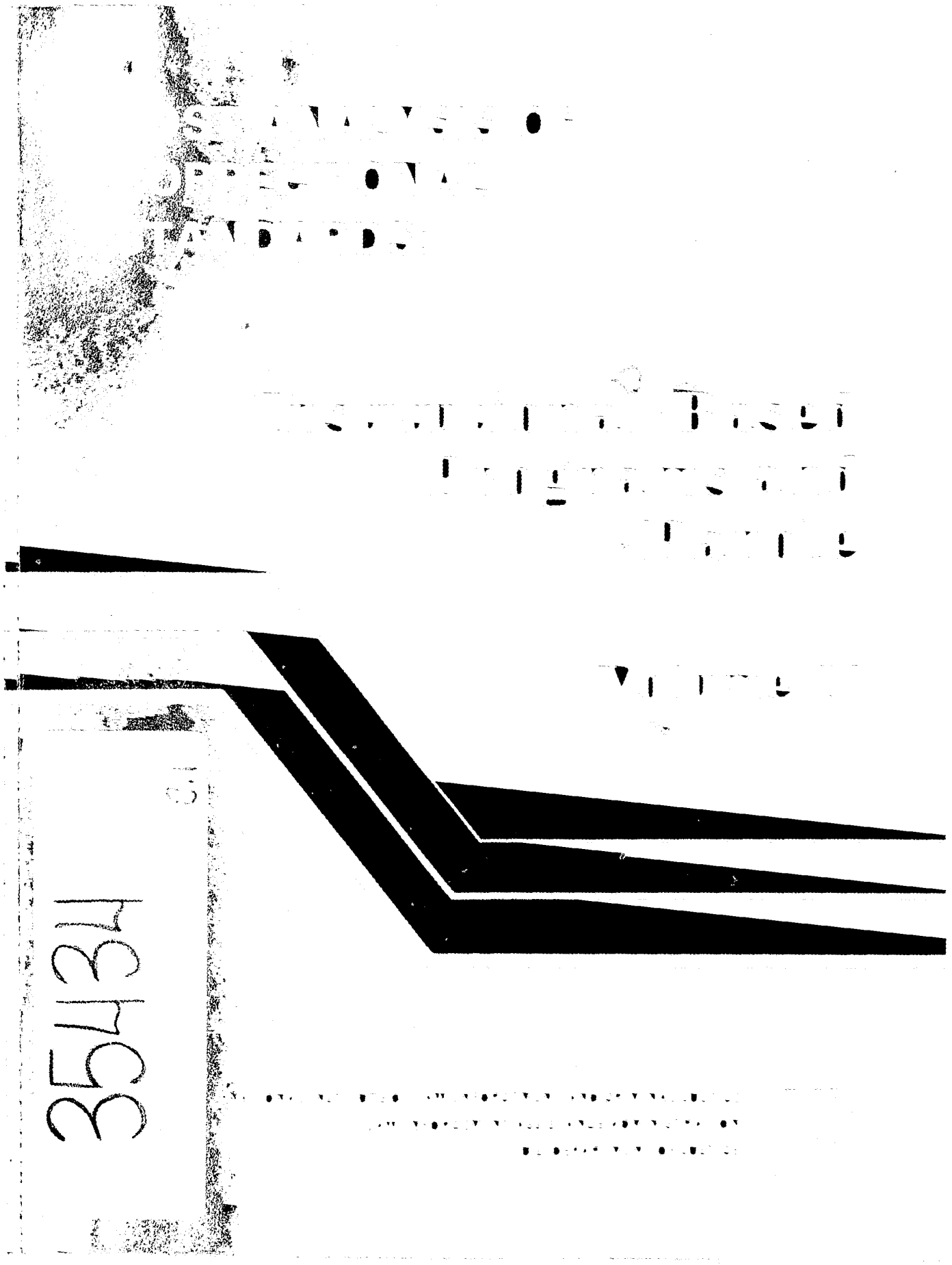

COST ANALYSIS OF CORRECTIONAL STANDARDS:

INSTITUTIONAL-BASED PROGRAMS AND PAROLE VOLUME II

By
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PREFACE

Cost analysis which has been undertaken by the Standards and Goals Project has had two purposes:

- To analyze and estimate the costs of implementing Standards of the Corrections Report, issued in 1973 by the National Advisory Commission on Criminal Justice Standards and Goals (policy-oriented purpose);[1]

- To provide cost guidelines and cost estimation techniques for use by jurisdictions in assessing costs of their own ongoing or contemplated activities (technical purpose).

To achieve both purposes, the Project is presenting the results of its analysis of institutional-based programs and parole in two volumes, of which this is the second. In focusing on the Project's technical purpose, this second volume provides more detailed discussion of cost implications of the Standards and demonstrates techniques applicable to estimating costs of alternative correctional programs for a particular jurisdiction. It is intended for use by staff analysts responsible for providing cost and cost-related information on correctional programs for criminal justice policy-makers, including:

- State criminal justice planning agencies

- State correctional administrators

- State budget officers

- State legislators

- Similar planners and administrators at the local level.

It is assumed that such analysts are familiar with some economic concepts and statistics, but that they are not necessarily economists.

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[1] U.S., National Advisory Commission on Criminal Justice Standards and Goals, Corrections (Washington, D.C.: Government Printing Office, 1973); hereafter referred to as Corrections.

No summary is included with this volume, since Volume I has been prepared as a companion summary and as a separate document to be used by criminal justice policy-makers in need of a reference to the policy issues surrounding institutional-based programs and parole, particularly those related to cost and implementing correctional standards.

In making decisions regarding standards for or changes in institutional-based programs or parole, it is important that the policy-maker consider not only standards and costs and benefits associated with these two programs, but also similar aspects of other correctional alternatives (such as halfway houses and other community-based activities) and other parts of the criminal justice system (such as the police and courts). In a subsequent summary report, information presented in this report will be related to analysis of other correctional programs being prepared by the Standards and Goals Project, in a more comprehensive report on the cost and resource implications of the Corrections Report for criminal justice systems.

Dr. Neil M. Singer, Consultant Economist to the Standards and Goals Project, prepared the initial analysis for all topics covered in this report and was the sole author for parts two and three. Dr. Virginia B. Wright, Research Director for all of the Project's activities, developed and expanded the analysis of custodial and basic support services in part one, particularly chapters II through IV, and prepared information on alternative total institutional-based programs for use in the Project's subsequent system analysis. Ann M. Watkins, Research Associate, assisted in the writing of chapter IV. Barbara Bland, Administrative Assistant, served as designer and supervisor for the production process surrounding the preparation of this and earlier draft reports.

This report has been reviewed by selected members of the Project's Advisory Board and other state and local officials with interest or expertise in institutional-based programs or parole. Guided in part by their comments, the report was prepared for final publication. The authors are particularly grateful for the assistance and advice given by Richard McGee, President of the American Justice Institute and former Director of the California Department of Corrections; Sylvia McCollum, Education Administrator of the U.S. Bureau of Prisons; Robert Montilla, President of Washington Justice Association, Inc., and former Deputy Director of the D.C. Department of Corrections; Linda R. Singer, Director of the Center for Correctional Justice; and Melvin T. Axilbund, Staff Director for the American Bar Association's Commission on Correctional Facilities and Services. The Project would also like to extend special thanks to Dawn Nelson of the U.S. Law Enforcement Assistance Administration's National Criminal Justice Information and Statistics Service for her help in securing statistical data used in this report.

CHAPTER I

GENERAL METHODOLOGY AND PRESENTATION OF FINDINGS

In the course of preparing this report, it has been necessary to consider, relate and build on the following:

- The comprehensive coverage of the Corrections Report (including its general thrusts and its specific Standards),
- The very limited systematic cost analysis which had been completed by other analysts prior to the preparation of this report,
- Major data limitations and problems,
- Economic approaches to efficient resource allocation, which incorporate several different types of cost (including public expenditures and external and opportunity costs, defined below) and which relate costs of public programs to their benefits, outputs or effects.

Because the methodological choices which were made on how best to deal with the factors listed above affect not only findings in this report but also how they and the report's guidelines for estimating costs should be used and interpreted by other analysts, these choices are briefly delineated and discussed at the beginning of this report. More specific analytical techniques which concern only a limited portion of the analysis are discussed later, as the findings with which they are associated are presented.[1]

The general methodology used in this report is discussed below in four sections:

- Separate Analysis of Standards for Offender Management, New and Expanded Programs, and Offenders' Rights
- Typology of Costs Used in the Analysis
- More Specific Features of the Report's Cost Estimates
- Relationships Between Costs of Institutional-Based and Parole Programs and Their Benefits, Outputs and Effects.

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[1]Just as this report was being completed, the Correctional Economics Center was beginning another project to estimate the costs of compliance with jail standards set by Washington state's Jail Services Commission. This effort, which uses some different analytical techniques, resulted in a report to the Washington State Department of Social and Health Services, prepared by B.L. Wayson, Gail S. Monkman, and Sally F. Familton, "The Cost of Jail Standards Compliance in Washington State," submitted December 31, 1975.

SEPARATE ANALYSIS OF STANDARDS FOR OFFENDER MANAGEMENT, NEW AND EXPANDED PROGRAMS, AND OFFENDERS' RIGHTS

The recommendations of the Corrections Task Force Report dealing with institutional programs and parole include suggestions for both ameliorating conditions in existing programs and creating new alternatives for institutionalized offenders and parolees. In the Report, these recommendations are found in several locations: chapters 9, 11, and 12, dealing with local and major institutions and parole; chapters 2 and 4, dealing with offenders' rights and pretrial procedures; and chapters 13, 14, and 15, which are concerned with system-wide administration, employment, and research.

For purposes of cost and resource analysis, recommendations contained in the Report can be classified according to whether they relate to management of offenders, new and expanded programs, or rights of offenders. Separate analysis of Standards in the Report associated with each of these three areas is presented in this report. More specific topics covered under each of these broad areas are briefly outlined below. No analysis of alternative programs which cover all three areas is presented in Volume II, but is included in the summary information in Volume I.[1] A special effort has been made in preparing separate cost estimates within and across the three major areas to avoid double-counting.[2]

Part One: Management of Offenders

Part one of this report deals only with the Task Force recommendations that refer to the management of offender populations. Standards dealing explicitly with the management of offenders fall into two groups. One group discusses the physical aspects of the institutional environment, including pretrial, misdemeanant and felon incarceration. These Standards address the process of planning new institutions, and the characteristics that institutions should possess. Some examples of these characteristics are Standards for cell size, institutional population, inmate privacy and internal security. These Standards are addressed in chapter II on costs of custodial facilities.

The second group of Standards relates to staff characteristics and size, and levels of provision of various custodial services. Included here are staff training and credentials, recruitment, and target staff/inmate ratios for different staff positions. The services

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[1]There is also only limited information in Volume II which brings together the several chapters in the same area. For this kind of information (for example, a total criminal justice system cost estimate for custody and support which includes capital and operating costs), Volume I should be consulted.

[2]"Double-counting" would occur if, for example, all of the wages for a particular staff position were included in estimating custody and basic support costs, and then again in estimating program expenditures.

examined in part one are those that do not relate to offender rehabilitation: medical care,[1] religious facilities, recreation, and institutional maintenance. These Standards are addressed below in chapters III and V, for institutions and parole, respectively.

In addition to the criminal justice system costs analyzed in chapters II and III, there are also external and opportunity costs associated with custody in institutions which should be considered by the criminal justice planner or administrator. These include such things as increased public assistance support to former dependents of inmates and foregone productivity of incarcerated persons. These costs and how they are measured and related to Standards in the Corrections Report are discussed in chapter IV.

Part Two: New and Expanded Programs

The Standards in the Corrections Report constitute an exhaustive review of existing and proposed programs in the areas of prison, jail and parole. Part two of this report is an eclectic examination of some of these proposed Standards. The recommendations singled out for analysis are those for which economic significance can plausibly be assumed and for which data are available to estimate economic impacts.

These recommendations fall into three groups. Chapter VI discusses the Standards for academic education, vocational training, and library services. In chapter VII the focus is on prison work experiences: industries, maintenance activities, and the question of wage rates. Chapter VIII is concerned with extra-institutional programs: work furlough, study release, and services for parolees.

The common characteristic of all of the activities examined in part two is that they avoid what is sometimes called the "treatment model" of corrections. Traditional counseling, transactional analysis, reality therapy, forms of behavior modification, psychotherapy, and other approaches to corrections are discussed and advocated at some points in the Corrections Report. They are not examined here because of an absence of conclusive analysis of their impact on the post-release economic behavior of offenders. In contrast, the programs analyzed in

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[1] Medical care discussed in part one is intended to exclude medical programs that are themselves treatment modalities. Detoxification and psychiatric counseling, for example, are not incorporated in the cost estimates in part one except to the extent that data are insufficiently detailed to permit their exclusion. (When highly aggregated data are used, allowance for possible overestimation of cost is discussed in the text.) For most institutions, the bulk of medical expenses probably is related to inmate maintenance rather than treatment or rehabilitation; exceptions would be institutions such as Patuxent in Maryland where psychiatric treatment is extended to all inmates, or facilities with sizeable drug offender populations and medical treatment programs.

this section all have undeniable resource requirements and all are alleged to return significant and measurable economic benefits to the correctional system, the offender himself, or society at large.[1]

Part Three: Rights of Offenders

Throughout the Corrections Report runs the strain that offenders and ex-offenders should not be permanently stigmatized nor set apart from the rest of society by reason of their offense. In particular, chapter 2 of the Report deals with the rights of offenders vis-a-vis penal institutions, parole boards, and correctional bureaucracies at large. The theme of the recommendations in the Report is that constitutional guarantees apply to offenders and ex-offenders just as to other members of society, and that the relatively powerless position of inmates and parolees places a greater onus on society to safeguard these guarantees.

To a great extent, implementation of these Standards is a matter of law; economic considerations are at most secondary. But some of the Standards have economic repercussions that have caused institutions and corrections departments to delay or oppose implementing them. The task of part three is to assay the economics--costs and benefits, where possible--of these Standards. As in the other sections of this report, the analysis extends to only those Standards for which data are available to permit at least tentative conclusions to be drawn, and for which resource implications appear to be significant.

TYPOLOGY OF COSTS USED IN THE ANALYSIS

For the purpose of estimating the cost and resource implications of the Corrections Report and its Standards, the Standards and Goals Project has developed a tripartite cost typology composed of criminal justice system, external and opportunity costs. Definitions and examples for each of these three types of costs are presented below. This typology allows for analysis of many costs, such as those borne by non-criminal justice agencies or the clients of correctional programs, which are frequently ignored when administrators and planners consider or justify their programs in terms of their own budgetary costs alone. The Project's reports also consider all three types of costs because many of the recommendations in the Report would significantly affect

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[1] In part two, discussion of new and expanded programs focuses on activities which are assumed to be administered, financed and primarily performed by the criminal justice system and its personnel. To the extent that activities similar to those described in part two (such as education and vocational training programs) are financed by other public or private agencies or include the use of volunteer workers, the information on identifying and measuring external costs, presented in chapter IV of part one, is applicable.

non-criminal justice costs or involve shifts between criminal justice and the other two types of costs.

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 or 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 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.
- Private expenditures--direct outlays for, or the imputed value of, goods and services provided or financed by non-governmental agencies or units.[1]

Criminal justice costs are also subdivided in some sections of this report into capital and operating costs. Capital costs are a very significant component of criminal justice system costs for institutional-based programs, and so are given extensive treatment in this report. More specific discussion of distinctions between capital and operating costs and their measurement is presented in chapters II and VII, which present the results of analysis of costs of custodial facilities and prison industries, respectively.

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[1]There will be cases in which goods or services are financed through governmental as well as private sources. The ratio of such financing will determine whether they should be classified as "private" or "public" expenditures.

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.[1] External costs, like the previous classification, may be further subdivided into:

- Public Expenditures--direct outlays for, or the imputed value of, goods and services provided or financed by governmental agencies or units. 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. For example, these might include: private employment agencies or day care centers, private mental health practitioners (not paid under government contract).[2]

This report will be concerned only with those external costs that are associated with institutional-based program or parole, or with a change in either of those activities recommended in the Corrections Report. For example, though the analysis is not concerned with all of the costs of providing educational services to adults, it is concerned with the costs of educational programs for adults in correctional institutions or on parole.

Opportunity Costs

In addition to criminal justice system and external costs described above, another type of cost is considered in this report. Opportunity cost is a measure of the cost which 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:

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[1] The "criminal justice system" is defined to include the agencies or individuals listed under "criminal justice system costs" above.

[2] In the case of activities financed through governmental and private sources, the financing ratio will determine the classification, as explained above for criminal justice system costs.

- A single resource which could be used in different ways (such as a person who can hold different jobs);
- A set of resources which could be used in alternative post-adjudication activities (such as $10,000 for institutional or parole activities);
- A set of resources which could be used in alternative criminal justice program areas (such as an educational program for police or incarcerated persons);
- 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 which could be used in different ways, one measure of the opportunity cost of an inmate in an institution is the productivity of his labor that is foregone. As another example, 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 post-adjudication activities, the opportunity cost of using a set of resources[1] to perform one particular activity (for example, incarceration) is the result or product that could be obtained from using those same (or smaller) resources in other types of activities (such as probation or parole). At other levels of resource use suggested in the list above, institutional-based activities, or post-adjudication activities as a group, can be compared to other criminal justice activities, other non-criminal justice governmental activities, or non-governmental activities.

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

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[1] Their "value" has previously been computed by the cost calculations described above.

For the cost analysis of institutional-based programs and parole, the first two types of opportunity cost are explored. Opportunity costs associated with some of the other types of comparisons identified above are discus- briefly in the Project's summary report.

MORE SPECIFIC FEATURES OF THE REPORT'S COST ESTIMATES

There are several more specific features of cost estimates presented in this report which relate to more than one topic and which it is important for the analyst to note at the outset. Discussed below are:

- The focus on <u>average</u> as distinct from <u>marginal</u> cost,
- The presentation of <u>national</u> averages for most types of cost,
- The use of different <u>classifications of institutions</u> for calculating specific cost components,
- The source and nature of population statistics used in deriving <u>total national expenditure</u> requirements for specific activities.

<u>Focus on average cost</u>. The decision to use <u>average</u> cost per client (inmate) year as the basis for much of the analysis in this report was based primarily on the Project's interest in cost estimates for institutional-based and parole programs which could subsequently be compared with similar estimates for other activities (for example, halfway houses and pretrial diversion) in a summary report on criminal justice systems. The emphasis in this report on <u>average</u> cost makes it important to note the distinction between such measures and other measures of <u>marginal</u> cost. The marginal cost for an institutional-based program, for example, is the addition to total cost of that program as one more inmate is provided with the programs's services. Over an extended period of time (several years), as capital and labor resources can be shifted to meet changing demands for different types of services (correctional, criminal justice or other), marginal and average cost approach each other in value. However, over a shorter period of time (such as the correctional administrator's fiscal year), capital and labor resources are much less flexible and so marginal and average costs can be expected to be quite different. More specifically, because so many correctional costs are fixed, marginal cost is much lower than average cost. The addition or subtraction of one inmate year for an institutional-based program's output will not increase or decrease the amount of the institution's total costs by an amount equal to average cost per inmate year, but by considerably less than that amount. (And, if too many inmates are added but most of the resources remain fixed, the nature or "quality" of the institution's services is also altered.)[1]

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[1]For an approach which utilizes <u>marginal</u> cost analysis and

Presentation of national averages. Most of the cost estimates discussed in this report are the best approximations for national averages (in 1974 dollars) which could be derived, given data and resource limitations. It is expected that these estimates will need to be adjusted to reflect local conditions (such as salary levels) and inflation since 1974. Several guidelines on how such adjustments can be made are contained in the text of this report. Assumptions and statistics underlying the estimates are indicated, so that if the analyst or policy-maker does not agree with the assumptions or has local statistics he thinks more suitable, he can modify the analytical approach for his own jurisdiction. Both incremental costs associated with bringing existing activities up to the Standards, and aggregate costs of activities meeting the Standards are discussed.

Use of different classifications of institutions. Several different characteristics are used in classifying institutions for different types of cost estimates (security, location, level of government and so forth). For example, operating costs are estimated for existing state nonjuvenile and existing local nonjuvenile institutions while capital costs are calculated for high, mixed and low security institutions and jails. The characteristics used for particular costs are based on the nature of the source data used to calculate them. Any reason for expecting that a cost estimate might be biased in a particular direction or magnitude because of differences between the types of institution covered by the source data and the types of institutions for which costs are being estimated in this report (both existing and proposed) are discussed as the analysis is presented.

Population statistics used for national expenditure estimates. Statistics included in this report which are estimates of the total national expenditure required to meet specific Standards are based on the most recent daily population statistics which were available at the time the report was being prepared. For state institutions, this was an estimate of 181,534 inmates on December 31, 1973, which included all

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allows some operating costs of institutions to remain fixed while others vary with population changes, see Michael Block, Cost, Scale Economies and Other Economic Concepts: A Case Study (Washington, D.C.: American Bar Association, Correctional Economics Center, 1975). Other factors which arise in developing and interpreting average cost estimates, such as whether the estimates are based on actual or design capacity and how allowances are made for differences in turnover rates (turnover and associated processing costs are particularly important in the case of jail costs) will be considered in the Project's summary report on criminal justice systems. For more information on factors to be considered, see the section on inmate population estimates and characteristics in Hans W. Mattick, "The Contemporary Jails of the United States: An Unknown and Neglected Area of Justice," in Handbook of Criminology, ed. Daniel Glaser (Chicago: Rand McNally College Publishing Co., 1974), pp. 777-848.

prisoners who had been sentenced as adults or youthful offenders and whose maximum sentence length was a year and a day or longer, from National Prisoner Statistics prepared by the U.S. Law Enforcement Assistance Administration. For local institutions (jails), this was an estimate of 136,388 inmates in mid-year 1972, which included all inmates 18 and older from the 1972 Survey of Inmates of Local Jails conducted by the U.S. Law Enforcement Assistance Administration and the U.S. Bureau of the Census. If there has been an increase in institutionalized populations since that time, as some later statistics seem to indicate, national cost estimates presented in this report need to be adjusted accordingly.[1]

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[1]The Corrections Report and its Standards are specifically concerned with state and local criminal justice systems. Federal programs are considered only when they suggest models which states or localities might follow. Therefore inmates in federal institutions are not included in the population statistics used to derive national expenditure estimates.

CHAPTER II

COSTS OF CUSTODIAL FACILITIES

A major them of the Corrections Report is the inadequacy of existing correctional facilities. In discussing local institutions, for example, the Report states:

> The physical setting supportive of contemporary program activities will not be found by examining past models. Replicating such models has only produced failure and will continue to do so.[1]

And in its chapter on major institutions, the Report comments:

> From the standpoint of rehabilitation and reintegration, the major adult institutions operated by the States represent the least promising component of corrections. . . . Nevertheless, the nature of imprisonment does not have to be as destructive in the future as it has been.[2]

Some of the Standards that deal explicitly with the characteristics of institutions are listed in figure 1.

ESTIMATED CAPITAL COSTS FOR CORRECTIONAL INSTITUTIONS

Analysis of the cost implications of the Standards described above must build on estimates of the capital stock associated with custodial institutions. Unfortunately, these data are extremely difficult to obtain. The best set of estimates which the Standards and Goals Project could develop (within the time and resources allocated to this particular part of the project) is presented in the subsection on construction costs for recently built or planned

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[1] Corrections, p. 288.

[2] Ibid., p. 349.

Figure 1

Standards in the Corrections Report
Related to Institutional Design

2.5	Healthful Surroundings
4.2	Construction Policy for Pretrial Detention Facilities
8.3	Juvenile Detention Center Planning
9.1	Total System Planning
9.10	Local Facility Evaluation and Planning
11.1	Planning New Correctional Institutions
11.2	Modification of Existing Institutions
11.3	Social Environment of Institutions

institutions which follows.[1] These estimates serve as a frame of reference for subsequent sections in this report which analyze Standards for jail design and major institutional facilities. As introductory information prior to presenting these construction cost estimates, the meaning and importance of capital stock for institutional-based corrections and problems associated with using other data sources and estimating techniques for capital costs of institutions are discussed.

Meaning and Importance of Capital Stock

Any productive activity, including the provision of services and facilities for inmates of institutions, requires the use of resources. Some resources, such as man-hours of labor or the raw materials used in prison industries, are completely expended during the period of use and must be replaced if productive activity is to continue. These

[1] It is assumed that construction costs include relatively little, if any, expenditures for capital items specific to a particular kind of correctional program, such as prison industries or secondary education. Therefore these capital costs are discussed in sections of this report which deal with such programs, and included in program (not custody and basic support) cost estimates.

resources appear in budgets as operating expenses, and it is entirely correct to include all expenditures on them in the year in which they are employed. Other resources, however, may not be entirely used up in the year in which they are purchased and initially used. Equipment and structures are the most important examples of such resources. Their special characteristic is that they contribute to the productive activity of an institution long after the expenditure that is made to purchase them.

Capital outlays such as these, however, are rarely made uniformly over time. Instead, the typical pattern of capital outlays is very uneven, with very large expenditures occurring during the construction, expansion, and modernization of facilities, and smaller expenditures arising sporadically when equipment is purchased. Capital expenditures become necessary because capital items are not of limitless durability. Equipment may be useful for five or ten years, on the average; beyond that time, either maintenance expenditures must be included in operating costs, the item must be replaced with an attendant capital expenditure, or the services that the item provides as a contributor to the institution's productive activity must be lost. The same process applies to structures, except that the productive lifetime of corrections buildings probably is considerably longer than five or ten years.

If the productive activity at an institution is examined in any particular year, the operating costs in that year are those of the expendable resources included in the budget. But during that year the institution's activities use the capital facilities and equipment that were purchased over a multi-year period. It is this total amount of capital facilities and equipment that is referred to as the capital stock of the institution during that year. This capital stock generally does not bear any close relation to capital outlays during the same year, except that the capital stock usually is much larger than current capital outlays.

Since the capital stock of an institution wears out during its use (or, equivalently, has to be maintained to provide the same productive services), some pro rata share of the purchase costs of capital items must be included during each year that those items yield productive services. For example, one way to treat the cost of a laundry facility that has a five-year expected life is to charge off one-fifth of the laundry's purchase price in each year of its operation. This procedure obviously yields a vary different cost series over the five-year lifetime of the laundry from the technique of treating all the cost as a current expense in the first year and ignoring the capital services of the laundry during the next four years.

To carry this example a step further, it is necessary to recognize that the capital stock represented by the laundry declines from 100 percent of the purchase price in the first year to zero after five years. That is, after five years the laundry is completely worn out (if its expected life is its actual one) and it has no further ability

to provide productive services. In general, the capital stock represented by any resource--facility or item of equipment--is equal to the value of the remaining services that it can provide. Over the five-year lifetime, therefore, the fraction of the laundry's purchase price that is included in the institution's capital stock is 100 percent in the first year, 80 percent in the second, and so on down to 20 percent in the fifth year and zero thereafter.

Obviously different capital items have different lifetimes, and therefore must be replaced at different intervals. These different replacement cycles are what cause annual capital expenditures to be so variable from one year to the next. But the capital stock of an institution should vary much less than its capital expenditures from one year to the next. In the fifth year of the laundry's life, for example, the capital stock of the institution declines by one-fifth of the laundry's purchase price. But capital outlays on the laundry go from zero at the beginning of the fifth year to 100 percent of the purchase price at the end of the fifth year. During the sixth year the capital stock again declines by one-fifth of the (new) laundry's purchase price. But now capital outlays decline from 100 percent of the purchase price to zero.

For the institution, the true costs of providing laundry services are the operating costs (utilities, labor, materials, and so forth) and the annual costs associated with the deterioration of the capital stock. Examining the operating costs alone obviously understates true costs. Looking at total outlays in any one year is equally incorrect. Instead, to the annual operating costs must be added an allowance for the fraction of the institution's capital stock used up each year. And this must be done for each capital item--equipment and structures--used by the institution.

Capital Stock of Correctional Institutions

For some correctional activities, the size of capital stock almost certainly is very small. In parole, for example, virtually all costs are labor-related. Community correctional programs do involve some capital expenditures, but they typically are small relative to operating (labor) costs because neither extensive equipment nor special structures are required. Costs of administration for correctional systems similarly may be treated as consisting almost entirely of labor and other operating expenditures.

For institutional programs, however, capital costs are likely to represent a large component of long-run (or "life-cycle") total budgetary outlays. State institutions, for example, typically are located in areas remote from population centers for security reasons. They thus require the construction of entire physical plants, including provision for utilities, water supply, and even housing for the institutional staff. In addition, the nature of institutions themselves may increase the capital costs of construction or renovation. Materials must often be consistent with security requirements. Low-density

development and the attendant high costs of land result from the desire for internal security and isolation from the external environment.

In examining different kinds of institutions, some variation should be expected in capital stocks. Large, high-security institutions offering a wide variety of treatment, education, and vocational programs in locations distant from cities or towns should have high capital stocks because they must provide all the kinds of capital inputs listed above. Low security camps and farms should have lower capital stocks because their physical plants are not elaborate, their construction is not costly, and the land they occupy usually is in inexpensive rural areas.

Similar considerations apply to local jails. Physical durability and security are often more important considerations than for state institutions, but isolation and provision of "infrastructure"--housing, utilities, and so forth--is less important. Jails typically have higher densities than prisons and provide fewer collateral services, such as recreation or industrial facilities, that occupy space and require additional construction. Land costs of jails are, however, likely to be higher per acre due to metropolitan location. Based on these considerations, it is likely that the capital costs of jails are significant, but smaller than the capital costs of prisons (both calculated on a per bed basis).

Data Sources for Estimating the Capital Stock of Correctional Institutions

One way to calculate a correctional institution's capital costs would be to itemize every capital good in it, figure out the annual proportion of each good used up by the institution's activities, and pro-rate the acquisition costs of the different items. The pro-rated costs could then be summed to estimate the total annual capital costs for the institution. This is essentially the process followed by an industrial accountant in computing the annual depreciation allowances for a private business. Any institution could do the same, if it had acceptable data on its items of capital stock, their cost, and their estimated lifetimes. But these data are not available for use in this study. Instead, inferences must be drawn about the capital stock used in different correctional programs.

Data on budgetary costs of correctional programs, whether obtained from individual state budgetary sources or aggregate compilations such as LEAA's series on Expenditure and Employment Data for the Criminal Justice System, universally present current costs only. Usually the data are limited to operating costs, although in some cases data include current outlays for capital equipment and structures. In Expenditure and Employment Data, for example, there are some capital data in tables 39, 41, 43 (all references are to the 1972-1973 volume), but they refer only to expenditures made in the year under consideration. As another example, the California Correctional System Study points to the large costs of expanding jail capacity ($49 million in projected

construction costs in 1971).[1] But this figure simply represents the one-time expenditures contemplated in Los Angeles and Alameda Counties on large new jails. Over the seven-year period 1966-1972 the probation subsidy program is claimed to have obviated $95 million in planned construction outlays, but there is no indication as to whether the average of about $13.5 million annually is a valid long-term figure. What is lacking is a comprehensive series on the capital stock used in correctional programs, or the annual capital costs which the use of this stock incurs. Thus it is not possible directly to estimate the average costs of institutions, which would require combining capital with operating costs.

Another problem is that many jails and major institutions are so old that their construction cost bears little relationship to current costs of either modification or replacement. According to the 1970 jail census, 25 percent of the cells in use in 1970 were built before 1920.[2] The American Correctional Association's tabulation of maximum security prisons in 1971 shows that the modal period of construction was 1871-1900, and about 70 percent of all institutions in use in 1971 were more than 40 years old.[3]

By and large the physical characteristics of old institutions are incompatible with the Corrections Standards. The major institutions are too large and their plans are oriented to custody and security rather than the delivery of services. Jails are not necessarily too large, but their designs also serve the purpose of confinement and facilitating the provision of different kinds of services.[4] To the extent that current budgetary outlays on capital equipment and structures are related to the maintenance and modification of these old institutions, therefore, the data provide no indication of the costs of meeting the Standards for institutions enunciated in the Report. Even when budgetary data refer to the construction of new facilities, construction periods generally extend past a single year and outlays are combined with other current expenditures on capital account. As a result, budgetary data do not provide adequate information on the value of capital stock used in correctional programs.

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[1] California, Board of Corrections, California Correctional System Study, Final Report (Sacramento, Ca.: California Board of Corrections, 1971).

[2] U.S., Department of Justice, Law Enforcement Assistance Administration, National Jail Census, 1970: A Report on the Nation's Local Jails and Types of Inmates (Washington, D.C.: Government Printing Office, 1971), p. 4.

[3] American Correctional Association, Directory of Correctional Institutions and Agencies of America (College Park, Md.: American Correctional Association, 1971).

[4] As of 1972, the average number of inmates per jail was only 36, and the median size of jails was less than 21 inmates. U.S., Department of Justice, Law Enforcement Assistance Administration, The Nation's Jails (Washington, D.C.: Government Printing Office, 1975), p. 1.

In the absence of comprehensive data on capital stock for any entire correctional system, total correctional capital stock and the capital costs associated with it must be estimated on the basis of the fragmentary data available. Data collected for recently built or planned institutions in several states provide the basis for direct estimates of capital stock in different kinds of institutions presented in the subsection which follows.

A Frame of Reference: Construction Costs for Recently Built or Planned Institutions

Construction cost estimates for recently opened institutions, as well as others now under construction or in the planning stages, provide the best source currently available for deriving capital cost estimates for institutions. For this report, construction cost estimates for 19 such institutions were collected. Institutions were selected to give broad representation geographically and by type of institution. Cost and related data for the 19 institutions in the sample are presented in an appendix. Per bed cost information, by type of institution, is summarized in figure 2.

Eight high-security major institutions, seven of which opened after 1973 or are currently in construction or planning, have per bed capital costs ranging from $23,750 to $57,052. (The other institution opened in 1971; its cost per bed was $44,000.)[1] Six mixed-security institutions during the same period had a range of capital costs per bed of $22,587 to $36,177. Five jails had per bed capital costs of $12,438 to $48,828. The average (mean) cost per bed for the high security institutions was $41,014; that for the mixed institutions was $31,470; and that for the jails was $27,342.[2] Because the opening dates for these institutions range from 1973 to 1976 and beyond, an average cost in 1974 dollars has also been estimated for each of these three types of institutions. It is $37,117 and $28,480 for high-and mixed-security institutions, respectively, and $27,342 for jails.

To go from the per bed cost estimates for the three types of institutions shown in figure 2 to the annual capital cost estimates shown in figure 3, two further conceptual-statistical transitions have been made. The first involves the derivation of a per bed cost estimate for "low-security" institutions. The second relates to the calculation of an estimated annual capital cost per bed.

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[1] No distinction was made in collecting and averaging these construction cost statistics between "maximum" and "medium" security (here referred to as "high-security") institutions, which are assumed to be similar in physical plant.

[2] More recent architectural cost estimates for new jail construction in Washington state (not available when this report was written) average $27,473 per bed, very close to the $27,342 average mentioned above. These estimates are based on Washington Jail Services Commission standards on size of living quarters and other spaces, as well as the inclusion of recreation and education space, kitchen facilities, and the like. They include architectural fees and state sales taxes, but exclude contingency fees and site acquisition and preparation. Wayson et al., "Jail Standards Compliance," pp. 76 and 88.

Figure 2

Summary Data on Construction Cost Per Bed, by Type of Institution, for a Sample of Nineteen Recently Constructed or Planned Institutions (Current and 1974 Dollars)*

Type of Institution	Number of Institutions in Sample	Per Bed Construction Cost			
		Current Dollars			Average in 1974 Dollars
		High	Low	Average	
High-Security Institution	8	$57,052	$23,750	$41,014	$37,117
Mixed-Security Institution	6	36,177	22,587	31,470	28,480
Jail	5	48,828	12,438	27,342[a]	27,342[a]

*These statistics relate to recently completed or planned institutions, and so are not intended to reflect the capital costs for institutions meeting all of the Standards in the Corrections Report. Rather they are presented here as a frame of reference from which the implications of particular Standards, for particular places and then the nation, can be analyzed. The text of this report should be consulted for analysis of particular Standards. See an appendix to this report for more detailed information from which these estimates were calculated.

[a]The current and 1974 dollar estimates for jail costs do not vary because the average construction date for jails in the sample was 1974.

