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Prison Firm CCA Seeks to Reduce Number of Repeat Offenders Company Pushes to Reduce Costs Associated with Recidivism

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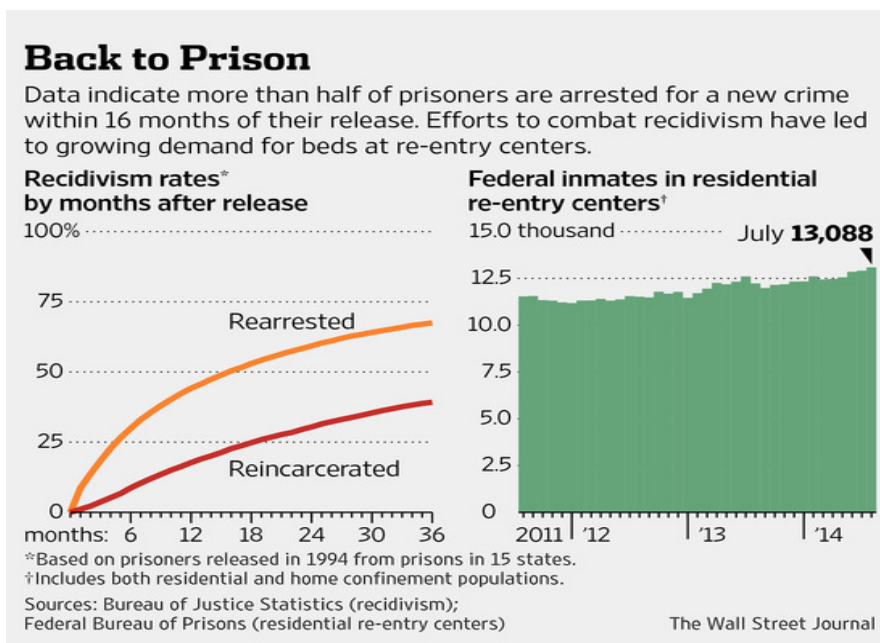
The nation's largest private prison company is shifting its focus toward helping release more inmates and keep them out—a reaction, company officials say, to changing policies around the country on the severity of criminal punishment.

After three decades of surging prison populations, the number of people behind bars is starting to decline, albeit slowly. There were more than 2 million people locked up in federal and state prisons and jails in 2012, the last year for which the Justice Department has published data. That year saw prisons and jails release 27,500 more inmates than they took in, marking the fourth year of a declining prisoner population.

Yet repeat offenders remain a costly headwind. A Justice Department study of data from 2005 to 2010 in 30 states found that three out of four released prisoners will be rearrested within five years of their release.

Getting a high-school equivalency degree while in prison, however, can greatly reduce the chances of being rearrested, studies show. A 2013 study by the Rand Corp. think tank concluded that spending \$140,000 to \$174,000 on education programs for a hypothetical group of 100 inmates would save as much as \$1 million in re-incarceration costs over a three-year period.

Damon Hininger, chief executive of Nashville, Tenn.-based Corrections Corp. of America, said in an interview that government clients are increasingly concerned about the long-term costs of housing inmates and are pushing CCA and other private operators to save them money by reducing recidivism, the number of inmates who are released only to do a repeat turn in prison.



He plans to expand the company's prison rehabilitation programs, drug counseling and its prisoner re-entry work in cities around the country. It's a significant shift for CCA, which has built a profitable business from

incarcerating people—nearly 70,000 inmates are currently housed in more than 60 facilities. The company is the fifth-largest correction system in the country, after only the federal government and the states of California, Florida and Texas.

"This is a watershed moment for our company and we hope it will be for our entire industry," Mr. Hininger said. "We are determined to prove that we can play a leadership role in reducing recidivism and that we have every incentive to do so. The interests of government, taxpayers, shareholders, and communities are aligned. We all just need to recognize that and commit to that."

To be sure, skeptics remain. CCA faces criticism in some states over alleged mistreatment of prisoners and from those who think making profits from running prisons is bad public policy.

Hedy Weinberg, executive director of the American Civil Liberties Union of Tennessee, has doubts about the company's new initiative. "It must be a challenge for CCA to implement programs that could reduce recidivism when that runs counter to the private prison model itself," she said. "We can only hope that CCA's interest in such programs indicate a shift away from its previous stance that 'reductions in crime rates' are a 'risk factor' for business and toward a completely new business model that does not rely on ever-growing mass incarceration."

Over the past two decades, government agencies have gravitated toward contracting with CCA or other private prison firms, often with a goal of saving money on the daily cost of housing inmates. In recent years, however, company officials are increasingly being asked by governments to cut down the cost of repeat offenders, Mr. Hininger said.

Mr. Hininger compared the cost of recidivism on government budgets to the cost of long-term pension obligations and health-care coverage—issues that elected officials hadn't often thought of when drafting year-to-year budgets in the past but are now of increasing concern in more state capitals.

"One thing we've seen as a result of the recession the last four or five years is our government partners really have gone through a shift, and that shift is they've looked at things that affect their cost and budgets short term and long term," he said.

Reducing prisoner populations isn't just a question of cost. For the past three decades, Congress sought to combat crime by ratcheting up the amount of time inmates serve, principally through laws requiring mandatory minimum sentences for certain offenses.

The period saw a dramatic reduction in crime, but politicians have become increasingly concerned with the social costs of those policies. Attorney General Eric Holder, a former judge and prosecutor, has noted those penalties have tended to fall more harshly on black suspects than white ones, and urged changes to make the system more fair. Earlier this year, a federal sentencing commission recommended retroactive changes that could allow for early release of as many as 46,290 inmates in federal prisons.

Jason Clark, a spokesman for the Texas Department of Criminal Justice, which contracts with CCA at some facilities, said the state began a push to expand rehabilitation and re-entry programs, which led to a drop in its recidivism rate from 25.3% to 22.6% over a three-year period.

"Those are real numbers and real savings because less people are coming back into the prison system," Mr. Clark said. "We believe that continuing to invest in diversion and treatment initiatives is the best strategy to maintain a stable and successful criminal-justice system."

In a speech broadcast to CCA's roughly 15,000 employees, Mr. Hininger said the company plans to expand its postprison work around the country, noting that currently much re-entry work is done by small businesses and nonprofit groups that lack CCA's ability to scale up such work in larger facilities in many cities. He

declined to say which cities.

"What we've seen as we've looked around the U.S., it is a little fragmented, as smaller operators providing these solutions," Mr. Hininger said in the interview. "We see an opportunity to provide some consistency and expertise."

Mr. Hininger emphasized rehabilitation has always been part of CCA's work, but said that going forward it would be part of each employee's job description. He said that from the first day a prisoner arrives, that prisoner should be evaluated and steered toward effective rehabilitation programs.

Corrections & Amplifications

Jason Clark, a spokesman for the Texas Department of Criminal Justice, said the state began a push to expand rehabilitation and re-entry programs, which led to a drop in its recidivism rate from 25.3% to 22.6% over a three-year period. An earlier version of this article incorrectly reported that he said the programs led to a drop in the recidivism rate from 24.3% to 22.6% over a two-year period. (Sept. 12, 2014)