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# **COST ANALYSIS OF CORRECTIONAL STANDARDS:**

## **PRETRIAL DIVERSION VOLUME II**

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**By**

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**National Institute of Law Enforcement and Criminal Justice  
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U.S. Department of Justice**

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## PREFACE

The subject of this report is the cost and resource implications of correctional standards related to pretrial diversion programs. Standards used as a basis for the analysis are those contained in the 1973 Corrections Report of the National Advisory Commission on Criminal Justice Standards and Goals.<sup>1</sup> This is one of several program reports prepared by the Standards and Goals Project of the ABA Correctional Economics Center. Others cover such topics as "Institutional-Based Programs and Parole," "Halfway Houses," and "Activities to Assure Appearance in Court." The Standards and Goals Project analysis of the effect of programs such as diversion on the entire criminal justice system is the subject of another separate report.

The purpose of the Project's program reports is to provide state and local decision makers and their analysts with cost information on the many different kinds of activities advocated in the Standards of the Corrections Report. The decision makers are assumed to include:

- State criminal justice planning agencies
- State correctional administrators
- State budget officers
- State legislators
- Similar planners and administrators at the local level.

Project reports are intended to supplement the Corrections Report by providing these decision makers, and the analysts who support them, with information needed to adopt and to implement state and local standards and goals for corrections.

The results of the Project's analysis of diversion are presented in two volumes of which this is the second. Volume I summarizes the purpose, methodology and findings of the study. Though it is intended for use primarily by decision makers, analysts will find it useful as a quick

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<sup>1</sup>National Advisory Commission on Criminal Justice Standards and Goals, Corrections (Washington, D.C.: Government Printing Office, 1973); hereafter referred to as Corrections.



companion reference to this volume. Volume II is intended for use by analysts, providing them with detailed technical descriptions of estimation techniques applicable in analyzing the costs of diversion in any particular local jurisdiction.

In addition, this volume includes the following appendices:

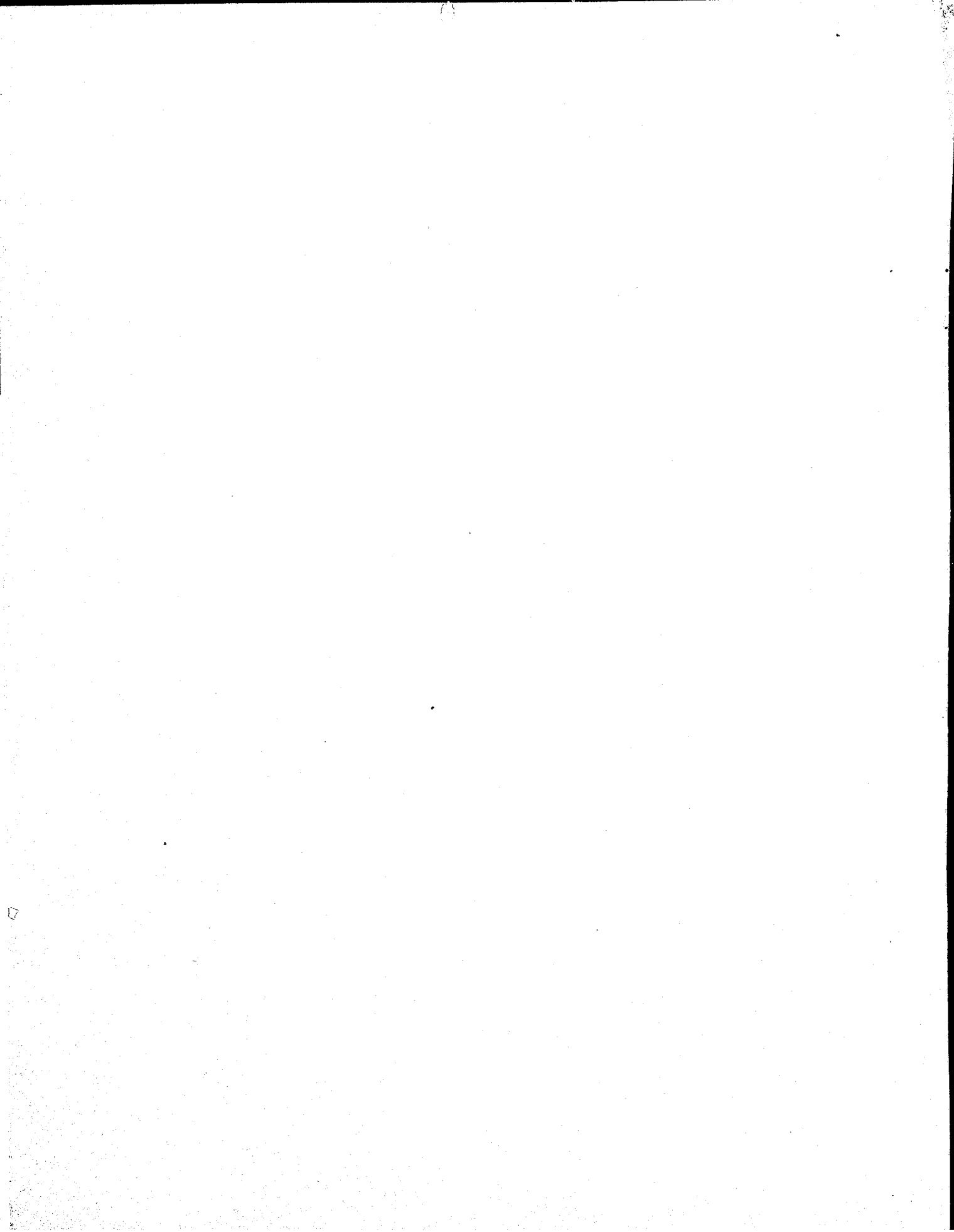
- A. Bibliography which identifies resource materials for those seeking additional, and in some cases more detailed, information than provided in this report;
- B. Prototypical Activities which also identifies sources of information that may be of help to decision makers seeking to implement their own standards--this appendix not only lists prototypical diversion activities but also indicates, where possible, the types of cost data available from these prototypes;
- C. Methodology which indicates in more detail how some of the cost estimates for various pretrial activities were made, and hence serves as a guide to the decision makers and their staff as they analyze the costs of similar activities for their own states or local jurisdictions.

The form and content of this program analysis have been guided by the Project's Plan for a Cost Analysis of the Corrections Report. Particularly pertinent to this diversion analysis are the sections on pretrial programmatic changes and guidelines for the Project's general approach to program analysis.<sup>1</sup> Following procedures in the Plan, this report has been guided in part by comments of those who reviewed earlier drafts. The reviewers included selected members of the Project's Advisory Board and other state and local officials with interest or expertise in pretrial programs.<sup>2</sup> The author is especially grateful for the assistance and advice given by Lee Friedman, Assistant Professor at the University of California (Berkeley) and member of the Advisory Board; Leon Leiber, Director of the American Correctional Association's Mutual Agreement Programming Project; and Arnold Hopkins, Director of the ABA National Pretrial Intervention Services Center. A special thank you is also due Barbara Bland, Administrative Assistant, for her patience and good nature in managing the production of this report, through early drafts to this final volume. Without her efforts, this report could not have been completed.

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<sup>1</sup> Standards and Goals Project, Plan for a Cost Analysis of the Corrections Report (Washington, D.C.: American Bar Association, Correctional Economics Center, 1975), pp. 18, 19, 23, 24, and 34-37; hereafter referred to as Plan.

<sup>2</sup> Ibid., p. 37.



## CHAPTER I

### INTRODUCTION

Pretrial diversion is given considerable prominence in the Corrections Report:

Diversion provides society with the opportunity to begin reordering the justice system by redistributing resources to achieve justice and correctional goals-- to develop truly effective prevention, justice, control, and social restoration programs. [Emphasis added]<sup>1</sup>

According to the National Advisory Commission on Criminal Justice Standards and Goals, diversion is to be differentiated from the goal of minimizing an individual's penetration into the criminal justice system by the use of the least drastic means at any point in the process. Instead, diversion "attempts to avoid or halt official processing all together."<sup>2</sup> Furthermore, while decriminalization is preferred to diversion for victimless offenses, until decriminalization is implemented, the Commission advocates diversion.<sup>3</sup>

#### CHARACTERISTICS AND SIGNIFICANCE OF PRETRIAL DIVERSION

Diversion provides an alternative to the traditional criminal justice pretrial process as shown in the flow diagram in Figure 1 on page 2; diversion occurs either prior to official police processing (arrest) or prior to official court processing. Among the reasons for promoting diversion is that it redistributes criminal justice system resources. By screening out less serious offenders, resources can be devoted to serious cases; if all offenses were handled officially, the costs would be prohibitive. "Diversion" is not a new concept; it has occurred informally and unofficially at all stages of the criminal justice system in the past. Without it the system would have collapsed.

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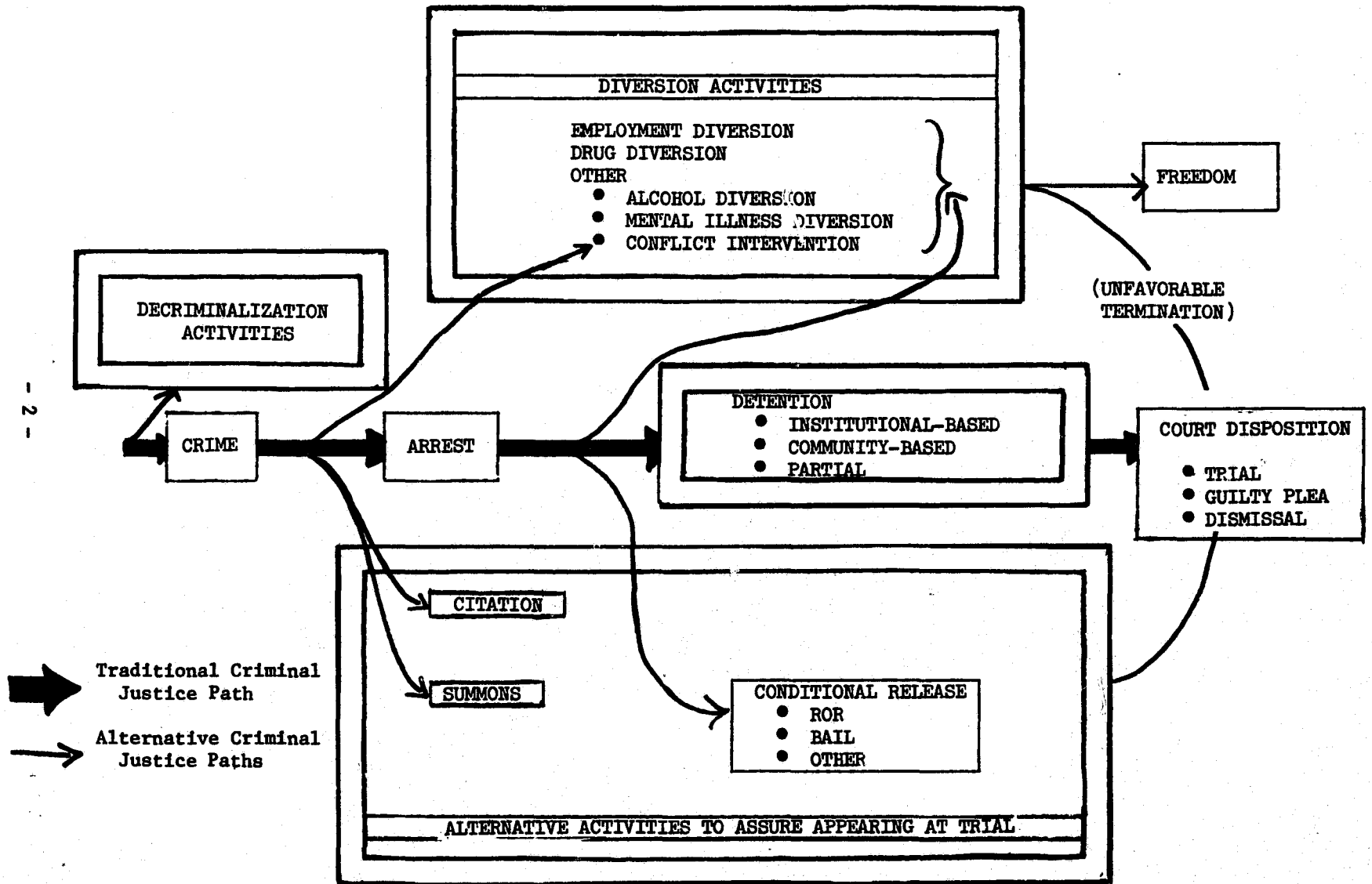
<sup>1</sup>Corrections, p. 94.

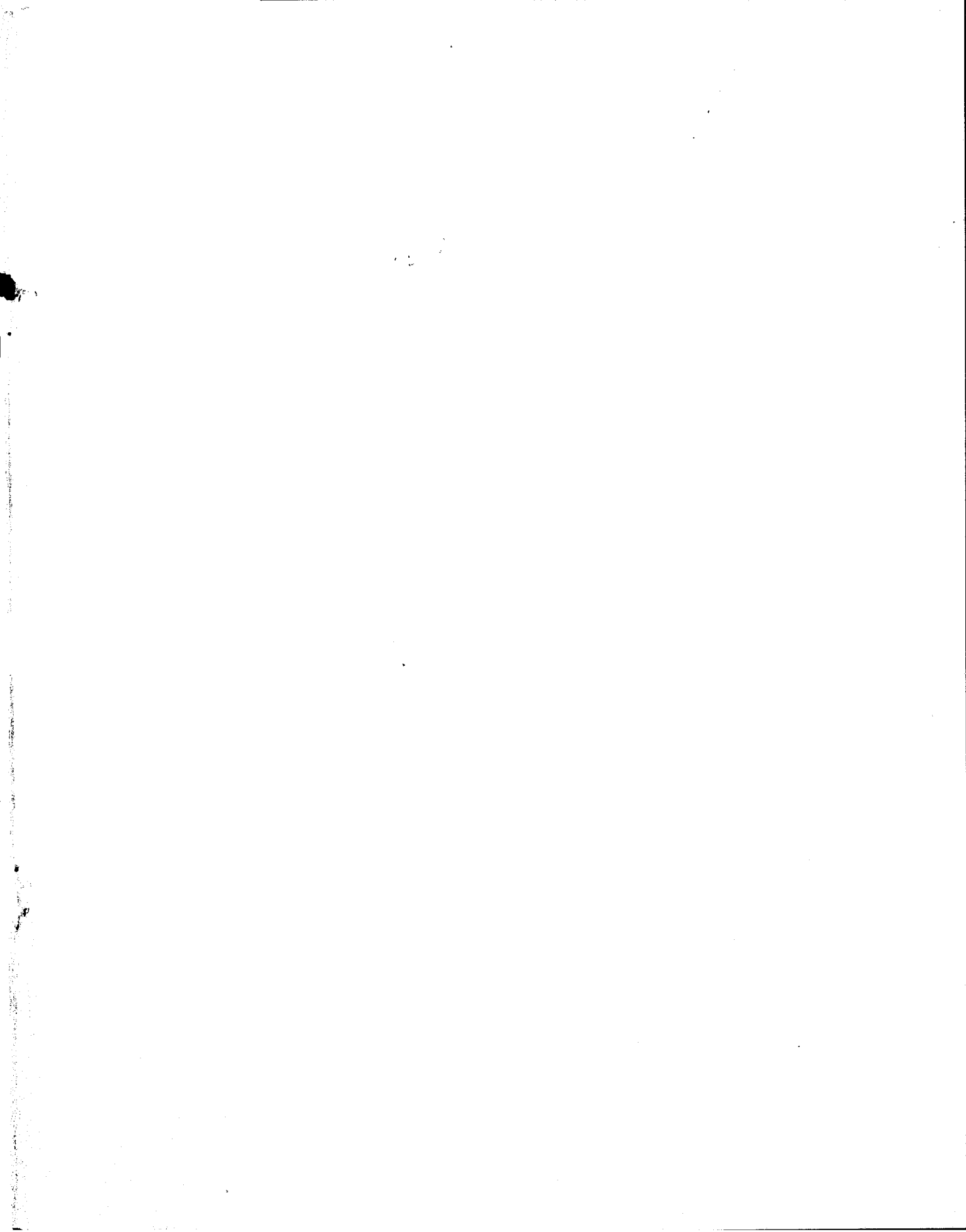
<sup>2</sup>Ibid., p. 73.

<sup>3</sup>Ibid., p. 74.

Figure I

The Criminal Justice Process: Pretrial





The Commission's argument for diversion, however, is not to keep a poorly functioning system in operation. Instead, formalized diversion is advocated for two reasons. First, it is an opportunity to make society more conscious and sensitive to the deficiencies of the present system, thus forcing needed changes.<sup>1</sup> Second, diversion is to be a systematic, equitable, and logical alternative in an improved criminal justice system excluding "individuals who truly do not need the services and resources of the justice system, even though they may need forms of help outside the justice system."<sup>2</sup> Diversion provides the vehicle for referring individuals in their contact with the law to those outside services and resources. Therefore, the Commission recommends Standard 3.1 on the "Use of Diversion" whose provisions are presented in figure 2 on page 4. The purpose of this Standard is to ensure that, unlike the informal, unofficial diversion of the past, future activities will use uniform methods and conditions for screening and referring specified target groups.<sup>3</sup>

Definition of diversion activities for the purpose of this program analysis is a reflection of the Corrections Report, especially Standard 3.1 and the discussion in Chapter III, and of the scope established for the Standards and Goals Project. Key elements of this definition are outlined in the paragraphs which follow.

In order to be included in this analysis, a diversion activity must meet the following conditions:

- The intervention must occur after a criminal act has been committed.
- The alleged offense must be one that has not been decriminalized.

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<sup>1</sup>Ibid., p. 94.

<sup>2</sup>Ibid., p. 74, 77.

<sup>3</sup>Ibid., p. 77.

Figure 2

Use of Diversion Standard 3.1<sup>a</sup>

Each local jurisdiction, in cooperation with related State agencies, should develop and implement by 1975 formally organized programs of diversion that can be applied in the criminal justice process from the time an illegal act occurs to adjudication.

1. The planning process and the identification of diversion services to be provided should follow generally and be associated with "total system planning" as outlined in Standard 9.1.

a. With planning data available, the responsible authorities at each step in the criminal justice process where diversion may occur should develop priorities, lines of responsibility, courses of procedure, and other policies to serve as guidelines to its use.

b. Mechanisms for review and evaluation of policies and practices should be established.

c. Criminal justice agencies should seek the cooperation and resources of other community agencies to which persons can be diverted for services relating to their problems and needs.

