A Strategic Corrections Partnership with Corrections Corporation of America

A Privatization Plan for Today’s Correctional Needs
Federal, State and Local Correctional Issues that CCA Understands

“State and federal prisons will swell by more than 192,000 inmates over the next five years. Imprisonment levels are expected to keep rising in all but four states, reaching a national rate of 550 per 100,000, or one of every 182 Americans. If you put them all together in one place, the incarcerated population in just five years will outnumber the residents of Atlanta, Baltimore and Denver combined.”—Public Safety, Public Spending, Forecasting America’s Prison Population 2007-2011, The Pew Charitable Trusts

The data forecasting America’s projected incarcerated population is staggering, but no less alarming than the current realities faced by many correctional systems across the country.

Correctional systems throughout the United States – from county to county and state to state – are mired in shared systemic issues.

- Outdated correctional facilities lack the technology to provide the latest security innovations.
- The prison’s existing site was not acquired with the future in mind; there is no room for on-site expansion.
- Inmate housing is near or exceeds capacity, and there are no alternatives for local placement.
- Employee turnover leaves dedicated correctional officers overworked and facilities understaffed.
- Inmate rehabilitation programs have been cut to be more fiscally responsive to pressing basic correctional needs.
- Corrections don’t resonate deeply with taxpayers, who’d rather see their dollars invested in education, infrastructure and health care.
- Enduring protracted appropriations or assuming debt to construct new facilities is extremely unattractive to officials and the greater public.
- Providing programmatic quality and service continuity in a way that controls costs strikes some as unachievable.

Solutions to these and other correctional concerns are available through Corrections Corporation of America (CCA). The population sizes and types differ. Some annual budgets are larger or smaller than others. Some systems’ correctional facilities might be less modern than others. But the cumulative weight of today’s correctional concerns – paired with the prognosis of the future – has many agencies seeking sound, sensible solutions.

When the public sector needs correctional strategies that are flexible, comprehensive and efficiently priced, CCA is ready to respond.
CCA: A Proven Corrections Leader

“CCA has been a great partner with us for nearly a decade now. Coffee Correctional Facility and Wheeler Correctional Facility certainly meet the standards of the Georgia Department of Corrections. I particularly appreciate CCA maintaining exemplary accreditation status with both the American Correctional Association and the National Commission on Correctional Healthcare.” — Commissioner James E. Donald, Georgia Department of Corrections, 2007

“To say that CCA is competent in its economic and community development is an understatement. With its innovative approach to corrections, CCA is changing lives for the better - the lives of our citizens who benefit from sound, stable careers and the inmates who are offered first-rate rehabilitation services.” — Senator Glenn Coffee, Oklahoma, 2007

For more than 25 years, Corrections Corporation of America has provided dependable, cost effective and adaptable correctional solutions for systems saddled with capacity and fiscal concerns, with results that are respected industry-wide.

Established in 1983, CCA founded the privatized corrections industry and is the nation’s largest provider of outsourced corrections management services to federal, state and local government agencies. CCA specializes in the design, construction and management of prisons, jails and detention facilities, and provides inmate transportation services. The company manages approximately 50 percent of all beds under contract with private operators and is the fifth-largest corrections system in the United States, following the federal government and three states.

CCA employs nearly 17,000 correctional professionals who are responsible for the oversight and care of more than 75,000 offenders at all security levels in more than 60 correctional centers across the country. Publicly traded on the New York Stock Exchange (NYSE) under the symbol CXW, CCA also enjoys the prestige of being recognized as one of "America’s Best Managed Companies" by Forbes Magazine and one of the country’s “Top 50 Military-Friendly Employers” by G.I. Jobs, as well as being respected by investors and shareholders as a national growth company.

