104521

U.S. Department of Justice
Federal Bureau of Prisons
Washington, DC 20534

Local Impact of A Low-Security Federal Correctional Institution

Phase I Final Report
(Edited Version*)

LOCAL IMPACT OF A LOW-SECURITY FEDERAL CORRECTIONAL INSTITUTION

by

George O. Rogers
University Center for Social and Urban Research
and Department of Sociology
University of Pittsburgh
Pittsburgh, PA 15260

Research Conducted with the Assistance of
Marshall Haimes
Research Administrator
Office of Research
Federal Correctional Institution
Loretto, PA 15940

Under Purchase Order No. 2342-5

May 15, 1986

*Edited by the Research Branch, Central Office

Acknowledgement

This is to acknowledge the contributions of various departments and individuals who assisted in the conduct of this research. We would like to thank Warden Robert E. Honsted, FCI-Loretto, for his acceptance of the project and for his overall cooperation. We'd like to thank the Financial Management staff under the direction of Larry O'Connell for their review and constructive criticism of the information on institutional expenditures. Finally we'd like to express our appreciation to Wade B. Houk, Assistant Director of Administration, and Z. Stephen Grzegorek, BOP Northeast Regional Director, for the original research idea and for their subsequent program support.

INTRODUCTION

This report is the first in a series of reports on the social and economic impact of federal low-security correctional facilities on surrounding local communities. A positive association with the surrounding community is most effectively achieved by understanding the objective nature of the facility's impact on the area, and the perceived impact among local residents. A comprehensive understanding allows the facility to establish programs and policies that rest on a secure foundation of positive factors in the location of the institution. The results of the study enhances the facility's standing in the community by educating the local residents concerning the benefits of the facility, correcting myths and fallacies, and establishing precedent for the correction of perceived problems. Establishing a positive and effective feedback loop with local residents serves to underscore the importance of the facility's location in the community and integrate it into the community structure. This allows the facility to become part of the social structure in an area, rather than permanently estranged from the community structure.

This research represents a somewhat unique endeavor, providing focus on the institutional impact on the surrounding communities. The institution's integration into the communities' structures facilitates an operational environment that bears directly on staff satisfaction, and less directly on inmate morale. Such an operating environment sets the context for institutional effectiveness, staff performance, and community concern. This research will assess both the impact of the institution on the surrounding communities and their impact on institutional operation. The research will examine institutional, public and community attitudes in assessing potential impacts. The Phase I report concentrates on economic impact.

LITERATURE SEARCH AND REVIEW

Low-security (levels 1 and 2) federal prisons confined 10046 inmates on September 30, 1983, the beginning point for this investigation (Statistical Report Fiscal Years 1981-1983, Table A-11, U. S. Department of Justice, Federal Bureau of Prisons). This represents 33.3 percent of the inmates in federal correctional facilities on that date. The inmate population at the Loretto facility is roughly two percent of the low-security prison population, and nearly three percent of the security level 1 prison population. Most of these low-security institutions are over their operational capacity. Future expansion of the Loretto facility will nearly double its current capacity. This expansion underscores the need for the facility and the importance of effectively integrating it into the surrounding communities.

From an historical perspective criminals are seen as at least an implicit threat to society. Societies sometimes irrationally respond to criminals through expedient measures, which have included public humiliation, banishment and even execution. As places of isolation became difficult to obtain because of increasing habitation, prisons became a form of artificial banishment. Prisons are typically built in rather isolated locations, a source of numerous problems. But many of even the most isolated prisons were soon engulfed by expanding communities.

> Some of these urban surrounded prisons were Federal penitentiaries (Atlanta, Tallahassee, Memphis, Miami, etc.), others were State prisons such as the Maryland State Penitentiary at Baltimore; the Eastern State Penitentiary at Philadelphia; the Green Bay Prison at Green Bay and DePere, Wisconsin; and the Waupun State Prison, Waupun, Wisconsin.... More recently, the Federal Prison at Morgantown, West Virginia opened in 1975 in an isolated area adjacent to West Virginia University and is now surrounded by expensive homes and a shopping mall complex. (State of Alabama, Department of Corrections 1982:4).