2. Each diversion program should operate under a set of written guidelines that insure periodic review of policies and decisions. The guidelines should specify:

a. The objectives of the program and the types of cases to which it is to apply.

b. The means to be used to evaluate the outcome of diversion decisions.

c. A requirement that the official making

the diversion decision state in writing the basis for his determination denying or approving diversion in the case of each offender.

d. A requirement that the agency operating diversion programs maintain a current and complete listing of various resource dispositions available to diversion decisionmakers.

3. The factors to be used in determining whether an offender, following arrest but prior to adjudication, should be selected for diversion to a noncriminal program, should include the following:

a. Prosecution toward conviction may cause undue harm to the defendant or exacerbate the social problems that led to his criminal acts.

b. Services to meet the offender's needs and problems are unavailable within the criminal justice system or may be provided more effectively outside the system.

c. The arrest has already served as a desired deterrent.

d. The needs and interests of the victim and society are served better by diversion than by official processing.

e. The offender does not present a substantial danger to others.

f. The offender voluntarily accepts the offered alternative to further justice system processing.

g. The facts of the case sufficiently establish that the defendant committed the alleged act.

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<sup>a</sup>Diversion is again highlighted in Standard 7.1, Development Plan for Community-Based Alternatives to Confinement: ". . . Minimum alternatives to be included in the plan should be the following: 1. Diversion mechanisms and programs prior to trial and sentence . . ." It is also emphasized in the Commission's report on Courts, Standard 2.1, "General Criteria for Diversion," and 2.2, "Procedure for Diversion Programs." National Advisory Commission on Criminal Justice Standards and Goals, Courts (Washington, D.C.: Government Printing Office, 1973), pp. 27-41.





- The diversion activity must be formalized, serve a definite population, and ideally provide preadjudication dispositions.<sup>1</sup>

Diversion activities can be classified by the organization having primary responsibility for their operation, such as police, courts or a private community agency.<sup>2</sup> This analysis is intended to be applicable to all diversion activities regardless of the sponsoring organization.<sup>3</sup> Generally, distinctions of sponsorship are relevant to a cost analysis to the extent that they reflect the stage of the criminal justice system at which intervention occurs and hence determine averted costs. For example, police diversion typically occurs at the point of defendant contact with the police and so saves more criminal justice resources than diversion by a court. Classification of diversion activities by the sponsoring agency is also a factor in a cost analysis if the sponsoring

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<sup>1</sup>As in all Standards and Goals Project analyses, diversion activities directed solely at juveniles will be excluded, except as they serve as prototypes which can be replicated for adults. For the Standards and Goals Project, activities identified as "pretrial intervention," "deferred prosecution," and "pretrial probation" will be considered forms of diversion. "Diversion" and "intervention" are interchangeable terms referring to the fact that these activities "intervene in" or "divert one from" the traditional criminal justice path. Prosecution is deferred in all diversion activities; the court, with the agreement of the prosecutor and the defendant, delays the trial while the defendant participates in diversion. Diversion is similar to traditional probation in that it offers services; it is unique in that diversion always occurs pretrial. Diversion also differs from traditional probation in that diversion's client/counselor ratios are lower; its services more concentrated, hence its costs higher. For example, this study estimates diversion costs to range from \$1,331 to \$4,490 per client year; according to estimates in a separate Standards and Goals Project report the costs of probation would be much lower.

<sup>2</sup>All such organizations fall within the broad definition given to "corrections" by the Corrections Report. These various types of diversion are discussed in the Corrections Report, p. 77.

<sup>3</sup>According to a recent survey, 40 percent of all diversion programs are sponsored by a probation or parole agency; 22 percent by a private agency and 15 percent by a court. National Center for State Courts, An Evaluation of Policy-Related Research on the Effectiveness of Pretrial Release Programs (Denver, Colo.: National Center for State Courts, 1975), Appendix C, p. 12. Pending federal legislation (e.g., S.798 and H.R. 9007, 93d Cong., 1st Sess.) and state legislation in Ohio, Florida, Massachusetts and Washington also provide for probation or parole departments' sponsorship of diversion activities. The President of the National Association of Pretrial Services Agencies, however, suggests that the trend is away from sponsorship by correctional agencies like probation toward independent diversion activities sponsored by other executive agencies or by the courts. This trend reflects a concern that diversion activities which presume innocence should not be located in correctional agencies which presume guilt. Bruce Beaudin, review of this report prepared for LEAA, February, 1976.

agency is at the state rather than the community level. This analysis focuses on diversion activities developed and implemented at the initiative of local jurisdictions because such activities provide only available cost data and because local activities were recommended in the Corrections Report.<sup>1</sup> Though recent legislation reflects a trend toward statewide diversion, no statewide diversion activity is yet operational.<sup>2</sup>

Diversion activities also can be classified by the primary type of services offered to clients, such as employment, drug treatment or conflict intervention. This classification is particularly useful in a cost analysis because most of the differences in the costs of diversion incurred by the criminal justice system are due to differences in the services offered.<sup>3</sup>

The latter classification of diversion activities, that is, by the type of services offered, will be used in this analysis. Distinctions due to agency sponsorship will be discussed only when such distinctions affect costs.

This cost analysis focuses on two types of pretrial diversion activities: those emphasizing the provision of employment services and those emphasizing drug treatment services. The report also includes a brief discussion and less detailed cost analysis of three other types of diversion:

- Alcohol diversion activities providing detoxification;
- Mental illness diversion activities providing treatment;
- Conflict intervention activities providing arbitration and counseling.

Within this cost analysis, several different types of costs are discussed. The rationale for including and differentiating among these costs is explained in the next section.

#### TYPOLOGY OF COSTS

Administrators and planners, subjected to the rigors of a yearly budgetary process, are frequently forced to consider and to justify their programs in terms of their own budgetary costs alone. Therefore the following types of costs are often neglected in budgetary debate and program analysis:

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<sup>1</sup>Corrections, p. 95. Diversion as part of a comprehensive pretrial services agency is analyzed in a separate Standards and Goals Project report.

<sup>2</sup>For example, see New Jersey's statewide Plan and legislation in Tennessee, Rhode Island, Massachusetts, Washington, and Florida.

<sup>3</sup>See the section on "Typology of Costs" which follows for more elaboration on incurred and averted costs.

- The costs of goods and services from actors outside the agency whose budget is being considered. (Example: Actors may include individuals as well as private or governmental agencies. Measures of the value of goods and services potentially provided the diversion activity are the cost of donated facilities and equipment, the value [imputed cost] of volunteer labor, or the value of public defender consultations.)
- Full costs of support or administrative activities which, though they do not benefit a "clientele" directly, are necessary to provision of direct services. (Example: The accounting department for a corrections agency has no direct relation to participants in a diversion activity, yet the agency may manage the accounts for all activities of the probation department including diversion. Likewise, the manager of the accounting department may never prepare data on diversion activities, yet that manager is accountable for the work of those who do.)
- Costs incurred by individuals as a result of their participation (whether voluntary or involuntary) in a given activity. (Example: Participants in a diversion activity may lose the right to a speedy trial. It is assumed that this loss will have a value to each individual, and in this sense represent a "cost" of the diversion activity.)
- Costs incurred by society as a result of a given action or inaction. (Example: Incarcerating people suspected of a crime has been assumed to reduce the risk of danger to society. If society chooses to divert rather than incarcerate suspects pretrial, society presumably agrees to assume a greater risk of crime. The expected value associated with this risk represents a cost to society.)

In the budgetary process of criminal justice agencies, all these costs may not be considered routinely, but they are within the proper purview of economic analysis. Ideally, familiarity with them could open budgetary debate to consideration of the full range of program costs.

For the Standards and Goals Project's reports, the kinds of costs described above have been incorporated into a cost typology that can be used for analyzing the resource implications of all pretrial activities. Types of costs within this typology are described and compared in the paragraphs that follow. All of these costs are costs incurred by society and individuals as a result of diversion activities.<sup>1</sup>

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<sup>1</sup>The evidence on averted costs associated with diversion activities (for example, the trial costs that are averted if a person successfully completes that diversion activity) is limited and conflicting. It is discussed only briefly in this report, beginning on page 25.

## Criminal Justice System Costs

Criminal justice system costs include direct outlays for, or the imputed value of, goods and services provided by:

- Law enforcement agencies
- Courts
- Legal services agencies, bureaus or firms
- Other agencies, organizations or individuals whose stated mission could not be carried out if there were no crime
- Activities of organizational units or individuals financed by any of the above.

The criminal justice system thus is defined to comprise the activities and agencies listed above.

Criminal justice system costs may be further subdivided in the following way:

- Public expenditures--direct outlays for, or the imputed value of, goods and services provided or financed by governmental agencies or units.<sup>1</sup>
- Private expenditures--direct outlays for, or the imputed value of, goods and services provided or financed by non-governmental agencies or units.<sup>1</sup>

## External Costs

External costs include direct outlays for, or the imputed value of, goods and services provided by all agencies, organizations or individuals external to the criminal justice system.<sup>2</sup> External costs, like the previous classification, may be further subdivided into:

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<sup>1</sup>There will be cases in which goods or services are financed through governmental as well as private sources. The source of such financing would determine whether they were classified as "private" or "public" expenditures.

<sup>2</sup>The "criminal justice system" is defined to include the agencies or individuals listed under "criminal justice system costs" above.

- Public expenditures--direct outlays for, or the imputed value of, goods and services provided or financed by governmental agencies.<sup>1</sup> For example, these would include: welfare, health, and mental health departments or facilities; employment and training programs, public schools and departments of education.
- Private expenditures--direct outlays for, or the imputed value of, goods and services provided or financed by non-governmental agencies or units.<sup>1</sup> For example, these might include: private employment agencies or day care centers, or private mental health practitioners (not paid under government contract).

This pretrial analysis will be concerned only with those external costs that are associated with diversion activities. For example, though the analysis is not concerned with all of the costs providing education services to adults, it is concerned with the costs of educational programs for adults in diversion programs.

#### Direct and Indirect Costs

The following types of costs apply to both the criminal justice and external costs categories above in the analysis of a specific pretrial activity, such as drug diversion. Direct costs include personnel and other expenditures associated with the provision of specific services to clients by a specific diversion activity. For example, the salary of a Career Developer serving individual clients within a drug diversion activity would be considered a direct cost of that program. Likewise transportation, rent, equipment, utilities and other non-personnel operating costs would be considered direct costs.

Services may be provided directly to the activity's clients by the diversion activity itself or by other agencies (both within and outside of the criminal justice system). Costs associated with services provided outside by other agencies within the criminal justice system are still considered direct client costs. If such services are provided by other agencies outside the criminal justice system, then those costs, while still direct (since the agencies are serving a client of the activity being analyzed), are external direct costs.

Where direct costs of diversion activities are not immediately identifiable, such as in the case where personnel of other criminal justice agencies provide services to clients of a particular diversion project, estimates must be made on a percentage time basis. For example, consider a diversion activity in which some of the counseling and referral services are being provided by members of the public defender's staff. In order to determine the total criminal justice system

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<sup>1</sup>There will be cases in which goods or services are financed through governmental as well as private sources. The source of such financing would determine whether they were classified as "private" or "public" expenditures.

costs of this diversion activity, in addition to the costs associated with the provision of services by the diversion activity itself, the cost associated with the provision of services by the public defender's staff must be estimated. If it is determined that the public defender's staff spends five percent of its time providing services to diversion clients, then five percent of their salaries and fringe benefits must be included as a portion of the costs of that diversion activity. That is, that amount of salary and fringe benefits would be a direct cost of the diversion activity. (The administrative costs absorbed by a public defender's office that refers clients to diversion and then monitors their progress through the diversion process would be an indirect cost and therefore not included in the Project's criminal justice system cost estimates, as explained below.)

Costs which cannot be attributed to a specific diversion activity, but which are known to be associated in part with that activity, are defined as indirect costs. An example would be the costs borne by a school which refers students to a diversion activity. Also, the indirect costs associated with any general administrative services provided to the diversion activity by state or local correctional agencies or other state or local government personnel, are assumed to be associated with general administration of correctional programs and not the specific diversion activity.

The complexities of estimating indirect costs associated with particular diversion activities make it impossible for the Standards and Goals Project to include allowances for indirect costs in all of the Project's cost estimates. Hence, for relatively self-contained activities, such as diversion projects, correctional institutions, and most halfway houses only direct costs have been analyzed in the Standards and Goals Project's reports.

### Opportunity Costs

In addition to criminal justice system and external costs described above, another type of cost is considered in this analysis of diversion. Opportunity cost is a measure of the cost that results from the fact that when one activity is undertaken another activity must be foregone.

Opportunity cost can be viewed from the perspective of many different levels of resource aggregation, that is, there is an opportunity cost associated with:

- A single resource which could be used in different ways (such as a diversion staff member who could hold other jobs);

- A set of resources which could be used in alternative pretrial activities (such as \$10,000 for ROR or diversion activities);
- A set of resources which could be used in alternative criminal justice program areas (such as an educational program for diversion clients or for prosecutors);
- A set of resources which could be used in alternative public activities (such as government doctors for criminal justice or mental health programs);
- A set of resources which could be used in public or private activities (such as \$10 million in loans to build a correctional institution or private homes).

From the perspective of a single resource that could be used in different ways, one measure of the opportunity cost of an inmate in pretrial detention is the productivity of his labor that is foregone. Or the opportunity cost of using a person to teach inmates is the teaching (or other tasks) he or she might have performed elsewhere. At the level of alternative pretrial activities, the opportunity cost of using a set of resources to perform one particular pretrial activity (for example, detention) can be thought of as being the result or product (for example, manpower training) that could be obtained from using those same resources in other types of pretrial activities (such as diversion or ROR). At other levels of resource use suggested in the list above, individual pretrial activities, or all pretrial activities as a group, can be compared to other criminal justice activities, other non-criminal justice governmental activities, or non-governmental activities.<sup>1</sup>

In all of these comparisons, if the opportunity cost (that is, the product of the activity foregone) is greater than the product of the activity undertaken, there is a loss or "cost" to society above and beyond the eight types of costs described earlier. This loss to society is a social cost to be allocated to undertaking the activity whose productivity is lower. The question of how to define and measure productivity (or even relative productivity) becomes a major problem when the analysis moves from the level of individual resources to criminal justice activities

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<sup>1</sup>As a concept which is derived from production theory and efficiency considerations, opportunity cost analysis focuses on the "alternative uses" of products from a given resource or set of resources. The related, but analytically distinct, concept of cost aversion, on the other hand, focuses on the "least cost alternative" for achieving a given product or set of products.

whose "products" are differentially defined as deterrence, rehabilitation and so forth, by policy makers and analysts.

For this cost analysis of diversion activities, only the first type of opportunity cost is explored in detail. Opportunity costs associated with the other levels of comparison identified above are discussed briefly in the Project's summary report.

#### ANALYSIS OF DIVERSION COSTS

The typology of costs presented in this section serves as an introduction to analysis presented later in this report, and as a guide for administrators and analysts considering the full costs of existing and contemplated pretrial activities in their own jurisdictions.

It is beyond the scope of this report to treat all costs of all diversion activities with the same amount of analytical and numerical precision. It will therefore focus on:

- Analyzing costs of most immediate concern to criminal justice decision makers (primarily public expenditures of the criminal justice system);
- Signaling (and analyzing to the extent possible) other types of costs that are likely to be most significant in calculating the full costs of particular diversion activities;
- Analyzing differences in the costs of current activities and the types of pretrial activities recommended in the Corrections Report.



## CHAPTER II

### CRIMINAL JUSTICE EXPENDITURES FOR EMPLOYMENT DIVERSION ACTIVITIES

Because many defendants are unemployed and employment-handicapped, diversion activities were designed to offer education, vocational training, aptitude testing and counselling. With the benefit of these employment services, it was hypothesized, defendants would find, qualify for and keep jobs, thus pursuing acceptable alternatives to crime.

To test this hypothesis, the Manpower Administration of the U.S. Department of Labor (DOL), under the Manpower and Development Training Act of 1962 as amended, funded two experimental demonstration projects: Project Crossroads in Washington, D.C., and the Manhattan Court Employment Project in New York City. Following these initiatives in the late sixties, additional "second-round" projects across the country were financed by DOL.

Because these DOL projects are some of the most notable diversion activities of their kind, serving as models for many similar activities, and because data are available on these projects, the DOL model of diversion provided the basis for this cost analysis of diversion activities emphasizing employment services.<sup>1</sup>

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<sup>1</sup>The Corrections Report also highlights the DOL model, pp. 84-85. However, one should note that this model does not conform to all provisions of Standard 3.1, specifically to the words: "Each local jurisdiction should develop and implement . . . ." (p. 95) The differences, however, are not expected to affect activity costs significantly. For example, DOL diversion activities were not established at the initiative of or within the local criminal justice system. Typical DOL activities were sponsored by private community-based organizations which gained the consent and cooperation of the local criminal justice system. With the end of the demonstration phase and the end of DOL's funding, several DOL activities are now financed by the city, county or state, and are under the jurisdiction of the local criminal justice system, typically the courts or the probation department.

The DOL model has the following characteristics:

- Project staff screen potential participants, counsel them and either provide employment and educational services or refer to such services outside the project;
- Project staffs include paraprofessionals--often ex-offenders--with backgrounds similar to those of the clients served by the activity;
- The enrollment criteria vary, but typically specify sex, age, residence, employment status, present charge (those charged with violent crimes and serious felonies are often disqualified), pretrial release status, and previous record (many but not all of the activities; clients are first offenders);
- With the cooperation of the prosecuting attorney and the judge, the defendant is granted a continuance (usually 90 days);
- If the defendant "successfully" participates in the project during the 3-month continuance, on the recommendation of the project staff and with the prosecutor's approval, charges are dropped (unsuccessful participants are returned to the normal court process);
- The recidivism rate of "successful" participants has been lower than that of control groups.

Other diversion activities, such as the New Haven Pretrial Diversion Project, are spin-offs from the DOL model of employment diversion, but were not DOL-financed. While they are similar to the DOL model, they differ in significant ways. For instance, the staff of the New Haven Project are not paraprofessionals from social groups with whom the project's clients can identify.<sup>1</sup> Instead, client-counselor relationships and motivation are based on the concept of a token economy.<sup>2</sup>

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<sup>1</sup>Operation Midway in Nassau, New York, is another example of a spin-off with an all-professional staff.

