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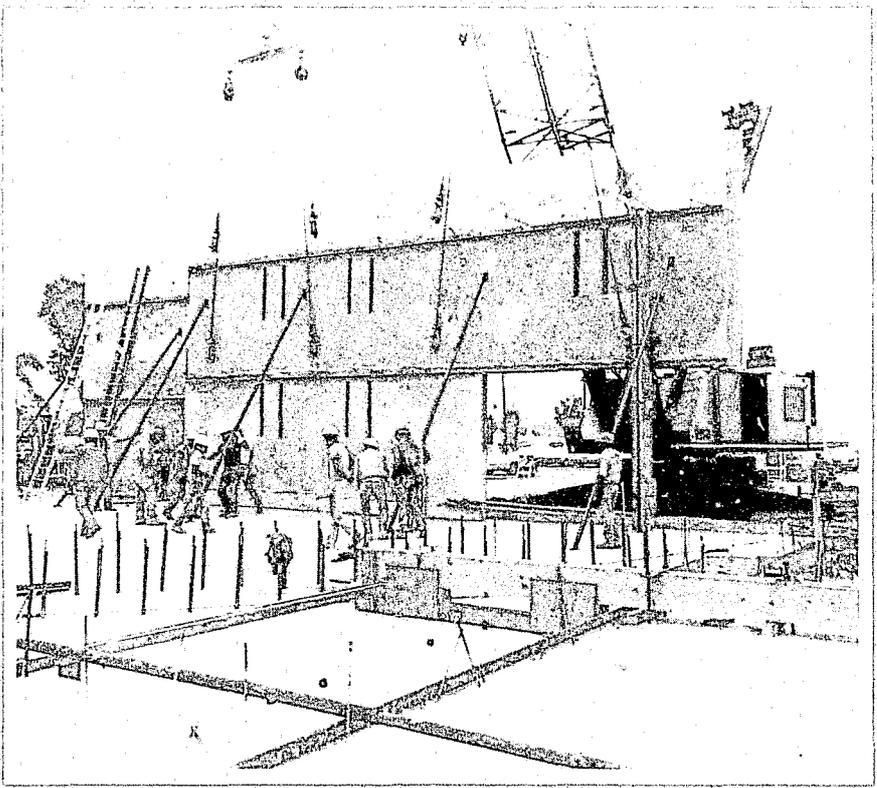
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The Cost of Corrections: A Search for the Bottom Line

by
C. McDonald,
Ph. D.

with reviews by
Jan M. Schuman
Chase Riveland



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RESEARCH IN *Corrections*

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EARLIER VOLUMES IN THIS SERIES

Statistical Prediction in Corrections, by Todd Clear, Ph.D., Vol. 1, Issue 1, March 1988.

The Effects of Diet on Behavior: Implications for Criminology and Corrections, by Diana Fishbein, Ph.D., and Susan Pease, Ph.D., Vol. 1, Issue 2, June 1988.

Pretrial Release: Concepts, Issues, and Strategies for Improvement, by Stevens H. Clarke, Vol. 1, Issue 3, October 1988.

CORRECTIONS "PROPORTIONATE VALUE"

Chase Riveland
Secretary, Washington Department of Corrections

Douglas McDonald's paper adeptly documents the intricacies and dilemmas facing corrections professionals today in explaining to policymakers, and the public, the cost of doing business. Ironically, Albert Einstein was able to summarize an entire theory of relativity in the simple formula $E = MC^2$. In contrast, a formula for the "cost of corrections" today might well look like this:

COST = # of persons in age-at-risk × fixed variables × court-mandated conditions × bargaining-unit influence × sentencing policies × operant correctional philosophy × releasing practices × judicial trends × fringe benefits × management practices × unemployment rate × prosecutorial practices × law enforcement practices × perceptions of public opinion × economic conditions - # of diverted offenders, etc.

No wonder, as McDonald points out, we find it so difficult to assure lawmakers and the citizenry that the product or service they are buying is of value.

