



RE-ENVISIONING THE PRISON SYSTEM IN NASHVILLE, TN

A BUDGET ANALYSIS TO END THE FOR-PROFIT PRISON CONTRACT WITH CCA/CORECIVIC

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THE METRO COUNCIL OF DAVIDSON COUNTY will decide the function and operational management of the Metro-Davidson County Detention Facility (MDF) by January 31, 2020. MDF is a prison that houses people convicted of felonies sentenced between 1-6 years and has capacity for 1,368 men and women. The Private Prison Company, CCA/CoreCivic, has operated and managed this facility for over 2 decades.

In the era of mass incarceration and the for-profit prison industry, the people of Nashville have reached a pivotal moment in deciding our relationship with one of the principle architects of the Criminal Justice System in this country. The executive leadership of Nashville, Metro Legal and our newly elected legislative officials have the strategic opportunity and moral obligation to change the course of Davidson county's prison system by ending the CCA/CoreCivic contract and changing the function of MDF. In so doing, we have the opportunity to shift budget priorities and resources from criminalization and punishment to improving mental health services and rehabilitation.

The recommended policy actions include:

- **Voting NO on a new contract with CCA/CoreCivic for Correctional Facility Management Services of MDF**
- **Voting YES on an ordinance that prohibits Private Contractors from constructing, operating, managing or leasing a detention facility within Davidson County**
- **Amending the State of TN land-grant contract to change the function of MDF to serve as a mental health, substance use and re-entry rehabilitation facility that is funded and operated separate from the Department of Corrections**

METRO-NASHVILLE SPENDING PRIORITIES

In Metro-Nashville, the annual operational budget and approved capital improvement projects have prioritized funding for incarceration/detention instead of affordable housing, public health, hospital and social services Table 1, left). In fact, there are over 3,000 budgeted full-time positions for the Sheriff and Police Departments [1,2].

2019-2020 Adopted Budget		Funded Capital Improvement Projects	
Sheriff's Dept + Police Dept:	\$304 million	Sheriff's Dept + Police Dept:	\$126 million
Public Health Dept:	\$48 million	Criminal Justice Center:	\$170 million
Affordable Housing:	\$47 million	Public Health Dept:	\$29 million
Nashville General Hospital:	\$43 million	Affordable Housing:	\$61 million
Social Services Dept:	\$9 million		

Table 1. Budget values derived from the Operating Budget for FY19-20 and the Capital Status Report-Quarter3-FY2019¹⁻³.

In comparison, the Health and Social Service Departments and Nashville General Hospital have a total of 1,139 budgeted positions[1]. Funding priorities of approved projects in the capital improvement budget since 2013 reveal a similar funding pattern[3] (Table 1, right). Local funding priorities are central to the question facing Metro Nashville Government regarding the function and operational management of MDF.

METRO-DAVIDSON COUNTY DETENTION FACILITY

As a result of the Private Prison Contracting Act of 1986 and the Correctional Incentives Act of 1981, Metro-Nashville Government entered a contract with the State of TN in 1989 to provide correctional housing for locally sentenced state felons[4]. Since then, this contract has been amended multiple times [5,6]. These laws authorize counties to construct additional facilities and contract with private companies to operate them. This allowed the State of TN to grant Metro-Nashville two tracts of land through a land-grant and appropriate funding for the

Actual Annual Cost to Operate Metro-Davidson County Detention Facility (in millions)

