

Private Prisons Divestment to Further Economic Development Opportunities

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The Center for Civic Policy (CCP) is the state's largest convener of community-led organizations in New Mexico. CCP builds power through civic engagement campaigns and coordinated advocacy efforts.



PRESENTATION OVERVIEW

HISTORY: Private Prisons in NM
STATISTICS: Detention by the numbers
PROFILE: Immigrant population in NM
OVERVIEW: Immigrant Detention in NM
MYTH BUSTING: Detention Economy
ALTERNATIVE: Economic Development
RECOMMENDATIONS

02

KEY TOPICS

CCP. • Sept. 2019

PRIVATE, FOR-PROFIT PRISONS IN NEW MEXICO

A look at how for-profit, private prisons gain popularity and created a dependance model in rural areas of New Mexico.



BRIEF HISTORY OF PRIVATE PRISONS IN NM

1970 - 1980s:

WAR ON DRUGS

Harsher sentencing policies fueled a rapid expansion in the nation's prison population.

1970 - 1980s:

PRIVATE COMPANIES REEMERGE

During the 1970s they operated halfway houses. They expanded in the 1980s by contracting with INS to detain undocumented immigrants.

1983:

CCA, NOW CORECIVIC, IS ESTABLISHED

Claimed an ability to build and operate state and federal prisons at a lower cost.

1987:

MORE BUSINESS

Wackenhut Corrections Corporation (now the GEO Group, Inc.) enters the prison business.

1994 - 2003:

PRIVATIZING NEW MEXICO

From his candidacy in 1994 to the end of 2003, Gary Johnson held 44.2 percent of NM's prisoners were in privately run facilities.

BRIEF HISTORY OF PRIVATE PRISONS IN NM

2000 - 2016:

PRISON POPULATION GROWTH

The number of people housed in private prisons increased five times faster than the total prison population. The proportion of people detained in private immigration facilities increased by 442%.

2000 - 2016:

CUTTING TIES WITH COMPANIES

Arkansas, Kentucky, Maine, Michigan, Nevada, North Dakota, Utah & Wisconsin eliminated their use of private prisons due to concerns about safety and cost cutting.

2016:

NEW HEIGHTS IN NUMBERS

The U.S. had the world's largest private prison population with 128,063 people incarcerated in private prisons followed by the UK with 15,789 people incarcerated in private prisons.

2016:

NM & MT LEAD

New Mexico and Montana led the nation in their reliance on private prisons with 43% and 39% of their prison populations

2017:

NEW BUSINESS MODEL

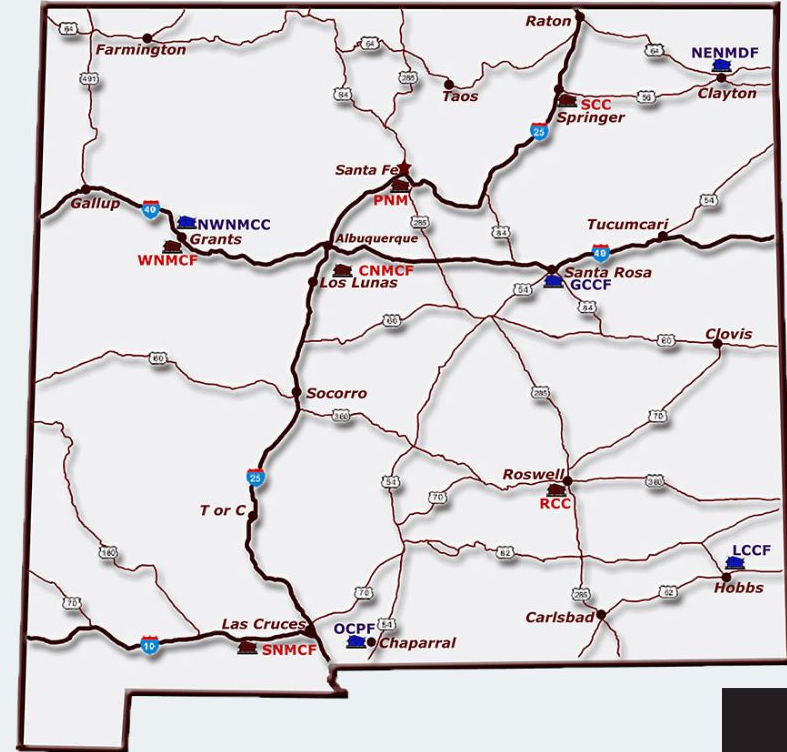
73% of all people in immigration detention-were confined in privately-run facilities on a daily basis during fiscal year 2017

STATE OPERATED

- Central NM Correctional Facility
- Penitentiary of NM
- Roswell Correctional Center
- Springer Correctional Center
- Southern NM Correctional Facility
- Western NM Correctional Facility

PRIVATE OPERATED

- Guadalupe County Correctional Facility
- Lea County Correctional Facility
- Northeast New Mexico Detention Facility
- Northwest New Mexico Correctional Center
- Otero County Prison Facility



Source: <https://cd.nm.gov/nmcd-prison-facilities/>

PRISON / JAILS STATISTICS IN NEW MEXICO

INCARCERATION BY THE NUMBERS

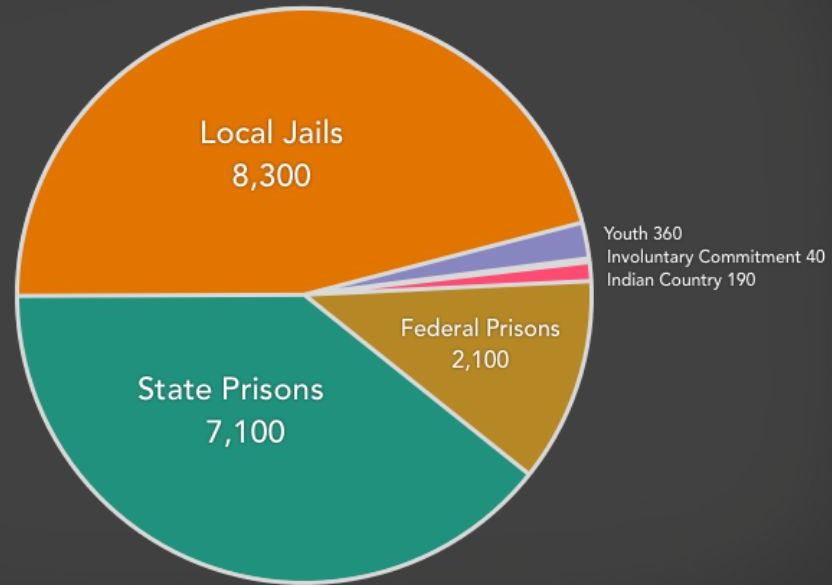
A look at how many people are incarcerated in New Mexico and how our incarceration rates compare to the U.S. overall and other developed countries.



According to the latest research by the Prison Policy Initiative, **over 18,000 New Mexicans found themselves behind bars in 2018.** That is 1 in every 100 people in NM who ended up locked up last year. Here's a breakdown of where they could be found:

How many New Mexico residents are locked up and where?

