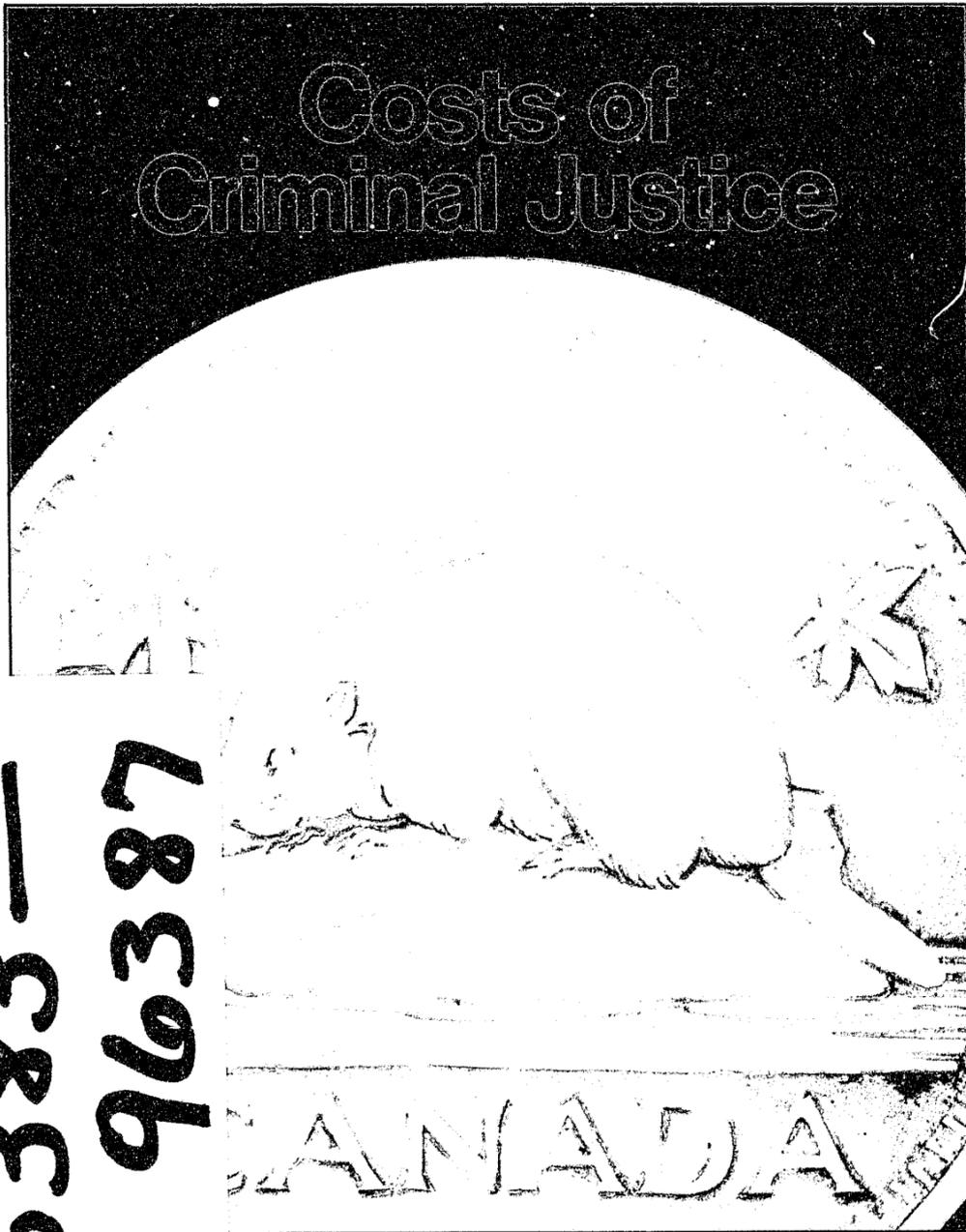


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IMPACT

Costs of Criminal Justice



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Costs of Criminal Justice

IMPACT is a periodical which presents research and statistics about crime and criminal justice

The aim of this publication series is to bring together, in concise and readable form, key research, statistical and other information pertaining to crime and criminal justice that will be useful to legislators, policy and program decision-makers and others involved or interested in the Canadian criminal justice system.

This publication series is produced by the staff of the Programs Branch. This Branch of the Ministry's Secretariat consists of the Communications Division, the Consultation Centre, the Research Division, the Statistics Division, and Branch Administration.