These developments seem to indicate that prisons cannot be isolated from society even if it were desirable, and that such isolation is probably not desirable. After all, "...prisons are an integral part of society" (State of Alabama, Department of

Corrections 1982:5), created by society, and a primary component of the criminal justice system. These considerations together with the increasing prison populations, and the associated overcrowding, make prison siting a major criminal justice issue of our time. What are the impacts of prisons on local communities? How can prisons be integrated into communities, providing jobs for residents, stimulating the local community both economically and socially, while maintaining security and safety for both prisoners and residents?

Placing prisons in relatively isolated rural locations often avoids public opposition, which can be fairly intense, but can create other problems that are no less significant. For example, it can create problems in recruiting and maintaining personnel. "In 1967 and again in 1973, the Corrections Task Force of the National Advisory Commission on Criminal Justice Standards and Goals recommended that facilities be located in or near population centers from which inmates come..." (Opinante et al., 1985:IV-3). That these locations facilitate family visits, provide for an optimum use of existing resources, and foster overall community support are among the acknowledged benefits of integrating prisons into such communities (Grieco, 1978). It has even been argued that prison siting is the most important factor of facility development, affecting community, prison and prisoner alike (Flynn, 1979).

Prison Siting

There are five primary studies of prison impact on local communities. First, the socio-economic impact of three state prison facilities was the subject of a study conducted by the Joint Center for Environmental and Urban Problems at Florida International University, for the Florida Department of Corrections (Abrams et al., 1985). The study focuses on suburban and urban locations in the Central and Southern Florida counties of Brevard, Dade and Hillsborough. They are located on relatively large properties ranging between 60 and 130 acres, and can house between 360 and 842 inmates.

The second study examines the perceived impact of three federal penal institutions on several relatively rural communities in the Fraser River Valley of British Columbia. This region of British Columbia, Canada "... is primarily rural, with the main economic base consisting of agriculture, some light industry, and tourism" (Maxim and Plecas, 1983). This study examines the perceptions of 13 dimensions of potential impact of prisons on local communities.

The third study is a descriptive account of prison siting difficulties in two Canadian locations. Uxbridge is a suburban location in Ontario, not far from Toronto, a proposed reception center which was eventually abandoned. The Wackworth Institution in Wackworth, Ontario is the home of a medium security living unit facility built in the late 1960's, which represents a relatively rural location (Tully et al., 1982). More qualitative in nature, this research describes the nature of several important dimensions of potential impacts, including personal and public security, economic impact, fear, source credibility, and policy credibility associated with the facility.

Fourth, Stanley (1978) studied prison impact on proximate property values in Green Bay and Waupun, Wisconsin. This research involved a detailed regression analysis of the factors effecting property values proximate to prison facilities. Factors associated with the prisons are placed in the economic context of factors associated with the structures on the property, the property itself and the neighborhood. The final study is a descriptive account of the siting process in Vienna, Illinois of the Vienna Correctional Center, which is a minimum security penal institution located in Southern Illinois, housing 1300 residents.

Property Values -- Potential impacts on property values in the areas near prisons stem from the general feeling that locally undesirable land uses (LULU's) provide detrimental effects on the area or neighborhood in such a way as to make property in the area less desirable and therefore decrease property values. Property values

analyzed in the Florida setting examined the potential impact of the prison facilities in the context of a multidimensional regression analysis of property values for both target areas near the prison facilities described above and control areas. "Land prices in the target area [near the prison] were significantly higher than in the control areas of Brevard County" (Abrams et al., 1985:26). However, no significant differences were observed in either Dade or Hillsborough Counties.

The most comprehensive study of the effects of prison siting on property values was conducted by Stanley (1978:43) in Green Bay and Waupun, WI. Stanley examined the effects of prison location in the context of the effects of type of structure, characteristics of the lot and factors associated with the neighborhood. The reported results show that these techniques account for almost 80 percent of the variation in property values. Prison proximity "...explains less than 1% of the variation in assessed value..." while the overall model accounts for 70 percent of the variation. "The observed character of the neighborhoods surrounding the reformatory show no deleterious effects as a result of proximity to the prison. Indeed the opposite appears to be the case."