18,000 of New Mexico's residents are locked up in various kinds of facilities



PRISON
POLICY INITIATIVE

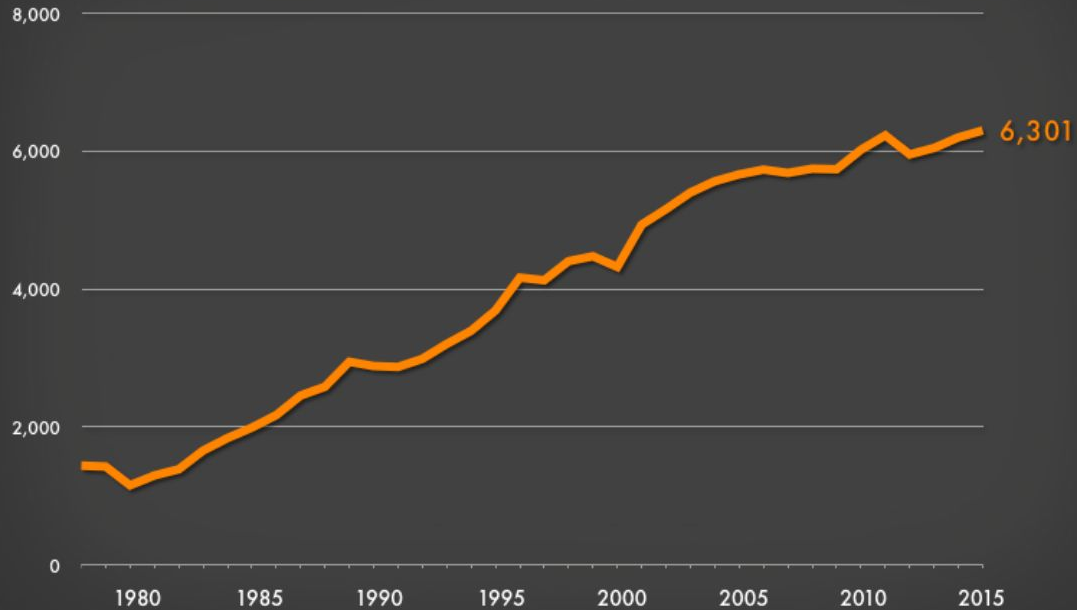
Sources and data notes: See <https://www.prisonpolicy.org/reports/correctionalcontrol2018.html>

Source: <https://www.prisonpolicy.org/profiles/NM.html>

When it comes to the **male population in prisons across New Mexico, this population has increased by close to 350% since 1978.**

The latest research by New Mexico Sentencing Commission stated there were a total of 6,639 male inmates in NM in 2017.*

New Mexico prison population 1978-2015: Men



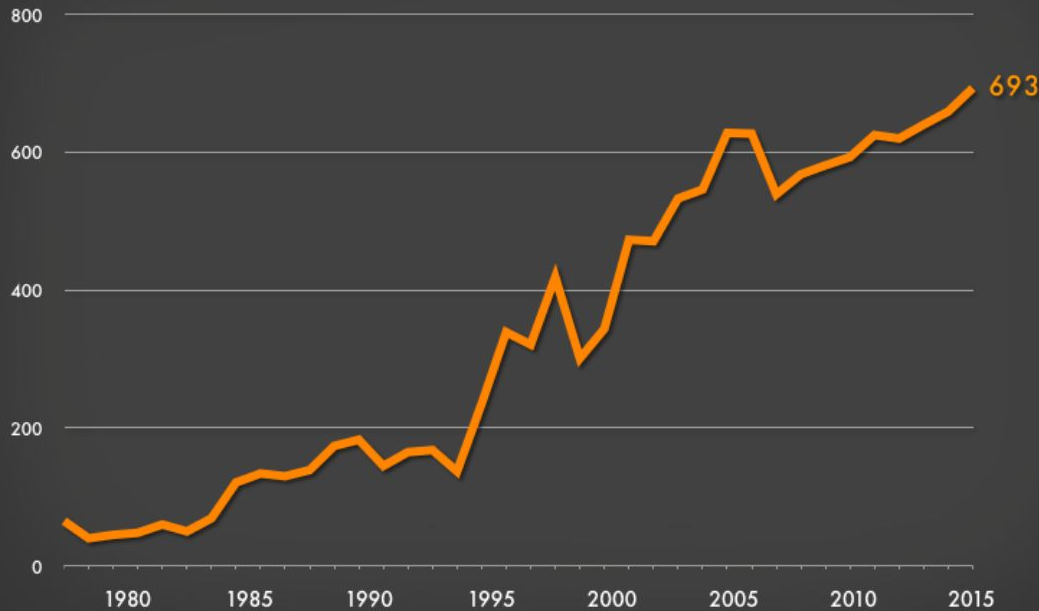
Count based on jurisdictional population with sentences greater than one year.
Source: Bureau of Justice Statistics, Correctional Statistical Analysis Tool.

PRISON
POLICY INITIATIVE

Source: <https://www.prisonpolicy.org/profiles/NM.html>

*Source: <https://nmsc.unm.edu/reports/2017/new-mexico-prison-population-forecast-fy2018--fy2027.pdf>

New Mexico prison population 1978-2015: Women



Count based on jurisdictional population with sentences greater than one year.
Source: Bureau of Justice Statistics, Correctional Statistical Analysis Tool.

PRISON
POLICY INITIATIVE

When it comes to the female population in prisons across New Mexico, this population has increased by more than 1300% since 1978. The latest research by New Mexico Sentencing Commission stated there were a total of 764 female inmates in NM in 2017.*

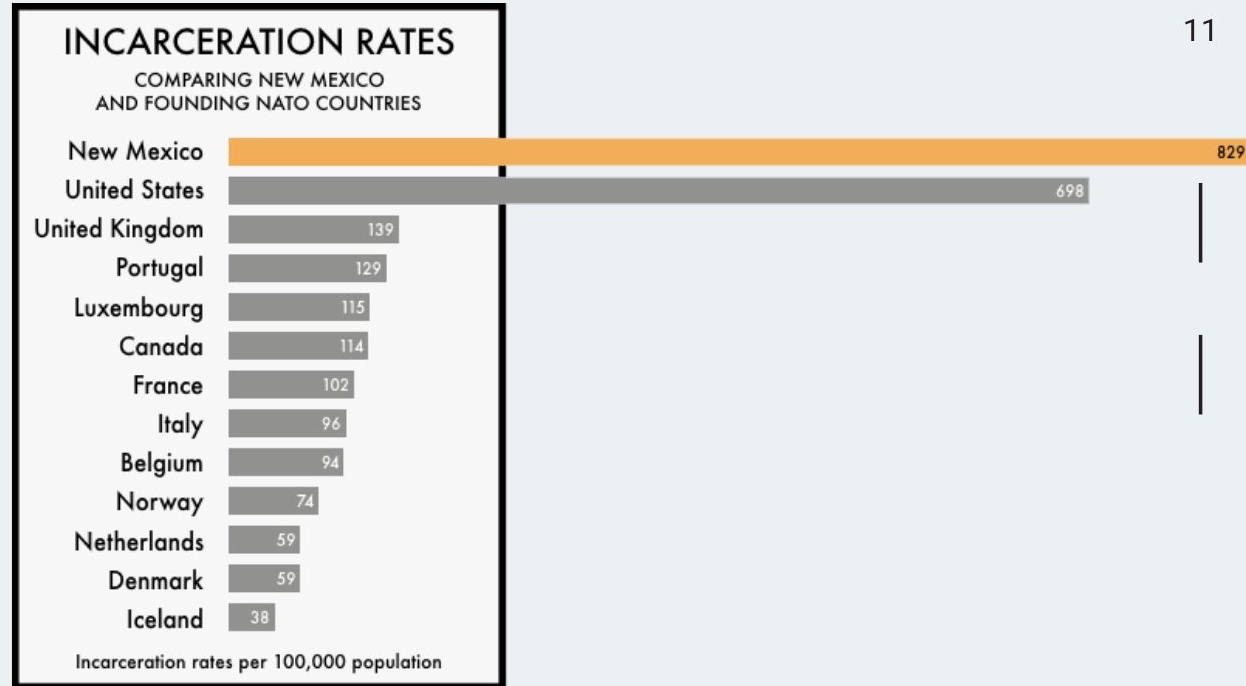
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Source: <https://www.prisonpolicy.org/profiles/NM.html>