No current data on "low-security" institution construction costs were obtained from the institutions sampled. The $28,480 figure is the estimated 1974 capital cost per inmate of an institution housing a mixture of high-and low-security inmates. In the absence of any data, assume that two-thirds of the inmates in mixed institutions require high-security custody. If $28,480 is the average capital cost per bed in mixed institutions and $37,117 is the average for those requiring high-security custody, the remaining one-third must be using low-security facilities with per bed capital costs of $11,206 in 1974 prices. This figure of $11,206 per bed capital cost for low-security facilities, derived from the estimates for high-and mixed-security facilities in the sample, is used in average cost estimates for low-security institutions presented in figure 3. It is consistent with the observation that the physical plants of low-security institutions are much less elaborate and costly than those of other correctional institutions.

The calculations of annualized capital cost in figure 3 are based on a ten percent annual cost of capital. For any state, the annual cost of capital depends on interest costs and amortization periods. Borrowing rates in recent years have been in the range of seven to nine percent for most states. Adding an amortization factor and providing a small margin for uncertainty makes ten percent a very reasonable annual cost of capital.

For example, suppose a state finances a $10 million institution with 30-year, eight percent bonds. The interest cost over the life of the bonds is roughly $17 million, so the total cost over 30 years is about $27 million, or nine percent per annum of the original capital cost.[1] Lower interest rates or shorter terms would lead to smaller annual capital costs, but ten percent is a reasonable average from the state's viewpoint, given current economic conditions. Should economic conditions change and interest rates fall substantially, annual capital costs should be adjusted downward.[2]

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[1] Continuation of this particular debt beyond the original 30-year period, or financing interest payments on this debt with further debt, could make costs even higher.

[2] In more technical economic terms, the social cost of such borrowing is higher because state bond interest rates are subsidized through the exclusion of such interest from federal income tax liability. Instead of nine percent, the social cost of state borrowing at eight percent is roughly equal to nine percent divided by $(1-t_m)$, where t_m is the marginal tax rate of buyers of state bonds. Even if t_m is as low as 50 percent--and most studies conclude that it is higher, because state bonds appeal principally to the very wealthy--the social cost of borrowing would be about 17 percent.

Figure 3

Estimated Annual Capital Cost Per Bed,
by Type of Institution (1974 Dollars)

Type of Institution	Annual Cost in 1974 Dollars
High-Security Institution	$ 3,712
Mixed-Security Institution	$ 2,848
Low-Security Institution	$ 1,121
Jail	$ 2,734

Source: Estimated from construction cost data for nineteen recently built or planned institutions presented in an appendix. See the text for details on estimating techniques used.

In all of these estimates, average costs are assumed to be constant for different sizes of institutions. That is, there are assumed to be no significant economies of scale. Stated another way, it is assumed that large institutions are not more efficient than smaller ones. Fragmentary support for this contention is found in Block's analysis of California institutions. He indicates that "based on an informal review of some capital appropriations information, it appears that capital costs are proportional to output."[1] But Block's analysis of partial data on jail capital costs does not enable him to reject the hypothesis that there are economies of scale. There is no strong evidence to refute it, but the assumption of constant average costs must be regarded as unproven.[2]

[1]Block, Scale Economies, p. 27.

[2]Mattick makes the argument that small jails have higher capital costs per inmate than large jails because of the greater proportion of "excess capacity" required to handle peak loads ("Contemporary Jails," pp. 798-800). Because all of the capital cost estimates derived in this report assume institutions are operating at design capacity, this factor does not arise. It will, however, be discussed in the Standards and Goals Project's summary report on criminal justice systems which looks at planning for and cost comparisons between institutional-based and other programs.

Standards for segregating jail inmates (by pre- or post-trial, type of security, and so forth), which lead to greater use of individual cells in small jails, may be associated with economies of scale. See Wayson et al., "Jail Standards Compliance."

Obviously, care should be taken in applying these estimates to individual states. Ideally, administrators and planners should make direct estimates of capital costs per inmate year in different types of institutions, thus making it unnecessary to use the inferences and derivations in this report. However, corrections technology is broadly similar across jurisdictional boundaries, and the capital cost estimates derived here should not differ too widely from those in most states. In adjusting these estimates for their own use, officials should take account of regional differences in construction costs and other prices. Estimates should also be updated to the current year by multiplying by the ratio of current price indices to those of 1974. Where price indices differ for various goods, as in the price index for state and local government construction and the (different) index for other state and local government purchases, different indices should be used for the different cost components. Ideally, local data should be used instead of national aggregates.

The overall methodology, however, is transferable to any jurisdiction for which adequate data are available. The principal analytical element in this chapter is the manner in which an annualized capital cost is estimated from lifetime capital expenditures. In using a ten percent annual cost of capital (or, alternatively, estimating capital stock as ten times annual capital costs), it is simply being recognized that capital expenditures on correctional institutions require the use of capital funds that alternatively could be used for other public and private sector expenditures. The changes envisioned and recommended in the Standards of the National Advisory Commission require modification of institutions' physical plants in many cases. Such state and local expenditures normally require bond flotation, currently at interest rates of eight percent and more. Were these funds not used for corrections, they could be applied to the construction of schools, hospitals or public transportation systems, or management information systems, or a host of other capital projects. Were they not borrowed at all, they could earn rates of return in other uses ranging from seven percent or more on U.S. Government bills to ten to fifteen percent on corporate stock. In contrast to these rates of return, 30-year amortization implies an annual cost of about three percent. To calculate capital costs using such an amortization rate only would grossly understate the long-run impact of correctional systems on state and local budgetary expenditures.

STANDARDS FOR JAIL DESIGN

In evaluating the Corrections Report's recommendations concerning local institutional facilities, the problem that immediately arises is that the Report's vision differs from current reality by so much that the current characteristics and costs of jails are virtually unrelated to the Report's Standards. For example, a large proportion of the 4,000-plus jails are superannuated. Many are overcrowded. Inmate populations are heterogeneous, but different classes of inmates are grouped together often without regard for age or legal status. Jails

are almost purely custodial, with few if any programs designed for reintegration or rehabilitation. As a related point, staffing is often nonprofessional and at low ratios of staff to inmates.

Under present dispositions, roughly half of all jail inmates are awaiting either arraignment or trial. The Corrections Report, like many other sources, recommends extensive diversion and pretrial release programs to alter this proportion. But if the proportion of pretrial detainees does not change, or for those detainees not released under other programs, the Report recommends segregation from other inmates and the availability of a variety of service programs.[1] Operating costs for new and expanded programs will be considered in part two of this report. This section will concentrate on facility costs implicit in the Report's Standards.

A jurisdiction planning a new jail to conform to the Standards in the Report might start with the jail cost estimate in figure 2 of $27,342 per bed. The problem with using this estimate is that the services and functions implicit in these construction costs surely conflict in at least some cases with the jail design implicit in Corrections. The Report actually supports a shift from more traditional jails to local institutions more like those classified as "mixed institutions" in calculating capital cost estimates in figures 2 and 3. Such local institutions are to provide more extensive intake, diagnostic and prerelease services than jails, and to serve a more varied group of inmates, including some types of offenders now in major institutions who can be expected to benefit from incarceration closer to family and community ties.[2] If the capital cost estimate derived from construction costs for six mixed institutions is used as a starting point, it is $28,480, slightly higher per bed than the $27,342 jail figure. The estimate for a facility designed for Rhode Island, described in detail below, is $20,411, considerably lower than the jail figure.

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[1] According to LEAA's 1972 Survey of Inmates of Local Jails, pretrial detainees are segregated from sentenced inmates in 1400 (41 percent) of the 3,408 jails reporting. Justice, Nation's Jails, p. 6.

[2] For more information on how institutions in the Standards and Goals Project sample were classified, see footnote a of the construction cost table in the appendix of this report. For sections of the Corrections Report which support a shift from more traditional jails to mixed (community-based) institutions, see the introductory text to Standards on "Local Adult Institutions" (Chapter 9), particularly pages 281 through 288. See also Ronald L. Goldfarb, Jails: The Ultimate Ghetto of the Criminal Justice System (New York: Doubleday, 1975), Chapter 8. Goldfarb advocates "detention centers" with different "function and architecture and administration" from jails (p. 450; italics added).

One study of the cost of building a jail whose functions would conform to those recommended by the Corrections Task Force has been completed by the Planning and Design Institute for Rhode Island.[1] (This facility is classified as a "mixed institution" in this report's construction cost estimates.) The Planning and Design Institute foresees three separate components of a correctional facility serving the functions of the jails envisioned by the Task Force:

- An Intake Service Center would provide a mix of counseling, classification, and medical services similar to those recommended in Standards 9.4 and 9.5 of Corrections.

- A Community Correctional Center would encourage community interaction with inmates, stimulate volunteer participation, provide for service delivery from other agencies, and facilitate visits from inmates' friends and relatives. "Special problems, high security risk persons and individuals on minimum security are removed from this community correctional population"; that is, the facility is designed to house offenders able to interact with the civilian population.[2]

- A Partial Release Center would provide residential accommodations for offenders in various stages of release to the population. This function would parallel that in Standard 9.9 dealing with jail programs.

The three types of correctional centers analyzed by the Planning and Design Institute all have different capital costs per bed. Not surprisingly the most costly is the Intake Service Center, due to the large diagnostic and administrative components of its function.[3]

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[1]National Clearinghouse for Criminal Justice Planning and Architecture, Planning and Design Institute, Rhode Island Pre-Design (Champaign, Ill.: Planning and Design Institute, 1974).

[2]The PDI Community Corrections Center is not precisely a jail, in that its offender population might include felons as well as misdemeanants. But the discussion in the PDI report suggests that the levels of security, community involvement, and program availability would coincide closely with those in the Corrections Standards and other proposals such as Goldfarb's.

[3]Compare Goldfarb, Jails, p. 434: "To provide such services and care, this wing . . . must have new equipment and larger medical budgets . . . and the space and materials medical employees need to work." P. 437: "The medical wing . . . would provide for hospital wards, secure individual rooms and dormitories, interview areas, physicians'

Significantly less expensive per bed are the Community Correctional Center and Partial Release Center. Capital costs for the three facilities are estimated at about $23,000, $20,000, and $19,000 per bed, respectively, as shown in figure 4. The fact that slightly more than half of all jail inmates are expected to be in pretrial dispositions results in an average for all three functions of approximately $20,500 per bed.

Because of the multiple roles that jails are envisioned to serve in the Corrections Report, it is worth specifying capital costs separately for these three functions. No peripheral expenditures, such as on access roads and utilities plants, are built into the estimates in figure 4. Neither the Planning and Design Institute estimates nor those in figure 4 include land acquisition costs. Thus, these estimates should be taken as those of constructing a new jail facility, to specifications consistent with the Corrections Standards, on an existing site.

Figure 4

Jail Functions and Estimated Capital Costs Per Bed (1974 Dollars)*

Intake services, classification, and pretrial detention	$23,249
Incarceration (primarily but not solely misdemeanant)	$19,748
Pre- and partial-release dormitory	$19,185
All functions	$20,441

*Estimates for 1975 from a study by the Planning and Design Institute (see text) have been deflated to 1974 dollars using the GNP deflator for investment in nonresidential structures for the first quarter of 1975 (110.5, if 1974 = 100), so that these estimates will be more closely comparable to other 1974 dollar estimates in this report.

offices, medical laboratories, as well as office space for representatives of community programs."

The fact that the planned Rhode Island facility is estimated to be less expensive than the more traditional jails surveyed does not indicate that the jail envisioned in the Standards would be less costly to build than modern jails designed to more traditional standards. The PDI proposal offers only one observation, and does not include land acquisition costs or other local factors that influence jail cost and design. Nevertheless, this proposal suggests that the cost of complying with the Standards for jail design may well be negligible in view of the very high capital costs characteristic of more traditional facilities.

STANDARDS FOR MAJOR INSTITUTIONAL FACILITIES

It is difficult to translate the Standards for major institutions in the Corrections Report into the context of contemporary institutional design because the vision of the Standards bears so little relation to today's practice. The Standards call for even highly secure facilities to be small, and for them to be located near the communities of residence of their inmates. The physical design of these institutions is to include extensive use of glass; decentralization into very small living units of 25 or 30 inmates; facilities for medical care, recreation, religious expression, education and industry; and provision for inmates' privacy. Individual rooms (not cells) are to be provided, containing at least 80 square feet of space.

As part of their general thrust toward community correctional programs, the Standards envision extensive reductions in institutionalized populations. For that reason, they discourage the construction of any new institutions unless existing institutions are incapable of modification to conform with the design characteristics listed above. Prisons that cannot be restructured to meet these specifications should be abandoned. In practice, the majority of contemporary institutions cannot meet these Standards, if only because they are located too far away from their inmates' communities. (In a survey of 23 new institutions for men, Nagel found that they average 172 miles from their states' largest cities, are located in towns averaging only 9,900 residents, and house inmates nearly half of whom are members of ethnic minorities.[1])

In addition, existing facilities often are much too large and much too old to be adaptable to the Corrections Standards. Only 20 of 113 maximum security institutions operating in 1971 were less than ten years old. The average size of these 113 institutions was 1,100 inmates, with some ranging up to 4,800. Even many new institutions are very large. The new institutions visited by Nagel had an average size of 770 inmates and the eight recently built or planned high security institutions in the Standards and Goals Project survey have design capacities averaging 794 inmates.

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[1]William G. Nagel, The New Red Barn: A Critical Look at the Modern American Prison (New York: Walker and Company, 1973), p. 48.

For these reasons, implementation of the institutional design Standards in the Corrections Report would require extensive new construction, predominantly in new locations. The radical difference in size, from the 750 to 1,000 inmates housed in even many new institutions to the decentralized facilities totaling at most a few hundred inmates that are proposed in the Report, means that existing estimates of construction cost are relevant only if capital costs per bed are unrelated to the overall size of an institution.[1] This is discussed in the previous section on construction costs, where it is concluded that there is no evidence to refute the contention that capital costs per bed are constant for different-sized facilities.

These findings permit the estimates in figure 3 to be used to generate estimated capital costs for new state facilities that would satisfy the Corrections Standards. For several reasons, state facilities to be constructed are expected to be high-rather than low-or mixed-security[2] institutions:

- In lieu of large, isolated, low-security facilities such as most of those now in use, the Standards advocate small, decentralized community correctional facilities not properly described as "institutions." (Halfway houses were analyzed in another Standards and Goals Project report.)

- Many low-security facilities now in use are physically less confining and more decentralized than more secure institutions. Rather than new construction, modification (at lower cost) is a viable option for low-security facilities.

- Existing low-security institutions are currently under-used. The fact that some of these facilities are incapable of conforming to the Standards therefore does not generate an automatic requirement for new construction, even if there is no reduction in total inmate population. And only about 15 percent of the institutionalized population is now housed in these institutions; the remaining 85 percent of the inmate population is in high-security institutions.[3]

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[1]The only size Standard in the Report advocates that "the institution should be small enough to enable the superintendent to know every inmate's name and to relate personally to each person in his charge." Corrections, p. 355.

[2]Mixed-security institutions are discussed in the previous section on jail Standards.

[3]Corrections, p. 344. Estimates are based on the 1971 Directory of the American Correctional Association and a poll taken by the American Foundation's Institute of Corrections, which contacted the head of every state department of corrections.

Two factors suggest that the cost per bed of high-security facilities complying with the Standards is likely to be no greater than the average capital cost of the major institutions surveyed and shown in an appendix, despite the smaller size of the institutions recommended by the Standards. First, the Standards advocate placing institutions in community settings to increase community access and reduce institutional size. In terms of construction cost, location in communities has the collateral advantage of permitting institutions to draw upon capital facilities already present rather than requiring the construction of new utilities systems, housing for staff, transportation access, and so forth. Although land costs are higher in metropolitan areas, the small institutions suggested in the Standards would not require large parcels of land to be assembled.

A related bit of evidence is the correctional proposal for Rhode Island prepared by the Planning and Design Institute. The portion of the Rhode Island facility intended principally to supplement community-oriented correctionsl programs with a high-security facility for the residual fraction of the offender population not suitable for release has a per bed cost of about $20,000 in 1974 dollars. Nonetheless, the Rhode Island proposal conforms quite closely to the institutional design in the Corrections Report. Individual bedrooms are provided, with floor space of 80 square feet. Day rooms are planned for each twelve inmates. Architectural commentary on the proposal makes it clear that the Report's call for "provision of privacy, reduction of sensory deprivation, and reduction in size of inmate activity spaces to facilitate constructive inmate-staff relationships" has been heeded.

The conclusion that follows from this comparison between current replacement costs and new design costs is that small institutions conforming to the Standards appear not to be more expensive than large facilities built in the mode of contemporary high-security institutions. Since construction costs obviously vary widely among jurisdictions, the average capital cost of $37,117 in figure 2 could be greatly above or below the actual experience of any particular state government.[1] But the evidence indicates that the cost of replacing outmoded institutions with new ones should roughly be the same, whether the new facility is a contemporary duplicate of the (large, highly secure, impersonal and even dehumanizing) original or a departure from traditional design along the lines recommended by the Corrections Task Force.

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[1] The U.S. Department of Commerce publishes construction cost indices by region (North, East, South, West) of the United States. Although these indices apply to all construction activity, the bulk of which is private, they can be used to supplement the national public construction cost index. U.S., Department of Commerce, Survey of Current Business (Washington, D.C.: Government Printing Office, monthly).

CHAPTER III

OPERATING COSTS FOR CUSTODIAL AND SUPPORT SERVICES

According to the Corrections Report, staff/inmate ratios and qualifications are a major problem in corrections. In jails, "current patterns of jail staffing are sadly deficient. Amelioration of the basic ills requires immediate action to provide enough trained and qualified staff . . ."[1] Institutional staff are seen as overly militaristic, poorly educated, and isolated from inmates by ethnic differences. The employment of professionals from other disciplines, such as psychology and psychiatry, is viewed as too little to provide adequate services to offenders.

The Standards addressed in this chapter deal with staff quality and size and the services offered to offenders for reasons other than "treatment" or "rehabilitation." In other words, the analysis concerns only those staff persons involved in custody and basic support services and does not cover "program" personnel. The most important of the specific Standards discussed are listed in figure 5.

Analysis of the cost implications of these Standards must be related to operating costs (particularly personnel costs) associated with custodial and support services already being provided by institutions. A set of estimates for such costs in state and local nonjuvenile institutions is presented in the next section. Subsequent sections discuss how Standards in the Report might affect such costs, nationwide or for specific institutions.

A FRAME OF REFERENCE: RECENT OPERATING COSTS FOR CORRECTIONAL INSTITUTIONS

Estimated operating costs per inmate year (in 1974 dollars) for providing custodial and basic support services in state and local nonjuvenile institutions are presented in figure 6. The estimated $5,011 for support and custody for one inmate for a year in a state institution is over $1,000 greater than the $3,874 estimated to be the

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[1] Corrections, p. 301.

Figure 5

Standards in the Corrections Report Related to Institutional Staff

2.6	Medical Care
9.6	Staffing Patterns (in Jails)
11.3	Social Environment of (Major) Institutions
14.1	Recruitment of Correctional Staff
14.11	Staff Development

Figure 6

Estimated Average Operating Cost for Custodial and Support Services Provided by Correctional Institutions (1974 Dollars)*

Type of Average Cost	Type of Institution: State Nonjuvenile	Type of Institution: Local Nonjuvenile (Jail)
Wages and Salaries	$3,381	$2,583
Fringe Benefits	507	387
Other Operating Costs	1,123	904
All Operating Costs	$5,011	$3,874

*Operating cost estimates shown here are associated with the level and types of custodial and support services recently being provided by the nation's institutions. For more complete information on how these estimates were derived, see the text and figures 7 and 8. These estimates are not intended to reflect the costs of custodial and support services for institutions meeting the Standards in the Corrections Report. The text of this report should be consulted for analysis of the cost implications of these Standards.

cost for the same service in a local jail. These estimates are derived from the most recent Expenditure and Employment data (for the 1973 fiscal year) published by LEAA and the Bureau of the Census. Special allowances have been made to adjust for inflation since 1973, add fringe benefits for institutional personnel and exclude costs not associated with custody or basic support. More detailed information on how the estimates in figures 6 were derived is presented in the text which follows and in figures 7 and 8.

Figure 7 presents the general methodology and actual numbers used in calculating operating costs for custody and support for state nonjuvenile institutions. Figure 8 presents similar information for jails (local nonjuvenile institutions). All expenditure data used in deriving these estimates are from the most recent set of national statistics collected by the Census Bureau and published with LEAA in Expenditure and Employment Data for the Criminal Justice System, 1972-73 (Washington: Government Printing Office, 1975).

In the jail (local nonjuvenile institution) estimates, it was necessary to include expenditures for all county and city institutions, except those county institutions specifically designated as servicing juveniles only, because of the way the data were collected by the Census Bureau. It was also necessary to assume that the ratios of institutional to noninstitutional local expenditure for smaller counties and cities were the same as those for the larger counties and cities for which more detailed data were presented, to derive estimates of institutional expenditures for smaller jurisdictions (as distinguished from other types of correctional expenditure, such as that for probation).

By far the largest portion of institutional operating costs are related to custody rather than treatment (rehabilitation). In California, for example, staffing patterns suggest that the ratio of custody to treatment expenditures in institutions is about 5.3:1, so about 85 percent of total operating costs are custody related.[1] In Maryland and Vermont, partial evidence suggests that custody costs account for about 90 percent of total institutional expenditures.[2] The estimated proportion of .875 for custodial and support services in institutions used in computing estimates shown in figure 7 was chosen because it is about midway between statistics for California and Vermont and Maryland cited above. The .90 estimated proportion for custodial and support services in jails similarly reflects analysis of staffing patterns, in this case staffing patterns reflected in national data from LEAA's 1972 Survey of Inmates of Local Jails. (See figure 9 and the text surrounding it for more detailed discussion of these jail staffing patterns.)

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[1]For California in Fiscal 1976, 3,992 personnel man-years are budgeted for "security," 1,056 for "inmate support," and 985 for "treatment." California, Department of Corrections, Budget for the Department of Health and Welfare, 1975, p. 775.

[2]Maryland, Department of Public Safety and Correctional Services, Five Year Plan (October, 1974); Vermont, Executive Budget, FY 1975.

Figure 7

Derivation of Estimate of Operating Cost Per Inmate Year To Provide Custodial and Support Services, for Inmates in State Nonjuvenile Institutions (1974 Dollars)*

Type of Operating Cost						Amount in 1974 Dollars
Total Wages and Salaries						
Annual Payroll for Nonjuvenile State Institutions (12 x October 1973 Payroll)	X	Estimate of Proportion of Payroll Associated with Custodial and Support Services	÷	Allowance for Price Increases from October 1973 to Calendar 1974		
$632,400 (thousands)	X	.875	÷	.938	=	$589,925 (thousands)
Total Fringe Benefits						
Total Wages and Salaries (from previous calculation)	X	Fringe Benefit Rate of 15 percent				
$589,925 (thousands)	X	.15			=	$ 88,489 (thousands)
Total Other Operating Costs						
[Total Direct Current Expenditure for Nonjuvenile State Institutions in Fiscal 1973 — Payroll Costs (Annual Estimate Based on October 1973 Adjusted to Fiscal 1973)]	X	Estimate of Proportion of Other Costs Associated with Custodial and Support Services	÷	Allowance for Price Increases from Fiscal 1973 to Calendar 1974		
[$791,031 (thousands) — ($632,400)(.939) (thousands)]	X	.875	÷	.881	=	$195,864 (thousands)
				Total Operating Costs		$874,278
Operating Cost Per Inmate Year						
Total Operating Costs (from previous calculation)	÷	Number of Inmates in State Nonjuvenile Institutions on December 31, 1972				
$874,278,000	÷	174,470			=	$ 5,011

*See text for sources and rationale. These estimates are for operating costs associated with services recently being provided by the nation's institutions, not those suggested by Standards in the Corrections Report.

Figure 8

Derivation of Estimate of Operating Cost Per Inmate Year
To Provide Custodial and Support Services, for Inmates in Jails (1974 Dollars)*

Type of Operating Cost						Amount in 1974 Dollars
Total Wages and Salaries						
Annual Payroll for Local Nonjuvenile Institutions (12 x October 1973 Payroll)	X	Estimate of Proportion of Payroll Associated with Custodial and Support Services	÷	Allowance for Price Increases from October 1973 to Calendar 1974		
$381,120 (thousands)	X	.90	÷	.938	=	$365,680 (thousands)
Total Fringe Benefits						
Total Wages and Salaries (from previous calculation)	X	Fringe Benefit Rate of 15 percent				
$365,680 (thousands)	X	.15			=	$ 54,852 (thousands)
Total Other Operating Costs						
[Total Direct Current Expenditure for Nonjuvenile Local Institution in Fiscal 1973 — Payroll Costs (Annual Estimate Based on October 1973 Adjusted to Fiscal 1973)]	X	Estimate of Proportion of Other Costs Associated with Custodial and Support Services	÷	Allowance for Price Increases from Fiscal 1973 to Calendar 1974		
[$483,100 (thousands) — ($381,120)(.939) (thousands)]		.90	÷	.881	=	$127,929 (thousands)
				Total Operating Costs	=	$548,461
Operating Cost Per Inmate Year						
Total Operating Costs (from previous calculation)		÷		Number of Inmates in Local Jails, Midyear 1972		
$548,461		÷		141,588	=	$ 3,874

*See text for sources and rationale. These estimates are for operating costs associated with services recently being provided by the nation's institutions, not those suggested by Standards in the Corrections Report.

Adjustments in both payroll and other operating costs are based on these .875 and .90 ratios for institutions and jails, respectively.

Because personnel costs are such a high proportion of total operating costs of institutions, it is important that complete personnel costs, including fringe benefits, be included in institutional cost estimates. This is particularly important for this Standards and Goals Project report, since estimates developed here will be used subsequently in comparing institutional programs with other programs (such as pretrial diversion and halfway houses) for which fringe benefits will be included in personnel and operating cost estimates. It is assumed that payroll expenditure data from Expenditure and Employment covers payments to employees for sick and annual leave, and holidays, since these benefits do come to the employee in his regular paychecks and are traditionally paid from payroll accounts. The additional fringe benefit rate of 15 percent presented in figures 7 and 8 is to cover other fringe benefits paid for by employer contributions, such as their contributions to payroll taxes, retirement benefits and insurance, which are specifically not covered in Expenditure and Employment data. A 15 percent rate is slightly lower than the most recent estimate of a 16.4 rate for the nonfarm private economy in 1972, and the federal government's estimated rate of 16.0 for the same year.[1]

The indexes used to inflate payroll and other operating cost estimates from earlier periods (specifically October, 1973, and fiscal 1973) to calendar 1974 dollars are derived from the GNP deflator series for purchases of state and local governments, prepared by the Bureau of Economic Analysis of the U.S. Department of Commerce. Like state and local government as a whole, most corrections expenditures are for wages and salaries, so this is the best index available. (Although there is a separate index of state and local wages and salaries, it had not yet been calculated for periods recent enough to be used in the Standards and Goals Project.)

Inmate population statistics used to estimate average costs are from the National Prisoner Statistics and the Survey of Inmates of Local Jails, 1972, published by LEAA and the Census Bureau, for institutions and jails, respectively. The best estimates available, to correlate with the fiscal year 1973 expenditure data, are the December 31, 1972 estimates of adult and youthful inmates from National Prisoner Statistics and the midyear 1972 estimate of jail inmates from The Nation's Jails. Average daily population estimates

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[1]Nonfarm and federal rates are calculated from information in U.S., Department of Labor, Bureau of Labor Statistics, "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).

for the fiscal year covered would have been preferable, but a national set of such statistics is not available.[1]

The source data do not distinguish between high- and low-security institutions and so one set of estimates is shown for all state nonjuvenile institutions in figures 6 and 7. There was also no evidence in other sources reviewed to indicate that there were any systematic variations in operating costs which could be associated with the size of an institution, so the estimates in figure 6 are also assumed to apply to a broad range of institutional sizes.

Although there is no evidence that operating costs vary systematically with size, there is evidence that the range of operating costs for institutions across and even within states is rather large. The National Clearinghouse for Criminal Justice Planning and Architecture recently surveyed 13 institutions containing inmates in high security settings and found operating costs per inmate ranging from $3,100 to $10,500.[2] In Ohio, the Department of Rehabilitation estimated $4,659 in annual costs for incarcerating a male offender in fiscal 1973; but after adjusting for abnormally high-cost operation in two cases, the residual estimate was $3,307 to $3,847 per year.[3] A survey by the Bureau of Social Science Research for 1971 indicated average operating costs of $3,650, with a very large variance; Vermont, Hawaii and Montana had operating costs more than twice the average, and Texas, California and Mississippi had costs less than one-third of the average.[4] 1974 budget data for Maryland show average operating costs to be $4,799 per inmate, varying from $8,800 in the Women's Institution down to $3,637 in correctional camps,[5] Also, according to the Planning and Design Institute, the operating cost per offender in Rhode Island was about $3,600 in 1974.[6] The American Bar Association's

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[1]The population statistics used to estimate average cost per inmate year for state institutions is slightly different from the one used to project national expenditure requirements for different activities, 174,470 as compared with 181,534, because in the latter case the most recent statistic, rather than the one most closely correlated with fiscal 1973, was chosen.

[2]Letter to Neil Singer from John T. Duffin, National Clearinghouse for Criminal Justice Planning and Architecture, March 12, 1975.

[3]Ohio, Department of Rehabilitation, "Newsletter," n.d.

[4]Kenneth J. Lenihan, The Financial Resources of Released Prisoners (Washington, D.C.: Bureau of Social Science Research, Inc., 1974), pp. 17-19.

[5]Maryland, Five Year Plan.

[6]Planning and Design Institute, Pre-Design.

Commission on Correctional Facilities and Services estimated the range of costs at $3,500 to $6,500 in 1974.[1]

There is no way to derive estimates from the sources mentioned in the preceding paragraphs which are directly comparable with the estimates shown in figure 6 (that is, estimates which include fringe benefits and exclude services not associated with custody or basic support). However, the range of estimates described suggests that many states and particular institutions in many states are experiencing operating and personnel costs per inmate year above and below the levels estimated in figure 6.

By far the greatest portion of operating costs for custodial and support services are personnel costs, as the estimates shown in figure 6 illustrate. Wages, salaries and fringe benefits account for an estimated 77 per cent of institutional costs and 78 per cent of jail costs. Thus the analysis of cost implications of Standards in the Corrections Report discussed in the remainder of this chapter concerns two personnel-related topics--staffing patterns for correctional institutions, and selecting and training correctional employees.

STANDARDS FOR STAFFING CORRECTIONAL INSTITUTIONS

The preparation and presentation of the following analysis of the implications of Standards in the Corrections Report on custodial and basic support staffing for correctional institutions has been complicated by the need to consider:

- General as well as specific thrusts of the Report, such as the recommendation that there be increased use of community-based institutions serving clients in a mix of security settings and activities as compared with the recommendation that there be at least one custodian for every six inmates in local adult institutions; and

- Changes in existing institutions, as well as new or greatly modified community-based and state institutions.

In order to incorporate these considerations in the analysis, this section is divided into three subsections:

- Staffing Local Jails discusses how both specific and general Standards are likely to affect the staffing patterns and costs of existing local jails.

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[1] Donald M. McIntyre, Herman Goldstein, and Daniel L. Skoler, Criminal Justice in the United States (Chicago: American Bar Foundation, 1974), p. 34.

- Staffing State Institutions analyzes how general recommendations in the Report compare with staffing patterns and costs of existing state institutions.

- Staffing Community-Based Institutions presents staffing and cost estimates for residential-based activities of a community-based institution of the type proposed for increased use in the Report.

Staffing Local Jails

According to the Corrections Report, local adult institutions should have "at least one correctional worker . . . for every six inmates in the average daily population, with the specific number on duty adjusted to fit the relative requirements for three shifts" (Standard 9.6, section 11). The term "correctional worker" used in this Standard refers to staff members who perform primarily custodial roles, as the text following Standard 9.5 indicates that "correctional workers should be supported by administrators, secretarial and maintenance personnel, volunteer workers, and a wide variety of professionals as well as provide direct services when needed."[1] The most comprehensive and reliable information on recent jail staffing patterns, with which an analysis of the implications of these staffing recommendations can begin, is contained in data obtained in the 1972 Survey of Inmates of Local Jails shown in figure 9.[2]

Inmate to staff ratios for different occupational groupings, derived from the totals for all jails shown in figure 9, are shown in figure 10. Nationwide, to move from the existing inmate to custodial staff ratio of 7.2/1 to the 6/1 ratio recommended in the Report would mean the hiring of 3,866 additional correctional workers. If these workers were paid the average salary for local institutional workers, they would receive $10,982 per worker, for a total annual salary expenditure of $42.5 million in 1974 dollars.[3] Approximately $345

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[1] Corrections, p. 301.

[2] According to the LEAA Information and Statistics Division, which worked with the Census Bureau on the design and publication of information from this and the 1970 jail census, staff information from the 1972 census is more complete than the 1970 data, because an extra effort was made to include all jail staff, not just those performing custodial functions. Special care has also been taken in collecting this data to count only the time of sworn police officers spent in correctional duties.

[3] The average salary for local institutional workers used here is an estimate derived from October, 1973 payroll data shown in the 1972-1973 Expenditures and Employment volume. It includes an allowance for price increases from October, 1973 to calendar 1974, based on the GNP deflator for purchases of state and local governments.

Figure 9

Number of Jail Employees, by Type of Employee and Size of Jail, 1972

Type of Employee	All Jails	Jails with Fewer Than 21 Inmates	Jails with 21-249 Inmates	Jails with 250 or More Inmates
Total Employees	44,298	12,127	15,837	16,334
Fulltime	39,627	9,570	14,218	15,839
Parttime	4,671	2,558	1,619	494
Administrative	12,107	5,512	4,057	2,539
Fulltime	11,188	4,811	3,842	2,536
Parttime	919	701	215	3
Custodial	20,338	2,425	7,976	9,937
Fulltime	19,127	1,681	7,598	9,848
Parttime	1,210	744	377	89
Clerical/Maintenance	7,439	3,058	2,105	2,276
Fulltime	6,673	2,465	1,953	2,254
Parttime	766	592	151	22
Academic Teacher	367	20	181	166
Fulltime	177	9	45	123
Parttime	190	11	136	43
Vocational Teacher	209	36	93	80
Fulltime	144	18	55	71
Parttime	65	18	38	9
Social Worker	487	88	169	229
Fulltime	321	45	91	185
Parttime	166	43	78	44
Psychologist	137	22	51	64
Fulltime	69	5	18	45
Parttime	68	17	32	18
Psychiatrist	166	39	77	50
Fulltime	45	13	20	12
Parttime	121	26	57	38
Medical Doctor	1,063	354	417	293
Fulltime	366	109	140	117
Parttime	697	245	276	176
Nurse	747	86	213	448
Fulltime	592	41	129	422
Parttime	155	44	84	26
Other	1,239	487	500	252
Fulltime	925	372	326	227
Parttime	315	115	174	25

Note: Detail may not add to total shown because of rounding.

Source: U.S. Department of Justice, Law Enforcement Assistance Administration, The Nation's Jails (Washington, D.C.: Government Printing Office, 1975), Table 12.

would be added (for salaries and fringe benefits) to the national average operating costs of jails per inmate year. Based on the statistics for different sizes of jails shown in figure 9, most of the increase in correctional workers would be required in smaller jails.

Another recommendation in Standard 9.6 is that "law enforcement personnel should not be assigned to the staffs of local correctional centers." According to the 1972 census, all custodial officers in approximately 43 percent of the local jails in the United States reporting this information are sworn police officers; some are sworn police officers in an additional 11 percent.[1] Because these police officers are included as jail employees in deriving the inmate/staff ratios shown in figure 10, in proportion to the time they spend in custodial roles, this shift should not affect the staff or cost estimates made here.[2]

The Corrections Report does not offer much guidance on target ratios for other jail support staff positions. Its overall recommendations, however, are broadly consistent with those of the 1967 Task Force on Correction's proposals in the area of staffing.[3] Figure 11 presents the Task Force target ratios for various "non-treatment" staff positions in correctional institutions.

Because the turnover in jails is higher than it is for state institutions, it may not be possible to use as much inmate labor to provide support services in jails. Therefore these targets may be conservative, particularly for clerical/maintenance personnel. Comparing these targets with recent inmate/staff ratios shown in figure 10 suggests a possible surplus of administrative personnel and a potential deficit in social workers (case managers) and medical personnel.

