*, brought public outrage and nation-wide attention to the chain gang system and the inmates' inhuman treatment and conditions. By the late 1930s, the chain gang was slowly becoming obsolete due to the invention and use of new technology and machinery in the area of road construction thereby reducing the demand for unskilled inmate labor. During late 1943, Georgia Governor Ellis G. Arnall called for a special session of the legislature for the purpose of reorganizing the state's prison system. The Georgia General Assembly passed a prison reform act that abolished chain gangs, modernized the state's prison system, and created a Department of Corrections to be led by an all-powerful Director. The newly created Department of Corrections was given the responsibility of establishing a "program of wise, humane, and intelligent prison administration which will have for its underlying purpose the rehabilitation and reclamation of the inmates" (Rodimtseva, 2010). Even though the prison reform act abolished the chain gang system, the reform act did not abolish the county operated work camps but rather placed them under the supervision of the Georgia Department of Corrections. The county work camps had to meet minimum state requirements such as having adequate food and medical treatment, reasonable hours of labor, eliminating corporal punishment, and having the wardens, guards, and other employees selected by county officials and approved by the Director of Corrections. During 1944, the Department of Corrections established rules, regulations, and standards in the areas of food services, clothing, medical services, recreation, vocational training, and religious services for county work camps to follow to be able to house state inmates. By 1945, only 84 counties were operating work camps that housed state inmates for public works projects (Allen & Abril, 1997; Rodimtseva, 2010; Wilson, 1945).

During 1956, the Georgia General Assembly formally codified various laws regarding county work camps. The Official Code of Georgia Annotated (O.C.G.A.) §§42-5-10 et seq. stated that any county, at its option, may establish and maintain a county correctional institution for the care and detention of state inmates assigned to it by the Department of Corrections. The law also stated that county correctional institutions and their construction/renovations, if any, shall be subject to supervision, control, and rules and regulations of the Department of Corrections. In addition, the Department of Corrections has the authority to define the qualifications of the wardens of the county correctional institutions, mandate that the wardens be appointed by the county's governing authority subject to approval of the Department of Corrections, and that the wardens shall serve at the pleasure of the county and the Department of Corrections. For housing state inmates in county correctional institutions, the state will pay the county a daily fee for each inmate to cover expenses of the local institution. If the state's daily fee is not sufficient to cover all the county's cost, the county is authorized to pay its pro rata share from local taxes. In addition, counties with correctional institutions are authorized to contract with other counties to work the inmates. By 1969, only 57 counties were operating county correctional institutions that housed state inmates to work on public works projects. The number of county correctional institutions dwindled to 31 in 1992, 23 in 2017, and 21 in 2020 (Georgia Department of Audits and Accounts, 2018).

Growth of Georgia's Prison System

Georgia struggled to manage its prison system and inmate population for many decades since the 1940s. A report entitled, *Georgia Prisons*, was prepared by the Georgia State Advisory Committee to the United States Commission on Civil Rights and released in 1976. That report indicated all the state's 16 adult penal institutions were reviewed and concluded that the entire state prison system was plagued with substantial problems. Those problems included antiquated, overcrowded, and understaffed facilities, inadequate wages paid to correctional officers, lack of qualified personnel, lack of standardized rules, insufficient state funds for proper facility maintenance, inadequate medical services, lack of law books, and inadequate recreational and educational programming. The 1976 report also indicated, that due to the myriad of problems of the state prison system combined with high rates of arrests and convictions, one-fourth of the state inmates were housed in the 43 county correctional institutions performing work on county and state roads and other public works projects for a $3 daily fee per inmate paid by the state to the counties. The report also stated that county correctional institutions would be further relied upon in the future to handle the overflow of state inmates.

After the scathing 1976 report that detailed the systematic weaknesses of the state prison system and resulting class-action lawsuits, Georgia began to close or repurpose some of its old state prisons and construct new prisons and other facilities including transitional centers and probation detention centers. At the same time of having a lack of state prison facilities to house state inmates during the 1970s and 1980s, Georgia and the

U.S. were also struggling with increasing violent and property crime rates due to precarious economic conditions of the 1970s that included high unemployment, extreme inflation, stagnated wages, outsourcing jobs to other countries, de-industrialization, business bankruptcies, soaring interest rates, excessive oil and gas prices, reductions in social spending, and a downward push on benefits and pensions (Kang, 2009; Nossal & Wood, 2004).

As Figure 1 indicates, the U.S. violent crime rate consisting of murder, non-negligent manslaughter, rape, robbery, and aggravated assault increased from 363.5 per 100,000 population in 1970 to 729.6 per 100,000 population in 1990, an increase of 100.7%. During the same time period from 1970 to 1990, the U.S. property crime rate consisting of burglary, larceny, and motor vehicle theft increased from 3,621 per 100,000 population to 5,073.1 per 100,000 population, an increase of 40.1%. On the state level, Figure 2 indicates Georgia's violent crime rate increased from 304.5 per 100,000 population in 1970 to 756.3 per 100,000 population in 1990, an increase of 148.4%. During the same time period from 1970 to 1990, the state's property crime rate increased

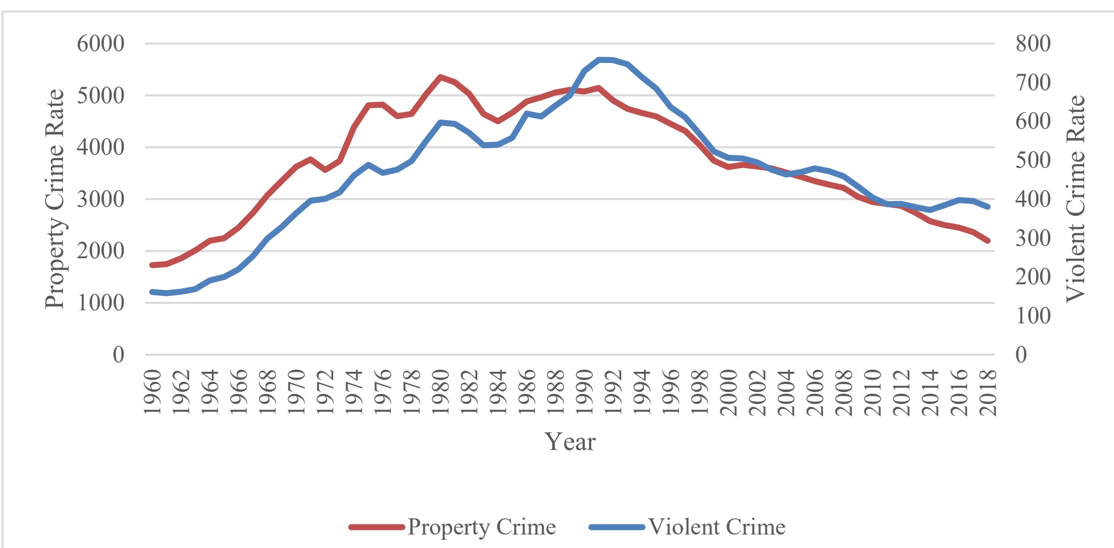

Figure 1. U.S. Violent and Property Crime Rates per 100,000 Population

from 2,577.1 per 100,000 population to 6,007.3 per 100,000 population, an increase of 133.1% (U.S. Department of Justice, 2020).

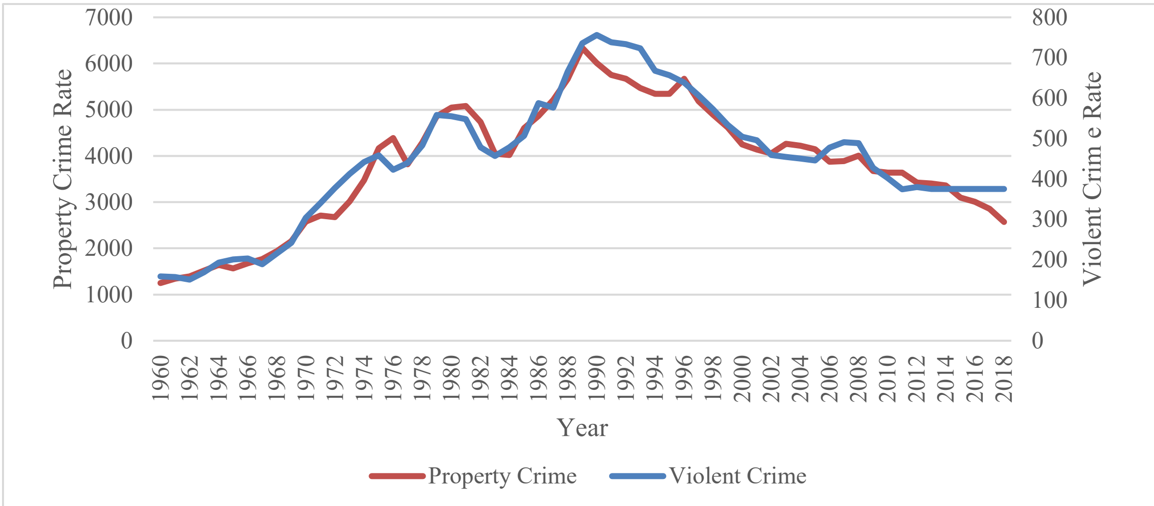

Figure 2. Georgia Violent and Property Crime Rates per 100,000 Population

The actual increases in violent and property crime rates along with the public fear of crime and calls for tougher penalties created an environment for "get tough on crime" laws to flourish. To combat the increase in violent and property crimes that occurred during 1970s, 1980s, and 1990s, the 1980s and 1990s ushered in several new federal laws including the Comprehensive Crime Control Act of 1984, Anti-Drug Abuse Acts of 1986 and 1988, and the Violent Crime Control and Law Enforcement Act of 1994. These new federal laws focused less on rehabilitation and more on punitive measures, collectively widened the scope of criminalization, and ended indeterminate sentencing. The end results were new convictions, longer sentences due to three strikes laws, increased penalties for drug related crimes, mandatory minimum sentences, and reduced eligibility for parole and probation. The new federal laws also encouraged states to implement their own harsher sentencing laws and policies and established grant programs to hire more police officers, build new state prisons, or expand existing state prison capacities. To be eligible for these federal funds, states had to implement tough crime policies and satisfy performance measures that included increasing the number of persons arrested for crimes and sentenced to prison, increasing the average prison time actually served by violent offenders, and ensuring violent offenders serve no less than 85% of their sentences. Georgia received over $82 million in grant funds from this program from 1996 to 2001 and used those funds to expand prison capacity and drug testing. The combination of increased crime rates and the implementation of new and harsher federal and state sentencing laws and policies led to a substantial increase in the prison population that resulted in prison overcrowding. By 1986, 38 states' prison systems were either at full or above capacity and seven states exceeded capacity by over 50%. As of 2014, the U.S. prison system collectively had an occupancy rate of 103.9% (ACLU, 2015; Aman & Greenhouse, 2016; Antonuccio, 2008; Chang & Thompkins, 2002; Clark, 2016; Gunderson, 2019; Khey, 2016; Kyle, 2013; Price & Morris, 2012; Welsh, 2008; World Prison Brief, 2018).

Georgia followed the federal lead and during the same time period of the 1980s and 1990s, the state transitioned from an indeterminate sentencing system that relied on judges' and parole boards' wide discretion, broad range of prison, jail, probation, or monetary sentencing options, and liberal parole policies to a more determinate sentencing system that included "get tough on crime" laws and policies. Georgia's truth-in-sentencing laws encompassed mandatory minimum sentences, abolition or curtailment of parole, three strikes laws, recidivist statutes, and sentencing guidelines that mandated incarceration, longer sentencing periods, and clearer sentencing timeframes (Carr, 2008; Welsh, 2008).

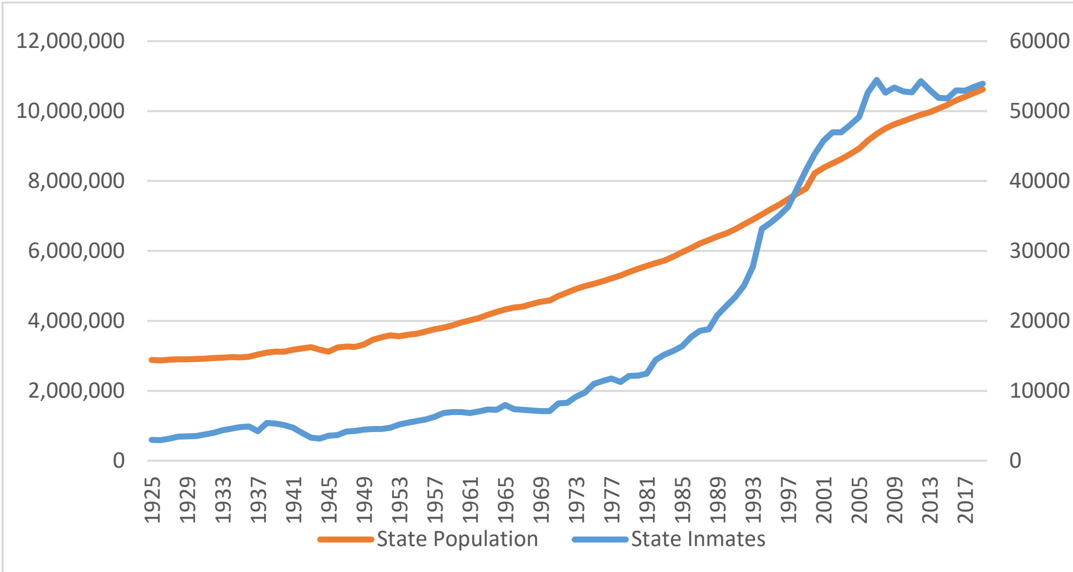

Figure 3. Growth of Georgia's General Population and Inmate Population

The state's overall increase in violent and property crime during the 1970s, 1980s, and early 1990s along with the counteracting national and state "get tough on crime" policies and sentencing laws that were implemented during the 1980s and 1990s resulted in new convictions, longer sentences, and reduced eligibility for parole which significantly swelled the state's inmate population as shown in Figure 3 as opposed to general population increases. The state's inmate population increased from 12,177 in 1980 to 52,827 in 2010, an increase of 333.82% (Georgia Dept. of Corrections, Year-end Counts of Inmates, 2020). During the same time period of 1980 to 2010, Georgia's state population increased from 5.4 million to 9.7 million residents, an increase of only 79.6% (U.S. Census Bureau, 2020a).

As the state's prison population dramatically increased, the state's small prison system became overcrowded. Between 1989 to 1993, Georgia inmates served less than one-third of their court induced sentences due to the unavailability of prison bed space (Carr, 2008).

Georgia elected officials knew they could not build themselves out of prison overcrowding and approved various state laws during the 2010s to reform the state's criminal justice system including alternatives to incarceration. One of those laws was the creation of accountability courts that sends non-violent offenders to supervised treatment programs rather than prison. As of June 2018, there were 149 accountability courts operating throughout the state. These prison reform measures slowed the state's prison population escalation for non-violent offenders leaving the remaining inmate population increasingly composed of violent offenders that must remain in the state prison system and cannot be assigned to county correctional institutions or private prisons (Berman & Adler, 2018; Georgia Department of Audits and Accounts, 2018). Since about 2011, the state's inmate population has remained relatively flat while the general state population has increased.

Today, the Georgia prison system, managed by the Department of Corrections, is a comprehensive penal system consisting of 34 state prisons, 21optional county correctional institutions, four private prisons, 15 transitional centers, seven probation detention centers, five residential substance abuse treatment centers, and two intensive treatment facilities housing over 50,000 inmates with an annual budget of $1.1B for FY 2020-21(Angel, 2020; Georgia Department of Audits and Accounts, 2018; Georgia Department of Corrections, Facilities Division, 2019). For the purpose of this research project, only state prisons, county correctional institutions, and private prisons were analyzed. See Appendix A for a list of state prisons, county correctional institutions, and private prisons, Appendix B for a map of these facilities, and Appendix C for their utilization rates.

State Prisons

During the previous three fiscal years from June 30, 2017 to June 30, 2019, the state's prison system needed to incarcerate an average of 50,456 inmates. However, the state's 34 prisons only had an average capacity of 34,726 beds resulting in an average utilization rate of 145% if other external resources were not found. During this time period, the state prisons housed an average of 37,772 or 74.8% of all state inmates resulting in an average utilization rate of 108.8% (Georgia Department of Corrections, 2020a, b, c). The cost of incarcerating an inmate in a state prison averages $44.56 per inmate per day when controlling for offender sex, facility size, and facility risk classification (Georgia Department of Audits and Accounts, 2018). With many more state inmates needing to be incarcerated, the state needed additional resources and further relied on county correctional institutions.

County Correctional Institutions

The Georgia prison system has been outsourcing state inmates to county governments since the early 1900s through the chain gang system, county work camps, and then optional county correctional institutions. This arrangement was a cost-effective way for the state to manage the unavailability of state inmate bed space, relieve state prison overcrowding, avoid constructing new state prisons, defer expensive capital purchases, and continue their mission of incarcerating offenders at the same time allow counties to obtain a supplemental unpaid inmate labor force to perform local public works projects. Savvy county officials took a pragmatic business approach to government and saw the concept of optional county correctional institutions as a way for their county to obtain a supplemental unpaid inmate labor force to provide a variety of public services to benefit the local community, save taxpayers' money, reduce or at least not increase local taxes, and avoid the future cost of hiring additional county employees or contractors.

County correctional institutions should not be confused with county jails. They are two different types of correctional facilities. County jails are secured short-term facilities operated by a local elected county Sheriff that hold persons that have been arrested and waiting for trial, offenders waiting for sentencing, inmates sentenced to 12 months or less, or inmates sentenced to more than 12 months but waiting to be transported to a state prison facility (Albert, 2010; Bureau of Justice Statistics, n.d).

During the previous three fiscal years from June 30, 2017 to June 30, 2019, the 21 county correctional institutions contracted with the state to house an average of 4,825 minimum to medium security male state inmates that have no special needs under long term contracts that renew annually. This amount represents only 9.6% of all state inmates that need incarceration. The 21county correctional institutions' average capacity was 4,992 resulting in an average utilization rate of 96.6% (Georgia Department of Corrections, 2020a, b, c). The cost of incarcerating a state inmate in a county correctional institution averages $21.63 per inmate per day when controlling for offender sex, facility size, and facility risk classification, well below the state prison rate of $44.56 per inmate. The host counties receive $20 per day from the state for each state inmate held to defray the county's cost of incarceration (Georgia Department of Audits and Accounts, 2018). That amount was increased to $22 per day per inmate effective July 1, 2019. However, with the state prisons' average utilization rate at 108.8% and the county correctional institutions' average utilization rate at 96.6% over the previous three fiscal years, there was a definite need for additional inmate bed space. To obtain more resources, state officials once again turned to the private sector to look at the concept of outsourcing state inmates to private for-profit prison services corporations.

Private Prisons

During the 1990s, there was a boom in the private prison industry. Between 1995 and 2000, 204 new private prisons were built for federal and state prisoners (Price & Morris, 2012). During 1997, Georgia entered the private prison arena. The Georgia Department of Corrections, through a competitive bid process, contracted with Core Civic and the Geo Group, two private for-profit prison services corporations, to design, construct, and operate four private prisons. The four private prisons were constructed and opened during the 1990s and 2010s during and after the state's implementation of "get tough on crime" and "war on drugs" laws and policies (Georgia Department of Corrections, Facilities Division, 2019). During the previous three fiscal years from June 30, 2017 to June 30, 2019, the four private prisons contracted with the state to house an average of 7,859 minimum or medium security male inmates that have no special needs under long term contracts that are renewed annually. This amount represents only 15.6% of all state inmates that need incarceration. The four private prisons' average capacity was 7,975 resulting in an average utilization rate of 98.5% (Georgia Department of Corrections, 2020a, b, c). The cost of incarcerating an inmate in a private prison averages $49.07 per inmate per day when controlling for offender sex, facility size, and facility risk classification slightly above the state prison rate of $44.56 per inmate and well above the county correctional institution rate of $21.63 per inmate (Georgia Department of Audits and Accounts, 2018).

Georgia's Use of Resource Dependence Theory and Outsourcing

The Georgia prison system did not have sufficient inmate bed space and was overcapacity due to always present fiscal constraints and limited resources. Due to high utilization rates and the realization that the state's prison system was not self-sufficient, Georgia prison system officials were forced to search the external environment to locate possible solutions to their limited resource of inmate bed space to relieve prison overcrowding, avoid constructing new and expensive state prisons, and continue their mission of incarcerating offenders. In their search, Georgia prison officials found a viable solution by outsourcing excess state inmates to external county governments and private for-profit prison services corporations that possess the needed resources through contractual arrangements. By outsourcing excess state inmates to these external entities, the state's prison system occupancy rate was reduced from 145% to a more manageable 108.8% as of June 30, 2019 (Georgia Department of Corrections, 2020a, b, c).