CCA has earned its reputation from decades of sound business and correctional experience. The company is forward-thinking, constantly pursuing innovation at a premium, with customized client service that removes logistical concerns from the purview of the public sector – with real qualitative and quantifiable results.
Partnering with CCA: 
Resourceful Outsourcing

“Privatization exposes things we otherwise would not see – ideas, processes, innovations in service delivery. Within government, rarely is success adequately rewarded, and innovation and new ideas are often quashed. But when privatization brings competition and a chance for customers to have a say, then excellence and innovation are rewarded, and mediocrity and failure are penalized.” — Reason Foundation’s Annual Privatization Report 2006, “Transforming Government through Privatization”

For local, state and federal correctional agencies, partnering with CCA not only makes sense, it spells success.

For decades, CCA has satisfied government partners with customized services that respond to their respective and unique correctional needs. CCA has developed solutions tailored to address a variety of inmate types, personnel concerns, programmatic issues and housing needs. CCA also eases transitions for customer agencies by managing project logistics from the inception of the partnership through continued service delivery.

CCA presents significant advantages for correctional systems of all types and sizes, with varied objectives. They may:

- Seek to increase internal efficiencies on the state or local level by introducing competition into their corrections system.
- Need new prison or jail capacity, but lack experience in the design and construction process.
- Seek budgetary relief in corrections operations costs due to a swelling inmate population that was not planned for or projected.
- Need to prioritize other public projects, while finally resolving the correctional conundrum of spiraling costs.
- Want to streamline correctional operations without disrupting existing personnel or service continuity.
- Desire to pursue private corrections management but want the assurance of legal protection.

Experience as the Industry Leader

CCA is respected not only for establishing the private corrections industry, but also for a record of success that is supported by anecdotal and quantitative evidence. For 25 years, CCA has been offering government customers proven and effective correctional solutions.

Diverse Partnering Experience

CCA partners with the Bureau of Prisons, Immigration and Customs Enforcement, and the U.S. Marshals Service on the federal level, nearly half of all states and numerous counties. This varied customer base demonstrates the seamless, customized service CCA provides that meets many unique correctional needs, including inmate services and care for all security classifications.

Measurable Results

CCA’s high contract renewal rate indicates the company’s success in consistently meeting customers’ diverse needs. From requirements as specific as which types of seasonings may be used to flavor inmates’ meals to population segregation mandates, CCA effectively meets – and exceeds – customer expectations.
Flexible Correctional Solutions

CCA’s proven experience and national scope enable it to fulfill correctional needs for systems of all types on even the tightest schedules. Whether a partnering agency is most concerned with inadequate bed space, spiraling corrections costs, appropriate staffing or other issues, CCA can respond readily, with solutions that are just as dynamic as customer’s populations.

Design and Build

CCA can design, build and manage newly constructed or expanded correctional centers for partnering customers – directing the process from site survey and acquisition to architectural design and facility opening. With decades of experience building correctional facilities from the ground up and expanding existing jails and prisons with innovative additions, CCA develops custom plans that meet current and projected future needs. CCA’s integrated management model is equally seamless, with the company handling personnel and staffing concerns, and providing program quality and ingenuity at these CCA-owned correctional centers.

CCA can expand or construct a correctional facility in an average of 12-18 months, whereas similar projects generally take 36-48 months in the public sector. On average, CCA also spends 25 percent less on new construction than the public sector, passing along such savings in reduced management costs to government customers. With CCA owning a correctional center, the company assumes all construction-related costs and taxes, enabling customers to pursue state-of-the-art correctional solutions without multi-million dollar overhead.

Just-In-Time Beds

Corrections systems faced with unexpected and emergency inmate housing needs benefit from CCA’s just-in-time, or immediate, beds. This bed space is especially critical in the event of natural disasters, such as hurricanes, flooding or wildfire, dire chemical spills, or related immediate environmental threats. Customers also use just-in-time beds to provide temporary inmate housing while systems complete construction of their own facilities or conduct analysis of how to address their long-term correctional needs internally.