Maxim and Plecas (1983) take a somewhat different approach, examining the role perceived impact of siting plays in the structure of attitudes regarding the facility. They find that concern over property values is part of a complex of attitudes that also includes concerns about family security, restriction of activity and a desire to move from the area. While this complex of attitudes is much more subjective than measured property values, these underlying attitudes are important in obtaining public acceptability.

Security -- Personal and household security are conceptually linked to the prison facilities in two primary ways, through increased community contact with prison visitors such as family and associates of prisoners, and through escapes.

These "pathways to impact" would be reflected in local crime rates. Hence, residential security and safety at the Florida sites were assessed through a comparative crime rate analysis of target and control areas. "In two of the three communities studied, the crime rates for the target area was [sic] significantly less than that for the control area and, in the third community the rates were not significantly different." (Abrams et al., 1985:66). Hence, it appears somewhat unlikely that visitors or escapes contributed significantly to crime rates in areas adjacent to prison facilities.

In Uxbridge, Ontario concerns over security and safety were somewhat different. Concern for safety was intertwined with the employment opportunities the facility provided the local area, and the nature of the facility. Tully et al. (1982:135) describe the situation in maximum security facilities: "...most inmates are violent offenders such as rapists, murderers and armed felons; escapes are inevitable; escapees may steal cash, cars, weapons or hold wives and other family members hostage; inmates riot and inmates released on temporary absences may elect to remain in the community rather than travelling to their homes." The family security issue is complicated by the personal security of people working at the prison, stemming from the fact that preferred jobs at the facility are allocated to "in-system" personnel, leaving the riskiest jobs for residents. Hence, locals at least perceived that "their own" would be the most likely to be brutalized inside the facility, and would transfer this personal security problem to their families on the outside.

Economic Impact -- Public concern regarding potential economic impact is described by Tully et al. (1983). They suggest that the principal concern rests on on the notion that economic impact will be rather limited, since few expenditures and of limited size will be spent locally. They also suggest minimal local gains are further minimized by increased expenditures to assure public safety and security, and

increased "community infrastructure" costs, such as the use of roads, sewage, water and even decreased land values (discussed above) and an associated proportional increase in taxes to maintain the tax base.

These kinds of concerns are best examined in an ongoing manner. Static research designs cannot attribute the "changes" to specific changes in the area. Abrams et al. (1985:46) examine increased income and employment earnings in areas near three facilities in Florida. Although the model was static, and could not adequately represent change, they conclude "...the benefits to be derived in the form of increased earning, income and employment to the community in which the correctional facility is located are substantial." They further point out that each of the three institutions have extensive release programs, where substantial amounts of inmate labor is dedicated to public service in the surrounding areas. The typical janitorial, landscaping, and car washing task, together with the occasional special task, such as reading books onto tapes for the handicapped, are rated as "good" or "very good" 95 percent of the time by those providing the work "opportunities."

Such activity helps to provide a community infrastructure which can be an attractive asset to an area. However, these programs can be seen as absorbing jobs that might otherwise be provided to the community. In contrast, most (82 percent) of the organizations providing job opportunities for inmates "...reported that if inmates were not provided, the work would either not be accomplished or it would have to be accomplished by their existing staff and/or volunteers" (1985:97). Hence, one can concur with the conclusion that "...inmate laborers...provide substantial economic benefits to the local community" (p. 99).

A policy implication is apparent: if work release programs can be achieved while maintaining security and assuring the public that such activities do not absorb local jobs, work release programs can provide bastions of support for the institution

in the local community. Given careful selection of participation (inmates and organizational support) such work programs not only contribute directly to the community infrastructure but also provide needed opportunities for positive linkages to the community. Police departments are often good organizations to start such programs as they provide secure situations with ample authority and structure.

