



Remarks from Damon Hininger
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Our town hall meetings are such an important part of how we communicate as a company. It's the one time during each quarter when we all gather together in the FSC and across every facility.

That's why when I decided that I had an important message to share about the future of our company, I wanted to do it here. I wanted senior management to hear directly from me. I also wanted those who make the biggest difference in our company -- those of you watching in our facilities, and all of us at the FSC who support you, to hear directly from me.

Because the topic I want to discuss is a responsibility we all share. It's a responsibility to our government partners, to our shareholders, to the communities we live in and help protect, to victims of crime and to the inmates entrusted in our care.

Today, I want to talk about the work we're doing at CCA to help inmates successfully reenter society and lay out a vision for doing more.

CCA is stepping up and making some real commitments. And we will hold ourselves accountable for making progress. My goal is for CCA to lead, and provide our government partners with nothing less than the absolute best reentry programming value.

Before I get into the details, let me step back and talk about why reentry must be a greater focus - not just for us - but for all of corrections.

According to the latest studies, about 1.6 million people are incarcerated in federal and state prisons. Now there's an ongoing debate around sentencing policies in this country and their impact on the number of people incarcerated. That debate will continue. And CCA will not be a part of it.

We have a longstanding corporate policy not to take positions on any legislation that determines the basis of an individual's arrest or incarceration. Everyone in this room -- everyone in our facilities -- and all of our contractors know this. And they know it's a strict, zero tolerance policy.

There is an area, however, where our company can and does play a role. 95 percent of inmates in prisons will, at some point, be released back into the community. They may have committed a violent crime, or non-violent crime. Their term might have been one year, five years, 15 years or 30 years. The variables don't matter. 95 percent of those in prison right now will return to the community.

And here's the problem: In one word ... recidivism.

According to a recent Department of Justice study, over two-thirds of inmates will be arrested within three years of their release. And over that same period of time half of all inmates commit a new crime or parole violation that returns them to prison.

Those are sad statistics. They are also totally unacceptable. Inmates who recidivate inflict pain on themselves, their families and the victims of their crimes. Their re-incarceration drives up costs for governments and taxpayers. And their cycle of behavior only becomes more and more difficult to break with time.

As a country, we must do more to provide inmates with the opportunity to succeed when they are released. Reentry programs make our communities safer. They save taxpayer money over the long run, and we must always remember, as corrections professionals, IT IS OUR JOB.

Of course we aren't starting from scratch. Rehabilitation and reintegration were a big focus of corrections in the 1950's, 60's and 70's. And today I really believe there's momentum building. There's a renewed emphasis on reentry. And that's a very good thing.

When I talk to our government partners, they're looking long term at their challenges. The recession put a lot of pressure on budgets. And that encouraged government leaders to ask questions, like, "What can we do to reduce the enormous cost of our corrections system?" Or, "If we're going to invest more in our correctional system, how do we get the best value for every dollar?"

At CCA, our partners see us as one of a number of solutions, and there are a couple reasons why. Taxpayer savings is a big one. Our partners also like the flexibility we provide. But there's another role for the private sector.

We're hearing more and more about it. And that's reentry.

Our government partners have been working hard to deepen their understanding of reentry programs and enhance their offerings. Because of that, they have higher and higher expectations for companies like CCA.

We want to meet that demand and play a meaningful role. In fact, at CCA, we're putting money behind it. Last August, we acquired a company in San Diego, Correctional Alternatives. As we know, they do "community corrections." This group helps about 450 motivated, drug-free residents find jobs and living situations in a setting that mirrors life after release. They're the link between prison and the community, which is such a tough transition for so many to make.

Now, there are some challenges in community corrections. Almost 200 of these centers exist across the country. The vast majority are run by small businesses or local non-profits, and they do incredible work. At the same time, about 56,000 inmates are released from federal prison every year in America. But only one-in-seven are placed in a community corrections center.

If policymakers put a major emphasis on community corrections - and many experts believe they should - CCA is positioned to help. We can provide consistency and common standards across facilities. We can serve multiple levels of government on an as-needed basis. And perhaps most importantly, we can scale.

