

# Improving Prison Rehabilitation Programs

States' guaranteed minimum occupancy payments to private prison operators incentivize warehousing inmates at the lowest possible cost when they should be rewarding rehabilitation and successful reintegration.

Private prisons once held the promise of improving both the quality and cost-effectiveness of incarceration through the free market. But the industry has failed to do either, leaving state budgets, public safety, and prisoners themselves all worse off.



States pay private prisons based on guaranteed minimum occupancies that **warehouse inmates at the lowest possible cost.**



State "current operator" requirements **prevent competition from new startup operators**, effectively creating a systemwide monopoly. In 2000, there were a dozen private prison companies; now there are only three.

## The system is broken.



## THE SOLUTION

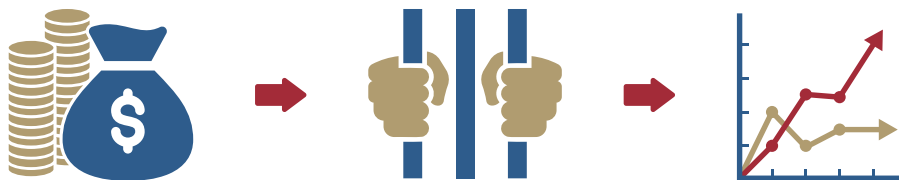
Performance-based contracts pay prison operators more if inmates recidivate less and maintain employment—rather than paying per-occupancy rates. States should rebid all contracts to be based on performance, aligning contract incentives with the success of the state correctional system.

Any states with a “current operator” requirement must repeal it to allow competitive start-ups to challenge legacy companies.

## WHY IT MATTERS

Basing contract terms on measurable outcomes would refocus criminal justice on effective rehabilitation, which would set individuals up for success when they are ready to re-enter society, improving community safety.

Removing unnecessary barriers to re-entry will incentivize prison contractors to innovate through market competition, focusing on outcomes and ensuring tax dollars are spent on the best practices with measurable outcomes.



## THE BOTTOM LINE:

Private prison operators need more competition and accountability to better serve and protect communities.