Impact on Local Institutions and Facilities -- One structural concern seems to stem from local institutions. While their specific concerns vary somewhat, the general issue is one of burden on existing institutions. In essence, public leaders as well as individuals are concerned that prison facilities place unconscionable demands on the existing resources of related institutions. Abrams et al. (1985) examine three institutions in this respect. The most directly linked institution is the police, with concerns ranging from hiring competition for potential workforce, to police force response to prison escapes. However, the police representatives interviewed felt that the benefits of the prison facility far outweighed any potential burdens represented by the facilities.

Psychological Impacts -- The psychological aspects of potential impacts are characterized by Tully et al. (1983) in terms of several forms of fear. Fear of expansion rests on the notion that while the burden placed on existing infrastructures is minimal, the comfort margin is enveloped in such a way that other industries may not consider the area due to lack of ability to expand to accommodate both. Schools, businesses, banks and housing are specific instances where expansion capacity can be absorbed by prison facilities, providing impetus for other endeavors to stay away.

The literature relevant to prison siting seems to indicate that these subjective "fears" and attitudes are more powerful than objective measures of prison impact in explaining community resistance to potential siting (cf. McGee, 1981; Zarchikoff et al., 1981). Maxim and Plecas (1983) underscore the notion that perceptions of impacts

may be more important than actual impacts when it comes to how acceptable a given facility may be. In the Florida study, 97 percent of the respondents reported no direct impact of the nearby prison on either themselves or their families, and residential proximity was not significantly related to reporting problems with the prisons. "Although nearly one-half of all respondents believe that personal safety is a problem in their neighborhoods, none attributed their concern to the presence of the DCI [prison]." (Abrams et al., 1985:113).

Community-Based Prison Facilities

Selecting a community-based site for a prison is not easy. A few instances of unsuccessful siting illustrate the nature of the problem. The quiet town of Putney, Vermont, turned down the federal proposal to convert a small college into a 500-bed minimum security prison. The artistic and academic pursuits of the residents are in marked contrast with their fear that "...Putney would be viewed as a prison town..." (Silas, 1984:27). The citizens of Carbondale, Illinois, reportedly did not want a 300-bed state prison in their community, even though the economic boost it would give the community was thoroughly recognized. The situation is often repeated for other potential sites, where "...a small group of outspoken towns folk said they didn't want dangerous convicts living in their community..." (Silas, 1984:27).

The public seems to want prisons, but they want them to be located elsewhere. The American Correctional Association has two fundamental guidelines used in selecting prison sites: Prison facilities should be located in places near inmate families; and they should be relatively near metropolitan areas to facilitate access to courts, medical care facilities, libraries and other services. Yet, because most people would like prisons better if they were located in the next county, the siting process is often a political decision which involves mustering support for a facility among officials representing the area(s) at all levels of government. For without such

political support community siting is doomed to failure. In Putney, voters rejected the idea of a minimum_security facility at a converted college by a 3-to-1 margin in a public referendum held after an extensive review process.

Some towns have actually lobbied hard to get prisons sited in their areas, but the instances of this are rare in comparison. This occurs most often when the local economy is very depressed, unemployment rates are high, and prisons can serve as an economic stimulus for the local economy.

Administrators have had to become politically savvy, often learning how to play complex political psychological games. Some corrections managers have resorted to political "hard-ball." One administrator reports having presented many more possible sites than those that were actually under consideration, as many as 30 or 40 more. Having "potential" sites in many political districts, would make a lot of politicians nervous. Then when the sites would suddenly be publicly narrowed down to one, the political support from other politicians eroded. Because they were "...relieved that they didn't have to deal with the problem, the one who ended up with it was [politically] stranded." (Krajick, 1980:19). Officials from the selected site could expect plenty of rhetorical support, but few if any would fight the decision because it would mean re-exposing themselves.

INSTITUTIONAL ANALYSIS

The extent to which local companies supply the low-security prison at Loretto with goods and services comprises a significant impact on the local area. This section reports on a systematic assessment of the facility's economic impact on the local economy. This research assesses the extent to which these expenditures contribute to the local economy, and the extent to which they may be expected to continue in the future.