Out-of-State Inmate Management

Through out-of-state inmate management, local and state correctional systems can alleviate capacity concerns, ensure service and program continuity, and uphold system-specific protocols and standards without additional overhead. Through this innovative approach to inmate housing, geographic distance is the only discernable difference between inmates being managed out of state and within their state. CCA educates inmates about their respective system’s rules and policies, researches the incoming inmate population for programmatic, logistical and security reasons, and works closely with partnering customers on issues such as operational classification, transportation and successful population acculturation.
Transitioning management of existing facilities
Some correctional systems desire to streamline operations by outsourcing management of its facilities. CCA can assume management of existing correctional facilities seamlessly, maintaining quality in safety and security, programs and administration, ensuring a smooth transition for customers, employees and inmates.

Transitioning population and management to a nearby CCA facility
For correctional systems with overcrowded or outdated facilities, CCA can transition inmates to a nearby CCA facility, where the company manages operations, services and programs. With many CCA facilities located within an hour’s drive of a major city, the company can provide bed space near many system’s existing facilities, easing transport and ensuring continuity of quality. Customers achieve capacity relief and benefit from modern facilities outfitted with state-of-the-art technologies - all without protracted capital appropriations or assuming debt.

Value
CCA provides cost-effective correctional solutions to government partners, giving them the flexibility to direct funds to other public needs or, in some instances, to lower the public tax burden. CCA’s experience – with the expertise and strategic relationships developed as a result – enables customers to implement innovative correctional solutions at a competitive cost.

Reduced Costs
CCA provides federal, state and county corrections agencies comparable or improved services at a lower rate. CCA’s operating cost per inmate per day averages from five to more than 20 percent lower than the average per diem of most states in which CCA operates.

Financial Strength and Indemnification
CCA’s contractual partners enjoy the benefits of indemnification, which provides built-in legal and financial protection against damage, loss or liability. This benefit provides peace of mind for partnering agencies, able to implement correctional solutions without the additional stressors of court actions or judgments.

Built for Savings
CCA’s prototypical correctional facility is designed and constructed to feature the latest, most innovative security technologies and architectural amenities at a competitive cost. Architecturally, CCA maximizes available space for optimum operational use and efficiently contains correctional functions through limited construction of numerous free-standing buildings.

Avoidance of Capital Expenditures
CCA services as an alternative funding source for government corrections systems. When CCA not only manages correctional operations but also builds new facilities for customer agencies, they benefit from innovative and state-of-the-art buildings and technologies with none of the cost. Since partnering agencies assume no debt or undergo protracted capital appropriations, funds may be directed to other public concerns, like schools, health care, libraries or public works.
Performance

CCA's performance is backed by a high contract renewal rate, built-in accountability and proven operations. Security, management experience, accreditation, quality assurance and program effectiveness are indicators of CCA's exceptional performance record.

Security

Security with CCA is based on long-standing and innovative correctional best practices, contractual mandates, national accreditation standards set by the American Correctional Association (ACA) and the company's own expertise. From the frontline level, where correctional officers secure housing units, control inmate movements, perform perimeter checks, supervise inmates, report and document incidents, and resolve conflicts to the special teams that provide additional layers of surveillance and incident responsiveness, CCA consistently maintains safety and security for staff, inmates and the surrounding community. CCA's approach to inmate management and security technologies also support this objective.

Accreditation

All CCA facilities operate according to standards established by the American Correctional Association (ACA), the most exacting criteria in the corrections industry. According to the ACA, benefits of accreditation include improved staff training and development, improved staff morale and professionalism, a safe setting for staff and inmates and performance-based benefits – all advantages achieved in CCA facilities, more than 85 percent of which are ACA-accredited.

Quality Assurance

CCA facilities undergo internal and external audits to assure companywide quality. CCA's corporate oversight audit team conducts an unannounced visit annually to correctional centers to monitor compliance standards. Additionally, accreditation audits by ACA take place every three years with status reports filed annually.

Partnering customers also conduct audits to rate compliance with contractual requirements. External audits by other agencies, such as fire, health and building codes, are also regularly conducted.