This solution is predicted and explained by resource dependence theory (RDT). This organizational theory offers a perspective in understanding interorganizational relationships and explains what strategic actions organizational leaders can take to reduce and manage their environmental dependencies (Davis & Cobb, 2010; Malatesta & Smith, 2014).

One of those strategic managerial actions is forming alliances and outsourcing services to other organizations to perform through cooperative agreements. Outsourcing public services and programs to the private sector or other levels of government has been around since the founding of the American republic and continues to be a pragmatic and innovative alternative method of public service delivery at all levels of government around the world. Outsourcing Georgia inmates to private entities and other levels of government has been around since the end of the Civil War in 1865, was made possible by the ratification of the 13th amendment to the U.S. Constitution, and took several forms beginning with a convict lease system, continued with the chain gang system and county work camps, and ended with county correctional institutions and private prisons.

Georgia county governments that host optional correctional institutions and private for-profit prison services corporations that operate private prisons have the same goal of receiving economic benefits by housing state inmates in their facilities. Private for-profit prison services corporations are totally dependent on the state to keep them in business and must maintain and increase their profits, market share, and stock price for their shareholders or face dissolution. The success of this private business model can easily be determined by profit or loss statements and other information contained in the corporations' annual reports. However, housing state inmates in county correctional institutions is not a core function of county governments and is optional. County governments do not have the same concerns of profits, market share, stock prices, or business continuation that private for-profit prison services corporations have, are not dependent on the state to keep them in business, and can easily abandon this optional service to the state and continue their core local government functions. The county governments, not accustomed to acting like a private business with profit and loss motives, are actually providing a service needed in the marketplace but their success cannot easily be determined as compared to their private-sector counterparts.

Therefore, the objective of this research project is to study the census of the 21 Georgia county correctional institutions using a qualitative multiple case study to explore how their operations impact the host county governments in the areas of finances, use of inmates, service provision, and avoidance of future cost to determine their "profit or loss."

Problem Statement

The Georgia prison system has an excessive amount of state inmates and is not self-sufficient. Due to limited inmate bed space resources, the state prison system must outsource those excess state inmates to external organizations including Georgia county governments and private for-profit prison services corporations under contractual arrangements to relieve state prison overcrowding, avoid constructing new and expensive state prisons, and continue the state's mission of incarcerating offenders. The private for-profit prison services corporations can easily determine if their operations are successful through their annual profit or loss statements. If the private prison corporations do not make a profit, there is no reason for them to remain in business.

On the other hand, county correctional institutions do not have annual profit or loss statements and are typically organized as one department among many others included in the local governments' General Fund that are supported by various types of local revenues. This unwieldly organizational structure, lack of financial segregation, absence of specific financial reporting, and the inability of county managers and county wardens to see or understand that optional county correctional institutions need to make financial sense to continue operating makes the correctional institutions' financial success difficult to ascertain. Measuring performance of county departments is a fundamental obligation of government managers to prove to taxpayers that departments are being operated efficiently. More importantly, there has been no systematic financial reporting of county correctional institutions to determine their financial success due to a lack of information, understanding, and concern. Therefore, in-depth analysis needs to be performed on each institution to determine if these optional facilities are financially successful. Are their revenues more than their expenses? What benefits do optional correctional institutions bring to host counties? Are operating optional correctional institutions worth the effort for the host counties or are the host counties just providing a service to the state to the detriment of the county and its finances?

Purpose Statement

The purpose of this research project is to explore the census of the 21 Georgia county correctional institutions to understand them in greater detail, determine if their operations are financially successful, educate decision makers and the public about this obscure and unique method of incarceration, and perhaps develop a theory regarding operating these types of facilities. This research project will shed light on how the operations of these optional correctional institutions impact the host counties regarding their finances, use of inmates, provision of services, and avoidance of future cost and inform county officials who operate these facilities if their operations have a positive or negative impact on their county governments. The correctional institutions that have a positive impact should continue and perhaps even consider expanding their operations. The correctional institutions that have a negative impact should consider restructuring their operations or closing since the county is basically providing an optional service to the state at the detriment of the host county and its finances. Lastly, other Georgia county officials and other states' correctional officials that do not have this type of inmate housing model can use the results of this study to decide if the results are transferable to their counties and states.

The wide-ranging aspects of the correctional sector including outsourcing government inmates to the private sector is rarely the subject of scholarship due to the difficulty of obtaining information and confidentiality issues. The existing literature is dominated by academics and researchers with few insights from practitioners in the correctional career field. Furthermore, the existing literature narrowly focuses on the relationship between public agencies that outsource inmates and private for-profit companies that house those inmates and the cost savings achieved by the public agencies. Rarely does the discussion include the relationship and cost savings between one level of government outsourcing inmates to another level of government. Research on other forms of correctional outsourcing does exist but that research is regulated to the margins or not evaluated. Insights from practitioners and evaluations of various other types of correctional outsourcing between public, private, and non-profit organizations are needed to advance theoretical and empirical concepts to obtain a deeper understanding of this type of service delivery (Cabral & Saussier, 2013; Kim, 2019b; Montes, 2019).

This research project analyzes and evaluates outsourcing state inmates to county governments as opposed to the private sector from a practitioner’s point of view and will fill a gap in the existing literature that strictly focuses on the relationship between government and the private sector and the cost savings achieved by the government. This project will also contribute to the public administration, public finance, criminal justice, outsourcing, and resource dependence theory application literature by providing data, information, and analysis relative to managing interorganizational relationships and outsourcing state inmates to non-profit county governments rather than to profit seeking private enterprise.

Research Questions

The central research question is, “How does operating optional county correctional institutions impact the hosting Georgia county governments and their operations?” The specific research questions include:

- Q1: how are the host Georgia county governments impacted in the areas of finances, use of inmates, service provision, and avoidance of future cost by operating optional county correctional institutions?
- Q2: how much is the magnitude of the financial benefit or lack of financial benefit to the host Georgia counties that operate optional county correctional institutions?
- Q3: how much does the state of Georgia and its prison system financially benefit by outsourcing state inmates to county correctional institutions?

Significance of the Study

This research project will have significance to several actors. These actors include the Georgia Department of Corrections, Georgia counties that operate optional correctional institutions, Georgia counties that do not have these types of facilities, and correctional officials in other states that do not have this type of inmate housing model. The Georgia Department of Corrections will be able to see how their outsourced inmates are being used at county correctional institutions and how those counties and the state are financially impacted from housing these inmates. Counties that operate optional correctional institutions will be able to see the direct impacts that these facilities have on their counties' operation and if those impacts are positive or negative. Georgia county officials and other states' correctional officials that do not have this type of inmate housing model can use the results of this study to decide if the results are transferable to their counties and states.

Chapter II

LITERATURE REVIEW

The literature review for this research project builds bridges between various topics and links together a discussion of resource dependence theory, outsourcing public services to the private sector in general, and outsourcing state inmates to the private sector and other levels of government in particular. Each of these topics are discussed in detail below.

Resource Dependence Theory

This research project's theoretical framework revolves around resource dependence theory (RDT). This organizational theory offers a perspective in understanding interorganizational relationships and explains what strategic actions organizational leaders can take to reduce and manage their environmental dependencies. RDT has its foundational roots from several scholars including Emerson (1962), Blau (1964), and Jacobs (1974). Emerson's classic article *Power-Dependence Relation*s (1962) and Blau's work formed the fundamental concept of RDT using the idea of exchange between individuals which creates power differentials among them. For example, individual A is dependent on individual B to the extent that B controls resources valued by A and A cannot obtain the resources from alternative individuals. Such asymmetric dependence results in a power shift between them. Individual A is dependent on B and therefore B has power over A. Since power is not zero-sum, A and B can have power over each other making them interdependent. Furthermore, Jacobs (1974) contributed to the foundational RDT concept by investigating how different organizations are controlled through the exchange relationship with their external environment. Jeffery Pfeffer and Gerald Salancik further refined this theory on an organizational level by authoring various publications during the early 1970s culminating in their seminal book, *The External Control of Organizations: A Resource Dependence Perspective* (1978). As Pfeffer and Salancik indicated, this theory attempts to explain organizational behavior relating to the acquisition of needed resources such as raw materials, capital, human resources, technology, information, and production operations from the external environment through various strategic managerial actions to reduce uncertainty, maintain stability, and ensure organizational survival (Casciaro & Piskorski, 2005; Davis & Cobb, 2010; Delke, 2015; Johnson, 1995; Klein & Pereira, 2015; Malatesta & Smith, 2014; Mensing, 2013; Ulrich & Barney, 1984).

All organizations aim to be in a powerful position with maximum control over needed resources and minimal dependence on external sources to achieve a high degree of independence and certainty. A high degree of autonomy can free organizations from constraints on their decision making, increase power, enhance profits, and help ensure their survival. Conversely, a low degree of autonomy can create the loss of decision-making latitudes, discretion, and control which are factors organizations deem to be detrimental. However, no organization is self-sufficient and organizational leaders must look outside their corporate boundaries and depend on and adapt to the unreliable external environment to acquire needed resources for their organization to maintain stability, carry out its mission, and survive. Organizations can be at one end of the dependence continuum or the other. At one end is the resource rich and powerful organization that exercises a high degree of independence and control over others. On the other end is the captive and powerless organization that is greatly dependent on other organizations in its environment for resources (Barringer & Harrison, 2000; Johnson, 1995; Kessler, 2013; Oliver, 1990).

Resource dependence theory is based on a few straightforward principles including a) all organizations need various resources to pursue their goals and survive, b) resource acquisitions from others are uncertain and undependable, c) organizations are motivated by solving resource scarcity problems and being effective rather than producing internal efficiencies and cost savings, d) organizations can cope with and manage uncertainty and dependency by understanding their external environment and negotiating and exchanging resources with that environment through intentional and strategic managerial actions with other organizations making both organizations interdependent, and e) exchanged-based power plays a key role in understanding organizational relationships (Johnson, 1995; Malatesta & Smith, 2014). As Johnson (1995) and Oliver (1990) further stated, those interdependent relationships can be either dependent, reciprocal, or dominant.

Strategic Managerial Actions

This theory details various strategic actions that organizational leaders can take to gain access to resources controlled by others to manage and reduce their resource uncertainty, dependency, and vulnerability. Those managerial actions include forming alliances, creating joint ventures, using co-optations or interlocks, crafting mergers and acquisitions, taking political action, and instituting executive succession (Davis & Cobb, 2010; Delke, 2015; Hillman et al., 2009; Johnson, 1995; Kessler, 2013; Malatesta & Smith, 2014; Mensing, 2013; Pfeffer, 1972). Those strategic managerial actions are more fully described as follows.

Alliances involve voluntary cooperative agreements between two or more organizations to pursue joint objectives through a coordination of activities, outsourcing, or sharing knowledge and resources. These cooperative agreements can be simple and flexible short-term transaction agreements or complicated long-term service delivery arrangements for critical resources. This action requires a low level of coordination and organizations can maintain their autonomy. The benefits of creating alliances are cost reductions, diffusion of risk, and a sense of community.

Joint ventures are the creation of a new organizational entity by two or more independent partners to have closer and more powerful ties to suppliers that result in enhanced organizational performance.

Board co-optations and interlocks are actions taken by a dependent organization that invites external representatives onto its governing board of directors who can be classified as business experts, support specialists, or community influencers that have needed resources that can help the organization legally gain allies who are tied to the board and have a vested interest in the organization's survival. Governing directors bring a variety of benefits to organizations they serve including advice and counsel, channels of information flows, preferential access to resources, and legitimacy. Governing board size and composition are not random decisions but are made intentionally to respond to the external environment. Organizations with greater external dependencies or are highly regulated require a higher ratio of external governing directors and those directors need to be specific resource-rich partners who have access to resources needed by the organization and have interlocks with other governing boards. Lastly, governing board composition needs to change as the organization's external environment changes. If the governing board composition does not change to meet new or changing environmental demands, needed resources may not be obtainable and organizational performance may suffer.

Mergers and acquisitions are the most constraining method of managing interdependence where an organization acquires another organization as a method of extending control over them and managing resource exchanges vital to its operation. This action involves greater levels of coordination and commitment and often entails loss of organizational autonomy and identity. Mergers and acquisitions can be vertical where organizations acquire suppliers and buyers, horizontal where organizations acquire competitors, or diversified where organizations with different services or activities are acquired. Merger and acquisition activities are generally motivated by a desire to reduce competition by absorbing competitors, gaining competitive leverage, introducing economies of scale, and improving effectiveness.

Organizations sometime use political actions and means to reshape government regulations as ways to alter the existing external environment to create more favorable conditions for their interests. Organizations that are heavily dependent on or regulated by the government are more likely to engage in political activities and appoint former government officials to their governing board as ways to manage external environmental dependencies.

Executive succession is an internally focused way for organizations to manage external environmental dependencies. Organizations that have capable executives can cope with external environmental dependencies and if those executives cannot cope, they will need to be replaced. Organizations that are more dependent on the external environment for resources are more uncertain, vulnerable, and unpredictable and will typically experience a higher rate of executive turnover.

Theory Issues and Concerns

Since the time of RDT's creation in the 1960s and its further evolution during the 1970s, this foundational theory has been applied as an approach to predict and explain organizational behavior and what strategic actions organizational leaders can take to manage their environmental dependencies. However, Barringer and Harrison (2000) argued that despite the popularity and benefits of interorganizational relationships, these relationships are difficult to manage due to the need to combine different cultures of two or more organizations. If one partner becomes overly dependent on the other, a power imbalance will occur increasing the potential for opportunism on part of the stronger partner. Oliver (1990) echoed the same concerns stating that interconnected environments, where organizations operate, can be characterized by injustice, information distortion, manipulation, exploitation, coercion, inequality, and conflict. However, with all its benefits and difficulties, RDT is a widely accepted and often cited organizational theory and its strategic managerial actions are still relevant and influential today (Casciaro & Piskorski, 2005; Hillman et al., 2009).

Theory Application

Applying this organizational theory to this research project, Georgia prison officials realized that their organization was not self-sufficient by not having enough inmate bed space which affected their ability to carry out their mission of incarcerating offenders and looked to the external environment to solve their problem. State prison officials solved their problem by using one of RDT's managerial strategies of forming alliances with external organizations that possess needed resources including private entities initially, then county governments, and lastly private for-profit prison services corporations and negotiating with them to house state inmates through contractual agreements. By outsourcing state inmates to these external organizations, the Georgia prison system managed its resource dependency, became more stable to carry out its mission of incarcerating offenders, reduced its uncertainty and vulnerability, and became interdependent with the external organizations which shifted power among the players.

Outsourcing Public Services in General

In general, government outsourcing is an arrangement whereby a government agency determines what public services are suitable to be performed by the private sector or other organizations based on fiscal pressures, political forces, bureaucratic capabilities, market conditions, or lack of resources. The most suitable services for outsourcing are those at the top of the maturity spectrum, understood well enough to be standardized and automated to "plug and play," measurable and marketable, and connected to external partners. After selecting which public services are best suited for outsourcing, a government agency prepares detailed bid specifications, conducts a competition, evaluates the responses, makes an award, and enters into and monitors a contract with a private company, non-profit organization, or another level of government that has the expertise, resources, and innovative technologies to provide goods or deliver services and programs which have typically been provided by the originating government. This concept relies less on government and more on the private sector and other organizations. Government's role has changed and continues to change from service provider to service broker and increasingly relies on networks of private and non-profit organizations as well as other levels of government to deliver public services. Outsourcing public services, a.k.a. contracting out, is a structural compromise of providing government services and maintaining control while having the services performed by the private sector or other organizations. Outsourcing has evolved from a partisan or ideological issue to a pragmatic, innovative, and well-established alternative to traditional public service delivery (Aman & Greenhouse, 2016; Feeney & Smith, 2008; Gilroy, 2010; Girth et al., 2012; Hefetz & Warner, 2011; Hwang, 2014; Jensen & Stonecash, 2004; Lochlainn & Collins, 2015; Tan & Sia, 2006; Zhang & Sun, 2012).

The main reason for outsourcing public services to the private sector is the assumption that the private sector through competition for contracts, profit-seeking motivations, and freedom from political interference can provide public services more efficiently with higher quality and at a lower cost through more efficient work practices, economies of scale, innovations, labor shedding, increases in work intensity, and substitution of capital for labor than monopolistic systems of government. However, it is naïve to assume that the private sector is inherently more efficient than the public sector. Empirical evidence supports the fact that competition for services was the driving force of cost savings, not asset ownership (Jensen & Stonecash, 2004; Poutvaara, 2014).

Outsourcing public services to the private sector, non-profit organizations, or other levels of government accomplishes many goals when designed, implemented, and monitored properly. Those goals include enhancing government operational efficiency, reducing the number of government employees, decreasing the overall cost and size of government, increasing the quality and flexibility of government services, taking advantage of specialized skills of experts and advanced technology not generally available in government, managing risk, allowing governments to avoid expensive capital purchases, and having access to needed resources. Outsourcing also helps senior government managers achieve best practices, benefit from the value added that external expert service delivery provides, and focus more clearly on the core competencies of the organization. Outsourcing can also act as a strong response to declining financial resources, fluctuating demand, or additional new projects and workloads (Featherstun et al., 2001; Gilroy, 2010; Jensen & Stonecash, 2004; Kakabadse & Kakadabse, 2001).

Even though the terms outsourcing, privatization, and public-private partnerships (P3) are related and used interchangeably, outsourcing should not be confused with privatization or P3. Outsourcing allows the government to provide goods, services, and programs through the private sector or other organizations typically through a competitive process but the government retains control, public oversight, responsibility, and accountability of those goods, services, and programs through performance criteria contained in the contractual arrangement. Outsourcing does not transfer ownership of physical public assets to the private sector or other organizations and those organizations that perform services do not have an equity/ownership interest in the public services being outsourced. Privatization, on the other hand, involves the actual selling or transferring of physical public assets to the private sector or other organizations to allow them to control the use of those assets, charge user fees, retain any profits made, and even resell the acquired assets. Privatization rests on the belief that market-based activities are a better creator of public value than publicly operated services and programs. Lastly, public-private partnerships are a type of collaborative arrangement government uses when public projects are too complex, have higher degrees of risks, and when government capabilities are not suited to meet the project's objectives. This type of collaboration has the ability to decrease costs, lower risks, and increase efficiency and effectiveness (Jensen & Stonecash, 2005; Miller, 2018; Poutvaara, 2014; Wang et al., 2018).

Evolution of Outsourcing Public Services

The United States has had a deep tradition of using private power rather than public administrative capacity to solve public problems (Lu, 2013). Outsourcing government goods, services, and programs to the private sector and other levels of government has been around since the founding of the American republic. During the Revolutionary War, George Washington's army purchased ammunition, clothing, food, and shoes from private contractors. In 1785, the Continental Congress authorized the Postmaster General to outsource the transport of mail among various cities on the eastern seaboard. During the 1950s, the new city of Lakewood, California, upon incorporation, began an innovative concept of having the county government provide all its municipal services through fee-for-service contracts. This arrangement, known as the Lakewood Plan, allowed cities to provide municipal services at a reduced cost by relying on the concept of economies of scale provided by the larger county government (Prager, 2008;

Price & Morris, 2012). During the late 1970s and 1980s with the public's disillusionment of big government, large public deficits, overloaded welfare state, and successful anti-tax movements such as California's Proposition 13 in 1978 that limited the amount of property taxes paid to the state that resulted in a "do more with less" mentality, outsourcing of government services saw an increase of use as a reform measure promoted by the New Public Management (NPM) movement (Lane, 2013; Price & Morris, 2012; Zhang & Sun, 2012).

The NPM movement introduced private sector business methods, market-based competition, and a customer centric service orientation to the public sector to improve public services and make government work better and cost less (Denhardt & Denhardt, 2000; Walther, 2015). NPM practices shook the foundation of traditional centralized Weberian bureaucracies that were known for providing services directly to the public with excessive rules, rigid budgeting, and inflexible personnel systems preoccupied with control and replaced that foundation with a more decentralized organizational structure possessing market-oriented approaches, customer service orientations, and modern businesses techniques such as outsourcing (Andrews & Van de Walle, 2013). Since the 1980s, all levels of government have initiated efforts to increase efficiency and find alternative service delivery mechanisms.