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[1]U.S., Department of Justice, Law Enforcement Assistance Administration, The Nation's Jails (Washington, D.C.: Government Printing Office, 1975), Table 13.

[2]According to LEAA and the Census Bureau, every effort was made to include full or proportional payroll costs and employees time for police officers serving full- or part-time, respectively, in the estimates of institutional expenditures in Expenditure and Employment (and in 1972 jail census statistics). Personnel and payroll costs associated with operating facilities holding persons 48 hours or less are included as police department functions in Expenditures and Employment and also have been excluded from the 1970 and 1972 jail censuses.

[3]U.S., President's Commission on Law Enforcement and Administration of Justice, Task Force on Corrections, Task Force Report: Corrections (Washington, D.C.: Government Printing Office, 1967), pp. 95-98.

Figure 10

Number of Jail Employees and Estimated Inmate/ Staff Ratios, by Type of Employee, 1972

Type of Jail Employee	Number of Employees (Estimated Fulltime Equivalent)[a]	Estimated Inmate/Staff Ratio[a]
All Employees	41,962	3.37
Administrative	11,647	12.2
Custodial	19,732	7.2
Clerical/Maintenance	7,056	20.1
Social Workers[b]	404	350.5
Medical Doctors[b]	714	198.3
Nurses[b]	669	211.6
Other[c]	1,739	81.4

Source: The Nation's Jails. See figure 9 for data by size of jail.

[a]To get an estimate of "total" employees (fulltime equivalent), it was assumed that parttime employees worked halftime, on the average. No separate payroll data for parttime workers was available for use in making a more precise estimate.

[b]Social workers, doctors and nurses are included here as being primarily "support" (non-treatment) staff. The small number of such personnel in local jails, relative to the targets shown in figure 11, means that even if some of the personnel counted here are now serving in "program" roles in some jails, nationwide they would need to be balanced by newly hired support personnel to reach the targets for non-program services shown in figure 9.

[c]Includes academic teachers, vocational teachers, psychologists, psychiatrists, and other employees not included in other categories. These positions are assumed to be associated with "treatment" activities analyzed in this report under part two. Only custodial and support services are being analyzed in part one.

Figure 11

Target Staffing Ratios for Institutions

Custodial Personnel	6/1
Case Managers	150/1
Technicians and Service Personnel	50/1
Correctional Managers	36/1

Source: President's Commission, Corrections (1967), pp. 95-98.

The statistics on employees for jails of different sizes, shown in figure 9, suggest that the application of Standards for custodial and support staffs in jails are likely to have the greatest impacts on smaller jails. Ninety per cent of jail employees were either administrative, custodial, or clerical and maintenance personnel, a fraction that was stable among jails of different sizes. However, in small jails (with fewer than 21 inmates), fully 45 per cent of employees were listed by LEAA as "administrative," compared to only 25 per cent in jails with 21 to 50 inmates and 16 per cent in large jails. Custodial personnel comprised only 20 per cent of staffing in small jails, compared with 50 and 61 per cent in larger ones. Part-time employees were 21 per cent of the staff in small jails, 10 per cent in medium-sized institutions, and only 3 per cent in large jails. Because inmate data are not available by size of jail, it is not possible to estimate inmate/staff ratios for jails of different sizes. However, the data on staffing patterns by size of jail, noted above, suggest that smaller jails would at least need to make major reallocations of staff, by type of position, and probably also some additions to staff, to meet target ratios presented in figure 11.

The analysis presented in preceding paragraphs suggests that the nationwide application of the target staffing ratios shown in figure 11 would result in an increase in national jail costs (if the jail population were held constant). However, a somewhat different analytical technique based on the same set of target ratios, discussed in the next paragraphs, suggests that the application of such ratios nationwide could actually reduce operating costs in jails for custodial and support services. The analysis described in subsequent paragraphs was initially undertaken to study the Report's possible implications for operating costs of state institutions, but suggests comparisons with local jails as well. (See figure 13 and related discussion.)

Staffing State Institutions

The Corrections Report does not provide specific guidance as to targets for any custodial and support staff positions in state institutions, not even the targets for "correctional officers" recommended for jails. However, the Report's recommendations here, as for jails, are consistent with the 1967 Task Force's staffing proposals which were also to be generally applicable to local and state institutions. The Task Force's inmate/staff ratios, shown in figure 11, can be translated into a set of wage/salary expenditure estimates for a national system of "model" state institutions such as those shown in figure 12. The system is designed to serve the same number of inmates as were in state institutions on December 31, 1972. Inmates are also assumed to be distributed among the states as they were at that time. These characteristics of the national estimates, combined with the adjustments of the estimates to 1974 dollars, make it possible to compare the costs of these "model" institutions with similar wage/salary estimates for custodial and support services in existing state institutions shown in figure 6. The most useful statistics associated with such a comparison are summarized in figure 13.

As shown in figure 13, the estimated per inmate year wage and salary costs for the average state institution greatly exceed those of an average "model" institution staffed according to the ratios proposed by the 1967 Task Force. They are $1,314 greater per inmate year. Even jails (local nonjuvenile institutions), which are generally assumed to be much further from being staffed according to recommended patterns than state institutions, have estimated average wage/salary expenditures per inmate year which are $514 greater than those associated with the "model." Thus it may be that a redistribution of correctional personnel among existing institutions, rather than increased expenditures for correctional institutions nationwide, may be required to meet staffing targets. If, however, this redistribution shifts many employees from states with low salary levels relative to the national average to states with high salaries, this too could result in higher national expenditures.

In addition to wage and salary cost estimates, figure 13 also presents estimates of average operating costs for custodial and support services for the "model" and existing state and local nonjuvenile institutions. The average cost of $3,453 for the "model" institution is not too far from the $3,874 estimate for jails, but considerably lower than the $5,011 estimate for state institutions.

Staffing Community-Based Institutions

In discussing its target staffing ratios, the Corrections Task Force notes that its custodial staffing patterns may be

Figure 12

Estimated Wage/Salary Expenditures in 1974 Dollars for a National System of "Model" State Institutions Following 1967 Task Force Guidelines

Type of Staff	Number	Ratio of Staff/Inmates[a]	Estimated Average Annual Wage/Salary[b]	Total Wages/Salaries (thousands)
Custodial Personnel	29,078	1/6	$ 9,084	$264,145
Case Managers[c]	1,163	1/150	9,738	11,325
Technicians and Service Personnel	3,489	1/50	10,054	35,078
Correctional Managers	4,846	1/36	10,403	50,413
All Custodial and Support Services	38,576	1/4.52	$9,357[d]	$360,961

These cost estimates are for a "model" system of state institutions serving the same number of inmates, 174,470, as there were in state institutions on December 31, 1972. Only the costs of custodial and support services provided by correctional staff are estimated. For analysis of the costs associated with maintenance and support services provided by inmate labor, see the sections in part two on institutional maintenance work and work experience in institutions.

[a] Guidelines presented in U.S., President's Commission on Law Enforcement and Administration of Justice, Task Force on Corrections, Task Force Report: Corrections, 1967, pp. 95-98.

[b] Salary estimates are based on state-by-state salary data for correctional and other state service positions presented in State Salary Survey, August 1, 1973, published by the U.S. Civil Service Commission's Bureau of Intergovernmental Personnel Programs, and payroll data in Expenditure and Employment Data (for fiscal 1973), published by the U.S. Law Enforcement Assistance Administration and the U.S. Bureau of the Census. Data from these two sources have been adjusted for inflation, the geographical distribution of inmates among state correctional institutions and estimated proportions of staff having supervisory responsibilities, according to procedures outlined in more detail in an appendix to this report.

[c] At a ratio of 150 inmates per case manager, it is assumed that case managers spend most of their time handling administrative matters rathers than being involved in intensive counseling services or correctional "programs." They are therefore included as part of basic support and management of offender costs, rather than as "program" costs, for this set of cost estimates.

[d] Weighted average.

Figure 13

Estimated Wage/Salary Expenditures and Operating Costs for Custodial and Support Services Per Inmate Year in 1974 Dollars, for a "Model" Institution Following 1967 Task Force Staffing Guidelines and Existing State and Local Institutions

Type of Institution	Estimated Custodial and Support Expenditure Per Inmate Year			
	Wages/ Salaries	Fringe Benefits[d]	Other Costs	Total Operating Cost
"Model" with 1967 Task Force Staffing	$2,069[a]	$310	$1,074[c]	$3,453
Existing Local Nonjuvenile (Jail)[b]	$2,583	$387	$ 904	$3,874
Existing State Nonjuvenile[b]	$3,383	$507	$1,123	$5,011

Components may not add exactly to operating cost totals because of rounding.

[a]Derived from data in figure 12.

[b]For sources and estimating procedures for all estimates for existing state and local institutions shown in this figure, see figures 7 and 8 and accompanying text.

[c]Estimated to be the same as for existing state institutions, after $39 per capita for payments to inmates for work in institutional maintenance activities and $10 per capita for offenders' rights activities have been excluded. (This exclusion has been made to avoid double-counting when this estimate is incorporated in the cost estimates for proposed state and community-based institutions shown in figure 1 in Volume I of this report.)

[d]Estimated at 15 percent of wages/salaries.

conservative, particularly for smaller institutions.[1] What this implies is that there are economies of scale associated with the custodial function in correctional institutions. However, the limited research that has been completed on this topic to date is inconclusive, and so the "model" estimates shown in figures 12 and 13 are assumed to apply over a broad range of institutional size.[2]

There is, however, a basis for expecting the "model" staffing patterns shown in figure 12 to be conservative for custodial and support services provided in a low-security setting. This is based on a comparison of the estimates shown in figures 12 and 13 with similar information for "halfway houses." An exploration of these differences is important to this analysis because of the significance the Corrections Report gives to the increased use of community-based institutions which are to serve residents in a mix of high- and low-security settings.

Halfway houses usually serve between 15 and 25 persons in a community-based, low-security setting. Staffing patterns and associated cost estimates from a separate report on halfway houses prepared by the Standards and Goals Project are shown in figure 14.[3] Cost estimates and staffing patterns are based on information from a sample of 30 houses throughout the country, selected to represent a mix of houses, both geographically and by services to clients. Only staff or other costs associated with custody and basic support services are included in the cost estimates shown in figure 14. Rental (facility) costs have also been excluded, to make the estimates in figure 14 comparable with estimates for the Task Force "model" and existing institutions shown in figure 13, which exclude capital (facility) costs discussed earlier in chapter II.

The estimated cost of custodial and support services for halfway houses is considerably higher than the same cost estimate for the Task Force model, $4,935 per client year as compared with $3,453 per inmate year. Figure 15 shows how a "combination" operating cost estimate, incorporating both Task Force and halfway house staffing patterns, can be calculated. The proportions of .667 and .333 specified for those in high- and low-security settings, respectively, are similar to guidelines being used in planning new community-based facilities. The estimated operating cost of $3,946 per client year shown in figure 15 is the most appropriate estimate developed in

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[1]President's Commission, Corrections (1967), p. 96.

[2]See Block, Scale Economies, for the most complete analysis of economies of scale to date. Mattick finds conflicting evidence regarding scale economies in custodial and support services (operating costs) for jails. Illinois statistics tend to confirm the presence of scale economies, while North Carolina data do not ("Contemporary Jails," pp. 809-10). John L. Mikesell finds some support for scale economies in jails in counties in Indiana with no cities over 25,000 population ("Local Jail Operating Cost and Economic Analysis: Scale Economies in Local Jail Operation," paper presented at the Southern Economic Association meeting, Atlanta, November 15, 1974).

[3]Donald J. Thalheimer, Cost Analysis of Correctional Standards: Halfway Houses (Washington, D.C.: American Bar Association, Correctional Economics Center, 1975).

Figure 14

Estimated Staff and Average Operating Costs for Custodial and Basic Support Services in the Section of a Community-Based Institution Which Serves Eighteen Resident Clients as a "Halfway House"

Type of Staff	Number	Ratio of Staff/Clients	Estimated Average Annual Wage/Salary	Total Wages/Salaries
Correctional Managers	2	1/9	$12,640	$25,280
Counselors[a]	1.5[b]	1/12	8,855	13,282
Technicians and Service Personnel	2	1/9	6,555	13,110
			Total Wages and Salaries	$51,672
			Fringe Benefits at 15%	$ 7,751
			Other Operating Costs	$29,408[c]
		Total Operating Costs for Custodial and Support Services		$88,831
			Estimated Average Cost Per Client Year	$ 4,935

Statistics shown in this figure are taken from a separate Standards and Goals Project report on halfway houses prepared simultaneously with this report. Staffing patterns and cost estimates are based on information collected from a nationwide sample of 30 halfway houses.

[a]Halfway house counselors perform functions associated with both case managers and custodial personnel in the Task Force staffing classification shown in figure 12.

[b]In order to include only those staff members who perform custody and basic support services, the number of counselors shown here is one less than the number shown for a sample house which provides "basic in-house services" in the Standards and Goals Project's report on halfway houses. This is to allow for the amount of time house counselors in such a sample house are devoting to personal counseling or employment assistance services, included as a part of an institution's "program" and therefore covered in this report under part two.

[c]Rental costs have been excluded from this estimate, to make it appropriate to add capital cost estimates to this operating cost estimate, as is done later in this report.

Figure 15

Estimated Average Operating Costs for Custodial and Support Services for a Community-Based Institution Serving Two-Thirds High-Security and One-Third Low-Security Resident Clients

Type of Client	Estimated Average Operating Cost Per Client Year	Proportion of Institution Clients	Weighted Cost
High-Security	$3,453[a]	.667	$2,303
Low-Security	$4,935[a]	.333	$1,643
		Weighted Estimated Average Operating Cost	$3,946

[a]Based on staffing patterns, sources and estimating techniques shown in figures 12 and 13.

[b]Based on staffing patterns, sources and estimating techniques shown in figure 14.

this analysis for use in estimating the operating cost for custodial and support services for residential-based activities in a community-based institution. In Volume I of this report, this operating cost estimate ($3,946 per client year) is combined with cost estimates discussed in other parts of this report (concerned with capital costs, new and expanded programs, and so forth) to arrive at an estimate of the criminal justice system public expenditures per client year required to support a community-based institution's program.[1]

STANDARDS FOR SELECTING AND TRAINING CORRECTIONAL EMPLOYEES

Historically, correctional employment has been restricted primarily to males able to meet a variety of arbitrary requirements for physical condition, education, and training. The Corrections Report (Standard 14.1) recommends replacing these qualifications with job-related tests, particularly in order to broaden recruitment to members of minority groups, women, and young workers. As with broader recruitment and more flexible requirements for parole officers, there is no reason to believe that meeting these Standards would impose additional costs on any jurisdiction. Instead, net benefits might flow from the larger and more highly motivated pool of potential employees eligible under broader standards.

The Standards also call for ongoing training for correctional employees. Standard 14.11 on staff development, advocates 40 hours a year of training of different kinds for all correctional personnel, and an additional 60 hours for first-year staff. The costs of complying with these standards have two components:

- Total staffing requirements are increased by the release of roughly two per cent of staff time to training;[2]
- Corrections departments incur direct costs of the training programs.

The first of these costs can be calculated for any staffing level and structure by a local or state government. The second cost depends on the type of training involved. For most kinds of training, financial support from the Law Enforcement Administration has been available to defray or replace state and local expenses.[3]

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[1]The costs of activities which do not require "residency," which may or may not be operated in conjunction with a community-based institution (community correctional center), are analyzed separately by the Standards and Goals project. For analysis of these activities, see discussion of parole costs in this report and other reports on pretrial activities and probation and other community-based nonresidential activities. The findings of all of these reports will be brought together in the Project's summary report on criminal justice systems.

[2]40 hours is two per cent of the 2,000 hours a full-time employee works per year.

[3]In fiscal 1973, LEAA granted $900,000 to states for training programs on a wide variety of criminal justice subjects (LEAA Annual Report, FY 1973).

CHAPTER IV

OTHER COSTS OF CUSTODY AND BASIC SUPPORT

From an economic perspective, there are many costs other than the capital and operating costs discussed in the previous two chapters which are incurred by placing a person in the custody of a correctional institution and providing for his or her basic support while s/he is in the institution. The nature and magnitude of these costs is the subject of this chapter. These costs are also referred to in subsequent chapters, particularly when comparisons between the costs of parole and incarceration are being made. They will also be important considerations in comparisons between institutional-based and other programs in the Project's summary report on criminal justice systems.

Costs discussed in this chapter are of two types:

- Opportunity costs, such as foregone inmate productivity, that are "side-effects" of incarceration borne by society and the inmate;
- External costs for inmate services, incurred by public or private agencies and volunteers outside the criminal justice system.[1]

OPPORTUNITY COSTS

The economist uses the term "opportunity cost" to refer to goods and services which are given up by engaging in one particular activity rather than another. Topics covered in this section on opportunity costs are treated as "costs" because of the Standards and Goals Project's general objective of identifying, and measuring when possible, all of the costs associated with different types of correctional activities. For certain analytical techniques applicable to criminal justice planning, such as cost/benefit analysis, topics examined in this chapter may be measured on the "benefit" side of the analysis. For example, reducing the foregone productivity of correctional clients may be included as a "social benefit" of a halfway

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[1] For more introduction to the meaning of the terms "external costs" and "opportunity costs" see the section on the cost typology used in this report in chapter I.

house, when it is being compared to a state institution within a benefit/cost framework. This distinction in no way makes it less important to identify, and if possible measure, factors discussed in this chapter as costs of incarceration. In fact, within the Corrections Report itself, some of the opportunity costs examined here, such as the stigma attached to being an ex-offender or family disruption caused by incarceration, are included as major justifications for shifts from state to community-based institutions or other non-residential types of correctional activities.

Because they are the types of opportunity costs about which the economist has the most specialized knowledge and because they are most frequently considered, foregone productivity and related costs are analyzed first in this section. A brief identification and analysis of other types of opportunity costs follows.

Foregone Productivity and Related Costs

Most inmates, if they are employed at all, are employed in occupations for which they do not use their most productive skills and/or are paid at lower rates than they would have been, had they not been in prison or jail. From society's perspective, this means goods and services which are not produced and taxes which are not paid, and sometimes additional support for an inmate's dependents. From the inmate's perspective, it means a lower income.

Based on their education and occupational levels, Singer estimated the potential productivity of adult inmates in state and federal institutions to be approximately $8,038 per inmate in 1972.[1] He also estimated that over half of the potential productivity of inmates in these institutions was not being utilized in productive activities. Assuming that approximately 25 percent of total productivity was being used in institutional maintenance and another 33 percent in prison industries, vocational training, and work release programs, Singer's data can be used to estimate that the foregone productivity of labor in state and federal institutions in 1972 had a value of $911 million nationally, or over $4,380 per inmate year.[2]

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[1]Neil M. Singer, The Value of Inmate Manpower (Washington, D.C.: American Bar Association, Correctional Economics Center, November, 1973), p. 11. Singer also notes that further adjustments for racial characteristics of inmates would reduce this productivity estimate by about $1,062 per inmate. Since such adjustments may reflect social and monetary factors rather than real productivity differentials, they are not included in estimates in this report.

[2]These two estimates assume that the time of the 33 percent of the inmates in prison industries, work release, or vocational training is worth an average of $5,000 per inmate year, rather than the full potential of $8,038, based on other statistics associated with these activities (such as participation of less than eight hours per day).

Comparing participation rates underlying Singer's earlier estimates with information presented later in this report, some of which was not available at the time Singer's work was completed, suggests a higher estimate of foregone productivity may be justified. The 33 percent estimate for participation in prison industries, vocational training and work release is consistent with estimates for existing state institutions discussed later in this report.[1] However, ten rather than 25 percent of the inmate population productively employed may be sufficient for performing institutional maintenance.[2] Adjusting for this difference would raise the foregone productivity estimate for 1972 about $1,200, to approximately $5,587 per inmate year.

Because jail inmates had slightly different educational and occupational backgrounds, Singer estimated the potential productivity of adult inmates in jails to be approximately $8,349 in 1972. He also estimated that a somewhat smaller proportion, perhaps 20 percent, would be required for institutional maintenance and that very few inmates were participating in prison industries, work release or vocational training, so that the foregone productivity of jail labor in 1972 approached 75 percent of potential productivity. Using the $8,349 estimate, this amounted to $6,262 per inmate.

Comparing participation rates underlying Singer's earlier data with information reviewed for and presented later in this report suggests that ten percent of the jail population could productively perform institutional maintenance work and that, on the average, it is reasonable to assume that the proportion of inmates currently participating in work release or vocational training activities in jails is so small that it can be ignored in an average (national) estimate of foregone productivity.[3] Therefore a slightly higher $7,514 per inmate year may be a better estimate of foregone productivity in jails in 1972, using the earlier Singer data and technique.

Not all of the productivity loss discussed above ($5,587 and $7,514 per inmate year in 1972, for state institutions and jails, respectively) can be counted as an opportunity cost of incarceration. Inmates would actually produce less if they were to seek employment in the private economy, because of unemployment

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[1] A 15 percent participation rate for vocational training is discussed in chapter VI. Adding 8 percent for prison industries (chapter VI) and 10 percent for work release (chapter VIII) leads to a total of 33 percent.

[2] See discussion of institutional maintenance work in chapter VII.

[3] The most important source used in arriving at this conclusion was Mattick, "Contemporary Jails."

rates which are particularly high among the socioeconomic groups from which they come. A set of foregone productivity estimates for 1974 which account for unemployment in 1974 and inflation from 1972 to 1974 can be calculated using Singer's technique. The components for and the results of such a calculation are shown in the estimates for state institutions and jails presented in figure 16. A 15 percent rate of unemployment is assumed because of the high rates for groups with socioeconomic characteristics similar to those of inmates.[1] Foregone productivity is estimated at almost $2 billion nationwide, $946 million for state institutions and $972 million for jails. Foregone productivity per inmate year is estimated at $5,212 and $7,125, for state institutions and jails, respectively.

The only other national statistic against which the general magnitude of these estimates can be checked is a set of inmate reports on their own incomes prior to incarceration, from LEAA's 1972 Survey of Inmates of Local Jails, discussed in the paragraphs which follow.

Responses of inmates to the following question from the 1972 survey are tabulated in figure 17:

> What was your total income during the 12 months before you were imprisoned for the present offense(s)?[2]

Because of the wording of this question, the income reported by inmates could have come from either legal or illegal sources.[3] It could also have been earned or unearned (unearned income, such as welfare or unemployment insurance payments, should not be associated with productivity loss), and before or after taxes (before taxes is preferable for productivity estimation). No procedures were included in the survey to check any of the reported amounts for accuracy. Thus this amount of reported income can be considered only a very rough approximation, but is useful for comparison with the estimates discussed above since it is the only national data on inmate incomes available.

Based on the response statistics shown in figure 17, a weighted average estimate of previous income for jails inmates has been calculated at $3,453.80. An inflation factor is then used to bring the

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[1]See footnote b of figure 16 for more details on the basis for using 15 percent.

[2]U.S., Department of Commerce, Bureau of the Census, Survey of Inmates of Local Jails, Inmate Questionnaire, p. 7, question 45.

[3]Foregoing income gained from illegal activities represents an income loss to the individual, but not a productivity loss to society, according to procedures for measuring national productivity accepted by economists. In particular, the business of crime is specifically not included in estimates of the U.S. Gross National Product.

Figure 16

Estimated Foregone Productivity Associated with Incarceration in State Institutions and Jails, Per Inmate Year and Nationwide, if Inmate Unemployment Would Have Been 15 Percent (1974 Dollars)

State Institutions	
A. Potential Productivity Per Inmate Year (Assuming Zero Unemployment)[a]	$ 9,150
B. Unemployment Allowance (A x .15)[b]	$ 1,373
C. Allowance for Inmate Employment in Institutional Maintenance Work (A x .10)	$ 915
D. Allowance for Inmate Involvement in Prison Industries, Vocational Training and Work Release ($5,000 x .33)	$ 1,650
E. Estimated Foregone Productivity Per Inmate Year [A - (B + C + D)]	$ 5,212
F. Estimated Foregone Productivity, Nationwide (E x 181,534)[c]	$946,155,200
Jails	
A. Potential Productivity Per Inmate Year (Assuming Zero Unemployment)[a]	$ 9,500
B. Unemployment Allowance (A x .15)[b]	$ 1,425
C. Allowance for Inmate Employment in Institutional Maintenance Work (A x .10)	$ 950
D. Estimated Foregone Productivity Per Inmate Year [A - (B + C)]	$ 7,125
E. Estimated Foregone Productivity, Nationwide (D x 136,388)[c]	$971,764,500

See the text of this report for the rationale underlying this estimating technique and specific numbers not covered in the footnotes below.

[a]This estimate is based on occupational backgrounds and educational levels of inmates, and is derived by inflating an earlier estimate from Singer, Value of Adult Inmate Manpower (p. 11) to 1974 prices. The total GNP deflator estimated by the Bureau of Economic Analysis of the U.S. Department of Commerce is used to get from 1972 to 1974 price levels (1972 = 85.5 if 1974 = 100).

[b]The unemployment rate in April, 1974, was 4.8 percent of all workers and 8.3 percent of nonwhite workers, according to the U.S. Bureau of Labor Statistics. [U.S. Department of Commerce, Bureau of the Census, Statistical Abstract of the United States, 1974 (Washington, D.C.: Government Printing Office, 1974), Table 555.] Because young nonwhite workers, the group from which many inmates come, had even higher unemployment rates, the higher rate of 15 percent is used in deriving the foregone productivity estimates shown in this table. (Because the 4.8 and 15 percent unemployment rates used in deriving these estimates seemed very low to one reviewer, a telephone call was made to the Bureau of Labor Statistics in January, 1976, to obtain more recent, revised unemployment estimates for calendar 1974. Unemployment rates were estimated at 5.6 and 9.9 percent, for all and nonwhite workers, respectively. Differences between these and the earlier [April, 1974] figures did not seem large enough to justify last-minute changes in the estimates presented in this table, which are only first approximations of productivity loss because of data limitations associated with all of the variables used in the estimates [discussed in the text].)

[c]See the paragraph in chapter I on population statistics used in national estimates, for information on the source and use of this statistic.

Figure 17

Reported Income of Jail Inmates in Year Prior to Incarceration, 1972

Income Range	Percent in Range	Midpoint in Range	Weighted Average Component
$ 0 - $ 999	29.4	$ 450	$ 132.30
$ 1,000 - $ 1,999	15.6	$ 1,500	$ 234.00
$ 2,000 - $ 2,999	11.7	$ 2,500	$ 292.50
$ 3,000 - $ 3,999	10.1	$ 3,500	$ 353.50
$ 4,000 - $ 4,999	8.8	$ 4,500	$ 396.00
$ 5,000 - $ 5,999	6.9	$ 5,500	$ 379.50
$ 6,000 - $ 7,499	6.5	$ 6,750	$ 438.75
$ 7,500 - $ 9,999	5.1	$ 8,750	$ 446.25
$10,000 - $14,999	4.2	$12,500	$ 525.00
$15,000 - Over	1.7	$15,000[b]	$ 255.00[b]
	100.0		(1974 dollars)[a] $3,452.80
			(1974 dollars)[a] $4,154.99

Source: U.S., Department of Justice, Law Enforcement Assistance Administration, National Criminal Justice Information and Statistics Service, pre-publication statistics from the 1972 Survey of Inmates of Local Jails.

[a]The first weighted income estimate of $3,452.80 (1971 dollars) is based on previous income reports of inmates in jail in mid-1972. Therefore the median point in time during which such income was received was probably in the last half of 1971. Other Standards and Goals Project cost estimates have been calculated for correctional activities taking place in calendar 1974. Associated with inmates in jail in mid-1974 would be previous income received mostly in 1973. However, an accurate foregone income estimate should measure not what a person received before he was incarcerated, but what he would have received had he not been incarcerated. Therefore the GNP deflator used to bring the estimate of income received in 1971 up to income which would have been received in 1974 is 83.1 (the index for 1971 if 1974 = 100). This index is for all components of GNP, since inmates could have received income from public or private activities before incarceration.

[b]Because $15,000 is counted as the bottom and top of its income range, this weighted average is slightly underestimated.

estimated 1971 income up to an estimated foregone income per inmate of $4,155 in 1974. Allowing for ten percent of jail inmates to be productively employed and assuming that the $4,155 income estimate is an approximation for inmate productivity, the jail productivity loss based on this set of statistics can be estimated at $3,740 per inmate year ($4,155 times .10). The previous incomes reported by many inmates were associated with considerable unemployment; only 57 percent of the inmates were employed at the time they were incarcerated, according to the survey.[1]

Some of the $3,385 difference between these two different estimates of productivity loss can be explained by lower earnings (income) for nonwhite workers which are not necessarily associated with productivity differentials. These would reduce the actual incomes report by nonwhite jail inmates, who were approximately 44 percent of the inmates at the time the survey was taken, and would also reduce the average for all inmates by about $1,000.[2]

Another possible explanation is that unemployment prior to incarceration was even higher among 1972 jail inmates than the 15 percent assumed in deriving the foregone productivity estimate using 1974 unemployment rates. Unemployment in 1971, when the incomes reported were being received, was somewhat higher for all workers than in 1974, 5.9 as contrasted with 5.6 percent, but the same, 9.9 percent, for nonwhite workers. Thus such a difference can not explain the large gap remaining, after allowing for the earnings (monetary) differential of perhaps slightly over $1,000 per inmate.

One other comparison suggests that the unemployment rate used in estimating productivity loss (15 percent) is not too far off. A rate of 15 percent (almost three times the national average) is almost as relatively high as the unemployment rate of three times the national average which Pownall found for parolees in 1964.[3]

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[1] U.S., Department of Justice, Law Enforcement Assistance Administration, National Criminal Justice Information and Statistics Service, pre-publication statistics from the 1972 Survey of Inmates of Local Jails.

[2] As explained earlier, such earnings differences were specifically not taken into account in the potential productivity estimates for this report, because the intent of this section is to measure the value of society's loss of goods and services in real terms, not the monetary loss of inmate income. Singer estimated that adjustments for racial characteristics (more specifically, that approximately 40 percent of the inmate population was black) would reduce the earnings estimates for all inmates by about $1,062 (Value of Inmate Manpower, p. 14).

[3] See discussion of Pownall's study in the section on "gate money" in chapter VIII.

Unemployment for parolees would include any "stigma" associated with being an ex-offender, while about half of the jail inmates are pretrial (of course, some will have previously been convicted of crimes).

Based on all of the above, which is the only information available at this time to estimate the foregone productivity cost of incarceration, an estimate of $5,000 per inmate year, slightly less than but close to the estimate for state institutions shown in figure 16, is used in subsequent sections of this report in which the estimated costs of incarceration, including foregone productivity, are compared with expected parole costs. Changes in the unemployment rate (which can be expected to have more dramatic imapcts on less skilled workers, including most inmates), or changes in the composition of the inmate population, will require revisions in foregone productivity estimates. Foregone productivity estimates for particular states will also be substantially different from the national average, if the state differs much from the nation as a whole as to unemployment, socioeconomic characteristics of its inmate population, or how inmates are currently being used in productive activities within state institutions or jails.

In addition to foregoing the products derived from an inmate's labor, society also incurs other costs related to an inmate's loss of income. Loss of inmate income means a loss to society in both federal and state taxes. The state tax loss in Texas, for example, was estimated at $75 per inmate year in 1970.[1] A feasibility study for paying fair wages in South Carolina correctional industries estimated that if inmate workers were to be paid $2.50 per hour, or $5,250 a year, the state could expect to receive $100 and the federal government $500 in taxes.[2]

Another related cost to society is any increase in state support of the inmate's dependents resulting from incarceration. The Texas study estimated that 21 percent of the inmates' families received Aid to Families with Dependent Children (AFDC) and AFDC payments to inmates' families were estimated at $271 per inmate year in 1970.[3] To this should be added the costs of other forms of public assistance received, such as Medicaid and Food Stamps. Actual opportunity costs to society associated with incarceration

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[1]Robert Frazier et al., Incarceration and Adult Felon Probation in Texas: A Cost Comparison, Criminal Justice Monograph IV, 3 (Huntsville, Texas: Institute of Contemporary Corrections and the Behavioral Sciences, 1970), pp. 31-38.

[2]Robert L. Sanders, Jr., "Correctional Industries Feasibility Study," Correctional Industries Association Newsletter, October, 1974, p. 5.

[3]Frazier et al., Incarceration and Adult Felon Probation, pp. 31-38.

would be equal only to the cost of public assistance to inmates' families added to the welfare roles subsequent to the breadwinner's incarceration. (The Texas figures discussed above are total, not added costs.) For example, a California study found that all but a small percentage of the many inmates' families on welfare had been receiving public assistance before the inmates' incarceration.[1] This opportunity cost to society also may not be as high as one would expect because many inmates in U.S. jails have no dependents; only 43 percent did have dependents in a 1972 survey. When asked if dependents they had supported were now on welfare or receiving public assistance, 42 percent of these inmates said yes.[2]

Other Types of Opportunity Costs

Not all opportunity costs are easily quantified, or measured in terms of dollars. The price of discriminating against ex-offenders seeking jobs, the disruption of the inmate's family, and some of the crimes committed by ex-offenders are among phenomena associated with the opportunity costs of custody incurred by society which are at this point unquantified. Similar costs of custody borne by the inmate include any stigma he or she suffers as a result of incarceration and losses of leisure time.

That there is discrimination against the employment of ex-offenders is well documented.[3] Society pays a price or opportunity cost for such discrimination. The magnitude of this cost is determined, in the language of the economist, by the degree to which the value of an ex-offender's potential marginal productivity exceeds the marginal cost incurred by his or her actual employment.[4] This opportunity cost to society is thus reduced if the ex-offender

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[1]Serapio R. Zalba, Women Prisoners and Their Families, California Department of Social Welfare and Corrections, June 1964, p. 61, cited in Community Programs for Women Offenders: Cost and Economic Considerations (Washington, D.C.: American Bar Association, Correctional Economics Center, June, 1975), p. 22.

[2]Pre-publication statistics from LEAA's 1972 Survey of Inmates of Local Jails.

[3]See American Bar Association, National Clearinghouse on Offender Employment Restrictions, Laws, Licenses and the Offender's Right to Work (Washington, D.C.: American Bar Association, Commission on Correctional Facilities and Services, 1973).

[4]For more detailed economic analysis, see Gary S. Becker, The Economics of Discrimination, 2nd ed. (Chicago: Chicago University Press, 1971).

produces less than the average employee, or requires more training than the average job-seeker, or when the employer incurs more than the average risk in employing ex-offenders.

Another opportunity cost is the disruption of the family that occurs when one member, especially a parent, is incarcerated. To the extent prisoners' marital difficulties result from being incarcerated and deprived a normal conjugal relationship, this cost is borne by the individual. To the extent prisoners' children get into conflict with the law or have school problems at a higher rate than would have occurred had there been no family disruption, this cost is borne by society. The maladjustment of children of the incarcerated is especially evident for children whose mothers are incarcerated. A study in Los Angeles, for example, found 50 percent of the children had been separated from one or more of their siblings when their mothers were incarcerated.[1] When the disruption of the family necessitates placing the children in state homes either because there is no one to care for the child or because the child of the inmate is a delinquent, society incurs a measurable opportunity cost. Texas, for example, estimates a cost of $54 per inmate y r to care for inmates' children.[2] As in the case of other state aid to inmates' dependents, only the incremental cost can be counted here. For example, the costs of institutionalizing the inmates' delinquent child is an opportunity cost of the inmate's incarceration only if the child's delinquency was subsequent to and associated with the parent's incarceration.

Society bears yet another opportunity cost measured in terms of crimes committed by ex-offenders. Their recidivism is a cost of custody to the extent that it can be blamed on their jail or prison experience. Two theories suggest incarceration leads to future crimes. One is that jails and prisons are schools of crime in which the offender learns techniques, makes contacts and plans future crimes.[3] The second is the labelling theory: ex-convicts are stigmatized, denied legitimate means of income, and so are forced into a subculture of crime.[4] Difficulties in measuring this

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[1]Donald P. Schneller, "Some Social and Psychological Effects of Incarceration on the Families of Negro Prisoners," American Journal of Corrections (January-February, 1975): 29-32.

[2]Frazier et al., Incarceration and Adult Felon Probation.

[3]Peter Letkemann, Crime as Work (Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1973), pp. 122-29.