<sup>2</sup>The Token Economy is a technique used to elicit abrupt changes in behavior through a system of swift rewards and punishments. As applied to New Haven's diversion activity, the tokens are 1,200 points each client must earn in order to receive a favorable recommendation. Points are earned at a predetermined rate as the client fulfills specific requirements, for example, attend a counseling session. Failure to do so results in a loss of points. The counselor in this system keeps an objective score. Client-counselor relationships are to be less subjective, less emotional than in the role-model counseling technique typical of most diversion activities. Joseph S. Cariello and Joseph P. McGloin, "An Examination of the Effectiveness of the Combined Application of a Token Economy System and Reality Therapy on a Pretrial Diversion Population," New Haven Pretrial Services Council, New Haven, Conn., January 9, 1975. (Mimeographed.)

Nonetheless, many of the spin-offs come close to fulfilling the requirements of a diversion project identified in Standard 3.1. Therefore, because spin-offs may be able to provide useful information to analysts, diversion activities identified in Appendix B are not limited to DOL models. Also included is a partial, but not exhaustive, list of the types of cost data available from each diversion activity.

#### GENERAL CHARACTERISTICS OF A SAMPLE BUDGET FOR AN EMPLOYMENT DIVERSION ACTIVITY

The criminal justice expenditures needed to operate a typical employment diversion activity are estimated in the sample budget shown in figure 3 on page 16.<sup>1</sup> This sample budget presents benchmarks for decision makers attempting to estimate the costs in their own localities of operating a diversion activity which emphasizes employment services. It is based on expenditure estimates from 17 operational DOL model diversion activities and conforms to the Standards in the Corrections Report.

In using this sample budget, the following four features should be noted:

- (1) This sample budget is for an on-going operational activity, and as such excludes the higher start-up costs that characterize the first years of a demonstration activity. Higher start-up costs can be expected during the first one or two years due to management inefficiencies, special supply needs, a paucity of clients, monies expended recruiting and training staff, and the expenses and time often needed to sell local judges and prosecutors on the concept of diversion.<sup>2</sup>
- (2) For each budget item, two estimates are given, an average high and an average low. Neither represents the extreme. For example, the actual salary budgeted for the project director in El Paso's PIVOT is only \$10,400 while that of the project director for the central office of New York's Court Employment Project is \$30,870. Travel expenditures also vary from a low of 0.3 percent of the total budget in Manhattan to 7.5 percent in Haywood, California. In three out of four operational projects established using the DOL model, it is anticipated that expenditures for each budget line item can be kept within the average high and average low ranges of the sample budget. (For

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<sup>1</sup>For more general information on how sample budgets used in the Standards and Goals Project reports have been constructed, see Appendix C-1.

<sup>2</sup>Average per client start-up costs may be up to fifty percent higher than operational costs.

Figure 3

Sample Budget of Annual Criminal Justice  
Expenditures for an Operational, Employment Diversion Activity<sup>a</sup>

ITEM	AMOUNT (1974 DOLLARS)		PERCENT OF TOTAL COSTS <sup>e</sup>
	AVERAGE LOW	AVERAGE HIGH	
<b>PERSONNEL SERVICES</b>			
Wages and Salaries			
1 Administrator	\$ 14,700	\$ 21,600	7.4%
1 Career/Job Developer	8,200	12,700	4.3
7 Counselors (\$9600-12,800 per counselor)	67,200	89,600	32.2
3 Screeners (\$8900-10,800 per screener)	26,700	32,400	12.1
1 Data Analyst/Researcher	11,000	15,800	5.5
1 Secretary/Receptionist	6,600	9,500	3.3
1 Accountant, Half-time	5,700	8,100	2.8
Total Wages and Salaries	140,100	189,700	( 67.7)
Fringe Benefits (15 percent)	21,015	28,455	10.1
Overtime	1,000	1,400	0.5
<b>TOTAL PERSONNEL SERVICES</b>	<b>\$162,115</b>	<b>\$219,555</b>	<b>( 78.3%)</b>
<b>OTHER DIRECT COSTS</b>			
Travel	\$ 6,600	\$ 9,000	3.2 %
Consultants	1,400	2,000	0.7
Supplies and Equipment	6,600	9,000	3.2
Duplication Services	1,400	2,000	0.7
Rent, Utilities, and Maintenance	12,000	16,300	5.8
Communications	4,600	6,200	2.2
Administration	6,200	8,400	3.0
Bonding and Insurance	400	600	0.2
Clients Emergency Fund	3,500	4,800	1.7
Miscellaneous	2,000	2,800	1.0
<b>TOTAL OTHER DIRECT COSTS</b>	<b>\$ 37,500</b>	<b>\$ 51,300</b>	<b>( 21.7%)</b>
<b><u>TOTAL ANNUAL CRIMINAL JUSTICE EXPENDITURES</u></b>	<b>\$206,815</b>	<b>\$280,655</b>	<b>100.0%</b>
<b><u>AVERAGE COST</u></b>			
At Design Capacity of 260 Clients Per Year <sup>b</sup>	Per Client Year Per Client	\$ 3,182 \$ 795	\$ 4,318 \$ 1,079
At Actual Total Clients Served of 250 Per Year <sup>c</sup>	Per Client Year Per Client	\$ 3,309 \$ 827	\$ 4,490 \$ 1,123
Per "Successfully" Terminated Client At 200 Per Year <sup>c d</sup>		\$ 1,034	\$ 1,413

<sup>a</sup>This budget includes only those costs of an employment diversion activity which are borne by the criminal justice system. Excluded are the costs of services typically provided outside the criminal justice system--such as manpower training, aptitude testing, GED tutoring, and vocational testing. These services to which diversion clients are referred are treated as external costs. Also excluded from the above budget are opportunity costs of diversion, including the individual client's loss of the right to a speedy trial and any potential risk to society of increased crime committed by diversion clients.

<sup>b</sup>Design Capacity associated with this sample budget for an employment diversion activity is 65 clients being served at any one time, with a typical client's tenure of three months for a total maximum number of 260 clients served annually. See the text for more discussion.

<sup>c</sup>See the text for the rationale behind "actual per client" and "per successful client" estimates.

<sup>d</sup>A "successfully" terminated client is one against whom charges are dropped as a result of his participation in the diversion activity.

<sup>e</sup>Percentages for the high and low estimates are not identical because of rounding; those shown here are the average for the two groupings. Percentages may not add to 100 because of rounding.

more information on how estimates for individual line items were calculated, see the section which follows on "Specific Budget Items.")

- (3) This sample budget includes only those expenditures incurred by the criminal justice system in the operation of a diversion activity. Excluded from this budget (but discussed later in Chapter V) are external costs (for example, the cost of job training activities outside the criminal justice system to which the diversion client may be referred) and opportunity costs (for example, the potential costs to society of any increased risk of crimes committed by diversion clients). External costs for many clients are likely to exceed average criminal justice expenditures for persons participating in DOL model diversion projects, since manpower training costs are estimated between \$2,000 and \$2,400 per client, as compared with criminal justice system expenditures of \$795 to \$1,403 per client, depending on the particular estimate used (see Figure 3).
- (4) Estimates presented in this sample budget are in 1974 dollars. Therefore persons using these benchmarks to estimate costs of activities after 1974 will need to make allowances for post-1974 price increases for items covered in the budget.

More specific information on data sources and using these estimates follows.

#### DATA SOURCES

The sample budget presented in Figure 3 is the result of an analysis of the best available budget data from the following DOL model activities:

- New York's Court Employment Project (comprised of four borough offices, each with its own budget--Manhattan, Brooklyn, Bronx and Queens; the budget expenditures of the Central Office were divided among the four boroughs according to the client load of each office),
- Washington, D. C.'s Project Crossroads (available budgetary data was limited to staff salaries and rent; other administrative expenditures were buried in the budget of the court division of which Project Crossroads is a part),
- California's Project Intercept which is operational in Haywood, Oakland, San Jose and Santa Rosa,

- Atlanta's Pretrial Intervention Project,
- Baltimore's Pretrial Intervention Project,
- El Paso's Pre-Trial Intervention Volunteer Over Trial (PIVOT) Project,
- San Antonio's Project Detour (recently terminated because of financial difficulties and continuing opposition from the court),
- Boston's Court Resources Project (including two offices: one for Boston and Suffolk County and another for Middlesex-Essex Counties),
- Minneapolis' Project DeNovo, and
- Cleveland's Offender Rehabilitation Project.

The above 17 diversion activities have been wholly or partially funded by the U.S. Department of Labor and as such have similar characteristics.<sup>1</sup> Nevertheless, their budgets reveal a wide variety of staff patterns and administrative expenditures. This sample budget is an attempt to distill these differences and to identify the minimum program characteristics of a typical DOL model diversion activity. For example, some of the activities, notably New York City's, have several executive positions: in addition to an administrator there may be an assistant administrator, a special assistant to the administrator and a director of operations. Such a complex executive structure may be necessary because of the geographical scope, the diversity of clients, the variety of services offered, and the complexities of the court systems in New York City. However, the typical DOL model activity has one administrator and this simple, more typical structure is assumed in making the cost estimates shown in Figure 3.

Whenever possible, the budgets analyzed were operational, approved and revised, not the budgets of program proposals. Actual expenditure data rather than budgets would have been preferred because expenditures are more likely to reflect the realities of an activity's costs than budgets, which are often colored by optimism and political salesmanship. However, expenditure data were not available for any of the projects.

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<sup>1</sup>The Department of Labor also partially funded diversion activities in Newark, New Jersey and Columbia, South Carolina, but data on these two projects was not available.

Despite the diversity among the budgets of employment diversion activities, certain patterns were discernible. It is those patterns that are reflected in the sample budget. For example, personnel expenditures for these 17 projects average 78.3 percent of total expenditures. While personnel expenditures were a larger share of the budget in Manhattan (91.5 percent), and a smaller percent in Boston-Suffolk County (62.1 percent), the majority of projects cluster around the mean. Therefore this average (78.3 percent) was used for the sample budget. The high percentage of the budget that goes for personnel is a result of the fact that diversion activities, like most criminal justice functions--and most governmental services--are labor intensive.

Personnel expenditures are the key to the sample budget's cost estimates. Other budgetary items are estimated in specific proportion to wages and salaries. Cost analysis of the available budgets supported this assumption; for some of the actual diversion budgets analyzed, line items such as travel, equipment, supplies and rent were actually calculated per staff member. More specific information on how estimates for individual line items were derived is presented in the next section.

#### SPECIFIC BUDGET ITEMS

An explanation of line items in the budget may aid analysts as they adapt to their own localities the sample budget estimates shown in Figure 3.

Annual salaries listed under personnel services, in conformance with the definition used by the U.S. Office of Management and Budget, include pay for vacation, holidays and sick leave. To arrive at the set of salary estimates shown in Figure 3, it was first necessary to identify the positions to be included in the sample budget and then to estimate salary levels for those positions.

To identify positions to be included, all staff positions, appearing in a majority of the 17 projects studied were collapsed into the categories shown in Figure 3. The number of positions per category for an activity with a "design capacity" of 65 (that is, the activity can accommodate up to 65 participants at one time) was based on average client/staff ratios for positions in the category. (For example, seven counselors were identified to achieve a client/staff ratio of approximately 9 to 1, if only clients actually enrolled at any particular time were counted, and a ratio between 25 to 1 and 30 to 1 if former clients for whom a counselor assumes some follow-up responsibilities were also included.)<sup>1</sup> Some but not all of the projects

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<sup>1</sup>The term "counselor" encompasses all client advisors with the exception of career or job developer.

surveyed included a data analyst or researcher. The decision to include such a position in the sample budget was based on requirements in Standard 3.1 for data collection and evaluation.

To estimate salary levels for the positions thus identified, salary levels of the projects surveyed were checked to be certain they included allowances for leave, as specified above, and were adjusted to 1974 dollars using the GNP deflator for purchases of state and local governments.<sup>1</sup> When there was more than one position in a single project in a given category, an average salary for that category was calculated. Salary levels in 1974 dollars for each category for 17 projects were then arrayed from high to low. If any salary was so high or so low that there was a large gap between it and the next salary in the array, it was eliminated. Remaining salary levels were then divided into two "high" and "low" groupings of equal size. The mean for the high group was calculated and is shown as the "average high" estimate in the sample budget. The "average low" estimate was calculated similarly using the low grouping of salary levels.

As described above, the sample budget includes all the essential staff positions of the typical DOL activity. The organizational charts of some employment diversion activities are more complicated. Occasionally several staff are in administrative positions. Only two projects employ a staff psychologist. The number of counselors and their specializations (and hence salary) increase in direct relationship to the number of in-house services the project offers. In general, for the employment diversion activities surveyed, counselors' and screeners' salaries were kept low by using paraprofessionals.<sup>2</sup> Salaries in typical diversion activities, even though funded by the federal government, reflect the lower salary levels of state and local governments and private, non-profit agencies, not those of the federal civil service.

Fringe benefits are defined here to include employer contributions to retirement plans; health, accident and life insurance; unemployment programs and workmen's compensation. In all employment

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<sup>1</sup>Most goods and services purchased by state and local governments are personnel services, so this is the best index available for recent time periods for this purpose.

<sup>2</sup>The salaries of counselors in the DOL-type activities are estimated to be \$9,600 to \$12,800, while those of counselors in drug diversion activities are estimated to range up to \$16,200.



diversion activities surveyed, except New York City, fringe benefits represented an additional 15 percent of annual salaries.<sup>1</sup>

According to the latest available data compiled by the U.S. Civil Service Commission and the Office of Management and Budget, average fringe benefits are slightly above 15 percent in the private, non-farm economy (15.9 percent) and in the federal government (16.0 percent).<sup>2</sup> These percentages, however, are averages including all levels of seniority and salary while the typical employee of a diversion activity is relatively young and a recent entrant to the job market. Thus it is assumed that 15 percent for fringe benefits is not an underestimate.

An allowance for overtime did not appear in any budget surveyed, but based on the Project staff's experience with budgets in related areas, an overtime allowance (especially for the secretary who earns \$6,600 to \$8,100) is included.

Direct costs of diversion include many items (such as rent) which may be identified as indirect costs in the budgets of some diversion activities.<sup>3</sup> Such items are direct costs in an employment diversion activity, for example, which involves only some of the police, some of the time, diversion is the only activity to which the rental space, telephones and duplication services are devoted.

Types and amounts of specific direct costs (that is individual line items shown for expenditures other than personnel services) ranged widely among the activities surveyed. However, as indicated above, total personnel expenditures tended to be near an average of 78.3 percent of total costs for most projects, and so total non-personnel

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<sup>1</sup>In New York City they were 18.5 percent.

<sup>2</sup>"Changes in Compensation Structure of Federal Government and Private Industry, 1970-72," Summary from Supplementary Compensation in the PATC Industry Survey, Publication #419 (Washington, D.C.: Department of Labor, Bureau of Labor Statistics, 1973).

<sup>3</sup>See "Typology of Costs."

expenditures were near 21.7 percent of total costs (100.0 minus 78.3). In the sample budget shown in Figure 3, the share each line item (other than specific personnel service items already discussed above) has of the total sample budget is an average of that line item's share of the budgets surveyed, rounded to the nearest \$100. In effect, this estimating procedure reflects the variation among the budgets surveyed while retaining a limitation on total non-personnel costs at 21.7 percent of total criminal justice system expenditures, the average of activities surveyed. More specific information on individual line items follows.

Travel is a major expenditure item in most DOL model activities, averaging 3.2 percent of total expenditures in the budgets surveyed. Travel includes both staff and client travel, much of which is local. Occasionally it includes urban parking allowances. There may be trade-offs between rental costs and travel. For example, if a diversion office is located in a neighborhood safe for night counseling sessions, near public transportation and the courts, rent will probably be higher but travel costs lower. No certain pattern can be established in comparing travel costs for diversion activities in major cities and small towns; local travel may be more expensive in New York than in El Paso, but El Paso's travel expenditures may be high if clients are dispersed over a wide geographic area and counselors travel to clients, or if the budget includes an allowance for clients coming to a central office and going to widely dispersed job interviews.

The use of consultants varies widely among projects. Some do not use them at all. Occasionally special skills of lawyers and psychologists needed by projects are provided by volunteers or funded by non-criminal justice institutions and hence are external costs. In several of the activities surveyed, consultants are used; hence 0.7 percent of total expenditures in the sample budget was allowed for consultants, following the procedure described above.

In many budgets, expenditures for equipment and supplies are shown separately and in detail. In such budgets, expenditures for equipment are 30 to 50 percent larger than those for supply. However, because several budgets do not make this distinction, the two are considered as one line item in the sample budget. Equipment is assumed to include the costs of amortized purchases, rentals and repairs for typewriters, desks and so forth. Supplies include consumable items, such as paper and pens. Together they average 3.2 percent of total expenditures.

Duplication services, including xeroxing, mimeographing and printing, comprise 0.7 percent of the average employment diversion activity's budgets. These expenditures tend to be higher for the activities whose publications are in great demand, such as those of New York City's Court Employment Project.

Expenditures for rent, utilities and maintenance vary widely, averaging 5.8 percent of total expenditures. As mentioned above, they tend to be in direct relationship to the costs of personnel services. The diversion activity's site may be second only to personnel in creating the potential for a successful project. The ideal--and probably more expensive--site is near the courts and public transportation and is relatively safe for evening meetings.

Communication expenditures average 2.2 percent of the total and include postage, telephones, telegraph, messengers and computer services. They are especially high if computer services are included.

Administration expenditures average 3.0 percent of the total and typically are needed to cover the costs of fiscal reports, book-keeping, payroll and so forth.

Bonding and insurance are not items found on all budgets sampled, and on those in which they are included the costs also range widely. Considering all budgets surveyed, 0.2 percent of the total is expended in this category.

An average of 1.7 percent of the total budget is devoted to the clients' emergency fund. This includes loans not repaid and non-refunded grants to needy clients for clothing, shelter, food or for employment-related expense such as licensing fees.

Miscellaneous expenditures (1.0 percent of the total) include the cost of books, magazines, food, debt servicing on project loans, the cost of project evaluation not included above for personnel or computer services, and discretionary funds available to some administrators.

#### AVERAGE COSTS

As a result of the cost analysis reflected in the sample budget shown in Figure 3, a typical operational DOL model diversion activity serving approximately 260 clients per year is estimated to cost the criminal justice system between \$206,815 and \$280,655 annually. Analysis of cost variation across the projects surveyed, which ranged in size from 180 to 885 clients served per year, did not indicate any systematic average cost differentials (higher or lower) which could be attributed to scale (total persons served). Therefore average cost estimates based on this sample budget, discussed below, are expected to approximate the average costs of activities which vary in scale over the range surveyed. (In more technical economic terms, no "economies of scale" were discovered; long run "marginal costs" equal average costs, allowing for some factor indivisibilities.)