The fiscal year 1985 (FY 1985) budget for the minimum security prison at Loretto exceeded $11.8 million; this economic stimulus amounts to over $980,000 per month. Compared to the general expenditures in Blair and Cambria Counties of just over $188 million (City County Data Book 1982-1983), if all the expenditures of the facility were made in the two counties, this amounts to 6.2 percent of the annual expenditures. While the important difference between 1982-1983 dollars and 1985 dollars is recognized, such a potential economic impact makes an important contribution to the local economy.

A sample of 2108 individual purchase orders were examined under the direction of prison staff and implemented by inmates at the facility. In addition, 96 prison employee records were selected, maintaining confidence by reporting only salary/wage information and town of residence, and never reporting salary data alone when the number of employees in a town is less than three. Annual salaries were estimated for those employees reimbursed on an hourly basis using an estimated total of 2080 hours per year. Annual salaries were then converted to monthly incomes, and total monthly expenditures estimated by multiplying monthly income by period of employment in months. While these records represent the employees of the facility as of January 1986, the period of employment used September 1985 as the end date to conform with the salary data of FY 1985 represented in the remainder of the expenditure data. Hence, periods of employment beginning after September 1985 are represented as zero, or not yet employed, and expenditures are zero. This sample represents $11,253,488.50 in total expenditures during fiscal year 1985, which represents more than 95 percent of the expenditures during the same period.

Table 1 compares the FY 1985 funds represented in the sample with budgeted funds for the same period. The period was dominated by expenditures associated with establishing the facility at Loretto. The overall ratio of sample expenditures to

budgeted funds is just over 1.049. The overall sample representation is quite good, however, salaries and wages are represented least accurately. The difference between sample funds and budgeted expenditures is believed to be comprised of funds that are contracted for and thereby expended, but not yet claimed due to billing periods, contractual arrangements and the like.

While the estimated salary and wage expenditures are compared with only that part of salary and expenses budgets used for personnel, yielding a 1.223 ratio of sample expenditures to FY 1985 funds, this difference can probably be associated with two sources. First, because the sample expenditures for salaries and wages are estimated, there can be some variation that is unaccounted for in the estimates. For example, more overtime may have been used during the period because of the special needs involved in establishing the facility. Hence the number of hours per year may be significantly lower than actual, and the overtime rate is not calculated as part of the estimates. Secondly, part-time temporary personnel may have been used to accomplish singular tasks or maintain services in "crunch periods." Neither of these are represented in the estimated salary expenditures.

Expenditures in all non-salary categories are represented well in the sample. The sample expenditures are weighted by the ratio of sample to FY 1985 funds presented in Table 1, providing an estimated budgetary expenditure of $11,905,639. This estimate leaves $79,730 in commissary funds unrepresented. Comparing this estimate with the budgeted funds for 1985, the estimates fail to account for $163. Since the extent of sample representation is quite high for most categories of expenditures, weighting predominantly affects salary and wages. This adjustment represents salary and wage funds in terms of actual expenditures.

Table 1 -- Comparison of Sample Expenditures and FY 1985 Budget

Budget Category	Expenditures in Sample	Fiscal Year 1985	Ratio of Sample to FY 1985
Salary and Expenses	$2,933,614.00	$2,933,630.00	1.000005
S&E Salaries	$2,113,012.50	$2,585,188.38	1.223460
Building and Facilities	$3,707,000.00	$3,707,149.89	1.000040
Commissary*	---	$79,730.86	---
Activation Funds	$2,499,862.00	$2,499,940.53	1.000031
Total Funds	$11,253,488.50	$11,805,639.66	1.049064

*Commissary funds are not represented in the sample expenditures.