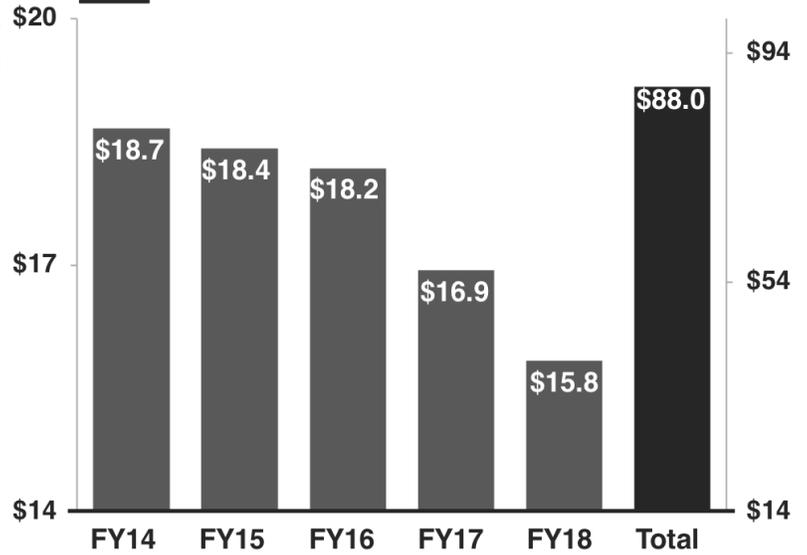


Figure 1. Values derived from the Metro-Detention Facility Contract Management Line of Business from the Citizens Guide to the Budget⁸.

construction and expansion of the Metro Detention Facility[4]. This agreement permitted Metro to contract with CCA/CoreCivic and act as a pass through for the State to indirectly pay for the cost of operating the facility.

Sheriff's Recommended Budget to Operate Metro-Davidson County Detention Facility (in millions)

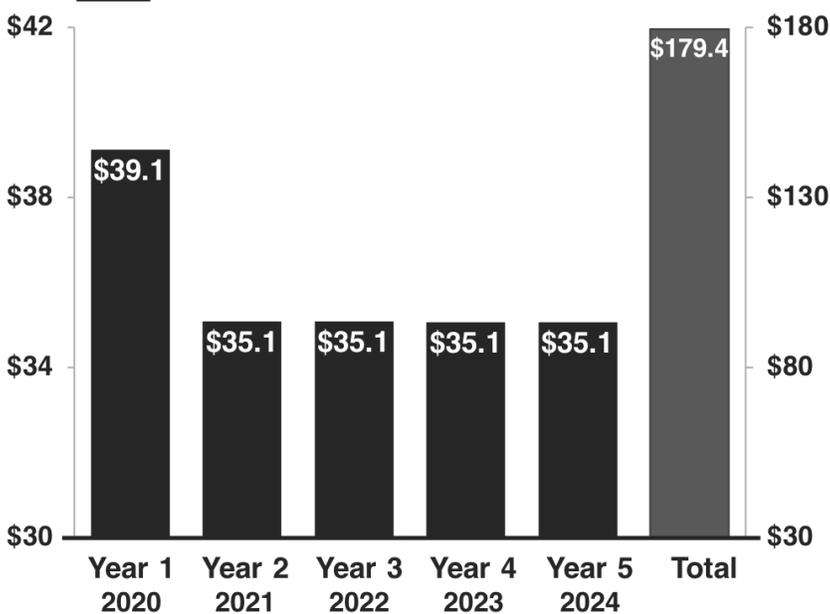


Figure 2. Values derived from the CoreCivic Metro-Davidson County Detention Facility Evaluation⁷.

COST OF OPERATING MDF

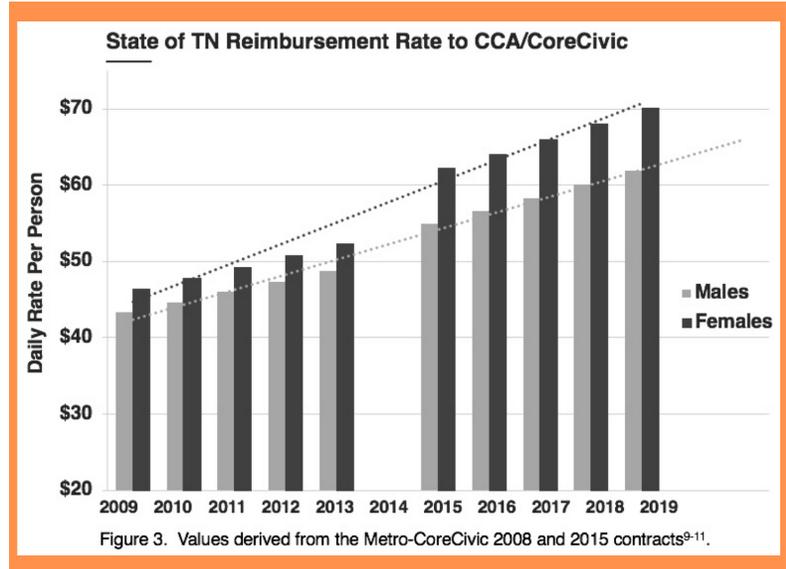
According to the Sheriff's Evaluation, there are three potential outcomes. These options include: i.) a private vendor (CCA/CoreCivic) continuing management of the MDF; ii.) Davidson County Sheriff's Office (DCSO) assuming management of the facility or; iii.) State of TN assuming responsibility of their inmate population[7]. The proposed outcomes exclude the possibility of amending the current land-grant contract to alter the function of MDF to provide mental health and rehabilitation services to the people imprisoned in Davidson County, separate from the correctional department. This policy recommendation is derived from the budget analysis included in the Sheriff's evaluation and the actual cost of operating MDF by CCA/CoreCivic.