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ACQUISITIONS

Costs of Crime: Introduction

JOHN L. EVANS

*Director General,
Research and Statistics Group*

Concern about the costs of crime — in all of its meanings — is not recent. Over the last fifteen years, however, the need for good cost data has become increasingly apparent. Information on the costs of crime can serve several purposes:

- a) cost data allow a complementary and, in some cases, particularly meaningful way of quantifying the amount of crime in a society;
- b) by reference to such concepts as gross national product or constant dollars, cost data allow standardized historical comparison of crime and the response to crime;
- c) cost data allow important comparisons between criminal justice and other basic social expenditures; and
- d) cost data allow comparative cost-benefit analyses to help evaluate social programs and contribute to social policy development.

Some might quarrel at such a cold, practical and amoral measure of crime. Certainly crime involves many issues of ethics and ethical choices. Moreover, many of the most important costs of crime — the psychological and emotional suffering of victims, the fear and insecurity of those who believe they are at risk, the loss of freedom and potential productive labour that incarceration means for the criminal who is caught, the pain and often anger of the families of victims — cannot be measured in dollars. These often intangible, and largely unmeasurable, costs must be a significant part of any cost-benefit equations.

The "cost of crime" is simply a convenient shorthand for a diversity of expenditures and damages, costs to victims, costs to society, costs to some segments of society, costs to criminals, private and public costs, direct and indirect costs and so on. Criminologists speak of average costs, marginal

costs or total costs. Some seek a measure of the ultimate costs of crime — some estimate of national income as it would be in a crime-free society. We are very far from being able to estimate global or ultimate costs.

Nevertheless, until we link social issues to some economic cost concept, until we know more about the costs of crime to society, to victims, and, indeed, to criminals, we will be unable to answer our ethical questions to our own satisfaction. That is, ethical choices about crime demand knowledge about the consequences of crime. Obviously, questions of efficiency demand cost information, but so too do the more fundamental questions about whether social programs and policies are working. If we think they are "working", we will still want to know at what price. When we wish to choose among beneficial programs we will also want to know their relative costs. Social policy and program development would benefit from knowledge about which crimes cause the greatest losses and which the least, and which groups or categories of people suffer the costs most heavily.

Our major difficulty is that we are far from having good quality data on the costs of crime. The laborious process of conceptual clarification and data collection has only begun. For example, we know little about the social and economic costs of enterprise crime, although a Federal/Provincial Study Group promises to provide some systematic data. We know little about criminal court expenditures, although the Canadian Centre for Justice Statistics is addressing this problem. We have not the data to know which crimes produced the largest expenditures of criminal justice dollars. Nor do we have data on which criminal justice objectives — control, prevention, punishment, rehabilitation, incapacitation — consume most dollars. We have only a glimmering of the large expenditures involved in private security and private justice more generally. We know little about expenditures by social and health agencies which are directly related to crime.

The problems only start here: add to the multiplicity of jurisdictions, the multiplicity of agencies involved in responding to crime, and the multiplicity of functions within each agency. Take the police as an example. Quite apart from the number of police departments and jurisdictions — federal, provincial and local — we know that much police activity is not specifically focused on crime. Traffic control, twenty-four hour social service and similar police activities would be necessary even in the theoretical crime-free society.

The first article in the issue offers global estimates of some aspects of the cost of crime control. But, as the author has indicated, the data provided require cautious interpretation. The data used, some of which were collected by others and for other purposes, inevitably represent a variety of accounting and counting procedures. Crime in Canada is a multi-jurisdictional phenomenon. Attempting to sum or integrate data from such diverse sources is always hazardous.

The second article focuses on the costs of policing. Canadian taxpayers and their governments in 1980 paid over 1.6 billion dollars or \$71.25 per

capita for police services (Sol. Gen., 1981). The average costs for employing a single police officer in 1980 was \$34,397 up from 27,028 in 1977-78 (Quebec Ministry of Justice, 1982). Though the growth in the costs of policing generally mirrored similar increases in all government expenditures, the evidence suggests that policing increased more than its proportional share of total expenditures. If policing has become expensive in Canada, it is partly because it has grown so dramatically — more than other components of criminal justice — in the last twenty years. Although recent indications show these costs are being controlled and indeed in some communities are being cut back, the present problems have made cost-effectiveness and efficiency major issues in policing. The article focuses on one relatively large municipal police force to show more clearly just how these dollars are being spent.