[4]See A. K. Cohen, "The Sociology of the Deviant Act: Anomie Theory and Beyond," American Sociological Review 30 (1965): 5-14; D. Matza, Delinquency and Drift (New York: J. Wiley, 1964); and C. Wertman, "The Function of Social Defintions in the Development

opportunity cost arise because of the unreliability of recidivism rates and the lack of data on recidivism reduction associated with non-custody sentences (for example, to a halfway house).

The stigma of being an ex-offender is not the same for all individuals who have been incarcerated. On one hand, the average white middle class ex-offender is often ostracized by some of his or her peers and all ex-offenders to some extent suffer from this stigma when they attempt to get legitimate work.[1] On the other hand, within minorities and certain subcultures the stigma of being incarcerated was socially acceptable among middle and lower class blacks because incarceration is accepted as a type of racial discrimination and as a part of being black in America.[2] And among "rounders," the individuals committed to an illegitimate life style, prison experience provides position and status.[3]

Since an inmate's leisure opportunities are restricted, there is an opportunity cost to that individual equal to the loss in value (to that individual) of his or her leisure opportunities. In the language of an economist, the opportunity cost to the individual is the loss in utility, that is, in satisfaction which would have been derived had leisure opportunities not been restricted. Providing recreational and other leisure time services to inmates reduces this opportunity cost of individual leisure time.

EXTERNAL COSTS

One of the major thrusts of the Corrections Report, expressed in many individual Standards, is the encouragement of and increased reliance on the use of social services provided by non-criminal justice agencies and volunteers. To the extent that such recommendations are implemented, external costs will become an even more significant component of the costs of correctional programs than they are at the present time. It is therefore essential that cost analysis of the Report consider what such costs are, or might be if the Standards were implemented, as well as how they can be measured.

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of Delinquent Careers," in Task Force Report: Juvenile Delinquency and Youth Crime, U.S., President's Commission on Law Enforcement and Administration of Justice (Washington, D.C.: Government Printing Office, 1967), pp. 155-70.

[1]Robert Taggart, III, The Prison of Unemployment: Manpower Programs For Offenders (Baltimore: Johns Hopkins University Press, 1972).

[2]Schneller, "Social and Psychological Effects," pp. 29-32.

[3]Letkemann, Crime as Work, pp. 37-40.

If the following services to inmates or parolees are provided by agencies outside the criminal justice system or by volunteers, external costs are incurred:

- Medical care provided by the public health service or by volunteer physicians;
- Recreational activities such as picnics and softball games sponsored by a Rotary organization;
- Educational services such as literary training by volunteers or preparation for the Graduate Equivalency Diploma by the local public school system;
- Programs that match inmates or parolees with citizens on the outside to provide needed companionship and to facilitate reentry into society;
- Treatment and counseling required by inmates or parolees, but provided by the criminal justice system, such as drug treatment, alcohol treatment, marriage counseling, and so forth;[1]
- Religious services sponsored by local churches.

Most of the above examples relate to institutional or parole programs rather than custody or basic support and so are related to topics discussed in part two of this report. Medical services, however, are an example of a potential external cost that is a component of custodial and support services. If medical services are provided to prisoners by the public health service or on a voluntary basis by private physicians at no expense to the criminal justice system, the medical services are external costs. The costs of public health services which can justifiably be allocated to custody or basic support will depend on:

- The extent to which prisoners would have used public health facilities if they had not been incarcerated;
- The extent to which public health services must be adapted to meet special needs of the incarcerated; and
- The extent to which public health services for the general public are reduced qualitatively because of the demands of the prisoners.

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[1]For a discussion of such costs, see Ann M. Watkins, Cost Analysis of Correctional Standards: Pretrial Diversion (Washington, D.C.: American Bar Association, Correctional Economics Center, 1975), Vol. II, pp. 49-55, and information from an on-going LEAA study at Pennsylvania State University entitled "National Jail Resources Study."

The value of medical services provided by volunteer physicians can be estimated in two ways. First, the physician's time can be valued at the rate the institution would pay for such services absent volunteers. Alternatively, the physician's services can be valued in terms of the actual expenses they bear for such items as travel to and from the institution and supplies, plus the cost of recruiting and any special training and supervision provided to volunteers.[1] However, training, supervision and recruiting of volunteers are external costs only to the extent that they are performed by non-institutional personnel. The choice between valuing the inputs or valuing the outputs of volunteer services depends upon the supply and demand for the services, both from the viewpoint of the institution and of the volunteer. In this example, medical services for inmates are something the institution wants; such services are dear in the market place. The physicians volunteering are likely to be donating professional time they would otherwise use to treat paying patients. Thus the first way of estimating the imputed value of the output would be preferable for this example.

In a 1972 study of correctional volunteer services using both methods of valuing the services, inputs to voluntary programs were estimated to cost between $0.10 and $0.25 per volunteer hour for material support (printing, mailing, travel and so forth) plus $1.00 to $1.50 per volunteer hour for staff supervision, for a total of approximately $100 to $150 per year per volunteer. The value of volunteer services measured by outputs is more dependent upon the type of service rendered than upon the skills of the volunteer (a person may or may not be utilizing the same skills he was using in his regular job when s/he does volunteer work). For example, in a program of volunteers for juveniles, the cost of services ranged from $2 per hour for tutoring to $30 per hour for psychological consultations.[2]

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[1]See Ivan H. Scheier et al., Guidelines and Standards for the Use of Volunteers in Correctional Programs (Washington, D.C.: Department of Justice, Law Enforcement Assistance Administration, August, 1972), pp. 135-50.

[2]Ibid., pp. 136-39, 149.

CHAPTER V

PAROLE COSTS

Standards related to basic management of parolees are analyzed in this chapter. They include Standards related to the composition of parole boards and their staffs, the qualifications of parole caseworkers and the use of functional workload systems in providing parole supervision. Standards related to new and expanded programs for parolees, such as those dealing with increased access to community services and increased stipends ("gate money") are deferred to chapter VIII of this report. Parolee rights are discussed in chapter X.

STANDARDS FOR STAFF QUALITY

Recommendations in the Report dealing with parole staffing refer to both the composition of parole boards and staffs and the qualifications of parole caseworkers. Standard 12.2 on parole authority personnel recommends:

- Academic training in fields related to parole board functions,
- Fixed six-year terms,
- Compensation equal to that of the judiciary, and
- Professionally trained examiners.

Rather than fixed caseloads and qualifications for parole caseworkers, Standard 12.8 suggests:

- Workloads related to different categories of parolees,
- Education equal to a bachelor's degree for parole officers,
- Promotion and career ladders for less well-trained personnel, and
- Recruitment of ethnic minorities and ex-offenders.

About one-third of all parole boards have part-time members, and eight states have specific requirements for membership. In terms of 1974 prices, salaries range from about $45,000 for chairmen and $41,000 for associate members, down to about $15,000. The median for chairmen and associates is about $23,000. Some parole boards supplement their members with hearing examiners who are empowered to decide most cases and are paid around $25,000. In addition to the salaries of board members and hearing examiners, parole board expenditures include the costs of staffing board functions with clerks, caseworkers, and secretarial staff. The fraction of total parole board expenditures consisting of board members' salaries can vary from nearly 100 percent (in Colorado) to less than 20 percent (in California, where members are only 15 percent of the Adult Authority employees).[1]

Most states that use hearing examiners appear to meet the Standards dealing with their qualifications. The composition and compensation of parole boards, however, varies considerably among states. The Report calls for a three- or five-member board, meeting the qualifications listed above and paid according to standards for judges. Taking judicial salaries to be $33,000,[2] the annual members' salary cost of a five-member board would be $165,000. Additional board employees needed to support the work of a full-time board might result in an average board's expenditures reaching $400,000. Judges' salaries vary among states, of course, so high-income states should expect higher costs of conforming to the Standards.

On balance, the additional costs of structuring parole boards to conform to the Standards seem likely to be low compared to the gain from more consistent and informed parole policies. The annual cost of incarceration is currently estimated at $9,439 for state institutions (in 1974 dollars).[3] If a state now has a part-time parole board costing $200,000 per year, it should expect to break even financiallly if a full-time board costing an additional $200,000 is able to shorten 127 inmates' terms by only two months each.[4] Apart from the improved

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[1]California, Department of Corrections, Budget, p. 778.

[2]In 1974-75, the average judicial salary for 50 states and the District of Columbia was $33,266. In calculating the total budgetary costs of both current parole boards and those conforming to the Standards, states should expand the numbers in the text and in current budgets by fringe benefit costs. Taking fringe benefits to be 15 percent of salaries leads to the conclusion that judicial personnel costs averaged over $38,000. See Council of State Governments, The Book of the States, 1974-75 (Lexington, Ky.: Council of State Governments 1974), table 4.

[3]See figure 1 in Volume I of this report.

[4]This is a long-term, break-even comparison, since there is a capital cost component in the estimated cost of incarceration.

quality of parole grant decisions that should accompany a full-time, professionally qualified board, a full-time board can simply hold hearings more often and thus release inmates (who are "ready") earlier. (In most jurisdictions, hearings are held by either the full board or a majority of members, rather than by examiners.) Since the Standards recommend no more than 20 hearings per day (Standard 12.3) and most boards appear to hold 15 to 25, improved decisions in 127 cases per year seems to be a very modest expectation. In practice, parole boards hear many more than 127 cases. In California the annual number of hearings is 50,000. These large numbers arise because boards hold revocation as well as grant hearings; improved decisions in both cases can reduce incarceration costs.

For parole officers, the education and experience recommendations of the Standards conform to current practice in most states. The basic requirement is for a bachelor's degree, to which some states add a year of graduate study in the social or behavioral sciences or equivalent professional experience. Relevant experience can be in teaching, counseling, or personnel supervision.[1] To the extent that the Standards are not met by current parole officer personnel, the probable reason is that standards promulgated by other organizations, such as the American Correctional Association, permit experience to substitute for education.[2] In some cases, experience elsewhere in corrections is considered to be adequate training for parole officers; for example, the California system encourages the transition from prison officer to parole caseworker.

Promotion ladders and salaries generally appear to be consistent with the quality of personnel desired, although pay schedules are rather compressed compared to other occupations.[3] Training specific to the officer's duties is usually encouraged, either by specialized courses offered by parole departments or by graduate-level

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[1]International Personnel Management Association, Pay Rates in the Public Service (Washington, D.C.: International Personnel Management Association, 1974).

[2]See American Correctional Association, Manual of Correctional Standards (College Park, Md.: American Correctional Association, 1969), p. 121.

[3]In 1974 prices, entry-level parole officers can expect to earn $9,500 to $12,200, and senior parole officers (with more than two years of experience) have average earnings of $11,700 to $15,200. The ranges among the states are somewhat wider. In 1973, for example, the range of entry-level salaries was from $5,554 (Puerto Rico) and $6,996 (Wyoming and Kentucky) to $13,996 (District of Columbia) and $13,406 (New York). See U.S., Civil Service Commission, State Salary Survey, August 1, 1973 (Washington, D.C.: Civil Service Commission, Bureau of Intergovernmental Personnel Programs, 1973).

study in the social sciences or, occasionally, law. Parole officers' ethnicity is rarely a condition either for employment or for assignment to individual offenders (although more selective assignment could conceivably improve the operation of parole). Ex-offenders usually are disqualified because of educational deficiencies, if for no other reason.

The cost of implementing the Standards dealing with parole officers appears to be minimal. Salaries are competitive with those in other occupations requiring similar education and training, and the education and training demanded by most states is substantially in conformance with the Standards. Expanding recruitment to broaden the ethnic diversity of parole officers, or introducing new career ladders to open the door for ex-offenders, would not increase the costs of any parole staff of constant size. (In fact, there might be some budgetary savings if beginning salaries for ex-offenders were lower than for officers on the standard career ladder.) The benefits to the state and society would be of two kinds:

- By broadening the pool of potential parole officers, the state would be able to upgrade the competence of its parole staff.

- Some benefits might accrue from more selective assignment of officers to offenders, particularly if based on ethnicity or common experiences (in the case of ex-offender parole officers). These benefits cannot be quantified, but the possibility of receiving them at no cost offers a reason for states to implement the recommendations of the Corrections Report.

STANDARDS FOR PAROLE SUPERVISION

In calling for a "functional workload system" that would result in different parole officer caseloads for different categories of parolees, the Corrections Report cites as a model the Work Unit Program in the California Department of Corrections. The basis for the Work Unit Program is the classification of parolees into three types, according to their previous histories and base expectancies of success on parole. Different categories of parolees then are assigned to parole officers with some recognition of the fact that parolees in different classifications place different demands on the officer in terms of supervision. Specifically, special supervision is credited at 4.5 work units per case; regular supervision is counted at 3 work units per case; and conditional supervision, for parolees who require a minimal amount of officer attention, is credited at 1 unit per case. The target number of work units per officer is 120. A parole officer with only regular cases thus would have a target caseload of 40. In fact, work units per officer are slightly fewer than 120, and the effective caseload accordingly is slightly less.

The Work Unit Program has been in operation for ten years, but it still applies to fewer than half of all parolees. Part of the problem is that the program is expensive in terms of officers' time, compared to caseloads under conventional parole of 100 or more. To justify this added expense, parolees assigned to the Work Unit Program often are those with low probabilities of success on conventional parole. California data indicate that the percentage of prison returns under the Work Unit Program fell steadily from 1965 through 1970, but has turned upward since then, perhaps as a result of the "labeling" aspect of assigning parolees to the program.[1]

Against the higher cost of such high-intensity parole supervision should be placed the cost of incarceration. Annual operating costs per inmate (excluding capital costs) are roughly eight times as large as the cost per parolee on the Work Unit Program, according to the California Department of Corrections.[2] Not included in this calculation are the costs of incarceration that do not appear in the budget of the Department of Corrections: the inmate's lost income, compared to what he could earn on parole; the added cost to society of supporting his dependents; and perhaps additional taxes paid by the parolee.[3] The overall cost of incarceration clearly is much greater than the cost of even an intensive parole supervision program.[4]

Nonetheless, intensive supervision is justified only if it produces better results than conventional, high-caseload parole. "Better" is usually taken to mean "fewer parole revocations or new offenses," and by that standard the evidence is conflicting. The problem is that the standard for revocations varies among parole officers and parolees. In some cases, closer supervision gives the officer more opportunity to catch the parolee in violations. In

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[1]Placing parolees in the Work Unit Program "labels" them as individuals for whom conventional parole is unlikely to work. They thus are subtly induced to view themselves as unlikely to succeed on parole, and their supervisors similarly are encouraged to view them as subject to higher probabilities of revocation. In practice, parolee return rates fell in California from 25 to 30 percent annually through 1964 to 9.7 percent in 1970, but rose after that and had reached 14.8 percent by 1972.

[2]California, Department of Corrections, "Work Unit Parole Program," Memorandum, Sacramento, Ca., 1974.

[3]See chapter IV of this report.

[4]For a cost model of probation programs leading to estimates of cost per probationer similar to the parolee cost estimates in the text, see Frazier et al., Incarceration and Adult Felon Probation.

others, the officer is better able to help the parolee avoid situations that could result in revocation. Studies to date provide neither clear support nor refutation for the proposition that intensive parolee supervision represents a productive use of resources compared to conventional programs.[1]

An additional complication in analyzing the financial implications of parolee offenses arises from the possibility of parole perhaps resulting in revocation. One cost, difficult to quantify but foremost in the minds of correctional administrators, is the cost of crimes committed by parolees. Quantification may be possible if property crimes are involved. In addition to the social cost of offenses, parolees can impose budgetary costs on corrections departments or other government agencies related to their rearrest and reconviction. Even if new crimes are not committed, the budgetary gains of parole can be lost if technical offenses lead to parole revocation.

Under these circumstances, state departments should compare the budgetary costs of incarceration with the expected costs of parole. The expected costs are the sum of:

- Caseload costs associated with the parole grant hearing and parolee supervision;
- Quantifiable costs of offenses multiplied by the probability of parolees committing offenses including costs of police and court costs of rearrest and reconviction; and
- The probability of revocation multiplied by the budgetary cost of expected reimprisonment.

It is clear that the expected parole costs are greater than caseload costs alone, but the magnitude of the difference depends on individual states' parole procedures and experiences.

Despite these inconclusive results, advisory groups such as the President's Commission on Law Enforcement and the Administration of Justice regularly call for small caseloads and intensive supervision. The reason seems to be common sense applied to statistics about parole officers' use of their time. According to a study of federal parole officers, each of the 80 or so parolees comprising an average caseload can expect seven minutes per week of supervision.[2] Even more startling,

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[1] M. G. Neithercutt and D. M. Gottfredson, Case Load Size Variation and Difference in Probation/Parolee Performance (Davis, Ca.: National Council on Crime and Delinquency, Research Center, 1973); R. M. Carter, D. Glaser, E. K. Nelson, Probation and Parole Supervision: The Dilemma of Caseload Size (Los Angeles: University of Southern California, Center for the Administration of Justice, 1973).

[2] U.S., Federal Judicial Center, "Probation Time Study," 1973. (Mimeographed.)

only about a third of that time--two or three minutes per week--can be in the form of face-to-face contact. Parolees who require less intensive supervision than weekly meetings still would average only a ten-minute interview each month. Similar findings result from a study of Georgia parole officers with average caseloads of 100, who average eight minutes per week in supervision of each parolee.[1]

These studies suggest that conventional parole is largely a random process in terms of the impact of supervision on parolee success. Compared to these time allocations, the intensive Work Unit Program would provide about 30 minutes per week for supervision of "special" cases, and 20 minutes per week for "regular" cases. Although the case for intensive supervision compared to conventional parole is unproved, the tremendous gap between the costs of incarceration and those of even intensive parole supervision provides a strong justification for sharply reduced average caseloads. The call in the Corrections Report for flexible caseload assignments is meaningless at current conventional caseload levels.

For a correctional system currently operating prisons with average costs and conventional parole programs, the ratio of average cost per inmate year to average cost per parolee (based on the California data) probably is in the neighborhood of 20 to 1 or 25 to 1. Reducing parole officer caseloads to permit the sort of flexible workload assignments recommended by the Report would roughly triple parolee costs, reducing the ratio of inmate to parolee costs to 7 to 1 or 8 to 1. Even ignoring the non-budgetary costs of incarceration, the discussion in this section implies that high parole officer caseloads are a poor way for a correctional department to save money, compared to the potential cost savings resulting from lower institutional populations.

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[1] Susi Megathalin, Probation/Parole Caseload Review (Atlanta, Ga.: Georgia Department of Offender Rehabilitation, 1973).

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1 OF 3

CHAPTER VI

EDUCATION AND TRAINING WITHIN INSTITUTIONS

Academic and vocational education in jails and prisons has been the subject of analysis and exhortation for many years. At the conclusion of a 1927-28 survey of all American prisons and reformatories, MacCormick concluded:

> Not a single complete and well-rounded educational program, adequately financed and staffed, was encountered in all the prisons in the country.[1]

He also noted:

> No prison in the country has a program of vocational education worthy of the name and in no prison is the industrial and maintenance work definitely organized to provide vocational training.[2]

Forty-five years later, the Corrections Report is reiterating the call for educational and vocational training in jails (Standard 9.8) and major institutions (Standard 11.4). Unlike the case with some other Standards, those dealing with education and vocational training are quite specific. In education, "particular emphasis should be given to self-paced learning programs, packaged instructional materials, and utilization of volunteers and para-professionals as instructors."[3] In vocational training, "work sampling and tool technology programs should be completed before assignment to a training program" and "class size should be based on a ratio of 12 students to 1 teacher."[4]

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[1] Austin H. MacCormick, The Education of Adult Prisoners (New York: National Society of Penal Information, 1931), p. 38.

[2] Ibid., p. 100.

[3] Corrections, p. 304.

[4] Ibid., p. 369.

In practice, institutional education and training programs appear to be deficient rather than nonexistent.[1] In 1966 the National Council on Crime and Delinquency found that 88 percent of all adult institutions offered academic education, and 70 percent reported making some effort at vocational training. In all, 893 academic teachers and 761 vocational instructors were employed.[2] The National Prisoner Statistics report that 32,000 inmates, or approximately 15 percent of the prison population, were involved in vocational training as of mid-1972.[3] Taggart notes that formal vocational training was offered by 55 institutions enrolling 5,000 inmates.[4] The difference between these estimates may result from the prevalence of informal training or from the blurring of the lines between academic and vocational education. Of the institutions offering vocational programs funded under the Manpower Development and Training Act (MDTA), only three percent did not also provide academic education. But these programs were not pursued by a majority of inmates, and the number of participants fell as the level of education rose.[5]

SECONDARY EDUCATION[6]

Standards 9.8 and 11.4 of Corrections call for educational programs to be available to all inmates of jails and major institutions. The need for such programs is well-documented. According to the 1970 Census of Population, for example, 75 percent of prison inmates and 70 percent of jail inmates had less than a high-school education. Forty-one percent of prisoners and 37 percent of jail inmates had no education

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[1] See Sylvia D. Feldman, "Trends in Offender Vocational and Education Programs: A Literature Search," Washington, D.C., U.S. Office of Education, Grant #OEG-0-74-9064, n.d. (Xeroxed.)

[2] President's Commission, Corrections (1967), p. 183.

[3] U.S., Department of Justice, Bureau of Prisons, National Prisoner Statistics: Prisoners in State and Federal Institutions for Adult Felons, 1972 (Washington, D.C.: Government Printing Office, n.d.).

[4] Taggart, Prison of Unemployment.

[5] Ibid., p. 50.

[6] Services provided by activities discussed in this section are called "secondary" education because their ultimate objective is to help students secure General Educational Development (GED), or high school equivalency) certificates. Some students participating will not have completed elementary school.

past elementary school, and 25 percent in each category had less than an eighth-grade education.[1]

The issue is not the need for providing basic education nor the importance of offering it to all inmates. Instead, the level of provision and the cost of educational services are at issue. The Report recognizes, for example, that:

> A major educational effort requires attention to cost, which will be higher than in the regular educational system owing to technical expertise required, additional training, and use of learning laboratories and skill centers.[2]

In contrast, the 1966 NCCD survey found an average of one teacher per 225 inmates.[3] The 1975-76 California Department of Corrections budget provides one teacher per 269 inmates.[4] These statistics are not indicators of class size because most inmates do not enroll in academic programs. Nonetheless, the California budget implies a student to teacher ratio of 76 to one.[5] In Texas, the student to teacher ratio is even higher at 125 to one.[6]

Ratios as high as these obviously preclude much student-teacher interaction in the educational process. In public elementary and secondary education, in contrast, class sizes of 25 or 30 students are generally felt to be the maximum beyond which the quality of education deteriorates rapidly. There is some evidence that class size must be even smaller if education is to be effective for the populations of educational system dropouts, slow learners, and culturally disadvantaged inmates often found in jails and prisons. At the Draper Correctional Center in Alabama, significant student attainment has been found with intensive basic educational programs, teaching machines, and a student to teacher ratio of 12 to one.[7]

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[1]U.S., Department of Commerce, Bureau of the Census, Persons in Institutions and Other Group Quarters (Washington, D.C.: Government Printing Office, 1973), table 24.

[2]Corrections, p. 370.

[3]President's Commission, Corrections (1967), p. 183.

[4]California, Department of Corrections, Budget, p. 776.

[5]Ibid.

[6]Texas, Education Agency, Report of Accreditation Visit, Windham Schools, January 22-24, 1973, p. 4.

[7]John McKee, The Draper Project, MDTA Experimental and Demonstration Findings, No. 6 (Washington, D.C.: Government Printing Office, 1973), p. 24.

The more usual practice is to spread the available resources over the existing student population. The student to teacher ratio of 125 to one in Texas obviously would create unmanageable classes, so the student population is broken into groups of 25, each of which is taught one day per week.[1] The result is that students receive six hours weekly of instruction rather than ten and have a week to "unlearn" the schooling that they receive.[2]

Near the other end of the prison education spectrum is Florida, where over 35 percent of the inmate population was enrolled in education programs as of 1970.[3] This high percentage apparently resulted from a special effort to improve educational programs beginning in 1968. The number of academic teachers was increased to 77, and the addition of vocational instructors, librarians, and many other professional positions raised the number of educational staff positions to 133. But the local inmate population in 1970 was 8,250, and 2,900 inmates were enrolled in academic programs. Class size therefore was still 38, and the number of inmates per classroom teacher was over 107. Even this model program cannot be considered to provide adequate levels of staffing or funding for academic education.

As an indication of expenditure levels on institutional basic education, the California budget for 1975-1976 projects outlays of approximately $45,000 per staff-year, up about ten percent since 1973 due to price inflation.[4] Obviously the bulk of this amount is instructional salaries, but perhaps half is allowances for materials, support staff, and instructional equipment. The cost per student for the California system is about $600 per year, which also is up about ten percent from 1973 levels. This amount is roughly half of expenditure levels in public secondary schools.

As the Corrections Report recognizes, however, the cost of educating inmates should be higher than the cost per pupil in normal academic environments.[5] The class size in the apparently successful Draper experiment is less than half of that prevailing in most public schools, one-third the Florida level of 1970, one-sixth the California level of 1975, and one-tenth the Texas level of 1973. The use of

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[1] Texas, Education Agency, Accreditation Visit, p. 4.

[2] Ten hours per week is the amount of instruction in the Draper Correctional Center Project.

[3] Data in this paragraph are from Albert R. Roberts, Sourcebook on Prison Education (Springfield, Ill.: Charles C. Thomas, Inc., 1971), pp. 51-56.

[4] California, Department of Corrections, Budget, p. 776.

[5] Corrections, p. 370.

teaching machines in the Draper project and the presence of a college student aide for each classroom instructor[1] suggests that the cost per staff position at Draper was at least equal to that in the California system, or $40,000 to $50,000 per teacher.

Based on the foregoing comparisons, it seems clear that effective academic education in a prison or jail environment is a very costly proposition. A cost of $48,000 per teacher and an average class size of 12 implies a cost per student of $4,000 per annum. Coupling the fact that the basic Draper course lasted only six months with the estimate that it may take the average inmate two courses to prepare for the GED (see subsequent discussion of the benefits for these activities) makes this $4,000 per year an appropriate cost estimate for the tenure of one participant (on the average).

Using the Florida statistic of 35 percent participation as an effective maximum and allowing for some participation in earlier or subsequent years, a participation rate of 25 percent was selected for use in deriving the cost estimate shown in figure 18. Total national expenditures are estimated at about $182 million and $136 million, for state institutions and jails, respectively.

The $1,000 expenditure per inmate year shown in figure 18 is not all additional expenditure for a jail or prison. Current expenses should be subtracted in calculating the cost of the Standard. Local enrollment experience may differ greatly from that of Florida; if fewer than 25 percent of all inmates enroll at any one time, the cost per inmate clearly would be less than the estimated $1,000. Costs can be defrayed to some extent by the use of volunteers or paraprofessionals as instructors, as suggested in the Report.[2] High turnover rates in jails may serve to hold costs down by limiting enrollment.

Other factors, however, may work to raise costs to even higher levels. The Report stresses flexibility and diversity in educational programs:

> Educational programming should be geared to the variety of eduational attainment levels, more advanced age levels, and diversity of individual problems.[3]

Non-traditional courses such as consumer education, family life, and other social educational subjects are advocated.[4] On balance, it seems likely that the educational programs proposed in the Standards

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[1] Taggart, Prison of Unemployment, p. 51.

[2] Corrections, p. 304.

[3] Ibid., p. 305.

[4] Ibid., p. 370.

Figure 18

Estimated Criminal Justice System Public Expenditure Required To Provide Secondary Education Services to Inmates in State and Local Institutions, Per Inmate Year and Nationwide*

State Institutions		
A.	Total Number of Inmate Years[a]	181,534
B.	Proportion of Inmates Participating in Secondary Education Activities at Any One Time	.25
C.	Number of Inmate Years of Participation (A X B)	45,384
D.	Average Expenditure Per Inmate Year of Participation[b]	$ 4,000
E.	Total Expenditure Nationwide (C X D)[c]	$181,534,000
F.	Average Expenditure Per Inmate Year (E ÷ A)	$ 1,000
Local Institutions (Jails)		
A.	Total Number of Inmate Years[a]	136,388
B.	Proportion of Inmates Participating in Secondary Education Activities at Any One Time	.25
C.	Number of Inmate Years of Participation (A X B)	34,097
D.	Average Expenditure Per Inmate Year of Participation[b]	$ 4,000
E.	Total Expenditure Nationwide (C X D)[c]	$136,388,000
F.	Average Expenditure Per Inmate Year (E ÷ A)	$ 1,000

*Services provided by activities with which these cost estimates are associated are called "secondary" education because their ultimate objective is to help students secure General Education Development (GED, or high school equivalency) certificates. Some students participating will not have completed elementary school.

[a]See the paragraph in chapter I on population statistics used in national expenditure estimates, for information on the source and use of this statistic.

[b]Because the average client is estimated to participate in a secondary education activity for one year, this estimate is for services for one person.

[c]This is an estimate of the total criminal justice system public expenditure for an activity consistent with Standards in the Corrections Report, not the incremental expenditure necessary to upgrade existing activities to meet the Standards.

would raise the operating cost per inmate of most correctional institutions by at least 15 percent.[1]

There is considerable disagreement about the economic value of academic education programs in correctional institutions, but there appears to be no budgetary offset to the additional costs that institutions would have to incur. A decision about the merits of implementing the Standards thus depends on the benefits to the inmate and to society at large. Two kinds of benefits are hypothesized: direct income benefits to the inmate from his improved educational credential and higher probability of employment, and the possibility of lower recidivism rates and crime reduction of value to society.

Whether any of these benefits are realized appears to depend on the inmate's crossing the GED threshhold and obtaining the labor market credential of a high school equivalency diploma.[2] The Draper project reportedly raised the post-training salaries of GED students by $144 monthly, compared to an increase of only $39 monthly for non-GED students. In essence, institutional academic education appears to be of negligible economic value to the student unless it results in a GED certificate.

In the Draper project, 19 percent of the inmates enrolled did pass the GED.[3] Extrapolating, the expected economic benefit to participating inmates can be estimated at $26 monthly or $300 annually (assuming that all of the income increase for GED inmates was attributable to their education, and none of the income increase for other students was related to their course work), in 1970 prices. Inflating to 1974 at a conservative five percent, the expected benefit per inmate per year is about $365.

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[1]One thousand dollars is approximately 17 percent of the operating cost per inmate year for state institutions in fiscal 1973, adjusted to calendar 1974 dollars. Jails have somewhat lower costs, but enrollment can be expected to be lower in jails than in prisons, if the Report's recommendations for release and diversion are implemented and have a disproportionate effect on potential inmates with less than a high school education. Thus, the cost per inmate year for such educational programs in jails could be less than $1,000 per inmate year.

[2]In an earlier study of the returns to education, Hansen estimated that investment in a high school education produced a rate of return of 15 to 20 percent. See W. Lee Hansen, "Total and Private Rates of Return to Investment in Schooling," Journal of Political Economy 71 (April 1963): 128-40.

[3]In California, for 1973, 1974 and 1975 the percentages of enrollees receiving high school diplomas were 17, 16 and 16, respectively. California, Department of Corrections, Budget, p. 776.

In the Draper experiment, inmates gained an average of 1.4 grades per six-month course. Since the median educational attainment of jail and prison inmates is about one year of high school, two such courses probably would be required for the average inmate to pass the GED.[1] Against the outlay of about $4,000 (estimated above) stands the inmate's expected income gain of $365 annually, plus whatever collateral benefits accrue to society in the form of reduced crime rates, lower incarceration costs, and decreased public assistance costs. Using a discount rate of ten percent and assuming that the $365 increment accrues to the inmate indefinitely, the income gain nearly justifies the costs of institutional education. This is a rather tenuous conclusion since it rests on fairly optimistic assessments about inmate performance and income. But the conclusion is strengthened by the possibility of benfits to society, such as reduced costs of incarceration.

This analysis suggests that complying with the Standards for academic education may well be desirable from society's viewpoint, but that it will be expensive for correctional administrators. The absence of large budgetary offsets to defray the large costs of improved education means that correctional expenditures must be evaluated in terms of their impacts outside institutions if these programs are to be justified. If it were possible to document lower recidivism rates, correctional officials might also be able to point to lower institutional populations as a source of budgetary savings.

POST-SECONDARY EDUCATION

College-level instruction receives only a brief mention in the Corrections Report,[2] but it also appears nonetheless to be an expanding program in many prisons. In 1970, college courses were offered in prisons in 13 states and the District of Columbia.[3] Correspondence courses and "study release" (discussed in chapter VIII) also appear to be growing in popularity. According to a 1973 Survey, 71 percent of all institutions offer some type of post-secondary education.[4]

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[1]This conclusion assumes that the group of inmates enrolled in the Draper project has the same distribution of educational backgrounds as the inmate population nationwide.

[2]Corrections, p. 368: "Each educational department should make arrangements for education programs at local colleges where possible, using educational opportunities programs, work-study programs for continuing education, and work-furlough programs."

[3]Roberts, Sourcebook on Prison Education, p. 62.

[4]See Sylvia G. McCollum, "College Programs for Prisoners - Some Critical Issues," paper prepared for National Conference on Higher Education, American Association for Higher Education, Chicago, March 25, 1975, p. 6.

None of these programs seems to have imposed much of a budgetary drain upon institutions, largely because the number of inmates enrolled remains small. Adams estimated in 1968 that perhaps one percent of all prison inmates were enrolled in college courses given in their institutions, and approximately 850 others (a little less than .5 percent) were taking correspondence courses.[1] The largest programs were in Texas (with 615 inmates enrolled) and Florida (160 to 180 participants).[2] Adams suggested that the ten percent of all Texas inmates enrolled in college programs could be used to project national enrollment.[3] A 1973 survey found college enrollment among inmates to have risen to about six percent.[4] An expansion of college enrollments to ten percent of all inmates clearly is possible on the basis of past trends. Such a growth in enrollment would be in keeping with the spirit of the Corrections Report, so an assessment of its cost implications is germane to this study.

In 1967 Adams found that the predominant mode of college instruction for prison inmates was correspondence courses in which the cost was borne by the student. At that time there seemed to be a trend toward more traditional classroom instruction in prisons, with the costs paid by state departments of education or by corrections departments. This trend has continued into the 13 jurisdictions tabulated by Roberts, in most of which prison college courses are offered in cooperation with local two- and four-year public colleges. In Texas, for example, junior colleges have established programs in six institutions. California college programs in San Quentin and Folsom State Prisons are operated by Marin Junior College and Sacramento City College. Lake City Junior College in Florida offers courses at four correctional institutions. Kentucky, Maryland, Illinois, and New Jersey are other states following the same model. For the most part, these college programs offer courses in traditional subjects leading to either an associate (A.A.) or a bachelor's degree.

Many econometric studies have examined the rate of return to formal education, and most conclude that investment in even post-secondary education is efficient in the sense that the value of the training (measured by the increase in future income) more than equals the cost.[5] Since the principal component of cost in these studies

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[1]Stuart Adams, College-Level Instruction in U.S. Prisons, An Exploratory Survey (Berkeley, Ca.: School of Criminology, University of California, 1968).

[2]Roberts, Sourcebook on Prison Education, pp. 62-66.

[3]Adams, College-Level Instruction.

[4]F. Dell'Apa, Educational Programs in Adult Correctional Institutions--A Survey (Boulder, Colo.: Western Interstate Commission for Higher Education, 1973).

[5]In Hansen, "Returns to Investment in Schooling," the rate of

is the lost earnings of the student during the period of education, and since inmates have much lower earning potential while in prison than the population at large,[1] it is very probable that college education of inmates offers net returns to society. The probability of a positive return would be even greater if there were no employment discrimination against ex-offenders.

As with basic education programs, however, these benefits to inmates do not appear in the budgets of correctional institutions. Since prison college courses are similar to other college instruction, it can be hypothesized that inmates who enroll in them are similar to other college students in aptitude and even career expectations following release.[2] The costs of serving this population with college courses therefore should be borne primarily by the colleges offering the degree credit, with perhaps some contribution by correctional institutions to defray the additional costs of an extension program (such as travel by instructors or duplicate library facilities).

In practice, the cost of post-secondary education in prison usually falls at least in part on the inmate. According to McCollum practices vary by state, but even in the federal system costs are paid by the correctional institution only "where budget resources permit and the course of study is an established program goal."[3] The problem of cost to the inmate is compounded by fee schedules that distinguish between in-state and out-of-state students. Where institutional budgets do not provide for tuition charges, federal grants or loans sometimes are available. Some of the relevant programs include Basic Education Opportunity Grants, veterans' benefits, and federally insured loans, as well as private scholarships or grants. Grants and veterans' benefits in particular are significant sources of funds. Higher education programs can also be funded in some instances by support from the federal Vocational Rehabilitation Administration.