Outsourcing government services to the private sector captured the interest of President Reagan due to its concepts of economic competitiveness, being a driver of innovation and efficiency, and reducing the size of government. In 1983, the federal Office of Management and Budget's Circular A-76 (Performance of Commercial Activities) served as President Reagan's blueprint for government departments and agencies to actively pursue outsourcing (Prager, 2008). During September 1987, President Reagan issued Executive Order 12607 that created the President's Commission on Privatization. That Commission's charge was to "review the appropriate division of responsibilities between the federal government and the private sector and to identify those government programs that are not properly the responsibility of the federal government or can be performed more efficiently by the private sector" (Baizas, 2014). In March 1988, the Commission issued its report entitled, *Privatization Toward More Efficient Government*, and concluded that numerous government activities can be privatized or outsourced to the private sector including low-income housing programs, federal loan programs, educational choice, prisons, and the sale of federal assets including Amtrak and the Naval Petroleum Reserves (Baizas, 2014).

The Clinton administration, beginning in March 1993, further promoted outsourcing with its National Performance Review (NPR) that was modeled after a 1992 book entitled, *Reinventing Government,* by David Osborne and Ted Gaebler. That tome promoted the concepts of competition rather than monopolies, results by funding outcomes rather than inputs, needs of the customer and not the bureaucracy, earning money and not spending it, decentralized authority, and solving social problems through market forces rather than creating new public programs (Hefetz & Warner, 2011; Lu 2013; Zhang & Sun, 2012). In September 1993, NPR's final report entitled, *Creating a Government that Works Better and Costs Less*, was issued and had over 1,250 action items covering reductions in the federal workforce, cutting internal regulations, requiring customer service standards, and streamlining headquarter operations.

Outsourcing government services continued to be promoted through the Republican Party's platforms of 1992 and 1996 under the rubric of managing and streamlining government in the public interest (Aman & Greenhouse, 2016). Also, during the early to mid-1990s, many states and their court systems passed new laws to proactively support privatization efforts and minimize conflicts with existing state laws, civil service protections, procurement laws, and constitutional issues (Featherstun et al., 2001).

In March 1997, the U.S. General Accounting Office (GAO) issued a report entitled, *Privatization: Lessons Learned by State and Local Governments*, for the House Republican Task Force on Privatization that compiled lessons learned by state and local governments on privatization matters. Those six major lessons learned were:

(1) Political champions are needed to introduce and maintain privatization efforts and combat any resistance including from the government's own workforce.

(2) Establishment of new organizational structures are needed such as committed teams to identify and implement privatization opportunities.

(3) Implementation of new legislative rules and/or reduction of government resources are needed to encourage privatization.

(4) Reliable and actual cost data on all government activities are required to accurately establish a baseline cost to properly evaluate privatization performance rather than rely on general estimates that could lead to public criticism.

(5) Workforce transitioning strategies are needed to assist government employees in transitioning to new private employers or transitioning out of government service through early retirement options or severance payments.

(6) Effective monitoring and oversight of negotiated contracts are needed to ensure compliance with all contract terms to avoid ambiguities, misunderstandings, and disputes.

During August 2001, President George W. Bush's Management Agenda was launched as a strategy to improve the management and performance of the federal government. Bush's Management Agenda had five government-wide initiatives including competitive sourcing. This initiative examined commercial activities performed by the federal government to determine if those activities should be provided by federal employees or outsourced to the private sector (The Federal Government is Results-Oriented, 2004). In addition, state legislatures followed suit and reviewed their operations and assets to determine if outsourcing state services and programs to the private sector is feasible (Aman & Greenhouse, 2016).

The International City/County Management Association (ICMA), the professional association for city and county managers and other employees that serve local governments, conducts many research projects for its 11,000 members including a survey of all counties and municipalities with a population of 2,500 or more across the United States regarding alternative service delivery (ASD). ICMA conducts these particular surveys every five years to keep track of alternative service delivery trends and has since

1982. The most recent ASD survey was conducted during June 2017 and offers a rich data set of how public managers view and conduct alternative service delivery.

According to ICMA's 2017 ASD survey that had a 17% response rate, 33% of local governments considered the feasibility of outsourcing services within the previous five years due primarily to internal attempts to decrease the cost of government and to respond to external fiscal pressures. About 24% of local governments took action to ensure success in implementing outsourcing activities primarily by identifying successful uses of outsourcing in other jurisdictions or hiring consultants to analyze the feasibility of alternative service delivery. About 20% of local governments encountered obstacles when they outsourced services including primarily opposition from line employees, elected officials, and citizens. Only 25% of local governments used systematic techniques to evaluate their outsourcing activities including field observations, establishing various performance standards, reviewing performance reports, conducting citizen surveys, monitoring citizen complaints, and regularly re-bidding service contracts. Only 14.3% of local governments insourced previously outsourced services due primarily to unsatisfactory service quality and insufficient cost savings.

According to ICMA's 2017 ASD survey, on average, 41% of services were provided in-house, 28% were outsourced to another government, 20% were outsourced to the private sector, and 11% were outsourced to non-profit organizations or volunteers. Local governments typically retain in-house street cleaning, snow plowing, traffic signal installation and maintenance, parking meter maintenance, street tree trimming, cemetery administration, code enforcement, parking lot/garage operations, water distribution and treatment, sewer collection and treatment, utility meter reading and billing, payroll, public relations, crime prevention/patrol, fire suppression, emergency medical care and transport, parking enforcement, animal control, youth and senior recreation programming and operations, park landscaping/maintenance, convention center/auditorium operations, summer camps, library operations, comprehensive land use planning, economic development, land use review, and permitting. Operation/maintenance of bus or paratransit systems, airport operations, disposal of hazardous waste, public safety dispatch, prison/jail operations, sanitary inspections, insect/rodent control, animal shelter operations, and various welfare programs such as child welfare, elderly, nutrition, home healthcare, addiction treatment, mental health services, and workforce development were primarily outsourced to another government or authority. Residential and commercial solid waste collection, recycling, solid waste disposal, electric/gas utility operation and management, vehicle towing and storage, legal services, and operation of daycare facilities were primarily outsourced to the private sector. Homeless shelter operations, cultural and arts programs, and museum operations were primarily outsourced to non-profit organizations or volunteers.

Today, public managers are being asked to do more with less, steer rather than row, be entrepreneurs, and find new and innovative ways to achieve results. They have concentrated on accountability, high performance, restructuring the bureaucracy, redefining organizational missions, streamlining processes, and decentralizing decision making. In many cases, governments have succeeded in outsourcing previous government functions (Denhardt & Denhardt, 2000). As Henry (2010) puts it, "We live in an era that is moving away from traditional government into a new trend of management across sectors. American governments are relinquishing, by design or default, their traditional responsibilities and giving those responsibilities to individual citizens, groups of citizens, public-private partnerships, the non-profit sector, the private sector, public authorities, associations of governments, and other governments." The outsourcing debate is about the quest for better functioning government, correcting inefficiencies by harnessing the strength of the private sector, maximizing returns on taxpayer investments, and enhancing citizen welfare and not a search for a better administration philosophy. For example, from 2000 to 2010, 37.6% of U.S. federal government spending was in the form of contracts and grants. In 2007, 45.5% of U.S. local government spending was in the form of outsourced contracts (Lu, 2013; Warner & Hefetz, 2008). Outsourcing all sorts of public services is now commonplace and routine on all levels of governments around the world (Lu, 2013; Wang, et al., 2018). More than a hundred countries have officially endorsed outsourcing and more are considering it (Kakabadses & Kakabadses, 2001; Zhang & Sun, 2012).

Government has the legitimate authority and fundamental responsibility to its citizens and society to ensure their safety through public sector values including accountability, transparency, and social justice. The private sector, on the other hand, is not bound to those values but instead respects efficiency, innovativeness, and profitability (Price & Morris, 2012). Outsourcing has many proponents and success stories but this type of public service delivery also has many opponents and failures.

Opponents of Outsourcing Public Services

Despite the popularity of outsourcing public services across the globe, disagreements remain whether outsourcing is beneficial and if this public service delivery method saves taxpayers money and accomplishes societal goals. Outsourcing opponents argue that outsourcing adversely affects workers' terms and conditions of employment, may lead to a reduction of service quality, and has challenges of merging the public organization's values, missions, and incentives with that of the private organization. In addition, some public services are asset specific and require intensive capital infrastructure or complex such as water supply and judicial systems that are natural monopolies and not suitable to be outsourced to the private sector. Lastly, the benefits of outsourcing, including improvements of efficiency and service quality, are difficult to measure between the two sectors partly due to lack of data on public sector inputs and outputs (Feeney & Smith, 2008; Jenson & Stonecash, 2004; Poutvaara, 2014)

Furthermore, many public managers are resistant to this alternative form of service delivery. According to a 2010 National Association of Counties (NACO) publication written by Michael Belarmino, public managers' resistance to outsourcing stems from a multitude of causes including:

- opposition from unsupportive elected officials and government employees who see outsourcing as a potential threat to their job security, working conditions, wages, and benefits.
- loss of control, flexibility, and accountability of public service delivery.
- unexpected cost increases from the private companies.
- fear of a reduction of service quality.
- difficulties with contract specifications, monitoring, evaluation, and incomplete contracts.
- fear of making a wrong decision.

- not having enough local market competition that would produce the desired cost savings.
- restrictive labor contracts.
- previous negative experiences.

In addition to the NACO study, many public managers believe that outsourcing public services to private companies, non-profit organizations, or other governmental entities is counterproductive and has many drawbacks. Those drawbacks include:

- loss of institutional knowledge and skills in providing particular services.
- loss of technology and R & D capabilities.
- less operational flexibility to changing needs in a dynamic public environment.
- lower operational effectiveness and coherence.
- poor use of in-house staff, more demotivated staff, and greater number of staff reductions.
- overdependence on a single vendor.
- lost opportunities in terms of recognizing and dealing with organizational and community needs.
- turning public managers into contract monitors.
- greater distance between government and the governed (Belarmino, 2010; Kakabadses & Kakabadses, 2001; Lochlainn & Collins, 2015; Price & Morris, 2012; Tan & Sia, 2006).

As Malatesta and Smith (2014) further elaborated, outsourcing social services and those services deemed inherently governmental may lack the needed competition for effective marketplace governance. Long term outsourcing may impede the government's ability to provide the services directly in the long run leaving services vulnerable to dependence. When that level of dependence is reached, the relationship between the government and its private sector or non-profit partners becomes more of an alliance where the government needs its contractor as much as the contractor needs the government. This type of situation leads to principal-agent conflicts.

Principal-Agent Issues of Outsourcing Public Services

As Brien and Hine (2015), Coupet and McWilliams (2017), Hwang (2014), Lane (2013), Lochlainn and Collins (2015), Price and Morris (2012), and Warner and Hefetz (2008) warned, outsourcing may lead to principal-agent conflicts between the owner of the asset (the principal or in this case the government) and the person, group, or organization to whom control of the asset has been delegated (the agent or in this case the private company, non-profit organization, or other level of government). The agent may act in a way contrary to the best interests of the principal such as self-serving opportunistic behavior that creates moral hazard or the agent may not possess the capabilities or talent needed to perform the required task that creates adverse selection. These types of conflicts are more likely to occur between profit-focused private companies and community-focused governments and less likely to occur between non-profits and other levels of government that have the same focus. However, these conflicts can be minimized by negotiating and monitoring a comprehensive and well-crafted contract that allocates risks in an efficient manner between the parties, providing incentives for performance, and including compliance benchmarks such as monitoring citizen complaints, conducting citizen satisfaction surveys, and auditing vendor performance. A well-crafted and monitored contract aligns the principal's desire for efficient and effective service delivery with the agent's objective to maximize long-term profits, market share, and stock prices (if a publicly traded company) that results in overall high performance.

Results of Outsourcing Public Services – A Mixed Bag

Outsourcing public services to the private sector and other organizations aims to achieve cost savings, but numerous academic studies have found a mixed bag of results including large and small cost savings, break even situations, and even cost increases but nothing conclusive. There is no rule of thumb on the expected magnitude of cost savings from outsourcing. Success or failure of outsourcing depends on the specific characteristics of each outsourced service such as suitability, administrative capacity, needed technical expertise, difficulty in preparing contract specifications and monitoring, and the competitive environment (Belarmino, 2010; Coupet & McWilliams, 2017; Jenson & Stonecash, 2004; Jenson & Stonecash, 2005; Lochlainn & Collins, 2015; Lu, 2013; Poutvaara, 2014; Warner & Hefetz, 2008; Zhang, et al., 2018).

Outsourcing Public Services and Decision Making

Government decisions are shared decisions. The bureaucratic patronage model of political decision-making sees government behaviors as a result of bargaining among various players in the government system. According to this model, government outsourcing decisions are not made solely by public managers themselves rationally but are heavily influenced by different actors. Those actors within the government include public employees, elected officials, and the judiciary. Actors outside the government include citizens, vendors, and public employee unions. For example, when elected officials enact laws to restrict public spending and those laws are upheld by the judiciary, those actions lead to more outsourcing. Local governments that have an appointed manager also leads to more outsourcing. Higher levels of public employee unionization, however, lead to less outsourcing and more in-house service delivery. Therefore, when making outsourcing decisions, public managers have to assess and take into account many complex variables such as public service characteristics, legal framework of the organization, administrative capacity to design, implement, evaluate, and properly manage competitive contracts, local market conditions, citizen concerns and support, public employee unionization, interest group support, political pressure from elected supervisors, and the political continuum between liberalism that supports government involvement in social and economic affairs and conservatism that supports free markets including outsourcing and minimal government intervention. There is no one-size-fits-all approach to local government outsourcing. Context is crucial (Featherstun et al., 2001; Girth et al., 2012; Hefetz & Warner 2011; Lu 2013; Hefetz, Warner, Vigoda-Gadot, 2015; Poutvaara, 2014).

Outsourcing public services to the private sector and other organizations has been around for a long time, has its pros and cons, has traditionally consisted of only easy to measure support services but is increasingly being used for more complex core services, has global reaches, and remains an active part of the fabric of government service delivery (Price & Morris, 2012). Government managers, including this researcher, have successfully outsourced a variety of public services and programs to the private sector and other levels of government for many years. Such services include human resource management, payroll services, information technology services, fuel management services, engineering services, legal services, employee medical claims payments, web design and hosting services, communication services, library operations, mental health and other social services, construction services, airport management, fleet maintenance, lawn care, landfill management, and senior citizen programs just to name a few. However, some government managers on the federal, state, and local levels, including this researcher, have also outsourced prison inmates.

Outsourcing Government Inmates in Particular

Prison facilities play crucial roles in all societies including protecting citizens from individuals that do not observe the formal rules of society, punishing criminals to discourage people from breaking the law, and providing conditions that make it possible for inmates to reenter society (Cabral & Saussier, 2013). As Mulch (2009) further explained, prisons exist for many reasons including deterrence, retribution, rehabilitation, incarceration, and restorative justice. Deterrence refers to the idea that members of the public can be deterred from committing crimes by being aware of and/or witnessing the condemnation and punishment of criminals. Retribution is the punishment of the perpetrator when the established rules, that have been enacted for law and order for the collective good, are violated. Rehabilitation is the traditional goal of prisons whereby inmates can be rehabilitated through a variety of rehabilitation programs and educational tools designed to provide assistance to remedy past problems for future success. Incarceration serves the public by removing dangerous individuals from the community and isolating them from law-abiding citizens resulting in enhanced public safety. Instead of focusing on the perpetrator, a restorative justice approach seeks to mend the harm of criminal activity by elevating the roles of victims and victim advocacy and making the victims whole again.

For the reasons stated above, prisons have played and continue to play a vital role in any society. Prisons are needed to punish, rehabilitate, and incarcerate those who commit crimes and to separate those perpetrators from law abiding citizens. But what happens if a society and its government do not have the resources needed to construct or operate prisons to house individuals who break society's rules? The government must therefore turn to others including private entities.

Evolution of Outsourcing Government Inmates

Outsourcing government inmates to private entities has had a long history and dates to the nation's origins. Outsourcing of American prison labor began in 1790 when a jail in Philadelphia contracted out its prisoners to a private business for profit (Chang & Thompkins, 2002). In 1833, Alex de Tocqueville helped write a study entitled, *On the Penitentiary System in the United States and its Application in France,* where he noted that America has a penchant for inviting private profit-making into public prisons by allowing private contractors to use inmate labor (Requarth, 2019). By 1885, six systems of prisoner management were in place in the U.S.: (1) the contract system where private contractors furnished machinery and raw materials and supervised the inmates' work under the watchful eyes of prison guards, (2) the piece-price system where contractors provided raw materials and paid the state for each piece made by inmates, (3) the convict lease system where inmate labor was outsourced to private entities for a fixed period and fee and the private entities assumed entire control of the inmates including their labor, food, clothing, shelter, and discipline, (4) the state-account system where the state managed the inmates' labor and production processes and sold the made products on the open market, (5) the state-use system where the state managed the inmates' labor and production processes and sold the made products to other prison institutions or state agencies, and (6) the public works and ways system where inmates were used to construct public roads, railways, buildings, and other prisons as part of a public chain gang and later as part of a county work camp. These early prisoner management systems that relied heavily on private entities gradually faded away and were abolished. From about 1940 to the early1980s, only the state-use system and the public works and ways system were used (Chang & Thompkins, 2002; Friedmann, 2014; Joy, 2018). However, during this time, governments typically contracted with the private sector to provide a wide array of correctional support services such as healthcare, food service, education, vocational training, and inmate transportation but not to operate entire prisons (Gold, 1996; Kim, 2019b).

During the 1980s, Ronald Reagan's presidential campaign included promises to shrink the size of government, reduce government personnel, and cut budget expenses. His campaign also created slogans such as "get tough on crime" and "get government off our backs, out of our pockets." Once in office, President Reagan shifted government policies away from Keynesian economics that promoted social welfare policies and government intervention during economic struggles and toward a politically conservative neoliberal governance model that emphasized minimal government intervention in economic affairs, a commitment to privatization of government services, deregulation, decentralization by pushing the provision of public services to lower levels of government, retrenchment through shedding of public services, individual responsibility, and a market-based state (Clark, 2016; Jing 2010; Kim, 2019b; Price & Morris, 2012; Schulz, 2015). The neoliberal governance model is based on Adam Smith's 1776 book entitled, *The Wealth of Nations,* that argued laissez-faire capitalism is the ideal economic system because the market is self-regulated by an "invisible hand" and the government does not interfere. Under these conditions, the law of supply and demand, where individuals determine the levels of production and consumption, efficiently allocates society's scarce resources, produces the best prices through market mechanisms rather through government regulations, and proficiently distributes goods and services that results in the greatest amount of economic progress. Neoliberalism holds that public organizations are inherently inefficient and less effective than the private sector and public services should be outsourced to the private sector in pursuit of profits (Price & Morris, 2012).

In addition to a new governance model, the Reagan administration also ushered in new federal laws to combat the rising crime rates from the 1970s including the Comprehensive Crime Control Act of 1984 and the Anti-Drug Abuse Acts of 1986 and 1988 that expanded the scope of criminalization, imposed minimum sentencing, increased penalties for drug related crimes, and required longer time served before parole and probation eligibility. These new federal laws followed by various state laws combined with detention of illegal immigrants, public resistance to expanding government budgets, taxpayer's opposition to new taxes, citizen disapproval of bond issues for the construction of new prisons to match demand, and court degrees in an attempt to reduce overcrowding in the interest of health and safety led to dramatic increases in the federal, state, and local prison populations to levels not seen before in modern times (Kish & Lipton, 2013). Government prison officials, without adequate resources such as inmate bed space, were forced to search the external environment to locate possible solutions to their problem. They found a viable solution in partnering and contracting with external organizations that possess the needed resources. This solution is predicted by RDT. Under these pressing conditions, inmate outsourcing took on a whole new meaning and beyond just outsourcing prison support services. For example, a private company can manage an entire existing publicly owned prison facility under a contractual arrangement or a private company can construct, own, and operate its own prison facility to house government inmates under a contractual arrangement (Kim, 2019b; Montes, 2019; Price & Morris, 2012). Texas became the first state to adopt prison outsourcing legislation followed by the actual outsourcing of state inmates in Kentucky, Tennessee, and Florida during the mid-1980s (Jing, 2010; Mulch, 2009; Price & Riccucci, 2004). Outsourcing government inmates to the private sector continued to be popular. As Aman and Greenhouse (2016) indicated, President Reagan's Executive Order 12607 in September 1987 supported prison privatization as an effective and appropriate tool for federal, state, and local governments to use. In 1992, President George H.W. Bush issued Executive Order 12803 mandating that all federal agencies encourage state and local governments to utilize private prisons to supplement public ones (Aman & Greenhouse, 2016; Antonuccio, 2008; Price & Morris, 2012).

