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Identifying Cost-Effective Strategies for the Criminal Justice System in Washington State —A Progress Report—

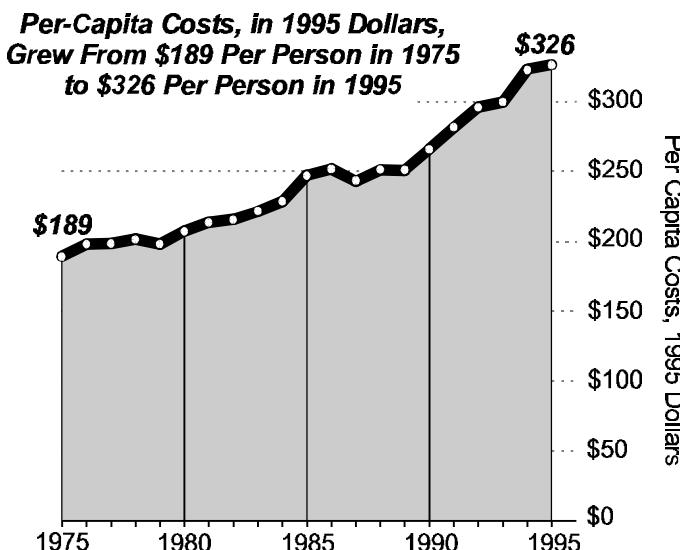
The Washington State Legislature directed the Washington State Institute for Public Policy to evaluate the costs and benefits of certain criminal justice policies, violence prevention programs, and other efforts to decrease at-risk behaviors of youth.¹ Seeking to “reduce the fiscal and social impact of violence on our society,”² the 1994 Legislature adopted a number of policies and the current Legislature is considering additional strategies.

This progress report contains new information on the fiscal costs of the criminal justice system in Washington and how they have changed over the last two decades. The report then discusses work underway at the Institute to assess the costs and benefits of criminal justice strategies.

The Costs of Crime and the Criminal Justice System. Crime and the criminal justice system impose costs on the people of Washington. Crime victims incur some of these costs and taxpayers pay others. Taxpayers fund a criminal justice system that includes police, criminal courts, prosecutors, local juvenile detention facilities and community supervision, local adult jails and probation, and state juvenile and adult institutions and programs.

In 1995, the criminal justice system in Washington cost taxpayers an estimated 1.7 billion dollars—an amount equal to \$326 per person, or \$851 per household. **The annual fiscal cost of the criminal justice system in Washington grew 72 percent between 1975 and 1995; from \$189 to \$326 per person. The increase has been especially sharp in recent years, rising 30 percent between 1989 and 1995.** Figure 1 shows the per-person cost of the criminal justice system, expressed in 1995 dollars.

Figure 1
Criminal Justice Costs in Washington Increased 72% Between 1975 and 1995



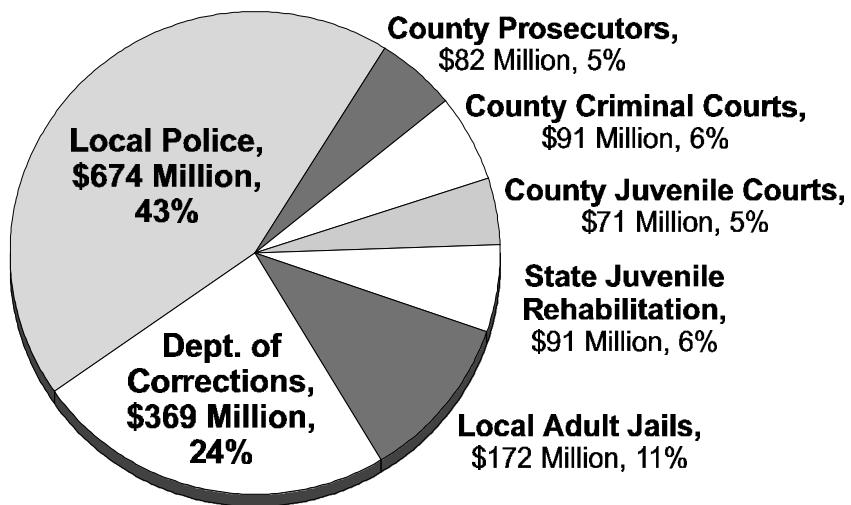
¹ RCW 70.190.050.

² RCW 43.70.540.

Figure 2 shows the distribution of operating costs across the criminal justice system in Washington for 1995. Law enforcement agencies, taken as a whole, represent the largest single cost. Police agencies in Washington spent about \$674 million on criminal justice functions. The state prison system for adult offenders, run by the Washington Department of Corrections, is next with operating costs of \$369 million during fiscal year 1995-1996.³

The fiscal costs of operating the criminal justice system consume a growing portion of the total taxes raised by state and local government in Washington. During fiscal year 1992-1993, the latest year for which comparable US Census Bureau estimates are available, the criminal justice system used 12.1 percent of state and local government tax dollars, up from 10.6 percent in fiscal year 1987-1988.

**Figure 2
Operating Costs of the Criminal Justice System
in Washington in 1995, by Major Sector**



Costs of Crime Incurred by Crime Victims. Many costs of crime are borne by victims. Some victims lose their lives. Others suffer direct, out-of-pocket, personal or property losses. Psychological consequences also occur to crime victims, including feeling less secure in society. The magnitude of victim costs is very difficult—and in some cases impossible—to quantify. In recent years, national studies have taken the first steps in estimating crime victim costs. One national study divides crime victim costs into two types: a) *Monetary costs* which include medical and mental health care expenses, property damage and losses, and the reduction in future earnings incurred by crime victims; and b) *Quality of Life* estimates which place a dollar value on the pain and suffering of crime victims.⁴ The quality of life calculations are controversial for use in setting public policy.⁵ The Institute is studying the national literature to determine its value in evaluating crime prevention and sentencing in Washington.