A cost analysis is concerned not only with total activity costs, but also with the average costs per service unit. Because the goals of diversion activities are to provide services to clients, the number of clients served is the "service unit" for which average costs are estimated.

There are many approaches to measuring these average or "per client" costs for a diversion activity. Five are estimated with the sample budget shown in Figure 3 and discussed below:

- Average cost at design capacity per client year and per client,
- Average cost at actual capacity per client year and per client, and
- Average cost per "successfully" terminated client.<sup>1</sup>

The diversion activity presented in the sample budget is designed to provide a client with three months' service and to accommodate up to 65 clients at any one time. Thus the maximum potential or annual "design capacity" of this model activity is 260 clients per year.<sup>2</sup>

Most programs, once they are accepted by the local prosecutors and judges, tend to operate near capacity. Thus the estimate of actual number served shown with the sample budget is near, but not quite at capacity (250 or 96 percent capacity), to illustrate that enrollment below design capacity will increase the average costs (at design capacity, \$795 to \$1,079 per client; at actual capacity, \$827 to \$1,123 per client).

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<sup>1</sup>In no case does the base for the average represent the expected flow of people through the sample activity during 1974. To include both clients terminated during the first week of 1974, who received services primarily covered in 1973's budget, and clients enrolled during the last of 1974, who will receive most services during 1975, would be to underestimate the per capita costs of providing diversion services.

<sup>2</sup>These design capacity estimates are based on the actual enrollments per month and the caseloads per counselor of activities surveyed. It is assumed that a counselor's caseload responsibility includes some follow-up on former clients. See ABT Associates, Inc., Pretrial Intervention: A Program Evaluation (Washington, D.C.: U.S. Department of Labor, 1974), p. 168; and Roberta Rovner-Pieczenik, Pretrial Intervention Strategies: An Evaluation of Policy-Related Research and Policy Maker Perceptions (Washington, D.C.: American Bar Association, Commission on Correctional Facilities and Services, National Pretrial Intervention Service Center, 1974), p. 231.

The higher costs for operating below design capacity are due to the indivisibility effects of the resources mobilized in a diversion effort. For example, it is impossible to adjust the amount of the office space rented, the number of the staff and the hours per week for which staff is paid in response to the week-to-week fluctuations in the number of diversion clients to be served.

The average costs per client year are useful measures for comparing diversion activities with alternative criminal justice activities (such as the average cost per inmate year for an institutional based program). They are estimated by dividing the total annual budget by the number of slots for clients (65 at design capacity; between 62 and 63 at actual capacity). Thus the per client year costs of diversion range between \$3,182 and \$4,318 at design capacity, \$3,309 and \$4,490 at actual capacity. The terms "design capacity" and "actual capacity" make no distinction between participants who stay the full three months and those who drop out. In fact, approximately 80 percent of the participating clients in the activities surveyed were "successfully" terminated, that is charges were dropped (by the judge, at the recommendation of the diversion activity staff) as a result of three months of participation in the diversion activity. Therefore 200 (80 percent of actual capacity, 250) is used as the base for estimating average cost per "successful" termination. Assuming this 80 percent success rate for the activity in the sample budget, the average cost per client "successfully" terminated would range between \$1,034 and \$1,403. These estimates are considerably higher than those for average cost per total actual clients served (also sometimes described as per client enrolled), which range from between \$827 and \$1,123.

The average cost per enrollee at actual capacity (\$827 to \$1,123) tends to understate the true cost of achieving the activity's goal of diverting an individual from the criminal justice system. Those who do stay receive more benefits than those who voluntarily or involuntarily drop out and thus do not have their cases dismissed. On the other hand, the average cost per "successful" client (\$1,034 to \$1,403) tends to overstate the actual cost per client, since "success" is narrowly defined as the decision by the court to drop charges on the individual. A better definition would include as "successes" those individuals who drop out of the diversion activity (and so are prosecuted) but who do not recidivate and have better employment records as a result of services received from the diversion activity. Unfortunately, there is no data to measure the benefits these dropouts received from their brief encounter with diversion.

#### AVERTED COSTS

The focus of this analysis is on the costs incurred in diversion activities. The previous section deals specifically with the costs incurred by the criminal justice system in providing employment-oriented diversion activities. It is appropriate, however, also to mention briefly

the costs averted by the criminal justice system as a result of the diversion activity.

Advocates, including the National Advisory Commission on Criminal Justice Standards and Goals, have seen the potential reallocation of resources as one of the benefits of diversion.<sup>1</sup> Several DOL-model diversion activities have reported that benefits exceed costs.<sup>2</sup> Without diversion, it is argued, diversion clients would be handled by the criminal justice system using traditional procedures, including detention, trial, probation or incarceration. With diversion, the costs of these traditional criminal justice procedures would be averted and could be reallocated in two directions: to criminal justice-sponsored diversion activities and to services for diversion clients (such as employment training) outside the criminal justice system. The latter reallocation is discussed in the section dealing with external costs in Chapter V. This present discussion is limited to reallocation within the criminal justice system and excludes any criminal justice costs averted as a result of reduced recidivism.<sup>3</sup>

The most sophisticated study of the criminal justice system costs resulting from a DOL-model diversion activity is a cost/benefit study of Crossroads.<sup>4</sup> When Project Crossroads clients were matched with a control group, the 1969 judicial system costs were estimated to be reduced by \$34,000, correctional system costs by \$82,000.<sup>5</sup> While the type of control group chosen (and thus these averted costs) has

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<sup>1</sup>Other benefits accruing outside the criminal justice system, such as increased client earnings and reduced client recidivism, are discussed in Chapter V.

<sup>2</sup>For example, Crossroads and the New York Employment Project claimed benefit/cost ratios of 1.3 and 2.2, respectively, Rovner-Pieczenik, Pretrial Intervention Strategies, p. 95.

<sup>3</sup>The costs of recidivism associated with diversion are discussed in the section on opportunity costs to society in Chapter V.

<sup>4</sup>John F. Holahan, A Benefit-Cost Analysis of Project Crossroads (Washington, D.C.: National Committee on Children and Youth, December 1970), pp. 11-30.

<sup>5</sup>Ibid., pp. 28, 30.

been questioned,<sup>1</sup> the estimated costs of various types of criminal justice processes prepared for the Crossroads study (adjusted to 1974 dollars) are useful in establishing the approximate magnitude of criminal justice resources potentially available for reallocation:

- Grand Jury Hearing, \$37.10;
- Jury Trial, U.S. District Court, \$3,096.66;
- Non-Jury Trial, U.S. District Court, \$1,151.36;
- Plea, U.S. District Court, \$140.35;
- Jury Trial, Local Court, \$756.00;
- Non-Jury Trial, Local Court, \$197.82;
- Parole, Marginal Daily Cost per Parolee, \$1.36;
- Probation, Marginal Daily Cost per Case, \$0.53 - \$0.91;
- Incarceration, \$5.78 per day.<sup>2</sup>

Similarly, in Atlanta in fiscal year 1974, an estimated \$825,000 in criminal justice costs were averted giving the Atlanta diversion activity a benefit/cost ratio of 2.6. This savings is due to the fact that 50 percent of the clients in Atlanta's diversion activity would have gone to trial had there been no diversion alternative.<sup>3</sup> Of those, 47 percent would have been given probation and 37 percent would have

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<sup>1</sup>For example, see Rovner-Pieczenik, Pretrial Intervention Strategies, pp. 101-102.

<sup>2</sup>Holahan, A Benefit-Cost Analysis, pp. 19-20, 24-25. The "Local Court" was then called the Court of General Sessions; it is now D.C. Superior Court. These estimates exclude the costs of court facilities because "the opportunity costs of court facilities per judicial event will be rather insignificant." (p. 17). All estimates shown in this list have been inflated to 1974 dollars using the GNP implicit price deflator for purchases of state and local governments.

<sup>3</sup>Rovner-Pieczenik, Pretrial Intervention Strategies, p. 130.

been incarcerated.<sup>1</sup> On the other hand, the averted costs in San Jose's Project Intercept would be minimal because

. . . those offenders [sic] enrolled in Intercept would not normally proceed to subsequent steps in the justice process (trial and imprisonment) anyway. Thus there would be no major processing costs involved. It is therefore most probable that Project Intercept is not producing significant costs savings in the benefit area - even theoretically.<sup>2</sup>

Thus, in order to estimate the averted criminal justice costs of other diversion activities, it is necessary to ask how many of the diversion clients would have in fact been tried and sentenced were it not for the existence of a diversion activity.<sup>3</sup>

The averted costs are reduced to the extent that weak cases which traditionally would have been dropped by the prosecution are kept in the criminal justice system because of the existence of a diversion activity.<sup>4</sup>

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<sup>1</sup>Edward E. McBride, Research Analyst, Atlanta Pretrial Intervention Project, letter to A. Watkins, 15 May 1975, and Dr. Herbert W. Eber, Consultant, in interview with A. Watkins, 23 September 1975.

<sup>2</sup>"Project Intercept of Santa Clara County: Evaluation Report," November, 1973, pp. 47-48. (Mimeographed.)

<sup>3</sup>The averted costs of Project Crossroads now are probably less significant than they were in 1969 because fewer 1974 Crossroads clients would have been tried and incarcerated in the absence of a diversion activity. Rick Ochberg, ABA Pretrial Intervention Services, Washington, D.C., interview with A. Watkins, May 1975.

<sup>4</sup>A survey of opinions of several different types of local officials (judges, county executives, public defenders, district attorneys, police chiefs and sheriffs) conducted by the National Center for State Courts in March and April, 1974, indicated that 49 percent of those responding felt that diversion programs in their jurisdictions had "very significantly" improved the "fair and effective functioning of the criminal justice process." 46 percent of the respondents felt that they had "helped somewhat." Because the sample was so small (41 respondents from a mailing to 107 officials), and because the survey did not specify types of diversion or exactly what was meant by "fair and effective functioning," the survey results have limited applicability to this cost analysis. National Center for State Courts, Policymakers' Views Regarding Issues in the



The magnitude of averted costs cannot be analyzed adequately without better techniques to evaluate the paths clients in diversion activities would have followed in the absence of the diversion alternative. Such an analysis is beyond the scope of this report, but will hopefully be pursued. Policy makers were asked recently which issues were most critical in their decisions concerning pretrial diversion. In this survey, "the costs and benefits of diversion's implementation" was shown to be second only to "the impact of diversion on recidivism."<sup>1</sup>

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Operation and Evaluation of Pretrial Release and Diversion Programs:  
Findings from A Questionnaire Survey (Denver, Colo.: National Center  
for State Courts, 1975).

<sup>1</sup>Rovner-Piecznik, Pretrial Intervention Strategies, p. 130.



## CHAPTER III

### CRIMINAL JUSTICE EXPENDITURES FOR

#### DRUG DIVERSION ACTIVITIES

In the late sixties and early seventies, while many of the innovative employment diversion activities excluded drug users, the number of those accused of drug-related offenses rose. In response to the unique and growing needs of such persons, innovative drug diversion activities were created. Drug diversion contrasts with other models of pretrial intervention in several significant ways:

- A combination of medical and legal services is offered to clients;
- Participation requirements are longer, typically six to twelve months;
- Records of drug abuse therapy generated during participation in diversion are a particularly sensitive legal issue.<sup>1</sup>

The typical drug diversion program includes the following phases:

- Identification of drug diversion candidates among newly arrested persons through chemical testing, medical examination and interviews;
- Pretrial Release, usually obtained from the court on bail, ROR, or bond, with participation in the drug diversion program being a condition for that release;<sup>2</sup>
- Referral to Treatment, often to a treatment activity outside the criminal justice system which does not serve CJS referrals exclusively;

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<sup>1</sup>H.S. Perlman, Legal Issues in Addict Diversion (Washington, D.C.: Drug Abuse Council, Inc. and American Bar Association Commission on Correctional Facilities and Services, 1974), pp. 3-4. See the opportunity cost analysis in Chapter V.

<sup>2</sup>The costs of bail and ROR activities are discussed in a separate Standards and Goals Project report on comprehensive pretrial services.

- Tracking which includes monitoring the client's progress and reporting to the criminal justice system;
- Termination which, if "successful," may result in dismissal of pending charges.<sup>1</sup>

#### GENERAL CHARACTERISTICS OF A DRUG DIVERSION SAMPLE BUDGET

The criminal justice system expenditures needed to operate a drug diversion activity are estimated in the sample budget shown in figure 4 on page 33. This sample budget presents benchmarks for decision makers attempting to estimate the costs of operating a drug diversion activity in their own localities, based on guidelines suggested by the national Law Enforcement Assistance Administration (LEAA) Office on Treatment Alternatives to Street Crime (TASC), expenditure estimates from four operational drug diversion activities, and Standards in the Corrections Report.

Similar to the budget for an employment diversion activity, this budget is for a typical operational drug diversion activity. Because it is operational, the budget excludes higher costs common in an activity just beginning.<sup>2</sup>

Two estimates are given for each budget item, an average low and an average high. Neither represents the extreme. For example, while the cost per referral ranges from \$665 to \$817 in the sample budget, it is under \$400 in Kansas City, \$900 in Indianapolis and as high as \$1,000 in some cities, according to the national TASC office.<sup>3</sup>

Included in these estimated costs are only expenditures incurred by the criminal justice system in the operation of a drug diversion activity. Excluded are external costs such as treatment of the drug diversion client outside the criminal justice system and the opportunity costs borne by society and the individual as a result of drug diversion. Such costs are, however, discussed in Chapter V.

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<sup>1</sup>Dismissal of charges for successful clients is nearly universal in employment diversion but is less common in drug diversion. Most drug diversion activity designs, including the original plans for TASC, provide dismissal of charges but judges and prosecutors in several cities have not been amenable to this approach. Thus in 1975, only about 15 percent of TASC's pretrial clients have charges against them dropped. The pattern varies from city to city. In San Juan's TASC, all successful clients have charges against them dismissed. So do most of the successful clients in Newark's and Camden's TASC. But dismissal of charges is never the outcome for Richmond's TASC clients. In other drug diversion activities (for example, Washington D.C.'s Narcotics Diversion Project) and in diversion activities that include drug offenses (for example, Operation Midway in Nassau County New York and Priority Prosecution Project in Denver) dismissal is more common than in TASC. However, TASC data were used in this analysis because these were the only data available and because dismissal of charges does not affect the costs incurred by the criminal justice system. Perlman, Legal Issues, p. 52; Science Systems, Inc., "Comparative

<sup>2</sup>Based on data of TASC projects in their early years, such start-up costs may increase the average per client costs 50 to 100 percent above the level shown in figure 4.

<sup>3</sup>Peter Regner, TASC, Washington, D.C., interview with A. Watkins, 21 May, 1975.

Figure 4

Sample Budget of Annual Criminal Justice  
Expenditures for an Operational Drug Diversion Activity<sup>a</sup>

ITEM	AMOUNT (1974 DOLLARS)		PERCENT OF TOTAL COSTS <sup>d</sup>
	AVERAGE LOW	AVERAGE HIGH	
<b>PERSONNEL SERVICES</b>			
Wages and Salaries			
<u>Administrative Unit:</u>			
Project Director	\$ 17,600	\$ 22,100	] 13.6%
Deputy Director	9,800	14,100	
Administrative Assistant/Bookkeeper	8,800	13,700	
Secretary	6,800	7,900	
<u>Intake and Diagnostic Unit</u>			
Clinical Psychiatrist	17,600	27,300	] 14.1
Social Worker	8,400	11,300	
Counselor	9,200	16,200	
Secretary	6,800	7,900	
<u>Screening Unit</u>			
Supervisor	10,200	11,300	] 16.7
Interviewers (3 @ \$8,300 and 9,400)	33,200	37,600	
Lab Technician	6,500	9,800	
Escort	7,300	8,200	
<u>Court Liaison Unit</u> (2 @ \$8,800 and 9,800)	17,600	19,600	5.0
<u>Tracking Unit</u>			
Supervisor of Evaluation	11,200	11,600	] 19.2
Case Managers (4 @ \$9,300 and 9,600)	37,200	38,400	
Statistical Clerk	7,300	8,400	
Records Clerk	6,300	7,400	
Secretary	6,800	7,900	
Total Wages and Salaries	228,600	280,700	( 68.7)
Fringe Benefits	34,290	42,105	10.3
<b>TOTAL PERSONNEL SERVICES</b>	<b>\$262,890</b>	<b>\$322,805</b>	<b>( 79.0%)</b>
<b>OTHER DIRECT COSTS</b>			
Travel	\$ 11,000	\$ 13,500	3.3 %
Equipment	1,300	1,600	0.4
Supplies	5,700	6,900	1.7
Duplication Services	2,300	2,900	0.7
Rent, Utilities and Maintenance	14,300	17,600	4.3
Communications	3,300	4,100	1.0
Urinanalyses (5,000 @ \$2.75 and \$3.00)	13,750	15,000	3.9
Miscellaneous	18,200	24,200	5.7
<b>TOTAL OTHER DIRECT COSTS</b>	<b>\$ 69,850</b>	<b>\$ 85,800</b>	<b>( 21.0%)</b>
<b><u>TOTAL ANNUAL CRIMINAL JUSTICE EXPENDITURES</u></b>	<b>\$332,740</b>	<b>\$408,605</b>	<b>100.0%</b>
<b><u>AVERAGE COST</u></b>			
Per Client Year (250 per Year) <sup>b</sup>	\$ 1,331	\$ 1,643	
Per Client Referral (500 per Year) <sup>b</sup>	\$ 665	\$ 817	
Per "Successfully" Terminated Client (350 per Year) <sup>c</sup>	\$ 951	\$ 1,167	

Footnotes are on the following page.

(Footnotes for figure 4)

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<sup>a</sup>This budget includes only those costs of a drug diversion activity which are borne by the criminal justice system. Excluded are the costs of services typically provided outside the criminal justice system, such as drug treatment. These services to which diversion clients are referred are considered as external costs. Also excluded from the above budget but discussed elsewhere are opportunity costs of diversion, including the individual client's loss of the right to a speedy trial and any potential risk to society of increased crime committed by diversion clients.

<sup>b</sup>The average cost per year is derived by dividing the total criminal justice expenditure by 250, the number of "client slots" available in the sample drug diversion activity. The "design capacity" and the "actual total clients served" of drug diversion activities are assumed to be identical, based on statistics for operational TASC activities. (For employment diversion, actual total clients served and design capacity are estimated at different levels, based on statistics for operational activities.) In this sample drug diversion activity, the typical client tenure is six months. Thus the total number of clients (500) served during the typical year is estimated at twice the number of client slots.