Pros and Cons of Outsourcing Government Inmates

As Austin and Coventry (2001) and Gold (1996) pointed out, there are many reasons to outsource government inmates to the private sector and many reasons not to do so. The reasons to outsource inmates include:

- Governments do not have the capability to house their inmates and therefore, private companies must provide financing options that allow government clients to pay for needed capacity.
- Private companies can offer modern state-of-the-art correctional facility designs that are efficient and less costly to operate.
- Private companies can design and construct a new correctional facility much faster and less expensive than government.
- Private companies can provide the convenience and accountability for all facility compliance issues.
- Private companies are able to respond rapidly and specialize in unique facility missions.
- Private companies provide economic development opportunities to local communities such as hiring local people and purchasing local products.
- Private companies can take on more share of liability issues and reduce the government's exposure.
- Private companies can have limited contract duration that increases the government's flexibility.
- Private companies can add competition between other public and private entities.

The reasons not to outsource inmates include:

- Punishment of inmates is an inherent governmental activity and should not be outsourced to private actors.
- There are only a few private companies that house government inmates for profit from which to select.
- Private companies may be inexperienced regarding correctional issues.
- Private companies may become oligarchical or monopolistic through political ingratiation or favoritism.
- Governments may lose the capability to perform correctional services over time and become dependent on the private companies.
- Private companies' profit motives may inhibit the proper performance of duties which creates principal-agent, moral hazard, and adverse selection issues.
- Government procurement and contract preparation are slow daunting tasks often resulting in incomplete contracts which hampers outsourcing effectiveness.

The Private Sector Begins to House Government Inmates

Private entrepreneurial companies including Core Civic, Inc. formerly known as Corrections Corporation of America (CCA), and the GEO Group, formerly known as Wackenhut Corrections Corporation, began to house federal and state inmates under contract for a fee for each inmate. These two private for-profit prison services corporations account for about 85% of the current private prison industry market.

According to their 2019 annual report, Core Civic was founded in 1983, is a publicly traded real estate investment trust (REIT) listed on the New York Stock Exchange, headquartered in Brentwood, Tennessee, operates three business segments (Safety, Community, and Properties), and had total annual revenue of $1.98B and net income of $189M during fiscal year ending December 31, 2019, an increase from the previous fiscal year. Core Civic's Safety segment consists of 50 correctional and detention facilities owned, controlled, or managed by the company through long term leases with federal, state, and local government agencies with a total bed capacity of 73,000. This segment had a 93% average compensated occupancy rate excluding idled facilities and 85.2% of the company's net operating income was realized from this segment during fiscal year ending December 31, 2019. Core Civic considers itself the nation's largest owner of partnership correctional and detention facilities and is one of the largest prison operators in the nation. Core Civic's Community segment consists of 29 residential re-entry centers owned, controlled, or managed by the company through long term leases. Approximately 5% of the company's net operating income was realized from this segment during fiscal year ending December 31, 2019. Core Civic's Properties segment consists of 28 real estate properties owned by the company, leased to third parties, and used by various government agencies. Approximately 9.8% of the company's net operating income was realized from this segment during fiscal year ending December 31, 2019. One of the company's growing concerns is that the prison industry has dilapidated and outdated prison infrastructure posing operational risks.

According to their 2019 annual report, the Geo Group was founded in 1984, is a publicly traded real estate investment trust (REIT) listed on the New York Stock

Exchange, headquartered in Boca Raton, Florida, operates three business segments (U.S. Secure Services, Geo Care, and International Services) and had total annual revenue of $2.48B and net income of $166M during fiscal year ending December 31, 2019, an increase from the previous fiscal year. The U.S. Secure Services segment consists of 67 secure facilities owned, controlled, or managed by the company through long term leases with federal, state, and local government agencies with a bed capacity of 75,173. This segment had a 95% average compensated occupancy rate excluding idled facilities and 65% of the company's revenue was realized from this segment during fiscal year ending December 31, 2019. The GeoCare segment consists of 45 residential re-entry centers with 10,952 beds and 68 non-residential centers owned, controlled, or managed by the company through long term leases. Approximately 25% of the company's revenue was realized from this segment during fiscal year ending December 31, 2019. The International segment consists of six secure facilities with 7,664 beds located in the United Kingdom, Australia, and South Africa. Approximately 10% of the company's revenue was realized from this segment during fiscal year ending December 31, 2019.

Social justice activists have been waging a bitter campaign against these two titans of the prison industry for profiteering from recent immigration policies that incarcerated more people. This politically motivated campaign drove Wall Street, large banks, and investors to bow down to public pressure, abandon the private prison industry, and cut off access to capital resulting in lower stock prices and depressed credit ratings for the two companies. If investors continue to make financial decisions based on social issues, Core Civic and the Geo Group could face difficulty acquiring loans in the future preventing them from growing and satisfying a public need (Merle & Jan, 2019).

These two private for-profit prison services corporations and the prisons they own and operate and the public prisons they manage under contracts are subject to strict rules and regulations, closely monitored by government inspectors to ensure contract provisions are met, and receive a negotiated daily fee per inmate from the state. Inmates housed in these prisons are classified as minimum or medium security that do not have medical, psychological, or mental health issues and who will create the least amount of trouble. The violent maximum-security inmates and inmates with medical issues remain in the state prison systems (Aman & Greenhouse, 2016; Kish & Lipton, 2013; Montes, 2019). Private for-profit prison services corporations see themselves as government agents operating within the framework of the justice system and structuring inmate behavior until they reenter society (Kyle, 2013).

These private for-profit publicly traded prison services corporations have fiduciary responsibilities to their shareholders to make a profit, preserve their reputations, keep their stock price high, continue to increase their market share, and maintain access to capital to remain a viable going concern. These responsibilities motivate them to provide effective and high-quality services and rapidly correct poor performance in order to get their contracts renewed, maintain their legitimacy, and not lose clients. Otherwise, these corporations would have fewer resources or commodities (i.e. human inmates) which would lead to lower profits and stock prices, unhappy stockholders, difficulty in accessing capital, and perhaps a collapse of the private for-profit prison business model. The same motivations and consequences do not exist in the public sector (Gold, 1996; Kim, 2019b; Mulch, 2009).

To meet their responsibilities and accomplish their goals, these private for-profit prison services corporations must operate efficiently, reduce costs, and increase revenues. To reduce costs, private prison corporations typically provide minimal staffing and training, low wages, few benefits, no overtime, minimal employee and inmate health care, few rehabilitation programs, and have a large span of control while avoiding expensive unionization. These cost reduction approaches may negatively affect officer and inmate safety, heighten employee turnover, escalate violence and lawsuits, decrease the overall quality of both the prison and the prison staff, boost escapes, and increase recidivism. To increase revenues, private for-profit prison services corporations usually charge excessive fees for inmate telephone, email, and video visitation usage, commissary items, and other inmate services. But to dramatically increase revenues, the number of inmates incarcerated in their facilities as well as their length of sentences and recidivism rates must increase as well (Appleman, 2018; Chang & Thompkins, 2002; Joy, 2018; Kim, 2019b; Mulch, 2009; Price & Morris, 2012).

Private for-profit prison services corporations have no incentives to deter criminal behavior or support government legislation or programs that focus on deterrence, alternative sentencing, or rehabilitation. These private corporations have amassed a large supply of political capital and influence to keep a constant supply of inmates flowing into their facilities to remain in business, maintain profitability, and ensure government dependence. This sizable political capital and influence comes from lobbying and maintaining close relationships with elected officials and other decision makers, contributing to political campaigns of elected officials, offering lucrative jobs to former public officials, and actively supporting "think tank" policy initiatives that promote increased incarceration policies. Through political capital and influence, the private corporations actually lobby for longer sentences, stricter sentencing guidelines, limited parole and probation, and new sets of laws such as anti-immigration laws that create more imprisonment. The aspiration of the private for-profit prison services corporations to increase imprisonment and longer sentences are inconsistent and diametrically opposed to rational public policy, prison quality, and societal goals of prisoner rehabilitation. These aspirations have actually thwarted criminal justice reforms that would have reduced the prison population and the overall cost of the criminal justice system (Anderson, 2009; Antonuccio, 2008; Appleman, 2018; Bryant, 2020; Chang & Thompkins, 2002; Friedmann, 2014; Khey, 2016; Kim, 2019b; Mulch, 2009; Price & Morris, 2012). As Montes (2019) commented, private for-profit prison services corporations' duty is to their shareholders and to prioritize efforts to generate money. The government's duty is to the people and priorities that align with societal correctional goals. These two duties are very different things and create a catch-22 situation.

Results of Outsourcing Government Inmates – A Mixed Bag

The overarching assumption about outsourcing government inmates is that the private sector can operate existing public prisons or construct and operate new private prisons more efficiently and at less cost than government due to market competition. However, the literature indicates that outsourcing government inmates to the private sector contains mixed results as to whether this practice achieves cost savings (Appleman, 2018; Austin & Coventry, 2001; Clark, 2016; Freidmann, 2014; Joy, 2018; Kim, 2019b; Price & Morris, 2012; Requarth, 2019; Wright, 2010). Some studies show that outsourcing inmates leads to significant cost savings because private firms have a profit motive with a goal of maximizing shareholders' wealth. Specifically, these studies indicated that private companies can construct and operate prison facilities more efficiently and inexpensively than government. Regarding construction, private companies are not bogged down in strict draconian purchasing rules that dominate government construction practices, can acquire funding quicker, and can build new facilities at a significant discount and in a shorter period of time. Regarding operations, private firms are free from bureaucratic red tape and entrenched restrictive work practices that government is known for and have the ability to use technology, innovative practices, and new incarceration philosophies that result in reduced operational costs (Aman & Greenhouse, 2016; Antonuccio, 2018; Austin & Coventry, 2001; Coupet & McWilliams, 2017; Glushgo, 2016; Jing, 2010; Johnson, 2006; Khey, 2016; Price & Riccucci, 2004).

Conversely, other reports including one from the federal General Accounting Office, now known as the Government Accountability Office (GAO), reviewed five studies on the subject in 1996 and concluded multiple times that the data are not sufficient to definitively claim that either type of prison is more cost effective (Friedmann, 2014; Mumford, et al., 2016). The University of Utah's Criminal Justice Center also reviewed 12 different studies and formulated that outsourcing inmates to the private sector had no clear benefit or detriment and the cost savings appear minimal (Lundahl et al., 2009). Kish and Lipton (2013) listed and summarized 20 different studies from 1989 to 2010 that compared public and private prison costs. Seven studies indicated definite cost savings and 13 studies were inconclusive.

Still, other studies argue that evaluating cost savings from outsourcing government inmates to private prisons is very difficult to measure and compare with any precision due to the myriad of differences in inmate populations, housing types, levels of security, staffing size, types of programming, accounting methods, rural or urban locations, age and size of the prison, lack of data from private prison corporations due to proprietary information, and definition of services (Friedmann, 2014; Gold, 1996; Harding, 2001; Kim, 2019b; Kish & Lipton, 2013). In addition, Kish and Lipton (2013) and Wright (2010) indicated if public and private facilities are not evenly matched, any findings are challenging to interpret and their conclusions and implications are suspect at best. Friedmann (2014) and Kish and Lipton (2013) also indicated that very little of the research comparing the costs of public and private prison is peer-reviewed and frequently funded by the private prison industry itself which tends to cast doubt on its conclusions.

Lastly, governments can directly affect the profitability and survivability of private prison firms by restraining their profit-maximizing behavior by means of threatening funding reductions or policy shocks through its contracts. Governments can increase private prison costs by requiring certain investments and establishing minimum standards to improve quality and meet expected social goals thereby erasing cost savings resulting in similar cost as the government (Kish & Lipton, 2013).

Beyond the possible benefits of cost savings, there are always political, social, and legal factors that come into play when deciding to outsource government inmates to the private sector. Private prisons provide tangible benefits including reducing state and federal prison overcrowding, being a predictable cost through a negotiated daily fee per inmate, having scalability for future use, transferring liability to the private sector, and providing a positive nonpolluting recession-proof economic benefit to the community where private prisons are built through job creation, property tax generation, and consumption of local products and services. Notwithstanding the facts presented and the arguments made about outsourcing, government leaders continue to argue that outsourcing services to the private sector is the most efficient way to deliver public services and keep government small (Ayres, 2019; Fulcher, 2012; Johnson, 2006).

Opponents of Outsourcing Government Inmates

Opponents of outsourcing government inmates to the private sector have many arguments to vocalize. Those arguments include private prisons are strictly about profits for themselves and their stockholders rather than rehabilitation or reform for inmates and society which lowers prison quality and standards. Opponents vehemently argue that prison operations and housing inmates are inherently governmental functions and coercive punishment should be performed by the government, “the people,” through the local community and not outsourced to the private sector. When offenders are punished by private actors unconnected to the local community, that punishment lessens the expressive message and social condemnation normally sent by the community thereby weakening the authority of the state and diminishing the integrity of the criminal justice system (Appleman, 2018; Clark, 2016). In that vein, at least four states including Nevada, Illinois, New York, and California have passed legislation that banned private prisons and 22 other states have enacted laws and policies that do not allow them to house inmates in private prisons (Kim, 2019a). Opponents also argue that private companies could abruptly increase their fees to the state at contract renegotiation time or go bankrupt if they did not earn enough profit thereby leaving the government in an unfavorable financial and resource situation.

In addition, private prison guards do not enjoy qualified immunity like their public counterparts leaving private prisons and their employees more susceptible to lawsuits and higher damage awards. Qualified immunity protects public prison guards and their ability to perform their jobs without threat of litigation (Johnson, 2006; Kish & Lipton, 2013; Montes, 2019). In the 1997 U.S. Supreme Court case, *Richardson v. McKnight*, Price and Morris (2012) explained the court ruled that private sector employees could not invoke qualified immunity even though they were under contract and serving on behalf of the government. During 2016, the Obama administration attempted to gradually end private prison contracts with the federal government due to safety and cost effectiveness concerns as compared to public facilities but the Trump administration reversed that policy during early 2017 (Appleman, 2018; Joy, 2018; Kim, 2019b). However, the Biden administration reversed the Trump era policy and reinstated the Obama era policy during January 2021 as part of the Biden administration's racial justice initiatives (McFadden, 2021). Lastly, opponents argue that prison privatization leads to oligopoly or monopoly since most of the prison contracts are held by only two large corporations, Core Civic and the GEO Group (Kish & Lipton, 2013; Mulch, 2009; Thomhave, 2019).

Today, the private prison industry is very active and will continue to play a major role within the criminal justice system (Mulch, 2009). There are about 116,000 people incarcerated in over 270 private prison facilities operating in 31 U.S. states particularly in the conservative and non-union southern and western states (Chang & Thompkins, 2002;

Muhitch & Ghandnoosh, 2021; Price & Riccucci, 2004). But private prisons are only a small part of the overall prison system and hold less of a tenth of the 2.3M people incarcerated in the U.S. (Price & Morris, 2012; Requarth, 2019).

Chapter Summary

The literature review chapter covered three topics that were intertwined with the research questions. Those topics were resource dependence theory, outsourcing public services in general, and outsourcing government inmates in particular. Resource dependence theory (RDT) and the strategic actions managers can take to reduce and manage their resource dependence was the overall framework applied to this research project. In addition to strategic managerial actions, issues and concerns about RDT as they relate to the difficulty of managing external organizational relationships with power imbalances and information distortion were uncovered as well as how this organizational theory applied specifically to the Georgia prison system, its lack of inmate bed space, and the need to rely on and contract with external organizations such as county governments and private for-profit prison services corporations for needed resources. As a strategic managerial action of RDT, outsourcing public services in general was discussed along with how this alternative method of public service delivery has evolved, opponents and resistance to outsourcing, principal-agent conflicts that may arise by using this method of service delivery, how studies have found outsourcing public services to the private sector and other levels of government to be a mixed bag of results with nothing conclusive to determine if this method of service delivery saves money, and what factors decision makers consider when reaching outsourcing decisions. After obtaining a clear view of how outsourcing public services work in general, this alternative method of service delivery was applied to inmate incarceration, how outsourcing of government inmates evolved, and the pros and cons of outsourcing government inmates to the private sector. Furthermore, the two largest private for-profit prison services corporations, Core Civic and the GeoGroup, how they operate, and their motivations were explored along with how studies have found outsourcing government inmates to the private sector to be a mixed bag of results with nothing conclusive to determine if this method of incarceration saves money and the arguments opponents make about outsourcing inmates to the private sector.

Chapter III

METHODOLOGY

In the private sector, operational success is known based on profit and loss statements, market share, and stock prices which are easily determined through corporations' annual reports. Private sector managers want to increase their financial traits to keep their businesses surviving and thriving. If private corporations do not make a profit, there is no reason for them to remain in business. The two private for-profit prison services corporations, for example, Core Civic and the Geo Group dominate their industry's market, had high positive incomes during the most recent completed fiscal year of December 31, 2019, and will continue their profitable operations and business model of incarcerating government inmates.

On the other hand, the public sector has no profit or loss statements, market share, or stock prices and operational success is difficult to determine as compared to their private-sector counterparts. If governmental entities do not generate enough revenue and need additional funding, elected officials can simply impose tax rate and user fee increases or cut expenses and remain a monopolistic power. Housing outsourced state inmates in county correctional institutions is not a core function of Georgia county governments and is optional. County governments do not have the same financial pressures that private for-profit prison services corporations have and are not accustomed to acting like a private business with profit and loss motives or business continuity concerns. But Georgia county governments are providing a vital service needed in the marketplace. However, county governments that house state inmates can easily abandon this optional service to the state and continue their core local government functions if needed and without issue.

The general research questions become: Are the optional 21 Georgia county correctional institutions financially successful? Are their revenues more than their expenses? What benefits do optional correctional institutions bring to host counties? Are operating optional correctional institutions worth the effort for the host counties or are the host counties just providing a service to the state to the detriment of the county and its finances? How much money does the state save by outsourcing inmates to counties? The specific research questions are reiterated as:

- Q1: how are the host Georgia county governments impacted in the areas of finances, use of inmates, service provision, and avoidance of future cost by operating optional county correctional institutions?
- Q2: how much is the magnitude of the financial benefit or lack of financial benefit to the host Georgia counties that operate optional county correctional institutions?
- Q3: how much does the state of Georgia and its prison system financially benefit by outsourcing state inmates to county correctional institutions?

Research Approach and Design

This research project explored the census of the 21 Georgia county correctional institutions to understand them in greater detail, determine if their operations were financially successful, educate decision makers and the public about this obscure and unique method of incarceration, and perhaps develop a theory regarding operating these types of facilities. Using an in-depth exploratory framework, this project leaned toward a qualitative research approach and used a multiple case study research design. As a background, qualitative research explores a topic in great detail to gain an in-depth understanding of the topic, identifies factors that cannot be easily measured, and collects an extensive amount of data from a variety of sources to answer “how” and “why” research questions using words and narratives (Creswell, 2013, 2014). The case study research design is a specific type of research design that studies a program, event, activity, process, organization, or individual that is unique, has unusual interest, and needs to be described or understood within a real-life setting bounded by certain parameters such as time and place. Case studies collect extensive amounts of data from a variety of sources such as documents, interviews, observations, and audiovisual materials over a long period of time and the researcher then develops an in-depth understanding of the program, event, or activity using rich descriptions culminating in a composite picture about the overall meaning of the case, lessons learned, analytic generalizations, and maybe even a theory from studying the case (Creswell, 2013; Yin, 2014). A multiple case design is considered more effective, compelling, and robust than a single case study because it enables the collection of comparative data that are likely to yield more accurate and generalizable theory than a single case (Yin, 2014).

The cases and units of analysis for this research project were the census of the 21 county correctional institutions that are geographically dispersed throughout Georgia and bounded by their most recently completed financial audits for FYE

2017, 2018, and 2019. Three fiscal years of data were selected to obtain an average to smooth out any anomalies that may be present in any one year.

Role of the Researcher

For this research project, the researcher is a highly experienced local government manager that has over 34 years of experience managing all aspects of suburban and rural city and county government operations in Texas, Florida, and Georgia. That experience includes preparing and monitoring annual budgets, assisting with annual audits, supervising a variety of department heads and employees, continuously improving government operations, and finding new ways to make local government more efficient and cost less such as outsourcing appropriate public services to the private sector and other levels of government. Of those 34 years of experience, over 25 years were managing six suburban or rural Georgia county governments of which only one county (the current county) operates an optional correctional institution. Since October 2016, the researcher has been the county manager of a rural Georgia county that operates one of the 21 optional county correctional institutions as a typical county department. The researcher hired the current county warden during 2017 to manage the facility. During that time, the researcher allocated funding through the annual budget process to operate the correctional institution, made various facility improvements, and marketed the facility to increase the number of outside contracted inmate work details with nearby city and county governments as a way to generate additional revenue.