According to Metro-Nashville’s Office of Management and Budget records, the actual cost of operating MDF ranges from \$18.7- \$15.8 million dollars annually, with a decreasing trend in cost (Figure 1). The total cost to operate MDF from FY2014–2018 was \$88 million dollars (Figure 1). In comparison, the Sheriff’s evaluation to assume operational management of MDF recommends a 5-year budget that totals more than \$179 million dollars (Figure 2). This represents over a \$90 million-dollar difference in the Sheriff’s 5-year recommended budget compared to the actual cost of operating MDF over the last 5 years.

REIMBURSEMENT RATE FOR HOUSING PEOPLE IN MDF PER DAY

One major caveat in deciding if Metro-Nashville will continue to operate MDF, and if so, who will assume management, relies on the reimbursement rate from the State of TN. Davidson County’s current contract allows reimbursement to be paid for the “actual costs” determined by the operating cost of MDF, with no cap[9]. According to the Metro-CCA/Core Civic 2008 and 2015 contracts, the annual per diem rates are depicted in Figure 3.

This annual escalating rate schedule has peaked in 2019, with per diem rates at \$61.87 for males and \$70.03 for females. The reimbursement rate to house state inmates in Davidson County is one of the highest in the State of TN. In contrast, the current per diem paid by the State of TN to DCSO for housing state inmates, not awaiting transfer to MDF, is \$39 dollars[9].



The differential reimbursement rates create a significant budget gap that the tax payers of Metro would have to subsidize. The difference between the DCSO recommended budget for each year and the DCSO reimbursement rate is approximately \$15.5- \$19.6 million dollars per year (Table 2).

	Year One	Year Two	Year Three	Year Four	Year Five
DCSO Recommended Budget	\$ 39,119,548	\$ 35,079,230	\$ 35,089,986	\$ 35,072,568	\$ 35,061,572
State Per Diem Annual Payment	\$ 19,473,480	\$ 19,473,480	\$ 19,473,480	\$ 19,473,480	\$ 19,473,480
Balance Remaining to be Paid	\$ 19,646,068	\$ 15,605,750	\$ 15,616,506	\$ 15,599,088	\$ 15,588,092

Table 2. Values derived from the Davison County Sheriff’s Evaluation⁷ and Report of TN Advisory Commission on Intergovernmental Relations⁹.

Based on Metro’s limited financial resources, the disparity in funding favoring Police and Sheriff Departments, and the gap in addressing the needs of vulnerable populations, local leadership has the opportunity to change the course of the prison system in Nashville.

THE DECISION IS UP TO THE PEOPLE OF NASHVILLE

There are a wide range of interventions that Metro City Council and Metro Legal can pursue.

- **Rejecting a new contract with CCA/CoreCivic.** Based on first-hand accounts of people imprisoned in CCA/CoreCivic operated facilities, legal actions and cost analysis it is no longer in the best interest of Metro to continue this contracted relationship[12].
- **Establishing an ordinance that prevents future private contractors from constructing, operating, managing or leasing a detention facility within Davidson County.** This protects the welfare of residents of Davidson County from exploitation of private companies while under correctional custody.
- **Amending the State of TN land grant contract to change the function of MDF to serve as a mental health, substance use and re-entry rehabilitation facility** that is operated by mental health and substance abuse professionals which is beyond the scope of correctional departments.