The third article focuses on the costs of corrections. We have long known that the costs of incarcerating offenders are high, and that these costs have increased over the years. Along with these increased costs, there has been a substantial increase in the penitentiary and prison populations in recent years. The effect has been serious overcrowding in many Canadian jurisdictions, one result of which has been the introduction of double-bunking (i.e., housing two inmates in a cell designed for one) in Canadian penitentiaries. In view of the enormous cost of building new facilities, and amidst serious doubts about the effectiveness of incarceration as a response to crime, there is considerable pressure to seek ways of reducing the growth in penitentiary and prison populations. Indeed, the principle that incarceration be used as a last resort has gained broad acceptance in current criminal justice thinking, and there has been a major thrust to develop community-based alternatives to incarceration. These alternative sanctions for those offenders who do not pose a danger to society are intended to meet the goals of criminal justice at lower financial and human costs than those incurred by incarceration. In sorting out these policy issues, costs clearly cannot be ignored. Perhaps the most important contribution of this article is that it seeks to sort out the conceptual confusions which have produced varied and conflicting statements about the costs of incarceration.

The final article focuses on the costs of crime to victims, who have all too often been ignored in such assessments. We have only recently collected data on the costs of crime to victims as we have only recently become sensitized to their needs. The data presented in this article are drawn from the Canadian Urban Victimization Survey conducted by the Ministry with the assistance of Statistics Canada. Many of these findings are being published for the first time.

These articles offer our best estimates of some aspects of the costs of crime. We hope they will underscore the importance of the questions and encourage the work necessary to begin providing more refined answers.

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✓ Costs of Municipal Police Services

GERALD WOODS

Director, Research Division

As noted by Demers, expenditures for the justice system by Canadian federal, provincial and municipal governments rose by about 1336%, in current dollars, between 1961 and 1980. In 1980, policing alone accounted for about 62% of the federal budget for justice, about 35% at the provincial level and about 97% at the municipal level. In sum, Canadian governments in 1980 spent more than \$2.115 billion dollars to provide police services.

To complement Demers' system-wide inquiry, a twenty-year survey of municipal police costs in twenty cities was proposed, beginning with a pilot study of one municipal force of 750-1100 officers*. The period chosen for the study, 1961-1981, provides an illustration of the rapid rise in spending for municipal law enforcement. The pilot study was directed to an analysis of the growth of police expenditures (for a twenty-city study) through the examination of annual budgets, personnel statistics, population statistics, rates of police per 1,000 residents, gross national product, consumer price indices, and real estate and business tax rates.

Four questions were posed:

- how much have municipal police costs risen during the period 1961-1981;
- what factors caused the increase;
- was the increase proportionate to increases in other indicators such as the municipal budget, the Gross National Product, the Consumer Price Index, etc.;
- did the proportion of the municipal budget allocated to police services undergo an increase different in magnitude from other comparable municipal budget items?

* Municipal officials asked that the city not be identified.

Data proved to be few in number, difficult to find and inadequate for the purpose intended. Accordingly, the proposed study in twenty cities was not undertaken. Nonetheless the data from the pilot study of one municipality are interesting; they should not, however, be generalized with respect to other jurisdictions.

A. Elements of the Police Budget

1. *Operating Expenditures*

Operating Expenditures are payments for essential goods and services such as salaries, other employee benefits, purchased services, supplies and utilities. Operating Expenditures generally accounted for almost the entire police budget — 97.5% in 1961, 99.8% in 1971, and 97.8% in 1981. This budget item increased — in “current”, inflated dollars — by 926% (Table 1). In this paper, “current” dollars have been corrected for inflation, and are described as *constant* dollars. The overall increase in *constant* dollars — 1961 to 1981 — was 206%.

2. *Capital Expenditures*

Capital Expenditures are for the acquisition of land, construction of buildings, purchase of computer facilities and so forth. Capital costs tend to be infrequent, large-scale outlays of funds during a single year or over a short span of years. Capital costs varied considerably, from 2% of Gross Annual Expenditures in 1961 to a high of 37.0% in 1979, to 0.4% in 1981. To eliminate the distorting effect of wide variations in annual capital expenditures, the analysis of police costs is restricted to Operating Expenditures.