The researcher has amassed an in-depth understanding of just one county correctional institution and its operations but remains interested in further understanding this particular public service in greater detail. Specifically, how were Georgia correctional institutions initially formed? Why would a county government want to operate an optional service on behalf of the state? What are the benefits for the state and the host county of operating this type of facility? Do the 21 county correctional institutions make a profit, endure a loss, or just break even? Do the elected and appointed officials of the 21 county governments truly know the financial impacts these facilities have on their county governments? What would happen if these facilities closed? Once these questions are answered and documented, all interested Georgia county government officials will be able to know if operating optional county correctional institutions are worth the effort for host counties or are host counties just providing an optional service to the state to the detriment of the county and its finances? If the research results prove positive, the researcher can then advance this information to decision makers in other Georgia counties that do not operate county correctional institutions and correctional officials in other states that do not have this type of inmate housing model so they can decide if they want to begin a similar program to benefit their counties or states especially during the current era of civil unrest, unstable national politics, decreasing tax revenues, lack of an available workforce, and high labor costs.

The researcher is a long-term Georgia county manager and personally knows many other county managers in the state. This professional relationship helped provide access to needed documents, the 21 county correctional institutions, and their county wardens. In addition, the researcher has an excellent professional relationship with the local county warden who helped review this project and acted as an emissary to the other wardens to further facilitate access and data collection.

Data Collection Method

The qualitative research approach and the case study research design, by definition, collect an extensive amount of data from a variety of different sources including documents, interviews, observations, and audiovisual materials. To capture the data needed for this research project, the researcher collected, reviewed, and analyzed numerous public documents regarding Georgia counties and their correctional institutions. Those documents included 2019 U.S. Census Bureau demographic data, Georgia Department of Corrections (GDOC) facility information, website content from host counties regarding their correctional institutions, and three years of audited revenue and expense data from host counties, county capacity agreements between GDOC and host counties, local internal institutional reports called Comparable Statistics (CompStat) Reports required by GDOC to obtain utilization rates, number of work details, number of inmates per work detail for each facility, unemployment rate data from the Federal Reserve Economic Data, and property tax data from the Georgia Department of Revenue. The three years of collected data spanned from 2017, 2018, and 2019 and were used to calculate three-year averages of the above information to smooth out any anomalies that may be present in any one year.

In addition to reviewing various public documents, telephone interviews were conducted with each county warden and finance officials using an original interview questionnaire that doubled as the data recording instrument. Follow-up telephone calls and emails were also used to obtain additional details and clarify collected information to obtain a richer, deeper, consistent, and more accurate understanding of the correctional institutions and their operations. Due to the current COVID-19 global pandemic, personal interactions or visits to the correctional institutions were not possible. Since the census of the 21 county correctional institutions was studied, sampling procedures were not applicable. Personal telephone interviews, using an original interview questionnaire that doubled as the recording instrument, were selected as the optimal research design method to achieve a high response rate and obtain complete, accurate, and consistent data from all county wardens as opposed to an impersonal emailed digital survey for the wardens to understand and complete on their own and maybe return.

Data Recording

To record the extensive amount of data that was collected from various public documents, telephone interviews, and follow-up telephone calls and emails, the researcher carefully prepared a comprehensive original interview questionnaire that also doubled as the data recording instrument to organize the data. The original data recording instrument consisted of closed-ended questions that were answered by the collected public documents and opened-ended questions that were answered by the telephone interviews and follow-up telephone calls and emails.

The original data recording instrument was organized into five sections including Community Characteristics, Institutional Information, Financial Information, Other Information, and Observations/Notes. The Community Characteristics section contained closed-ended demographic type questions such as county location, population attributes, ethnicity, per capita income, median household income, poverty rate, average property tax rate, and average unemployment rate to gain a detailed demographic perspective of each county. The Institutional Information section consisted of closed-ended and open-ended questions about the correctional institutions themselves and their wardens such as who hires the county warden, experience and current salary of the appointed warden, institutional housing style, age and security level of the institution, outsourced services, programs offered to inmates, facility capacity, utilization rate, use of inmates, and how many full-time and part-time employees it takes to operate each correctional institution. The Financial Information section consisted of closed-ended and open-ended questions about the host county's fiscal year, where the correctional institution is placed in the county's budget, what the county warden thinks about the correctional institution's financial performance, audited revenues and expenditures of the facility resulting in a profit or loss amount, cost avoidance of not having to hire county employees or contractors to perform the work inmates perform, profit or loss amount when cost avoidance is factored in, and the cost savings the state receives from outsourcing state inmates to less expensive county facilities. The Other Information section consisted of open-ended questions about the origin of the institution, future plans for expansion or closure, how working inmates are viewed and perceived by county citizens and employees, biggest problems and challenges operating the correctional institution, and future need of additional county correctional institutions. The last section entitled, Observations/Notes, recorded the researcher's observations or thoughts using handwritten notes regarding the telephone interviews.

The data recording instrument was developed, refined, and pilot tested for quality control and logic purposes with the experienced county warden managing the researcher's county correctional institution. Her comments were incorporated into the final instrument. The final data recording instrument is included in the research paper as Appendix D. Data collected from the public documents to answer the closed-ended questions were inserted into the data recording instrument prior to the actual telephone interviews.

Data Analysis

Making sense of an extensive amount of collected and recorded data, which is indicative of qualitative and case study research, involves a linear hierarchical approach beginning with specific individual data and building toward more general manageable patterns and themes (Creswell, 2013, 2014). For this research project, the researcher followed the data analysis steps as described by Creswell (2013, 2014). In general, the researcher managed all collected specific individual data by placing the data in the appropriate sections on the data recording instrument as previously described. Once all sections were completed, the researcher placed the raw data in Excel spreadsheets and calculated ranges, averages, and percentages. Based on this format, the researcher began to interpret the raw data to make sense of the data section by section and began to build explanations from general patterns and themes to broader and more abstract meanings culminating with asking the ultimate questions: What were the lessons learned? How do the findings align with or differ from the larger research literature that was developed by others? Do the findings answer the research questions? What generalizations can be made and what theory can be developed based on the findings?

Verification of Validity and Reliability of the Findings

Once the data was collected, recorded, and analyzed, the findings were verified for validity and reliability to answer the ultimate question: Did the researcher get it right? For this research project, the researcher used triangulation, member checking, peer debriefing, and thick and rich descriptions as ways to validate the research findings (Creswell, 2013, 2014). For triangulation, the researcher used an extensive amount of data collected from multiple sources such as public documents, telephone interviews, follow-up telephone calls and emails, and observations/notes to point to common themes. For member checking, the researcher submitted the relevant portions of the completed data recording instrument to the county wardens and finance officials to receive their feedback regarding the documents' accuracy and credibility. For peer review/debriefing, the researcher had the highly experienced local county warden, who manages the county correctional institution in the county the researcher serves as county manager, read the final report, ask questions, and make comments to ensure the report was accurate, understandable, and rational to the targeted readers. The researcher used thick and rich descriptions to convey the research findings, presented analytical generalizations, and developed a theory. Lastly, the researcher documented all research steps, procedures, and data recording instruments used so that other researchers can reliably follow and replicate this case study.

Ethical Considerations

Qualitative research and the case study research design, by definition, interact with individual participants. Therefore, ethical considerations were anticipated during all phases of this research project to minimize harm to them. This research project was a major academic research undertaking and involved interactions with many participants including Georgia county managers, Georgia county wardens, Georgia county finance officials, and officials at the Georgia Department of Corrections through telephone interviews and follow-up telephone calls and emails. This project was also subject to

Institutional Review Board (IRB) scrutiny and approval. See Appendix E for the IRB Exemption Form.

After the IRB approved the research methods and prior to collecting the original research data through telephone interviews with county wardens, the researcher had the local warden call each of the other 20 county wardens informing them of this research project, requesting their assistance, and suggesting a time and date for a telephone interview with the researcher. Once assistance was agreed upon, the researcher emailed each of the wardens the interview questionnaire and a cover memo with the required informed consent language as stated in the IRB approval form. The cover memo stated the title and purpose of the study, the researcher's name, risks involved, estimated time commitment to complete the telephone interview, participation was voluntary, responses would not be associated with any identities, participation in the telephone interview would serve as the voluntary agreement to participate, where questions or concerns could be directed, and the study had been approved by the university's IRB. The cover memo also confirmed the established times and dates of the actual telephone interviews. See Appendix F for the Informed Consent Statement. The researcher also notified the participants that they would receive a copy of their particular correctional institutions' evaluation and a copy of the final report as measures of reciprocity. While collecting the data, the researcher was aware of the participant's time commitment to the project and protected the privacy of the participants by not collecting harmful or inappropriate information. During data analysis, the researcher disclosed the full range of findings including those that may be contrary to the original themes and literature, respected the privacy and the anonymity of the participants by masking names and sites, and avoided disclosing only positive or expected results. During reporting, the researcher provided accurate information and findings/conclusions, communicated in a clear straightforward unbiased language, and shared data. After the project is completed, the researcher will keep and store the completed paper recording instruments and all supporting documents in paper folders in a locked file cabinet in the possession of the researcher for at least three years in accordance with the IRB approval form.

Limitations

The researcher identified four limitations of this research project. The first limitation included the low level of understanding county managers and county wardens have of the overall impact their county correctional institutions have on their county and its finances which may affect their ability to properly answer the questions during the telephone interviews. The second limitation is the different ways county managers and county wardens organize their county correctional institutions' departmental budgets and whether they include all revenues and expenses associated with their department which can make comparisons among counties rather difficult. The third limitation is the lack of detail the counties' independent financial auditors provide in their annual audit documents regarding the correctional institutions which can make comparison among counties somewhat challenging. The fourth limitation is that this research project is not an exhaustive traditional cost-benefit analysis where all conceivable costs are calculated and all imaginable benefits are measured which may erode the project's scientific merits.

Chapter Summary

This research project of exploring the census of the 21 Georgia county correctional institutions in depth, attempting to understand them in greater detail, determining if their operations are financially successful, and educating the public of this obscure and unique method of incarceration leaned toward a qualitative research approach and a multiple case study research design. Based on these selections, specific research steps associated with the multiple case study design were used. The role of the researcher and his interest in the research project were clearly evident. An extensive amount of data was collected from public documents, telephone interviews, and follow-up telephone calls and emails. The data that was collected was recorded on an original recording instrument that received quality control and logic testing. The data was placed on Excel spreadsheets to calculate ranges, averages, and percentages and analyzed according to Creswell's (2013, 2014) data analysis steps beginning with specific individual raw data and building toward more general patterns and themes. These general themes allowed the researcher to compare the 21 county correctional institutions to each other to offer analytic generalizations and develop a theory that readers can learn from, transfer to their communities, and possibly implement. The findings were verified for validity using triangulation, member checking, peer debriefing, and thick and rich descriptions. The findings were written and presented as a major research project using the APA citation and style format and the case study writing structure. Ethical considerations were anticipated and implemented during all phases of the research project to ensure the participants would not be harmed and the completed recording instruments and all supporting documents will be kept for at least three years in a secure environment. Lastly, limitations to the research project were identified.

Chapter IV

FINDINGS/DISCUSSION

This chapter reviews the findings that resulted from analyzing the collected data about Georgia county correctional institutions to understand this local option method of incarceration in greater detail, determine if their operations were financially successful, educate decision makers and the public about this obscure and unique method of incarceration, and perhaps develop a theory regarding operating these types of facilities. The ultimate goal was to answer the central research question of "How does operating optional county correctional institutions impact the host county government and their operations." To shed light on how these facilities operate and answer the research questions, this chapter includes comparative summary information about the demographic characteristics of the counties that host correctional institutions, institutional management and facility attributes, use of inmates, and financial performance of the correctional institutions using narratives and descriptive statistics such as ranges, averages, and percentages.

The participation rate of the 21 county correctional institutions and their wardens was 100%. However, the financial data from the Gwinnett County correctional institution was eliminated from the study because that correctional institution houses many county inmates in addition to state inmates which significantly increased its overall labor and operational costs and those costs were not delineated between county cost and state cost, making comparisons with other correctional institutions very difficult. In addition, many county wardens referred the researcher to their county's finance departments for the needed financial data. One county's finance department did not respond to repeated requests for the financial data. Therefore, all subsequent sections of this chapter contain data from all 21 county correctional institutions except for the financial performance section. That section only contains data from 19 of the 21 facilities (90%).

Demographic Characteristics of Counties that Host Correctional Institutions

Of Georgia's 159 counties, only 21 (13.2%) of the counties operate optional county correctional institutions. The 21 county correctional institutions are dispersed throughout the state and located in both rural and urban counties. For this study, rural means a 2019 population of 50,000 or less and urban means a 2019 population of 50,000 or more. Of the 21 counties, 62% were urban and 38% were rural. Terrell County, located in the southern part of the state, had the smallest population of only 8,531 residents and Gwinnett County, located in the metro Atlanta area, had the largest population of 936,250 residents. The average population of all 21 counties was 133,649 residents. The population of each county hosting a correctional institution has been increasing and decreasing. Terrell County experienced a population decline of -10.3% from 2010 to 2019 while Effingham County saw a population increase of 23% during the same time period. The average population change of all 21 counties was 5.2% from 2010 to 2019 while the state's population change was 9.6% during the same time period (U.S. Census Bureau, 2020b).

The 21counties that host correctional institutions had a racial composition of an average of 61% white and 34% black, virtually mirroring the state's percentages of 60% white and 33% black. The county with a majority white population was Jackson County located in the northern part of the state with 88% white and the county with a majority black population was Clayton County located in the southern metro Atlanta area with 73% black (U.S. Census Bureau, 2020b).

The wealth of each county was analyzed using 2019 per capita income, median household income, and poverty rates. Regarding per capita income, Mitchell County, located in southern part of the state, had the lowest per capita income of $17,514 and Harris County, located in the western mid-section of the state, had the highest per capita income of $34,511. The average per capita income of all 21 counties was $23,855 while the state's per capita income was $29,523. Regarding median household income, Jefferson County, located in the eastern mid-section of the state, had the lowest median household income of $34,300 and Harris County had the highest median household income of $74,261. The median household income among the 21 counties averaged $47,961 while the state's median household income was $55,679. Effingham County was the most affluent county hosting a county correctional institution with a poverty rate of only 8.3%. The least affluent county was Mitchell County with a poverty rate of 29.3%. The average poverty rate among the 21 counties was 19.1%, well above the state's rate of 13.3% (U.S. Census Bureau, 2020b).

The property tax burden was also analyzed for each of the counties that hosted optional county correctional institutions. The unincorporated property tax rate was averaged for tax years 2017, 2018, and 2019 and resulted in an overall average rate of

13.977 mills. Carroll County, located in the western part of the state, had the lowest average unincorporated property tax rate of 8.161 mills and Clayton County had the highest average unincorporated property tax rate of 20.863 mills (Georgia Dept. of Revenue, 2020).

The unemployment rate for each of the 21 counties was also averaged for 2017, 2018, and 2019 and resulted in an overall average rate of 4.88%. Jackson County had the lowest average unemployment rate of 3.33% and Terrell County had the highest average unemployment rate of 6.83%. The state's unemployment rate averaged 3.97% (Federal Reserve Economic Data, 2020).

Lastly, of the 21 counties that host and operate county correctional institutions, 19 counties (90%) had county managers/administrators managing daily operations and only two counties (10%) did not. Those two counties without county managers/administrators were Decatur County and Carroll County.

From the demographic information presented, it appears that counties that host and operate optional correctional institutions are mostly urban, have an increasing population, predominately white, have lower average per capita incomes and lower median household incomes as compared to the state, have higher average poverty rates and higher average unemployment rates as compared to the state, and have a county manager/administrator at the helm managing this important public resource with assistance from a county warden. See Appendix G for the demographic characteristics of the counties data set.

Correctional Institutions' Wardens

The county correctional institutions are managed by local county wardens that are full-time county employees hired by a local authority such as the county manager/administrator or an elected Board of Commissioners or a combination thereof and affirmed by the Board of the Georgia Department of Corrections (GDOC). According to O.C.G.A. §§ 42-5-30, the local wardens serve at the pleasure of the county and GDOC, must meet certain qualifications as established by GDOC, take an oath of office to faithfully discharge their duties in accordance with GDOC rules, execute a bond of not less than $10,000 payable to the Governor to faithfully account for funds and property in the wardens' care, have no interest in or profit from the labor of inmates or receive gratuities, and submit monthly inmate reports to GDOC. The local wardens and their deputized subordinates also have arrest powers to arrest persons that violate established facility guard lines by bringing weapons, drugs, or alcohol near the facility, exchanging articles with inmates such as weapons, alcohol, drugs, telephones or tobacco, loitering near inmates, or using unmanned aircraft to photograph the facility for purposes of committing a criminal offense. In addition, the GDOC Commissioner may confer all powers of a police officer upon a local warden as the Commissioner deems necessary if the warden meets the requirements to be a police officer.

According to the research, the 21 county wardens are hired in a variety of ways including by the county manager/administrator (33%), or by the elected Board of Commissioners or chairman (43%), or by a recommendation from the county manager/administrator to the Board of Commissioners and the Board makes the final hiring decision (24%). The 21 county wardens have substantial experience in being wardens. The average number of years of experience serving as the warden in their current facility is 8.5 years. About 43% of the county wardens had previous careers with GDOC in various capacities including serving as state prison wardens before retiring and becoming county wardens. The other 57% of the county wardens, without a GDOC background, served in other capacities including as deputy wardens or correctional officers in their current facilities, within Sheriff's Offices, within city police departments, with other state agencies, and with other correctional institutions. The wardens' current annual salaries ranged from $52,000 to $192,000 with the average being $91,755 and the median being $85,650 when outliers were taken into consideration. However, it should be noted that the few wardens with higher salaries were assigned additional county departments or had other county inmate programs to manage in addition to their correctional institution duties. Those additional county departments included a combination of departments that heavily use inmates including the animal shelter, road department, fleet management, building maintenance, code enforcement, and solid waste. See Appendix H for the correctional institutions' warden data set.

Facility Attributes

Of the 21 county correctional institutions located throughout the state, the oldest ones are located in Effingham County and Jefferson County. Both of these facilities have been continuously operational since 1925 and are 96 years old. The newest one is located in Gwinnett County, having opened during 2002 and is only 19 years old. The average age of all county correctional institutions is 56 years. All the county correctional institutions were constructed and are currently operating with an open dormitory concept whereby inmates are housed in large single rooms in bunkbeds, which is the least expensive inmate housing type, as opposed to two and four person cells (Georgia Department of Corrections, County Prisons, 2019). The current average GDOC contracted bed capacity of all 21county correctional institutions totaled about 4,800 beds. Athens/Clarke County, a consolidated government and home of the University of Georgia, had the smallest average contracted bed capacity at 131 while Columbus/Muscogee County, another consolidated government and the third largest city in the state, had the largest average contracted bed capacity at 528. The average contracted bed capacity among all 21 county institutions was 228. During the data collection period of FYE 2017, 2018, and 2019, seven of the 21 county correctional institutions (33%) increased their contracted inmate bed capacity between five and 64 inmates (County Capacity Agreements, 2020).

Six of the 21 county correctional institutions (29%) offered a work release program known as transition centers. These transition centers are located within or very near the correctional institution, house eligible state inmates, and these inmates are included in the contracted bed capacity amount. However, these inmates go to work at regular jobs in the community during the day, are paid competitive wages for their labor, and return to the facility at night unlike regular inmates that are assigned work details and not paid for their labor. The inmates in the transition centers reimburse the county facility for their room and board, pay accrued fines, and furnish restitution. Interestingly, only one county pays certain inmates for their labor as a long-standing practice. Those inmates at that county correctional institution, that are assigned to public work details, receive $3 per day.

As authorized by O.C.G.A. §42-5-53, county correctional institutions can house county sentenced inmates in addition to state sentenced inmates. Of the 21 county correctional institutions, only six facilities (29%) house county inmates. Most wardens attempt to keep the number of county inmates sentenced to their correctional institution by local judges to a minimum and do not like to mix county inmates with state inmates due to intricate state laws that pertain to the correctional institutions and state inmates but not to county inmates.

The 21 county correctional institutions are heavily used and relied on by the state as seen from their utilization rates. During the data collection period of FYE 2017, 2018, and 2019, the average utilization rate for all facilities ranged from 93% to 101% culminating in an average overall utilization rate of 97% (County Prison Compstat Reports, 2020).

Operating any correctional facility is a labor-intensive endeavor and county correctional institutions are no exception. The county correctional institutions rely primarily on full-time labor and part-time positions are not significantly used. The budgeted full-time positions ranged from a low of 14 positions to oversee a contracted bed capacity of 140 in one correctional institution to a high of 117 positions to oversee a contracted bed capacity of 528 in another correctional institution. The average number of budgeted full-time employees for the 20 correctional institutions overall was 47 positions. This positional analysis excluded the Gwinnett County correctional institution since it manages many county programs and has many more employees making comparisons difficult.

Instead of having full-time employees perform certain tasks, all 21 county correctional institutions except one outsourced certain inmate services to private companies to perform. Those outsourced services typically include the inmate telephone system, inmate medical services, inmate commissary services, and inmate food services.