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return for a bachelor's degree is estimated at 12 to 15 percent; for a graduate degree it is six percent. For another approach, which compares investing in a college education with other types of investment, see Caroline Bird, The Case Against College (New York: David McKay Company, Inc., 1975), pp. 62-74.

[1]This lower earning potential could be substantially offset by better prison industries and payment of prevailing wages for employment in prison industries and institutional maintenance work. See chapter VII.

[2]See Roberts, Sourcebook on Prison Education, p. 63, for a description of the San Quentin Associate Degree Program. The curricular requirements are virtually identical to those in any junior college degree program outside an institution.

[3]Information in this paragraph is from McCollum, "College Programs for Prisoners," pp. 10-13.

If there is a substantial impact on correctional budgets from the expansion of prison college instruction, it will probably arise in the form of tuition charges. Students have many sources of funds, but a major one in junior colleges is the students' own earnings. Prison inmates rarely have much access to income-earning activities, although some of the other recommendations of the Corrections Report (discussed in the following chapter) would lead to greatly enhanced possibilities of earning income in prison. Tuition and fee charges in two-year community colleges averaged $287 for the 1974-75 academic year for a fulltime student; for a four-year public college the same charges averaged $541.[1] Assuming that fully ten percent of an institution's inmates enrolled fulltime in college, the additional budgetary cost to an institution that financed all their tuition payments would be $37 per inmate year, or less than one percent of current operating costs. (For more specific aspects of this calculation, see figure 19.) This estimate appears to be an upper bound on the costs to correctional administrators of providing free college instruction for all eligible and interested inmates.[2]

VOCATIONAL TRAINING

Vocational training is a well-established feature of most prison activities; as noted above, roughly 15 percent of all inmates are engaged in vocational education of an informal or formal (classroom) nature.[3] The Corrections Report assumes that this emphasis on occupational training is well-placed, and deals with improving the delivery of vocational education rather than assessing the value of such training. In Standard 9.8 on jail programming, the only question is how to provide training:

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[1]Cost estimates for the two types of colleges are from College Scholarship Service, Student Expenses at Postsecondary Institutions (Princeton, N. J.: College Entrance Examination Board, 1974). The Service computed its cost estimates for public and private colleges from cost information received from over 2,200 institutions.

[2]In the set of estimates for proposed institutional-based programs presented in figure 1 of Volume I of this report, it is assumed that approximately 50 percent ($19 per inmate year) of the costs for post-secondary education would be offset by inmate payments. This assumption is related to the fact that opportunities for inmates to earn prevailing wages are also provided for in the proposed programs.

[3]For an extensive listing of contemporary vocational education in prisons, see New England Resource Center for Occupational Education and Far West Laboratory of Educational Research and Development, The First National Sourcebook, A Guide to Correctional Vocational Training (Newton, Mass. and San Francisco, Ca.: New England Resource Center for Occupational Education and Far West Laboratory of Educational Research, 1973).

Figure 19

Estimated Criminal Justice System Public Expenditure Required To Provide Post-Secondary Education Services to Inmates in State and Local Institutions, Per Inmate Year and Nationwide

State Institutions	
A. Total Number of Inmate Years[a]	181,534
B. Proportion of Inmates Participating in Post-Secondary Education Activities at Any One Time	.10
C. Number of Inmate Years of Participation (A X B)	18,153
D. Average Expenditure Per Inmate Year of Participation[b]	$37
E. Total Expenditure Nationwide (C X D)[c]	$6,734,763
F. Average Expenditure Per Inmate Year (E÷A)	$ 37
Local Institutions (Jails)	
A. Total Number of Inmate Years[a]	136,388
B. Proportion of Inmates Participating in Post-Secondary Education Activities at Any One Time	.10
C. Number of Inmate Years of Participation (A X B)	13,639
D. Average Expenditure Per Inmate Year of Participation[b]	$ 371
E. Total Expenditure Nationwide (C X D)[c]	$5,060,069
F. Average Expenditure Per Inmate Year (E÷A)	$ 37

[a]See the paragraph in chapter I on population statistics used in national expenditure estimates, for information on the source and use of this statistic.

[b]This estimate assumes that two-thirds of the population is in two-year community colleges (with average costs per academic year for tuition and fees of $287) and one-third is in four-year public colleges (with average costs per academic year of $541 for tuition and fees). Inmate year equals academic year (September-June) for this calculation. Cost estimates for the two types of colleges are from College Scholarship Services, Student Expenses at Post-Secondary Institutions (Princeton, N.J.: College Entrance Examination Board, 1974).

[c]This is an estimate of the total criminal justice system public expenditure for activities consistent with Standards in the Corrections Report, not the incremental expenditure necessary to upgrade existing activities to meet the Standards. No allowances have been made for inmate payments to defray any of the activities' costs. See the accompanying text for more discussion.

> 3. Vocational programs should be provided by the appropriate State agency. It is desirable that overall direction be provided on the State level to allow variety and to permit inmates to transfer among institutions in order to take advantage of training opportunities.[1]

Standard 11.4 includes a very long list of detailed characteristics that vocational education programs should possess, ranging from basic philosophy[2] to curricular content[3] and teaching methods.[4]

In addition to specifications about vocational education on the classroom model, Standard 11.4 endorses the use of other vocational training programs. In particular, federally-funded model programs including Job Corps, Neighborhood Youth Corps, and Manpower Development and Training Act (MTDA) projects are suggested as appropriate prison training programs. These programs all were developed during the mid-1960's, and all have been cut back in terms of funding levels since about 1972. Of them, only MDTA has ever provided funding for prison vocational training. Taggart notes that more than 60 prison projects were funded under MDTA from 1966 through 1970, when the legislative authority lapsed. Many of these programs continued after 1970 with state funds.[5]

Whether in special programs such as Job Corps and MDTA or in classroom or on-the-job settings, vocational education is expensive. Materials and equipment costs are high for many occupations. Salaries paid to instructors may be lower in some cases than those paid to academic teachers, but costs per student may be higher since skill training often must proceed on a one-to-one basis. Analysis of the California vocational education program from 1973 to 1975 confirms

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[1] Corrections, p. 304.

[2] Ibid., p. 369: "The vocational training program should be part of a reintegrative continuum. . . . Vocational programs for offenders should be intended to meet their individual needs. . . . Individual programs should be developed in cooperation with each inmate."

[3] Ibid.: "The vocational training curriculum should be designed in short, intensive training modules. . . . Programs of study about the work world and job readiness should be included in prevocational or orientation courses."

[4] Ibid.: "An incentive pay scale should be a part of all on-the-job training programs for inmates. . . . Use of vocational skill clusters, which provide the student with the opportunity to obtain basic skills and knowledge for job entry into several related occupations, should be incorporated into vocational training programs."

[5] Taggart, Prison of Unemployment, pp. 40-41.

these statements. Although capital costs are largely ignored, outlays per vocational student are over $1,000, nearly double the level in the academic education program. The student to teacher ratio is lower, 25 to one compared with 76 to one, as is expenditure per personnel man-year, at $26,000 compared to $48,000 in the academic program. Because only 17 percent of the inmate population is enrolled, the cost per inmate of vocational education is $180 per inmate or less than three percent of the total operating budget for California institutions.[1]

This California cost experience is not very different from that of non-prison vocational education programs. Corazzini estimated that vocational high schools in Worcester, Massachusetts cost $1,266 per pupil in 1963-64.[2] Operating cost was $964, a figure comparable to the California institutional cost of $1,043 projected for 1975-76. Taussig concluded that vocational high schools in New York City in 1964-65 cost $1,697 per pupil, of which $1,391 was operating cost.[3] Mangum estimated the cost of institutional (non-prison) MDTA programs in fiscal 1967 to be $1,900 per enrollee and $2,040 for each student completing the program.[4] According to O'Neill, the cost per month per Job Corps student was approximately $550 in fiscal 1968, and about the same for fiscal 1972.[5] The Job Corps cost per enrollee was $3,300, and the cost per completer was $6,800 in fiscal 1971, including an allowance for capital expenditures.

With the exception of the Job Corps finding, the range of costs per vocational trainee from the above studies is in the $1,000-$2,000 range. A sample of 25 MDTA prison projects funded in 1968-69 had costs per trainee in the same range, between $1,000 and $1,500.[6] The Job Corps discrepancy probably results from two

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[1] California, Department of Corrections, Budget, pp. 772-76.

[2] Arthur J. Corazzini, "The Decision to Invest in Vocational Education: An Analysis of Costs and Benefits," Journal of Human Resources 3 (1968 Supplement): 102, table 4.

[3] Michael K. Taussig, "An Economic Analysis of Vocational Education in the New York City High Schools," Journal of Human Resources 3 (1968 Supplement): 78, table 2.

[4] Garth L. Mangum, Contributions and Costs of Manpower Development and Training (Washington, D.C.: National Manpower Policy Task Force, 1967).

[5] Dave M. O'Neill, The Federal Government and Manpower (Washington: American Enterprise Institute for Public Policy Research, 1973).

[6] Taggart, Prison of Unemployment, pp. 44-45.

factors: a more intensive educational program than in the other models, with extensive supplementation of basic academic education; and residential allowances for participants at many Job Corps centers. Since most of the other cost estimates are pre-1970, allowances for price inflation make $2,000 per participant a reasonable estimate of current vocational training costs under a variety of programs and models.[1]

Two thousand dollars per trainee also seems to be a good estimate of complying with the Standards for an institutional vocational education course such as that in the California Department of Corrections. Standard 11.4 advocates limiting class size to 12 students per teacher, on the average, which is almost exactly half that in the California system.[2] Assuming that the California program were otherwise able to comply with the Standards at little or no cost, $2,086 per trainee would be the cost of prison vocational education.

In the discussion above, $2,000 per client is estimated to approximate the cost of a set of vocational training activities which serve clients over different time periods. Tenure for a single participant in an MDTA activity averages about three months, while tenure for a single student in a vocational school is for an academic year, or nine months. Assuming that for approximately the same cost of $2,000 per client, either a concentrated, three-month or a less intensive, one-year vocational training service can be provided to a single client, participation rates at any one time and expenditure per year of participation can be combined in many different ways, to arrive at the same total expenditure or expenditure per inmate year for vocational training in correctional institutions. In figure 20, items B, C and D in the cost estimates for state institutions and jails are combined to illustrate two alternative approaches. Because of the shorter tenure of jail inmates, on the average, the more intensive, three-month per client activity is assumed in the jail cost estimate. A year-long tenure is assumed for participation in the state institution's vocational training. In both cases, however, participation in vocational training activities for all inmates, over the course of the year, will approximate the 15 percent rate estimated earlier for state and federal institutions.

As figure 20 indicates, the aggregate cost of complying with Standards 9.8 and 11.4 for vocational training, at current enrollment rates of 15 percent and a cost per participating inmate of $2,000, is about $54 million and $41 million, for state institutions and jails, respectively. This is about five and seven percent of their respective

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[1]Inflation at five percent from 1968 to 1974 would increase $1,500 in 1968 to $2,000 in 1974.

[2]The estimate above of an average class size of 25 was based on the probably generous assumption that all personnel man-years result in instruction. With any allowance at all for program administration, average class size would exceed 25.

Figure 20

Estimated Criminal Justice System Pubilc Expenditure Required To Provide Vocational Training Services to Inmates in State and Local Institutions, Per Inmate Year and Nationwide

State Institutions	
A. Total Number of Inmate Years[a]	181,534
B. Proportion of Inmates Participating in Vocational Training Activities at Any One Time[b]	.15
C. Number of Inmate Years of Participation (A X B)	27,230
D. Average Expenditure Per Inmate Year of Participation[b]	$ 2,000
E. Total Expenditure Nationwide (C X D)[c]	$54,460,000
F. Average Expenditure Per Inmate Year (E÷A)	$ 300
Local Institutions (Jails)	
A. Total Number of Inmate Years[a]	136,388
B. Proportion of Inmates Participating in Vocational Training Activities at Any One Time[b]	.0375
C. Number of Inmate Years of Participation (A X B)	5,115
D. Average Expenditure Per Inmate Year of Participation[b]	$ 8,000
E. Total Expenditure Nationwide (C X D)[c]	$40,920,000
F. Average Expenditure Per Inmate Year (E÷A)	$ 300

[a]See the paragraph in chapter I on population statistics used in national expenditure estimates, for information on the source and use of this statistic.

[b]The differences in participation rates at any one time and average expenditure per inmate year, shown for state institutions and jails in this figure, illustrate how these differences can be associated with the same cost per client and per inmate year. They are also associated with less and more intensive training activities which may be better suited to state institutions and jails, respectively. See the text for more discussion.

[c]This is an estimate of the total criminal justice system public expenditure for activities consistent with Standards in the Corrections Report, not the incremental expenditure necessary to upgrade existing activities to meet the Standards.

current operating costs. The cost of vocational training might actually exceed these estimates if additional offenders were drawn into the program by evidence of successful training (that is, training that improved offenders' skills and employability).

There are some reasons for expecting that $2,000 per client may not be a high enough estimate for vocational programs in correctional institutions. More than a third of the prison MDTA programs had serious equipment inadequacies or other problems, according to field investigators.[1] Over half the trainees in the MDTA programs received counseling and job development and placement assistance, as called for in Standard 11.4, but many received no such help.[2] Providing these additional services would almost certainly raise the cost per trainee above the $1,000 to $1,500 of 1968, and (adjusting for inflation) over $2,000 for 1974.

For most institutions, the incremental cost of complying with the Standards for vocational education should fall short of the average total cost of $2,000 or more per trainee. In California, for example, current expenditures in state institutions are roughly $1,000 per participant; additional costs therefore should not exceed another $1,000 or slightly more per inmate enrolled in the program. Costs of complying obviously will be greatest in institutions that currently have no vocational training, or in which vocational education is offered to only a small fraction of the inmate population. In many jails the cost of complying with the Standard might approximate the full $2,000 or more per inmate, since "vocational training" is often limited to sweeping floors and performing other menial maintenance tasks of little or no market value.[3]

Whatever the aggregate costs of vocational training in institutions, it is important to assess the benefits derived from such training. It seems clear that little if any benefit appears in institutional budgets. Some training may take place in prison

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[1]Taggart, Prison of Unemployment, p. 45.

[2]Ibid., p. 45. Standard 11.4 states in part: "Individual prescriptions for vocational training programs should include integration of academic work . . . and strong emphasis on the socialization of the individual. . . . An active job placement program should be established . . ." Corrections, p. 369.

[3]For discussion of work and vocational training experiences in jails nationwide, see Mattick, "Contemporary Jails," pp. 802-03, 819-20. For a detailed analysis of work experiences of jail inmates in one state, see Hans W. Mattick and Ronald P. Sweet, Illinois Jails: Challenge and Opportunity for the 1970's (Chicago: Illinois Law Enforcement Commission, 1970), pp. 227-35. In practice, 15 percent might be an unrealistically high participation rate for jail inmates, about half of whom are in pretrial detention of a presumably temporary nature.

industries, through on-the-job experience that results in marketable output; and some vocational courses may turn out saleable goods as byproducts of training. But these items are not likely to be significant budgetary offsets. In an evaluation of Job Corps training, Taylor estimated that the value of goods produced was equal to only eight percent of direct operating costs.[1] If training led to higher employment rates and reduced recidivism, lower incarceration costs might also be reflected in institutional budgets over the long run.

As with basic education, the principal benefit from vocational training is usually assumed by economists to accrue to the trainee in the form of additional income. Society at large may also derive some benefits, such as reduced costs of public assistance and additional taxes paid by employed workers, but most studies find these benefits to be small compared to the trainee's increased income. (Indeed, in many studies social benefits are ignored entirely.)

Studies of the private (trainee) benefits from prison vocational education do not demonstrate that incremental income is commensurate with the cost of training. Instead, training frequently is found to be unrelated to the offender's post-release work experience. For example, Wines and Belasco found in 1962 that fewer than one-third of releasees from California institutions were employed in the industry for which they had been trained, or in an allied area.[2] The Rehabilitation Research Foundation had an even more pessimistic appraisal of training programs at the Draper Correctional Center. The percentage of released offenders working in jobs related to their training was 17 to 33, varying according to the type of training program. Conventional training school education was found to be as successful as the MDTA model program in terms of both the probability that an offender would work in an area related to his training, and the average wage that offenders received. Perhaps the least hopeful finding was that an untrained control group performed as well as any trainee group in terms of both employment and income.[3]

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[1] Graeme M. Taylor, "Office of Economic Opportunity: Evaluation of Training Programs," in Program Budgeting and Benefit-Cost Analysis, Harley H. Hinrichs and Graeme M. Taylor, eds. (Pacific Palisades, Ca.: Goodyear Publishing Co., 1969), p. 326

[2] L. G. Wines and A. Belasco, Method for Evaluating Institutional Vocational Trqining, Research Department Publication No. 4 (Sacramento, Ca.: California Department of Corrections, 1962).

[3] Rehabilitation Research Foundation, Experimental Manpower Laboratory for Corrections, Phase III Final Report (Washington, D.C.: Department of Labor, Manpower Administration, February, 1973).

To some extent these disappointing results undoubtedly stem from barriers to offender employment rather than deficiencies in either vocational training programs or job placement activities. Since the Standards include various recommendations designed to improve the employment prospects of ex-offenders,[1] the benefits of institutional vocational education programs might be expected to approach those of training offered to non-offenders. Benefit/cost ratios approximating zero for prison training programs may be replaced by benefit/cost ratios more nearly typical of MDTA, Job Corps, Neighborhood Youth Corps, and other labor training models utilized outside correctional institutions.

The trouble is that these benefit/cost ratios, too, are subject to considerable uncertainty. There is a very large literature of economic analyses of training programs, most of which concludes benefits on trainees in excess of the cost of training.[2] But virtually every one of the studies can be subjected to damaging criticism.[3] The most frequent charge leveled against these studies is that they fail to control adequately for factors other than vocational training that affect trainees' incomes. Technical shortcomings are also alleged, such as too small sample size, misspecification of statistical models, and failure to test the right hypotheses.

In non-technical terms, the problem is identifying the flow of additional trainee income that can be attributed to the training program, as opposed to other factors such as age, intelligence, skill, aptitude and motivation. After surveying a large number of studies as to precisely this question, Barsby concludes:

> Data from the majority of cost-benefit studies examined . . . suggest that social benefits of programs examined exceeded social costs. Thus, manpower programs designed to enhance the employability and income of their participants . . . may have returned net economic benefits to society.[4]

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[1]In addition to job placement (Standard 11.4), Standard 14.4 deals with employing ex-offenders in corrections and Standard 16.17 discusses licensing and other restrictions imposed by law. Corrections, pp. 478, 592.

[2]Most of these studies are discussed by Steve L. Barsby in Cost-Benefit Analysis and Manpower Programs (Lexington, Mass.: Lexington Books, 1972).

[3]See O'Neill, The Federal Government and Manpower, for a study-by-study critique of most of the major items discussed by Barsby.

[4]Barsby, Cost-Benefit and Manpower, p. 147.

He finds benefit/cost ratios for vocational education in high schools to average 10.1.[1] Institutional retraining benefit/cost ratios vary from 3.8 to 16.8.[2] Ratios for on-the-job training range from 3.7 to 31.0.[3] Neighborhood Youth Corps and MDTA non-prison projects have ratios between 3.0 and 15.7.[4] Even the Job Corps, the most expensive of all the manpower programs, is found to have a benefit/cost ratio of about 1.5.[5]

O'Neill comes to virtually the opposite conclusions.[6] Due to deficiencies in studies of the wage gain derived from MDTA projects, he argues that MDTA should be treated as an elaborate and mildly productive job placement program. The most productive training program is found to be the Job Corps, with rates of return varying from 6 to 16 percent, depending on the employment rate for participants. While this rate of return is not high compared to the productivity of capital formation, it does suggest that intensive vocational training is superior to other programs (such as public assistance) in terms of raising trainees' incomes.

This controversy is impossible to resolve in this report. But the wide range of estimated benefit/cost ratios reported by both Barsby and O'Neill implies that vocational training can generate significant benefits in terms of the additional income of the trainee. This finding is relevant for correctional administrators in the same manner as the conclusion that academic education can generate significant benefits if it leads the student to obtain his GED certificate. In both cases, the additional institutional budgetary costs imposed by complying with the Standards are offset, at least in part, by benefits to inmates and society at large. Vocational training in institutions should be evaluated on the same terms as other vocational training, and the absence of budgetary offsets should not be viewed as an absence of benefits that may well be large enough to justify the costs of institutional vocational education.

LIBRARIES

The availability of an appropriate law library at each correctional facility with a design capacity of 100 or more is advocated in Standard 2.3 of the Corrections Report. Provision for an adequate

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[1]Ibid., p. 149, table 6-1.

[2]Ibid., p. 149, table 6-2.

[3]Ibid., p. 150, table 6-3.

[4]Ibid., p. 151, table 6-4.

[5]Ibid., p. 152.

[6]O'Neill, The Federal Goernment and Manpower.

law library has been recognized by the Supreme Court as one of the means whereby inmates can exercise their constitutional right of access to courts.[1] But a library should also function as an adjunct to institutional education and as a recreation resource. These functions are implicit in the Standards, although specific levels of library resources are not proposed.[2]

Standards for library services do exist, however. The Committee on Library Services for New York State proposes that the minimum size for a correctional library should be 6,000 volumes, with a standard of ten books per inmate. If the inmate population consists of long-term offenders, the library should have 15 to 20 volumes per person.[3] This level of library service is not unheard of in institutions; for example, the Portland, Oregon, county jail contains a 3,000-volume library for its population of 320 inmates.[4] Deuel Vocational Institution in California has a library of 30,000 volumes for its 1,700 inmates.

The cost of providing these services sometimes is rather low because public libraries cooperate in making collections available to inmates and private individuals make book donations to institutions. The collection in the Portland jail, for example, belongs to and is serviced by the Multnomah County Library, with the assistance of an inmate library assistant.[5] Use of the library, in contrast, can be very high. A survey of libraries in the federal prison system showed that 75 percent of all inmates used the facilities, and that the average user read 70 books per year.[6]

If the library is funded through the correctional institution's budget, however, it may constitute a major claim on total resources. At Deuel, for example, the large library required annual

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[1] See Standard 2.3, Corrections, p. 29.

[2] Standard 9.8: "Other leisure activities should be supported by access to library materials, . . ." (Corrections, p. 304.) Standard 11.4: "A variety of instructional materials--including audio tapes, teaching machines, books, computers, and television--should be used . . ." (Corrections, p. 369.)

[3] New York, Committee on Library Services, A Plan to Provide Library Service to People in New York State Institutions (Albany, N.Y.: Committee on Library Services, May 25, 1965), p. 19.

[4] Roberts, Sourcebook on Prison Education, p. 167.

[5] Ibid., p. 167.

[6] Ibid., p. 163.

expenditures of $3,000 for maintenance of the collection; significant expansion was possible only with a one-time federal grant of $14,000. In addition, the cost of the library included the salary of a part-time librarian and the implicit capital (construction and utilities) cost associated with the reading room and shelf space occupying well over 2,500 square feet.

If the cost of providing general library collections is low because of the cooperation of public libraries, the same cannot be said for legal library collections. Standard 2.3 notes that a 1971 Supreme Court decision requires legal materials to be available to inmates in all institutions housing more than 100 offenders. Virtually all prisons and some 500 jails are included in this specification. In addition, the Court's notion of what constitutes an adequate law library appears to be rather costly. Standard 2.3 comments that one publisher's estimate of the cost is $6,000 to $10,000 initially and another 10 to 12 percent annually for updating and replacement. To this cost must be added an allowance for the space to be occupied by the library. At $50 a square foot,[1] a modest 400-square foot room would raise the cost of a library to $26,000 to $30,000, plus annual maintenance costs for the collection.

Since this expenditure consists largely of capital items (the library facility and the initial collection), it should not be treated as a continuing budgetary outlay. Instead, an annualized cost of ten percent[2] plus maintenance costs should be used, resulting in a legal library cost per institution per year of $3,200 to $4,000. Aggregating to the nearly 1,000 institutions covered by the 1971 decision, the total cost of legal materials and library facilities would be $3.2 to $4 million annually. This total does not include the costs of whatever professional personnel are required to operate and maintain the library collection.

In practice, library costs probably will exceed this amount. Materials other than the legal collection also occupy space, even if they are contributed by public libraries or charities. Professional librarian assistance is required on at least a parttime basis. A halftime professional alone could add $10,000 annually to library costs. The implicit cost of a 1,000-square foot library, on an annual basis, is $5,000. Annual library costs for a moderate-sized institution thus could exceed $20,000.[3]

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[1]This is a rough construction cost estimated used by Planning and Design Institute. See chapter II of this report for more detailed analysis of one of their designs for an institution in Rhode Island.

[2]For a justification of an annual capital cost of ten percent, see chapter II of this report.

[3]To arrive at the $100 per inmate year cost estimate for library services shown in figure 1 of Volume I of this report, $20,000 was divided by an estimated inmate population of 200.

Other than the questionable value of bibliotherapy and the unquantifiable impact that books might have on some inmates, these costs of libraries must be viewed as net drains on institutional budgets.[1] As with academic and even vocational training programs, the justification for these expenditures cannot be found in their impact within institutions. Instead, administrators should defend these additions to their budgetary requests as the costs of providing to prisoners at least those services that society makes available to persons outside of institutions, with special allowances (and thus law books) for the legal status of inmates.

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[1] For some anecdotes indicating that inmates derive benefits from library services, see Roberts, Sourcebook on Prison Education, pp. 166-69.

CHAPTER VII

WORK EXPERIENCE IN INSTITUTIONS

The Corrections Report makes two broad recommendations regarding work experience in institutions. First, inmates are to be given access to meaningful employment experiences as an aid to inculcating socially desirable values as well as reducing idleness. Second, institutional work experiences are to be expanded and altered according to some specific proposals concerning types of industrial activity and inmate pay. As a related matter, the legal and historical strictures on prison industries are to be relaxed. More specific Standards are discussed in the text which follows.

HISTORICAL AND LEGAL CONSTRAINTS

Work experiences have been part of prison life for inmates since the foundation of the earliest American institutions. Together with reading the Bible and meditating, working in isolation was the principal occupation of inmates of the Quaker penitentiaries. The nearly contemporaneous Auburn system required long work days of inmates, though in communal facilities rather than solitary cells. Extensions of these early work experiences are notorious in American penal history: sentences to hard labor, road work on chain gangs, and especially the system of "contracting out." Under the latter practice, inmates were assigned to work for private employers, often under the surveillance of armed prison officers. The contract price paid by the employer, while less than the value of employing the labor generally was considerably greater than the cost of surveillance and was used to defray prison expenses. Inmates typically received no remuneration.

To end these abuses, prison reformers advocated the development of prison industries. "Contracting out" was considered to abuse the inmates without securing any advantages for society. Inmates did not benefit financially from their work, and the jobs they performed generally had no value as vocational training that could be used after release. The financial offset to institutional budgetary costs was felt to be less than the amount that could be received from the most productive employment of inmates. The alternative was to expand and modernize productive facilities within prison walls in order to occupy inmates while producing marketable goods whose sale could generate more than enough revenue to defray production costs.

Despite some inherent disadvantages of production in an institutional setting that will be discussed below, prison industries

were rather successful in the decades before 1930. They were so successful that they generated a crescendo of criticism from private business and labor unions who complained of production subsidized by the states and unfair competition that was denying jobs to persons who had not been convicted of crimes. The culmination of these attacks, of course, was the passage of the Hawes-Cooper Act and companion pieces such as the Ashurst-Summers and Walsh-Healey Acts. The thrust of these statutes was to remove prison-made goods from the constitutional protection afforded to interstate commerce and thus to permit states to protect their private industries from prison competition.

These statutory restrictions were not the only factor affecting prison industries in the decades before 1940. American industry in general benefited from changing technology to become much more productive. The principal factor in this advance in productivity was capital accumulation, including the development of capital-intensive production techniques (such as Henry Ford's assembly line) and increased endowments of "human capital," that is, the education and training of the labor force.

Against this background, the competitive position of prison industries deteriorated. Structures became outmoded, as can be seen from the construction dates of many institutions still in use. (See chapter II of this report.) In the early twentieth century the "spread" between inmates' educational backgrounds and the average of the population not in institutions was not great, chiefly because that of the total population was not high. Over the past 50 or 60 years, however, the educational and skill backgrounds of inmates have not kept pace with the growth of "human capital" in the rest of the economy. Finally, the productivity of prison industries seems to have fallen for a number of reasons: reliance on technologically inefficient labor-intensive production to reduce inmate idleness, use of the proceeds of prison industries to support other programs rather than to upgrade and replace capital equipment, and retention of processes producing obsolete goods rather than responsiveness to changing consumer demands.

These developing problems with prison industries have not been solved by the state use system that has emerged since 1940. Under this approach, prison industries manufacture goods in demand by state agencies, and state agencies obtain their goods first from prison industries. While the protected market thus created is of some value to both the prison suppliers and the state agency consumers, there are serious drawbacks that are discussed below. (A similar market characterizes Federal Prison Industries, Inc., and agencies of the federal government.)

A statistic indicating the severity of the constraint imposed by the state use system and the dynamics of the national economy is that the percentage of inmates employed productively fell from 75 percent in 1885 to 44 percent in 1940, after the

passage of restrictive legislation.[1] In fact, the percentage of inmates employed productively in prison industries in 1940 probably was considerably lower than 44 percent for two reasons:

(1) The statistic included many inmates who performed institutional maintenance tasks, and

(2) There apparently is now and was then considerable "disguised unemployment" in prison industries, as discussed below.

Nevertheless, these 75 and 44 percent estimates are useful in interpreting the economic implications of Standard 16.13, which refers to the legal constraints imposed on prison industries. The Standard calls for states to end their prohibitions of specific types of industrial activity, the sale of prison-made goods on the open market, the transportation of prison-made goods, and the employment of offenders at market wages either by private employers or correctional industries. The passage of legislation, of course, is relatively costless in financial terms. The arguments for or against passage relate to the effects of the legislation on different portions of society.

It is highly probable that the 44 percent statistic cited above overstates the current economic employment of prison inmates by a sizeable amount, particularly for state institutions. According to a 1972 survey by the Institute of Criminal Law and Procedure:

> Of a total inmate population of 208,618 in the state correctional systems in the Institute survey, only 17,215, or 8.3 percent of the prison population, were employed in prison industries programs. Through assignment changes and admissions and releases, however, in the course of a year as many as three times that number may be exposed to prison industries work experience.[2]

A higher proportion, 27 percent of the men and 25 percent of the women, work in prison industries in federal institutions, according

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[1] U.S., Congress, House, Select Committee on Crime, Reform of Our Correctional Systems (Washington, D.C.: Government Printing Office, 1973), p. 27.

[2] Georgetown University Law Center, Institute of Criminal Law and Procedure, The Role of Prison Industries Now and in the Future: A Planning Study (Washington, D.C.: Institute of Criminal Law and Procedure, August, 1975), p. 21. Forty-eight states and the District of Columbia responded to the survey.

to another recent survey.[1] If the 75 percent employment statistic from 1885 represents the level of employment in the absence of legal constraints, the implementation of Standard 16.13 would lead to the productive employment of an additional 67 percent of the adult inmate population in state prisons, or about 122,000 offenders nationwide.

In practice, implementation of Standard 16.13 probably would lead to fewer additional employees than this estimate. One factor is that non-employment programs are more common (and more valuable) today than they were in 1885. In particular, the academic and vocational education programs discussed in the preceding chapter are more likely to occupy inmates today, so that the maximum inmate labor force today is probably less than 75 percent of the institutionalized offender population. A slightly lower potential of 65 percent of the inmate population is assumed in making the cost estimates for proposed state institutions presented in figure 1 of Volume I of this report.[2]

The Corrections Report does not mention prison industries as a part of the recommended programs for community-based institutions. However, since it is assumed that some offenders now in state institutions would be relocated in community-based facilities and because this economic analysis of alternative institutional-based programs provides support for better and expanded prison industries, a prison industries component is incorporated in the cost estimates for a proposed community-based institution shown in figure 1 of Volume I of this report. It is assumed that there is some prison industry activity for approximately one-third of a community-based institution's inmates. The difference in participation rates for state and community-based facilities (65 and 32 percent, respectively) allows for the alternative employment of one-third of a community-based institution's residents in the community. It is not possible to estimate how many additional offenders (beyond the 122,000 estimated earlier) might be in prison industries because of prison industries in community-based institutions, since some of these inmates would have been in state institutions and some would have been in local institutions (jails) under the former system.

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[1]Jean Dempsey Wolf, Inmate Employment Programs in Federal and State Correctional Institutions (Washington, D.C.: Congressional Research Service, October, 1973), p. CRS-5.

[2]In some of the numerical examples and cost estimates presented in the remainder of this chapter (Volume II), incremental changes in existing institutions are being discussed, and so cost analysis is applied to the 17,215 positions in prison industries in state institutions found in the 1972 survey cited above, or to an individual establishment. Relationships between productivity, sales, wages and so forth discussed in these examples would also extend to the prison industries for a larger portion of an institution's inmates, envisioned for the proposed institutions discussed in Volume I.

Nevertheless, it is clear that anywhere from 100,000 to 200,000 potential new workers is a small number compared to the national labor force of some 91 million. It is this comparison that relates to the social (political) costs of implementing Standard 16.13. Employment of 100,000 to 200,000 persons would result in changes in total national employment ranging from 1/10 to 2/10 of 1 percent, which is less than the frequent monthly oscillations in the employment rate due to seasonal variations or other factors.[1]

The threat from prison industries may vary from state to state and from industry to industry. To minimize the threat to specific sectors of private business, prison industrial activity could be diversified or private employer and labor interests could be integrated into prison industries in the manners discussed below. In any state, the competitive threat posed by prison industries to private business or labor depends on the extent and efficiency of current prison industrial activity and the size of the institutionalized offender population relative to the private sector labor force. The more extensive and efficient are current prison industries, the smaller is the potential that exists for increases in prison industrial output by expansion or more efficient use of resources. Prison industries are already in de facto (and unfair) competition with private companies for the business of state agencies. Permitting prison industries to sell goods or services to the public might therefore reduce purchases from private firms, but purchases by state agencies would increase. On balance, the effect of ending the state-use system would be to alter established patterns of sales, but the net impact on private business and labor would be small or negligible.

These considerations suggest that removal of legal restrictions on prison industries is not likely to have major economic implications outside the institutions themselves. But these arguments do not deal with the costs or benefits of implementing the Standards for the operation of prison industries and inmate work experience. As these costs and benefits are analyzed in the remainder of the chapter, the conclusion of this section is used as the basis for ignoring economic impacts outside the correctional system.

REFORMING PRISON INDUSTRIES

From its beginnings in Pennsylvania and Auburn, work experience in prison has been intended to aid in the rehabilitation or reintegration of offenders. This orientation remains to the present day, and is likely to govern the development of prison industries in the future.

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[1] Employment and labor force estimates used in these comparisons, 87 and 91 million, respectively, are for 1973, to correlate with the data of the most recent population estimates for state institutions (December, 1973) used in this report.

For example, the California Department of Corrections views the objectives of its correctional industries as aiding the "overall departmental rehabilitation programs by providing work . . . for inmates who would benefit . . . to provide training in work habits and attitudes and in work skills to assist in employment after release . . ."[1] Standard 11.10 of Corrections includes the following condition as being of first priority:

> 1. Prison industries should be diversified and job specifications defined to fit work assignments to offenders' needs as determined by release planning.[2]

Historically, this objective of preparing the inmate for release by improving his work attitudes and skills has conflicted with other objectives of correctional administrators. The California budget includes two other objectives: "to provide constructive employment to inmates as an alternative to idleness . . . to reduce costs of maintaining the correctional program by the sale of products and services to public agencies."[3] The Corrections Report does not deal explicitly with the profitability aspect of prison industries, but it does specify that prison jobs should be "productive," "efficient," and "closely related to skills in demand outside the prison." These requirements seem to imply that the "industry" aspect of prison industries should have importance at least commensurate with that of the "prison" aspect.

