



# RESEARCH SUMMARY

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## THE COST OF CRIME: COULD THE STATE REDUCE FUTURE CRIME AND SAVE MONEY BY EXPANDING EDUCATION AND TREATMENT PROGRAMS ?

By Stephanie Martin and Steve Colt

Alaska's prison population is among the fastest-growing in the U.S., with five times more inmates in 2007 than in 1981. Spending for the state justice system has nearly doubled since 1981—but the crime rate has dropped only about 30%.

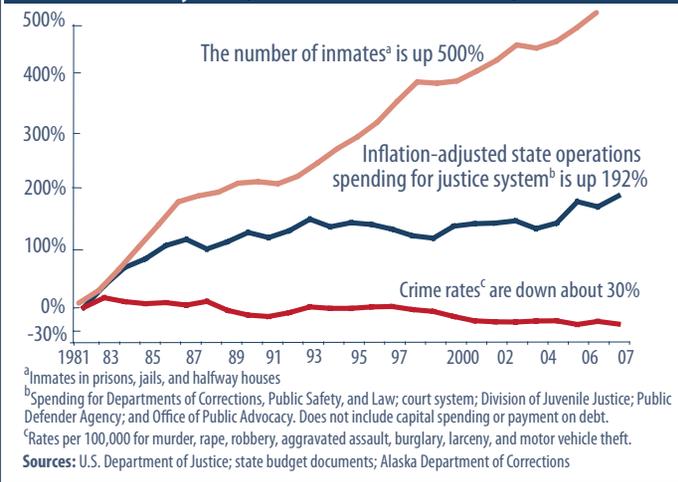
Here's the dilemma for the state, given the pattern shown in Figure 1: what can it do to hold down the number of inmates and stem the rising costs—while at the same time keeping the public safe and using tax dollars effectively?

Senator Hollis French asked ISER to project growth in the number of Alaska inmates and the associated costs—and then evaluate whether the state could reduce that growth by expanding intervention and prevention programs for people already in prison or at risk of ending up there. Alaska currently spends about \$17 million a year for such programs, but they aren't available to many of those who might benefit from them.

There are a wide range of such programs. But it is programs for adults who are already in prison or jail that have the most potential to save money and reduce crime in the next 20 years. That's because they can reach the most people.

We know that without any intervention, about two-thirds of those who serve their sentences and are released commit new crimes. Stopping at least some of them from committing more crimes would not only help improve public safety but also reduce growth in both the number of inmates and in spending.

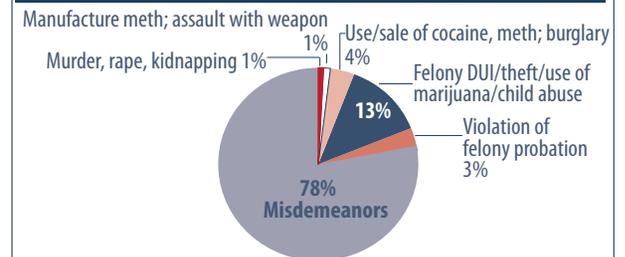
**Figure 1. Percentage Changes in Alaska Crime Rate, Spending for Justice System, and Number of Inmates, 1981-2007**



Also, most of those released committed misdemeanors (Figure 2). Those who commit the most serious crimes serve long sentences and make up a small share of those released in any given year.

To analyze which programs have the most potential to reduce crime and save the state money, we worked with the Alaska Criminal Justice Working Group and the Washington State Institute of Public Policy. That institute did a similar analysis for Washington state and provided us with data it collected from program evaluations nationwide (see back page). What did our study show?

**Figure 2. Who Gets out of Jail or Prison in Alaska? (Total Releases, 2002-2007: 82,339)**



Source: Alaska Department of Corrections

• With no change in policies, the number of Alaska inmates is likely to double by 2030, from 5,300 to 10,500.

• If the state spent an additional \$4 million a year to expand programs it already has, the prison population in 2030 might be 10% smaller than projected—about 1,050 fewer inmates.

• The state would spend about \$124 million for expanded programs through 2030 but would avoid \$445 million in costs—a savings of \$321 million. It would save money by incarcerating fewer people and by delaying prison construction costs. (Figures 3 and 8).

• Education and substance-abuse treatment programs—in prison, after prison, and instead of prison—save the state two to five times what they cost and reach the most people. Programs for teenagers are also very effective at reducing crime and saving money, but they reach fewer people.

**Figure 3. Potential Effects, Costs of, and Savings from Expanded Prevention or Intervention Programs**

### Immediate Costs

\$17 million: Current annual state spending on programs  
\$4 million: Additional spending every year to expand programs

### Long-Term Effects on Prison Population



By 2030, expanded programs could keep 1 in 10 people out of prison who would otherwise be there

### Long-Term Savings (2009-2030)

Cost of expanded programs\* \$124 million  
Savings: \$321 million  
Avoided inmate costs and delayed prison construction costs\* \$445 million

\*Assumes 2% annual inflation through 2030

## WHY CONSIDER EXPANDING PROGRAMS?

In 1980, 2 in 1,000 Alaskans were behind bars; today that share is approaching 10 in 1,000. The sharp increase started in the 1980s, when the state government began collecting large oil revenues. The state used some of that money to expand police agencies, courts, and other parts of the criminal justice system statewide. Also in the 1980s, it made sentencing for the most serious felonies more uniform and stiffened sentences.