COST VS. PERCEIVED VALUE

According to successful marketing and sales persons, the consumer doesn't mind paying *any* price for something as long as he or she feels the cost and the value are proportionate. An economy subcompact and a Rolls Royce can both move a consumer from one location to another in about the same amount of time. Yet some consumers are eager to pay a much larger "cost" for amenities that they value as proportionate, even if some of those amenities are intangibles, such as status, image, or recognition. Likewise, many citizens find it easier to believe that their neighborhoods will be safer, that retribution will more fully be exacted, and/or that crime rates will go down if more persons are incarcerated. The perception that they will be safer frequently leads citizens and lawmakers alike to be willing to pay the "cost of corrections," regardless of the dollar amount.

One optimistic hypothesis suggested in McDonald's paper is that a citizenry or lawmaking body enlightened by data on the "real costs" of corrections would more rationally decide sentencing and correctional policy. Some undoubtedly would, but many would probably continue to pay any "cost" as long as the perception of the "proportionate value" remained the same. I would venture to guess that those persons buying a Rolls Royce would be little deterred by a \$5,000 increase in the cost of the same car. A painting and frame with a "real cost" value of only a few dollars may well be purchased for millions by a consumer who attributes an intrinsic proportionate value to the item.

In one example of a legislative body's reaction to comparative investment of public dollars, the lawmakers were faced with the option of investing \$250,000

in resources to conclude a condition-of-confinement suit or almost certainly investing three or four times that amount in legal fees to pursue further litigation. Despite all advice from legal counsel and corrections professionals, they chose the litigation route. Their collective interpretation was that the "proportionate value" of not being "shoved around by a court" was worth the extra "cost." This scenario has repeated itself countless times across the country.

SHOULD THE EFFORT BE MADE?

Having made a case for the occasional irrationality of the consumer, I do not mean to suggest that more clearly articulating the "costs of corrections" specifically, and the cost of government in general, is less than a worthy goal. The lack of completeness and definition, and the similarity of "cost figures" within and across jurisdictions has hampered corrections practitioners in their efforts to compare facility designs and construction methods, actual costs of various corrections programs, and even such basic data as staffing ratios. Clearly, any efforts toward developing clarity in the "cost of corrections" would be useful in the day-to-day operational decisions corrections practitioners make, as well as in influencing public policy.

SAME DANGERS

If one looks at earlier efforts, however, one can become weary at the prospect of the process. Federal attempts to develop consistent reporting from states in programs ranging from Medicare/Medicaid to welfare programs to transportation systems have historically relied on one of three approaches: voluntary compliance, mandated compliance, or "you won't get your money if you don't tell it to us this way." All of these approaches suffer from the different data, information, budgeting, and accounting systems operating in the states. The second and third options may partially influence changes toward congruent systems if the threat is sufficient or enough money is available, but few have been notably successful.

There are occasions when government, in its attempts to get a better handle on its costs, has simply driven the costs up higher by introducing more sophisticated accounting systems, which in turn require more highly skilled staff to operate them, driving the cost of administrative overhead continually higher.

Corrections practitioners who have contact with lawmakers—and who attempt to influence them—have for a long time used the "cost of corrections" in a variety of ways. On one occasion, I appeared before two different legislative committees on the same day. At the first—a sentencing policy committee that I was encouraging to consider a bill that would limit the number of persons incarcerated and would create new diversionary programs—I prophetically warned that failure to act would result in a future requirement for several new prisons at \$50,000 per cell in construction costs, followed by several millions of dollars annually in new operating costs. I also pointed out that investing in "low-cost" diversion programs was a much "better deal for the taxpayer" fiscally.

Later that same day, in an appearance before a committee controlling construction funds, I quite proudly described what fine and efficient people we were for planning and designing a new institution that could be erected for only \$48,000 per cell, much less than the national average for the same type of facility.

To use basically the same "cost" figures to encourage less incarceration in the morning and to enlist support for funding a new prison in the afternoon borders on being manipulative. Yet this is not uncommon.¹ Many jurisdictions and practitioners are trapped into trying to leverage all solutions at once in order to control or contain present and projected crises. In reality, I was simply trying to describe to two different groups of consumers the "proportionate value" of what they would be buying (or cost-avoiding). Such appeals are frequently made to persons who are primarily concerned with the "proportionate cost" of something during a two- or four-year term of office, when many programs are competing for finite resources.