Location of Expenditures

In order to assess the financial impact on the local area, a 25 mile radius was scribed on a PA Department of Transportation state map (1982). A total of 185 towns, boroughs and named places were identified as being within a 25 mile radius. A direct mapping of "vendor location" on these 185 places partitioned the reported expenditures with respect to geographic location. Three major categories of expenditures from the prison were created; those within 25 miles, those elsewhere in PA and those not in PA. Of the 2204 transactions reported, 50.4 percent (1112) were within 25 miles, however, this could be an artifact of small expenditures near the facility as a function of convenience. But of the $11.7 million represented by the sample, more than $7.6 million (or 65.3 percent) went to firms/individuals in towns within 25 miles of Loretto. While this reflects the predominant location of salaries and wages to prison staff living within 25 miles, 55.8 percent of non-salary expenditures are estimated as being within 25 miles of the facility during FY 1985. Table 2 summarizes expenditures by transaction category and region.

Hence, ongoing expenditures[1] within twenty-five miles of the Loretto facility amounted to nearly $3.7 million in FY 1985. Given that the prison has been growing from about 40 inmates per day in January, 1985 to nearly 150 per day in December, 1985, and using the largest population size, this amounts to about $24,666 per year for each inmate. Considering the impact of prison expansion, say to 300, this would be approximately $7.4 million expended within 25 miles. While this estimate is somewhat crude and certainly linear, which means it fails to account for prison capacity, optimal size, base-line operations cost (before any prisoners are in the facility), and incremental costs (associated with each additional inmate), it represents a substantial impact on the local economy.

---

1. Ongoing expenditures include salaries and operating expenses, comprised of salary and expenses (coded 52) funds.

Table 2 -- Prison Expenditures by Transaction Category and Region

Transaction Category	Number of Transactions	Total Dollars Represented	Est. Total Expenditures
52	418	$1,210,336.00	$1,210,336.00
SW	94	$2,049,915.54	$2,508,071.71
X2	597	$1,038,655.00	$1,038,655.00
X3	3	$2,897,000.00	$2,897,000.00
Total Within 25 Miles	1112	$7,195,906.54	$7,654,062.71
52	123	$1,022,589.00	$1,022,589.00
SW	2	$63,096.96	$77,199.13
X2	223	$808,034.00	$808,034.00
X3	2	$810,000.00	$810,000.00
Total Within PA	350	$2,703,719.96	$2,717,822.13
52	348	$700,689.00	$700,689.00
X2	394	$653,173.00	$653,173.00
Total Not in PA	742	$1,353,862.00	$1,353,862.00

Type of Expenditures

Another important aspect of a government agency's expenditures concerns the distribution of expended funds among various General Services Administration (GSA) categories. Using the GSA designation provided with each purchase order transaction, and creating a code for salaries and wages, the transaction data are summarized into the major designations. Table 3 presents the FY 1985 expenditures by GSA summary category. The three dominant categories are small business, accounting for nearly $5.6 million, salaries and wages, accounting for almost $2.6 million, and non-profit/educational-small businesses, which account for nearly $1.3 million in expenditures. GSA expenditures and transactions with educational or non-profit organizations account for just over $660,000 each. Hence, it can be seen that a substantial part of the purchases are not GSA expenditures, and that the Loretto facility spends the majority of the available non-salary and wages funds among non-profit/educational and small business firms. Conversely, only $217,069 in expenditures during FY 1985 went to other than small businesses.

A First Look at Multipliers

Up to now the analysis has focused on direct prison expenditures, that is, how much money is being placed into the local economy by the facility at Loretto. But expenditures made by major "industries" in local economies represent more than a single expenditure, (e.g., by the prison). Money is spent and re-spent by the initial and subsequent recipients. For example, a prison employee is paid (a direct expenditure from the prison), that employee then uses that money to purchase goods and services connected with the maintenance of a household (a second order expenditure), the merchants providing those goods and services use that money to buy supplies, pay their own expenses and pay their employees (a third order expenditure), and so forth. This cascading of expenditures through the system may be thought of as first order (direct effects), followed by second, third, and fourth order effects.