As emphasized by Sheriff Daron Hall, the necessity to decriminalize mental health crises is a priority in Nashville[13]. However, mental health facilities inside of correctional centers is not optimal for people experiencing mental health crises. Shifting resources to those entities professionally qualified to care for people experiencing mental health disorders is a sensible way to decriminalize our city. Finally, amending the land-grant contract from perpetuity could protect the residents in Nashville from future burdens of unwanted correctional relations.



ENDNOTES

1. Recommended Operating Budget for Fiscal Year 2019-2020," Nashville, TN, <https://www.nashville.gov/Portals/0/SiteContent/Finance/docs/OMB/FY20Budget/Rec%20Budget%20Book/FY20RecOperBBFinal050719B.pdf>, accessed 10 October, 2019.
2. The Budget Ordinance of the Metropolitan Government of Nashville and Davidson County, Tennessee for FiscalYear 2020, Bill BL2019-1624, Nashville, TN, accessed 12 October, 2019.
3. "Capital Status Report Documents Quarter 3 - FY2019," Nashville, TN, [https://www.nashville.gov/Portals/0/SiteContent/Finance/docs/OMB/capital_budget/Council_RptActive_Projs_Over_\\$500K-March_2019-Final.pdf](https://www.nashville.gov/Portals/0/SiteContent/Finance/docs/OMB/capital_budget/Council_RptActive_Projs_Over_$500K-March_2019-Final.pdf), accessed 10 October, 2019.
4. Metro-Nashville Government Ordinance 088-574 (1989)
5. First Amendment to the contract between the State of Tennessee Department of Correction State Funding Board and The Metropolitan Government of Nashville and Davidson County, June, 2, 2004, available at https://www.nashville.gov/Government/ePav-Viewer.aspx?name=414dd90b-aafa-4e7a-ad0917bfe6791c88_Contracts-20181129_30099_1.pdf.
6. Second Amendment to the contract between the State of Tennessee Department of Correction State Funding Board and The Metropolitan Government of Nashville and Davidson County, October, 22, 2008, available at http://www.prisonlegalnews.org/media/publications/second_amendment_to_tn_doc_contract_with_metro_government_of_nashville_and_davidson_county_2008.pdf
7. "CoreCivic Metro-Davidson County Detention Facility Evaluation," Nashville Davidson County Sheriff's Office, December 2018 available at <https://endcorecivicccacontracthome.files.wordpress.com/2019/10/dcso-core-civic-metro-davidson-detention-facilityevaluation-1.pdf>
8. "Citizen's Guide to the Budget," FY15-16 (pg 612), FY16-17 (pg 611), FY17-18 (pg 558), FY18-19 (pg 552), available at <https://www.nashville.gov/Finance/Management-and-Budget/Citizens-Guide-to-the-Budget/Documents-and-Resources.aspx>
9. "Housing Tennessee's Convicted Felons: Improving Outcomes while Balancing State and County Needs" Report of the Tennessee Advisory Commission on Intergovernmental Relations, August 2017, available at <https://www.tn.gov/content/dam/tn/tacir/documents/2017HousingTNConvictedFelons.pdf>.
10. Metro-Nashville Government Management Services Contract between CCA and Metro Government of Nashville and Davidson County (July 31, 2008), available at <https://endcorecivicccacontracthome.files.wordpress.com/2019/10/2008-cca-contract.pdf>.
11. Metro-Nashville Government Management Services Contract between CCA and Metro Government of Nashville and Davidson County (January 1, 2015), available at <https://endcorecivicccacontracthome.files.wordpress.com/2019/10/cca-contract.pdf>
12. "A campaign to re-envision the Prison System in Nashville," October 2019, In the News links available at <https://endcorecivicccacontract.home.blog/>
13. Blake Farmer, "Nashville Sheriff's Grand Plan to Decriminalize Mental Illness Still Needs Blessing Of The Courts," Nashville Public Radio, August 16, 2018, <https://www.nashvillepublicradio.org/post/nashville-sheriffs-grand-plan-decriminalize-mental-illness-still-needs-blessing-courts#stream/0>