If it works for our partners and our shareholders, we will invest the capital to help literally thousands more people succeed and stay out of prison. Community corrections is a new way in which we are putting more emphasis on reentry at CCA, but it's not the only way. We're very proud of the work we've been doing for decades at CCA.

Every year, we help more than 3,000 inmates earn a GED - the equivalent of a high school diploma. Every day, more than 20,000 inmates participate in CCA programs that teach life and vocational skills.

They learn daily hygiene, budgeting and time management, carpentry, plumbing and landscaping, and many other skills. And with faith-based programs, we teach values that many inmates never had a chance to develop, like taking responsibility and overcoming anger.

Now, there is more we can do, and more we need to do.

At CCA, we're always working to be a better company. And that doesn't just mean finding ways to be more cost-effective, to make our facilities more secure or to be a better place to work. It also means getting even better at helping inmates successfully reenter society and break the cycle of crime.

I want to address head-on a question that will be raised as the outside world learns about our efforts.

In the past, some have said that working to reduce recidivism is at odds with our business model. They have even questioned whether we make any effort to rehabilitate inmates at all.

These critics are misinformed at best, and though I hate to say it, they are being dishonest at worst. You know the truth, because you do the hard work with inmates every day in our facilities. So let me be clear: effective reentry programs, and helping reduce recidivism, are at the heart of our profession and our company's mission.

The fewer crimes people commit, the safer our communities are. The more people stay out of jail, and the lower the cost to taxpayers. In addition to flexibility in managing populations, safety and cost savings are why we exist.

Reentry programs and reducing recidivism are 100 percent aligned with our business model. They help us deliver for our government partners, our shareholders and our communities.

Today, I'm pleased to announce a number of commitments CCA is making to enhance and expand reentry programming, and make it an even bigger part of our business.

Our first commitment is that reentry will be a "Day One" priority at CCA facilities.

Right now, a lot of public and private facilities engage inmates with reentry programming about 16 weeks before they're released. For some facilities and situations, this can make a lot of sense. But research shows that working with inmates as early as possible in their sentence can make a huge difference.

At CCA, we are expanding our programming focus from 16 weeks before release to the moment an inmate comes into our care. We will start to focus on an inmate's successful reentry into the community on "Day One." What will this mean in practice at our facilities?

Beginning on day one, we will assess the risk level and supervision requirements of every inmate. But every inmate will also be assessed to determine what tools, resources and programs they need for successful reentry.

Based on the results, a multi-disciplinary team will design an Individual Program Plan to address the inmate's needs throughout their incarceration. Our focus will be to strengthen the inmate's educational foundation. We will provide vocational training and skills development, create good work habits for employability and get them as ready as possible for release.

Our second commitment is that every CCA professional will be a reentry professional.

That means everyone who can hear me now, and every one of our colleagues, today and in the future.

Across our company, we have outstanding men and women who devote their daily lives to reentry programming. We employ more than 50 chaplains who are some of the most extraordinary individuals you will ever meet. They are amazing counselors to men and women of all faiths and play an essential role in reentry.

We also have nearly 600 principals, instructors, counselors and addictions specialists. They do everything from treat substance abuse, to help develop life skills, to teach a trade. These men and women are extraordinary professionals - and extraordinary people.

And I have to mention the thousands of volunteers who give their time to help transform the lives of inmates. These men and women are quite simply an inspiration. As a member of the board of Men of Valor, a faith-based group here in Nashville, I know many volunteers. They are all special, passionate, and giving human beings.

So here's our opportunity at CCA. We employ 16,000 professionals. If we're going to make reentry a "Day One" priority, it must be a priority for everyone in our company. How do we do that?

As you know, we've combined the operations and inmate programs departments. They are now one, as the correctional programs department. Some might ask: "How does an internal restructuring move us forward in this area?"

Security without programs, or programs without security, makes facilities less safe. It increases the potential for misconduct and leads to uncertain reentry outcomes. It's common sense really.