Table 3 -- Prison Expenditures by GSA Category

GSA Category	Number of Transactions	Total Dollars Represented	Est. Total Expenditures
C	123	$5,587,464.00	$5,587,464.00
D	4	$217,069.00	$217,069.00
G	203	$664,047.00	$664,047.00
GC	11	$17,856.00	$17,856.00
GT	1	$81.00	$81.00
N	94	$662,926.00	$662,926.00
NC	1461	$1,337,661.00	$1,337,661.00
ND	168	$451,412.00	$451,412.00
NG	1	$3,208.00	$3,208.00
NT	22	$65,136.00	$65,136.00
T	2	$11,779.00	$11,779.00
U	18	$121,837.00	$121,837.00
W	96	$2,113,012.50	$2,585,270.84
Totals	2204	$11,253,488.50	$11,725,746.84

C represents Small Business
D represents Other Than Small Business
G are GSA expenditures
T are procurements from other government agencies
N represent expenditures to Non-profit/Educational Institutions
U are Unicor expenditures
W are Salary and Wages expenditures

The "multiplification" of direct expenditures varies depending on what kinds of goods and services are being purchased, and whether they may be purchased locally. This occurs because the amount of input (e.g., labor, materials, etc.) for different products varies from product to product, and the degree to which specific kinds of products (i.e., including all the inputs/throughputs) can be supplied within a local economy.

In effect each direct expenditure can be augmented to reflect this cascading of expenditures through the local economy. Each expenditure can be multiplied by some fixed number that reflects a given product's typical inputs and throughputs for a given area. The U. S. Department of Commerce, through the Bureau of Economic Analysis publishes a series of multipliers that accomplish this for differing kinds of products and services for various areas of the U. S. These multipliers (called RIMS II) represents 39 different categories of goods and services at various stages. These categories range from new construction and retail trade, to households, utilities, primary and fabricated metals.

A review of purchase order transactions for the Loretto facility for selected types of goods once again revealed that salaries and wages are the largest single type of goods purchased on an ongoing basis, with food and food service being very important types of expenditures. In addition, one cannot minimize the impact of expenditures like those on construction, sewage treatment and medical equipment, which reflect initial expenditures, and mechanical services, plumbing and education, which are ongoing by nature. The effect of multipliers on selected goods and services purchased during FY 1985 are presented in Table 4. While these multipliers are demonstrative of the projected impact of the selected items, future work will examine in greater detail the multiplier effect on purchased goods and services.

Table 4 -- Multiplier Effects for Selected Goods and Services

Item Description	Est. Direct Expenditures	RIMS II*	Projected Economic Impact
Construction	$3,359,963.00	3.2982	$11,081,829.97
Electrical	$87,787.00	3.0098	$264,221.31
Furniture	$141,548.00	2.7358	$387,247.02
Salaries and Wages	$2,585,270.84	2.6399	$6,824,856.49
Telephones	$15,872.00	2.2861	$36,284.98

*RIMS II are economic multipliers developed by the U. S. Department of Commerce, through the Bureau of Economic Analysis to account for the fact that money in the economy is repeatedly spent by its various recipients. For example, a prison guard is paid a salary, that individual spends it for food, shelter and various other commodities; each of those individuals or firms spend the money again to pay their employees and the like.

Institutional Impact: Summary, Problems and Implications

There is little doubt that the economic impact of the facility at Loretto has been substantial. The local impact has far exceeded that which might have been expected. Initial expenditures to convert the facility to a low-security prison have dominated in categories such as construction and obtaining sewage treatment and adequate water supply for the facility. Certainly continued economic impact in the local area is to some degree focused on the salary and wage expenditures, as these expenditures are almost entirely local, account for a large segment of the total expenditures, and are ongoing.

While we have been unable to adequately project the existing purchase data into the future, for different facility configurations, crude estimates indicate that "prison size" is likely to affect overall expenditure, including local expenditure dramatically. More precise estimates of both future periods and projected economic impact will be facilitated by more consistent coding of the expenditure data. An ongoing monitoring of the financial records will facilitate such consistency and enhance our ability to make projections that are both adequate and accurate.