*Source: <https://nmssc.unm.edu/reports/2017/new-mexico-prison-population-forecast-fy2018---fy2027.pdf>

COMPARED TO OTHER COUNTRIES:

Unfortunately, New Mexico's incarceration rates stand out internationally:

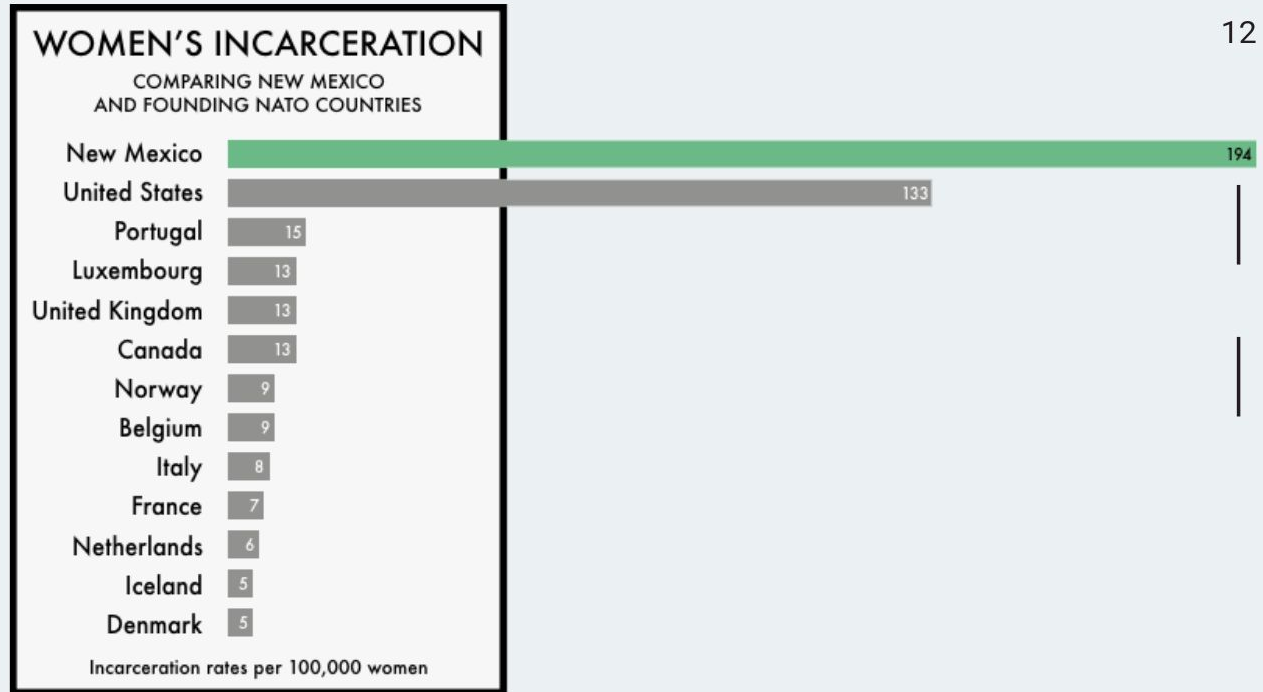


Source: <https://www.prisonpolicy.org/global/2018.html>

Source: <https://www.prisonpolicy.org/profiles/NM.html>

COMPARED TO OTHER COUNTRIES:

New Mexico's incarceration rates for women also stand out internationally:



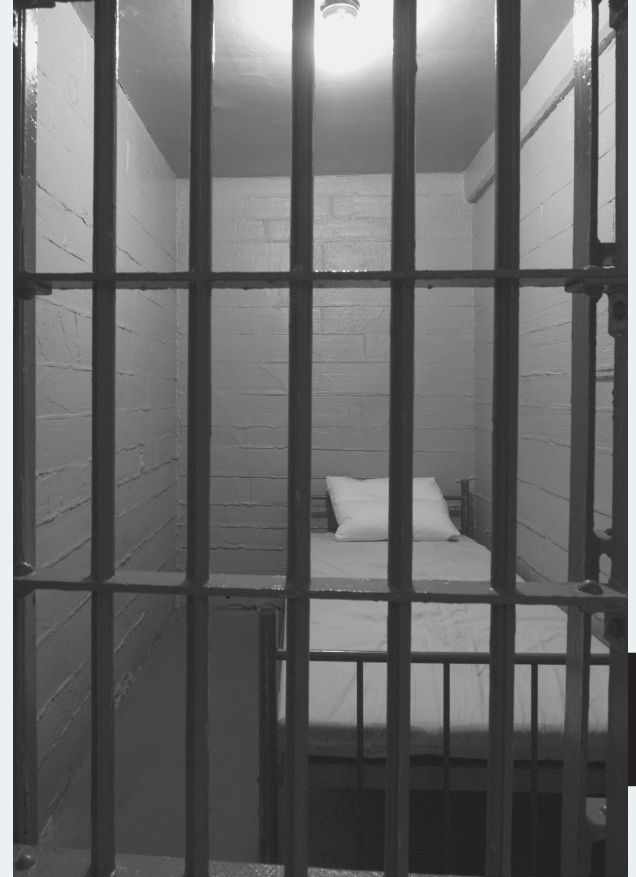
Source: <https://prisonpolicy.org/global/women/2018.html>

Source: https://www.prisonpolicy.org/graphs/NATO2018/NM_women.html

RACE/ ETHNIC DISPARITIES FOR INCARCERATION

LOCKING UP PEOPLE OF COLOR

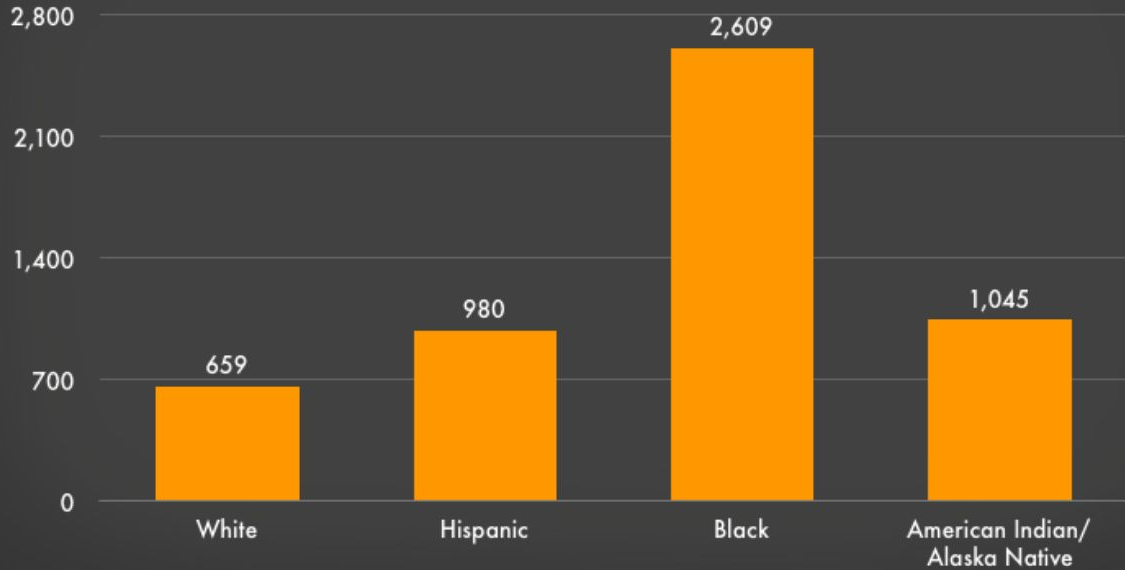
While New Mexico remains a People of Color Majority State, the incarceration rates of POCs in New Mexico continues to show a clear inclination in higher POC prison/jail populations.