Program Effectiveness

CCA's innovative rehabilitation programs include offerings that range from alcohol and substance abuse therapies to vocational training in practical trades. The company also offers faith-based programs, GED preparation and testing, adult basic education and post-secondary study, and more.

In 2006, CCA inmates who were enrolled in academic programs gained an average of approximately two months of educational functioning for each month of enrollment, as measured by the Test of Adult Basic Education.

In the same year, approximately 3,000 CCA inmates earned General Educational Development (GED) diplomas or equivalent credentials; more than 8,000 earned certificates in vocational and job skills courses; and more than 7,000 inmates completed courses designed to enhance basic life skills in areas such as budgeting, parenting and anger management.
Privatization with CCA: Separating Myth from Reality

“Public-private correctional partnerships provide the state new sources of capital, the potential for innovation in correctional policy, and the opportunity for performance-based contracts, which drive high quality and an increased level of accountability to the contracting agency.”—Paul Doucette, Association of Private Correctional and Treatment Organizations, in a March 2006 letter to the editor in the Grand Forks Herald

For some, the idea of the private sector providing a service rendered historically or exclusively by the public domain is an unusual one. This is especially true for corrections.

Since its founding, CCA and other corrections management providers have experienced criticism, scrutiny and resistance from special interest groups and opponents of public-private partnerships. However, such controversies often stem from misinformation, personal agendas and a general lack of understanding about how public-private partnerships work.

Such an environment motivates CCA to continue providing outstanding service to government customers. It also provides an opportunity to properly educate the public about the company’s partnerships with the public sector. Plus, the fact that nearly half of all states, all three federal corrections agencies and numerous counties utilize CCA for corrections management offers immense credibility to the soundness of public-private partnerships. Following are some common privatization myths, dismantled by the realities of the business in which CCA has succeeded for a quarter-century.

**Myth:** Private companies are in the immoral business of profiting from prisons.

**Reality:** Properly skilled, trained and educated professionals providing difficult and meaningful services should be compensated for their efforts. Whether they work for a company or a government agency, the importance of their service is indisputable. If a government agency can partner with a company to provide the same or an improved level of service for a lower cost, then those saved funds can be optimized for other public needs, such as education, health care and infrastructure.

**Myth:** Private companies are actively engaged in legislation to promote longer and tougher sentences to keep beds filled and profits climbing.

**Reality:** CCA does not participate in or lobby for stricter sentencing. The company is not in the business of legislation, but rather the business of providing safe, secure correctional centers that offer meaningful programs and services for inmates at a cost savings to customers.

**Myth:** Private correctional facilities reduce neighboring property values and derailed the economic vitality of communities.

**Reality:** CCA correctional centers enhance the economic health of communities through job creation, the resulting demand for housing and other services that enhance property values and stimulate local businesses. Gainfully employed residents positively contribute to the community’s tax base and help spur new businesses. Moreover, a CCA correctional center is subject to all applicable taxes, such as property and sales taxes—additional revenue that has enabled communities in which CCA operates to upgrade infrastructure, enhance schools and even maintain or reduce residents’ taxes.
Myth: Private companies under-train correctional staff and employ unqualified personnel in order to pay low salaries with minimal benefits.

Reality: CCA training meets or exceeds all established standards by the American Correctional Association and requirements mandated by customer contract. New full-time CCA facility employees undergo 40 hours of pre-service orientation, and all security personnel receive an additional 160 hours of correctional training during their first year of employment. Staff also receive 40 hours of in-service training annually. CCA’s commitment to training is underscored by a full-time managing director of Staff Development and Training, division training managers and a full-time training manager at every CCA facility.

CCA employees enjoy competitive salaries and benefits with built-in career development and promotional opportunities. The company offers a comprehensive health benefits package and 401(k) retirement savings plan. CCA employees also benefit from dynamic careers with geographic mobility and cross-training possibilities.

Myth: Private companies experience higher turnover of correctional staff than the public sector.

Reality: CCA’s retention record is comparable to that of many public corrections systems. Comparing CCA to local, state and federal systems is difficult, as all calculate retention levels differently. CCA recruits and retains staff through attractive initiatives, such as mentoring, relocation bonuses and referral incentives.