The wardens were also asked additional questions regarding their facilities including their biggest operational challenges, programs offered to inmates, and future planning. The biggest challenges that were discussed were organized into three categories: internal organizational issues, inmate issues, and GDOC issues. Internal organizational issues included recruitment and retainage of qualified staff members, high employee turnover, low employee pay, lack of budget resources, improper employee supervision of inmates, high vehicle and equipment repair cost due to mistreatment by inmates, dealing with old infrastructure and building code issues, maintaining aged equipment, high building maintenance costs, no room for expansion, and lack of understanding, support, and recognition from local elected officials of the work the correctional institution performs and the revenues generated from outside contracted work details. Inmate issues included gang activity, lack of inmate skills and work experience, and inmate acquisition of contraband. GDOC issues included dealing with the GDOC bureaucracy, overly burdensome state required paperwork, too many state policies and procedures to follow, GDOC does not recognize county needs, the $22 per day per inmate reimbursement rate paid by the state to host counties is insufficient, the need for the state to reimburse counties for inmate legal expenses such as habeas corpus cases, and lack of state lobbying efforts on behalf of county correctional institutions.

Regarding the challenge of too many GDOC policies to follow, there are several state laws that pertain to county correctional institutions that could be construed to be excessive. Those state laws include O.C.G.A. §42-5-40 that states wardens who cause any inmate to do any work on Sunday, except works of necessity, shall be guilty of a misdemeanor. O.C.G.A. §42-5-60.1 states inmates shall not work on outdoor assignments in inclement weather as defined by rain or temperatures below 28 degrees unless government employees are also working in that same outdoor environment performing similar work. O.C.G.A. §42-5-30 states correctional officers shall not be known or designated as guards or prison guards. O.C.G.A. §42-5-38 states that any person that makes a false statement of their age to obtain employment as a correctional officer or warden shall be guilty of a misdemeanor. Lastly, O.C.G.A. §42-5-39 states if a warden refuses to accept an inmate shall be punished by confinement not exceeding ten years and dismissed from office.

In the area of inmate programs, wardens of county correctional institutions are required by O.C.G.A. §42-5-57 to give inmates reasonable educational, religious, and recreational activities where practicable. Therefore, all 21county correctional institutions offered these types of programs but some wardens went above and beyond. The most typical programs offered among the facilities included a combination of GED courses, Motivation for Change (substance abuse intervention program), Thinking for Change (cognitive behavioral change program), Moral Reconation Therapy (cognitive behavioral treatment program), Re-entry skills (life management program covering money management, work ethics, housing, etc.), Alcoholics Anonymous, Narcotics Anonymous, Matrix (substance abuse and relapse prevention program), Detour (substance abuse program), general recreation, and general worship services. The county correctional institutions also offered a variety of on-the-job training skills and certificate programs in the areas of welding, plumbing, HVAC, construction zone flagging, animal care, chainsaw safety, paint and body work, heavy equipment operations, firefighting, forklift operations, and even beekeeping.

Some county wardens went above and beyond other wardens and offered more programs and services to the inmates. Four correctional institutions operated inmate fire stations whereby inmates are certified firefighters and respond to fire calls in all areas of the community on a 24/7 basis. Two wardens offered unique programs with catchy names that provided intensive job skills training, essential life skills, educational upgrades, and employment to specific eligible inmates from the local area prior to their release to facilitate their re-entry into society.

Regarding future planning, 18 of the 21 wardens (86%) have no plans for expansion while three wardens (14%) have plans to expand their facilities especially in the area of transition centers. One county even asked local voters to replace their current correctional institution that was constructed in the mid-1960s with a new $11M facility using Special Purpose Local Option Sales Tax (SPLOST) proceeds as the funding mechanism. That SPLOST referendum, which included many other projects, was approved during March 2021. None of the 21 wardens have plans for closure. When asked about the need for any additional correctional institutions in the future, 17 wardens (81%) leaned toward yes while only four wardens (19%) indicated no additional facilities are needed. The reasons for additional correctional institutions were organized into three categories: ways correctional institutions benefit the counties, ways correctional institutions benefit the inmates, and a possible hybrid model of future county correctional institutions based on the transition center standard. See Appendix I for the facility attributes data set.

Correctional institutions provide the counties that host and operate them with positive economic benefits by providing a supplemental unpaid inmate labor force to perform local public works projects, having the counties avoid the cost of not having to hire additional county employees or contractors to perform the work inmates perform, and giving the counties the ability to outsource state inmates to neighboring cities, counties, and state agencies to generate additional revenue for the host counties. Counties that do not operate local correctional institutions could benefit from them if they have the ability to afford and manage one. GDOC can even assist counties financially in constructing or expanding a correctional institution as authorized by O.C.G.A. §42-2-13.

On the inmate side, county correctional institutions benefit the inmates by offering GED courses and other educational opportunities in small personal settings which is conducive to developing better work ethics and job skills. The small personal settings with one-on-one attention better prepare inmates to return to society and be successful versus large state prisons and their impersonal surroundings.

Some county wardens believe current state judicial reforms do not work, there will always be offenders that break the law and need to be incarcerated, which will lead to a higher prison population in the future. Their solution is to revamp and expand the transition center model of incarceration. County correctional institutions were originally designed to warehouse inmates and are not conducive to influencing inmates to become better versions of themselves. Transition centers would offer more educational programs, vocational training, treatment, and counseling than traditional county correctional institutions and inmates would work at local jobs in the community, earn competitive wages, reimburse the center for their room and board, and pay off their fines and restitution. Having more of these centers would benefit the inmates and allow them to easily reenter society as productive citizens. These wardens further elaborated and suggested that a future hybrid model of county correctional institutions be created by housing both state and county inmates together in one facility that leans more toward transition centers to keep the work details at full strength, provide local businesses with a workforce, provide more sentencing options for judges, and not rely solely on GDOC for state inmates and their daily fee per inmate revenue. Moving toward this hybrid model of incarceration, several wardens believe, would lead to reduced recidivism.

The wardens that indicated additional correctional institutions are not needed in the future provided thoughtful insights. Those insights included that the state prison population is decreasing and will continue to decrease in the future due to the creation and continuation of state managed non-residential accountability courts and restorative justice programs such as drug courts, mental health courts, DUI courts, and parental courts that emphasize education, treatment, and counseling for non-violent offenders. These courts and programs divert non-violent offenders that are suitable to be assigned to county correctional institutions to non-residential programs leaving only violent and hardcore offenders in the state prison system that are not suitable to be assigned to county correctional institutions. In the future, the use of prisons will be the last resort due to the high cost of operating them. These wardens also believe new county correctional institutions are too expensive to construct and are not a good fit for many counties especially those located in the urban metro areas even though these facilities benefit the counties economically. The existing 21 county correctional institutions could handle future inmate increases in the event the prison population expands due to new sentencing guideline or an increase in crime.

Use of Inmates

County correctional institutions are work camps where state inmates act as a supplemental unpaid labor force to perform public works projects for host counties. According to the research, county wardens classify each inmate as they arrive in the facility and assign them to one of three types of work details based on their previous criminal history and personal attributes. The three work details consisted of outside contracted work details, outside non-contracted work details, and inside work details. According to O.C.G.A. §42-5-60, under no circumstances shall inmates be hired out to private persons or companies to work for profit.

Of the 21 county correctional institutions, 90% of the wardens used outside contracted work details to assist other nearby local governments and state agencies with their public work through fee-for-service contracts. But the wardens used these types of work details rather sparingly. During the data collection period of FYE 2017, 2018, and 2019, four correctional institutions had an average of only one outside contracted work detail and the facility with the most outside contracted work details had an average of 12. The average number of outside contracted work details for all correctional institutions overall was four and the median was two. The average number of inmates per detail for all facilities was seven (County Prison Compstat Reports, 2020).

More specifically, inmates assigned to outside contracted work details travel from the correctional institution to other nearby local governments and state agencies such as the Georgia Department of Transportation and community colleges during the workweek typically from 8 a.m. to 4 p.m. The fee-for-service contracts typically reimburse the host county for the cost of the salary and benefits of the supervising correctional officer and sometime include a daily rate for each inmate. The local government or state agency that use a work detail must typically provide transportation and all work tools. These fee-for-service contracts also generate additional revenue for host counties.

All 21 county correctional institutions used outside non-contracted work details to perform a wide variety of public work for many county departments and state agencies during the work week from generally 7:00 a.m. to 4:00 p.m. The inmates are transported from the correctional institutions to public work sites by county-owned trucks, vans, and small buses and supervised by county correctional officers or trained county employees. During the data collection period of FYE 2017, 2018, and 2019, the correctional institution with the least amount of outside non-contracted work details had an average of 13 and the correctional institution with the most outside non-contracted work details had an average of 79. The average number of work details of all facilities overall was 33 and the median was 28. The average number of inmates per detail was four (County Prison Compstat Reports, 2020).

More specifically, inmates assigned to outside non-contracted work details work within the host county and are assigned to various county departments and local state agencies to perform public work. Those county departments were typically Public Works Departments to mow grass on public rights-of-way and in cemeteries, pick up roadway litter, and install road signs, Parks and Recreation Departments to mow athletic fields, stripe game fields, and clean concession stands, Fire Departments to clean fire stations, mow grass, and act as volunteer firefighters, Animal Shelters to keep the shelters clean, Facilities Maintenance Departments to repair, paint, and provide janitorial and mowing services to public buildings, Fleet Maintenance Departments to repair public vehicles and equipment, Solid Waste Departments to collect residential garbage on a curbside basis and sort recyclable materials, and Airports to mow grass and keep the facilities clean. The inmates also work at other county departments such as courthouse and administration buildings, 911 Centers, Health Departments, Libraries, Senior Citizens Centers, Water and Sewer Departments, and Board of Education offices to clean and maintain the facilities, mow grass, and provide janitorial services. Inmates assigned to outside non-contracted work details also work at the local offices of the Georgia State Patrol, Georgia Forestry Commission, Georgia Department of Natural Resources, and Georgia Department of Motor Vehicles to mow grass and maintain those facilities. One county even has inmates operate a sawmill and used the end products as building materials on public projects. Interestingly, in more counties than not, inmates were allowed to drive county vehicles, heavy equipment, and light equipment if they possess the proper licenses.

Inmates assigned to inside work details work within the county correctional institution itself and perform needed internal work such as cleaning, preparing and serving food, performing laundry duties, barbering, and maintaining the facility and its vehicles and equipment. During the data collection period of FYE 2017, 2018, and 2019, three correctional institutions had an average of four inside work details and the correctional institution with the most inside work details had an average of 20. The average number of inside work details for all facilities was nine and the median was seven. The average number of inmates per detail for all facilities was five (County Prison Compstat Reports, 2020). See Appendix J for the use of inmates data set.

Inmates performing work for host counties on any of the work details were viewed in a positive and favorable light by county employees and the public according to all wardens. According to the wardens, citizens and employees see the inmates' work as valuable, essential to the workings of county government, and saving the county money by using inmate labor rather than county employees or contractors. Everyone was used to seeing the inmates, accustomed to their daily routine, and considered inmates to be a part of the family and treated as such. Inmates seem to fade in the background and do not garner much attention from employees or citizens. Some wardens try to keep their correctional institutions and the inmates invisible to the public and "below the radar" while other wardens want to bring attention to the inmates and showcase their work by promoting them through positive public relation campaigns such as publishing newspaper articles with photos and offering tours of the correctional institution to nearby college students studying criminal justice programs.

Financial Performance

Georgia county correctional institutions are optional for counties to operate. An astute county official would think these optional institutions generate positive economic benefits for the county. Otherwise, the county is just providing a service for the state at the detriment to the host county and its finances. To determine if these facilities generate a positive economic benefit for host counties, audited revenues and expenses were collected and analyzed from each of the 21 correctional institutions for FYE 2017, 2018, and 2019. Two counties (10%) were omitted from the study; one for not responding to repeated requests for needed financial information and the other for operating a correctional institution that housed many county inmates which resulted in more personnel and operational costs making comparisons with the other correctional institutions difficult.

The remaining 19 counties (90%) accounted for their correctional institutions' financial data in numerous ways in their annual budgets. Twelve counties (63%) placed their correctional institutions' financial data solely in the General Fund. Six counties (32%) placed their correctional institutions' financial data in the General Fund and in at least one Special Revenue Fund. One county (5%) placed their correctional institution's financial data in an Enterprise Fund and a Special Revenue Fund. As a high-level overview of fund accounting, the type of accounting used by all local governments, the General Fund is the major fund used by local governments to account for all financial transactions of a general nature which are not accounted for in other funds. The General Fund's typical revenue sources include an assortment of property taxes, sales taxes, motor vehicle taxes, building permits, intergovernmental grants, charges for services, court fines, investment income, and other financing sources. Typical departments funded by the General Fund include well known departments such as Public Works, Parks and Recreation, Sheriff's Office, Jail, Judicial Courts, Library, and the County Correctional Institution. Special Revenue Funds are funds used to account for all financial resources that are legally or administratively restricted for special purposes. For example, counties collect 911 telephone surcharges placed on users' monthly telephone bills and legally restrict those funds to be used only for 911 and emergency communication purposes. In the case of correctional institutions, some counties use Special Revenue Funds to collect funds from inmates when they purchase products from the inmate commissary store and restrict that revenue and profits to be used only for inmate needs. Enterprise Funds are used to account for all county operations that are financed and operated in the same manner as private enterprises, on a self-supporting basis. Enterprise Funds of local government typically consist of utility type operations such as Water and Sewer Departments and Solid Waste Departments that collect user fees as opposed to taxes and use those fees to operate that department without the expectation of needing other unrelated outside funds.

Regardless of where the correctional institutions' financial data was placed in the budget and the number of funds used, the audited revenues and expenses for each county correctional institution were similar to each other. Audited revenues for each correctional institution consisted of a combination of the daily fee per inmate received from the state ($20 per day per inmate), revenues from outside contracted work details, reimbursements from transition center inmates, inmate telephone commissions, inmate commissary commissions, inmate medical reimbursements, sick call fees, dismissal fees, disciplinary fees, and inmate account management fees. Audited expenses for each correctional institution consisted of a combination of salary and benefits of the correctional institutions' employees, purchased/contract services, and supplies. Capital expense items were omitted from this analysis due to their annual volatility. The audited revenues and expenses from FYE 2017, 2018, and 2019 were analyzed for all 19 correctional institutions and averaged. The average audited revenues ranged from $1,181,000 to

$4,773,246 with average revenues of all 19 correctional institutions being $2,145,343. The average audited expenses ranged from $1,261,984 to $8,535,609 with average expenses of all 19 correctional institutions being $3,541,249. When the audited revenues and expenses of the 19 correctional institutions were compared, all facilities except one had major annual financial losses. The profit and loss amount ranged from ($4,497,994) to $32,872 with the average loss for all correctional institutions being ($1,395,906). The correctional institution that was established as an Enterprise Fund was the only correctional institution to generate a small profit.

So why would a county government want to operate an optional correctional institution if it did not generate a positive economic benefit? The main reason for counties to operate these facilities is to obtain a supplemental unpaid inmate labor force to perform public works projects in an effort to save money. However, the analysis is not complete until the cost avoidance is calculated and factored in of not having to hire county employees or contractors to perform the work inmates perform. For this analysis, the number of inmates assigned to outside non-contracted work details (i.e. inmates that work in the various county departments) were used but reduced by a factor of 25% to account for travel time to and from the work site, not working a full eight-hour day, and lack of job skills, motivation, and interest that a full-time county employee should possess. The resulting number represented the number of full-time employees or contractors the county would need to hire to replace the inmates. The number of new full-time employees that would be needed was multiplied by $50,000 per employee ($15 per hour pay rate plus employee benefits consisting of health insurance, FICA, Medicare, retirement, unemployment, and workers' compensation) to arrive at a cost avoidance amount. The average cost avoidance for all counties ranged from $2,587,500 to $10,350,000 with the average cost avoidance for all 19 counties being $4,683,553. When the cost avoidance amount was added to the average profit or loss of each correctional institution, all correctional institutions (100%) enjoyed a significant annual profit instead of a significant annual loss. The average profit/cost avoidance for all counties ranged from $466,287 to $6,286,897 with the average profit/cost avoidance for all 19 counties being $3,287,647.

The host counties were not the only entities that experienced positive financial benefits. By outsourcing state inmates to less expensive county correctional institutions, the state saved a significant amount of taxpayer money. According to a 2018 Georgia Department of Audits and Accounts report, to house an inmate in a state prison costs $44.56 per day when controlling for offender sex, facility size, and facility risk classification. By outsourcing a state inmate to a county correctional institution, the state saved $44.56 per day but paid the host county only $20 per day as a daily rate, saving $24.56 per day per inmate. For the data collection period of FYE 2017, 2018, and 2019, the average annual savings to the state was $38,633,576. See Appendix K for the correctional institutions' financial performance data set.

Summary of Findings as Compared to the Research Questions and Literature Review

The central research question was, "How does operating optional county correctional institutions impact the hosting Georgia county governments and their operations?" The specific research questions included:

- Q1: how are the host Georgia county governments impacted in the areas of finances, use of inmates, service provision, and avoidance of future cost by operating optional county correctional institutions?
- Q2: how much is the magnitude of the financial benefit or lack of financial benefit to the host Georgia counties that operate optional county correctional institutions?
- Q3: how much does the state of Georgia and its prison system financially benefit by outsourcing state inmates to county correctional institutions?

The findings conclusively answered the posed research questions. Q1: all 21 counties that hosted optional correctional institutions received significant financial benefits by having a supplemental unpaid inmate labor force perform a variety of needed public work. As the research indicated, the inmates housed in county correctional institutions were assigned to 1) outside contracted details that performed work for nearby local governments and state agencies through fee-for-service contracts that generated revenue for the host counties, 2) outside non-contracted details that performed work in various county departments such as mowing grass, picking up litter, providing janitorial services to public facilities, repairing public vehicles and equipment, performing minor building repairs, and fighting community fires, and 3) inside details that performed internal work such as cleaning the facility, preparing and serving food, performing laundry duties, and barbering. These unpaid inmates provided a wide variety of needed public services that would have otherwise not been accomplished or performed by county employees receiving salary and benefits or contractors receiving contract fees and those costs were avoided and will continue to be avoided in the future.

Q2: as the research further demonstrated, operating county correctional institutions cost money that is extracted from taxpayers and impacted the county's budget. When audited revenues were compared to audited expenses over the three-year period, all but one of the 19 correctional institutions experienced significant financial losses. That is how some members of the public, elected officials, and even county wardens and county managers view the operations of these facilities, as a loss if they thought about it at all. However, when cost avoidance is factored in of not having to pay salary and benefits to county employees or contract fees to contractors to perform the work inmates perform in the various county departments, the significant financial losses turn into significant financial profits/cost avoidance for each facility. The resulting magnitude of the annual financial benefit averaged $3,287,647 among all 19 facilities.

Q3: the state of Georgia outsourced an average of 4,825 of its excess state inmates to less expensive county correctional institutions over the three-year period. By outsourcing those inmates to county governments, the state saved $44.56 per inmate per day but paid the counties $20 per inmate per day. The resulting annual savings to the state averaged $38,633,576.

The literature review indicated that outsourcing public services in general was a mixed bag of results as it relates to cost savings, inconclusive, and dependent on specific characteristics of each outsourced service. No one size fits all. The literature review also indicated that outsourcing government inmates in particular was a mixed bag of results as it relates to cost savings, inconclusive, and comparisons between public and private facilities were very difficult to make due to differences in inmate population, housing types, levels of security, staffing size, types of programming, accounting methods, rural or urban locations, age and size of the prison, lack of data from private prison corporations, and definition of services. To accurately compare facilities, they have to be somewhat equally matched.

With this research project, the 21 county correctional institutions were very similar to each other and rather homogeneous. They were all small and older facilities, used an open dormitory housing style, managed by experienced wardens, had the same type of inmate population, outsourced similar services, offered similar inmate programs, had the same structure of inmate work details, and had similar sources of revenues and types of expenses. The high level of similarity, homogeneity, and county warden participation rate made comparisons among the county correctional institutions more accurate and generalizable.

Generalization of Results and Theory Development

Since this research project received a 100% participation rate from the 21 county wardens and 90% of the financial data was received, generalizations of the research results are appropriate. To apply this new knowledge, the averages mentioned in this research project were used to show readers how a new correctional institution could be established that would generate similar financial benefits. Table 1 represents a generalization of revenues, expenses, the resulting direct profit or loss, cost avoidance of not having to hire full-time county employees or contractors to perform the work that inmates perform, a revised profit or loss when cost avoidance is factored in, and savings to the state for outsourcing state inmates to less expensive county correctional institutions.