REFERENCES

- Abrams, K. S. et al., "The Socioeconomic Impacts of State Prison-Siting on the Local Community", Joint Center for Environmental and Urban Problems, Florida International University, May 1985.

- Carnes, S. A. et al., "Incentives and the Siting of Radioactive Waste Facilities," Oak Ridge National Laboratory, Oak Ridge, TN, (1982).

- City County Data Book, U. S. Bureau of the Census, Department of Commerce, Washington, D. C., 1982-85.

- Commonwealth of Pennsylvania, "Official Transportation Map," prepared by PA Department of Transportation in cooperation with Federal Highway Administration, Department of Environmental Resources, PA Game Commission and PA Fish Commission (1982).

- Flynn, E. E., "Standards and Goals: Implications for Facilities Planning," In M. Robert Monlilla & Nora Harlow (Eds.) Correctional Facility. Mass: D. C., Heath & Co., 67-81, 1979.

- Gamble, H. B. "Effects of Nuclear Power Plants on Community Growth and Residential Property Values," U. S. Nuclear Regulatory Commission, Washington D. C. (1979).

- Grieco, A. L., "New Prisons-Characteristics and Community Reception," Quarterly J. of Corrections, (Special Issue) Vol. 2:2, 55-60, 1978

- Jacobs, J. B., "The Politics of Corrections: Town/Prison Relations as a Determinant of Reform", Social Service Review, Vol. 50:623-631, 1976.

- Krajick, K., "Not on my Block: Local Opposition Impedes the Search for Alternatives," Correctional Magazine, Vol. 5:15-29, 1980.

- Maxim, P. and D. Plecas, "Prisons and Their Perceived Impact on the Local Community: A Case Study" Social Indicators Research, Vol. 13:39-58, 1983.

_ McGee, Prisons and Politics, Mass: D. C., Heath & Co., 1981.

_ Myers, S. "Racial Differences in Post-Prison Employment," Social Science Quarterly, (September) 1983.

- Myers, S. "The Rehabilitation Effect of Punishment," Economic Inquiry, (July) 1980.

- Nehnevajsa, J. and L. Stockman, "The Nation Looks at Crime: Police, Courts and Prison Systems," For LEAA, University of Pittsburgh, Urban Research, (September) 1977.

- Opinante, W., et al, "Impact of Correctional Facilities on Land Values and Public Safety," A proposal to the National Institute of Corrections, Bureau of Prisons, Department of Justice, Washington, D. C., 1985.

- Policy Research Associates, "Socioeconomic Impacts: Nuclear Power Station Siting," U. S. Nuclear Regulatory Commission, Washington, D. C. (1977).

- Popper, F. J., "LP/HC and LULUs: The Political Uses of Risk Analysis in Land-Use Planning," Paper presented at the Workshop on Low-Probability/ Risk-Consequence Risk Analysis, Arlington, VA, (1982).

- Silas, F. A., "Not In My Neighborhood," American Bar Association Journal, Lawscope, Vol. 70:27-29, 1984.

- Starr, C. "Risk Management, Assessment and Acceptability" Paper Keynote address at the 1984 Annual Meetings of the Society for Risk Analysis, Knoxville, TN, (1984).

_ State of Alabama, Department of Corrections, Impact of a Prison on a Community, 1982.

- Stanley, C. E., "The Impact of Prison Proximity on Property Values in Green Bay and Waupun, Wisconsin", A study commissioned by the State of Wisconsin Division of Corrections and Bureau of Facilities Management, Madison, WI (1978).

- Tully, H. A. et al., "Correctional Institution Impact and Host Community Resistance:, Canadian Journal of Criminology, Vol. 24:133-139, April, 1982.

- Zarchikoff, W. W., et al, "An Assessment of the Social and Economic Impacts of Federal Correctional Institutions on the Communities of Agassiz, Harrison Hot Springs and Harrison Mills, British Columbia, Canada." Prepared under Grant Number (TB/CT Reg. B 23203) from the Ministry of the Solicitor General, Evaluation and Special Projects Division, Cananda, 1981.