3. *Gross Annual Expenditure*

Gross Annual Expenditure (GAE) means the sum of all expenditures for police service for a given year, but the precise meaning of the term may vary according to the accounting methods of a particular period. Over the twenty-year period, the cost of police services rose at an average annual rate of 12.2%, but the rate of expenditure increased somewhat faster during the 1970s — 12.6% per annum for the period 1971-1981, or 228% overall — as opposed to an average annual increment of 11.9% during the period 1961-1971, or 190% overall.

4. *Debt Charges*

Debt Charges represent the annual repayment of interest and principal on debentures issued by the city. This expenditure in *constant* dollars actually decreased by 22%, because police capital expenditures were financed through taxes rather than bonds.

5. *Grand Total Annual Expenditures*

Grand Total Annual Expenditures were obtained by adding Gross Annual Expenditures and Annual Debt Charges. The Grand Total Annual Expenditures provide a better understanding of the true cost of policing. In constant dollars, the cost of policing increased by 199%.

TABLE 1

Operating Expenditure, Capital Expenditure and Gross Annual Expenditure, 1961, 1971, 1981:
Percentage Changes and Annual Percentage Changes

	1961	1971	1981	% Increase			Annual % Increase ²		
				61-71	71-81	61-81	61-71	71-81	61-81
Operating Expenditure									
— Current Dollars	2,528,386	7,573,263	25,930,700	200	242	926	11.6	13.1	12.3
— Constant Dollars ¹	2,528,386	5,499,828	7,738,198	117	41	206	8.1	3.5	5.6
Capital Expenditure									
— Current Dollars	46,923	-0-	97,500	*	*	*	*	*	*
— Constant Dollars	46,923	-0-	29,096	*	*	*	*	*	*
Gross Annual Expenditure									
— Current Dollars	2,585,309	7,928,278	26,028,200	207	228	907	11.9	12.6	12.2
— Constant Dollars	2,585,309	5,757,646	7,767,293	123	35	190	8.3	3.0	5.6
Debt Charges									
— Current Dollars	18,560		482,961	1	2,474	2,502	*	*	*
— Constant Dollars	18,560	13,625	14,412	-27	6	-22	*	*	*
Grand Total Annual Expenditures									
— Current Dollars	2,603,869	7,592,025	26,511,161	192	249	918	11.3	13.3	12.3
— Constant Dollars	2,603,869	6,134,530	7,781,705	136	29	199	9.0	2.4	5.6

¹ Constant dollars = current dollars + implicit price index. Government current gross national expenditure on goods and services - 1961 = 100; 1971 = 137.9; 1981 = 335.1 (Estimated).

² Formula for % annual increase: $\frac{FA}{PA} \times \frac{1}{N} = 1 + I$ where FA = future amount, PA = present amount, I = percentage annual growth, N = no. of years.

* Not applicable.

The analysis in Part B (Table 1) shows that the growth in annual expenditure for police services followed the general trend for criminal justice expenditures in Canada, as noted by Demers; i.e., outlays for police service by the federal, provincial and municipal governments rose steadily during the period 1961-1981, with the most pronounced increases occurring during the 1970's. Inflation accounted for about three-quarters of the increase; however, the percentage increases in *constant* dollars — 199% for Grand Total Annual Expenditure, 206% for Operating Expenditure — indicate that a substantial rise in real costs occurred.

B. Factors Contributing to the Increase in Operating Expenditure

The increase in Operating Costs between 1961 and 1981, in *constant* dollars, amounted to 206%, or \$5,209,812. This sum is the remainder derived by subtracting the 1961 gross operating expenditure from the 1981 figure. The factors to be examined constitute the elements of Operating Expenditure: personnel, salaries, salary benefits, employer contributions, and "other" operating costs. The proportion of the overall cost increase due to each of these factors is shown in Table 2.

TABLE 2
Factors Contributing to an Increase in Operating
Costs (*Constant Dollars*)

		% of Increase
1. <i>Cost Increase to be Explained</i>		
1981 cost less 1961 cost = (7,738,198-2,528,386) =	\$5,209,812	
2. <i>Factors Contributing to Increase</i>		
a) Personnel Increase:		
87.4% of 1961 Operating Expense =	2,209,809	42.4
b) Salaries:		
1981-(1961+87.4%) = \$5,929,365-3,735,388 =	2,193,977	42.1
c) Salary Benefits:		
1981-(1961+87.4%) = 536,586-46,194 =	490,392	9.4
d) Employer Contributions:		
1981-(1961+87.4%) = 655,416-396,527 =	258,889	5.0
e) Other Operating Costs:		
1981-(1961+87.4%) = 616,831-560,086 =	56,745	1.1
TOTAL	\$5,209,812	100.0