Myth: Private companies experience higher rates of assaults and escapes.

Reality: Historical, statistical data for related incidents reveals that public and private sector performance is comparable. CCA escape and suicide rates are lower than that of the public sector.

Myth: Private facilities offer poor-quality programs for inmates and do not promote rehabilitation.

Reality: CCA is well-known for innovative rehabilitation programs, which offer vocational training, GED preparation and testing, post-secondary educational opportunities, faith-based counseling and more. CCA offers programs that often exceed the requirements outlined in customer contracts, which demonstrate the company’s commitment to rehabilitating offenders and preventing recidivism.

Myth: Inmates at privately operated correctional facilities receive poor health care, since medical staff is discouraged from sending them to hospitals or emergency rooms in an effort to cut costs.

Reality: CCA offers inmates high-quality health care with preventative and emergency medical and dental treatment. CCA adheres to expectations outlined in customer contracts and guidelines established by the American Correctional Association (ACA). Some CCA facilities are also contractually required to be nationally accredited by the National Commission of Correctional Health Care (NCCHC). In some instances, inmates have access to quality care for the first time in a CCA facility. Inmates with a pre-existing condition are sometimes first diagnosed at a CCA facility, with company nurses and doctors offering education on managing illnesses and promoting general wellness.
**Myth:** For private companies, shareholders’ interests supersede those of government customers and inmates.

**Reality:** CCA is required to deliver a high level of service. Failure to do so would diminish credibility and, ultimately, result in lost contracts. Government officials, contract monitors and auditors are regularly on-site at CCA facilities to ensure proper service delivery. The additional scrutiny of shareholders also enhances this level of accountability – a level that is often much higher than in the public sector.

**Myth:** Privately operated facilities have lower standards than public facilities.

**Reality:** CCA operates facilities according to the nearly 500 rigorous standards of the American Correctional Association, the most credible organization in the corrections industry. Additionally, CCA has established more than 150 operating standards by which facilities are managed. Each facility undergoes more than 15 internal audits annually, as well as many external audits by government customers, fire, building and health inspectors, and others.

**Myth:** Private prisons are anti-union.

**Reality:** CCA recognizes and respects the right of employees to choose union representation. CCA shares many common goals with unions, such as safe working conditions, competitive salaries and benefits, and quality training.

**Myth:** Private prisons only house low-security inmates, who cost less to manage.

**Reality:** CCA is responsible for the safe and secure management of inmates at all security levels, with most inmates at CCA facilities classified as medium-security or higher.
The Partnering Process

With CCA, the partnering process is open and easily manageable for prospective customers. Guided by a team of professionals that specializes in the research, contract and proposal process, systems considering partnership with CCA are provided customized service, tailored to meet their respective demands and desires.

Systems interested in CCA may issue a Request for Information (RFI), through which information is collected for general comparative purposes, or a Request for Qualifications (RFQ), through which CCA describes its specialized expertise and ability to meet stated minimum qualifications and project requirements. Some agencies formally submit a Request for Proposal (RFP), which provides detailed information on project specifics, such as the number of inmates to be housed and the level of programming required. RFPs may contain hundreds of pages of detailed government requirements, including architectural renderings and environmental surveys.

Some systems quickly partner with CCA after requesting information; others engage the company for a considerable length of time as they weigh their correctional needs. CCA’s business approach to potential customers is underscored by a deep understanding of correctional complexities and a desire to effectively and feasibly tailor appropriate solutions.

Correctional systems considering partnership with CCA are advised to perform an initial internal review of their needs. Providing some information on programmatic requirements, facility type, projected population, custody level and security level best enables CCA to respond with solutions that are customized, flexible and efficient.

If you are a federal, state or local agency interested in learning more about partnering with CCA, please call CCA’s Customer Relations Department at (615) 263-3091 or (615) 263-3283. To learn more about the company, visit www.correctionscorp.com.