<sup>c</sup>"Successful termination" is defined as meeting the court requirements for successful participation in drug diversion and treatment, with the result that charges against a client are dropped (or at least the penalty is reduced).

<sup>d</sup>Percentages for the high and low estimates are not identical because of rounding and estimating procedures (see text). Those shown here are the average for the two groupings. Percentages may not add to 100 because of rounding.

No allowance is made for extra time of effort expended by the court, the prosecutor or the defense attorney in processing the drug diversion client through the criminal justice system, because of the services provided by the diversion activity's court liaison unit.<sup>1</sup>

#### DATA SOURCES

Cost estimates for a drug diversion activity (figure 4) are based on guidelines and specific projects supported by LEAA's Office for Treatment Alternatives to Street Crime (TASC). TASC was established by the White House Special Action Office for Drug Abuse Prevention (SAODAP) in an effort to streamline federal drug programs and to increase community-based drug diversion activities. Its national office has recently been transferred to LEAA.

There are a few problems associated with TASC data:

- (1) Originally, TASC included in-house treatment. Now it refers clients (both before and after trial) to treatment facilities outside the criminal justice system.<sup>2</sup> This recent change to excluding treatment complicated data collection efforts for this cost analysis.

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Evaluation of Five TASC Projects," Report submitted to the National Institute on Drug Abuse, U.S. Department of Health, Education and Welfare, June, 1975, p. 10 (Mimeographed) and interviews with Peter Regner, LEAA, Washington, D.C.; Harvey Levinson, Nassau County District Attorney's Office; Ken Wilks, Narcotics Diversion Project, Washington, D.C. and Dale Tooley, Denver District Attorney's Office, all on February 19, 1976.

<sup>1</sup>Nor is an allowance made for drug fines lost, a cost of diversion cited by the Richmond, Virginia District Court. There, in the typical marijuana violation the court collected \$250 in fines and court costs. This money was no longer collected when such drug violation cases were deferred. The resulting revenue loss to the Court in a six month period in 1974 was estimated to be \$30,500. This loss was significant because that particular Court has to generate its own revenues to pay for operating expenses. The source for this information is Mr. DuVal, Clerk of the Richmond General District Court, Criminal Division, who is cited in the working draft of a report on Virginia drug problems, made available to the Standards and Goals Project by Virginia Commonwealth Legislature's Joint Legislative Audit and Review Commission, Richmond, Va. (no title, author, date, or page number).

<sup>2</sup>In 1975, 56 percent of TASC participants were pretrial clients. Interview with Peter Regner, LEAA, Washington, D.C., February 19, 1976. For the purposes of this analysis, it was assumed there was no difference between the unit cost of serving pre- and post-trial clients.

- (2) Operational budgets would have been preferable to the grant budgets actually used, but could not be obtained for a sufficient number of projects not supporting some treatment.
- (3) Two previous analyses of TASC activities were criticized by the national TASC office because they overestimated costs by including treatment services and by not adjusting for higher start-up costs.<sup>1</sup>

Despite the data problems, there were strong arguments for using TASC activities in drug diversion as the basis for this cost analysis. First, TASC projects are operational in 20 states and soon will have provided a model for all 50 states. Second, LEAA recommends that TASC projects become a routine discretionary and block grant program area.<sup>2</sup> Finally, the National Commission on Criminal Justice Standards and Goals officially sanctioned TASC in their report on "Community Crime Prevention":

The Commission recommends that states and units of local government having significant populations of narcotics addicts and other drug-dependent persons establish procedures for voluntary referral of the addict-dependent to treatment before conviction. Such efforts might be modeled on the TASC Program (Treatment Alternatives to Street Crime) . . .<sup>3</sup>

This recommendation was subsequently adopted by the Community Crime Prevention Task Force on Indiana Standards and Goals on April 10, 1975, based upon the Indianapolis TASC experience.<sup>4</sup>

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<sup>1</sup>Peter Regner, LEAA, interview with A. Watkins, 21 May 1975, in reference to Science Systems, Inc., "Comparative Evaluation," and a second TASC cost study done by ABT Associates, Inc., which LEAA did not release. Start-up costs were especially high in the initial years of TASC because its visibility as part of the President's "War on Drugs" was often emphasized, at the expense of the cost effectiveness of the program.

<sup>2</sup>U.S. Department of Justice, Law Enforcement Assistance Administration, "The National Treatment Alternatives to Street Crime Program White Paper" (Washington, D.C.: 15 July 1974), p. 5. (Mimeographed.)

<sup>3</sup>Section 4.8, Voluntary Court Referral of Addicts, National Commission on Criminal Justice Standards and Goals, Community Crime Prevention (Washington, D.C.: Government Printing Office, 1973).

<sup>4</sup>"TASC Talk," Bimonthly Bulletin of TASC, LEAA, May/June, 1975, n.p.



Because of these arguments for using TASC as the basis for criminal justice expenditure analysis of drug diversion activities, the national TASC office identified several regional TASC projects which were contacted in preparing this cost analysis.<sup>1</sup> Detailed line item budget data (from revised fiscal 1975 grant budgets) was collected from four projects, which were selected in consultation with the national office to represent typical but not extreme cost variation around a national average. (These projects were located in Miami; Marin County, California; Kansas City, Missouri; and Atlanta.) Fiscal 1975 data were deflated to calendar 1974 dollars using the GNP deflator for purchases of state and local governments.

#### SPECIFIC BUDGET ITEMS

More detailed information on how individual items in the sample budget in Figure 4 were derived, as well as the sources of variation for each particular budget item among the TASC projects studied in detail, is presented in this section.

The major expenditure for a typical TASC project, as it is for the DOL model diversion activity discussed earlier, is personnel services. Here again the effort is labor intensive. Staff positions shown in the model budget are those specified in a staffing model developed by the TASC national office for a TASC activity in a large city.<sup>2</sup> These staff positions are displayed in the organizational chart shown in Figure 5 on page 38. As shown below, the staffing pattern for the model is similar to the pattern for seven operational TASC activities for which personnel positions were surveyed, as regards number of personnel per unit.

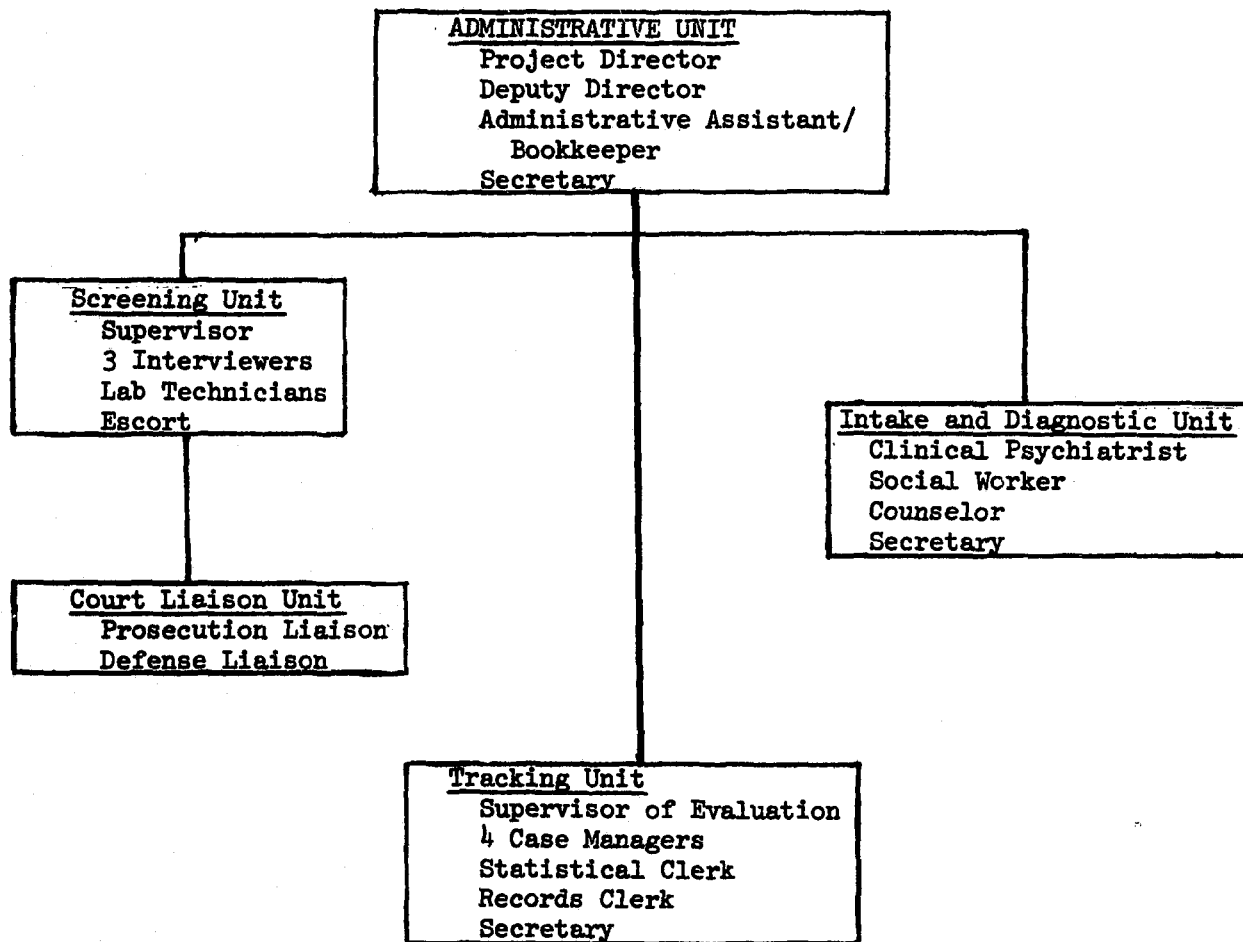
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<sup>1</sup>Information was provided in interviews with Peter Regner, LEAA, Washington, D.C., and TASC Directors David Pickens, Miami, Fla., Don Pickens, Philadelphia, Pa., and Jan Gross, Indianapolis, Ind., May 21-22, 1975.

<sup>2</sup>Guidelines for "Development of a Treatment Alternative to Street Crimes Project," Revised, Washington, D.C., 1975 (mimeographed). Currently TASC gives priority to cities with a population over 250,000. Drug diversion activities can be operated in less populated areas but the average costs of such a program will probably be higher, and the complement of client services offered probably less comprehensive. Peter Regner, TASC, Washington, D.C., interview with A. Watkins, 23 June, 1975.

Figure 5

Staffing Model for a Drug Diversion (TASC) Activity in a Large City



Source: Guidelines in "Development of a Treatment Alternatives to Street Crimes Project," Revised, Washington, D. C., 1975 (Mineographed)

UNIT \ ACTIVITY								
	Model	Atlanta	Marin Co.	Miami	Kansas City	Albuquerque	Newark	Philadelphia
Administrative Unit	4	5	3	4	4	2	5	6
Intake and Diagnostic Unit	4	8	3	5	3	0	0	0
Screening Unit	6	8	5	8	5	4	13	3
Court Liaison Unit	2	8	0	0	1	1	6	3
Tracking Unit	8	5	2	7	3	2	10	10
Vocational Rehab. Unit	0	0	0	0	0	0	10	0
Total	24	18	13	24	16	9	44	22

Estimates of annual salaries for all but two positions shown in the sample budget (see discussion on the exceptions in the next paragraph) are based on actual salaries paid in the four sample activities for which detailed budget data was collected. (In subsequent discussion in this section, these four activities are referred to as the "sample activities.") The definition of "salary" and the methods for calculating "average high" and "average low" salary levels shown in this sample budget are the same as those used for employment diversion activities (see Chapter II). Because the sample activities had been previously selected to represent typical but not extreme variation around a national average for drug diversion activities, there was no need to eliminate any extreme cases from the sample.

Budget data from the sample activities did not provide sufficient information from which to derive estimates of salaries for two types of positions, social workers and clerks. Statistics from a national survey of state salaries were used to arrive at the salary estimates for social workers shown in Figure 4.<sup>1</sup> The "average low" estimate is the "mean minimum" salary for social service workers in the 50 states (adjusted to 1974 dollars); the "average high" estimate is the "mean maximum" for similar workers. Statistical clerks' salaries were assumed to be \$500 above and records clerks' salaries \$500 below those of secretaries estimated from information on the sample activities.

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<sup>1</sup>U.S., Civil Service Commission, State Salary Survey (Washington, D.C.: Government Printing Office, 1973), p. 100.

Because there are three TASC secretaries (compared with only one in the employment diversion activity), no allowance is made for overtime. Fringe benefits are estimated at 15 percent of total wages and salaries (15 percent of 68.7 percent equals 10.3 percent of total costs. The discussion of fringe benefits for employment diversion explains the basis for the 15 percent fringe estimate).

Total personnel expenditure, with its components estimated as described above, comes to \$262,890 and \$322,805 for the average low and average high budgets, respectively. Assuming personnel costs represent 79.0 percent of total costs, the average for the sample activities, a residual of 21.0 percent of total costs is left for all non-personnel items.

Within this 21.0 percent allocated to non-personnel costs, six budget items are estimated at the average percentage of total cost they represent in the sample activities:

Travel	3.3 percent
Equipment	0.4 percent
Supplies	1.7 percent
Duplication Services	0.7 percent
Rent, Utilities and Maintenance	4.3 percent
Communications	1.0 percent

Next, 5,000 urinalyses (ten per client served) are assumed to be made annually in the process of intake, diagnosis and tracking. Based on the sample activities, the cost per urinalysis at this volume is estimated to be \$2.75 in the average low budget, \$3.00 in the average high budget, regardless of whether the project contracts with a laboratory or conducts the tests on in-house equipment.

The miscellaneous budget item shown in the sample budget is then calculated as a "residual." That is, it is what remains of the 21.0 percent of total costs for non-personnel services after the estimates for the other items noted above have been subtracted. (This residual amounts to 5.5 percent and 5.9 percent for the average low and average high budgets, respectively, because projects with larger budgets usually had a little more money for miscellaneous expenditures.) The types of miscellaneous expenditures and the cost of any one type varied widely among the projects surveyed. Included in this miscellaneous category are:

- Provision of temporary residences for TASC clients,
- Retainer fees for legal services for TASC clients at arraignments, and so forth, and for TASC staff on issues of legal rights and responsibilities,

- Computer time,
- Other project evaluation costs,
- Conferences on TASC activities for justice personnel,
- Training for TASC staff,
- Purchase of journals and books.

Within the projects surveyed, the types of miscellaneous items and their relative costs varied widely, so this residual is a distillation of that variation.

All activity expenditures are assumed to be direct costs because the only costs classified as "indirect" in TASC activities surveyed were:

- A payment to the local government in lieu of the payment of rent for an activity using government space, and
- A fee paid to a laboratory with which TASC has a contact for urinalysis.

#### AVERAGE COSTS

Based on the preceding set of estimates, a drug diversion activity in a large city accommodating 250 clients at any time is estimated to cost between \$332,740 and \$408,605. The typical client's tenure is six months; thus 500 clients can be accepted by the diversion activity for referral to drug treatment. Based upon specific activities surveyed, an estimated 70 percent or 350 of these clients referred will be "successfully" terminated. "Successful" termination means they will complete the requirements of the drug diversion activity (including the requirements of drug treatment) and their cases will either be dismissed by the court or their penalties will be reduced. The set of average costs associated with the sample budget shown in Figure 5 includes the following:

- \$1,331 to \$1,643 per client year;
- \$655 to \$817 per client referral;
- \$951 to \$1,167 per "successfully" terminated client.

Average costs of drug diversion activities in small towns and rural areas tend to be higher.<sup>1</sup>

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<sup>1</sup>See page 37, footnote 2 of this study.

## AVERTED COSTS

Some costs associated with a more traditional pass through the criminal justice system may be averted as a result of drug diversion. However, averted costs are probably less for drug diversion than for employment diversion (discussed above in Chapter II) for two reasons. First, criminal justice procedures are not halted as frequently in drug diversion cases as they are in cases eligible for employment diversion. Not all "successfully terminated" drug diversion clients will have charges against them dropped. In fact, legal inducements (such as reduced bail, ROR and improved chances for probation and parole) are often offered to arrestees for their entry into drug diversion activities. Such legal procedures are typically more costly to the court than merely granting a continuance and subsequently dropping charges for successful diversion clients.

Second, clients with drug problems, when compared with employment diversion clients, are less likely to successfully participate in diversion. While 20 percent of the clients in employment diversion activities are typically unsuccessful and hence returned to the criminal justice system for traditional processing (that is for costly trials and potential incarceration), up to 38 percent of drug diversion clients have been returned to face trial, often because they do not respond to treatment.<sup>1</sup> For estimating average costs associated with the sample budget, an unfavorable termination rate of 30 percent, based on statistics from operational TASC activities, was assumed.

## CJS EXPENDITURE COMPARISONS BETWEEN EMPLOYMENT AND DRUG DIVERSION

Criminal Justice System expenditure estimates for employment and drug diversion are summarized in Figure 6 on page 43. Total expenditures for the typical drug diversion activity exceed total expenditures for employment diversion. This is primarily due to the fact that staff of the model drug diversion activity is larger than that of the model employment diversion activity (24 in the first; 15 in the latter). The share of the total budget devoted to personnel expenditures is, however, about the same for both activities (78.3 percent and 79.0 percent). Expenditures for rent, travel, supplies and other non-personnel items are related to the size of the staff. Hence, more dollars are expended for such items in drug diversion with its larger staff than in employment diversion. However, the relative shares of the various budget items of both budgets are not significantly different except, of course, for items unique to the activity such as urinalyses in the case of drug diversion.

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<sup>1</sup> Science Systems, Inc., "Comparative Evaluation," pp. 17, 19, 50.