1. Personnel

a) The Cost of Personnel Increases

Increases in personnel accounted for a major portion of the increase in costs. The number of police personnel (sworn and civilian) increased by 87.4% between 1961 and 1981. (Table 3). This caused an increase in Operating Costs of about 87% of the 1961 budget, or \$2.20 million, and accounted for 42.4% of the overall \$5.20 million increase, in constant dollars, during the 1961-1981 period. Given that the municipal area did not increase, the difference between a 12.1% increase in municipal population and an 87% increase in police personnel would be explained by factors other than increases in population or in area to be protected.

TABLE 3
Total Police Personnel

Year	% Of Sworn	% Of Civilians
1961	92.4	7.6
1971	94.5	5.5
1981	75.7	24.3

b) Number and Type of Personnel

The cost of police personnel depends most on the absolute number of employees, but two other factors are important — the proportion of "civilians" to "sworn" personnel (civilians generally are paid less) and the proportion of higher paid senior and middle managers to lower paid constables (Table 4).

The overall increase in police personnel caused a substantial rise in annual expenditure for police services, but the extent of the increase was restrained to some degree by the increase in civilian employees as a proportion of total police personnel, because of lower average salaries for civilian clerks and technicians. (The Provincial Police Commission Budget Resources Information System reported that in 1980 the average hourly wage was \$6.69 for a civilian employee and \$12.33 for a sworn police officer). Civilian employment increased by 500% between 1961 and 1981, from 7.6% to 24.3% of total personnel, with the entire increase occurring during the 1971-1981 period. Civilian employees decreased to 31 from 32 during the period 1961-1971, but increased from 31 to 192 between 1971 and 1981.

Sworn police officers, as a percentage of total strength, declined to 75.5% in 1981 from 92.4% in 1961. Sworn police personnel increased by 144 employees, or 37%, during the period 1961-1971, but only 64

additional police positions, a 12% increase, were added between 1971 and 1981.

c) Rank Structure

The proportion of higher-paid supervisory personnel will affect the overall cost of a police department (Table 4). This analysis shows that management structure did not contribute significantly to the rise in costs, although the increase in senior officers and NCO's relative to constables caused a small rise in costs.

The percentage of senior officers decreased from 4.6 in 1961 to 3.7 in 1971, and then increased to 5.0% of total sworn personnel in 1981. At the middle management or NCO level, an increase of 108% occurred. The proportion of NCO's decreased from 19% in 1961 to 18.0% in 1971, and then rose to 25.8% in 1981. The variation in the proportion of NCO's would appear to be due to organizational policy, given that 143 new patrol officer positions and 22 sergeants were added between 1961 and 1971, thus reducing the relative proportion of NCO's, but 60 NCO positions were added between 1971 and 1981, when there was an absolute decrease of 5 constables.

Most police officers are constables, and the bulk of salary costs is incurred in that rank. The proportion of constables, 76.4% of sworn strength in 1961, rose to 78.4% in 1971 and then declined to 69.2%

TABLE 4
Proportion of Sworn Members by Rank:
1961, 1971, 1981

<u>Year</u>	<u>Senior Officers</u>	<u>% Sworn Personnel</u>	<u>% Total Personnel</u>
1961		4.6	4.2
1971		3.7	3.4
1981		5.0	3.8
<u>Year</u>	<u>NCO's¹</u>	<u>% Sworn Personnel</u>	<u>% Total Personnel</u>
1961		19.0	17.5
1971		18.0	17.0
1981		25.8	19.5
<u>Year</u>	<u>Constables</u>	<u>% Sworn Personnel</u>	<u>% Total Personnel</u>
1961		76.4	70.5
1971		78.4	74.1
1981		69.2	52.3

¹ Non-Commissioned Officers

in 1981. As a proportion of *total* personnel, constables declined from about 70% to 52%, due to the large increase in civilians hired during the 1971-1981 period and the relative increase in the number of senior officers and NCO's.