The analysis resulted in the correctional institution having a direct loss of $1,169,040 but when the cost avoidance amount of $4,950,000 was factored in, the county enjoyed a $3,780,960 annual profit/cost avoidance and the state enjoyed an annual savings of $1,819,802.

Table 1: New County Correctional Institution Generalization

Potential Revenue Sources	Estimated Revenue
Daily fee from the state *(228 inmates x 97% capacity x $22 per day x 365 days per year)*	$1,775,915
Revenues from other entities *(4 outside contracted work details x $40,000 per detail per year)* *(7 inmates per detail x $10 per inmate per day x 260 days per year)*	160,000 72,800
Commissary commissions (outsourced)	80,000
Telephone commissions (outsourced)	50,000
Reimbursements-medical and release expenses	9,000
Total Direct Revenues	**$2,147,715**

Anticipated Expense Types	Estimated Expenses
Salary and benefits *(40 FT employees x $60,000 (average annual salary & benefits) + warden's average salary of $91,755)*	$2,491,755
Purchased/contracted services *(Repairs/maintenance for departmental equipment and vehicles, telephone/internet, inmate medical, dues, travel/education and training*	225,000
Supplies *(General office/janitorial supplies, utilities, vehicle gasoline/tires, inmate food prepared in-house, small equipment, and uniforms)*	600,000
Total Direct Expenditures	**$3,316,755**

Direct Profit or (Loss)	**($1,169,040)**

Cost Avoidance of Not Having to Hire Full-Time County Employees or Contractors	
Avg. # of inmates performing outside non-contracted work x 0.75% x $50,000 salary and benefits of a new entry-level full-time county employee. *(33 details x 4 inmates per detail x 0.75% x $50,000)*	
Total Cost Avoidance	**$4,950,000**

Profit or (Loss) When Cost Avoidance is Factored In	**$3,780,960**

Potential Annual Cost Savings to State Due to Outsourcing State Inmates to County	
$44.56 per inmate per day state cost less $22 per inmate per day the state pays counties x avg. number of inmates held in CI x 365 days per year. *($44.56 - $22 x 221 x 365)*	
Total Annual Cost Savings to the State	**$1,819,802**

Source: Dowling and Nelson, 2021

In addition to the operating cost of a new correctional institution, the physical facility needs to be addressed. A new 228-bed county correctional institution would need 291 square feet per bed or 66,348 square feet of gross square footage. Assuming the new correctional institution is an existing county-owned facility on county-owned land that is renovated for correctional institution purposes using an open dormitory concept as opposed to more expensive new construction and land acquisition, the cost per square foot to renovate is estimated to be $250 per square foot. The total cost of the renovated space would be $16,587,000. This cost includes inmate intake area, disciplinary cells, small medical clinic, adequate program space, staff offices, laundry room, kitchen facilities, secure general storage, and video arraignment for court hearings. When design and consultant fees and furniture, fixtures, and equipment (FFE) are added at 18%, the final cost increases $2,985,660 to $19,572,660. However, with an annual profit/cost avoidance of $4,950,000, the return on investment would be about six to seven years when existing county employees are shed over time through attrition and future operating cost increases are factored in (L. Latimer, personal communication, 2020).

Based on the research findings and the above generalization, a theory has been developed regarding optional county correctional institutions. That theory states, if a Georgia county hosts and operates an optional correctional institution based on the model presented in this research study, it will receive significant financial benefits and the state will save a significant amount of taxpayer funds. This theory can also be expanded by indicating that if other states adopt this model of county operated correctional institutions to house state inmates that Georgia uses, they and their local governments will reap financial benefits.

Chapter Summary

After the data was collected, recorded, and analyzed for this research project, findings could then be presented. In this chapter, the demographic characteristics of the counties that host optional correctional institutions were presented. The management of the correctional institutions was presented including how wardens are hired, their authority, job requirements, years of experience, previous backgrounds, and average salary amounts. Facility attributes were listed including age, housing style, contracted bed capacity, which facilities operate transition centers as part of the correctional institution, housing of county inmates, utilization rates, full and part-time positions needed to operate the facilities, outsourced inmate services, challenges operating correctional facilities, inmate programs, future plans for expansion and closure, and the need and reasons for future county correctional institutions. Use of inmates were discussed and how inmates are assigned to one of three types of work details (outside contracted work details, outside non-contracted work details, and inside work details), the public work that is performed, and how inmates are viewed by the public and employees. Lastly, financial performance of the correctional institutions was evaluated. According to the analysis, all but one of the correctional institutions experienced major financial losses when audited revenues and expenses were compared. However, when cost avoidance was factored in of not having to hire additional full-time county employees or contractors to perform the work inmates perform, all host counties experienced a significant profit/cost avoidance. In addition to being profitable and beneficial for the host counties, county correctional institutions are also extremely financially beneficial for the state. By outsourcing state inmates to less expensive county facilities, the state saved tens of millions of dollars annually. Therefore, hosting an optional county correctional institution is a major financial benefit to host counties as well as the state and keeps the incarceration and punishment of inmates a governmental function as opposed to punishment being imposed by the profit-seeking private sector. Lastly, the findings were compared to the original research questions and the literature review and generalizations of the results were presented along with a theory of how hosting and operating optional county correctional institutions can bring financial benefits to the host county and the state.

Chapter V

CONCLUSION

The Georgia prison system had a lack of correctional facilities and inmate bed space since the end of the Civil War due to fiscal constraints and limited resources. State prison officials, realizing they were not self-sufficient, were forced to search the external environment to locate possible solutions to their limited resources to protect law abiding citizens and remove law breaking offenders from the community. In their search, they found a solution by outsourcing their inmates to private entities initially through a convict lease system from 1868 to 1908 and then through chain gangs and county work camps from 1908 to 1943. Even though the chain gangs were abolished in 1943, the work camps continued until they were formally established as optional county correctional institutions and codified by the state in 1956.

Georgia struggled to manage its small fledging prison system and inmate population for many decades from the 1940s to the 1970s and continued to heavily rely on county correctional institutions to house state inmates. To compound the problem, Georgia and the entire U.S. experienced increases in violent and property crimes during the 1970s and 1980s due to precarious economic conditions that included high unemployment, excessive inflation, stagnated wages, outsourcing of jobs to other countries, de-industrialization, business bankruptcies, prohibitive interest rates, abnormal oil and gas prices, reductions in social spending, and a downward push on employee benefits and pensions. To counter the increases in violent and property crimes, the federal and state governments ushered in new “get tough on crime” and “war on drugs” laws during the 1980s and 1990s that collectively widened the scope of criminalization and ended indeterminate sentencing. These new laws resulted in new convictions, longer sentences, mandatory minimum sentences, and reduced eligibility for parole and probation which led to an increase in the prison population and ultimately prison overcrowding. Georgia elected officials knew they could not build themselves out of prison overcrowding, continued to rely on county correctional institutions, and contracted with two private for-profit prison services corporations, Core Civic and the GeoGroup, during the 1990s to construct four private prisons to house state inmates under contractual arrangements to relieve prison overcrowding, avoid constructing new and expensive state prisons, and continue their mission of incarceration. In addition to creating more inmate bed space through outsourcing, state elected officials also enacted many prison reform laws and created numerous councils during the 2010s that created non-residential incarceration alternatives such as accountability courts for non-violent offenders. The reform measures slowed the prison population escalation but left the remaining prison population composed of primarily violent offenders that must be housed in the state prison system.

Outsourcing excess state inmates to other public and private entities reduced the state’s prison system’s uncertainty, dependency, and vulnerability, was made possible by the adoption of the 13th amendment to the U.S. Constitution, and predicted and explained by resource dependence theory (RDT). Outsourcing public services and programs, even government inmates’ incarceration, to the private sector and other levels of government has been around since the beginning of the American republic and has evolved into a pragmatic, innovative, and well-established alternative to traditional public service delivery at all levels of government around the world.

Today, Georgia operates 34 state prisons and contracts with 21 county governments and two private for-profit prison services corporations to house excess state inmates in 21 county correctional institutions and four private prisons. Georgia county governments that host optional county correctional institutions and private for-profit prison services corporations that operate private prisons have the same goal of receiving economic benefits by housing state inmates in their facilities. Private prison corporations are totally dependent on the state to keep them in business and must maintain and increase their profits, market share, and stock prices to remain a going concern. The success of this private business model can easily be determined by profit or loss statements and other information contained in the corporations' annual reports. On the other hand, county governments that host and operate optional correctional institutions do not have the same concerns of profits, market share, stock prices, or business continuation that private for-profit prison corporations have, are not dependent on the state to keep them in business, and can easily abandon this optional service to the state and continue their core local government functions. The success of this public model cannot easily be determined as compared to their private sector counterparts.

The objective of this research project was to explore the census of the 21 Georgia county correctional institutions through a qualitative multiple case study to understand them in greater detail, determine if their operations were financially successful, educate decision makers from Georgia and other states as well as the public about this obscure and unique method of incarceration, and perhaps develop a theory regarding operating county correctional institutions. This case study covered the topics of demographic characteristics of counties that host optional correctional institutions, correctional institutions' management, facility attributes, use of inmates, and financial performance. County correctional institutions and their operations are now demystified and understandable. In addition, the research questions have been conclusively answered. Bottom line, the studied 19 county governments that host and operate optional county correctional institutions received significant financial benefits by having a supplemental unpaid inmate labor force perform a variety of needed public work and avoiding the high cost of hiring additional county employees or contractors to perform the work that inmates perform. The state also saved a significant amount of taxpayer funds by outsourcing their inmates to less expensive county correctional institutions. In addition, a generalization and a theory have now been developed that indicates, if a Georgia county hosts and operates an optional correctional institution based on the model presented in this research study, it will receive significant financial benefits and the state will save a significant amount of taxpayer funds. This theory can also be expanded by indicating that if other states adopt this model of county operated correctional institutions to house state inmates that Georgia uses, they and their local governments will reap financial benefits.

Looking to the future and according to a December 2018 Georgia Department of Audits and Accounts Performance Audit Division report, the state inmate population is estimated to increase by only 1,277 inmates or about 2.5% over the next five years. That anticipated increase in inmate population is expected to contain mostly violent offenders that are not suitable to be assigned to county correctional institutions or private prisons and will be housed in state prison facilities with expanded capacity. However, with the current civil unrest, defund the police movement, racial conflicts, mass protests, riots, and fallout from the COVID-19 pandemic, the inmate population may increase more than the 2018 report predicts. Future studies are needed to be performed by other Georgia counties and other states' prison officials that do not have this method of incarceration to confirm or disprove the aforementioned theory. If confirmed, this incarceration model or any aspects of it can be transferred and expounded upon further in those communities.

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APPENDIX A:

Listing of State Prisons, County Correctional Institutions, and Private Prisons

APPENDIX A:

State Prisons' Locations, Gender Affiliations, Year Opened, Bed Capacities, and Security Levels

No.	State Prison/Location/Gender	Year Opened	Avg. Standard Bed Capacities	Security Levels
1	Georgia/Reidsville/M	1937	1,019	Special Mission
2	Arrendale/Alto/F	1951	1,325	Special Mission
3	GA Diagnostic Center/Jackson/M	1968	2,103	Special Mission
4	Montgomery/Mt. Vernon/M	1972	387	Medium
5	Walker/Rock Springs/M	1972	403	Medium
6	Baldwin/Harwick/M	1976	854	Special Mission
7	Rutledge/Columbus/M	1976	589	Medium
8	Central/Macon/M	1978	1,074	Medium
9	Lee/Leesburg/M	1979	717	Medium
10	Coastal/Garden City/M	1981	1,698	Special Mission
11	Augusta/Grovetown/M	1983	1,031	Special Mission
12	Dodge/Chester/M	1983	1,175	Medium
13	Rogers/Reidsville/M	1983	1,286	Medium
14	Burruss/Forsyth/M	1986	711	Special Mission
15	Helms/Atlanta/Mix	1989	31	Medium
16	Valdosta/Valdosta/M	1989	778	Close
17	Hays/Trion/M	1990	699	Close
18	Phillips/Buford/M	1990	773	Special Mission
19	Ware/Waycross/M	1990	1,269	Close
20	Hancock/Sparta/M	1991	813	Close
21	Washington/Davisboro/M	1991	1,223	Medium
22	Autry/Pelham/M	1992	1,559	Medium
23	Johnson/Wrightsville/M	1992	1,352	Medium
24	Telfair/Helena/M	1992	1,106	Close
25	Smith/Glennville/M	1993	1,200	Close
26	Calhoun/Morgan/M	1994	1,438	Medium
27	Dooly/Unadilla/M	1994	1,590	Medium
28	Pulaski/Hawkinsville/F	1994	1,123	Medium
29	Macon/Oglethorpe/M	1994	1,389	Close
30	Wilcox/Abbeville/M	1994	1,659	Medium
31	Emanuel/Swainsboro/F	1996	393	Medium
32	Long/Ludowici/M	2004	203	Medium
33	Whitworth/Hartwell/F	2013	426	Medium
34	Metro/Atlanta/M	2018	114	Special Mission
	Total		33,510	

Source: Georgia Department of Audits and Accounts, 2018.

County Correctional Institutions' Locations, Year Opened, Contracted Bed Capacities, and Security Levels

No.	County Correctional Institutions/ Location	Year Opened	Avg. Contracted Bed Capacity for FY 2017, 2018, 2019	Security Levels
1	Effingham County/Springfield	1925	192	Medium
2	Jefferson County/Louisville	1925	145	Medium
3	Clarke County/Athens	1929	131	Medium
4	Harris County/Hamilton	1936	150	Medium
5	Bulloch County /Statesboro	1946	160	Medium
6	Terrell County/Dawson	1947	140	Medium
7	Mitchell County/Camilla	1953	138	Medium
8	Colquitt County/Moultrie	1954	190	Medium
9	Decatur County/Bainbridge	1954	182	Medium
10	Screven County/Sylvania	1958	148	Medium
11	Hall County/Gainesville	1963	200	Medium
12	Richmond County/Augusta	1963	230	Medium
13	Coweta County/Newnan	1977	232	Medium
14	Floyd County/Rome	1977	434	Medium
15	Jackson County/Jefferson	1989	150	Medium
16	Sumter County/Americus	1990	350	Medium
17	Carroll County/Carrollton	1991	246	Medium
18	Clayton County/Lovejoy	1992	253	Medium
19	Muscogee County/Columbus	1997	528	Medium
20	Spalding County/Griffin	2001	384	Medium
21	Gwinnett County/Lawrenceville	2002	201	Medium
	Total		4,784	

Source: County Capacity Agreements, 2017, 2018, 2019 and Georgia Department of Audits and Accounts, 2018

Private Prisons' Locations, Year Opened, Contracted Bed Capacities, and Security Levels

No.	Private Prison/Location/Company	Year Opened	Contracted Bed Capacity	Security Level
1	Coffee/Nicholls/Core Civic	1998	2,605	Medium
2	Wheeler/Alamo/Core Civic	1998	2,597	Medium
3	Riverbend/Milledgeville/Geo Group	2011	1,481	Medium
4	Jenkins/Millen/Core Civic	2012	1,135	Medium
	Total		7,818	

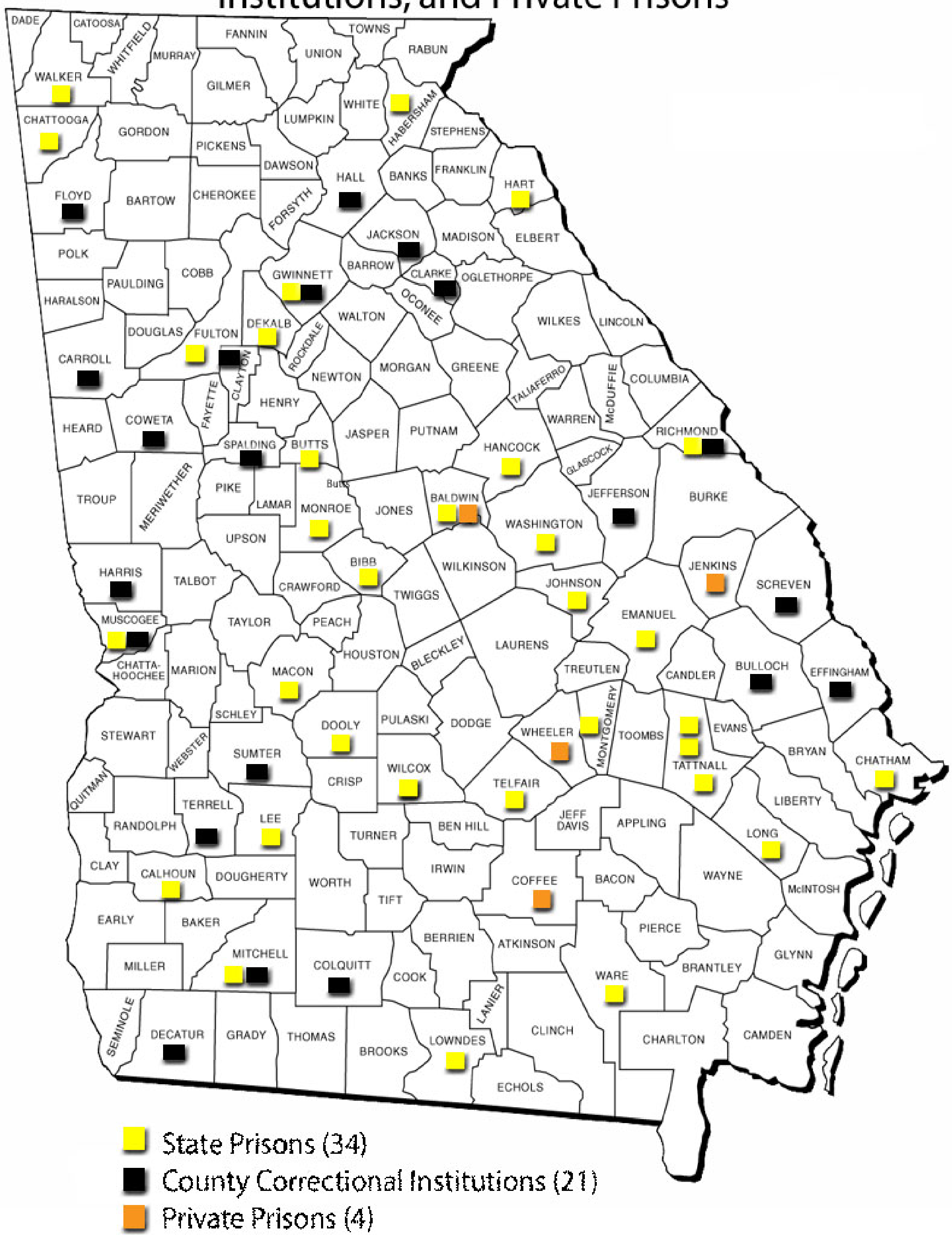
Source: Georgia Department of Audits and Accounts, 2018

APPENDIX B:

Map of State Prisons, County Correctional Institutions, and Private Prisons

APPENDIX B:

Georgia's State Prisons, County Correctional Institutions, and Private Prisons



Source: Dowling, 2020

APPENDIX C:

Utilization Rates of State Prisons, County Correctional Institutions, and Private Prisons

APPENDIX C:

State Prisons' Utilization Rates FYE June 30, 2017 to June 30, 2019

FYE	State Prison Capacity	Inmates Assigned to State Prisons	Utilization Rate
June 30, 2017	33,981	37,268	109.7%
June 30, 2018	34,997	37,847	108.1%
June 30, 2019	35,200	38,201	108.5%
Total	104,178	113,316	108.8%
3 Year Average	34,726	37,772	108.8%

Source: Georgia Department of Corrections, 2020a,b,c

County Correctional Institutions' Utilization Rates FYE June 30, 2017 to June 30, 2019

FYE	County Correctional Institution Capacity	Inmates Assigned to County Correctional Institutions	Utilization Rate
June 30, 2017	5,145	4,975	96.7%
June 30, 2018	4,887	4,691	96.0%
June 30, 2019	4,943	4,808	97.3%
Total	14,975	14,474	96.6%
3 Year Average	4,992	4,825	96.6%

Source: Georgia Department of Corrections, 2020a,b,c

Private Prisons' Utilization Rates FYE June 30, 2017 to June 30, 2019

FYE	Private Prison Capacity	Inmates Assigned to Private Prisons	Utilization Rate
June 30, 2017	7,974	7,897	99.0%
June 30, 2018	7,975	7,819	98.0%
June 30, 2019	7,975	7,861	98.6%
Total	23,924	23,577	98.5%
3 Year Average	7,975	7,859	98.5%

Source: Georgia Department of Corrections, 2020a,b,c

APPENDIX D:

Interview Questionnaire/Data Recording Instrument

APPENDIX D:

County Correctional Institution
Interview Questionnaire / Data Recording Instrument