Utilizing 2010 Census Data, Prison Policy Initiative (PPI) identified that in New Mexico, **Black communities have the highest rate of incarceration, followed by Native Americans in second, and Hispanics in third.**

NEW MEXICO INCARCERATION RATES BY RACE/ETHNICITY, 2010

(Number of people incarcerated per 100,000 people in that racial/ethnic group)



PRISON
POLICY INITIATIVE

Source: Calculated from U.S. Census 2010 Summary File 1. Incarceration populations are all types of correctional facilities in a state, including federal and state prisons, local jails, halfway houses, etc. Statistics for Whites are for Non-Hispanic Whites.

Source: <https://www.prisonpolicy.org/profiles/NM.html>

Racial and ethnic disparities in prisons and jails in New Mexico

Whites are underrepresented in the incarcerated population while Blacks, Latinos and American Indians are overrepresented.



PRISON
POLICY INITIATIVE

Compiled from 2010 Census, Summary File 1.

Source: <https://www.prisonpolicy.org/profiles/NM.html>

As part of their New Mexico research, using 2010 Census data, PPI also noted that **Hispanics/Latinos, Native Americans, and African Americans are overrepresented in the incarcerated population of the state when compared to the state population.**

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PROFILE: IMMIGRANTS IN NM

*NM'S IMMIGRANT
POPULATION IN AN
ECONOMIC CONTEXT*



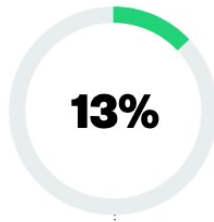
POPULATION ESTIMATES:

213,959

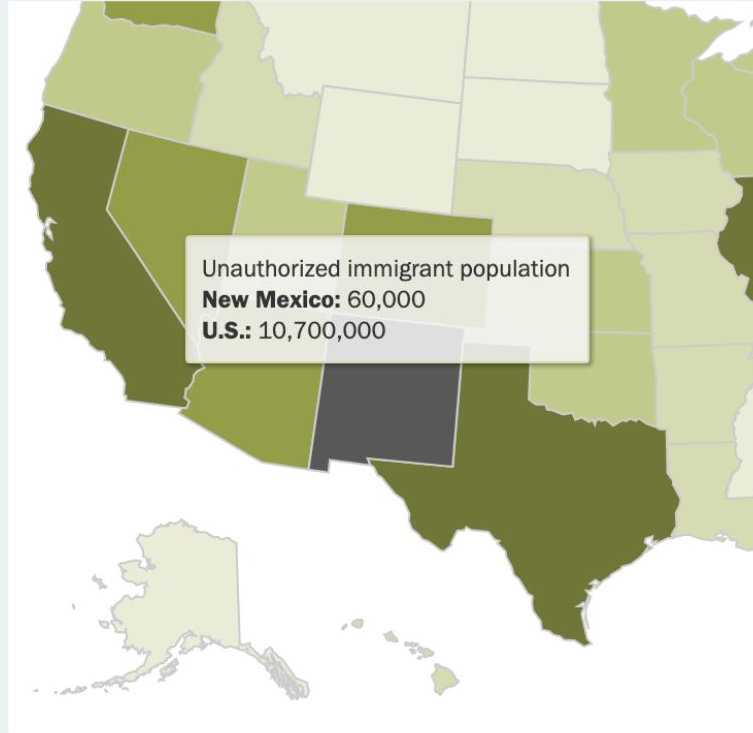
New Mexico residents were born abroad.



Share of New Mexico residents born abroad



Share of U.S. residents born abroad



Source: <http://research.newamericaneconomy.org/wp-content/uploads/2017/02/hae-nm-report.pdf>

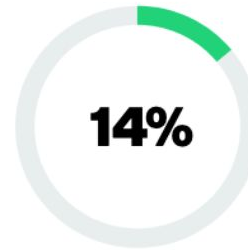
Source: <https://www.pewresearch.org/hispanic/interactives/u-s-unauthorized-immigrants-by-state/>

ENTREPRENEURSHIP:

11,765

immigrants in New Mexico are self-employed

Immigrant-owned businesses generated **\$190.3M** in business income in 2014.



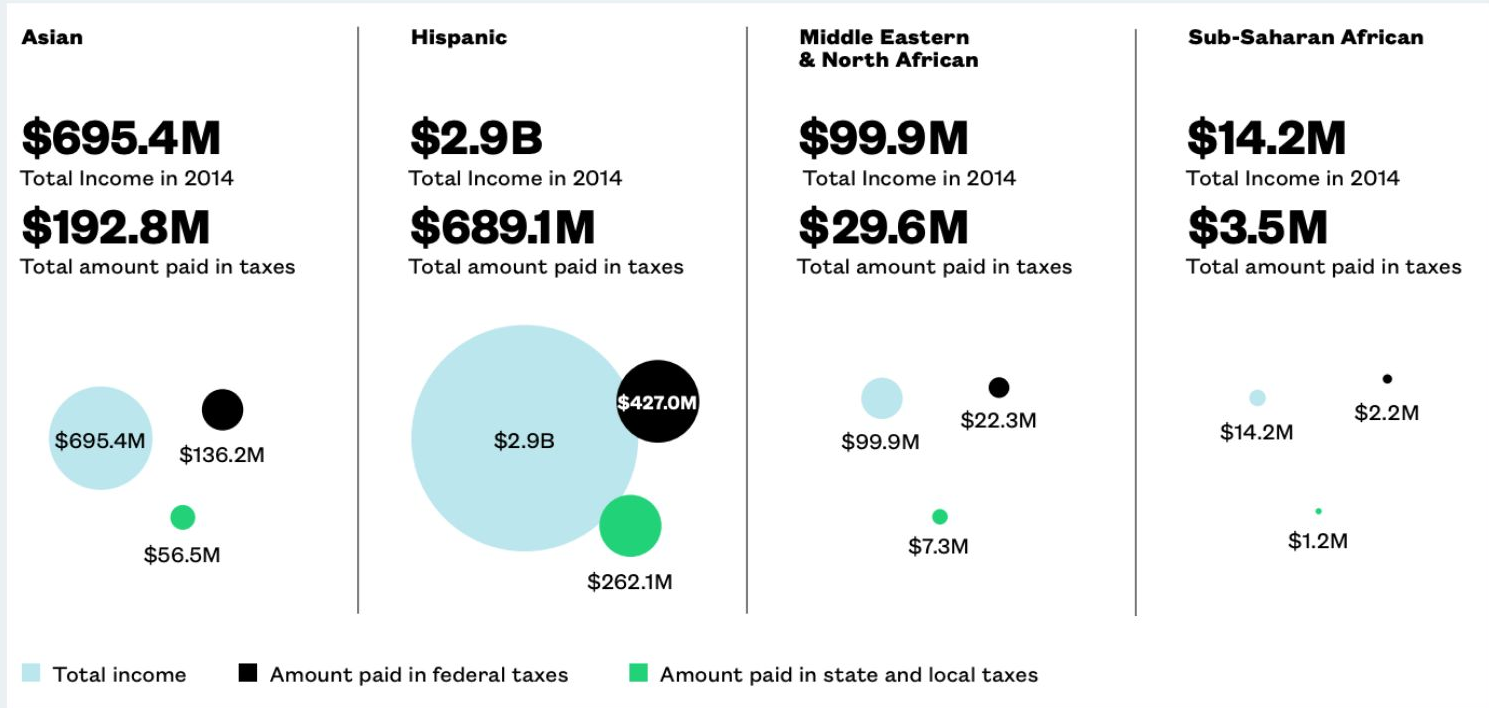
Share of entrepreneurs in New Mexico who are immigrants

23,932 people in New Mexico are employed at firms owned by immigrants.