³ The cost information shown in this report is from the two state agencies and from the local government comparative statistics program of the State Auditor. State Juvenile Rehabilitation expenses include funds passed through to local governments. Wherever possible, non-criminal justice costs were removed from the local government functions; for example, traffic policing costs were excluded from total police costs, and civil legal costs were excluded from county prosecutor costs. Also, the costs shown on Figure 2 cover only operating costs. It is difficult to determine the annual debt service payments associated with historical criminal justice capital costs; therefore, capital expenses were excluded from the costs shown on Figure 2. An estimate made by the Institute of annual *system-wide* capital debt service costs, however, was included in the summary numbers shown on Figure 1.

⁴ Miller, Ted R., Mark A. Cohen, Brian Wiersema, *Victim Costs and Consequences: A New Look*, Research Report, Washington DC: National Institute of Justice, 1996.

⁵ See, for example, Clear, Todd R., "The Cost of Crime—Or Are Prisons or Community Programs the Best Crime Prevention Investment?," *Community Corrections Report*, November/December 1996, Volume 4, No. 1.

Avoiding the Costs of Crime: Identifying Cost-Effective Strategies for the Criminal Justice System in Washington State

The objective of the Institute's research is to provide the legislature with information on prevention and sentencing policies that can help reduce crime and its costs. We are focusing our research on the *fiscal* cost-effectiveness of different crime control strategies because the legislature and local governments face tough budgetary decisions. In times of fiscal constraint, the more public money spent on the criminal justice system, the less available for other purposes.

It can cost \$100,000 to build a new prison bed and \$24,000 per year to operate it. If some level of crime can be prevented or deterred, then taxpayers will benefit in the years ahead by not having to pay for as many new prison beds. A criminal justice strategy is fiscally cost-effective when a dollar spent to prevent or deter crime saves more than a dollar of subsequent costs. The Institute's cost-benefit model calculates these avoided criminal justice and crime victim costs in a systematic manner.⁶

The central element in the Institute's approach is viewing Washington's criminal justice policies and programs as a whole—state and local, juvenile and adult—rather than as a collection of unrelated parts. Each segment of this system affects the operations, *and ultimately the costs*, of the other parts. For example, current public policies toward juveniles will influence adult corrections programs in the years ahead, and today's resource decisions made at the state level of government will affect tomorrow's resource allocations at the local level—and *vice versa*.

Fiscal Questions Being Studied

In the Institute's study of cost-effective strategies for the criminal justice system in Washington, four questions are being asked:

- *Which types of prevention programs pay for themselves, which do not?*
- *What level of success is necessary for prevention strategies to be cost-effective?*
- *Are there prevention programs in Washington or elsewhere in the United States that have been proven to work and could save money if implemented in Washington?*
- *Can a fiscal cost-benefit framework assist the state in setting sentencing policies for adults and juveniles?*

⁶ See Greenwood, Peter W., Karyn E. Model, C. Peter Rydell, James Chiesa, *Diverting Children From a Life of Crime, Measuring Costs and Benefits*, Santa Monica, California: RAND, 1996. The recent RAND study was an attempt to see how the economics of four different national prevention programs would fare if implemented in California. The Institute's study of the costs and benefits of crime prevention and sentencing policies for Washington State takes a more comprehensive approach than the RAND analysis. The Institute's cost model includes estimates of state and local juvenile justice costs and crime victimization costs, in addition to adult criminal justice costs.

Next Steps in the Inquiry. The Institute has set a research schedule to provide answers to the fiscal questions posed in this progress report. The Institute will provide the legislature with research findings in the following areas:

- **What Works: Cost-Effective Policy and Program Options.** The Institute is working with researchers at the University of Washington to review violence prevention efforts that have been tried in the United States. The national literature is being examined and program outcomes will be tested in the Institute's cost-benefit model. Reports to the legislature will cover two topics: (1) what policies or programs have been shown to work elsewhere, and (2) would those efforts be *fiscally* cost-effective if implemented in Washington. *Due Date: Interim Report, September 1997.*
- **An Evaluation of Washington's "Early Intervention Program."** The 1996 Legislature appropriated \$2.35 million for a juvenile court project administered at the county level. The state's juvenile court administrators requested this funding to demonstrate the value of intensive interventions with high-risk juvenile offenders before they become entrenched in the court system. The Institute's outcome evaluation will focus on the re-conviction behavior of the participants compared to a similar group of juveniles receiving standard probation services. We will assess the level of program success necessary for the state's investment to be cost-effective. *Due Date: Interim Report, July 1997.*
- **Criminal Careers.** The Institute has been analyzing state information on the criminal careers of offenders in Washington. Several sources are being used: the Office of the Administrator for the Courts, the State Sentencing Guidelines Commission, the Juvenile Rehabilitation Administration, the Department of Corrections, and the Washington Association of Sheriffs and Police Chiefs. This analysis will describe the paths of re-offending for adults and juveniles, especially violent offenders. The Institute's cost-benefit model uses the information to estimate future criminal justice system expenditures.
- **Cost Savings Beyond the Criminal Justice System.** To date, the Institute's analysis has focused on the potential of prevention or deterrence policies to save fiscal costs in Washington's criminal justice system. While criminal justice costs are the major source of savings, other fiscal reductions are possible as well. Some national research has shown that successful prevention programs can produce reductions in education and welfare costs, in addition to criminal justice system savings. These estimates will be studied for Washington.

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