County Correctional Institution: ______________________ Date: _______________

Community Characteristics

Name of County: ____

Location in the State: Urban (more than 50,000) __________Rural (less than 50,000) __________

2019 Population: ____ (U.S. Census Quick Facts)

2019 Population Percentage Change Since 2010 County/State: _________/_________%
(U.S. Census Quick Facts)

2019 Demographic Make-up of the County: White: ____% Black: ____% Other: _____%
(U.S. Census Quick Facts)

2019 Per Capita Income County/State: $____________/__________ (U.S. Census Quick Facts)

2019 Median Household Income County/State: $_______/_________(U.S. Census Quick Facts)

2019 Percentage of Population in Poverty County/State: ___/____% (U.S. Census Quick Facts)

Other Community Information	FYE 2017	FYE 2018	FYE 2019	AVG
County's Unincorporated Millage Rate (GA Dept. of Revenue website)				
County's Unemployment Rate during July 2017, 18, 19/State (Federal Reserve of St. Louis website)				

Institutional Information

Who Hires the Warden: ____(Interview)

Total Years of Experience as a County Warden: __________________________(Interview)

Years of Experience at this Location: _________________________________ (Interview)

Does Warden have a Background from GDOC: Yes _________ No__________ (Interview)

Warden's Current Salary: $ ____ (Interview)

Housing Style: ____(GDOC Document & Interview)

What Year was Institution Originally Opened: ______________________ (GDOC Document)

Continuous Operation Since Originally Opened: Yes______ No _____ Don't Know____
(interview)

Security Level: ____(GDOC Document)

Are any Institutional Services Outsourced: Yes ______ No ______Don't Know _______

If Yes, List Services:

____

____(Interview)

Are any Programs Offered to the Inmates: Yes_____ No______ Don't Know _________

If Yes, List Programs:

____

____(Interview)

Institutional Information

Other Institutional Information	FYE 2017	FYE 2018	FYE 2019	AVG
Institution's Contracted Capacity (GDOC Agreements)				
Institution's Avg. Utilization Rate (County Compstat Report)				
No. of Outside Contracted Details/Avg. # of Inmates (County Compstat Report)				
No. of Outside Non-Contracted Details/Avg. # of Inmates (County Compstat Report)				
No. of Inside Details/Avg. # of Inmates (County Compstat Report)				
Institution's # of Budgeted FT / PT Dept. Employees (Interview)				

Outside Contracted Work Details' Contractors:

____

____(Interview)

Outside Non-Contracted Work Details' Assigned County Departments/State Agencies:

____

____

____(Interview)

Inside Work Details' Assigned Duties:

____

____

____ (Interview)

Are there other inmates, except for state inmates, housed in this facility: Yes ____ No___

If Yes, what type of inmates____

If Yes, how many? ____ (Interview)

Financial Information

When is the County's Fiscal Year: ______________________________________ (Audit)

Where is the Correctional Institution Accounted for in the Budget: General Fund ______

Special Revenue Fund ______Enterprise Fund ______ Other Fund_______(Audit)

How Do You Think the Institution Performs Financially:

Makes a Profit _________Has a Loss _________ Don't Know_________(Interview)

Why:

____(Interview)

Audited Revenues	FYE 2017	FYE 2018	FYE 2019	AVG
Daily fee from the state				
Revenues from other entities				
Commissary commissions				
Telephone commissions				
Reimbursements				
Other revenues				
Total Direct Revenues				
Audited Expenses				
Salary and benefits				
Purchased/contracted services				
Supplies				
Other expenses (not capital)				
Total Direct Expenditures				
Direct Profit or (Loss)				
Cost avoidance of not having to hire full-time county employees or contractors. (Avg. # of inmates performing outside non-contracted work x 0.75% x $50,000 salary and benefits of a new entry-level full-time county employee)				
Profit or (Loss) when cost avoidance is factored in.				
Potential annual cost savings to state due to outsourcing to county. ($44.56 per inmate per day less $20 per inmate per day x # of avg. inmates x 365 days per year).				

Other Questions

Why Do You Think the County Correctional Institution was Originally Constructed:

____

____(Interview)

Any Plans for Expansion: Yes ________ No ________ Don't Know__________ (Interview)

Any Plans for Closure: Yes _________ No ________ Don't Know ___________(Interview)

How are Inmates Viewed/Received by Citizens and Employees Working in/around

County Facilities: ____

____

____(Interview)

What is Your Biggest Problem in Operating a County Correctional Institution:

____

____

____(interview)

Is There a Future Need for Additional Correctional Institutions:

____

____

____

____(Interview and GDOC question)

Other Comments:

____

____

____(Interview)

Observations/Notes

APPENDIX E:

Institutional Review Board Exemption Form

APPENDIX E:

Institutional Review Board (IRB)
For the Protection of Human Research Participants

PROTOCOL EXEMPTION REPORT

Protocol Number: 04117-2020 **Responsible Researcher:** Randall Dowling

Supervising Faculty: Dr. Rudy Prine

Project Title: *A Case Study of Georgia's 21 County Correctional Institution.*

INSTITUTIONAL REVIEW BOARD DETERMINATION:

This research protocol is Exempt from Institutional Review Board (IRB) oversight under Exemption Category 2. Your research study may begin immediately. If the nature of the research project changes such that exemption criteria may no longer apply, please consult with the IRB Administrator (irb@valdosta.edu) before continuing your research.

ADDITIONAL COMMENTS:

- *Upon completion of this research study all collected data must be securely maintained (locked file cabinet, password protected computer, etc.) and accessible only by the researcher for a minimum of 3 years.*
- *Email address lists and participant name lists must be maintained in separate, secure files.*
- *To protect your health and the health of participants, please review published COVID-19 precautions. Inform participants the precautions that will be taken (masks, sanitizer, social distancing, telephone or virtual interviews, etc.).*
- *Your recruitment email must include the following IRB statement:*
    - *Questions regarding the purpose or procedures of the research should be directed to **Randall Dowling** at rgdowling@valdosta.edu. This study has been approved by the Valdosta State University Institutional Review Board (IRB) for the Protection of Human Research Participants. The IRB, a university committee established by Federal law, is responsible for protecting the rights and welfare of research participants. If you have concerns or questions about your rights as a research participant, you may contact the IRB Administrator at 229-253-2947 or irb@valdosta.edu.*

☒ ***If this box is checked, please submit any documents you revise to the IRB Administrator at irb@valdosta.edu to ensure an updated record of your exemption.***

Elizabeth Ann Olphie *12.08.2020*
Elizabeth Ann Olphie, IRB Administrator

Thank you for submitting an IRB application.
Please direct questions to irb@valdosta.edu or 229-253-2947.

Revised: 06.02.16

APPENDIX F:

Informed Consent Statement

APPENDIX F:

Informed Consent Statement

As a county official of a Georgia county that operates a county correctional institution, you are being requested to participate in a telephone interview as part of a research project entitled, "*A Case Study of Georgia's 21 County Correctional Institutions.*" This research project is being conducted by Randall Dowling, a doctoral student at Valdosta State University. The purpose of this study is to determine the financial impact the correctional institutions have on their host county governments. You will receive no direct benefits from participating in this research study. However, your responses may help us learn more about the innerworkings of the state's 21 county correctional institutions. There are no foreseeable risks involved in participating in this study other than those encountered in day-to-day life. Participation should take approximately one-half hour by telephone. No one, including the researcher, will be able to associate your responses with your identity. Your participation is entirely voluntary. You may choose not to participate, to stop responding at any time, or to skip any questions that you do not want to answer. You must be at least 18 years of age to participate in this study. Your participation in the interview will serve as your voluntary agreement to participate in this research project and your certification that you are 18 years of age or older.

Questions regarding the purpose or procedures of the research should be directed to Randall Dowling, at rgdowling@valdosta.edu.

This study has been approved by the Valdosta State University Institutional Review Board (IRB) for the Protection of Human Research Participants. The IRB, a university committee established by Federal law, is responsible for protecting the rights and welfare of research participants. If you have concerns or questions about your rights as a research participant, you may contact the IRB Administrator at 229-253-2947 or irb@valdosta.edu.

Randall Dowling
770-324-5160

APPENDIX G:

Demographic Characteristics of Counties Data Set

APPENDIX G:

Demographic Characteristics of Counties Data Set

Trait	CI 1	CI 2	CI 3	CI 4	CI 5	CI 6	CI 7
Rural/Urban	U	R	U	R	U	R	R
Pop. Change	23%	(9.2%)	10%	10.1%	13.3%	(10.3%)	(7%)
Race White/Black	81.9%/ 14.3%	45.3%/ 52.6%	64.8%/ 28.3%	79.6%/ 16.7%	66.6%/ 29.6%	37.4%/ 60.1%	49.3%/ 48%
Per Capita Income	$29,795	$18,764	$22,589	$34,511	$21,207	$19,330	$17,514
Med. HH Income	$65,153	$34,300	$36,889	$74,261	$41,789	$38,015	$37,027
Poverty Rate	8.3%	22.3%	27%	8.7%	22.9%	27.8%	29.3%
Avg. Tax Burden	12.618 mills	17.934 mills	14.283 mills	8.883 mills	14.027 mills	13.5 mills	19.087 mills
Avg. Unemploy. Rate	3.6%	6.333%	4.133%	3.866%	5.1%	6.833%	5.966%
County Mgr./Admin.	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Trait	CI 8	CI 9	CI 10	CI 11	CI 12	CI 13	C14
Rural/Urban	R	R	U	U	U	U	U
Pop. Change	0.2%	(5.2%)	13.8%	1%	16.6%	2.3%	20.7%
Race White/Black	72.7%/ 23.8%	54.2%/ 42.7%	87%/ 8.1%	37.1%/ 57.7%	76.8%/ 18.4%	80.4%/ 15%	88.2%/ 7.4%
Per Capita Income	$19,173	$20,397	$27,625	$22,045	$32,542	$25,058	$27,115
Med. HH Income	$35,472	$39,148	$59,898	$40,644	$70,717	$46,367	$62,495
Poverty Rate	23.9%	23.2%	13.2%	21.9%	10.2%	20.7%	8.7%
Avg. Tax Burden	17.142 mills	16.548 mills	9.662 mills	12.641 mills	10.71 mills	11.788 mills	9.332 mills
Avg. Unemploy. Rate	4.266%	4.9%	3.533%	4.633%	3.866%	5.233%	3.333%
County Mgr./Admin.	Yes	No	Yes	Yes	Yes	Yes	Yes

Trait	**CI 15**	**CI 16**	**CI 17**	**CI 18**	**CI 19**	**CI 20**	**CI 21**
Rural/Urban	R	U	U	U	U	R	U
Pop. Change	(10%)	8.5%	12.6%	2.7%	4%	(4.3%)	16.3%
Race White/Black	43.8%/ 52.9%	76.4%/ 19.7%	19.1%/ 72.8%	45.2%/ 48%	61.5%/ 34.9%	56.5%/ 41%	53.8%/ 29.8%
Per Capita Income	$20,191	$24,155	$20,419	$25,318	$22,166	$21,557	$29,474
Med. HH Income	$36,205	$49,608	$45,778	$45,389	$42,671	$37,588	$67,769
Poverty Rate	25.7%	16.8%	17.6%	20.1%	17.3%	25.9%	9.2%
Avg. Tax Burden	13.225 mills	8.161 mills	20.863 mills	15.543 mills	19.753 mills	14.442 mills	13.382 mills
Avg. Unemploy. Rate	6.333%	4.466%	5.333%	5.5%	5.066%	6.566%	3.8%
County Mgr./Admin.	Yes	No	Yes	Yes	Yes	Yes	Yes

Trait	Averages
Rural/Urban	Rural = 38%, Urban = 62%
Pop. Change	5.2%
Race White/Black	White = 60.8%, Black = 34.4%
Per Capita Income	$23,855
Med. Household Income	$47,961
Poverty Rate	19%
Avg. Tax Burden	13.977mills
Avg. Unemployment Rate	4.88%
County Mgr./Admin.	Yes = 90%, No = 10%

APPENDIX H:

Correctional Institutions' Warden Data Set

APPENDIX H:

Correctional Institutions' Warden Data Set

Attribute	CI 1	CI 2	CI 3	CI 4	CI 5	CI 6	CI 7
Appointment	County Manager	Board of Comm.	County Manager	County Manager	Combo	Board of Comm.	County Manager
Experience (Years)	5	4	6	4	2	2	8
GDOC Career	Yes	No	No	Yes	Yes	Yes	Yes
Salary	$82,000	$66,000	$98,000	$70,000	$99,000	$52,000	$90,000

Attribute	CI 8	CI 9	CI 10	CI 11	CI 12	CI 13	C14
Appointment	Combo	Combo	Board of Comm.	Board of Comm.	Combo	County Manager	County Manager
Experience (Years)	17	6	8	10	32	7	13
GDOC Career	Yes	No	No	No	No	No	No
Salary	$69,800	$70,000	$116,000	$114,000	$120,000	$89,000	$82,300

Attribute	CI 15	CI 16	CI 17	CI 18	CI 19	CI 20	CI 21
Appointment	Board of Comm.	Board of Comm.	Board of Comm.	Board of Comm.	Combo	Board of Comm.	County Manager
Experience (Years)	18	1	7	9	6	6	7
GDOC Career	Yes	No	No	Yes	Yes	No	No
Salary	$58,000	$60,000	$135,000	$92,000	$80,000	No answer	$192,000

Attribute	Averages
Appointment	County Manager = 33%, Board of Comm.= 43%, Combo = 24%
Experience (Years)	8.5
GDOC Career	43%
Salary	$91,755

APPENDIX I:

Facility Attributes Data Set

APPENDIX I:

Facility Attributes Data Set

Attribute	CI 1	CI 2	CI 3	CI 4	CI 5	CI 6	CI 7
Facility Age (Years)	96	96	92	85	75	74	68
Avg. Contracted Bed Capacity	192	145+	131+	150	160	140	138+
Transition Center	No	Yes	Yes	No	No	No	No
County Inmates	No	No	No	No	Yes	Yes	Yes
Utilization Rate	98%	101%	95%	99%	93%	98%	99%
FT Positions	37	32	43	30	22	14	29
Expansion	No	Yes	No	No	No	No	No
Closure	No	No	No	No	No	No	No
Additional CIs	Yes	Yes	Yes	No	Yes	Yes	Yes

Attribute	CI 8	CI 9	CI 10	CI 11	CI 12	CI 13	C14
Facility Age (Years)	67	67	58	58	44	44	32
Avg. Contracted Bed Capacity	190	182+	200	230	232	434+	150
Transition Center	No	No	Yes	No	Yes	Yes	Yes
County Inmates	Yes	Yes	No	No	No	No	No
Utilization Rate	98%	98%	95%	97%	94%	98%	97%
FT Positions	22	42	35	77	64	84	35
Expansion	No	No	No	No	No	No	No
Closure	No	No	No	No	No	No	No
Additional CIs	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Attribute	CI 15	CI 16	CI 17	CI 18	CI 19	CI 20	CI 21
Facility Age (Years)	31	30	29	24	20	63	19
Avg. Contracted Bed Capacity	350	246	253+	528	384	148	201+
Transition Center	No	No	No	No	No	No	No
County Inmates	No	No	No	No	No	No	Yes
Utilization Rate	99%	99%	93%	98%	97%	95%	97%
FT Positions	36	58	58	117	86	16	N/A
Expansion	No	Yes	Yes	No	No	No	No
Closure	No	No	No	No	No	No	No
Additional CIs	Yes	Yes	Yes	No	No	No	Yes

Attribute	Averages
Facility Age (Years)	56
Avg. Contracted Bed Capacity	228
Transition Center	6/29%
County Inmates	6/29%
Utilization Rate	97%
FT Positions	47
Expansion	Yes = 14%, No = 86%
Closure	No = 100%
Additional CIs	Yes = 81%, No = 19%

+ = increased capacity during 2017, 2018, and 2019.

APPENDIX J:

Use of Inmates Data Set

APPENDIX J:

Use of Inmates Data Set

Work Details	CI 1	CI 2	CI 3	CI 4	CI 5	CI 6	CI 7
Avg. No. of Outside Contracted Work Details/No. of Inmates Per Detail	4/35	3/29	1/11	2/18	1/6	2/17	0/0
Avg. No. of Outside Non-Contracted Work Details/No. of Inmates Per Detail	35/84	19/69	28/70	18/79	47/102	17/72	24/117
Avg. No of Inside Work Details/No. of Inmates Per Detail	12/58	14/31	7/34	7/36	6/20	4/39	5/12

Work Details	CI 8	CI 9	CI 10	CI 11	CI 12	CI 13	C14
Avg. No. of Outside Contracted Work Details/No. of Inmates Per Detail	3/27	9/36	2/13	6/42	2/9	11/69	2/13
Avg. No. of Outside Non-Contracted Work Details/No. of Inmates Per Detail	21/74	18/129	47/78	24/139	42/140	47/197	38/113
Avg. No of Inside Work Details/No. of Inmates Per Detail	4/45	14/34	7/25	6/54	5/55	18/69	14/18

Work Details	CI 15	CI 16	CI 17	CI 18	CI 19	CI 20	CI 21
Avg. No. of Outside Contracted Work Details/No. of Inmates Per Detail	1/8	3/23	1/5	0/0	12/83	2/10	9/44
Avg. No. of Outside Non-Contracted Work Details/No. of Inmates Per Detail	34/144	41/178	18/115	79/276	57/197	26/54	13/53
Avg. No of Inside Work Details/No. of Inmates Per Detail	20/73	4/45	6/68	14/116	6/75	13/37	10/99

Work Details	Averages
Avg. No. of Outside Contracted Work Details/No. of Inmates Per Detail	4/7
Avg. No. of Outside Non-Contracted Work Details/No. of Inmates Per Detail	33/4
Avg. No. of Inside Work Details/No. of Inmates Per Detail	9/5

APPENDIX K:

Correctional Institutions'(CI) Financial Performance Data Set

APPENDIX K:

Correctional Institutions'(CI) Financial Performance Data Set

Financial Item	CI 1	CI 2	CI 3	CI 4	CI 5	CI 6	CI 7
Avg. Audited Revenues	1,846,699	1,231,312	1,252,693	1,201,776	1,517,189	1,181,000	1,504,082
Avg. Audited Expenses	2,638,508	1,972,429	3,411,406	1,856,309	2,360,630	1,261,984	1,739,958
Avg. Direct Profit or (Loss)	(791,809)	(741,117)	(2,158,713)	(654,533)	(843,441)	(80,984)	(235,876)
Avg. Cost Avoidance	3,150,000	2,587,500	2,625,000	2,962,500	3,825,000	2,700,000	4,387,500
Avg. Profit or (Loss) with Cost Avoidance	2,358,191	1,846,383	466,287	2,307,967	2,981,559	2,619,016	4,151,624
Avg. Cost Savings to State	1,694,272	1,308,802	1,120,550	1,323,743	1,335,696	1,228,123	1,219,158

Financial Item	CI 8	CI 9	CI 10	CI 11	CI 12	CI 13	C14
Avg. Audited Revenues	1,533,109	2,714,854	1,580,576	1,916,075	1,751,158	4,773,246	1,488,253
Avg. Audited Expenses	1,919,198	2,681,982	3,092,820	4,687,531	4,442,213	5,873,849	3,108,595
Avg. Direct Profit or (Loss)	(386,089)	32,872	(1,512,244)	(2,771,456)	(2,691,055)	(1,100,603)	(1,620,342)
Avg. Cost Avoidance	2,775,000	4,837,500	2,925,000	5,212,500	5,250,000	7,387,500	4,237,500
Avg. Profit or (Loss) with Cost Avoidance	2,388,911	4,870,372	1,412,756	2,441,044	2,558,945	6,286,897	2,617,158
Avg. Cost Savings to State	1,667,378	1,604,628	1,703,236	1,990,097	1,954,239	3,800,906	1,308,802

Financial Item	CI 15	CI 16	CI 17	CI 18	CI 19	AVG	
Avg. Audited Revenues	2,919,236	2,103,455	2,053,296	4,037,615	4,155,892	2,145,343	
Avg. Audited Expenses	3,273,934	2,990,479	5,163,293	8,535,609	6,273,001	3,541,249	
Avg. Direct Profit or (Loss)	(354,698)	(887,024)	(3,109,997)	(4,497,994)	(2,117,109)	(1,395,906)	
Avg. Cost Avoidance	5,400,000	6,675,000	4,312,500	10,350,000	7,387,500	4,683,553	
Avg. Profit or (Loss) with Cost Avoidance	5,045,302	5,787,976	1,202,503	5,852,006	5,270,391	3,287,647	
Avg. Cost Savings to State	3,092,718	2,187,314	2,115,598	4,652,524	3,325,792	2,033,346	Total 38,633,576