Of the 52 jurisdictions that incarcerate felons in the United States, 50 currently operate industrial plants within their prisons. (Alaska and Arkansas do not have industries; the federal government and the District of Columbia are added to the list of states to reach the total of 52.) The consensus regarding these industrial operations is that they are inefficient, their capital equipment and physical plants are frequently technologically obsolete, and the skills that they impart to workers often bear little relationship to private industry's demands for trained employees.[4]

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[1] California, Department of Corrections, Overview of California Correctional Industries (Sacramento, Ca.: California Department of Corrections, March 14, 1967), p. 1.

[2] Corrections, p. 387.

[3] California, Department of Corrections, Budget, p. 774.

[4] For example, see R. L. Goldfarb and L. R. Singer, After Conviction (New York: Simon and Schuster, 1973), p. 627; S. McCollum, "Education and Training of Youthful Offenders," in Princeton University Manpower Symposium, The Transition from School to Work (Princeton, N. J.: Princeton University Press. 1968), pp. 108, 113-114; and

More precise documentation of the condition of prison industries is extremely difficult. Data on the value of capital equipment, like that on the value of institutional capital stock, is essentially non-existent. Institutions tabulate the number of inmates employed, but as noted above the tabulation often includes those employed in maintenance activities; moreover, inmates need not work full eight-hour days to be counted as employees. Information on the value of goods produced is subject to bias for several reasons:

- Capital facilities and equipment are not accurately included in the cost of production;
- Labor is not valued at anything approximating market rates and labor productivity correspondingly is far below the productivity of workers not in institutions;
- The preference given by state agencies to prison-made goods devorces prison industries from the need to be competitive with private industry.

Prison industries in practice depart from the ideal of productivity, efficiency, and skill training related to the private sector largely because of the constraints of the state-use system and the conflicting objectives of correctional administrators. Since prison-made goods can be sold only to state agencies, the level and composition of demand is limited. Rather than permit idleness and its destructive consequences for the prison environment, administrators use overly labor-intensive production techniques. In addition, the typical inmate's workday may be only four or six hours.[2]

President's Commission, Corrections (1967), p. 55. For a recent detailed survey of the types of industries being operated in prisons, which was conducted as a part of a national survey of vocational training in federal and state institutions funded by the Department of Labor, see G. W. Levy, R. A. Abram, and D. LaDow, Vocational Preparation in U.S. Correctional Institutions: A 1974 Survey, Report to the U.S. Department of Labor (Columbus, Ohio: Battelle Columbus Laboratories, March, 1975).

[1]Neal Miller and Walter Jensen, Jr., "Reform of Federal Prison Industries: New Opportunities for Public Offenders," Justice System Journal, 1974, pp. 1-27; Daniel Glaser, The Effectiveness of a Prison and Parole System (Indianapolis: Bobbs-Merrill Co., Inc., 1964), p. 225.

[2]Institute of Criminal Law and Procedure, Planning Study, p. 30; Ralph W. England, Jr., "New Departures in Prison Labor," Prison Journal 41: 21.

Since administrators have no incentive to increase output, they certainly do not care to increase labor productivity; besides, raising productivity would require the purchase of new capital equipment out of strained institutional budgets.[1] The use of obsolete, low-productivity capital equipment satisfies a number of objectives: it saves on institutional budgets, it raises the number of inmates employed in producing a specified level of output, and it even reduces the cost of training institutional staff in new production technologies. Its major drawback is that the inmates who use the equipment learn little of relevance to post-release employment. But this shortcoming is one that many administrators are willing to accept in view of other advantages they derive.[2]

This discussion of current conditions and incentives in prison industries strongly suggests that a prerequisite for reform is the removal of legal restrictions on the sale of prison-made goods. Based on the analysis in the preceding section, it appears that the social (political) cost of removing these barriers is small, largely because the economic costs are not great. The Corrections Report concurs in this hopeful assessment:

> . . . organized labor and other business interests may no longer be concerned about prison products competing in the free market. There is evidence that free labor and industry are willing to become involved in planning, updating, and evaluating prison industry programs . . .[3]

Minnesota and Illinois have recently introduced slight liberalizations of the traditional prohibition against the free-market sale of prison-made goods.[4] Against this background, it is appropriate to

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[1] Institute of Criminal Law and Procedure, Planning Study, p. 27.

[2] California, Legislature, Assembly Office of Research, Report on the Economic Status and Rehabilitative Value of California Correctional Industries (Sacramento: Assembly Office of Research, February, 1969), pp. 6-7. According to California Correctional Industries: " . . . we must balance our need to provide employment for inmates and the need to provide a working environment similar to that which the inmates will find on the outside. As a result, our operations must stress training in basic skills and we can make only limited use of automated labor-saving devices." (Ibid., n. 11, p. 7.)

[3] Corrections, p. 388.

[4] Miller and Jensen, "Reform of Federal Prison Industries," p. 11. The Minnesota statute authorized the establishment of private industry establishments on prison grounds. Illinois permits non-profit corporations to purchase prison-made goods.

consider the economics of the restructuring of prison industries called for in Corrections.

The most direct modification of prison industries would be simply to upgrade the level and technology of production to standards existing in private enterprise. To maximize the political acceptability of such a step, institutions should operate a large number of small industrial operations; to meet the call in the Report for work programs "closely related to skills in demand outside the prison," such industries should be similar to those currently operating in each institution's state.

In theory, the diversification of industrial activity could conflict with the objectives of technological efficiency and productive employment for inmates. In many industries, large-scale production involves hundreds of employees and millions of dollars of capital equipment if costs of production are to be kept down to competitive levels. Examples of such industries are basic metals, petroleum refining, and manufacturing of machinery and machine tools. Fortunately for prison industries, there are many other activities in which labor and capital requirements are much smaller. Service industries such as equipment repairing, painting, and electrical work do not require large work forces or capitalization. Computer services such as keypunching and equipment maintenance are a growing industry in some institutions. And light manufacturing--woodworking, metalworking, plastics, and so forth--is fairly well-suited to institutional operations.

The requirement for diversification is already being met to some extent. The Institute of Criminal Law and Procedure tabulated 360 industries in 49 jurisdictions (excluding federal prisons). The average (median) state had seven different types of industries.[1] The Congressional Research Service survey of state and federal institutions survey found 504 industries (not including institutional maintenance) in 31 Standard Industrial Code classifications.[2] The Battelle survey of state and federal institutions found 407 industries in 132 institutions. The most common industries were auto license and garment making (40 institutions each), furniture manufacture and repair (31 institutions) and printing (25 institutions). Some industries--such as basket-making, foundry, paint brush manufacture, plastic factory, and a quarry--were reported only once. Also according to this study, the average state prison industry employed 42 inmates, with the number employed ranging from 1 to 475.[3]

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[1] Institute of Criminal Law and Procedure, Planning Study, pp. 16-20.

[2] Wolf, Inmate Employment, Appendix D.

[3] Levy, Abram, and LaDow, Vocational Preparation.

Without data on the capital equipment and facilities in each of these many small industrial establishments, it is not possible to estimate the cost of upgrading them to the standards of private industry. A method can be provided, however, to permit states and institutions to estimate the cost for any particular operation. In the United States economy there is approximately $4 of capital stock (equipment, facilities, inventories, and so forth) for each $1 of labor productivity. This ratio is somewhat lower in the light manufacturing and service sectors, whose output is similar to that produced in most prison industries. In these cases a capital to labor ratio of three to one can be used to approximate the efficient production technology. The best available estimate of the potential value of adult inmate labor is about $8,000 per year in 1972 prices;[1] inflating to 1974 prices yields an estimate of about $9,150. Efficient prison industrial operations would therefore require an average capital stock of about $27,500 per employee. Using the estimated size of 42 inmates for the average state prison industry from the Battelle survey, the total capital stock per establishment should average a little over $1 million.

Of course, not all of this estimated $27,500 per employee should represent an add-on cost for most institutions. Included in this total are items such as utilities, transportation access, and structures that are already being provided for most prison industries. In addition, many industries should be able to retain much of their capital equipment, although the description of prison industries earlier in this section suggests that additional new capital equipment would be required in a majority of cases. Perhaps $10,000 to $15,000 per employee represents a reasonable estimate of the additional capitalization necessary to upgrade most prison industries to the standards of private industry. Expanding this estimate to the number of potential employees in state institutions (developed in the preceding section), the incremental capital cost of upgrading state prison industries might be $1.2 to $1.8 billion. (See figure 21 for more details on how this estimate was derived.)

The theoretically desirable combination of capital and labor described above can be compared to the experience of California Correctional Industries.[2] As of 1975, industrial plants were operated in ten California state institutions. The average number of inmates assigned to industrial operations during 1966 to 1975 was 2,516, with a marked downward trend (from 3,178 in 1968-69 to 1,885 in 1973-74). Each industrial plant paid rent into the state's general fund at rates ranging from $0.30 to $1.00 per square foot per year.

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[1] Singer, Value of Adult Inmate Manpower, p. 11.

[2] Data on California correctional industries were obtained from unpublished tabulations compiled by the staff of California Correctional Industries, Inc.

These rental figures constitute a major subsidy, since the annualized capital cost of construction is estimated to be about $5.00 per square foot per year.[1]

Figure 21

Estimated Incremental Capital Expenditure Required to Make Prison Industries in State Institutions Self-Supporting

A. Total Number of Inmate Years[a]	181,534
B. Proportion of Inmates Participating in Prison Industries at Any One Time	.65
C. Number of Inmates Participating in Prison Industries at Any One Time (A X B)	117,997
D. Incremental Capital Expenditure Required Per Participating Inmate	
D_1. Estimate 1	$10,000
D_2. Estimate 2	$15,000
E. Incremental Capital Expenditure Required for All State Institutions	
E_1. Estimate 1 (C X D_1)	$1,179,970,000
E_2. Estimate 2 (C X D_2)	$1,769,955,000

[a]See paragraph in chapter I on population statistics used in national expenditure estimates, for information on the source and use of this statistic.

[1]The Planning and Design Institute of the National Clearinghouse for Criminal Justice Planning and Architecture currently uses $50 per square foot as a rough estimate of the average cost for constructing a correctional institution meeting its standards. The rationale for applying a ten percent rate to derive an annualized capital cost is explained in chapter II of this report.

In addition to nominal rental costs, California Correctional Industries incurred equipment costs and expenses for building improvements. The average book value of capital equipment during the 1966-1975 period was $6.090 million. Annual average expenditures for building improvements were $527,537. Assuming a ten-year amortization period for building improvements, the average capital stock during the nine-year period can be estimated at $11.365 million ($6.090 million in equipment and $5.275 million in structures). The average capital stock per inmate employee then was $4,517. Inflating from 1970-71 (the midpoint of the sample period) to 1974-75 at 5 percent yields an average capital stock per employee of about $5,500, or 20 percent of the theoretical optimum of $27,500.[1]

Productivity and sales experience was consistent with this low capital stock per worker. Average sales per employee in 1975 prices were only $5,711. Value added per employee was much lower, since the $5,711 figure had to cover not only capital costs and wages but also the costs of purchases of raw materials. (The California Correctional Industries revolving fund operates at no cost to the state.) Value added per worker in the private economy, in contrast, is about $15,000, perhaps 500 percent of that for inmate employees.

Within the correctional industries, the use of resources corresponds fairly well to the efficient combinations used in the private sector. Average inmate earnings for 1974-75 were $232, or $445,000 in total.[2] Staff personnel totaling 253.2 man-years were assigned to the program. Assuming an average staff salary of $15,000, total labor costs were therefore $4.2 million or $1,686 per inmate employee. The capital to labor ratio derived from these estimates is 3.26 to 1, remarkably close to the 3 to 1 hypothesized for prison industries.

Nonetheless, even within these undercapitalized industrial plants there appears to be a substantial potential for upgrading inmate earnings and output. At Deuel Vocational Institution in California, an incentive pay scheme has been in effect for about 18 months. Officials report that the average inmate wage has roughly doubled during that time, and that the value of goods produced has also doubled.[3] The wage rate is still low--about

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[1]There are offsetting biases in this $5,500 estimate. The capital stock associated with rental costs is ignored due to the absence of data. Conversely, the capital stock value of building improvements is understated by assuming only a ten-year lifetime rather than the more usual 20- or 30-year lifetimes associated with most structures.

[2]Earnings and salary data are from California, Department of Corrections, Budget, p. 777.

[3]N. Singer, discussions with administrators of the prison industries program, Deuel Vocational Institution, Tracy, California, June 27, 1975.

35 cents per hour--but the experiment shows that private sector economic incentives can be translated to a prison setting, and that higher wages need not bankrupt industrial funds.

To refine these rather gross estimates of capital costs for prison industries, states should obtain data on capital costs for the types of industrial establishments they wish to operate. One source of such data is simply to survey private businesses, naturally guaranteeing confidentiality. This approach offers the collateral benefit of integrating experienced business and labor interests more closely into correctional planning. A related possibility is to use industrial consultants and accountants in planning prison industry modernization and expansion. Unfortunately, published data on capital stock are not generally available due to the difficulty of measuring the value of capital items.

The most important thing to realize about the foregoing estimates of incremental capital costs for upgrading prison industries is that the costs should not represent a drain on correctional institutions' budgets. The derivation of the cost estimates rests on the premise that prison industries' output can be produced efficiently, in a manner and quality comparable to that of private businesses. If private firms can use $27,500 per employee (assuming employees have skills comparable to those of prison inmates) and produce goods at a profit, the same profit must be available for prison-made goods. Pretax rates of return in private enterprise average 15 to 20 percent per year. Even allowing for lower productivity in prisons due to weaker incentives, the income generated by efficient prison industries should amortize the costs of improved capital equipment within a five- to ten-year period. If inmates are paid less than prevailing wages, the net cash flow to the institution will be correspondingly greater and the amortization period for capital equipment will be shorter.

As an illustration, a typical modernized prison industrial establishment can be compared with a private company employing 42 workers at an average wage of $9,150. The total capitalization of this typical private company is about $1.155 million, and its payroll is $384,300. Net sales of $615,195 are used to compensate employees (payroll plus 15 percent in fringe benefits[1]) and provide a 15 percent gross rate of return to capital.[2] This entire tabulation is net of purchases from other companies. (If the private firm has a high turnover ratio, such as a supermarket does, its gross sales would be much greater than $615,195.)

If a prison industry patterns its activities after this private company, it too will have net sales of $615,195. Should prison inmates' productivity be lower than that of private employees (despite the similarities of educational attainment and occupational

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[1] A 15 percent fringe benefit rate approximates the most recent rate estimated for the private nonfarm economy. See text and footnote on page 34.

[2] A simple 15 percent rate of return on $1.155 million is $173,250 annually.

affiliation that are implicit in the $9,150 estimate), net sales may not reach $615,195. But inmates' compensation also may fall short of $441,945, especially if the prison industry does not pay prevailing wages or fringe benefits approximating 15 percent.[1] On balance, there is no reason to believe that efficiently capitalized prison industries cannot generate sufficient revenue to amortize their capital costs, if the legal restrictions on sales of prison-made goods are removed.

Nevertheless, even efficient prison industries expose administrators to the business's risk of unprofitable operations. One way of avoiding this risk, and at the same time upgrading prison work experiences in the manner called for in the Standards, is to adopt a "contracting in" system with private businesses. This is the approach taken by Minnesota in its legislation authorizing private industry to locate establishments on the grounds of correctional institutions and to employ inmates in producing goods for sale in private markets. Parallel legislation, introduced by Senator Charles Percy as the Offender Employment and Training Act, would apply to federal prisons.[2]

Although the enabling Minnesota legislation was passed in 1973, the contracting-in program has had a lengthy start-up time. The first such operation was established at the low-security Lino Lakes institution in May, 1975. As of August, 1975, at least 20 separate companies had expressed varying degrees of interest in the Minnesota program. A computer programming consortium is on the verge of establishment, and other operations are being planned. Approval of the plan has been obtained from major unions, subject to the expected conditions of union membership, dues checkoff, and competitive wage scales.[3]

The Minnesota plan provides only one financial inducement to private employers: subsidized rental of production facilities. The rent charged at Lino Lakes is $1.00 per square foot per year, only a little higher than the average charged to California Correctional Industries. In the case of Minnesota, however, these rents are recognized to be a nominal charge. As with the California prison industries, all costs of developing the space for production--remodeling, wiring, ventilation, and so forth--are borne by the industrial plant.

Prevailing wages in the case of Minnesota mean that inmates are receiving more than $3.00 per hour in one piecework shop. Employment is arranged by the company; the corrections department and the institution do not screen inmates or recommend that certain ones be hired. Inmates also perform staff and supervisory functions for which they receive commensurate pay. Annual wages range from $8,000 to $11,000,

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[1]Adding a 15 percent fringe benefit rate to inmate wages can be viewed as an extension of the notion of paying prevailing wages to paying "prevailing compensation" covering wages and fringes. See discussion in the later section on payment of prevailing wages.

[2]U.S., Congress, Senate, The Federal Criminal Justice System Reorganization Act, S. 2161, 93rd Cong., 1st sess., 1973.

[3]Information about the status of the Minnesota program was obtained from various unpublished materials provided by the Director of Private Industry, Minnesota Department of Corrections.

figures that compare favorably with the estimated $9,150 potential inmate productivity cited earlier.

The financial benefit to the institution is derived from subsistence charges that are withheld from inmates' paychecks. The state has negotiated a flat amount of $121 monthly with inmate workers. In addition, the state has proposed a set of other charges for optional services: alternative food arrangements, personal laundry services, "outside" medical care, adult education, and even counseling. The characteristic of all these charges is that they would fully support the services involved; thus, the institution would provide a variety and quality of services far beyond the capabilities of current budgets, and yet no financial cost would be incurred by the state.

The advantages of this approach, from the standpoint of correctional administrators, are numerous. By bringing industrial specialists into institutions to operate industries, correctional staffs would be relieved of a responsibility unrelated to other correctional functions. The liaison between prison employment and employment in the private economy would be tightened, increasing the likelihood that inmates would find stable employment after release. Employment that inmates viewed as productive (and remunerative) might reduce institutional tensions. The current drain on institutional budgets caused by acquisition of capital equipment would be eased. Contracts with private companies could provide a stable source of income to institutions to aid in defraying other budgetary costs.

From the standpoint of private business and labor, the advantages of this program are more obscure. Labor unions' sanction presumably could be obtained only at the price of union membership for inmates and the attendant payment of prevailing wages. (Such a provision is incorporated in the Senate bill and the Minnesota legislation.) The willingness of business to participate presumably would be reduced by any of the following factors: general weakness in the economy or slackness in labor markets, locations of correctional institutions distant from other productive facilities and markets for goods, unacceptably high labor turnover rates due to short prison terms, and general reluctance to employ ex-offenders. While these factors should not deter every business from participating in institutional employment programs, they will reinforce any existing unwillingness to expand plant operations in an unfamiliar milieu.

One way to overcome such misgivings is through subsidies. Sensibly, the Senate bill provides for a very limited subsidy for participating businesses in the form of federal loans at a maximum interest rate of six percent. At the time the bill was introduced, this ceiling was about five percentage points below market rates. Assuming that the five-point subsidy were offered regardless of the level of private market rates, the cost to an institution would be five percent of the incremental capital cost of upgrading prison industries. As a limiting case, suppose that an industry were to be established in a new building, without the benefit of any previously

used equipment or facilities. The estimate developed above is that capital costs would total $27,500 per employee. The subsidy thus would be $1,375 per inmate employed in the new industry. In most cases, the cost per inmate to the institution should be less because existing capital facilities should be usable.

To estimate the national costs of upgrading prison employment through this approach of subsidies to private industry, the assumption made earlier can be used; that is, incremental investment equal to $10,000 to $15,000 per employee can be assumed. For the 117,997 inmates who can be considered eligible for prison work experiences (see figure 20) the aggregate subsidy would then be $500 to $750 per employee or approximately $59 to $88 million. To put these amounts in perspective, they are approximately six to nine percent of the operating costs for state correctional institutions in fiscal 1973, adjusted to calendar 1974 dollars.

As in the case of institutional expenditures to upgrade prison industries, these subsidies to private employers should yield net economic benefits to institutions. The benefits in this case result from the requirement in the Senate bill that employers pay prevailing wages, from which institutions are allowed to deduct "reasonable costs incidental to . . . confinement."[1] It is estimated later in this chapter (see the section on institutional maintenance work) that such deductions might reasonably average $1,200 per inmate year, nationwide, if allowances are included for paying inmates minimum wages for institutional maintenance work. As noted above, Minnesota has negotiated a subsistence payment of $1,452 annually with those inmates employed in its industrial program. On balance, it seems likely that the "contracting in" method can be self-financing, from the standpoint of an institution, as long as the subsidy per employed inmate is not greater than five or six percent of the employer's incremental capital costs.

The conclusion of this section is that the Standards concerning prison industries can be met without any budgetary drain upon institutions, under either internal upgrading or the "contracting in" method. For institutions to expand and modernize prison industries, however, would require the repeal of restrictive legislation dealing with prison-made goods and abandonment of the "state-use" system. "Contracting in" also would require new legislation. The only states that do not currently mandate state use are Alaska, Delaware, Maine, Massachusetts, Mississippi and Nevada (and Illinois to a very limited extent).[2] Only Minnesota permits "contracting in." Either approach is consistent with Standard 11.10. Which one is preferable for a given state depends on local conditions, including the current state

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[1] Miller and Jensen, "Reform of Federal Prison Industries," p. 16.

[2] Ibid., p. 11.

of prison industries, the effectiveness of post-release offender employment programs, and the willingness of business and labor to participate in "contracting in." For the state (but not correctional system), contracting in offers further advantages in that capital equipment, inventories, sales, and payrolls may all be subject to taxation. This tax yield might offset much or all of any subsidy required to induce businesses to participate.

As a final point on this issue, it is worth noting that the conclusion does not depend on the value to the inmate of prison work experiences. The Corrections Report clearly views work experiences as of major value in rehabilitating and reintegrating offenders; indeed, this view is so widely held that it approaches the status of folk wisdom. Unfortunately, there is little empirical verification of it. For every study that shows the value of employment in averting recidivism, there is another demonstrating that prison work experience is virtually unrelated to post-release activity. This issue does not have to be settled before the economic value of improved prison work experience can be demonstrated. Instead, the foregoing analysis shows that even if the inmate derives no benefit from prison work that teaches him marketable skills, there can be some net benefit for institutional budgets.

PAYMENT OF PREVAILING WAGES

According to the Congressional Research Service survey of prison industries in 1973, the average minimum wage rate in state men's institutions is 4.4 cents per hour, while the average maximum wage in the same prisons is 17.4 cents per hour. The range in state women's institutions is 5.6 to 12.6 cents per hour. As a result, the average monthly earnings of men in state institutions are $10.85 and those of women are $10.10.[1]

Even these figures exaggerate the pay scales in some institutions. In Idaho, Montana, and Wyoming the lowest wage rate is only 1 cent per hour; in Wyoming that is also the highest wage rate, with the result that the average monthly earnings per inmate in Wyoming are only $2.00--or the equivalent of the federal minimum hourly wage rate. In fifteen states, the maximum inmate wage rate is 10 cents per hour or less. In Iowa men can earn as much as $1.10 per hour, but no other state has a maximum wage rate as high as 40 cents per hour for either men or women.

These wage rates clearly are at variance with the Corrections Report. Standard 11.10 specifies in part:

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[1] Wolf, Inmate Employment, Appendix C.

> 6. Inmates should be compensated for all work performed that is of economic benefit to the correctional authority or another public or private entity. As a long-range objective to be implemented by 1978, such compensation should by at rates representing the prevailing wages for work of the same type in the vicinity of the correctional facility.[1]

It is interesting that the Standard includes all inmate work. Not only employment in prison industries, but also employment in institutional maintenance activities, should be renumerated at prevailing wage rates. It is also worth noting that prevailing wages, not minimum wages, are specified in the Standard. The $9,150 average productivity imputed to inmates in the preceding section implies an average wage of $4.40 based on a 40-hour week and a 52-week year.

Administrators raise many arguments against paying inmates prevailing wages, or even the federal minimum wage.[2] Some arguments are based on the philosophy of incarceration and prison work experience: work experiences are only part of the large effort of rehabilitation and money wages are an unimportant reward compared to promotion and increased responsibility for successful inmates. Some are based on equity: inmates assigned to prison industries cannot practically be paid at a scale greatly different from that applied to maintenance workers, and skilled employees cannot be paid at reasonable skill differentials without bankrupting the industrial funds. Finally there are the arguments from administrative considerations: inmate wages are legally considered gratuities rather than income, and changing their status would require considerably more bookkeeping; besides, net sales from prison industries are used to subsidize other programs such as vocational education, and budgets could not be expanded if the subsidy for these other programs were used to pay prevailing wages.

In terms of cash flow, the difference between the Report's recommendations and current practice is substantial. The average annual income for employed male inmates in state institutions is $130.20, while that for employed women is only $121.20. Earlier in this chapter the figure of $9,150 was cited as the average productivity for inmates in federal and state institutions. Applying the difference ($9,020) to the 63,432 inmate employees in state institutions counted in the Congressional Research Service survey, the gap between current inmate wages and the wages called for in the Standards is $572 million. $572 million annually is thus the cost of meeting the Standard for prevailing wages in state institutions. A fringe benefit rate of 15 percent would raise the cost by $86 million.[3]

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[1] Corrections, p. 387.

[2] For a cogent statement of these arguments, see T. Wade Markley, "Statement Against the Paying of Minimum Wages to Inmates," Correctional Industries Association Newsletter, May, 1974.

[3] Adding a 15 percent fringe benefit rate to inmate wages can be viewed as an extension of the notion of paying "prevailing wages" to the concept of paying "prevailing compensation" covering wages and fringes. A 15 percent fringe rate approximates the most recent estimate (for 1972) of a 16.4 rate for the private nonfarm economy (Bureau of Labor Statistics, Supplementary Compensation). Covered in the 16.4 percent are employer contributions to the following: retirement (including social security), 9.7

If institutional maintenance workers are excluded from the discussion, the gap becomes somewhat smaller. The 63,432 inmates counted by the Congressional Research Service survey as employed included an undetermined number working on institutional maintenance. Assume that the number of state inmates in prison industries is the number found in the Institute of Criminal Law and Procedure survey; then 17,215 persons (men and women) in state institutions are the current work force for prison industries.[1] Since maintenance workers probably receive lower wages than industry workers,[2] assume further that these 17,215 inmates all earn at the maximum wage rates for men in their institutions. Then they earn an average of $361.92 annually (based in both cases on the overly generous assumption of 40-hour work weeks). The gap per inmate between current and prevailing wage rates then is $8,788 annually, or $151 million, and adding a 15 percent allowance for fringe benefits increases the gap to $174 million.

For several reasons, the $174 million estimate probably understates the true cost of the Standard just as the $658 million estimate overstates it:

- Inmates do not work 40-hour weeks, 52 weeks annually.
- Not all inmates earn the maximum wages prevailing in their institutions.
- The 17,215 estimated employees would only be 9.5 percent of state inmates in December, 1973. The number of state prison industry employees may actually be greater than 17,215, and the gap therefore may be larger than $174 million.

Whether the cost of meeting the Standard is $174 or $658 million or somewhere in between, it is clearly a large expenditure relative to current funding levels. An additional expenditure of $174 million for prison industries would raise operating costs for state institutions by approximately 17 percent. Alternatively, other institutional activities costing almost $200 million would have to be curtailed or eliminated. The wage plus fringe benefit gap of $10,353 per worker is much greater than the operating cost per inmate year for existing state institutions, $5,727, and significantly higher than the $9,439 per inmate year estimate which includes an allowance for capital costs as well.[3]

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percent; life, accident and health insurance, 4.7 percent; unemployment programs, 1.3 percent; workmen's compensation, 0.7 percent. Since 1972, contributions to social security have risen, so the retirement rate would be slightly higher for 1974. Medical services regularly provided to inmates by the institution might reduce the costs of comparable health insurance benefits. For the private nonfarm rate calculation, sick and annual leave and holidays are included in the wage/salary base, for which the 16.4 percent rate for employer fringe contributions has been calculated.

[1]Institute of Criminal Law and Procedure, Planning Study, p. 21.

[2]Markley, "Statement Against Minimum Wages": "There is already a considerable gap between industrial workers and maintenance workers in most systems, which I believe is essential to successful industrial operations."

[3]See figure 1 in Volume I of this report.

The reason that this estimated gap is so large is that it reflects the economic costs of the current structure of prison industries. For example, consider the question of closing the gap under a widespread system of "contracting in." Private employers would enter institutions, construct productive facilities, hire inmates to produce goods for sale on the open market, and pay a wage commensurate with inmates' productivity. Inmates therefore would have to produce goods whose market value was at least equal to their wage. (In fact, productivity would have to be higher in order to permit capital equipment to be amortized and to provide an allowance for profit and fringe benefits.)

The $9,150 inmate productivity estimate coupled with a 15 percent fringe rate and the three to one capital to labor ratio implies annual gross output of nearly $242 million for an inmate work force of 17,215 (approximately $14,000 per worker).[1] This potential productivity is considerably greater than the wage-fringe gap of $174 million that was estimated above for a work force of 17,215 inmates.

Efficient prison industries clearly could operate in the same manner as efficient private ones. Employment of the inmate prison industry labor force of 17,215 at their maximum productivity, coupled with adequate capital equipment, could generate goods and services worth $242 million. Obviously this cash flow would be more than adequate to compensate inmates on a prevailing wage basis, while providing funds to amortize the costs of capital facilities. With either efficient prison industries or "contracting in," a further benefit to institutions would be annual charges of approximately $1,200 per inmate for subsistence costs.[2]

To administrators familiar with prison industrial operations, this potential productivity of $242 million seems wildly unrealistic. Federal Prison Industries, Inc., with 5,519 employees, generates annual gross sales of about $10,000 per employee and average "profits" of about $1,100.[3] State prison industries are generally conceded to be less efficient and productive than the federal system; yet Federal Prison Industries, Inc. apparently cannot generate enough profits to amortize more than $10,000 per worker. The estimated capital requirement of $27,500 clearly is out of reach. And even the profitability of federal industries is attained only with a wage gap estimated to be $8,503 per worker.[4] Most state prison industries currently cannot

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[1] $\frac{(\$9,150 + \$1,373) \times 17,215}{.75} = \$241.537$ million.

[2] See the later section in this chapter on institutional maintenance work for the basis of this estimate.

[3] Derived from Taggart, Prison of Unemployment, p. 55. For more information on federal prison industries, see the yearly issues of U.S., Federal Prison Industries, Inc., Board of Directors, Annual Report (Washington, D.C.: Bureau of Prisons).

[4] This estimated gap is slightly lower than the one estimated for state industries, because federal inmates earn more than state inmates, about $647 annually based on data in Wolf, Inmate Employment.

generate gross sales of more than $5,000 or so per worker.[1]

One reason that sales and productivity are so low probably is the legal restrictions on prison industries imposed by the state-use system. Current prison industrial operations cannot generate $242 million in net sales because the market for their output is not large enough.[2] But in a $1.50 trillion economy, $242 million in prison industry sales is hardly noticeable (less than .02 percent).

Apart from the restrictions imposed by the state-use system, there are reasons to expect labor productivity in prison industries to fall short of labor productivity in the private economy. Administrators sometimes argue that prison labor productivity cannot be inferred from comparisons of the demographic characteristics of inmates with those of other workers;[3] after all, the difference between inmates and other laborers is proved by the fact that the former are in prison. There are also undeniable differences between the work environments in and out of prison. Because of the absence of a cash economy in most institutions, inmates may be motivated to work less by money wages than by non-monetary remuneration that is related more to participation in prison industries than to productivity.

Depending on the strength of these forces and other factors affecting inmate productivity, the potential net output of prison industries might fall short of $242 million. In that case, inmates certainly would not receive wages averaging $4.40 per hour implicit in annual productivity of $9,150; instead, inmate wages would be those commensurate with actual productivity. From the viewpoint of institutional administrators, the key linkage is between inmate pay and

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[1] According to the Assembly Office of Research, California Legislature, sales per inmate by California Correctional Industries were $3,439 for the year ending June 30, 1968. Inflating to 1974 at 5 percent yields a figure of $4,608. Profits in the same year were $71,000, or 0.7 percent of sales. See Report on Correctional Industries, pp. 3, 14. Unpublished data from California Correctional Industries show that sales per inmate averaged $4,475 from 1966 to 1975, or $5,439 in 1974 prices.

[2] Notice that the $242 million is a net sales figure, after purchases from other suppliers are deducted. The $242 million is more comparable to the Federal Prison Industries, Inc. "profits" figure of $6.3 million than to the "sales" figure of $52.4 million, because the "sales" figure includes purchases from other firms. To be completely comparable to the $242 million figure, Federal Prison Industries, Inc. profits would have to be increased by the amount of wages paid to inmates, roughly $3.5 million. Thus, productivity per employee in Federal Prison Industries, Inc. appears to be about $1,800.

[3] This is the technique used by Singer to derive the previously cited $9,150 productivity estimate.

productivity. As long as they are related, higher wages impose no drain on institutional budgets because the additional wages are financed by additional sales.

A collateral benefit of paying inmates prevailing wages is that modernization of prison industries is encouraged and inmates are given experience with the kind of equipment in use in the private sector. If sales are not restricted by the state-use system, the conflict between idleness and productivity cited above need not arise. In that case, administrators have incentives to install modern labor-saving technologies; and the skills inmates learn while using such technologies are more nearly transferable to private industry as called for in Standard 11.10.

Two other issues raised by the payment of prevailing wages are the treatment of maintenance workers and administrative costs. The following section of this chapter discusses institutional maintenance work. Where administrative practice is concerned, it is clear that prevailing wages in prison industries would necessitate some changes. Inmate wages could no longer be treated as gratuities; instead, income and social security taxes would have to be withheld at the cost of some additional institutional bookkeeping. Some deductions from inmate wages would be applied to institutional subsistence costs, and further withholding for family support payments might be used for inmates with dependents. In that event, close liaisons between institutional staffs and public assistance agencies would be required. In this era of computerized personnel operations, it is hard to imagine that any of these costs would be more than negligible, especially when compared to the estimated $1,200 per employed inmate of funds rebated to defray institutional budgets.[1]

INSTITUTIONAL MAINTENANCE WORK

Institutional budgets understate the true cost of providing custody and basic support services because of the unreimbursed maintenance services provided by inmates. (See chapter III of this volume and figure 1 in Volume II of this report.) It is difficult to obtain an accurate estimate of the number of inmates engaged in institutional maintenance activities. The Institute of Criminal Law and Procedure guesses that 30 percent of all inmates are so employed, and assumes that ten percent actually are required to perform these tasks.[2] Mattick asserts that at least two out of three jail maintenance inmate workers are superfluous.[3] This is the same conclusion as that drawn

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[1]See the following section on institutional maintenance work for the basis for the $1,200 per employed inmate estimate.

[2]Unpublished estimates.

[3]"Such jail prisoner work as there is usually occupied only a few hours a day, three men are assigned to do work that could not keep one man busy, and sometimes it is done only to occupy time . . ." Mattick, "Contemporary Jails," p. 819.

by the Institute of Criminal Law and Procedure for prison maintenance workers. Since the tasks involved are not very different, it is plausible that ten percent of the jail and prison inmate populations are capable of performing all necessary maintenance work.[1]

The Congressional Research Service survey indicates that state prison jobs are currently remunerated in the range of 4.4 to 17.6 cents per hour.[2] It is plausible that maintenance employees are paid less than industrial workers, so average earnings per inmate year are probably less than the $130 and $121 that are the means for men and women inmates in state institutions.[3] Potential earnings of these inmates may also be less than the $9,150 used above if the skill levels or educational backgrounds of maintenance workers are lower than those of industrial employees. Rather than the $4.40 per hour implicit in the $9,150 productivity estimate, the federal minimum wage of $2.00 per hour[4] (with an implied annual productivity of $4,160) may be a more appropriate indicator of the value of inmate labor in maintenance activities.[5]

The cost of paying minimum wages to maintenance workers depends on the number of inmates so employed. If the Institute of Criminal Law and Procedure assumption of 30 percent is used, the number of inmates is approximately 54,460. The cost of paying minimum wages plus a fringe benefit rate of 15 percent would be $261 million annually.