Fifteen-year cycle comparisons, "bow wave" costs,² and comparative or ratioed statistics all may have little impact on a person whose priority is the next election. Specific committees, task forces, or staff groups may be well-informed and may pursue data-driven decisionmaking, but frequently the larger legislative (and/or executive) bodies are driven by less rational "perceptual proportionate values."

THE OTHER DANGERS OF FIXATING ON THE COST OF CORRECTIONS

Many jurisdictions, facing spiraling construction and operating costs, procrastinate or simply don't make the necessary investments, even after establishing policy and laws that drive more and more persons into correctional custody. The resources don't follow the policy decisions. Probation and parole officers with unmanageable caseloads, overcrowded prisons and jails with high levels of idleness and a dearth of programming, and the intervention of the courts are the most frequent results of such behavior. In some instances, the practitioner who displays "correctional costs" in a well-intended manner is simply told to "make do," with the underlying theme being "wait until it's a crisis—then we'll deal with it."

Presenting the "cost of corrections" by itself may set up a scenario in which existing resources are targeted for elimination as a result of an emotional reaction to the presented data. In one jurisdiction, for example, the operating budget of the correctional system increased by over 850 percent in a 7-year period. That fact presented by itself could make the system a prime target for those looking for "efficiency targets of opportunity." But that jurisdiction's entire state budget actually increased by 780 percent, the fringe benefit and retirement benefits of all state employees went up 910 percent (in total dollars),

¹Only the argument for the new prison was successful on the occasion described.

²"Bow wave" appears to be a Pacific Northwest budgetary colloquialism referring to decisions made today that will incur greater cost or will require increased funding in the future.

and the costs of three other agencies increased at a rate that exceeded that of the corrections agency.

One also must remember that the hidden "costs of corrections," as identified by McDonald, also exist in other governmental programs. Fringe benefits, retirement funding, financing costs, and services from other agencies are in most jurisdictions equally "hidden" in elementary education, higher education, social service, and transportation agencies.

Finally, overreliance on "cost of corrections" data has driven many lawmaking bodies to look for cheap alternatives. Early release programs, privatization, boot camps, and an array of other temporary fixes have been adopted as quick, cheap fixes. Although some of these may be legitimate long-term pieces of a total solution, they usually surface in response to "cost of corrections" problems and allow jurisdictions to put off "biting the bullet" of making sound policy decisions that are data-driven, futuristic, and value-filled.

In general, the dangers of developing a more sophisticated system of determining the "cost of corrections" should not be prohibitive but, rather, possible results of which the practitioner must be aware. Conversely, the practitioner needs increasingly sophisticated cost-benefit information to manage wisely and to fulfill the public official's responsibility of providing the best service to the public as efficiently and effectively as possible.

THE COST OF COMMUNITY CORRECTIONS

Although frequently touted as a major part of "the solution" to major capital construction and ongoing institutional operating costs, community corrections programs (including probation/parole, community residential facilities, diversion, and early release programs) have risen and fallen in popularity like the tide.

Probation and parole, in particular, are referred to as part of the problem one day and part of the solution the next. Although the largest number of offenders in the country are in this type of correctional custody, the refrain of "probation (or parole, or rehabilitation) doesn't work" has sounded loudly. Most jurisdictions have allowed caseloads to rise so high, and have concurrently allowed standards to drop so low (while maintaining very high public expectations), that the predictions of the doomsayers are bound to come true. Only the intensive supervision programs seem to retain a semblance of what most community corrections practitioners would feel are adequate resources to truly provide for offender punishment, restitution, rehabilitation, and community safety. Yet, even when early release and diversionary programs become part of the "solution" to the overcrowding problem, the resources seldom flow proportionately to allow them to be fully or well done—or even fairly tested. Few courts have assisted probation and parole programs to obtain resources; rather, the courts have generally added an element of fear for the community corrections practitioners by finding them to be civilly liable when one of the many thousands of offenders goes awry.

Ironically, the most touted programs in the country have the resources only to see a client once or twice weekly, and the average "supervision" probably consists of seeing the average offender once a month or less. If the attempt to monitor, let alone modify, behavior is to be a serious one, a much greater investment must be made, although that investment would still be modest compared with the cost of building prisons. The correctional community, lawmaking bodies, and budget decisionmakers certainly have not followed a dollar-driven corrections-cost approach to resolving the corrections problem. The "perceptual proportionate value" has been not in synch with the displayed dollar costs or cost savings.