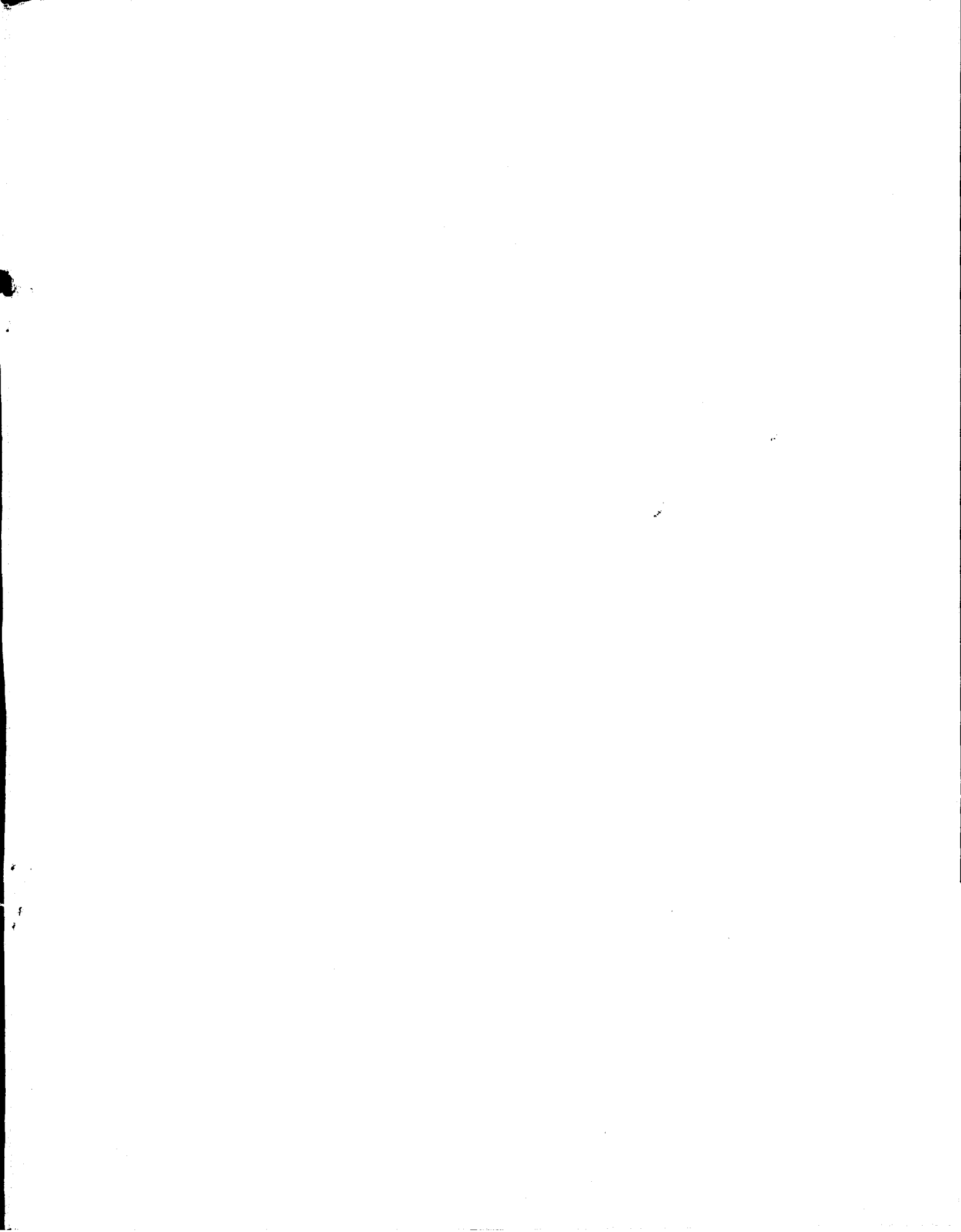


Figure 6

Summary of Employment and Drug Diversion Criminal Justice System Expenditure Estimates<sup>a</sup>

ITEM	Employment Diversion Serving 260 Clients per Year			Drug Diversion Serving 500 Clients per Year		
	Amount (1974 Dollars)		Percent of Total Costs <sup>b</sup>	Amount (1974 Dollars)		Percent of Total Costs <sup>b</sup>
	Average Low	Average High		Average Low	Average High	
Personnel Services	\$162,115	\$219,555	78.3%	\$262,890	\$322,805	79.0%
Rent, Utilities, and Maintenance	12,000	16,300	5.8	14,300	17,600	4.3
Travel	6,600	9,000	3.2	11,000	13,500	3.3
Supplies and Equipment	6,600	9,000	3.2	7,000	8,500	2.1
Urinalyses	0	0	0	13,750	15,000	3.9
Other Direct Costs	19,500	26,800	9.5	23,800	31,200	7.4
Total CJS Expenditures	\$206,815	\$280,655	100.0%	\$332,740	\$408,605	100.0%

Average Cost	Average Low	Average High	(Base)	Average Low	Average High	(Base)
Per Client Year (at Design Capacity)	\$3,182	\$4,318	( 65)	\$1,331	\$1,643	(250)
Per Client (at Design Capacity)	795	1,079	(260)	665	817	(500)
Per "Successfully" Terminated Client	1,034	1,403	(200)	951	1,167	(350)

<sup>a</sup> See Figures 3 and 4 for more detail within budget items and regarding average cost calculations.

<sup>b</sup> Percentages for the high and low average estimates are not identical because of rounding. Percentages shown here are average percentages for the two groups.



While total costs incurred in drug diversion activities, are higher, average costs per client year (at design capacity) are lower (\$1,331 to \$1,643 compared with \$3,182 to \$4,318 for employment diversion) because, despite a longer client tenure, the typical drug diversion activity serves more clients.<sup>1</sup> These differences are reduced if costs per "successfully" terminated client are compared. Though more drug diversion clients are served (500 compared with 260 in employment diversion), the "success" rate for drug diversion is lower (70 percent compared with 80 percent for employment diversion). As a result the costs per "successfully" terminated client for both programs are similar: between \$951 and \$1,167 for drug diversion; between \$1,034 and \$1,403 for employment diversion.<sup>2</sup>

However, employment diversion may cost the criminal justice system less than drug diversion if averted costs are considered. To the extent drug diversion activities do not provide for dismissal of charges, criminal justice costs for trials, and so forth, are not averted.

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<sup>1</sup>The tenure of a typical drug diversion client is six months; that of a typical employment diversion client, three months.

<sup>2</sup>See figures 3 and 4 and accompanying text for explanations of the terms used.

## CHAPTER IV

### CRIMINAL JUSTICE SYSTEM EXPENDITURES OF OTHER DIVERSION ACTIVITIES

Time and data limitations have made it impossible for the Standards and Goals Project to prepare sample budgets estimating criminal justice expenditures for other types of diversion activities. However, estimates of the external costs of treatment for alcohol and mental illness diversion (which probably exceed criminal justice costs) are presented in Figures 9 and 10 on pages 53 and 54, respectively. In addition, prototypical activities of alcohol and mental health diversion are identified in Appendix B. Also listed in Appendix B are prototypical activities on conflict intervention which is discussed below.

Conflict intervention can be described as a form of diversion which typically occurs at the first point of contact with the criminal justice system when police are called in to settle a dispute.<sup>1</sup> Police intervene in many situations which do not necessarily involve a crime: a cat may be treed; a child may be lost; an elderly person may have fallen down. For citizens with such problems, the police department contact points for other community services: the fire department is called to rescue the cat; the radio stations begin broadcasting the lost child's description; an ambulance is called to take the injured elderly person to the hospital. Thus, it is not surprising that even when they are called upon because a crime allegedly has been committed, the police may see their role as one involving more than law and order. Police perception of their role conforms to the desires of the citizens who call on them. When a dispute arises, "often the parties really want (the officers) only to 'do something' that will settle things," rather than make an arrest.<sup>2</sup>

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<sup>1</sup>Corrections, pp. 80-81.

<sup>2</sup>J.S. Campbell, J.R. Sahid and D.P. Stang, Law and Order Reconsidered: Report of the National Commission on the Cause and Prevention of Violence (New York: Bantam Books, 1970), p. 291, quoted in Martin Bard, Family Intervention: From Concept to Implementation (Washington, D.C.: Government Printing Office, 1974), p. 5.

Also, it is argued, police doubt the effectiveness of prosecution and so are reluctant to initiate the criminal justice process.<sup>1</sup> Rather than arresting the accused, the police may require that he make restitution, refer him to treatment, or (in the case of juveniles) refer him to his parents. Often however, such police procedures are informal, of low visibility, and seldom subject to review. Police reluctance to formalize these procedures is influenced by two factors. First, their roles as referral agents and as arresting officers are often in conflict, especially in the eyes of the public. Second, a decision not to arrest is sometimes against the law, as in the District of Columbia.<sup>2</sup>

The Standards encourage the formalization of police-based conflict resolution activities. Criminal justice expenditures incurred for implementing police-based activities in conflict resolution are not well documented. For example, a recent study of existing literature on police diversion found that "No study . . . addressed the issues of costs and benefits adequately."<sup>3</sup>

This inadequacy may be corrected by a comprehensive evaluation of police crisis intervention sponsored by LEAA. The evaluation, which will be completed in March 1976, examines activities in Syracuse, New York; Portsmouth and Chesapeake, Virginia; Columbus, Georgia; New Orleans, Louisiana; Jacksonville, Florida; and Peoria, Illinois. It will include cost/benefit estimates. Among the costs studied are those of training police in the "art" of conflict resolution. The type of training needed depends on whether or not some training in community relations is currently offered and whether or not informal conflict resolution activities exist. Based upon preliminary findings of the LEAA study the costs of training average about \$1,000 per officer. This estimate includes both the cost of professional instruction and the cost of police time.<sup>4</sup> Training, however, may not be a onetime activity, especially as populations and problems change.

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<sup>1</sup>Corrections, p. 80.

<sup>2</sup>4 D.C. Code, Section 143, Penalty for Neglect to Make Arrest.

<sup>3</sup>M.G. Neithercutt and W.H. Moseley, Arrest Decisions As Pre-  
ludes to?: An Evaluation of Policy Related Research, Vol. II: Study  
Design, Findings and Policy Implications (Davis, Calif.: National  
Council on Crime and Delinquency, June 1974), pp. 68-69.

<sup>4</sup>Interviews with Louis Mayo, LEAA, Washington, D.C., 26  
September and 8 October, 1975.

Another significant criminal justice cost is the 60 percent of police time spent in responding to interpersonal fights. LEAA's forthcoming study demonstrates that in over a year this can be reduced to 30 percent because police trained in conflict intervention techniques prevent recurring fights.<sup>1</sup> In the Columbus (Ohio) Night Prosecutor Program, law students and seminary students support police in their conflict resolution activities. The average cost per case handled was \$27.10.<sup>2</sup>

Criminal justice expenditures averted as a result of conflict intervention activities may be significant because of the early point in the criminal justice process at which this type of diversion occurs. Currently police resources are often required when such conflicts occur, whether or not diversion alternatives exist. For example, in a study which monitored telephone calls to the Syracuse (New York) Police Department, 20 percent of the calls were initiated by disputes and fights among families, friends and strangers. Police departments in Dallas; Kansas City, Missouri; New York City, and Cambridge, Massachusetts, also reported a high percentage of police time spent responding to interpersonal conflict.<sup>3</sup> If arrests are made, additional public expenditures are required for those conflict cases that do reach the criminal courts, even though the criminal justice system is ill-suited to resolve them. For example, in the case of a husband-wife conflict, a prosecutor sometimes reluctantly yields to a wife's demands to try her husband for assault. By the time the case comes to trial, their differences may be resolved; the wife refuses to testify against her husband and without her testimony the prosecutor has no case. Alternatively, the case may go to the jury, but juries often do not convict the defendant in such cases.<sup>4</sup> The court's resources might be saved if, as an alternative to the injured wife's initial demand that her husband be jailed, the police could offer referral to a marriage counseling agency outside the criminal justice system.

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<sup>1</sup>Ibid.

<sup>2</sup>Office of Technology Transfer, National Institute of Law Enforcement and Criminal Justice, Exemplary Programs (Washington, D.C.: U.S. Department of Justice, Law Enforcement Assistance Administration, April 1975), p. 7.

<sup>3</sup>Bard, Family Intervention, pp. 3-4.

<sup>4</sup>Interview with Robert P. Watkins, former Chief, Misdemeanor Section, U.S. Attorney's Office, Washington, D.C., May 15, 1975.

Substantial external costs may be incurred in providing services, such as marital counseling, to which police may refer problems. These costs will depend in part on the type and variety of "treatment" services needed and on the extent to which such services are provided but under-utilized. (Cost estimates for several different types of services external to the criminal justice system are presented in the next chapter.) Assuming counseling will be more successful than traditional criminal justice procedures in solving common interpersonal conflicts, the common and costly pattern of repetitive fights involving the same people and requiring subsequent police intervention will be broken.

Estimating the criminal justice costs averted by conflict resolution is now difficult because of limited data. The averted costs of prosecution and trial in the Columbus Night Prosecutor Program are estimated to be about \$100 per case based upon the costs of processing a criminal misdemeanor, including a trial.<sup>1</sup>

More data on averted costs will be available in March, 1976, when the above-mentioned LEAA study is completed. Preliminary results show "dramatic" savings. Chesapeake, Virginia's arrests have been reduced between 80 and 90 percent. Other criminal justice savings to be documented by the LEAA study result from fewer lawsuits against police and fewer assaults on police officers.<sup>2</sup> In 1972, 27 percent of all assaults on police officers and 13 percent of the killings of on-duty police occurred when they were dealing with family quarrels and disturbances.<sup>3</sup>

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<sup>1</sup>Office of Technology, National Institute, Exemplary Programs, p. 7.

<sup>2</sup>Interviews with Mayo.

<sup>3</sup>Bard, Family Intervention, p. v.

## CHAPTER V

### EXTERNAL AND OPPORTUNITY COSTS INCURRED IN DIVERSION ACTIVITIES

Costs incurred by the criminal justice system in the operation of diversion activities have been analyzed in previous chapters. In addition to these costs of diversion are:

- External costs incurred by public and private organizations and individuals outside the criminal justice system as a result of diversion;
- Opportunity costs incurred by the individual or by society as a result of the existence of a diversion activity.<sup>1</sup>

These two types of additional costs are the subject of this chapter.

#### EXTERNAL COSTS

A major source of the external costs for diversion is the cost of services provided by agencies (outside the criminal justice system) to which diversion clients are referred. Though these services typically are available for the general public, diversion clients' knowledge and utilization of the service are initiated through their contact with the criminal justice system, specifically the diversion activity. Their "success", as determined by the criminal justice system, depends upon accepting the service offered, cooperating and completing the testing, training or treatment. A diversion activity does not only divert one from the traditional criminal justice process; it also diverts one to services with the purpose of preventing future encounters with the law. For these reasons the costs of the service provided by the agencies outside the criminal justice system, must be included as external costs in estimating the total costs of diversion.<sup>2</sup>

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<sup>1</sup>See Chapter I of this report for detailed description of these terms.

<sup>2</sup>In some diversion activities, services are provided within the activity and are financed by the criminal justice system. In others services are purchased by the diversion activity from outside agencies with criminal justice funds. In either case the cost of the service will appear as a criminal justice expenditure in the diversion activity's budget and so should not be considered "external."

Estimates of some of the external costs of diversion are presented in Figures 7 through 10 on pages 51 through 54. Each Figure contains estimates of external costs for a particular type of diversion activity:

- Figure 7 for services to which clients in an employment diversion activity are referred;
- Figure 8 for treatment services to which drug diversion clients are referred;
- Figure 9 for treatment services to which alcohol diversion clients are referred;
- Figure 10 for treatment services to which clients in mental illness diversion activities are referred.

As indicated in these figures, external costs of diversion depend upon the needs of clients and the types of services provided. Typically, the non-criminal justice costs of providing services to diversion clients do not differ from the costs of providing such services to the general public. Often, however, the external costs exceed the costs incurred by the criminal justice system. For example, the costs of a typical employment diversion activity are estimated to range between \$1,034 and \$1,403 per successfully terminated client. Vocational training programs to which many employment diversion clients are referred cost between \$2,000 to \$2,400 per participant. The exact magnitude of the external costs associated with providing vocational training in a particular locale (or other services to which diversion clients are referred) will depend on the availability of training activities, the number of diversion clients needing training, and the ability of existing training activities to meet the demands of diversion clients. Many diversion clients are from minority groups, are poor, uninformed about services available and suspicious of services offered by "the establishment." As a result they are not the typical recipients of the services to which the diversion activity refers them. Thus, they often exert a new demand on the service. That service (for example a vocational training activity) may have expanded to accommodate the diversion clients; it may also have to adapt to their special needs. To the extent accommodation and adaptation occurs, the costs of vocational training for diversion clients exceed its average cost.

Another type of external cost is borne by the volunteers who work in diversion activities. The level of volunteer effort and the type of service provided by volunteers varies widely among the types of diversion and among diversion projects of the same type throughout the country. Some diversion activities have no volunteers. In diversion activities for drug addicts, alcoholics, or the mentally

Figure 7

Estimates of External Costs Incurred as a Result  
of Employment Diversion Referrals

SERVICE	COST PER CLIENT (1974 dollars)
Psychological Testing	\$75
Psychological Counseling 5 hours @ \$40/hour	\$200
Legal Assistance 1 hour @ \$25/hour	\$25
Educational Training	\$350
Vocational Training	\$2,000-\$2,400

Source: Atlanta Pretrial Intervention Project, "Proposal for Action," Atlanta, 1975, (Mimeographed), and J. Blackburn, U.S. Department of Labor, interview with A. Watkins, 14 May 1975.



Figure 8

Estimates of External Costs Incurred as a Result of  
Drug Diversion Referrals to Drug  
Treatment Projects, by Treatment Modality

MODALITY	COST PER CLIENT YEAR <sup>a</sup> (1974 dollars)	COST PER CLIENT <sup>a</sup> (1974 dollars)
Drug-Free Residential Community	\$6,254 <sup>b</sup>	\$1,813 <sup>g</sup>
Outpatient Abstinence Clinic	\$1,278 <sup>c</sup>	\$ 592 <sup>h</sup>
Day-Care, Drug- Free Project	\$2,750 <sup>d</sup>	not available
Outpatient Methadone Treatment Center	\$1,300-\$2,100 <sup>e</sup>	\$ 515 <sup>i</sup>
Residential Methadone Maintenance Project	\$5,135 <sup>f</sup>	\$1,000 <sup>f</sup>

Footnotes explaining sources and components for the cost estimates shown in this table appear in Appendix C-2.