* This is a conservative estimate that excludes large, publicly owned firms.

Source: <http://research.newamericaneconomy.org/wp-content/uploads/2017/02/nae-nm-report.pdf>

INCOME & TAX CONTRIBUTIONS:

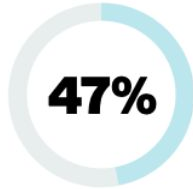


Source: <http://research.newamericaneconomy.org/wp-content/uploads/2017/02/nae-nm-report.pdf>

WORKFORCE & INDUSTRY SHARE:

■ Share of workers who are immigrants

1
Crop Production



3,679 immigrant workers
7,754 total workers

2
Animal Production



3,838 immigrant workers
9,560 total workers

3
Private Households



2,817 immigrant workers
7,340 total workers

4
Services to Buildings and Dwellings



3,431 immigrant workers
10,299 total workers

5
Traveler Accommodation



5,453 immigrant workers
17,115 total workers

Source: <http://research.newamericaneconomy.org/wp-content/uploads/2017/02/nae-nm-report.pdf>

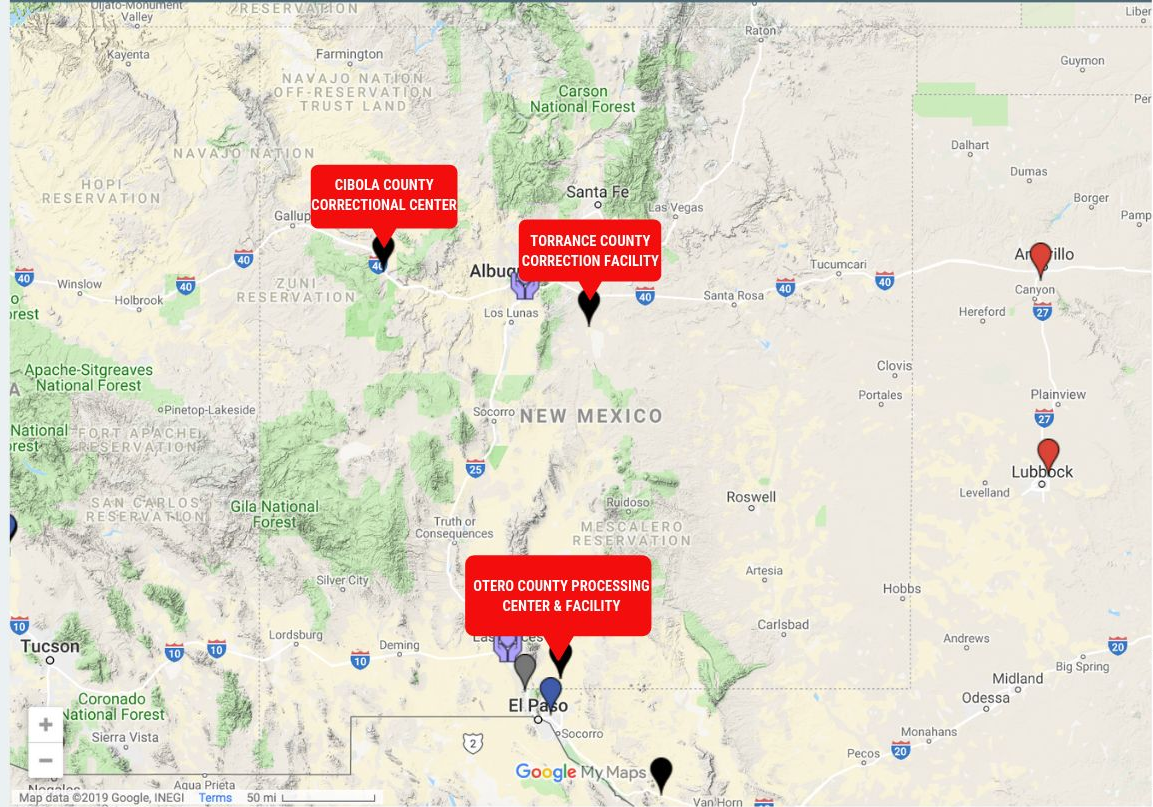
IMMIGRANT DETENTION IN NM

Immigrant detention is the growing and profitable venture for for-profit prison companies. But this trend hurts the state's economic stability.



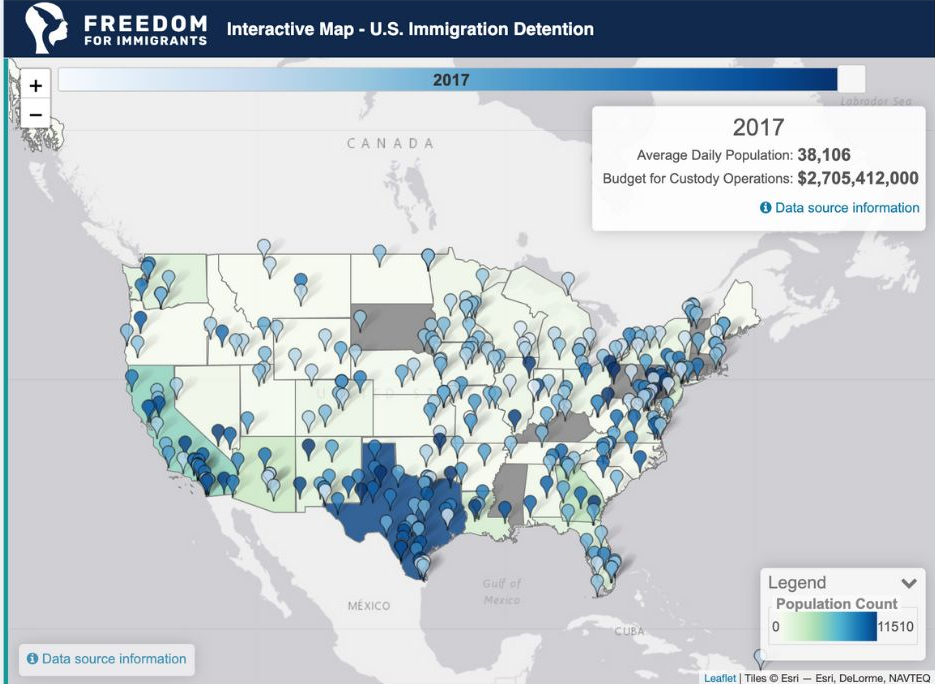
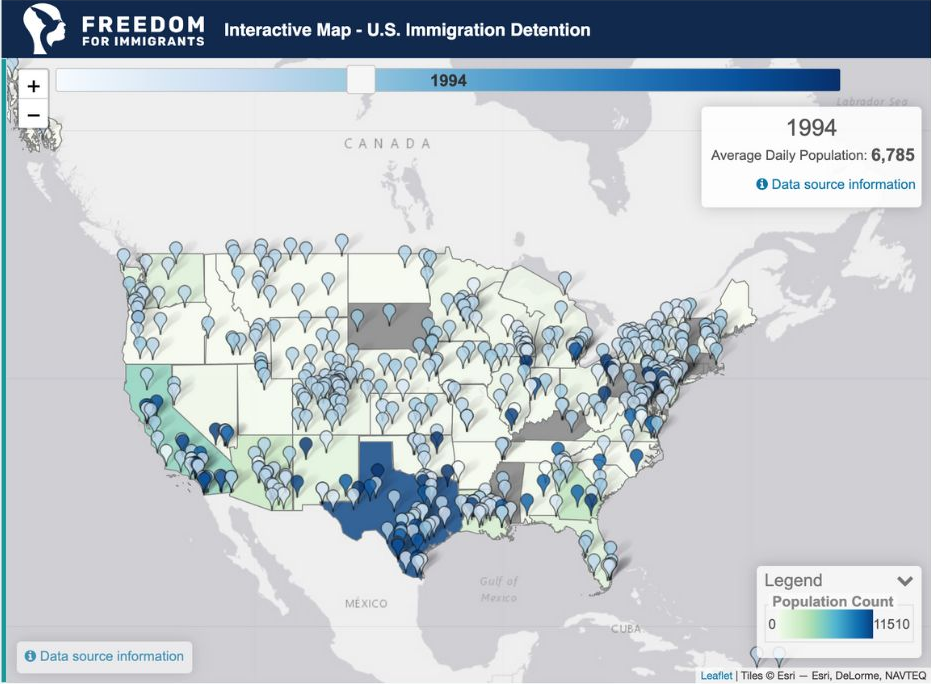
WHERE IS IT HAPPENING?

