

Cost analysis of prevention services vs. incarceration on government funds. This will be used to help promote an increase in prevention funding within Justice Assistance Grants at the federal level (by the EPC lobbyist).

From 2010-2015, Colorado experienced an 8.5% decrease in the prison population, but saw no change in prison spending (actually increased by 0.02%)¹. The average cost per inmate in 2015 was \$39,303, at a prison population of just over 18,000 people during that year, the total cost spent on prisons within the State of Colorado was nearly \$709.6 million. This equates to a spending per state resident of \$130.

Comparing how much states spend on their prisons by cost per state resident allows for the determination of whether a state is considered high in incarceration costs based on incarceration rates. Colorado has a lower incarceration rate. The average cost per resident in the US in 2015 when these data were collected was \$137, so Colorado is pretty close on average cost per resident, but the incarceration rate per 100,000 residents in the US is 413, to Colorado's rate of 331, revealing Colorado to be a relatively high-cost state per inmate. (These numbers reflect only state prison populations in 2015 and do not include local jails. The incarceration rate of Colorado residents in state prisons in 2019 is closer to 351, and in any institution is 635 per 100,000 residents².)

Employment is the primary driver of prison spending. It's important to consider what contributes to prison spending, because costs per inmate do not measure the effectiveness of spending (Vera Institute, 2015). Personnel costs comprise the majority of state prison expenditures, making up 68% of the total spending in 2015 nationwide. Conversely, spending on prison health care comprised only 11% nationally. Though Colorado's prison population decreased in the first half of the decade, spending did not decrease, which may be due to balancing increasing employment and healthcare costs³. The most recent year of prison data available from the Department of Justice, National Institute for Corrections, are from 2017, in which nearly 20,000 prisoners were being held in under the jurisdiction of State of Colorado correctional authorities; The Colorado Department of Corrections had a staff of just over 6,000 employees and a budget of nearly \$865 million⁴. This is a 22% increase in budget over a 2-year period with an 11% increase in the number of inmates in the State of Colorado system. This is important to consider as the population of the state continues to grow and being that the actual rate of incarceration has decreased, yet the number of people being incarcerated has increased⁵.

For the 2019-2020 FY, the Colorado Department of Corrections is requested a \$970 million budget, to include additional money to house a growing inmate population and reopen a former prison. This is a 12% increase over another 2-year period.

Assessments of the national average cost to taxpayers for judicial/legal services per reported crime are around \$22,000-\$44,000 (homicide), \$2000-\$5000 (rape and sexual assault), \$600-1300 (robbery), \$800-2100 (aggravated assault), \$200-\$600 (burglary), \$300-\$600 (larceny/theft), and \$200-\$400 (motor vehicle theft) (Hunt, Anderson, and Saunders, 2016). Direct government costs of corrections are significant and were estimated in 2016 to total over

¹ <https://www.vera.org/publications/price-of-prisons-2015-state-spending-trends>

² <https://www.prisonpolicy.org/profiles/CO.html>

³ https://leg.colorado.gov/sites/default/files/fy2020-21_corhrg.pdf

⁴ <https://nicic.gov/state-statistics/2017/colorado>

⁵ <https://www.colorado.gov/pacific/cdoc/departmental-reports-and-statistics>

\$80 billion nationwide. Other facets of the criminal justice systems are also extremely costly, with police spending above \$130 billion and judicial and legal government spending over \$60 billion annually⁶, and yet these resources are not considered sufficient for achieving public safety and offering support or treatment for the justice involved.

Unfortunately, these figures underestimate the true cost of incarceration by failing to consider the indirect costs or collateral consequences that generate immense social costs to incarcerated persons, families, children, and communities. This not only includes direct monetary losses such as stolen or destroyed property, or medical costs for victims, but also costs associated with trauma, fear, and reduced quality of life or loss of life. Additionally, community level costs may include reduced property values, reduced business investment, or other declines in economic opportunities. It is estimated that for every dollar in corrections costs, incarceration generates an additional ten dollars in social costs⁷, totaling hundreds of billions of dollars per year.

Incarceration has been found in a substantial body of research to be correlated with a number of detrimental effects, including decreased employment rates, lower wages, physical and psychological conditions, damaged familial bonds, higher rates of recidivism, and a reduction in general social stability (Allan et al., 2005; Travis, 2005; Western 2002, 2006, Schlesinger, 2005). These effects are even experienced by defendants held in pretrial detention, which has also been shown to increase the odds of conviction, probability of incarceration, and length of imprisonment (Cohen and Reaves, 2007; Harrington and Spohn, 2007; Phillips, 2008; Sacks and Ackerman, 2014). When considering how detention can be expensive to taxpayers, pretrial release offers an average cost saving of over \$60/day for each defendant released and should be considered as an alternative to incarceration and mechanism for reducing the need for future incarceration (Oleson et al., 2014).