Figure 9

Estimates of External Costs Incurred as a Result of Alcohol  
 Diversion Referrals to Alcohol Treatment Projects, by Treatment Modality  
 (1974 dollars)

TREATMENT SITE		Cost Per Client Day	Average Length of Stay	Cost Per Client Stay
Inpatient Emergency Care	General Hospital	\$171.55	.4 days	\$589.14
	Specialized Alcoholism Hospital	57.70	4 days	230.84
	Other Specialized Hospital	97.39	4.9 days	471.56
	Hospital Affiliated Medical Emergency Care Center	78.55	3.8 days	149.15
	Hospital Affiliated Non-Medical Emergency Care Center	16.39	3.1 days	53.01
Inpatient Care	General Hospital	87.38	10.4 days	766.24
	Specialized Alcoholism Hospital	33.78	8.0 days	270.21
	Other Specialized Hospital	93.66	9.4 days	923.98
	Hospital Affiliated Inpatient Care Under Medical Supervision	117.00	6.2 days	1,173.71
Intermediate Care	Partial Hospitalization	74.15	16.8 days	1,274.21
	Recovery Home	12.66	56 days	687.02
	Other 24-Hr. Non-Medical Residential Center	21.08	29.8 days	735.17
	Specialized Alcoholism Hospital	26.74	30.3 days	792.99
Outpatient Care	Hospital-Based Outpatient Clinic	20.07	13 visits	60.23
	Family or Neighborhood Alcoholism Center	15.84	11.7 visits	219.97
	Community Mental Health Center	32.22	8.3 visits	300.87

Source: Booz Allen and Hamilton, "Cost Study of Model Benefit Package for Alcoholism Treatment Services," prepared for the National Institute on Alcohol Abuse and Alcoholism and the National Council on Alcoholism, 1974.

Figure 10

Estimates of External Costs Incurred as a Result of  
Mental Illness Diversion Referrals to  
Mental Illness Treatment Projects, by Treatment Modality

MODALITY	COST PER CLIENT DAY (1974 DOLLARS)	COST PER CLIENT STAY (1974 DOLLARS)
Free Standing Outpatient Psychiatric Clinics <sup>a</sup>	\$36.60	\$529
Inpatient Services At Public Hospitals <sup>b</sup>	\$30.80 <sup>f</sup>	not available
Inpatient Services at Private Hospitals <sup>c</sup>		
Non-Profit	\$72.80 <sup>f</sup>	not available
For Profit	\$63.00 <sup>f</sup>	not available
Foster Care Houses <sup>d</sup>	\$5.00 - \$5.59	not available
Residential Treatment Centers	\$37.82	\$23,978

Sources: U.S. Department of Health, Education and Welfare, National Institute of Mental Health Statistics A-10, A-13 and Statistics Note 106 and preliminary unpublished data from the National Institute of Mental Health; and Jeff Gillenkirk, "There's No Place Like Home," Washingtonian, (September 1974), pp. 162-164. All costs have been converted to 1974 dollars using the GNP implicit price deflator for purchases of all goods and services by state and local governments.

<sup>a</sup>Estimate is for all ages for all diagnostic conditions. 74 percent of the cost is for salaries; 21 percent for other operating expenditures; 5 percent for capital expenditures.

<sup>b</sup>Estimate is U.S. average. 79 percent of cost is for salaries.

<sup>c</sup>Estimate is U.S. average. 63 percent of cost in non-profit hospitals is for salaries; 54 percent in profit hospitals is for salaries.

<sup>d</sup>Estimate is for Washington, D.C.

<sup>e</sup>Estimate is U.S. average, all facilities, all patients under 18.

<sup>f</sup>The average costs of hospitalization for mental illness are lower than hospitalization for alcoholism, drug addiction or for other physical ailments because mental hospitals are often only custodial, are understaffed with low-paid personnel and because the treatment of mental illness, unlike physical illness, does not require costly equipment. Interview with M.J. Witkin, Division of Biometry, National Institute of Mental Health, 9 October 1975.

ill in which they are used, volunteers typically fulfill a needed friendship role. Volunteers in employment diversion, on the other hand, more often perform specific functions, such as tutoring, assisting in job placement or performing clerical duties. The Neighborhood Youth Corps augments the clerical staff in Haywood, California's Project Intercept. Until recently VISTA volunteers were an integral part of the Project Crossroads counseling staff in Washington, D.C.

Methods for estimating the cost of such volunteer contributions vary. Costs may be estimated as the value of volunteers' leisure time foregone plus their expenses (such as transportation and food) which are not reimbursed, or as the imputed value of the volunteers' services were they to be paid a salary.<sup>1</sup> In addition, the costs of volunteers provided by VISTA or Neighborhood Youth Corps must include indirect costs of the sponsoring agency, the U.S. Action Agency. Because of the wide diversity in the use of volunteers among diversion activities, it was not possible for the Standards and Goals Project to arrive at an estimate for this type of external cost which would have any validity beyond the specific activity (or group of activities) for which it was calculated.

#### OPPORTUNITY COSTS

There are two types of opportunity costs: Those incurred by the individual and those incurred by society. The individual diversion client's opportunity costs concern the price he pays in legal rights foregone as a result of his choice to participate in a diversion activity. This price is associated with:

- A client's admission of personal problems which may have contributed to criminality (such as drugs or alcohol) in order to be admitted to diversion activities;
- A client's waiving the right to a speedy trial in order to obtain a continuance for the three to six months required by the diversion activity;

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<sup>1</sup>For more information on how to calculate the dollar value of volunteer services for a particular activity for which the extent and type of volunteer use is known, see Ivan H. Scheier et al., Guidelines and Standards for the Use of Correctional Programs, U.S. Department of Justice, Law Enforcement Assistance Administration, August 1972, pp. 135-150.

- Supervision by the criminal justice system through the diversion activity which exceeds the supervision provided by traditional criminal justice processes (for example, probation), in either the period of time involved or the intensity of supervision;
- The tendency of the criminal justice system to treat diversion clients just like probationers, even though they, unlike the probationers, have not been proven guilty;
- The possibility of being treated with prejudice by the prosecutor and the court should the diversion client be terminated unfavorably and returned to the traditional criminal justice process.

Such issues are increasingly the focus of those concerned with the rights of the accused.<sup>1</sup> In response to this concern, some of the newer diversion activities have attempted to build in safeguards for their clients' legal rights.

Many of the potential problems, however, were created in the course of the proliferation of diversion activities throughout the country as compromises to win the cooperation of reluctant judges or prosecutors. Demands of judges and prosecutors have included:

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<sup>1</sup>H.S. Perlman, Legal Issues in Addict Diversion: A Layman's Guide & H.A. Perlman and P.A. Jaszi, Legal Issues in Addict Diversion: A Technical Analysis (Washington, D.C.: Drug Abuse Council, Inc. and American Bar Association, Commission on Correctional Facilities and Services, 1974 & 1975, respectively); M.R. Biel, Legal Issues and Characteristics of Pretrial Intervention Programs (Washington, D.C.: American Bar Association, National Pretrial Intervention Service Center, 1974); Nancy E. Goldberg, "Pretrial Diversions: Bilk or Bargain?" National Legal Aid and Defender Association Briefcase 31, p. 490; Daniel L. Skoler, "Protection of the Rights of Defendants in Pretrial Intervention Programs," American Bar Association, Resource Center on Correctional Law and Legal Services, Washington, D.C., 1973; and National Pretrial Intervention Service Center, Legal Opinions on Pretrial Diversion Alternatives, Kramer v. Municipal Court 49 C.A. 3rd 418, Information Bulletin No. 1, August 1975.

- Requirement of a guilty plea by diversion clients which is sealed but would in effect be opened, in the event the client is returned to the criminal justice system;
- A lengthening of the client's tenure in the diversion activity (for example, up to a year in Nassau County, New York) beyond the time he would otherwise have been under the supervision of the criminal justice system.

These legal issues should continue to be taken into account by planners, staffs and the clients of diversion. Until these issues are resolved, an extra effort will be required to assure that potential diversion clients agree to participate knowing the price they pay.

Presumably, those who are informed of the above opportunity costs they pay, choose diversion because these costs do not outweigh the benefits a diversion client enjoys, such as:

- The potential of not having a conviction record because successful participation will result in charges being dropped;
- The potential of having to pay a smaller penalty if diversion participation is successful (in those cases in which charges are not dropped);
- Avoiding pretrial detention and post-trial incarceration and the accompanying loss in income (only in those cases in which those eligible for diversion would have been detained and incarcerated in the absence of a diversion activity);
- Services and treatment provided by diversion referrals (assuming they meet client needs).

The major opportunity costs of diversion which are borne by society concern any increase in subsequent crime committed by diversion clients which would not have occurred had the traditional criminal justice process been used. The measurement of these opportunity costs--the risk of increased crime to society--is as complicated as the estimation of recidivism rates for diversion activities. All diversion activities surveyed claimed recidivism among their successful clients was significantly reduced, but these claims have been challenged because of inadequacies in data and research

design.<sup>1</sup> Given these complexities, it is impossible to estimate the opportunity costs incurred by society as a result of diversion, but they do not appear to be too significant. For example, one study which was critical of evaluations of recidivism among diversion clients stated:

From these findings we may conclude that the use of [diversion] as an alternative to traditional criminal justice process [sic] did not increase the level of risk to the community and may in fact have decreased that risk in the short run.<sup>2</sup>

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<sup>1</sup>For example, see Nimmer, Diversion, p. 106; Rovner-Pieczenik, Pretrial Intervention Strategies, pp. 74-84, and ABT Associates, Pre-Trial Intervention, pp. 91-109, 147-160.

<sup>2</sup>ABT Associates, Inc., Pre-Trial Intervention, p. 181.

## CHAPTER VI

### SUMMARY AND CONCLUSIONS

As local jurisdictions attempt to implement the recommendations of the National Advisory Commission on Criminal Justice Standards and Goals, "How much does it cost?" becomes an important question. One of the Commission's recommendations is the establishment of formalized diversion activities.<sup>1</sup> The purpose of this report is to answer the question "How much does it cost?" It is one of several program reports prepared by the Standards and Goals Project of the ABA Correctional Economics Center. Others address the costs of halfway houses, institutional-based programs and parole, and activities to assure appearance in court.

Pretrial diversion activities provide alternatives to traditional criminal justice processing. Following arrest, a defendant is "diverted" to an activity which provides counseling and referral to services outside the criminal justice system, such as job training or drug treatment. Often charges are dropped if the defendant successfully completes the diversion activity's program. Thus, diversion "attempts to avoid or halt official processing altogether."<sup>2</sup>

Among the reasons formalized diversion is advocated by the National Advisory Commission is that such activities redistribute justice system resources. For example, by diverting those arrested for the first time for less serious crimes, justice system resources can be devoted to serious crime. The resources available for redistribution depend upon two factors: how much the diversion activity costs and how much the diversion activity saves. This report focuses on the first factor, the costs. Evidence regarding the second factor, savings or averted costs, is limited and conflicting. Among the questions which remain to be answered are: "What is the impact of diversion on the traditional criminal justice process?" "What criminal justice resources are saved because diversion participants are not tried, incarcerated, placed on probation or parole?"

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<sup>1</sup>Corrections, Standard 3.1.

<sup>2</sup>Ibid., p. 73.



Because the National Advisory Commission recommends that diversion be developed and implemented by "each local jurisdiction," this report is intended to answer the cost questions of the local jurisdiction. It may nevertheless be useful for states in developing statewide diversion activities. For example, the budget's components and total budgeted cost for local diversion activities as described here are similar to the proposed budgets for each county pretrial intervention activity in the New Jersey State Plan.<sup>1</sup> Of course, the costs of diversion depend upon the characteristics of the particular jurisdiction. In a typical large city or county offering a full range of pretrial activities (such as ROR, bond and diversion), an estimated five to ten percent of those arrested are eligible for diversion.<sup>2</sup>

In their response to questionnaires conducted by this Project, criminal justice practitioners and analysts indicated a realization of the difficulties in collecting diversion cost data. On the one hand, such data are available because a formalized diversion activity is often self-contained with a budget of its own, as opposed to being a component of another agency with its costs diffused among that agency's budget. Also, because diversion is new, and in some jurisdictions still suspect, the costs of a diversion activity are scrutinized more closely than many traditional criminal justice activities. Nevertheless, cost analysis is difficult because diversion activities are diverse and many are still demonstrational.

In the same Project questionnaire, as well as in a survey by the National Pretrial Intervention Service Center,<sup>3</sup> practitioners and analysts have given priority to the question, "How much does diversion cost?" In attempting to answer this question, total costs have been analyzed. That is, this report deals not only with the criminal justice expenditures but also with two other types of diversion costs: external costs borne by institutions outside the criminal justice system and opportunity costs, the value of what society and the individual must give up in order to have diversion.

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<sup>1</sup>State of New Jersey, Administrative Office of the Courts, Proposal for Statewide Implementation of Pretrial Intervention Under New Jersey Court Rule 3:28, December 1974, pp. 119-122.

<sup>2</sup>Bruce Beaudin, President, National Association of Pretrial Services Agencies and Director of the D.C. Bail Agency, interview with S. Weisberg, Washington, D.C., September 12, 1975.

<sup>3</sup>Rovner-Pieczenik, Pretrial Intervention Strategies, p. 130.

Because of their diversity, diversion activities have been classified by the type of service they offer: employment services, drug treatment, crisis intervention, alcohol treatment and mental illness treatment.

The results of the analysis are presented in two volumes. The first is designed to meet the needs of decision-makers. This second volume, providing more details on data sources and methodologies, is intended for use by an analyst, in conjunction with the first volume.

Detailed criminal justice expenditures for two types of diversion activities, those providing employment services and those providing drug treatment, are presented in sample budgets (Figures 3 and 4). The first is based on an analysis of 17 Department of Labor (DOL) employment diversion activities, the second upon the drug diversion activities of LEAA's Treatment Alternatives to Street Crime (TASC). The following features of the sample budgets should be noted:

- (1) They are for an operational activity and as such exclude typically higher start-up costs.
- (2) For each budget item, and for each unit cost, two estimates are given: a medium high and a medium low. Neither is an extreme. Actual budgets of DOL and TASC activities were the basis of these estimates. In three out of four activities using the DOL model, the annual criminal justice expenditures per client are expected to fall between \$795 to \$1,079.
- (3) These sample budgets include only those expenditures incurred by the criminal justice system in operating a diversion activity.

These sample budgets are associated with estimates of \$795 to \$1,079 per client for employment diversion, \$655 to \$817 per client for drug diversion.

To these costs, external costs must be added. The external costs depend on the needs of each client and the types of services provided. Typically, the non-criminal justice costs of providing services to diversion clients do not differ from providing such services to the general public. Often, however, the external costs exceed the costs incurred by the criminal justice system. For example, job training for an employment diversion client may cost between \$2,000 and \$2,400; drug treatment costs for a drug diversion client range between \$515 and \$1,813, depending on the treatment modality. (See Figures 7 and 8.)

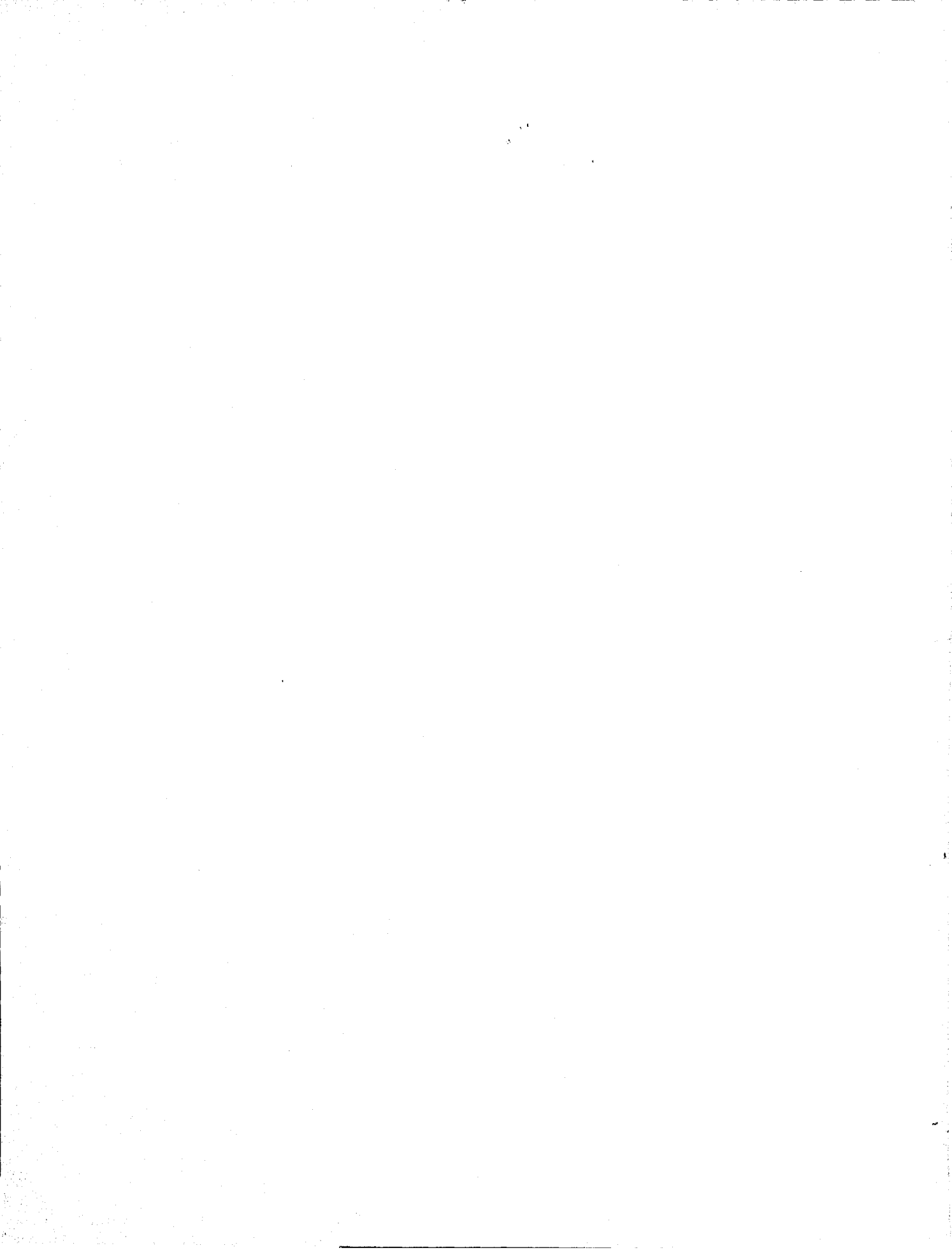
External costs are also estimated for alcohol treatment (\$53 to \$1,274 per client) and for the treatment of mental illness (\$5 to \$73 per client day). As in the case of drug treatment, these external costs depend upon the modality used. (See Figures 9 and 10.)

It is also important to consider opportunity costs. There are two types: those incurred by the individual and those incurred by society. Neither is easily quantified in dollars. An example of an individual opportunity cost is the "price" paid by the diversion client in the legal rights (such as a speedy trial) which he foregoes in order to participate in diversion. An example of society's opportunity cost is the risk of increased crime.