According to the latest data from Freedom For Immigrants, **there are currently 4 facilities across New Mexico that are providing services for immigrant detention.** The two main companies providing detention services & profiting from this are CoreCivic & MTC.



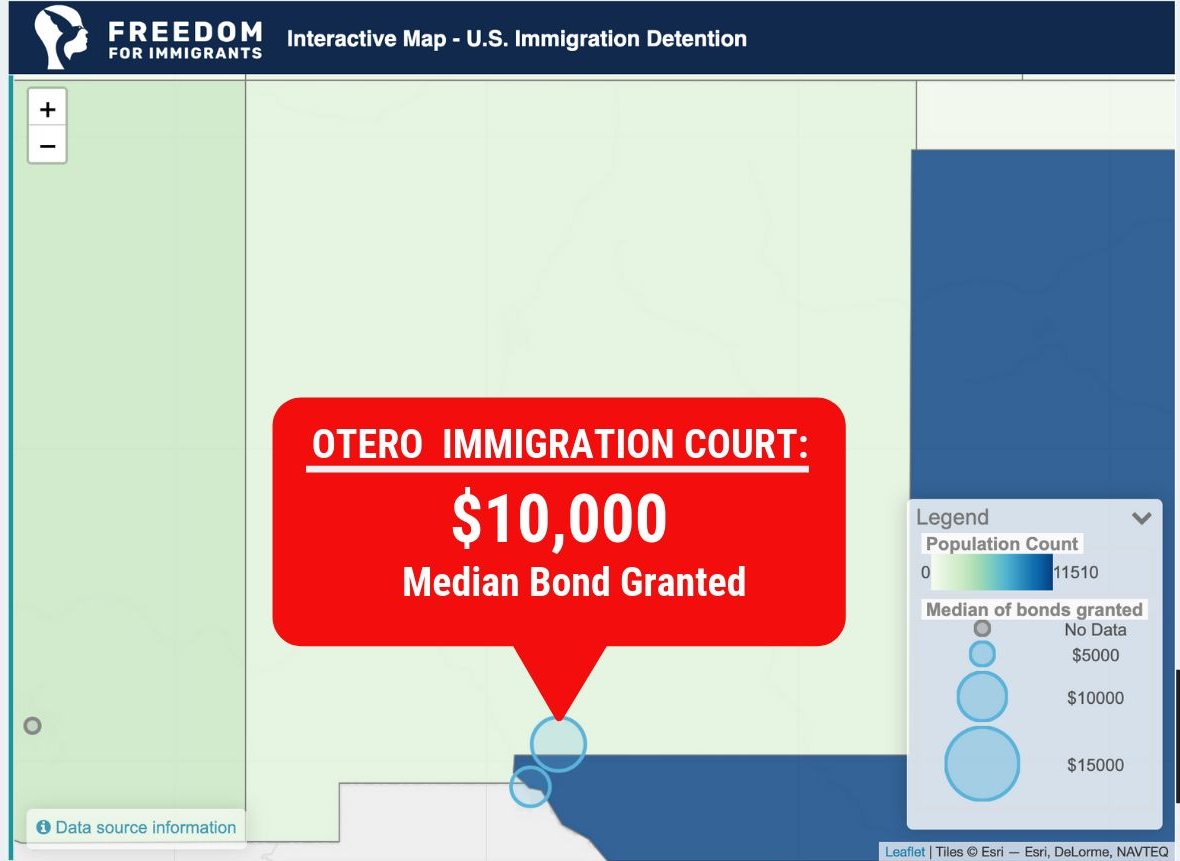
Source: <https://www.freedomforimmigrants.org/detention-statistics>

IMMIGRANT DETENTION TIMELINE 1994 - 2017



Source: <https://www.freedomforimmigrants.org/map>

Immigrant detention has also become a lucrative business model for some financing industries, especially when the median bond granted for individuals fighting deportation is \$10,000 USD.



Source: <https://www.freedomforimmigrants.org/detention-statistics>



"SHOOTING OURSELVES IN THE FOOT"

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The reality about private prisons and for-profit immigrant detention is that both of these practices hurt New Mexico's economic stability. Beginning with the detention of contributing members of our local economies, long-time immigrant residents of our state, and secondly by fueling a vicious cycle of incarceration that is disproportionately incarcerated people of color.

BUSTING MYTHS FOR PRIVATE PRISONS & FOR-PROFIT IMMIGRANT DETENTION



MYTH #1 - EVERYONE WINS WITH PRIVATE PRISONS

When private prison companies are successful at the game of political influence, their profits rise, benefitting their stockholders and top management. However, growing evidence shows that many people lose in this political game at the individual and community levels.

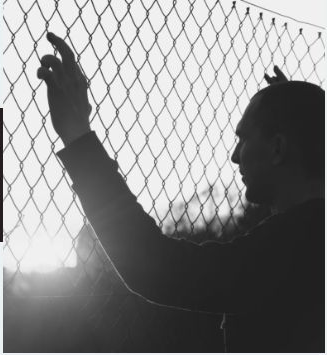
TAXPAYERS LOSE:

Policies that promote incarceration over more effective public safety strategies cost more in both the short and long term.

COMMUNITY LOSES:

Communities primarily lose out when it comes to private, for-profit prisons through hidden costs. There may appear to be an immediate cost savings compared to that of facilities run by a government, but long-term costs negate those savings.

Source: http://www.justicepolicy.org/uploads/justicepolicy/documents/gaming_the_system.pdf



Private Prisons Are Not Necessarily Cheaper Than Government Facilities

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- A 2008 National Institute of Justice report compared a Bureau of Prisons study with another study by Abt Associates on the same facilities and found that Abt Associates did not include overhead and indirect costs, thus making private facilities appear most cost effective.
- In 1996, the General Accounting Office compared public and private prisons in five states (Texas, California, Tennessee, New Mexico, and Washington) and found little difference in costs.
- A 2009 meta-analysis by researchers at the University of Utah found minimal cost savings associated with prison privatization and that any cost savings are not guaranteed.
- An Arizona Department of Corrections study looking at 2007 comparison costs between state and private prisons, found some savings for private medium security facilities, but significant losses for minimum security private prisons, \$954,069 and \$1,297,308 respectively.