A better idea of the relatively stable number of managers during the period is obtained if supervisory positions (senior officers and NCO's) are examined as proportions of total police personnel rather than as proportions of sworn officers. The proportion of senior officers, 4.2% in 1961, declined to 3.4% in 1971 and then increased slightly to 3.8% in 1981. The proportion of NCO's, 17.5% in 1961, declined to 17.0% in 1971 and then rose to 19.5% in 1981.

d) Police Personnel Per Thousand Residents

The number of "police personnel per thousand residents" (sworn and civilian employees combined) is a common measure of the relative level of police protection in a given city. Compared with 1961, in 1981 a slightly larger population received substantially more police protection at a significantly higher price. The ratio of police to residents increased by 64.6%, from 1.58 to 2.60 police personnel per thousand residents. Police costs per capita increased by 171% in constant dollars.

2. Salaries

Salary costs were a significant factor in overall cost increases. Measured in *constant* dollars, salary expenditure over and above the 87.4% increase due to the hiring of additional personnel accounted for \$2.19 million, or about 42% of the overall \$5.20 million increase in Operating Expenditure (Table 5).

The purchasing power of the police salary rose by 65-80 per cent, depending upon rank. The rise in real police earnings can be illustrated by comparing four sample positions: chief of police, inspector, sergeant, and first-class constable. In "current" dollars, the salary of the chief rose 504%, from \$10,707 to \$64,665; that of an inspector rose 538%, from \$6,804 to \$40,500; that of a sergeant rose 467%, from \$5,400 to \$30,613; and that of a first-class constable rose 451%, from \$4,900 to \$27,000. In *constant* dollars (purchasing power) these increases measured, respectively, 80%, 78%, 69% and 64%.

3. Salary Benefits

Salary benefits constituted one of the significant identifiable causes of the long-term rise in police expenditure. Salary benefits include pay for overtime, statutory holidays and vacations, terminal allowance, longevity bonus, shift bonus and differential, court appearances, diver's premium, acting rank, motorcycle duty, escort of mental patients, and similar expenditures (Table 5). Salary benefits, as a percentage of Operating Expenditure, increased from 1% in 1961 and 1971 to 7% in 1981. The percentage increase was huge but the actual sum was more modest. Measured in *constant* dollars, the

TABLE 5

20

Salaries, Salary Benefits, Employer Contributions and Other Operating Costs

	1961	% ³	1971	%	1981 ¹	%	% Increase		
							61-71	71-81	61-81
Salaries (scheduled positions)									
— Current Dollars	1,993,270	79	6,532,783	86	19,869,300	77	228	204	897
— Constant Dollars ²	1,993,270		4,740,771		5,929,365		138	25	198
Salary Benefits									
— Current Dollars	24,650	1	29,125	1	1,798,100	7	18	6,074	7,195
— Constant Dollars	24,650		21,151		536,586		-14	2,439	2,077
Employer Contributions									
— Current Dollars	211,594	8	635,607	8	2,196,300	8	200	246	938
— Constant Dollars	211,594		461,253		655,416		118	42	210
Other Operating Costs									
— Current Dollars	298,872	12	375,748	5	2,067,000	8	26	450	592
— Constant Dollars	298,872		272,672		616,831		-9	126	106

¹ Forecast Expenditure for 1981.² For formula, see Table 1.³ Percent of operating cost.

increased expenditure for salary benefits accounted for \$490,392, or 9.4% of the overall \$5.20 million increase in Operating Expenditure.

The most notable datum under this heading would seem to be the 1961 sum — \$24,650 — from which it could be inferred that in those days there were no benefits worthy of discussion. The large increase in salary over the last twenty years may also be due to the fact that in the past the police were notably underpaid when compared with others in the labour force.

4. *Employer Contributions*

Employer contributions accounted for \$258,889 or 5%, of the overall \$5.20 million increase, a moderate impetus to the overall increase in the cost of police services.

Employer contributions include payments into pension funds, health plans, life insurance and unemployment insurance programs. About half the expenditure was for superannuation. As a percentage of personnel costs, the municipal contribution remained constant at 8% of total Operating Expenditure. This item increased by 210% in *constant* dollars, almost double the overall 106% real increase in Operating Costs. (At 8.9% of personnel costs — total operating cost less "other" operating cost — the Employer Contribution is about equivalent to private sector benefits.)

5. *Other Operating Costs*

In constant dollars, the rise in Other Operating Costs accounted for about \$57,000 or 1.1% of the overall \$5.20 million increase in Operating Costs. "Other Operating Costs" include purchased services, maintenance and associated supplies. Other Operating Costs declined slightly as a percentage of total Operating Expenditure, while undergoing the same notable increase overall as did other budget items.