As a result of analysis in this report, the following conclusions can be drawn:

- The type of service emphasized by a diversion activity (employment, drug treatment and so forth) will depend upon the needs of the defendants that activity serves. The type of activity will determine costs.
- Based on available data, criminal justice expenditures per client for employment diversion range between \$795 and \$1,079, for drug diversion between \$655 and \$817.
- Scant data exist on the criminal justice expenditures of diversion for the mentally ill or for the alcoholic. Only preliminary data are available on crisis intervention costs.
- External costs often exceed criminal justice costs.
- The external costs of diversion vary widely depending on the type of service to which the diversion client is referred and, in the case of alcohol, drug, or mental illness, the treatment modality used.
- The opportunity costs of diversion are probably high for the individual client but low for society as a whole. That is, the individual must give up valuable rights in order to participate. The extent of those rights depends upon the demands of the prosecutor and the courts. The risk to society of increased crime committed by diversion clients is minimal.
- The averted costs of diversion (that is, the benefits) depend upon the path the defendant would have followed had there been no diversion alternative for him. The averted criminal justice costs are low for diversion activities whose clients would not have gone to trial.

- Much of the benefit of diversion may be in the quality of justice it offers its clients. Often they are "outsiders," suspicious of the establishment. Diversion activities may be the first services "the establishment" has offered which meet their needs. As a result of their participation in diversion they may "join the system," and society as well as the individual benefits. Reduced recidivism rates among diversion clients, though tentative, do support this conclusion.
- The decision maker should consider (and his analyst should estimate) the total costs of diversion, not just criminal justice expenditures. The total costs of employment diversion, for example, might include the diversion activity (up to \$1,074 per client) and psychological testing (\$75) and job training (\$2,400), for a total of \$3,554. To this must be added the difficult-to-quantify opportunity costs.
- Only when a locality knows about the various types of diversion available, the needs of clients to be served by diversion, and the total costs, can that locality wisely implement the diversion Standard of the National Advisory Commission. This study, adapted to fit the local situation, should be of help in that implementation.



## APPENDIX A

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## APPENDIX B

### PROTOTYPICAL ACTIVITIES

Prototypical activities are classified by the service emphasized. The sections are:

- I. Employment Diversion
- II. Drug Diversion
- III. Crisis Intervention
- IV. Alcohol Diversion
- V. Mental Illness Diversion

I. Employment Diversion

Activity Title	Address	Cost Data Available
Project Intercept	930 "A" Street Haywood, California	budget cost per client
Project Intercept	1130 1st Street Napa, California	budget
Project Intercept	235 E. Santa Clara San Jose, California	budget
Pretrial Diversion Project	18 Asylum Street Hartford, Connecticut	budget
Pretrial Services Diversion Program	269 Orange Street New Haven, Connecticut	budget cost per client
Project Crossroads	613 G Street, N.W. Washington, D. C.	cost per client cost-benefit ratio
Atlanta Pretrial Intervention Program	1 Peachtree Street Atlanta, Georgia	budget cost per client overall savings
Pretrial Intervention Program	2500 Eutaw Place Baltimore, Maryland	budget cost per client
Court Resources Program	14 Somerset Street Boston, Massachusetts	budget
Metropolitan Dade County Pretrial Intervention Project	1351 N.W. 12th Street Miami, Florida	budget cost per client cost-benefit ratio
Project FOUND	204 Courthouse Baltimore, Maryland	budget
Genesee County Citizen's Probation Authority	210 W. 5th Street Flint, Michigan	unknown

I. Employment Diversion (Continued)

Activity Title	Address	Cost Data Available
Operation DeNovo	312 3rd Street, South Minneapolis, Minnesota	budget cost per client
Hudson County Pretrial Intervention Project	30 Baldwin Street Jersey City, New Jersey	budget cost per "success"
Operation Midway	262 Old County Road Mineola, New York	budget cost per client
Court Employment Project (central office)	261 Broadway New York, New York	budget
Brooklyn Court Employment Project	186 Renssen Street Brooklyn, New York	budget cost per client
Manhattan Court Employment Project	346 Broadway New York, New York	budget cost per client
Bronx Court Employ- ment Project	501 E. 161 Street Bronx, New York	budget cost per client
Syracuse Court Rehabilitation Project	307 S. Townsend Street Syracuse, New York	budget cost per client
Deferred Prosecution Program	U.S. District Court Probation Office Portland, Oregon	unknown
Accelerated Rehabili- tation Disposition Project	714 Market Street Philadelphia, Pennsylvania	budget
Pretrial Intervention Volunteer Over Trial (P.I.V.O.T.)	1714 E. Yandell El Paso, Texas	budget
Newark Defendant Employment Project	463 Central Avenue Newark, New Jersey	budget



I. Employment Diversion (Continued)

Activity Title	Address	Cost Data Available
Cleveland Offender Rehabilitation Program	2112 Payne Avenue Cleveland, Ohio	budget cost per client
Philcourt Pretrial Diversion Program	933 North Broad Philadelphia, Pennsylvania	budget

## II. Drug Diversion

Activity Title	Address	Cost Data Available
TASC Project	2141 14th Avenue, South Birmingham, Alabama	grant budget
TASC Project	508 16th Street Oakland, California	grant budget
Drug Diversion Project	720 9th Street Sacramento, California	unknown
TASC Project	Marian County Civic Center Room 175 San Rafael, California	grant budget
TASC Project	P. O. Box 23096 San Diego, California	grant budget
TASC Project	1700 Grant Street Denver, Colorado	grant budget
Narcotics Diversion Project	613 G Street, N.W. Washington, D. C.	budget cost per referral
TASC Project	1400 N.W. 10th Avenue Miami, Florida	grant budget
TASC Project	155 E. Market Street Indianapolis, Indiana	grant budget cost per referral
TASC Project	650 S. Pierce Street New Orleans, Louisiana	grant budget
Boston TASC Project	556 Washington Street Dorchester, Massachusetts	grant budget
TASC Project	City Hall Kansas City, Missouri	grant budget
Camden County TASC Project	327-329 Market Street Camden, New Jersey	grant budget



**CONTINUED**

**1 OF 2**

**II. Drug Diversion (Continued)**

<b>Activity Title</b>	<b>Address</b>	<b>Cost Data Available</b>
<b>TASC-A Project</b>	<b>715 Grand Avenue, N.E. Albuquerque, New Mexico</b>	<b>grant budget</b>
<b>Court Referral Project of the Addition Service Agency</b>	<b>325 Boradway New York, New York</b>	<b>unknown</b>
<b>DACC-TASC</b>	<b>2 Work Trade Center New York, New York</b>	<b>grant budget</b>
<b>TASC Project</b>	<b>411 Oak Street Cincinnati, Ohio</b>	<b>grant budget</b>
<b>Cleveland Drug Program</b>	<b>1925 St. Claire Avenue Cleveland, Ohio</b>	<b>unknown</b>
<b>TASC Project</b>	<b>333 W. 1st Street Dayton, Ohio</b>	<b>grant budget</b>
<b>TASC Project</b>	<b>1426 Walnut Street Philadelphia, Pennsylvania</b>	<b>grant budget</b>
<b>TASC Project</b>	<b>Box B Y Rio Piedras, San Juan, Puerto Rico</b>	<b>grant budget</b>
<b>TASC Project</b>	<b>The Mosque Laurel &amp; Main Streets Richmond, Virginia</b>	<b>gr/mt budget</b>
<b>Multi-Phasic Drug Treatment Center TASC Project</b>	<b>15 Roseville Avenue Newark, New Jersey</b>	<b>grant budget</b>
<b>Genesee County Citizen's Drug Diversion Authority</b>	<b>1300 Leith Street Flint, Michigan</b>	<b>unknown</b>
<b>Sacramento Citation Diversion Project</b>	<b>Sacramento Police Department Sacramento, California</b>	<b>cost savings</b>

**II. Drug Diversion (Continued)**

Activity Title	Address	Cost Data Available
TASC Project	1 Peachtree Street Atlanta, Georgia	grant budget
TASC Project	Baltimore, Maryland	grant budget
TASC Project	Chicago, Illinois	grant budget
TASC Project	4513 E. Compton Compton, California	grant budget
TASC Project	Des Moines, Iowa	grant budget
TASC Project	Detroit, Michigan	grant budget
TASC Project	Las Vegas, Nevada	grant budget
TASC Project	Milwaukee, Wisconsin	grant budget
TASC Project	Tucson, Arizona	grant budget

### III. Crisis Intervention

Activity Title	Address	Cost Data Available
Night Prosecutor Program	Office of the City Attorney Columbus, Ohio	Average cost per case % settled
501 Juvenile Diversion Project	9601 Kiefer Building Sacramento, California	Savings per case processed Average cost per case Average detention time
Family Crisis Intervention Project	Police Department New York, New York	Average cost per case Average savings per case
Social Services Division	Police Department Wheaton, Illinois	Average cost per case
	Police Department Syracuse, New York	
	Police Department Columbus, Georgia	
	Police Department Peoria, Illinois	
	Police Department Fortsouth, Virginia	
	Police Department Jacksonville, Florida	
	Police Department New Orleans, Louisiana	

IV. Alcohol Diversion

Activity Title	Address	Cost Data Available
Union County Alcohol Rehabilitation Program	Hospital of Union City Berkely Heights, New Jersey	unknown
Jersey City Alcohol Rehabilitation Program	30 Baldwin Avenue Jersey City, New Jersey	unknown
Manhattan Boverly Project	8 East 3rd Street New York, New York	budget cost per client cost per day
St. Louis Detoxification and Diagnostic Center	St. Louis, Missouri	budget cost per client day overall savings
Hope House	Boston, Massachusetts	savings per client medical costs per client salary loss per client
District of Columbia Rehabilitation Program Center for Alcoholics	Washington, D. C.	cost per client day budget
Pre-Indictment Diversion	Oakland County Department of Drug Abuse Control Oakland, California	overall savings



### V. Mental Illness Diversion

Activity Title	Address	Cost Data Available
	St. Joseph Hospital Mid-Houston Community Center Houston, Texas	unknown
	Police Department Los Angeles, California	unknown
	San Francisco, California	unknown
	New York, New York	unknown
Community Health Treatment Program	National Institute of Mental Health Washington, D. C.	discontinued

Note: Projects listed above were identified by the Corrections Report. Our investigations however found these were not formalized diversion activities. Others suggested as prototypical mental illness diversion activities, such as two activities of the Massachusetts Bar Association which will be operational in November 1975, are in fact diversion for the mentally retarded.

## **APPENDIX C**

### **METHODOLOGICAL NOTES**

- I. Methodological Note on the Derivation of Sample and Model Budgets Used in the Standards and Goals Project Reports**
- II. Sources and Components For Estimates of External Costs Associated With Drug Diversion Referrals (Figure 8)**

METHODOLOGICAL NOTE ON THE DERIVATION  
OF SAMPLE AND MODEL BUDGETS USED IN  
STANDARDS AND GOALS PROJECT REPORTS<sup>1</sup>

For several different types of activities envisioned in the Standards of the Corrections Report (for example, drug and "DOL Model" diversion and halfway houses), sample budgets have been derived by the Standards and Goals Project staff. A sample budget is a set of estimated criminal justice system expenditures, by line item (staff salaries by position, fringe benefits facilities and so forth), for a type of activity suggested in the Corrections Report.

Included as criminal justice system expenditures are direct outlays for, or the imputed value of, goods and services provided by:

- Law enforcement agencies
- Courts
- Legal services agencies, bureaus or firms
- Other agencies, organizations or individuals whose stated mission could not be carried out if there were no crime
- Activities of organizational units or individuals financed by any of the above.

Estimates shown in a sample budget are derived from, but not necessarily identical with, budget or expenditure statistics from two or more existing activities which have characteristics similar to those advocated by the Corrections Report. Two estimates are provided for each line item --a "high average" and a "low average"--to reflect variation in the cost of approximately the same item (a staff person at a particular level [for example, a police patrolman] or 1,000 square feet of office space) for different parts of the country.

Procedures and assumptions used to derive the particular values shown in the several sample budgets presented in different Standards and Goals Project reports vary, depending on the types of statistical data which were available and the number of places for which such data could be obtained within the Project's time and resource constraints. Therefore more specific procedures and assumptions used in constructing each sample budget are discussed in the text accompanying it.

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<sup>1</sup>This Appendix was written by Dr. Virginia B. Wright, Research Director for the Standards and Goals Project.

For other activities envisioned in the Corrections Report, (such as a probation system which has separate procedures and personnel for providing services to the courts and probationers), there are no existing activities which approximate the recommended activity, or budget and expenditure data are so limited that it is not possible to derive a sample budget (as described above). In such cases, model budgets have been derived by the Standards and Goals Project staff. A model budget is also a set of estimated criminal justice expenditures, by line item, but it is not based on expenditure or budget estimates from existing activities. Instead, it is derived from more indirect sources, such as workload estimates for probation officer performing different kinds of services for different types of probationers, ratios of direct to indirect costs for governmental agencies, and so forth. As for the sample budgets, more specific procedures for deriving a particular model budget are discussed in the text which accompanies it.

## APPENDIX C-2

### SOURCES AND COMPONENTS FOR ESTIMATES OF EXTERNAL COSTS ASSOCIATED WITH DRUG DIVERSION REFERRALS (Figure 8)

<sup>a</sup>Costs per client year and costs per client not necessarily comparable because they come from two sources, the first from SAODAP, the second from Booz Allen. See Source Note below. In the second source, 1973 dollars are inflated to 1974 dollars using the GNP implicit deflators for purchase of all goods and services by state and local governments.

<sup>b</sup>Drug-Free Residential Communities are modeled after Synanon, Daytop, and Phoenix House, therapeutic communities (TC) which are communal, residential, and drug-free. They attempt behavior modification in a strict and highly structured atmosphere. The typical activity has a capacity of 30 clients. Staff includes an administrator, secretary, one in-house resident counselor and eight other counselors; personnel accounts for 63 percent of the total budget. Other budget items include psychiatric consultants (3 hours/week @ \$40/hour), 3 percent; travel for staff and clients, 2 percent; equipment, 4 percent; medical intake exams @ \$75/exam, 2 percent; utilities and communications, 3 percent; rent and renovation, 7 percent; food (\$2.20/client/day), 13 percent; training and lab testing services, 3 percent.

<sup>c</sup>The typical outpatient abstinence clinic is designed to treat 200 patients and is open seven days a week, eight hours a day, with an average of three visits per week per client. No medication will be dispensed in this unit. Because polydrug abusers attend the clinic, professional counseling is especially necessary. Staff includes an administrator, secretary, clerk typist, half-time psychiatrist, a clinical psychologist, psychiatric social worker, vocational rehabilitation specialist and six counselors. Personnel costs account for 64 percent of the total budget. Other budget items include medical consultants, 2 percent; staff and client travel, 2 percent; equipment, 2 percent; intake medical exams @ \$75/exam, 10 percent; utilities and communications, 1 percent; rent, 4 percent; supplies, 3 percent; training, 1 percent; and lab services (\$2.50 per urine), 13 percent.

<sup>d</sup>The typical day-care drug-free projects treat 40 clients and operate six days a week for 10 hours per day. It is a structured but non-residential setting geared to redirecting life, emphasizing employment or education for employment. Activities include individual counseling and encounter group therapy three times a week, daily vocational readiness seminars with family therapy and individual vocational counseling as needed. Each client has a job assignment, for example,

food preparation. Enrollment in educational or job training programs or employment begins typically within 90 days. At that time, the client participates in weekly groups and individual counseling as needed until satisfactory adjustment to the community has been made. The costs of client lunches, therapy, family counseling, and educational and vocational services are included; the costs of services provided by community health and legal aid programs to which the clients may be referred are not. Staff includes an administrator, secretary, three counselors and one vocational rehabilitation specialist. Personnel costs account for 67 percent of the total budget. Other costs are medical consultants (4 hours per month), 1 percent; local travel for clients, 1 percent; equipment, 4 percent; intake medical exams which are contracted at \$75 per exam, 5 percent; utilities and communications, 3 percent; rent, 6 percent; food, 8 percent; lab services, 6 percent.

Range in cost is due to economies of scale. The more costly serves 100 clients; the other 300. Both centers are open seven days a week. Staffing patterns satisfy FDA regulations and shares of budget items are as follows:

300 Clients		100 Clients	
<u>Item</u>	<u>Share of Budget</u>	<u>Item</u>	<u>Share of Budget</u>
Personnel		2 administrators	
2 administrators		secretary	
secretary		clerk typist	
clerk typist		doctor	
1/2 time doctor		6 nurses	
4 nurses	71%	vocational specialist	
1/2 time vocational specialist		10 counselors	65%
4 counselors			
psychiatric consultants		psychiatric consultants	
2 consultants	2%	2 consultants	3%
travel	1%	travel	1%
equipment	1%	equipment	2%
medical exams	6%	medical exams	10%
communications and utilities	1%	communications and utilities	1%
rent	4%	rent	3%
supplies	3%	supplies	3%
training and lab services	11%	training and lab services	11%

<sup>f</sup> Residential methadone maintenance, unlike the drug-free community is geared for fairly rapid turnover; after an average of five weeks the client is back in the community while continuing in an outpatient methadone maintenance clinic.

The typical residential program is designed for 48 clients. It operates seven days a week, 24 hours a day and provides detoxification, maintenance, individual and group therapy, family counseling and vocational services on site. Each client has a job assignment, for example, house-keeping. Emergency medical services are available, but the initial physical exam will be contracted out at \$75 per exam. Needed legal services are referred to a community legal aid agency and are not covered in this budget. Within a month to six weeks of employment, each maintenance client returns to the community to live and receives methadone from the clinic as an outpatient. The staff includes an administrator, secretary, two nurses, one full-time, the other one day a week, three counselors, and one vocational specialist. Personnel costs account for 59 percent of the budget. Additional items are as follows: 4 hours per week for medical consultants, 2 percent; travel and training, 1 percent; equipment, 5 percent; medical exams @ \$75 each, 2 percent; utilities and communications, 3 percent; rent and renovation, 9 percent; lab services, 3 percent; food @ \$2.20/client/day, 16 percent.

<sup>g</sup>As defined in footnote <sup>b</sup> above and similar to it in the structure of the budget. Based upon survey of drug-free residential communities in Baltimore, Charleston, Chicago, Gary, Watts (Los Angeles), Miami, New Orleans, San Francisco and South Alameda County, California.

<sup>h</sup>As defined above in footnote <sup>c</sup> above and similar to it in budget structure. Based on survey of outpatient abstinence clinics in cities listed in footnote <sup>g</sup> above.

<sup>i</sup>As defined in footnote <sup>e</sup> above and most similar to budget structure of center for 300 clients. Based upon survey of outpatient methadone centers listed in footnote <sup>g</sup> above.





**END**