Source: http://www.justicepolicy.org/uploads/justicepolicy/documents/gaming_the_system.pdf



A 2007 Legislative Finance Committee Report on the NM Correction Department pointed to some of the inefficiencies and economic burdens the ongoing contracting of private prisons in New Mexico would represent for taxpayers in the state. **Some of the highlights from the report indicate:**

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1. New Mexico's private prisons cost more than they should due to contract price increases

- a. Private prison contracts provide an automatic price increase based on the Consumer Price Index (CPI) subject to a five percent cap.
- b. The department pays significantly higher rates to house inmates in private prisons than other states for similarly classified prisoners.
- c. Providing price increases on fixed private prison construction costs may result in New Mexico paying, at a minimum, an estimated \$34 million more than it should over twenty years.

2. New Mexico's approach to prison planning and construction is not in the taxpayers' best interest

- a. The department projected its inmate population will increase 37 percent by 2016
- b. The department lacks active long-term planning to accommodate inmate growth, leading to a disjointed approach to acquiring bed space that proves costly
- c. New Mexico's use of county jail statutes as the basis for building private state prisons results in the state paying for a prison it will never own. Contracting outside of the Procurement Code for both the use and operation of prison facilities puts the state in a poor negotiating position

Source: https://www.nmlegis.gov/Entity/LFC/Documents/Program_Evaluation_Reports/CorrectionsFacilities0507.pdf



Costs of Private Prisons Are Much Higher in New Mexico

33

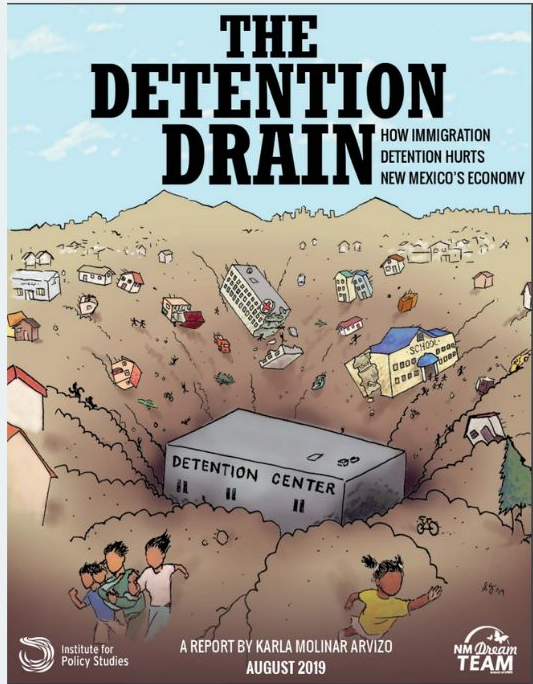
On a follow-up report in 2008, the Legislative Finance Committee found none of the recommendations provided in the 2007 report to reduce costs of contracting with private prisons had been followed through. **Key Findings from the 2008 Follow-up LFC Report:**

1. Modifications to agreements with counties and private contractors to improve contract pricing and better monitoring are still needed.
2. An agreement still needed a modification to include standard lease-purchase language, and avoid paying \$132 million for a prison the state will never own.
3. Statutory changes were still needed to improve prison planning and financing.

Source: https://www.nmlegis.gov/Entity/LFC/Documents/Program_Evaluation_Reports/A-1%20NMCD%20Follow-up%20Review%20Executive%20Summary%20Report%2009-05.pdf

Costs of Private Prisons Are Much Higher in New Mexico

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More recently, a report by the Institute of Policy Studies (IPS), in collaboration with the NM Dream Team (NMDT), exposes the fact that Cibola immigrant detention center has been operating in a deficit since 2016. The report goes on to show that the immigrant detention center, ran by CoreCivic, drains the local economy of vital funding that could be used for alternative economic development models.

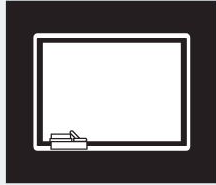
Source: <https://ips-dc.org/wp-content/uploads/2019/08/NM-Detention-Center-report-full-1.pdf>

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THE REPORT HIGHLIGHTS THE FOLLOWING:

#1 - Cibola County is losing a considerable amount of money on the detention facility, as it pays high operational costs that aren't covered by federal contracts.

The \$2.75 million could cover the annual cost of either:



34 elementary teachers



37 clean energy jobs



49 infrastructure jobs



27 jobs in high poverty communities



309 Head Start slots



266 VA medical slots



78 scholarships for higher ed

#2 - There are much more productive ways to create good jobs and healthy communities in New Mexico with the \$150 million that has gone to CoreCivic

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More ambitiously, the \$30 million from federal taxpayer funds that go into CoreCivic from the Cibola Detention Center could cover the annual cost of either:



371 elementary teachers



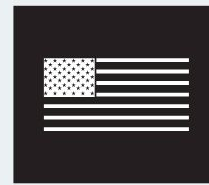
404 clean energy jobs



539 infrastructure jobs



300 jobs in high poverty communities



2,903 VA medical slots

MYTH #2 - PRIVATE PRISONS ARE JOB CREATORS

One of the main arguments used to promote the ongoing contracting with private prisons in communities across the country and the state is that these companies represent “jobs”. This argument has been shutdown by several studies finding private prisons contract do not deliver their promised economic development opportunities.

A 2016 ARTICLE BY THE MARSHALL PROJECT* COMPILED EXAMPLES OF STUDIES THAT POINTED TO THE SHORTCOMINGS OF PROMISED ECONOMIC DEVELOPMENT OPPORTUNITIES THROUGH PRIVATE PRISONS. **THE THREE MAIN FINDINGS WERE:**

1. Prisons haven't delivered the economic benefits they promised, especially in rural towns
 - a. Unemployment rates were roughly the same in towns with prisons as in those without¹
2. Those corrections officers who get jobs at the new prison often don't move into the community²
3. Building a prison doesn't necessarily attract other businesses that would bring more jobs³

*Source: <https://www.themarshallproject.org/2016/06/14/so-you-think-a-new-prison-will-save-your-town#.Zn077J5ZV>

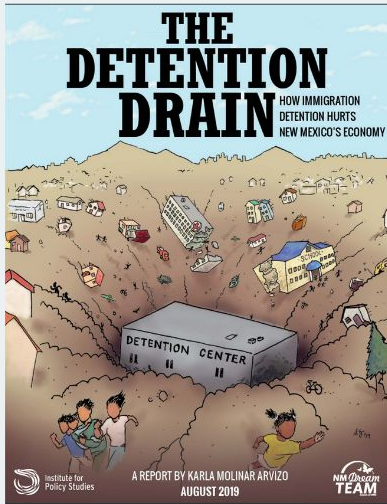
1: <http://onlinelibrary.wiley.com/doi/10.1111/j.1540-6237.2010.00690.x/full>

2: <http://www.ucpress.edu/book.php?isbn=9780520242012>

3: http://www.prisonpolicy.org/scans/huling_chapter.pdf

Myth #2 - Private Prisons Are Job Creators

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The previously mentioned report by IPS and NMDT has the following findings regarding jobs from immigrant detention in Cibola County:

1. Core Civic's CEO Damon Hinger made **\$4.1 million in 2018 – 112 times** the pay of the company's median worker
2. The detention sector accounts for **only 3.5 percent of the labor force** in the state of New Mexico
3. Furthermore, the average income for Cibola County is just **\$36,089, while 29 percent of its people still live in poverty**

Source: <https://ips-dc.org/wp-content/uploads/2019/08/NM-Detention-Center-report-full-1.pdf>

MYTH #3 - PRIVATE PRISONS REDUCE RECIDIVISM

One of the last major selling points from private prisons is their claimed reduction of recidivism rates. Yet, a research brief from 2016 from In The Public Interest found that in fact private prisons increase recidivism rates, having dire consequences for communities, the economy, and taxpayers.

