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Privatizing Iowa's Prisons

As Iowa enters another fiscal year facing a budget shortfall, the Governor and State Legislators must examine new approaches to state government that can save the state money. One cost-saving approach is the privatization of Iowa's correctional facilities, as examined in Public Interest Institute's new Policy Study "Privatizing Iowa's Prisons."

This study found that states with at least 10% privately run prisons had an average cost of \$70.03 per inmate, per day. This was 24% lower than states that had less than 10% privately run prisons. Those states had an average cost of \$86.95.

Iowa's current cost is \$84.89. Clearly, there are substantial cost savings to be realized if Iowa embraces a system of privatized prisons.

If Iowa were to privatize a portion of its prison system, it would have to do so for future inmates, not the current population. Private prisons realize savings compared to government-run prisons through a more efficient operation that starts with the very design of the prison facility. As a result, private prison companies do not purchase existing structures, but rather choose to build their own.

Iowa's inmate population is expected to rise from the current level of about 8,100 to just over 12,300 by 2011. Iowa will need new prisons in the future to house a growing inmate population. To save costs on new prisons, Iowa should turn to privatization.

Source: Steven B. Garrison, Policy Study, January 2003, "Privatizing Iowa's Prisons."

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