An inmate who is focused on earning a GED is focused on improving his or her life and returning to their family. Their energy and attention are not spent on activities that would create a security risk. At CCA, there is no dividing line between operating safe facilities and providing quality reentry programming.

We've also started training every single one of our 16,000 professionals on reentry programming. The message is clear. If you wear a CCA badge, you will be a model of the behavior that we want inmates to emulate.

When you escort a service or program volunteer with pride, you are contributing to the reentry of an inmate. How you defuse a conflict between inmates demonstrates problem-solving skills for everyone who sees it. Communicating clearly and respectfully exhibits positive behavior for inmates to follow.

Whether you are a supervisor, nurse, officer, warden, case manager or the CEO, your actions and behaviors are being observed and absorbed by inmates. That's why from here on, every CCA professional is a reentry professional.

Our third commitment is about delivering value.

Every dollar our partners invest in reentry will be a dollar that is proven to reduce recidivism.

We will do this by shifting our resources to evidence-based programs. Over the past year, we've catalogued all of the programs in our system and reviewed the data and research about their impact on recidivism. Let me share with you what we learned and the goals we're setting in each program area.

Please keep in mind as I go through this, we operate a diverse group of facilities. Not every inmate completes every program they enroll in. They might be released or transferred to a new facility that's outside our system. What's important is that we shared these goals with outside experts and we've received positive feedback.

I'll start with education. A recent study published by the prominent think tank, the RAND Corporation, found that on average, inmates who participate in education programs have 43 percent lower odds of returning to prison.

That's a huge impact in the lives of inmates and their families. It also means long-term savings for our government partners. The RAND study found that every dollar spent on inmate education reduced incarceration costs by \$4-\$5 in the first three years post-release.

There are two types of education programs that we are really focused on, and they are proven to make a difference.

The first is GEDs. Inmates who obtain GEDs while in prison are up to 30 percent less likely to return to prison. That's why, over the next five years CCA will increase high school diplomas by 5 percent annually based on the current inmate population. As we all know, the new online exams present challenges to private and public systems. Still, we expect to graduate more than 12,000 inmates with high school educations by the end of 2019.

The second type of education program where we can really drive results is vocational training. According to the RAND study, individuals who participate in these programs have 28 percent higher odds of finding employment after release. Getting and keeping a job can play a big role in helping an inmate stay away from crime. Currently, 7,000 inmates in our facilities participate in vocational programs every day.

Over the next five years, CCA will increase the number of industry-recognized certificates by 5 percent annually based on the current inmate population. We expect to award more than 25,000 industry-recognized certificates by the end of 2019.

Now let me turn to faith-based programming. Faith-based programs show promising data about reducing inmate conflict within a facility. And there's selective data on specific programs that decrease recidivism rates.

For example, one program in our facilities - the Life Principles Program - is fantastic. One study found only 19 percent of a group of inmates who completed the program over a five-year period had returned to prison. This research was done in Arkansas where the average recidivism rate at the time was between 32 and 50 percent.

Over the next five years, CCA will enroll between 1,900 and 2,300 inmates in faith-based residential programs and achieve a 95 percent completion rate for those who participate. We'll accomplish this through programs like the Life Principles Program, and also Men of Valor, School of Christ and Celebrate Recovery.

The third area where we're focused is addiction treatment.

According to the latest report by the National Center on Addiction and Substance Abuse, 85% of the U.S. prison population has drug and alcohol-related issues. And unfortunately, many inmates come back to prison because they haven't beaten their addiction. This is an area where we can really change lives leading up to release.

One study performed by the California Department of Corrections looked at offenders who were paroled between 2011 and 2012. The recidivism rate after three years for those who completed treatment in prison and aftercare programs was 31 percent, versus 64 percent for all inmates. This annual study continues to find that recidivism significantly declines when inmates participate in substance abuse treatment programs.

