



Highlights of [GAO-08-6](#), a report to congressional committees

## Why GAO Did This Study

Over the last 10 years, the cost to confine federal Bureau of Prison (BOP) inmates in non-BOP facilities has nearly tripled from about \$250 million in fiscal year 1996 to about \$700 million in fiscal year 2006. Proponents of using contractors to operate prisons claim it can save money; others question whether contracting is a cost-effective alternative. In response to Conference Report 109-272, accompanying Pub. L. No. 109-108 (2005), this report discusses the feasibility and implications of comparing the costs for confining federal inmates in low and minimum security BOP facilities with those managed by private firms for BOP. GAO reviewed available data on a selection of 34 low and minimum security facilities; related laws, regulations, and documents; and interviewed BOP and contract officials.

## What GAO Recommends

GAO recommends that BOP develop a cost-effective way to collect comparable data across low and minimum security facilities and conduct analyses that compare the cost of confining federal inmates in these facilities, consistent with OMB requirements. BOP disagreed with GAO's recommendation and said it did not see the value of developing a methodology to compare facilities. GAO believes this comparison puts BOP in the best position to weigh alternatives for confining inmates to help ensure it is using the most cost-effective alternative. OMB did not comment on this report.

To view the full product, including the scope and methodology, click on [GAO-08-6](#). For more information, contact Eileen Larence at (202) 512-6510 or [larencee@gao.gov](mailto:larencee@gao.gov).

## COST OF PRISONS

### Bureau of Prisons Needs Better Data to Assess Alternatives for Acquiring Low and Minimum Security Facilities

#### What GAO Found

A methodologically sound cost comparison analysis of BOP and private low and minimum security facilities is not currently feasible because BOP does not gather data from private facilities that are comparable to the data collected on BOP facilities. GAO's past work has shown that generally accepted evaluation criteria for comparing private and public prisons calls for the comparison to be based on a variety of factors, including selection of facilities with similar characteristics (i.e., staffing levels and educational programs offered) and quality of service (i.e., levels of safety and security for staff, inmates, and the general public). However, according to BOP officials, BOP and private facilities differ in characteristics and quality of service, and BOP does not collect or maintain sufficient data on private facilities to account or adjust for these differences in a cost comparison. According to private contractors, some characteristics data are maintained for their own purposes, but at present the data are not in a format that would enable a methodologically sound cost comparison. BOP officials stated that there are two reasons why they do not require such data of contractors. First, federal regulations do not require these data as a means for selecting among competing contractors. Second, BOP believes collecting comparable data from contractors could increase the cost of the contracts, but BOP officials did not provide support to substantiate these concerns.

Without comparable data, BOP is not able to evaluate and justify whether confining inmates in private facilities is more cost-effective than other confinement alternatives such as building new BOP facilities. The Office of Management and Budget (OMB) requires agencies to consider and weigh various alternatives using analyses that help determine the benefits and costs of making decisions about the acquisition of assets, such as prisons. According to OMB requirements, selecting alternatives to meet capacity needs without adequate analysis by federal agencies has resulted in higher costs than expected. OMB provides guidance to help federal agencies analyze and weigh the costs and benefits of alternatives, which is important for BOP because BOP officials stated that the population for low and minimum security facilities continues to grow. OMB staff also added that they need more and better cost comparison information on the various alternatives for BOP's low and minimum security facilities to help them better understand the long-term costs and benefits of owning versus the short-term costs and benefits of privatization. Without analyses consistent with OMB requirements, it is difficult to know whether BOP is deciding on the most cost-effective alternative for acquiring low and minimum security facilities to confine inmates, including whether to contract, build, or expand.