Unlike the practice of paying prevailing wages to industrial employees, the payment of minimum wages to maintenance workers is not

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[1]The tasks of inmates employed in institutional maintenance in prisons are described in Wolf, Inmate Employment, Appendix C, as: "cooking and cleaning for inmates and staff, grounds maintenance work, and other work associated with the upkeep of the institution--for example, painting, plumbing, carpentry and mechanical repairs within the prison complex." Such jobs in jails are described in Mattick, "Contemporary Jails," p. 819, as " mopping the cell-block floors or picking up paper in the yard . . . janitorial, maintenance, laundry and culinary work."

[2]Wolf, Inmate Employment.

[3]Markley, "Statement Against Minimum Wages": "There is already a considerable gap between industrial and maintenance workers in most systems . . ."

[4]According to the Department of Labor, the federal minimum wage for the overwhelming majority of employees was $1.60 from January 1 until May 1, 1974, when it went to $2.00. It then rose again to $2.10 on January 1, 1975, and to $2.30 on January 1, 1976.

[5]Markley, "Statement Against Minimum Wages," also states: "The differential (between industrial and maintenance workers) must be maintained, but it should not be at a ratio of 50 to 1 or higher." The ratio in the case of the minimum wage is a moderate 2.2 to 1.

associated with additional revenue from product sales outside the institution. The possibility of offsetting cash flow arises only if there are alternative types of employment available for maintenance employees, or inmates earning higher wages are charged for subsistence services provided by the institution.

The principal employment alternative is in prison industries. If the Institute of Criminal Law and Procedure assumption that about 10 percent of the inmate population in a typical institution can be employed productively in institutional maintenance is valid, other maintenance workers could be transferred to industrial operations (and paid the minimum wage or some other amount related to their productivity), if current restrictions on the level of prison production were removed. The cost of paying minimum wages and the 15 percent in fringes for ten percent of the nation's inmates would then be the cost of employing 18,153 inmates in maintenance work. This amount would be $87 million, or approximately eight percent of current state institutional operating costs.

Although institutions would in fact incur additional budgetary outlays for maintenance workers, it should be remembered that this change in wages usually would accompany the development of productive prison industries and institutional maintenance work. Thus, the additional outlays of $87 million would occur at the same time as additional payroll deductions were being received from all employed inmates to cover their subsistence costs. Based on the three different types of information listed below, it is estimated that $1,200 per inmate[1] is a good approximation of the amount that might reasonably be withheld from inmate paychecks for subsistence costs, in 1974 dollars and as a national average:

- Before payment of prevailing wages to inmates employed in institutional maintenance, the California Department of Corrections estimated the average annual cost for food, medical care and clothing to be $600 in 1970;[2]

- The per inmate cost associated with paying inmates employed in institutional maintenance a minimum wage of $2.00 per hour for a 40-hour week 52 weeks a year, plus 15 percent in fringe benefits, would be $478 ($4,784 ÷ 10);

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[1] In figure 1, Volume I of this report, the average cost estimate of $900 per inmate year is used because it is assumed that only 75 percent of the proposed institution's inmates are earning incomes which make them eligible for such withholdings.

[2] This estimate is from an unpublished draft prepared by the Institute of Criminal Law and Procedure.

- The Minnesota Department of Corrections withholds $1,452 annually for subsistence costs from paychecks of inmates who work in prison industries.[1]

With a prison industry labor force of 17,215 and 18,153 maintenance workers employed productively, payroll deductions would total $42 million, approximately half of the cost of paying minimum wages and fringe benefits to productive maintenance workers. As the percentage of inmates employed in prison industries rises beyond the eight percent level associated with the 17,215 labor force used above[2] (a potential) of employing 65 percent of the inmates in prison industries, which allows 10 percent being employed in institutional maintenance work, is estimated at the beginning of this chapter), inmate payments could actually exceed the costs of inmate services and begin to cover staff and other institutional subsistence-related costs. Other cost offsets could also result from rapid capital amortization ("profit") earned by productive prison industries (associated with shifts of inmates from unproductive institutional maintenance work).

Turning to jails, the net cost per inmate year of paying minimum wages for maintenance work may be somewhat greater than in prisons. High turnover rates and erratic capacity utilization probably preclude the development of extensive industrial programs except in a relatively small number of large jails. Nationwide, payroll deductions of $1,200 for subsistence costs for only the ten percent of jail inmates who would be productively employed in institutional maintenance could reduce the initial cost of $65 million for paying minimum wages and fringes to a net cost of $49 million. Other benefits could, however, also be associated with such a plan. The sometimes capricious and dehumanizing use of labor by jail administrators would be deterred.[3] More important, if the cost of jail inmates' labor appeared in jail administrators' budgets, some of the latter's resistance to jail reform might soften. Increasing reliance on release programs could create a productive alternative use for jail labor outside institutions even though no such use were available inside.[4] This last

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[1]See discussion of this Minnesota plan under the earlier discussion of the "contracting in" system for prison industries.

[2]This number of 17,215 workers is approximately 9.5 percent of the inmate population of 181,534 in 1973 (the number used most frequently in this report), but 8.3 percent of the population surveyed to get the original estimate.

[3]For example, the following was reported in New York: " . . . a very bright shine of the cement floor was noted. Inmate minors are assigned to polish and buff these floors three times a day, producing a mirrorlike finish. So meticulous is the superintendent about the condition of these floors that other prisoners are assigned to follow each buffing machine on their hands and knees and flick the dust out of the cracks between the blocks of cement." New York State, Commission of Investigation, County Jails and Penitentiaries in New York State (Albany, N.Y.: State Printing Office, 1966), p. 36.

[4]See Mattick, "Contemporary Jails," p. 828.

possibility assumes increasing importance in light of the recommendation in the Report and in other proposals for jail reform that a much larger fraction of jail inmates be assigned to programs such as misdemeanant probation, release on recognizance, and diversion for victimless offenses.

The Report advocates a shift from jails to community-based institutions, which would serve some inmates who would have been in jails and some who would have been in state institutions. A set of cost estimates for a proposed community-based institution, which incorporate provisions for 32 percent of the inmates being employed in industries within the institution, 33 percent being employed in the community, and 10 percent being productively employed in institutional maintenance (and associated payroll deductions from 75 percent of the inmate population), is shown in figure 1 of Volume I of this report.

CONCLUSIONS

The recommendations of the Corrections Report concerning the operation of prison industries and the compensation paid to prison workers have enormous economic implications for institutional budgets. Upgrading prison industries could require capital expenditures of between $1 and $2 billion. Paying industrial workers prevailing wages and offering minimum wages to institutional maintenance workers could add several hundred million more.

These cost implications of the Report's recommendation are widely recognized, qualitatively at least, by correctional administrators. What is not generally noticed is the economic benefit that institutional budgets would derive from concomitant reforms of prison and jail work experiences. The added production of prison industries resulting from the removal of legal restrictions and improving capital equipment would generate additional net sales and income (including deductions from inmate checks for subsistence costs) to offset the higher wage costs of inmate labor and the added capital costs of new equipment and facilities. Paying minimum wages to prison and jail maintenance workers would encourage administrators to assign them to more productive activities either inside institutions (prison industries, for example) or outside them (work release, for example).

Further benefits could accrue to inmates and to society at large.[1] Inmates would receive higher incomes from their labor, and would learn the kinds of skills in demand in labor markets outside

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[1] See Neil Singer, "Incentives and the Use of Prison Labor," Crime and Delinquency 19 (April 1973): 200-211, for more discussion of these benefits.

institutions. The "contracting in" approach would further reinforce linkages between inmate workers and private employers. The added income earned by workers could be a source of support for dependents and general tax revenues for society, as well as subsistence charges to defray institutional budgetary costs.

State and local correctional administrators should base their evaluations of the Standards on the combinations of costs and benefits summarized above, rather than on frightening but irrelevant gross dollar amounts.

CHAPTER VIII

SERVICES FOR RELEASED OFFENDERS

For offenders who remain in the traditional dispositions of imprisonment and parole rather than the newer community correctional alternatives, the Corrections Report proposes increased reliance on various forms of furlough and interim release programs, and improved service delivery for parolees. Standard 11.4 states in part:

> On-the-job training and work release or work furloughs should be used to the fullest extent possible.[1]
>
> Each educational department should make arrangements for education programs at local colleges where possible, using educational opportunity programs, work-study programs for continuing education, and work-furlough programs.[2]

Standard 9.9 advocates jail release programs for work, education, and family visits.[3] Standard 12.6 discusses the specific community services that the Report proposes for parolees.[4]

WORK RELEASE

The terms "work release" and "work furlough" can describe any program in which an inmate is discharged temporarily from the custody and routine of a prison or jail for purposes of work, and in which he returns to custody when his work experience is completed. If there is a systematic difference in usage, then "work release" refers to short-term discharge (no more than 8 to 12 hours at a time) while "work furlough" can describe periods of release lasting weeks or even months at a time. Although the inmate usually leaves the institution physically during these periods, responsibility for his custody

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[1] Corrections, p. 369.

[2] Ibid., p. 368.

[3] Ibid., p. 306.

[4] Ibid., p. 430.

formally remains with the institution. In some cases the institution can delegate this responsibility; for example, a prison can assign inmates to a local jail for work release and transfer the custody responsibility to the jail officials, or local parole officers may accept supervision of inmates on work furloughs.

Work release is generally viewed by correctional officials as an intermediate step between full detention and full release. Forty-one states and the District of Columbia have legislative authority for the program, and federal prisoners have had this alternative since 1965.[1] In very few jurisdictions does the program occupy more than a very small fraction of the inmate population.[2] In addition, prison authorities generally have discretion over which inmates to allow out on work release, with the result that certain types of offenders are automatically excluded from participation in many states.[3]

One objective of work release as a transitional program is to ease the offender's reintegration by exposing him to society in small doses. Another is to enhance his post-release employment opportunities by placing him in a job that can continue after his release. There is often some benefit for the institution in the form of paycheck deductions for the cost of the offender's room and board. Incremental costs associated with transportation to and from the job can also be defrayed by paycheck deductions. Finally, the offender may be able to support his dependents or build himself a post-release nest egg with what remains of his paycheck after taxes and institutional costs are deducted.

In practice, work release can fail to live up to these expectations. According to Mitford, offenders' jobs are often menial, their living conditions while on work release may be worse than in the prisons they have left, and the deductions for institutional costs can eat up virtually their entire earnings.[4] There is

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[1] E. H. Johnson and K. E. Kotch, "Two Factors in Development of Work Release: Size and Location of Prisons," Journal of Criminal Justice 1 (March 1973): 43-50.

[2] Taggart, Prison of Unemployment, p. 61. Only three of 25 programs surveyed had more than ten percent of the inmate population on work release.

[3] Lawrence S. Root, "State Work Release Programs: An Analysis of Operational Policies," Federal Probation 37 (December 1973): 52-58.

[4] Jessica Mitford, Kind and Usual Punishment (New York: A. A. Knopf, 1973), pp. 215ff.

no conclusive evidence that work releasees have higher post-release earnings than other offenders, or that their recidivism rates are different.[1] Offenders who are released daily and return to their institutions at the end of the work day are subjected to stresses characteristic of both prison and free environments; in addition, their fellow inmates can press them to serve as conduits for contraband.

The Corrections Report makes no specific recommendations about the number or proportion of inmates who should be assigned to work release. Existing statutes, however, limit the number of inmates who are eligible. The most common restrictions exclude those with either more than six months to serve before expected release, or those with more than a specified fraction remaining of their original sentences.[2] The effect of these restrictions is to exclude inmates with more than 6 to 12 months remaining before expected parole.[3] Aside from other restrictions relating to the type of offense or other offender characteristics, the time limit for work release serves to exclude roughly 75 percent of the felon population.[4]

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[1]Nonetheless, several studies suggest that work release can be a positive factor in offender readjustment. For a favorable evaluation of work release in Wisconsin, see Wisconsin, Department of Corrections, Work Release-Study Release Program: 1970 and First Five-Year Trends, Statistical Bulletin C-63 (Madison, Wis.: Department of Corrections, April, 1972). A study of California work release showing lower recidivism rates for work release parolees than for parolees in general is California, Department of Corrections, A Report to the Legislature on the Work and Training Furlough Program (Sacramento, Ca.: Department of Corrections, December, 1971). For similar conclusions pertaining to Alabama, see Rehabilitation Research Foundation, Experimental Manpower Laboratory for Corrections, Final Interim Report on Phase IV (Montgomery, Ala.: Rehabilitation Research Foundation, May, 1974). A report dealing with North Carolina is less laudatory; see E. H. Johnson, Highlights--Work Release: Factors in Selection and Results (Carbondale, Ill.: Center for the Study of Crime, Delinquency and Corrections, Southern Illinois University, December, 1968).

[2]Root, "State Work Release Programs," pp. 54-55.

[3]Ibid.

[4]The median time served for felons was roughly 17 months, according to an NCCD survey for 1965-70. Allowing for the fact that younger offenders serving shorter sentences are sometimes assigned to juvenile institutions not covered in this report, the median time served by adult offenders is still less than 24 months. D. M. Gottfredson, et al., Four Thousand Lifetimes: A Study of Time Served and Parole Outcomes (Davis, Ca.: National Council on Crime and Delinquency, Research Center, June, 1973).

For those who are left and for jail inmates, the cost of offering work release should not be a major burden upon institutional budgets. At best, an institution can completely recover the incremental costs of work releasees--supervision outside the institutions, transportation cost, and perhaps charges of other authorities such as jails or parole departments for job development and placement services and supervision of released offenders. Mitford claims that institutions over-recover costs by siphoning off some inmate earnings for "inmate benefit funds."[1] At the other extreme, an institution may accept some additional costs of work release if it has confidence in the rehabilitative value of the program. The range of deductions from inmate earnings seems to be $2 to $4 daily, or $40 to $80 monthly. In one work release program with high costs, the estimated average daily cost per release is $8, or $160 per month.[2]

These estimates imply that the cost of work release for the population of major institutions is not likely to be great. Assume that 25 percent of the felon population is eligible for work release programs whose incremental cost (in excess of normal institutional expenditures) is $6 per offender day, or $120 monthly. If inmates are placed in jobs paying minimum wages, they will still earn $80 weekly or over $300 monthly before deductions. Thus, an adequate base exists for defraying incremental costs. If an institution agrees to subsidize the releasee by deducting only $2 daily, the net monthly cost of work release in excess of the cost normally associated with incarceration is $4 daily or $80 per month. If a steady 25 percent of all felons were in work release programs having these characteristics, the cost for all institutions would be about $1,000 annually per inmate in the program, or an average of $250 for all inmates (assuming all, or nearly all, are felons). This amount is less than five percent of the average operating cost of major institutions.

It should be stressed that the cost of work release to the institution should be much less than this amount, and might be negative in many cases. If inmates are placed in stable jobs at reasonable wages, there is no reason why their income should not be adequate to defray all the additional costs of work release and to compensate the institution for food, medical care, shelter, and other inmate maintenance costs. If subsidies for work releasees are paid (in the form of deductions that are less than the incremental costs of the program), these subsidies should be viewed as a program or rehabilitative cost comparable to the cost of counseling, education, or vocational training. Comparing the $250 per inmate above with the cost estimates for academic

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[1]Mitford, Kind and Usual Punishment.

[2]Based on discussion with P. Graves of the work furlough program at the DeWitt Nelson Training Facility, California Youth Authority, Stockton, California, June 27, 1975; based on a 20-workday month.

and vocational training made in chapter VI indicates that work release is an inexpensive program.

Aside from the possibility that work release might place a financial burden on institutional budgets, correctional officials are reluctant to expand work release because of the escape problem and due to the difficulty of placing inmates in suitable jobs. The location of many major facilities, distant form population centers, makes it difficult to find jobs, especially jobs with any rehabilitative value, and adds to the cost of transportation for those in the program.

Neither of these problems is as acute for jails as for prisons. Misdemeanants generally are thought to present less of a danger to the communities than felons in prisons; moreover, many jail inmates are detained awaiting trial for lack of bond. Statistically, the escape risk for these inmates is very low,[1] and the time that they will be absent from the community is less than for prison inmates. Work release thus offers them several advantages: continued ties to their communities, continuing maintenance of their dependents, and retention of their jobs pending trial or release. For jail administrators, work release is not costly if public transportation is available, and requires no elaborate placement activities for inmates who can simply keep the jobs they held before arrest. Work release also offers a solution to the vexing problem of inmate idleness without the budgetary costs and administrative problems of industrial operations.

The conclusion of this discussion is that as a traditional program between institution and community, work release is more likely to be useful to jail than to prison administrators. Costs of administering the program in jails should be low enough so that no net costs (after paycheck deductions) are imposed on the institutions. The eligible population, defined by prevailing statutes that disqualify inmates with long sentences still to serve, is larger in jails than in prisons.

An alternative use of work release is as a long-term activity for inmates during their terms in institutions. This is the model envisioned by Singer,[2] but it is difficult to implement because of the legal restrictions and institutional pressures associated with work release. The best (and perhaps the only) example of this model in operation is in the Minnesota prison system, where technical assignment of inmates to work release is a necessary aspect of

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[1]See the discussion of bail reform alternatives in another Standards and Goals Project report on comprehensive pretrial programs.

[2]Neil M. Singer, "Incentives and the Use of Prison Labor."

implementing the sale of inmate-manufactured goods on the private market. In encouraging the entry of private firms into prisons (the "contracting in" approach discussed above in chapter VII), Minnesota has sidestepped the traditional restrictions on the sale of inmate-produced goods by technically assigning inmates to work release. They are then "released" daily to their jobs with the private firms operating the prison industrial plants, where they work full days comparable to those of workers outside institutions and are paid commensurate wages. Inmates' paychecks contain an entry for the institution's deductions, currently $121 monthly.

This sort of "work release" can be a stable aspect of prison life; estimates are that inmates may continue in this assignment for 18 to 24 months, or even longer. There is an element of the community aspect of work release in this program to the extent that working conditions in the prison plants are different from those in traditional prison industries, and in so far as some employees are not inmates. This program gives evidence of being highly successful in budgetary terms, and therefore of conferring financial benefits on the Minnesota institution. But it clearly is not a work release program quite comparable to the transitional programs used in other jurisdictions. Although 50 to 75 percent of all inmates may eventually be assigned to this program, its special characteristics prevent this proportion from being an indicator of the potential expansion of other work release programs.

Longer-term work furlough programs also are advocated by the Corrections Report. As distinguished from work release, these programs reduce institutional populations and therefore institutional costs. These programs should be viewed as a quasi-parole activity, since the offender is physically out of the institution at all times and is supervised as a condition of continued residence in the community. As noted in chapter V of this report, even intensive parole supervision is much less expensive than incarceration. Thus, even if institutions have to bear the full cost of supervising inmates on work furlough or have to compensate parole departments for the costs of supervision, there should be a net saving on institutional budgets. Based on the cost estimates in chapter V, the saving per inmate per year should be several thousand dollars, even ignoring the additional income earned by the inmate and the social costs of supporting his dependents. This cost saving should be more than adequate to compensate institutions for the cost of even elaborate job placement programs.

EDUCATION RELEASE AND FAMILY FURLOUGHS

Part of the Corrections Report's emphasis on relating offenders to their communities is its advocacy of programs other than work release that will strengthen community ties. Standard 11.3 (Social Environment of Institutions) argues for "institutionally based

work-release and study-release programs with an emphasis on community involvement," and recommends that "offenders should be able to participate in educational programs in the community . . ." Moreover, "offenders should have opportunities to travel to and to participate in worship services of local churches . . ."[1] Standard 9.9 (Jail Release Programs) proposes that "weekend visits and home furloughs should be planned regularly . . ." and "educational or study release should be available to all inmates (pretrial and convicted) who do not present a serious threat to others. Arrangements . . . should allow participation at any level required (literacy training, adult basic education, high school or general educational development equivalency, and college level)."[2]

For institutions, the budgetary costs of offering these programs should be negligible. Inmates released for study in community schools or colleges become part of the enrollment statistics that are used in calculating patterns of public expenditures on education.[3] Unlike academic or vocational education in institutions, these programs of community educational release impose no costs on institutions for staff, classroom space, equipment or materials. As noted in chapter VI on post-secondary education, few institutions pay tuition costs for inmates (although funds are sometimes available for inmates through grants from LEAA, the U.S. Office of Education, or other agencies). The major budgetary cost is inmates' transportation, and even this item is matched when institutions pay the expenses of college instructors who come to the institutions to give courses for inmates.

Other community release and furlough programs similarly can be expected to impose virtually no budgetary costs on institutions. The costs, if they occur, are imposed on society in the form of offenses committed by inmates while on release, or perhaps in the form of expenses of recapturing those inmates who take advantage of the release programs to escape. Although incidents of this sort do occur, usually only a few percent of the offenders on release

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[1] Corrections, p. 363.

[2] Ibid., p. 306.

[3] Legislation was introduced in California in 1974 to permit community colleges to claim felons as part of their average daily attendance for purposes of state reimbursement. Without such legislation, the full expenses of college courses in institutions must be borne by institutions or inmates. When felons attend classes in colleges, however, there is no question about their constituting part of the college's student body. Such education costs not covered by tuition and fees would be another type of "external cost" in the Standards and Goals Project typology.

or furlough are involved.

The Corrections Report obviously considers these non-monetary costs to be less than the benefits that society derives from release programs. The Report's view of the benefits appears most clearly in the commentary to Standard 11.3:

> The historical stance of institutions . . . has implied acceptance of responsibility for the community behavior of those released. . . . Efforts should be made to shift responsibility back to its rightful place--the community. If the offender is to be successfully reintegrated, his community cannot abdicate responsibility or withhold resources. To discharge its responsibility, the community must not allow the offender to be cut off from it. The correctional institution must be part of the community's criminal justice system, not a place of banishment.[1]

There appears to be no reason for financial or budgetary considerations to stand in the way of community or institutional acceptance of this philosophy.

SERVICES FOR PAROLEES

To an extent, Standard 12.6 dealing with community services for parolees simply poses a problem of coordinating parole officers' activities with those of other governmental agencies. The costs of such coordination should be small,[2] and the creation of new programs in other agencies is not the substance of the Report's recommendations. In particular, the Report advocates better coordination with state or local employment agencies and vocational training programs.

Of course, it is possible that the added workload represented by parolees could add significantly to "external costs" of other agencies providing services. In addition, there is some evidence that the services required by parolees are qualitatively different from those needed by the population at large and that agencies are sometimes unwilling to provide these different services.[3]

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[1]Corrections, p. 365.

[2]See another Standards and Goals Project report on probation for more cost analysis of such coordination, associated with the Report's recommendation that probation officers become "community resource managers."

[3]See Taggart, Prison of Unemployment, pp. 74, 76, for a discussion of job placement services.

One area in which the Standards are specific concerns the availability of funds for parolees. "Gate money," clothing and transportation generally are inadequate for more than a few days' personal maintenance. The Report recommends that funds be made available for parolees without interest charges, and that waiver of repayment be permitted. In addition, stipends analogous to unemployment compensation are advocated for unemployed parolees (Standard 12.6). From a broader economic perspective, a cash payment to an ex-offender increases the opportunity cost associated with potentially committing a crime, as the ex-offender has a certain source of income with which to contrast the expected income which could be gained illegally in criminal activities.[1]

On the average, unemployment rates among parolees are roughly three times as high as those for the population at large.[2] Barriers to ex-offender employment are high, wide, and well-documented.[3] Against this problem, only eighteen states offer loan funds and only two (Michigan and Wisconsin) use them extensively. Experience with loans indicates that about 20 percent are repaid.[4] Five states have tried stipend programs. Washington offered parolees up to $1,430 over six months.[5] California provided average stipends of $61 per week, or $735 per parolee.[6] In Connecticut, an experimental group received stipends of $470.[7] In

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[1]For presentation of an economic model of criminal choice which develops this notion of the potential criminal's choices between criminal and noncriminal activities, see Gary S. Becker, "Crime and Punishment: An Economic Approach," Journal of Political Economy (April-May, 1968): 169-217.

[2]See National Clearinghouse on Offender Employment Restrictions, Laws, Licences and the Offender's Right to Work.

[3]George A. Pownall, Employment Problems of Released Offenders (College Park, Md.: University of Maryland, 1969). Pownall's data is for 1964, a period of rising national employment. In a slack economy, employers' unwillingness to hire ex-offenders may be even greater than in Pownall's study.

[4]Kenneth J. Lenihan, Financial Resources of Released Prisoners, pp. 4-6.

[5]C.R. Dightman and D.R. Johns, "The Adult Correction Release Stipend Program in Washington," State Government 47 (Winter 1974, p. 32

[6]Scientific Analysis Corporation, "Direct Financial Assistance to Parolees Project," July, 1973, pp. 22-24.

[7]Malcolm M. Feeley, "The Effects of Increased Gate Money," Final Report on the Parolee Reintegration Project for the Connecticut Department of Correction, CDC #75-01, December 10, 1974.

Oregon, subsidy payments to ex-offenders averaged $155.[1] The experimental "LIFE" project in Maryland (supported by the U.S. Manpower Administration) paid $60 per week for three months.[2] A followup experimental project extending many features of the LIFE project to two states, Georgia and Texas, began in 1975.[3]

In Washington, California and Connecticut, revocation experiences were not different from those of the parolee population at large. In Maryland, financial aid was found to reduce the re-arrest rate for theft by a statistically significant amount.

In evaluating these programs, it is necessary to return to earlier discussion of the relative costs of incarceration and parole. Stipend programs such as these would roughly double or triple the cost of intensive supervision parole programs. Stipends of, for example, $1,000 per parolee must be compared to imprisonment costs of approximately $9,400 for the criminal justice system and at least $14,000 for society (if only foregone productivity is added). And the differentials would be greater if stipends were used with conventional parole programs. Stipends therefore are efficient from the standpoint of the criminal justice system if they reduce the probability of revocation by 11 percent (or less, depending on the particular jurisdiction's cost per inmate). From the viewpoint of society, stipends are desirable if they reduce the probability of revocation by even eight percent.

Studies of parolee success generally show that continued employment is highly correlated with the absence of revocations and new offenses.[4] To overcome the special obstacles faced by parolees,

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[1]"Subsidy Payments to Ex-Offenders from January 1, 1972 to September 30, 1975," State of Oregon, Interoffice Memo from Dale J. Dodds, Program Manager, Offender Subsidy Support Program, December 2, 1975.

[2]Kenneth J. Lenihan, "Some Preliminary Results of the LIFE Project," Bureau of Social Science Research, January, 1975, p. 9.

[3]For more information, see American Bar Association, Commission on Correctional Facilities and Services, Transitional Aid Research Project (Washington, D.C.: American Bar Association, Commission on Correctional Facilities and Services, forthcoming).

[4]For example, see Daniel Glaser and Vincent O'Leary, Personal Characteristics and Parole Outcome (Washington, D.C.: Government Printing Office, 1966); Belton M. Fleischer, "The Effect of Unemployment on Juvenile Delinquency," Journal of Political Economy (December, 1963): 543-55.

experimental job placement programs have been operated in several jurisdictions. The U.S. Department of Labor found favorable job retention and recidivism rates at a cost of $361 per job placement.[1] LEAA projects in Maine and Indiana have included job placement among a mix of services including general orientation and counseling.[2] Job retention averaged about 50 percent, much higher than for parolees at large, at an average cost of $550 to $780. A similar program in New York cost nearly $900 per placement.[3] But job placement is no panacea. In discussion the placement services offered in the LIFE project, Lenihan states: " . . . there were no important differences between the two (groups)," one control and one recipient group; "one can only conclude that our service simply did not work." Despite the discouraging data, however, Lenihan adds: "My own view . . . is that job income and stability do make a contribution" to low recidivism rates.[4]

The costs of job placement programs, though substantial, are below the costs of the parole stipend program in Washington, California and Maryland. The job placement programs do not cost much more than intensive parolee supervision (which adds about $450 to the annual cost per parolee). In discussing these other programs it was suggested that the Standards should be implemented on the basis of the much lower cost of parole compared to imprisonment, despite the questionable impact of the programs on parole success. Job placement, in comparison, costs little or no more per parolee and has been associated with lower recommitment rates in some places.

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[1]U.S., Department of Labor, "The Model Ex-Offender Program," Office of Policy, Education, and Research, Manpower Administration, internal evaluation reports, Washington, D.C., 1970-72.

[2]Palmer/Paulson Associates, Inc., "Analysis '72" and "EXCEL in Indiana," Chicago, 1972.

[3]Leonard R. Witt, "Final Report on Project DEVELOP," n.d., pp. 39-42.

[4]Lenihan, "LIFE Project," pp. 3, 8.

CHAPTER IX

RIGHTS OF INMATES

Several groups of Standards apply to the rights of institutionalized offenders. One discusses their access to facilities and services denied to them by reason of their imprisonment, especially with regard to legal proceedings or appeals of conviction or sentence. Standards 2.1, 2.2, and 2.3 recommend that inmates be provided with access to courts, attorneys, and legal materials. Another group deals with the relations between inmates and the correctional system, especially with respect to institutional procedures and discipline. Standards 2.12 and 2.13 discuss disciplinary procedures and non-disciplinary classification and transfer decisions. Standard 2.14 proposes characteristics for institutional grievance procedures. These Standards are analyzed in the sections which follow.

Other Standards pertinent to offenders' rights apply to the physical and programmatic aspects of institutions and to the retention of constitutional guarantees in institutions. With respect to the first set of Standards, the analysis in parts one and two of this report speaks to the costs and benefits of complying with the recommendations for physical design and education, vocational training, and work experiences. With respect to the second set of Standards, the rights under discussion (free speech, religious freedom, and access to the public) constitute significant changes in the mode of operation for many institutions, but should not impose significant costs on any. Aside from the intangible quality of institutional life, the benefit to be derived from complying with these Standards is identical to the benefit of extending them to any other member of society. Although the value of these rights cannot be quantified, the negligible cost of compliance should be considered as institutions weigh implementation of the Standards.

ACCESS TO THE LEGAL SYSTEM

As Standard 2.1 acknowledges, the principle of prisoners' and offenders' right to access to courts and legal processes is well established in precedent.[1] In reaffirming that right with specific

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[1]See the commentary to the Standard for some legal precedent. Corrections, p. 24. Over 18,000 prisoner petitions were filed in federal courts in fiscal 1974. American Bar Association, Journal 60 (November 1974): 1404.

reference to legal and administrative procedures that affect inmates' access, the Standard does not impose significant resource requirements on correctional administrators. The proposals of this Standard are:

- That procedures for inmates to appeal their convictions be simplified;
- That prisoners retain the right to enter into civil action unrelated to their imprisonment;
- That correctional administrators not screen or otherwise limit inmates' petitions;
- That administrative remedies be exhausted in the event of complaints against the correctional system.

Of these specific proposals, the only one that has obvious resource implications is the admonition not to screen prisoners' petitions. Simplification of appeal procedures is largely a legislative matter. The recommendation for continued civil filings imposes no resource requirements on the corrections system, and the proposal that administrative remedies be used before court challenges to correctional procedures are admitted is subject to the caveat that "where no such reasonable administrative mechanism exists, the exhaustion principle should not apply."[1] The Standard also notes that numerous cases have established the impropriety of correctional officials restricting inmates' access;[2] even this recommendation, therefore, should affect only a minority of institutions. And compliance with this recommendation should actually reduce institutional costs by releasing staff time from the activity of screening petitions.

Standard 2.2, however, is considerably more far-reaching in its cost implications. The Standard specifically rejects the position that the costs of providing legal services for a wide variety of inmate cases are unacceptably high.[3] Instead, attorneys' services (or those of law students, if a court rule provides for such services) are advocated for all proceedings related to inmates' appeals of conviction or sentence, inmates' challenges to institutional rules or procedures, or hearings on parole grant or revocation.[4] Counsel substitutes (including law students, paralegals, inmate paraprofessionals, or even correctional staff) are advocated for other matters

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[1] Corrections, p. 24.

[2] Ibid.

[3] Ibid., p. 27.

[4] Ibid., p. 26. Other costs implicit in the Standards dealing with parole grant and revocation proceedings are analyzed in chapter X.

such as disciplinary proceedings or civil actions unrelated to imprisonment.[1]

The view taken in the Standard is in effect a liberal interpretation of the requirement that counsel be provided whenever imprisonment is a possible outcome of the legal process.[2] The Standard adds to the usual instances of deprivation of liberty various institutional deprivations or penalties such as loss of "good time," transfer of program, assignment to isolation, fines or forfeiture of earnings, and other sanctions.[3] In effect, the Standard would require counsel for inmates in virtually all internal disciplinary proceedings and many appeals to outside legal authorities. "Governmental authority should furnish adequate attorney representation . . . to meet the needs of offenders without the financial resources to obtain such assistance privately."[4] Clearly, major resource requirements are implicit in this recommendation.

Considerable experience exists in many states with programs providing legal services to inmates. At least 13 states and the District of Columbia provide free legal representation to at least some inmates in state institutions.[5] Coverage in most of these jurisdictions is similar to that recommended in Standard 2.2.[6]

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[1]Ibid., pp. 26-27. The use of counsel substitutes is a bow to the high costs of providing attorneys' services for the wide range of inmate legal problems.

[2]Ibid., p. 27: "If the criminal justice system must provide legal counsel in every instance where a man's liberty may be jeopardized, a clear reading of Argersinger v. Hamlin . . . would indicate that its duty should not end there."

[3]Ibid., p. 26.

[4]Ibid.

[5]The 13 states are: Florida, Georgia, Kansas, Massachusetts, Minnesota, New York, Ohio, South Carolina, Texas, Vermont, Washington and Wisconsin, and California which has a proposal near funding.

[6]See American Bar Association, Resource Center on Correctional Law and Legal Services, Providing Legal Services to Prisoners (Washington, D.C.: American Bar Association, Commission on Correctional Facilities and Services, May, 1973), Appendix D.

The cost experience of these programs varies rather widely.[1] The largest program of those sampled was in Texas, financed by a $402,000 grant from the U.S. Law Enforcement Assistance Administration. Vermont's program, in contrast, cost only $30,720. In part, these differences arise from the number of inmates covered (15,000 in Texas, 450 in Vermont). Ranked by average cost per covered inmate, the most expensive program was one in Massachusetts ($117.31 per inmate), while Ohio had the least costly program ($10.00 per offender). In general, small programs in the sample are the more costly ones (650 inmates at $117.31 per inmate; 850 at $88.24; 450 at $68.26) while larger programs are relatively inexpensive (15,000 offenders at $26.80 per inmate; 13,000 at $15.08; 9,000 at $10.00). A weighted average using the number of inmates in each program thus yields an estimate of only $28.36 per offender, while the simple (unweighted) average of cost in all programs is much higher at $47.75.

There are three reasons, discussed below, which suggest that the "true" costs of providing the comprehensive legal services to inmates proposed in the Standards may be at the upper end of the range of average (per inmate) costs for the programs sampled. The first has to do with the potentially high costs of coverage in civil cases. Unlike the other programs, the D. C. Public Defender Service program excluded offenders' civil cases, referring them instead to other agencies such as Neighborhood Legal Services. According to the American Bar Association's Resource Center on Correctional Law and Legal Services, roughly 30 percent of the caseload of offender legal services programs can be expected to consist of civil cases. Nonetheless, the ABA report concludes that "the workload will probably not be significant."[2] The Minnesota program, in contrast, handles only civil cases and civil rights matters, and leaves all criminal cases to the jurisdiction of the local Public Defenders Service. Minnesota's experience deviates greatly from the norm of the other jurisdictions; the average cost per inmate for civil cases alone is $59.88, and the caseload is correspondingly much heavier than the civil caseload of other projects. It is dangerous to generalize from one observation, but the Minnesota experience coupled with the ABA analysis of the cost of civil cases compared to that of criminal cases implies that the cost experience in other jurisdictions virtually ignores the resource cost of handling offenders' civil problems. If so, the

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[1] Cost data were obtained from the American Bar Association, ibid., and unpublished information supplied by the Consortium Center of States to Furnish Legal Services to Inmates, and the Center for Correctional Justice, both of Washington, D.C.

[2] Resource Center, Providing Legal Services, pp. 10-14, Appendix A, and n. 51.

"true" cost of providing legal services adequate for all offenders' legal problems might be roughly double the $28 to $48 average, or $50 to $100 per inmate year.

The second reason for expecting that the "true" costs of making comprehensive legal services available to all inmates may be on the high side of the range for the programs sampled is related to the finding that programs serving few inmates are more costly. It is very possible that the higher costs associated with smaller programs occur because the need to cover fewer offenders makes it possible to provide better and more complete legal services.