Source: <http://www.inthepublicinterest.org/wp-content/uploads/ITPI-Recidivism-ResearchBrief-June2016.pdf>

KEY FINDINGS FROM THE REPORT:

41

1. Research studies show that people incarcerated in private prisons have higher rates of recidivism than people incarcerated in public prisons
2. Private prisons are more violent than public prisons, which can lead to higher rates of recidivism
 - a. Multi-prison studies have found higher rates of violence in private prisons than in public prisons
 - b. The increased violence in private prisons is partially the result of private prison companies cutting corners on staffing, which reduces company operating costs, thereby increasing profits
 - c. Evidence shows that prisoners who experience violence while incarcerated are more likely to recidivate than prisoners who do not experience violence

Source: <http://www.inthepublicinterest.org/wp-content/uploads/ITPI-Recidivism-ResearchBrief-June2016.pdf>

KEY FINDINGS FROM THE REPORT:

3. To fill empty beds in facilities they own, private prison companies contract with states to incarcerate people in facilities that can be far away from those prisoners' homes. As a result, prisoners lose contact with their families and communities, which increases recidivism

4. Prison telephone companies charge high calling rates and fees and influence legislators to ban prisoner cell phones, which has the combined effect of reducing the contact between prisoners and their home communities, increasing recidivism

5. Prison video call companies can cause high rates of recidivism by banning in-person visitation and then charging prisoners and their families prohibitive rates to make video calls

Source: <http://www.inthepublicinterest.org/wp-content/uploads/ITPI-Recidivism-ResearchBrief-June2016.pdf>

ALTERNATIVE ECONOMIC DEVELOPMENT OPPORTUNITIES

*DIVERSIFYING RURAL
ECONOMIES*



WHILE PRIVATE DETENTION CENTERS ARE NOT THE ANSWER TO RURAL ECONOMIC DEVELOPMENT AN OVER-RELIANCE ON ANY ONE INDUSTRY LEAVES COMMUNITIES VULNERABLE TO ECONOMIC DOWNTURNS. BROAD INDUSTRY SHIFTS OR A COMPANY SIMPLY SHUTTING DOWN OPERATIONS HAVE A DRAMATIC IMPACT ON SMALL COMMUNITIES.

43.1

QUESTA: In 2016, Molycorp (a subsidiary of Chevron Mining Company) closed its mining operations ending the employment of some 300 workers. The former mine is now a Superfund site. Questa and the surrounding community is now developing new economic ventures in tourism and outdoor recreation in order to fill the significant void of lost of jobs.

We see this more recently in San Juan County.



Molycorp Molybdenum mine, Questa, NM. Photo by The Santa Fe New Mexican.



CHALLENGES TO RURAL ECONOMIC DEVELOPMENT

43.2

NEW MEXICO'S RURAL COMMUNITIES HAVE ALWAYS FACED AND CONTINUE TO CONTEND WITH SIGNIFICANT OBSTACLES TO ECONOMIC DEVELOPMENT, INCLUDING:

- Geographic remoteness (by definition rural communities are located away from large populations centers where commerce is more easily facilitated.)
- Lack of infrastructure like broadband internet, telecommunications services, water lines and roads.
- Lower education rates and fewer opportunities for continuing education and training.
- Population decline.

OPPORTUNITIES FOR RURAL ECONOMIC DEVELOPMENT

43.2



CAPITAL OUTLAY

NEW MEXICO'S CURRENT OIL AND GAS BOOM IS SIGNIFICANT. ALTHOUGH MANY ARE CAUTIONING THAT MUCH OF THE SURPLUS SHOULD BE SOCKED AWAY FOR DRY TIMES, UTILIZING SOME OF THE SURPLUS TO INVEST IN CAPITAL OUTLAY PROJECTS THAT LAY INFRASTRUCTURE FOR ECONOMIC DEVELOPMENT COULD REPOSITION RURAL COMMUNITIES TO TAKE ADVANTAGE OF BURGEONING INDUSTRIES LIKE:

- Renewable Energy
- Outdoor recreation and tourism



METHANE

43.4

New Mexico is in the process of modernizing the state's Methane Rule. In this process the state has the opportunity to develop both short term and long term jobs: Short term: Building new infrastructure for the sale and transport of methane Long term: Inspection jobs to prevent and detect leaks.

Several other states including: Colorado, Ohio, Pennsylvania who created stricter regulations on methane have also developed methane mitigation industries that are creating jobs in local communities.

The Center for Civic Policy is actively engaged in the state's rule making process to ensure that potential jobs in methane mitigation are centered in local communities.



THE NEW ENERGY ECONOMY AND FURTHER STUDY

43.5

AS IMPLEMENTATION OF THE ENERGY TRANSITION ACT ROLLS OUT MUCH HAS BEEN MADE OF VARIOUS JOB OPPORTUNITIES IN RENEWABLE ENERGY. DURING THIS LAST LEGISLATIVE SESSION CCP SUCCESSFULLY ADVOCATED FOR A DEPARTMENT OF WORKFORCE SOLUTIONS STUDY OF POTENTIAL ECONOMIC OPPORTUNITIES IN RENEWABLE ENERGY FOR RURAL COMMUNITIES.

- The study will be conducted over the next several months and a report issued mid summer of 2021.
- CCP and our community partners is scheduled to present on goals of the study and other areas of opportunity in renewable energy for rural communities later this fall to the Economic and Rural Development Committee.



LEGISLATIVE RECOMMENDATIONS

RECOMMENDATIONS

1. Enact a moratorium on renewals of existing contracts with private detention facilities
2. Enact a moratorium on expansion of existing contracts that would increase number of beds in private detention facilities
3. Prohibit the initiation of new contracts with private detention facilities statewide
4. Create a private detention facilities oversight board spearheaded by the AG's office –allowing for continuous scrutiny of existing contracts and facility conditions across the state
5. Enact a moratorium on renewals of existing intergovernmental agreements between local law enforcement agencies and federal immigration enforcement agencies like ICE & CBP.
6. Block the initiation of intergovernmental agreements between local law enforcement agencies and federal immigration enforcement agencies like ICE & CBP.
7. Block the use of any state resources for the enforcement of federal immigration law

RECOMMENDATIONS

8. Carry out an extensive review for compliance by counties or municipalities that currently contract with private detention facilities as indicated in NM Stat § 33-3-4
9. Carry out an extensive review for compliance by any privately operated correctional facility in meeting the minimum standards as indicated in NM Stat § 33-15-3
10. Carry out an extensive review of New Mexico's Public Pension Funds Portfolios to ensure taxpayer money is not invested in the funding of private detention facilities like CoreCivic, GEO Group, and MTC.
11. Amend existing statute (NM Stat § 58-1) limiting state-chartered financial institution from funding CoreCivic, GEO Group, and MTC as part of their investment portfolios.
12. Pass a bill requiring immigration agents to get judicial warrants in order to make arrests at New Mexico courthouses.
13. Create a state-funded "Legal Defense Fund" to provide financial resources for people in detention and to increase access to legal counsel on immigration matters.