Right now, CCA provides addiction treatment services at 22 facilities. These are intensive residential and outpatient treatment programs. Inmates spend between nine and 15 months in a program to complete it. Our average monthly enrollment is 2,000 inmates and our average annual completions add up to 2,500.

Over the next five years, we'll provide this treatment option at no less than a 60 percent completion rate. For CCA, this is meaningful goal that exceeds our current average.

Victim impact programs are another type of offering where we see promise. These programs are designed to change behavior by helping inmates understand the real-world impact of their actions. And research shows that facing this reality head on in prison - looking a victim in the eyes - reduces victimization.

Since 2011, over 1,000 inmates have completed our victim impact program in the four Tennessee facilities where we offer it. Over the next three years, we will quadruple access to this program to as many as 16 facilities. We anticipate 4,000 inmates will complete the program within that time frame.

Now there are some programs for which we just don't have data, but we hear incredible things. And of course, we want to encourage innovation. We want to try new things to get better. Examples of this include dog-training programs that give inmates a sense of responsibility and provide trained animals to first responders. We also have a great program that allows inmates who are mothers and fathers to record books in their own voices, which their children can listen to at night.

There's nothing harder in prison than being separated from your family; there's nothing more motivating than reconnecting with them.

Over the next three years, we will increase our social development program offerings by 25 percent.

Before I close, I want to go back to the RAND study for just a minute. They did a fascinating cost-benefit analysis on education programs.

They took a hypothetical pool of 100 inmates, and they found that reincarceration costs are as much as \$1 million less for those who receive correctional education. Just in that pool of 100 inmates. Remember there are 1.6 million inmates in federal and state prison in the U.S.

That is extraordinary. It's one big reason why I want our company to do more. It's a big reason why I think every correctional system in this country, public and private, should do more.

I know what I've put out there today is a lot to take in. I am under no illusions about what is ahead.

Will it be a hard road to deliver the kind of progress that we need to truly lead? Absolutely. We have a lot of work to do.

Is it possible that we could hit a few bumps along the way? Certainly. If we don't make mistakes, we're probably not pushing hard enough. After all, recidivism is one of the toughest and most complex challenges that our country faces.

Will there be critics on the sidelines who will question our motives and won't offer solutions of their own? Count on it.

You know what else you can count on? Proving them wrong. In the end, none of this should deter us.

And none of it will.

CCA can be a better company.

CCA should never stop trying to be a better company.

And I certainly hope that anyone who is well-intentioned, shares the goals I've laid out today, and has expertise that can help, will join in our effort.

I'd like to close on a personal note. From the time I was a little kid in Kansas, my grandparents and parents instilled in me certain values. Hard work, respect, humility, honesty to name a few. These bedrock values are by no means unique, but they've been really important in my life. They've made me who I am, and who I try to be every day...as a person, as a father and as a leader.

There's one value in particular that I think really changed my life. It's what enabled me to go from an entry-level correctional officer in Leavenworth, Kansas to the CEO of a publicly traded company. That's education. I was always told, "Graduate from high school and go to college. That will give you the chance to be a success and provide for your family."

Those who commit crimes and end up in prison, and do so over and over again are often overlooked by society. And the choice about helping them is often presented as a tradeoff. It's about helping prisoners versus funding schools, roads, parks, or any number of priorities. When budgets are tight, that can be an appealing argument.

But in reality, it's a false choice. If you take the long view and look at the evidence, and back it up with the right commitments, there isn't a tradeoff. With recidivism, the cost is in doing nothing. Savings come by doing something.

For inmates, their time in prison can be the moment that makes the difference in their lives: Earning a GED, learning a trade skill, figuring out how to break addiction, developing the values to make good decisions, understanding what they did was wrong and hurt somebody, and must never be done again.

All of this gives people who have made these mistakes - and they can be terrible and painful mistakes for victims - one more chance to do right. It can mean one more chance to get back to their families.

At CCA, I believe we can play this larger role because I believe in you. Together, we can make a difference for those entrusted in our care, and we can do so to the benefit of our partners, taxpayers, our shareholders and this country as a whole.