Sentencing options outside of the use of incarceration also can equate to large monetary and social cost-savings, as the cost of corrections is directly related to the level of confinement of each sentencing option. The following numbers are updated annually in January. The Colorado Division of Probation Services confirms these numbers with each of the respective agencies⁸.

Probation	\$1,491
Community Corrections	\$9,014
Parole*	\$5,942
Department of Corrections**	\$39,701

The crime-reducing benefits of incarceration are small and continue to decline as the incarcerated population grows. A 10% increase in incarceration nets less than a 2% decrease in crime, with longer sentences contributing to an increased risk for recidivism⁹. There are many crime prevention efforts or incarceration diversion options that are much more cost-effective than incarceration, which include but not limited to the use of community corrections. Expanding proactive resources in areas of policing, behavioral health care, educational attainment, and labor

⁶ Economic Perspectives on Incarceration and the Criminal Justice System. Executive Office of the President of the United States; April, 2016, p. 43.

⁷ <https://nicic.gov/economic-burden-incarceration-us-2016>

⁸ * Average of Parole and ISP Parole; ** State facilities only, does not include private prisons; Colorado Division of Probation Services; Data from 05/2019.

⁹ Economic Perspectives on Incarceration and the Criminal Justice System. Executive Office of the President of the United States; April, 2016, p. 36. https://obamawhitehouse.archives.gov/sites/default/files/page/files/20160423_cea_incarceration_criminal_justice.pdf

market conditions and employability have all been shown to have greater crime-reducing benefits than incarceration.

Larger police forces can reduce crime through investments from police that make communities safer through deterring crime and transparency, not just through simply arresting more people (Owens, 2011). “Hot-Spots” policing strategies that intensify policing in high crime locations can reduce crime with minimal displacement of crime to new areas (Braga, Papachristos, and Hureau, 2014). Investments in proactive law enforcement programs such as LEAD, Law Enforcement Assessed Diversion, have resulted in fewer average yearly jail bookings, a large reduction in the number of days spent in jail per year, an almost 90% reduction in the odds of prison incarceration and resulted in a significant criminal justice systems cost-savings compared to incarceration (LEAD participants average cost is less than \$10,000 annually) (Collins, Lonczak, and Clifasefi, 2019).

Establishing viable and meaningful alternatives to criminal behavior can reduce crime through public policy. Creating legitimate employment opportunities with sufficient wages reduces the necessity of criminal activity. Early intervention and investments in education and youth employment can improve future labor market opportunities and reduce the risk for youth to engage in delinquent behavior and subsequent generational criminal involvement¹⁰. Cognitive behavioral therapy interventions have also been found to significantly reduce arrests (Heller et al., 2015).

Access to housing and healthcare has been found to reduce justice involvement, as individuals suffering from chronic diseases, mental illness, and substance use are disproportionately represented in the justice system, and need treatment and case management upon reentry (Wilper et al., 2009). Making vaccines and opioid treatment options such as naloxone available and affordable have been shown to reduce recidivism and increase public health and safety (Nyamathi et al., 2015; Townsend et al., 2020). The regenerative value of addiction treatment has been found to be 4 to 5 times the benefit of the investment (Iafrati, 2015). Permanent Supporting Housing operations have been launched by the Department of Justice under the Second Chance Act as evidence-based reentry programming to support adults with co-occurring substance abuse and mental disorders. Successful outcomes from these programs should inspire expansion.

In order to really address government spending on the criminal justice system, it will be necessary to consider how investments in alternatives to incarceration and sentencing reform can produce a massive cost-savings in a variety of ways. Outside of proactive crime prevention, reactive policies such as abolishing mandatory minimums, reducing inmates’ time served in prison, eliminating the use of prison for parole or probation technical violators, and decriminalizing victimless crimes could impact the financial costs of incarceration. Statistics on average costs per inmate mask the large fixed costs to building and operating a prison. Given that prisons are near capacity, dangerous and overcrowded, communities should avoid defaulting to building additional facilities, and instead consider investing those funds in more constructive programs and policies.

¹⁰ Economic Perspectives on Incarceration and the Criminal Justice System. Executive Office of the President of the United States; April, 2016, p. 41-42.