Privatizing Prisons

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★ 2004 POLICY SUMMARY ★

Privatizing Prisons

Summary

- **The for-profit prison industry has expanded rapidly in the past decade, capitalizing on soaring incarceration rates.**
- **The business of incarceration is booming, with revenue passing the $1 billion mark in 1998.**
- **The industry argues that privatizing prisons cuts costs, but there is little evidence to support this claim.**
- **When profit is a primary motivation, quality of services and public safety can be jeopardized.**
- **Private prison companies ensure profitability by courting political influence and supporting stricter sentencing laws.**
- **States have used a variety of approaches to halt the privatization of prisons.**
- **Public opinion supports government-run prisons over private ones.**

The for-profit prison industry has expanded rapidly in the past decade, capitalizing on soaring incarceration rates.

The United States is experiencing the largest prison build-up in recorded history, more than quadrupling its prison population since 1980. The number of prisoners in private prisons grew more than 2,000 percent between 1987-96, soaring from 3,122 to 78,000.[1] By 2002, nearly 94,000 inmates were housed in private prisons.

The business of incarceration is booming, with revenue passing the $1 billion mark in 1998.

Two companies dominate the for-profit incarceration industry—Corrections Corporation of America (CCA) and Wackenhut Corporation. These two companies control 75 percent of the for-profit incarceration market.[2]

The industry argues that privatizing prisons cuts costs, but there is little evidence to support this claim.

CCA advertises that privately-managed prisons can save states up to 20 percent on the cost of incarceration. Yet a study by the U.S. Bureau of Justice Assistance found that these savings "have simply not materialized."[3] In fact, some research has concluded that for-profit prisons cost more than public prisons.[4] Furthermore, cost estimates from privatization advocates are misleading because private facilities often refuse to accept inmates that cost the most to house. In Texas, for example, private prisons will not accept inmates with serious or chronic health problems. And costs of transportation, classification and most monitoring activities are not included in per diem rates—those costs are still covered by the state.

When profit is a primary motivation, quality of services and public safety can be jeopardized.

CCA-owned facilities in various states have experienced numerous incidents of violence and inmate escapes. At the Northeast Ohio Correction Center, 17 inmates were stabbed, two were murdered, and six escaped during the first 15 months of operation. In other states, inadequate supervision and lax security measures have jeopardized public safety.[5]

Private prison companies ensure profitability by courting political influence and supporting stricter sentencing laws.

Corporate-owned prisons need a steady flow of inmates to maintain profits. To protect their profit margins, prison companies exert political influence by contributing thousands of dollars to state political campaigns. Lobbyists for private prisons support tough-on-crime legislation that ensures the continued need for prison space, including mandatory minimum sentences, life terms for "three strikes," and sentencing juveniles as adults.[6]

States have used a variety of approaches to halt the privatization of prisons.

In recent years, states have addressed the problem in different ways:

- **Banning privatization of state and local facilities:**

Louisiana enacted a moratorium on private prisons in 2001. In 2000, Illinois and New York enacted laws banning the privatization of prisons, correctional facilities, and any services related to their operation.

- **Banning speculative private prison construction:**

For-profit prison companies have built new prisons before they were awarded privatization contracts, in order to lure state contract approval. In 2001, Wisconsin's joint budget committee recommended language to ban all future speculative prison construction in the state.

- **Banning exportation and importation of prisoners:**

To ensure that the state retains control over the quality and security of correctional facilities, North Dakota passed a bill in 2001 banning the export of Class A and AA felons outside the state. Similarly, Oregon allowed an existing exportation law to sunset in 2001, effectively banning the export of prisoners. Several states have considered banning the importation of prisoners to private facilities.

- **Requiring standards comparable to state prisons:**

New Mexico enacted legislation that transfers supervision of private prisons to the state Secretary of Corrections, ensuring that private prisons meet the same standards as public facilities. In 2001, Nebraska legislation requiring private prisons to meet public prison standards was overwhelmingly approved by the legislature, but pocket-vetoed by the Governor.

Public opinion supports government-run prisons over private ones.

A majority of voters oppose the privatization of prisons, with Democrats, Republicans and Independents equally against it. The public fears that privately-run prisons are more likely to cut corners, placing profits ahead of public safety. Nearly 60 percent agree that government is best suited to protect public safety—providing necessary security and preventing prisoners from escaping.[7]

This policy summary relies in large part on information from the American Federation of State, County and Municipal Employees.

Endnotes

[1] Brigette Sarabi and Edwin Bender, "The Prison Payoff: The Role of Politics and Private Prisons in the Incarceration Boom," Western States Center & Western Prison Project, November 2000.

[2] American Federation of State, County and Municipal Employees, "The Evidence is Clear: Crime Shouldn't Pay," 2001.

[3] James Austin and Garry Coventry, "Emerging Issues on Privatized Prisons, Bureau of Justice Assistance," February 2001.

[4] Dennis Cunningham, "Projected FY 2000 Cost of DOC Operated Medium Security Beds Compared to Private Prison Contracts," 4th Annual Privatizing Correctional Facilities Conference, September 24, 1999.

[5] "Private Adult Correctional Facilities: Fines, Failures and Dubious Practices," Ontario Public Service, 2000.

[6] "The Prison Payoff."

[7] Lake Snell Perry & Associates, "Private Prisons Survey," August 1999.

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For more information...

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www.seiu.org

Western Prison Project
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Portland, OR 97240
503-335-8449
www.westernprisonproject.org

Prison Moratorium Project
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Brooklyn, NY 11217
718-260-8805
www.nomoreprisons.org

Public Safety and Justice Campaign
P.O. Box 36006
Charlotte, NC 28236
704-376-9206
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Stopping the Privatization of Prisons

Banning the Use of Private Prisons by State and Local Governments:
(Language based upon laws enacted in Illinois and New York.)

Neither the state nor any municipality or county shall contract with a private contractor or private vendor for the provision of services related to the operation of an adult or juvenile correctional facility.

Banning Importation of Inmates from Other States and the Federal Government into a Private Facility:
(Language based upon legislation introduced in California, Montana, North Carolina, and Utah.)

A person charged or convicted in any court outside [STATE] may not be confined in a private correctional facility in [STATE].

Banning Exportation of Inmates to Prisons in Other States:
(Language based upon legislation introduced in Alaska.)

A person charged or convicted in [STATE] must be housed in a correctional facility in the state.

Banning Speculative Construction of Prisons:
(Language based upon legislation introduced in Montana, New York and North Carolina.)

An individual, corporation, partnership, association or other private organization or entity may not construct a private correctional facility in [STATE] unless authorized by the [Department of Corrections].

Banning Private Prisons:

An individual, corporation, partnership, association or other private organization or entity may not own a private correctional facility in [STATE].