Washington State, as an example, chose in 1981 (effective in July 1984) to eliminate parole, the Parole Board, and what would typically be known as probation. With few exceptions,³ probation was reduced to loose "monitoring," the collection of court obligations, and a reasonably clear statement that neither treatment nor rehabilitation were to be expected, nor would violations result in significant sanctions. Will it work? The jury, and the statistics, are out.

What is known is that offenders will not be called to task for technical violations, so the recidivism statistics will improve. Caseloads have risen;⁴ public expectations haven't changed; yet authority, assumptions, and philosophy have been a collage of competing beliefs among a variety of interest groups, "the public" not being one of those actively involved.

WHAT IS UNADDRESSED?

McDonald's observations about unaccounted-for costs and differences between reported costs are for the most part quite accurate. He might also add several others, including the following:

1. *State/local differences between jurisdictions.* The length of time sentenced persons spend and the number (or percentage) who serve their sentences in local facilities versus state facilities vary greatly. The numbers of offenders supervised by state, county, and municipal "probation officers" also vary widely—as do the reportable costs.
2. *Standards.* The standards expected by different jurisdictions vary greatly, depending on jurisdictional expectations, involvement of the judiciary, state law, local expectations, etc.
3. *Litigative atmosphere.* Although the "cost of corrections" has risen considerably due to a nationwide series of conditions-of-confinement/civil rights suits, at the state level the degree of tort claim liability varies dramatically. Some jurisdictions (state and county) spend considerable amounts of money on attorney general, in-house counsel, indigent defense, court time, and staff costs for defending against tort claims. Millions of dollars—some accounted for, a great deal invisible in correctional budgets—are expenditures for litigation, which differ widely by jurisdiction.

³Some sex offenders and first-time offenders.

⁴Although caseloads are now being lowered through "workload reduction plans," new resources, and a shift of standards.

4. *Transportation costs.* In some states, sheriffs deliver newly sentenced prisoners to the state system; in others, the state system incurs the cost of pickup from county facilities. The geographic spread of correctional facilities also may significantly increase costs.
5. *Revenues.* Jurisdictions vary widely in the costs they recover. Supervision fees, board and room charges, corrections industries sales, agricultural product sales, surplus land sales, rental of "cell space," and the like all can lower the cost of corrections, but this revenue is seldom reported or deducted from expenditures.
6. *Intangible cost savings.* Some incapacitated offenders do not commit crimes while incarcerated or while being closely supervised because of that custody; some are rehabilitated; and some are deterred. How many? What is the dollar figure or "cost"? No one knows, but neither do we know the cost of those families thrown on welfare due to incarceration or that of people who might have been productive, tax-paying citizens if they were not incarcerated.

IS THERE SOMETHING THAT MIGHT HELP?

Certainly it is unlikely that a national reporting system will be developed that will assure standardized reporting of "costs of corrections" in the near future. Yet the premise has merit, and the attempt is worthwhile.

It might well be useful to develop one or more *models* that would list the majority of costs and savings incurred by an average jurisdiction; other jurisdictions could then adapt the models by plugging in local ratios.

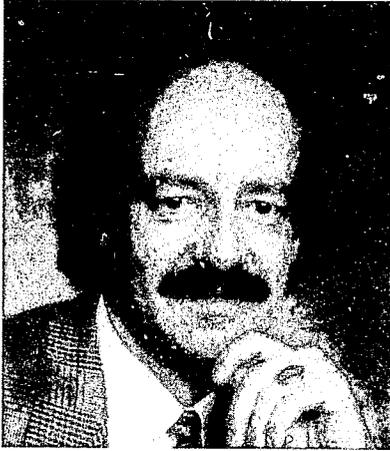
SUMMARY

Unquestionably, the issues that McDonald raises about the failure to explicitly state the "cost of corrections" are valid ones. And there is no question that practitioners, the public, legislators, and executive branch officials should all become knowledgeable about the facts relating to costs in order to manage, choose, legislate, and govern wisely and efficiently.