The third factor that lends support to a higher cost estimate is the cost experience of existing group and prepaid legal service plans. Depending on the type of delivery system, such plans cost from $30 to $75 per year in 1975, and provided very limited, if any, coverage for felony matters.[1]

Based on the above, a medium high cost of $75 per inmate year is used in estimating the nationwide costs of implementing Standard 2.2 and providing inmates in state institutions and jails with comprehensive legal services covering criminal appeals, civil rights and disciplinary procedures as well as more routine civil matters.[2] As figure 22 shows, the aggregate costs for state institutions are thus estimated at $13.6 million annually, while serving jail inmates would cost another $10.3 million.

Although these costs are significant, neither aggregate is large compared to the current costs of incarceration. The estimated $75 per inmate year is 1.3 percent of the current operating costs of state institutions and 1.7 percent of the same costs for local institutions (jails). Not all of this cost is an incremental expenditure, since many jurisdictions are already in partial or substantial compliance with the Standard. Based on 1973-74 data, nearly 60,000 prison inmates were covered by existing programs funded at $1.70 million.

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[1] Futures Group and National Consumer Center for Legal Services, Prepaid Legal Services: How to Start a Plan (Glastonbury, Conn. and Washington, D.C.: Futures Group and National Consumer Center for Legal Services, 1975).

[2] This $75 per inmate year is an estimated national average. It is expected that there will be considerable differences in the costs of legal services in different parts of the country. For information on the extent of such differences based on an informal national survey, see Barbara Quint, "The Mysterious Case of Lawyers' Fees," Money, March, 1974, pp. 46-47.

Figure 22

Estimated Criminal Justice System Public Expenditure Required to Provide Inmates in State and Local Institutions with Access to the Legal System, Per Inmate Year and Nationwide

State Institutions		
A.	Total Number of Inmate Years[a]	181,534
B.	Average Expenditure Per Inmate Year	$ 75
C.	Total Expenditure Nationwide (AXB)	$13,615,050
Local Institutions (Jails)		
A.	Total Number of Inmate Years[a]	136,388
B.	Average Expenditure Per Inmate Year	$ 75
C.	Total Expenditure Nationwide (AXB)	$10,229,100

[a]See the paragraph in chapter I on population statistics used in national expenditure estimates, for information on the source and use of this statistic.

An interesting attempt to estimate cost savings constituting offsets to the costs of legal services is the catalogue by the Graterford (Pennsylvania) Paraprofessional Law Clinic of its activities.[1] Many of these categories of saving resulted from the voluntary nature of the clinic, but the clinic also claimed the savings resulting from shorter prison terms due to the crediting of pre-conviction time served by offenders, as well as various costs of court administration allegedly obviated by the clinic's activities. Of these categories of cost savings, the credit for time previously served is by far the most significant item.

[1] Resource Center, Providing Legal Services, Appendix G.

The clinic's estimates--$2,173.70 per offender, resulting from 154.6 days credited toward his sentence--cannot be accepted at face value. It is plausible that some or all of this time served would have been credited as the result of other appeals by inmates, or that normal court procedures would have led to the granting of time credits. But the possibility clearly exists of estimating the dollar value of at least some of the benefits to the correctional system from free legal services for inmates. Since the costs of these services appear to be not too great, even marginal cost savings could offset large portions of their budgetary impact on the correctional system.

INSTITUTIONAL DISCIPLINARY AND GRIEVANCE PROCEDURES

Standards 2.11 through 2.14 discuss the promulgation of institutional rules of conduct and procedures to be followed when these rules are broken. The common principle in both Standard 2.11 (Rules of Conduct) and Standard 2.13 (Procedures for Nondisciplinary Changes of Status) is full information and disclosure. Inmates are to receive written statements of rules and procedures, and penalties for infractions are to be stated in advance. Offender participation is encouraged in developing these rules. Standard 2.11 also advocates "least drastic means" in the promulgation of rules of conduct; that is, only those rules should be written that are necessary to achieve the important interests of correctional facilities or programs. This recommendation might reduce some administrative costs of enforcing rules of conduct.

Another aspect of Standard 2.11 that might reduce institutional costs is the proposal that institutions not preempt legal action:

> Acts of violence or other serious misconduct should be prosecuted criminally and not be the subject of administrative sanction. Where the State intends to prosecute, disciplinary action should be deferred. Where the State prosecutes and the offender is found not guilty, the correctional authority should not take further punitive action.[1]

Any cost reduction to institutions from these recommendations might be offset by increased costs of prosecuting inmates imposed on other agencies of the criminal justice system.

The principal resource implications of this group of Standards lie in the recommended procedures to be followed in the event of disciplinary infractions, changes of status, or inmate grievances. Standard 2.12 (Disciplinary Procedures) is the most specific. Major violations (roughly, those whose penalties require inmate counsel under Standard 2.2) should first be investigated by a third party (other than the inmate or reporting officer) to determine probable

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[1] Corrections, p. 49.

cause; then a formal hearing is held, with written notification of the offender, legal assistance for the offender in preparing for the hearing, and various due process provisions. According to the Standard, even minor violations should receive a review by "an impartial officer or board" if the offender requests it.

Similar procedures are consistent with Standards 2.13 and 2.14, although not explicitly required by them. Standard 2.13 states:

> 3. Where reviews involving substantially adverse changes . . . are conducted, an administrative hearing should be held, involving notice to the offender, an opportunity to be heard, and a written report . . .[1]

Standard 2.14 (Grievance Procedure) is more general, perhaps to permit institutions to implement any of a variety of grievance procedure models. The person or board receiving a grievance should be independent of the correctional institution. Written reports of findings should be prepared for both institution and grievant, and the correctional authority should respond.[2]

According to a survey of disciplinary procedures conducted by the American Bar Association, many of the recommendations of the Standards are already in operation in most states.[3] Approximately 98 percent of the states responding to the ABA query claimed that the following aspects of disciplinary procedures were already in operation: written rules of conduct, distribution of rules to inmates, written notification of inmates before hearing, prior notice of time of hearing, impartial tribunal, and personal appearance by inmate to hear evidence and make statement. Representation by counsel substitute was permitted in 89 percent of the jurisdictions, but only 37 percent permitted counsel. Appeal was permitted in 96 percent of the jurisdictions, and 91 percent recorded the hearing proceedings. In 85 percent of the jurisdictions, the board's decision was claimed to rest solely on the evidence presented at the hearing. Decisions were rendered in writing by 88 percent of all boards.

Other proposals of the Standards appear to be less widely accepted. Only 79 percent of reporting jurisdictions allow an inmate a continuance to prepare his defense. He or she can call a witness in only 59 percent, and confront an adverse witness in 64 percent of the jurisdictions. Cross examination is permitted only in 57 percent. If the offender is adjudged not guilty, only 35 percent of the jurisdictions expunge the charge from his or her record.

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[1] Ibid., p. 54.

[2] Ibid., p. 56.

[3] American Bar Association, Resource Center on Correctional Law and Legal Services, Survey of Prison Disciplinary Practices and Procedures (Washington, D.C.: American Bar Association, Commission on Correctional Facilities and Services, March, 1974), p. 11.

Despite the widespread use of hearings that substantially conform to the recommendations of the Standards, the ABA survey finds a number of areas in which current procedures are deficient.[1] Perhaps the most serious gap is the failure to link violations to penalties; in only 25 percent of the responding states are specific sanctions provided for violations. Moreover, the violations sometimes are not well defined, and there is some evidence that mere receipt of a written procedure does not imply that the inmate has assimilated the information it contains.[2]

But the deficiencies in existing disciplinary procedures, compared to the recommendations of the Standards, do not appear to be costly to remedy. With the exception of the Standard's call for counsel in all hearings on major violations, the common deficiencies are all remediable by changes in institutional procedures at negligible resource cost. The costs of providing attorneys for hearings on major violations are incorporated in the estimates in the preceding section of this chapter.

The Standards for nondisciplinary procedures and inmate grievance procedures do not specify as many requirements as the disciplinary procedures, but the resource cost of implementation might be greater due to the relative infrequency of such procedures in current institutional programs. According to a 1973 survey of 209 adult institutions, formal grievance procedures exist in a majority of cases; but the content of these procedures varies so widely that in some instances they are of no practical value.[3] Because the Standards for nondisciplinary and grievance procedures are so broad, it is appropriate to consider costs of implementation for a variety of models.[4]

Three forms of grievance mechanism are identified by Keating and others: the ombudsman, the grievance committee, and the inmate council.[5]

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[1]Ibid., pp. 12-13.

[2]J. M. Keating, Jr. et al., Toward a Greater Measure of Justice: Grievance Mechanisms in Correctional Institutions (Washington, D.C.: Center for Correctional Justice, May 1, 1975), p. 26.

[3]For the survey, see V. McArthur, "Inmate Grievance Mechanisms: A Survey of 209 American Prisons," Federal Probation (December 1974): 41. For discussion of the effectiveness of some of these procedures, see Keating, et al., Grievance Mechanisms, pp. 27-33 and table 1, p. 28.

[4]Standard 2.13 specifies only the minimal procedures quoted above. Standard 2.14 specifies no procedures, although it advocates outside review, written reports, and prompt action. Corrections, pp. 54, 56.

[5]The data in this paragraph are derived from Keating et al., Grievance Mechanisms, Appendix A, and Wolf, Inmate Employment, Appendix C.

Cost information and population served are available for ten of these procedures from a survey in 1973. The five ombudsman procedures had an average cost per inmate of $27.04 annually, and a range of $5.00 to $71.75. The four grievance committee models had an average cost per inmate year of $31.32, and a range of $9.33 to $62.80. The one inmate council model for which cost data were available was Rhode Island, where grievance activities were intermingled with other services for inmates and ex-offenders. The average cost per inmate for this model was in excess of $156 annually.

In the main, these costs represent the salaries of ombudsmen, attorneys, arbitrators, and other staff positions. The remarkable similarity of costs across a fairly wide range of models suggests that no grievance mechanism is likely to be expensive, compared to other costs of institutional operation. The diversity in the methods of operation of these models suggests that the costs of other procedures, such as nondisciplinary changes in status, are likely to be similar to the costs of grievance mechanisms.[1]

A caveat on these estimates is that they refer to cost per inmate, not cost per grievance. There appears to be considerable variation in offenders' propensity to file grievances, based in large part upon their perceptions of the responsiveness or effectiveness of institutional grievance mechanisms. The principal requirements for a grievance procedure to be "effective" appear to be: that offenders take a participatory role in judging the merit of the complaint (rather than simply filing grievances for the attention of some grievance hearing panel, such as an ombudsman, consisting entirely of non-offenders); that there be some form of outside review; and that complaints be answered speedily.[2]

Since the cost of a grievance procedure depends heavily on the number of cases filed, a "good" mechanism would be expected to cost more per inmate (but not necessarily per grievance) than an ineffective or "lip service" procedure. In view of this argument, the data on grievance committees are noteworthy. Keating and others identify five effective grievance committee and inmate council procedures, and no effective ombusdman models. The finding that effective grievance committees are no more costly per inmate, notwithstanding the higher frequency of complaints filed, suggests that Standard 2.14 will not be expensive to implement even if institutions follow the spirit rather than merely the letter of its recommendations. An estimate of $60 per inmate year (at the top of the cost range for effective grievance procedures in the sample to assure that allowances are included for extensive use) is used in the national cost estimates shown in figure 23. (Nondisciplinary and grievance procedures for

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[1] Keating et al., Grievance Mechanisms. For example, hearings are held in Maryland, Ohio, and South Carolina.

[2] Ibid.

state institutions would cost approximately $13 million per year; for local institutions (jails) the cost would be $10 million.

Figure 23

Estimated Criminal Justice System Public Expenditure Required to Provide Inmates in State and Local Institutions with Nondisciplinary and Grievance Procedures, Per Inmate Year and Nationwide

State Institutions		
A.	Total Number of Inmate Years[a]	181,534
B.	Average Expenditure Per Inmate Year	$ 70
C.	Total Expenditure Nationwide (AXB)	$12,707,380
Local Institutions (Jails)		
A.	Total Number of Inmate Years[a]	136,388
B.	Average Expenditure Per Inmate Year	$ 70
C.	Total Expenditure Nationwide (AXB)	$9,547,160

[a]See the paragraph in chapter I on population statistics used in national expenditure estimates, for information on the source and use of this statistic.

Against the small cost of complying with the Standards for codified and extended institutional procedures and hearings can be placed the possibility of substantial institutional benefits. The American Correctional Association has expressed the belief that prison riots stem in part from the absence of non-violent channels for inmate protests.[1] As noted above in discussing Standard 2.1,

[1]American Correctional Association, Riots and Disturbances in Correctional Institutions (College Park, Md.: American Correctional Association, 1970), p. 66.

internal administrative procedures provide an alternative to court challenges of prison rules.[1] Although these benefits cannot be quantified with existing data, it should be recognized that the costs of obtaining them appear to be low: virtually zero in the case of disciplinary procedures that comply with the Standards, and about $60 per inmate year for nondisciplinary and grievance procedures. Thus the cost of implementing Standards in the Corrections Report related to disciplinary and nondisciplinary and grievance procedures and access to the legal system (about $135 per inmate year) are estimated at only 2.4 and 3.1 percent of the current operating costs of state institutions and jails, respectively.

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[1] Standard 2.1 calls for administrative remedies to be operative within 30 days. Exhaustion of these remedies thus would not disqualify an inmate from seeking court redress. In fact, the Standard states: " . . . where past practice demonstrates the futility of such means, the doctrine of exhaustion should not apply." Corrections, p. 23.

CHAPTER X

RIGHTS OF PAROLEES

Two Standards are especially relevant to the question of parolees' rights. Standard 12.3 (The Parole Grant Hearing) proposes "hearings that include . . . participation by the inmates . . . procedural guidelines to insure proper, fair and thorough consideration . . . prompt decisions and personal notification . . . and provision for accurate records . . ."[1] Standard 12.4 (Revocation Hearings) emphasizes "careful controls, methods of fact-finding, and possible alternatives to keep as many offenders as possible in the community."[2] Implicit in both Standards is Standard 2.2 (Access to Legal Services) which states: "Attorney representation should be required for all proceedings or matters related (to parole grant and revocation proceedings) . . ."[3] Standard 2.2 also advocates public provision of attorneys for the indigent.[4]

PAROLE GRANT HEARINGS

Some of the issues that arise over parole grant hearings are similar to those in institutional disciplinary proceedings. Historically inmates have not had access to legal representation, due process, and other characteristics of the constitutional legal system. Instead, parole has been viewed by correctional authorities as a privilege extended to worthy inmates and denied to others; the criteria of worthiness generally are not codified; and inmates who do not qualify are not usually told the reasons for their disqualification or the steps they must take to win parole.

The Corrections Report proposes simplification of this process, as well as improving its equity. Standard 12.3 suggests that parole presumptively be granted when an inmate first becomes eligible (generally at the expiration of his minimum sentence) unless there is a specific finding that the inmate is not qualified; that is, the burden of the parole decision shifts from the inmate's need to demonstrate affirmative qualification, to the examining board's requirement to demonstrate negative qualification. Any inmate thus

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[1] Corrections, p. 422.

[2] Ibid., p. 425.

[3] Ibid., p. 26.

[4] Ibid.

denied parole should receive a further hearing within a year. Hearings should be conducted initially by a single board member or examiner, with appellate hearings (by the full board) only in the event that the initial decision is appealed by either the inmate or the institution within five days. The Standard also provides for immediate personal notification of the inmate, with reasons given in writing and generally being made available to the inmate. As noted, counsel is to be provided. The Standard also specifies that no more than 20 hearings be held daily; but as noted in chapter V of this report, most parole boards currently appear not to hold more than 20 hearings a day.

Significant implications for the level of correctional resources are implicit in the hearing/appeal process. At present, most boards conduct hearings with three to five members present.[1] The Standard thus should reduce the personnel costs of the parole grant hearings. For illustration, suppose that a three-member board whose salaries total $105,000 annually hears 20 cases per day, of which 70 percent are parole grant hearings and 30 percent are revocations. At 100 cases weekly, or 5,000 per year, the personnel cost per hearing is $21. Reducing the number of examiners from three to one permits the board to hear 15,000 cases annually, at a cost of only $7 per case. Suppose that parole a year early is granted in 25 percent of the additional hearings, or 1,750 cases. The saving in incarceration operating costs at $5,727 per inmate year is $10,022,250, against which additional costs of parole supervision are incurred. Even if parole costs $750 per case (the estimate for intensive supervision suggested in chapter V), the net savings from the reduced number of examiners is nearly $8.7 million.

The point of this illustration is that the costs of the parole grant hearing itself are nearly negligible compared to the implications of the parole grant decision. In practice, the number of cases heard would not triple, and the budgetary costs of the parole board probably would increase if additional examiners were hired. Some additional costs would stem from the appellate hearings proposed by the Standard. But the budgetary savings alone from reducing the institutional population by five inmates per year would pay the salary of each examiner. And as noted in part one, institutional operating costs are a third of the total social costs of incarceration under existing programs (including lost inmate productivity and the social cost of supporting dependents and capital costs).

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[1] V. O'Leary and J. Nuffield, The Organization of Parole Systems in the United States (Davis, Ca.: National Council on Crime and Delinquency, Research Center, 1972).

Not all jurisdictions would reap the financial savings estimated above from implementing the Standard. In some jurisdictions, a single examiner or two parole board members comprise the hearing panel. The cost savings in these cases would be smaller, and might be offset by the additional costs of the appellate process. Some jurisdictions already hold parole grant hearings annually for every inmate, and in these cases presumably the institutional population would not be reduced by the opportunity to hear more applications. When a jurisdiction's procedures for parole grant hearings are already in substantial compliance with the Standard in terms of the composition of the hearing panel and the frequency of hearings, implementation of the Standard in these respects simply does not have major implications for either parole costs or correctional system benefits.

Further cost savings should result from the presumption that an inmate is eligible for parole after serving his minimum sentence, unless there is an explicit finding to the contrary. Since inmates currently are not eligible for consideration for parole until after expiration of the minimum sentence, implementation of the Standard must reduce the time served for many inmates. The number of inmates thus affected is hard to determine, since many inmates currently receive hearings and are granted parole at their minimum sentences, while many of those who are not now paroled might be found ineligible even under the Standard. Nonetheless, it is plausible that some inmates would be paroled earlier under the Standard and that none would be detained longer.

To estimate the impact of the Standard, a state might obtain the following data: proportion of inmates now paroled at their first hearing, average time served, and average minimum sentence. (Assume that sentences are specified in months.) Then the impact of the Standard can be estimated as the proportion of all offenders who are paroled at the first opportunity, multiplied by the difference between the average actual and the average minimum sentence. For example, if 60 percent of all offenders are paroled at the first opportunity and the average parolee serves four months more than his minimum sentence, the effect of the Standard would be to reduce the average time served by 2.4 months. Suppose further that the average sentence is now 24 months. Then the Standard would reduce institutional populations by about ten percent, and presumably would lower institutional operating costs proportionately over the long run. Conversely, costs of parole supervision would rise by ten percent.

Other provisions of Standard 12.3 would work to increase costs of the parole granting process. For example, annual hearings for all inmates would raise parole staff costs above current levels. Written records would be more expensive than current, less formal procedures. But these costs are likely to be small compared to the cost savings from smaller institutional populations. The average cost per case (including all staff and overhead expenses) for the

California Adult Authority was only $42 in 1975-76.[1] The requirement for written reasons for parole denial to be provided to inmates was estimated to add ten percent, or $4.28 per case, to Adult Authority costs.[2] These magnitudes are insignificant compared to costs of either imprisonment or parole supervision.

PAROLE REVOCATION HEARINGS

Standard 12.4 stresses the notion that revocation hearings should cause parolees to be returned to institutions only as a last resort, and that the hearing process should be structured to minimize the possibility of that occurrence. Thus detention of parolees should be used only rarely and after express consideration by parole board members; parolees generally should have access to bail pending the resolution of charges against them; preliminary hearings on alleged violations should be held by uninvolved third parties (other than the parolee and his parole officer); and final decisions on revocation should be made only by the full parole board. Written records and statements of findings, due process, and counsel should be provided to the parolee. The Standard proposes alternative sanctions other than returning the parolee to the institution, and recommends that if indeed he is returned, the revocation should not interfere with future parole grant hearings on the schedule established by Standard 12.3.

To a substantial extent, the Standard simply codifies the Supreme Court's concerns expressed in the 1972 Morrissey decision. There is no question that the added procedural requirements imposed on parole boards will significantly increase the costs of parole revocation proceedings; the issues are how much the cost will increase and whether there will be any systematic change in the outcome of revocation hearings.

A reasonably good estimate of the costs of implementing the Standard (and the Morrissey decision) is provided by the Bye decision in California. Nonfelon narcotic addicts are subject to the Narcotic Addict Evaluation Authority, a board akin to the Adult Authority, which can assign patients to outpatient status, the equivalent of parole. The Bye decision requires that an addict not be removed from the outpatient status without a revocation hearing modeled after the Morrissey decision.[3] In effect, the Bye decision and its

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[1]California, Department of Corrections, Budget, pp. 774, 778.

[2]Ibid. The requirement, implicit in the Sturm decision, is estimated to cost 8 man-years and $215,334 to implement.

[3]Ibid., p. 774.

implementation by the Narcotic Addict Evaluation Authority is a model for larger-scale implementation of the Morrissey decision as incorporated in Standard 12.4.

In 1974-75, the Narcotic Addict Evaluation Authority conducted 695 revocation hearings for outpatient addicts, as required by the Bye decision.[1] The estimated number of hearings for 1975-76 was 655. The cost of complying with the Bye decision is stated by the Department of Corrections to be $348,157 and 15 man-years for fiscal 1975-76. Assuming that this cost is based on the average number of Bye hearings for 1974-76, the cost per hearing is $516. (If only the 1975-76 number of hearings is involved, the average cost is $532.) This cost estimate appears to be the incremental cost of the Bye decision; the base cost of the Narcotic Addict Evaluation Authority, $114,143 for 1975-76, represents only the salaries of the board members and a staff member. The additional costs thus refer to preparations for hearings, staff time, and perhaps the services of additional hearing examiners as specified in the Standard.

The cost of prerevocation hearings as called for by Standard 12.4 can also be estimated from California data. The La Croix and Valrie decisions of the California Supreme Court extend the mandate of the Morrissey decision to prerevocation hearings for parolees awaiting criminal proceedings.[2] Forecast for California for 1975-76 are 1,125 such hearings, at an implementation cost of nine man-years and $218,052.[3] The cost per hearing of complying with the Standard in this regard can thus be estimated at $193.

Compared to the costs of traditional parole board practices, these implementation costs are substantial. Including the costs of prerevocation hearings, the average cost per case for the California Adult Authority in 1975-76 was only $42. Revocation cases comprised about 37 percent of the board's workload, and prerevocation hearings were held in only five percent of those cases. Complying with the Standard with respect to prerevocation proceedings thus would increase the cost per case roughly 500 percent, even assuming that the revocation hearings themselves already satisfy the Standard. The earlier discussion of the Bye decision in this section suggests that the cost of conducting revocation hearings in compliance with the Standard is more than ten times the cost of current practice. Thus, the full sequence of hearings as recommended by Standard 12.4 could cost $700 or more per case, compared with around $40 under traditional

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[1] Ibid., p. 778.

[2] Standard 12.4: "A preliminary hearing . . . should be held promptly on all alleged parole violations, including convictions of new crimes, . . ." Corrections, p. 425.

[3] California, Department of Corrections, Budget, pp. 774, 778.

practices. And these estimates do not include the cost of counsel for the parolee, although Standard 2.2 would require that the state provide such counsel for indigent parolees.

Aside from the intrinsic value to society of providing equal rights to all citizens, it is not clear whether implementation of these Standards and court decisions is of any value to either parolees or the correctional system. It is at least possible that the outcome of revocation hearings conducted in full compliance with the Standards and court mandates might be identical to the outcome of traditional hearings, in which case the substantial incremental cost of the Standards would have to be viewed as part of the "social overhead" cost of the legal system. But it seems likely that tipping the scales of revocation proceedings in favor of parolees by granting them due process, counsel, and other rights will result in a smaller proportion of revocations. Of course, this is the end advocated by the Standard: "Return to the institution should be used as a last resort, even when a factual basis for revocation can be demonstrated."[1]

Consider the following example, which combines California revocation statistics with national cost estimates developed in this report. Parole is revoked in about 25 percent of the cases heard by the Adult Authority and Women's Board. The cost of revocation to the correctional system is the difference between the cost of incarceration and that of parole supervision, or about $8,689 annually;[2] in addition, costs of at least $5,000 are imposed on the offender and society in the form of lost productivity and additional support costs. The expected cost to the correctional system per revocation hearing thus is about $2,172 ($8,689 times .25). Suppose that as the result of the procedural changes in the Standards, the proportion of revocations fell to 15 percent. The expected cost would then be $1,303, a saving of $869 irrespective of the costs that imprisonment imposes outside the correctional system. Thus the net result for the system of complying with the Standards would be a benefit of about $169 per case rather than the cost of $700 per case estimated above. If the perspective were broadened to include the costs that prison imposes beyond the correctional system, it seems clear that the procedures of the Standards would confer even greater net economic benefits, if the proportion of revocations were reduced.

These calculations are only illustrative, and do not purport to represent the impact of the Standards on actual revocation decisions. The point is that no part of the correctional system can be analyzed in isolation, and that resources allocated to one stage of the system have impacts on the resource requirements in other stages. In the present example, a very large percentage increment

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[1] Corrections, p. 425.

[2] This difference includes allowances for capital costs of incarceration, so it is calculated as $9,439 minus $750.

in parole board expenditures is seen to be justified in economic terms under plausible hypotheses about the impact of these expenditures on the population of correctional institutions. Even in the narrow perspective of the correctional system rather than the broader one of society, significant cost offsets to additional parole board costs appear to be available in the form of reduced prison expenditures. In analyzing the recommendations of the Standards, states should develop the detailed data to permit themselves to make these kinds of calculations. Only then can the economic implications of the recommendations of the Corrections Report be accurately assessed.

APPENDICES

APPENDIX A

Figure 24

Construction Cost Estimates for Recently Built or Planned Institutions

Location	Type of Facility[a]: Jail / Major Institution / Community-Based Institution	High/Mixed/Low/Security	Federal/State/County/City	Construction Status[b]	Estimated Total Cost (Current Dollars)	Source of Total Cost Estimate	Design Capacity	Estimated Cost Per Bed[c]
Facilities in Use*								
Leesburg, New Jersey	Major Institution	High	State	Opened in 1971	$22,000,000	Corrections Magazine, November-December, 1974	500	$44,000
Columbia, South Carolina	Major Institution (Women)	Mixed[f]	State	Opened in 1974	$3,596,200	South Carolina Department of Corrections	96	$37,460
Columbia, South Carolina	Major Institution	High	State	Opened in 1975	$11,771,805		448	$26,276
Lucasville, Ohio	Major Institution	High	State	Opened in 1973	$38,000,000	Ohio Department of Rehabilitation and Corrections	1,600	$23,750
Bridgewater, Massachusetts[e]	Major Institution[e] (Hospital for the Criminally Insane)	High[e]	State[e]	Opened in 1974[e]	$18,200,000[e]	Massachusetts Department of Corrections	450[e]	$40,444[e]

(cont'd)

See footnotes at the end of the table.

Construction Cost Estimates (cont'd)

Location	Type of Facility[a] Jail / Major Institution / Community-Based Institution	High/Mixed/ Low/Security	Federal/State/ County/City	Construction Status[b]	Estimated Total Cost (Current Dollars)	Source of Total Cost Estimate	Design Capacity	Estimated Cost Per Bed[c]
Facilities in Use (cont'd)*								
Charlottesville, Virginia	Jail	High	County/City	Opened in 1975	$1,306,000	Albemarle County Executive's Office	105	$12,438
Worchester, Massachusetts	Jail	High	County	Opened in 1973	$12,500,000	Massachusetts Department of Corrections	256	$48,828
Colorado Springs, Colorado	Jail	High	County	Opened in 1974	$4,205,000	El Paso County Public Works Department	296	$14,206
Chicago, Illinois	Community-Based Institution	Mixed	Federal	Opened in 1975	$11,550,000	Presidential Budget for the Bureau of Prisons for Fiscal 1976	400	$28,875
New York, New York	Community-Based Institution	Mixed	Federal	Opened in 1975	$15,300,000		450	$34,000

(cont'd)

See footnotes at the end of the table.

Construction Cost Estimates (cont'd)

Location	Type of Facility [a]			Construction Status [b]	Estimated Total Cost (Current Dollars)	Source of Total Cost Estimate	Design Capacity	Estimated Cost Per Bed [c]
	Jail / Major Institution / Community-Based Institution	High/Mixed/ Low/Security	Federal/State/ County/City					
Facilities Under Construction [d]								
Cleveland, Ohio	Jail	High	City/County	Under construction, to open in 1976	$35,800,000	Project Manager, Turner Construction, Inc.	1,016	$35,236
District of Columbia	Jail	High	State/County/ City	Under construction, to open in 1976	$26,000,000	Corrections Magazine, March-April, 1975	1,000	$26,000
Geneva, Illinois	Community-Based Institution	Mixed	County	To open in 1975	$4,558,250[g]	Kane County Criminal Justice Commission	126	$36,177[g]

(cont'd)

See footnotes at the end of the table.

Construction Cost Estimates (cont'd)

Location	Type of Facility[a] Major Jail / Major Institution / Community-Based Institution	High/Mixed/ Low/Security	Federal/State/ County/City	Construction Status[b]	Estimated Total Cost (Current Dollars)	Source of Total Cost Estimate	Design Capacity	Estimated Cost Per Bed[c]
Facilities for Which Preliminary Plans Have Been Made								
Northeastern United States (probably Otisville, N.Y.)	Major Institution	High	Federal	Site not yet selected	$23,200,000	Bureau of Prisons Presidential Budget for 1976	500	$46,500
Kentucky	Major Institution	High	State	Site not yet selected	$15,000,000	Division of Planning, Kentucky Department of Justice	300	$50,000
District of Columbia	Major Institution	High	State/County/ City	Funds received from Congress	$10,273,120[d]	D.C. Department of Corrections	200[d]	$51,366[d]
Baltimore, Maryland	Major Institution	High	State	Request for bids for detailed design sent out May 9, 1975	$22,821,000	Maryland Department of Corrections	400	$57,052
California	Major Institution	High	State	Request for design funds in 1976 budget	$70,000,000	Calif. Dept. of Corrections	2,400	$29,167
San Diego, California	Community-Based Institution	Mixed	Federal	Construction to begin in 1975	$14,859,000	Bureau of Prisons Presidential Budget for Fiscal 1976	500	$29,718
Rhode Island	Community-Based Institution	Mixed	State	Preliminary design proposed	$12,536,000	Planning and Design Institute	555	$22,587

See footnotes on the next page.

Footnotes

*The purpose of this table is to present a set of actual construction cost estimates which can be incorporated in the more detailed analysis of capital costs in the text of this report. Facilities are grouped by construction status (as of May, 1975), since a cost estimate for a particular facility can be expected more closely to approximate actual construction costs for that facility as construction nears completion. Selection of the particular facilities included in this table was based on staff knowledge about particular facilities, availability of published cost information, and recommendations of other criminal justice analysts or officials as to facilities which should be included. An effort was made to secure cost estimates and related information for a cross-section of institutions, based on characteristics shown in the table (including geographical location). It was not possible for the Project, with its limited time and staff resources, to assess individually each of these facilities for the extent of their compliance with the Standards. Nor was it possible to go to original sources to check each cost estimate for comprehensiveness (inclusion of site and planning costs, extent of inmate labor used in construction, support services provided in other facilities, etc.). More specific considerations associated with getting an accurate cost estimate for a particular facility meeting the Standards, including allowances for inflation and interest charges, are discussed in the text of this report.

[a] Each facility listed in this table was classified as to general types, level of security and level of government responsibility, by the Standards and Goals Project staff, based on discussions with persons familiar with each facility's design and activities. Not included in this table or this program analysis are facilities which provide correctional services in a "nonsecure" community setting. These facilities are analyzed in another report on halfway houses. Institutions classified in this table as "low-security" must therefore have some, though not necessarily all, clients. The distiction between "major" and "community-based" institutions is based primarily on geographical location, scale, and security mix, with community-based institutions in or near population centers from which the majority of their clients come, usually serving fewer clients as fulltime residents, and housing inmates in a mix of high and low security settings. (Community-based institutions may actually be involved in the delivery of services to more total clients, if non-residential activities are included.) The distinction between "jails" and "community-based institutions" is based primarily on types of services provided, with community-based institutions providing more extensive intake, diagnostic and prerelease services than jails. (The cost implications of this difference are expected primarily to affect operating costs, i.e., staffing patterns, but will also have some impact on facility design and costs.) Standards presented in the Corrections Report envision a shift away from major institutions and jails toward community-based institutions. (See the text for more discussion.)

[b] Sources for these items include published materials and discussions with persons familiar with the particular institution's design and activities.

[c] Estimated cost per bed is calculated by dividing the total cost estimate by the design capacity.

[d] Average cost for three 200-bed institutions, two of which are extensible to 400 beds and therefore slightly more costly.

[e] This institution is included in this table only for comparison with other correctional facilities. Though it is now being operated by the Massachusetts Department of Corrections, the Corrections Report recommends exclusion of sociomedical cases (including the mentally ill) from the correctional system. The cost estimate for this facility includes $2.2 million for support service facilities being added since the facility was opened in 1974. (This institution is not included in deriving capital cost estimates in text tables.)

[f] Because this is South Carolina's only facility for women, it contains persons incarcerated under high and low security conditions.

[g] Includes residential facility and diagnostic center, which cost $4,200,000 and $358,250, respectively.

CONTINUED

2 OF 3

APPENDIX B

Data Sources and Estimating Procedures Used in Calculating Salary Estimates for a System of "Model" State Institutions (Figure 12 in the Text)

The following general sources or procedures apply to more than one of the salary estimates for occupational groupings which are discussed below:

- Adjustments to calendar 1974 dollars were based on the GNP deflator for state and local government purchases estimated by the U.S. Department of Commerce.

- State Salary Survey, August 1, 1973, is a publication of the U.S. Civil Service Commission's Bureau of Intergovernmental Personnel Programs which presents state-by-state salary data for 100 state occupational groupings.

- Adjustments for the geographical distribution of inmates in state institutions (more specifically, the fact that a high proportion of the nation's inmates in state institutions are in states with relatively low salary levels compared to the national average) were based on National Prisoner Statistics for December 31, 1972, collected by the U.S. Law Enforcement Assistance Administration and the Bureau of the Census. Using State Salary Survey data, a weighted mean salary for the "correctional officer" grouping (weighted by the proportion of the nation's inmates in each state) was calculated to be $8,312, compared with an unweighted average of $8,924 (over 7% higher than $8,312), calculated by giving each of the 50 states the same weight. Assuming that salary level differences across the states are similar for all other occupational groupings, all unweighted averages have been reduced by 7.4% to arrive at the estimates shown for the national system of "model" institutions.

Specific salary estimates for the occupational groupings shown in figure 12 in the text were calculated as follows:

Custodial Personnel. This salary estimate of $9,084 is based on the unweighted average salary of $8,924 for the "correctional officer" grouping in State Salary Survey, adjusted as noted above.

Case Managers. This salary estimate of $9,738 is based on the State Salary Survey averages for three groupings--social service workers at $8,948; graduate social workers at $10,493; and social service supervisors at $12,118--weighted at 65%, 30% and 5%, respectively, of the total case manager grouping, and further adjusted as noted above.

Correctional Managers. This salary estimate of $10,403 is based on State Salary Survey averages for two groupings--correctional sergeants at $9,307 and correctional superintendents at $18,463--weighted at 90% and 10%, respectively, of the total correctional manager grouping, and further adjusted as noted above.

Technicians and Service Personnel. This diverse group includes such staff members as electricians, farm managers, foremen of industrial shops, secretaries and medical personnel. Some of the group (for example, doctors) would be expected to have salaries above the average for all correctional employees; others (for example, secretaries) would be expected to have salaries below the average. Because there were no data on which to base estimates of the proportions of this group which might fall above or below the average for all correctional employees, or salary estimates in the State Salary Survey for all groups which might be included, the average wage/salary for this group was estimated at $10,129, 12 times the average October, 1973, payroll per institutional employee (from Expenditure and Employment data for fiscal 1973, published by the U.S. Law Enforcement Assistance Administration and the Bureau of the Census), adjusted as noted above.

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