C. Comparison with Other Indices

As noted, four research questions underlay this analysis:

- How much did police costs rise in City X during the period 1961-1981?
- What factors caused the increase?
- Was the increase proportionate to other relevant indices?
- Did the proportion of the municipal budget allocated to police services undergo an inordinate increase, relative to other comparable budget items?

The first two questions have already been answered. Police costs, in real terms, rose by approximately 200%. This increase was due mainly to three factors: an average rise in real individual earnings of about 75%, a substantial increase in fringe benefits, and an increase in personnel of about 87%. In short, personnel costs caused the increase in expenditure, but the police essentially "caught up" to the leading blue-collar categories, with respect to salaries and benefits. In 1961, police were below the average in

salaries and fringe benefits; in 1981 they were at the leading edge in both areas.

How did the rise in police expenditures compare with other selected indicators? About all that can be said is that the costs of everything rose markedly during the period 1961-1981, and that the costs of policing seem to have risen somewhat further and faster than did other indices. The municipal area did not increase; the population increased by 12%; the Consumer Price Index increased by 223%; the residential tax rate by 274%; the municipal budget by 275%; the Average Industrial Wage by 350%; the crime rate by 483%; the Gross National Product by 630%; police cost per capita by 807%; and gross annual expenditure for police by 918% (figures not corrected for inflation).

The real increase of about 200% in police costs can also be described as an increase from 11% to 14% of the municipal budget. The fire department portion of the budget declined somewhat, from 12% to 10%, while increasing by 566% overall. Expenditures for education, a former growth industry now in decline due to demographic factors, decreased from 69% to 61% of the budget, while increasing by 644% overall. Expenditures for Community services such as parks and libraries increased from 10% to 15%, or 1,208% overall (fire, education, parks and libraries figures not corrected).

The increase in local government expenditure followed a trend apparent throughout Canada. Expenditures are based on political decisions by city council members, and no accurate judgement can be made about whether or not the police or other departments received "disproportionate" shares of the municipal budget, or whether the funds allocated to one area curtailed operations in other areas.

D. Conclusion

The analysis presented here has shown that municipal police costs rose rapidly during the period 1961-1981, at a rate significantly higher than did other relevant indices. This increase was due mainly to a large increase in personnel and to gains in salaries and benefits. Essentially, the police gained parity with the highest paid blue-collar workers. Viewed from that perspective the increases were not disproportionate.

Given current official restraints, and the fact that the police have caught up to the rest of the labour force with respect to salaries and benefits, police departments in future may be required to justify policies and programs in terms of cost-effectiveness. The use of innovative patrol, investigative and administrative procedures may be required as a condition governing police budget increases. Extensive community crime prevention programs and a greatly increased participation by citizen volunteers may be required to maintain adequate protection, as the police face a relative decline in the amount of resources available to carry out the law enforcement function.

✓ Corrections Costs

ROBERT B. CORMIER

Research Division

This paper presents an overview of current corrections costs, and recent trends in costs, for the federal, provincial and territorial correctional agencies. International comparisons of current costs and interjurisdictional comparison of trends allow some perspective for interpreting the gross cost figures; however, comparisons of actual costs among jurisdictions must take into consideration the wide differences in operation, as well as differences in the collection and reporting of data.¹

Federal Corrections Costs

A. *Total Expenditures*: The total expenditures of The Correctional Service of Canada and the National Parole Board from 1976-77 to 1980-81 are presented in Figure 1. The costs (in current dollars) increased at an average rate of 14% per year (a cumulative increase of 68% over the five fiscal years), reaching a total of \$430 million in 1980-81.

When the data are corrected for the appropriate inflation rates², the net cumulative increase over the five years is 26%. Thus, 62% of the increase in actual costs during this period was due to inflation.

B. *Institutional Costs*: The institutional operating costs of penitentiaries from 1976-77 to 1980-81 are presented in Figure 2. These operating costs include internal administration costs, maintenance, salaries, benefits and institutional supplies, but do not include national and regional administration and capital expenditures. Operating costs increased at an average rate of 12% per year, and showed a cumulative increase of 56% over the five year period. When these costs are corrected for inflation, the net cumulative increase for the five years is 15%.

It is evident from Figures 1 and 2 that the rate of increase in total corrections costs from 1976-77 to 1980-81 has been greater than the

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