Yet a hidden assumption seems to be that if we have a better financial data, we all make—or influence—better decisions. Missing, or avoided, in the discussion are those things that fit into the "proportionate cost" argument. What really are our values? What do the people of our nation, states, counties, and municipalities expect regarding public safety, treatment of those arrested, convicted, or sentenced, and subsequent reintegration of offenders into our communities? How do these values rank with public interests in environmental preservation, health care, education, transportation, and economic development? Can it all be clarified by more explicit dollar statements? Does the Rolls Royce or fine arts consumer hesitate over the cost of something he finds to be of "proportionate value?"

Our problem in the era of the willing consumer may be not so much to affix the "proportionate cost" as to better determine the "proportionate value."

BIOGRAPHIES



Douglas C. McDonald

Trained as a sociologist at Columbia University, where he received his Ph.D., Douglas McDonald specialized in what used to be called "political economy"—the social/economic/political development of nations. He later became interested in legal policy issues and began doing studies of criminal justice reform. In 1978, he became director of the Citizens' Inquiry on Parole and Criminal Justice, Inc., where he published several books. He then moved to the Vera Institute of Justice, a private research and criminal justice action organization in New York City. He is currently a senior social scientist at Abt Associates, Inc., a Cambridge-based research organization dedicated to research on a wide variety of social policy matters. His new book on private prisons and jails will be published later this year.



Alan M. Schuman

Since 1972, Alan Schuman has been the Director of the Social Services Division for the Superior Court, District of Columbia, responsible for adult, juvenile, and family social services for Washington, D.C. He was a staff member of the President's Crime Commission for the District of Columbia, 1965-67, and earlier served as Director of Youth Services and Superintendent of the Lorton Youth Center, Department of Corrections, Washington, D.C. He received his MSW in Psychiatric Social Work from Loyola University, Chicago, and is a Graduate Fellow of the Institute for Court Management. He has served for ten years as Co-Director of the National Center for State Courts/Institute for Court Management and Adult Probation Seminar. Mr. Schuman serves on numerous local and national boards relating to the criminal justice system and is a co-founder and former Vice-President of the National Association of Probation Executives.



Chase Riveland

Chase Riveland received his MSW from the University of Wisconsin in 1971. He is presently the Secretary of the Washington Department of Corrections. Prior to accepting this position, he served as Executive Director of the Wisconsin Division of Corrections. He has also held corrections positions of Superintendent, Regional Chief, Supervisor, and Probation and Parole Officer. Mr. Riveland has been associated with several major building and renovation projects. The Washington Department of Corrections is an integrated correctional system which includes community corrections, prisons, and industries.

THE ROBERT J. KUTAK FOUNDATION

After the death in 1983 of Robert J. Kutak, one of the founding partners of the law firm of Kutak Rock & Campbell in Omaha, Nebraska, the partners of the firm and other friends and colleagues established the Robert J. Kutak Foundation to honor his memory and to continue support of the activities in which he had been personally and professionally involved. Among those interests was the field of criminal justice, with special emphasis on corrections. As a staff member of the U.S. Senate, Mr. Kutak helped draft the legislation that established the National Institute of Corrections and served as the first chairman of the NIC Advisory Board. He also served on the President's Task Force on Prisoner Rehabilitation and on the American Delegation to the Fourth and Fifth United Nations Congresses on the Prevention of Crime and Treatment of Offenders.

THE NATIONAL INSTITUTE OF CORRECTIONS

The National Institute of Corrections is a national center of assistance to the field of corrections. The goal of the agency is to aid in the development of a more effective, humane, constitutional, safe, and just correctional system.

The National Institute of Corrections is both a direct-service and a funding agency serving the field of corrections. Its five legislatively mandated activities are (1) training; (2) technical assistance; (3) research and evaluation; (4) policy and standards formulation and implementation; and (5) clearinghouse. The basic objective of the Institute's program is to strengthen corrections at all levels of government, but primarily at the state and local levels.

As established by the enabling legislation, the Institute's policy is determined by an active 16-member nonpartisan Advisory Board appointed by the Attorney General of the United States. The Board is composed of six federal officials serving ex-officio, five correctional practitioners, and five individuals from the private sector who have demonstrated an active interest in corrections. Through public hearings, the Advisory Board regularly solicits the opinions of correctional practitioners and others involved in the criminal justice process prior to targeting the Institute's fiscal year funds.