The crime rate in Alaska has declined since the 1980s. But the number of Alaskans in prisons, jails, and halfway houses has increased much faster, as have costs for the state justice system. Alaska's prisons are full, and the 1,500-bed prison scheduled to open in 2012 is projected to be full soon after it opens.

Locking people up is expensive, whether their crimes are major or less serious. Alaska spends on average \$44,000 a year per inmate in prisons, jails, and halfway houses. Adjusted for inflation, that's actually less than in the 1980s—but it's still a lot (Figure 4).

Studies in other states have shown that some intervention and prevention programs can help cut both costs and crime, either by keeping people who have served their sentences from committing new crimes after they're released, or preventing some people from going to prison in the first place.

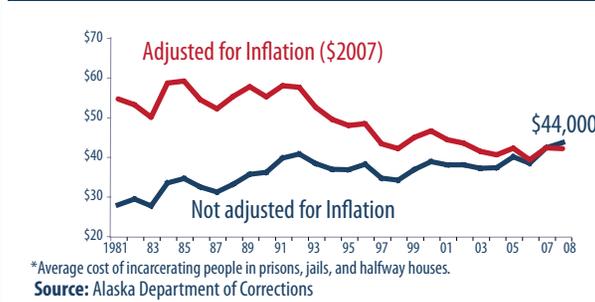
## WHAT PROGRAMS DID WE ANALYZE?

The Alaska Criminal Justice Working Group gave us a list of programs to analyze. We looked for programs with the biggest potential payoff for the state—those that could reduce growth in both numbers of inmates and in spending for corrections, at a reasonable cost for the state.

Alaska already has a number of programs in place, and we found that expanding some of those would be most cost-effective. Table 1 lists the programs in our final analysis. As a guideline for what was a "reasonable" expansion, we used 10% to 20% of the eligible people not already served—except for very small programs that can't easily be expanded that much.

These programs would serve inmates, at-risk juveniles, and young children. They are all intended to reduce future crime in some way. Programs that treat substance-abuse or mental health disorders have been shown to reduce recidivism—and as Figure 5 shows, almost all current inmates have those disorders.

**Figure 4. Annual State Costs Per Inmate,\* 1981-2008**  
(In Thousands of Dollars)



**Figure 5. How Many Alaska Inmates Have Substance Abuse or Mental Health Disorders?**



**Table 1. Current Size and Potential Expansion of Intervention and Prevention Programs<sup>a</sup>**

Programs	Currently serve	Reasonable expansion	Potentially eligible (2008)
<b>Prison-based programs</b>			
Education (adult basic; vocational)	More than 1,000	500	Almost all inmates (4,500)
Substance-Abuse (residential; intensive outpatient)	Close to 500	500	90% of inmates (approximately 4,000)
Sex-offender treatment <sup>b</sup>	0	50	10% of 500 eligible inmates
<b>Transition from prison</b>			
Transition for inmates with mental health disorders (Institutional Discharge Project)	70	100	36% of inmates (1,600)
<b>Alternatives to Incarceration</b>			
Mental health, drug, alcohol courts; electronic monitoring; residential substance-abuse treatment	500	500	Approximately 5,000 <sup>c</sup>
<b>Juvenile offenders</b>			
Aggression replacement training; family therapy; residential treatment; institutional transition	Approximately 500	1,000	Approximately 3,000
<b>Prevention</b>			
Head Start for 3- and 4-year olds from low-income families <sup>d</sup>	3,025	450	Approximately 8,000 <sup>e</sup>

<sup>a</sup>Programs included in our final analysis are those for which we found evidence that expansion would have significant pay-offs for the state at a reasonable cost. We evaluated additional programs not included here, either because there wasn't sufficient evidence to assess their effectiveness or because they weren't feasible to implement in Alaska at this time.

<sup>b</sup>To effectively reduce crime, sex offender treatment programs need to be offered in both prison and the community. Treatment is currently available only in the community, so the number served in prison is currently zero—but there are proposals to add treatment in prison.

<sup>c</sup>People facing low-level charges and with substance-abuse problems.

<sup>d</sup>Head Start is a federal program, but the state supplements federal money and Governor Sarah Palin has proposed additional state funding.

<sup>e</sup>We assume all children from families with up to double the poverty-level income would be eligible.

We looked at but excluded other programs from our final analysis. The criminal justice working group decided that a few programs, while effective elsewhere, wouldn't be feasible to implement in Alaska at this time. For other programs, there wasn't enough available evidence to judge how effective they were in saving money or reducing crime, or the available evidence showed them to be largely ineffective.

### How Do the Programs Compare?

As Figure 3 (front page) shows, expanding programs to serve more of the eligible people would save the state about \$321 million and reduce the projected number of inmates 10% by 2030. Figures 6 and 7 show how the various programs contribute to costs, savings, and reductions in the number of Alaskans behind bars.

- *Education and substance-abuse treatment programs for inmates save two to four times what they cost, reduce recidivism by about four percentage points, and can reach the most people.*

- *Intervention programs for juveniles who have committed crimes are very effective at saving money and reducing recidivism, but they serve a much smaller number of people.*

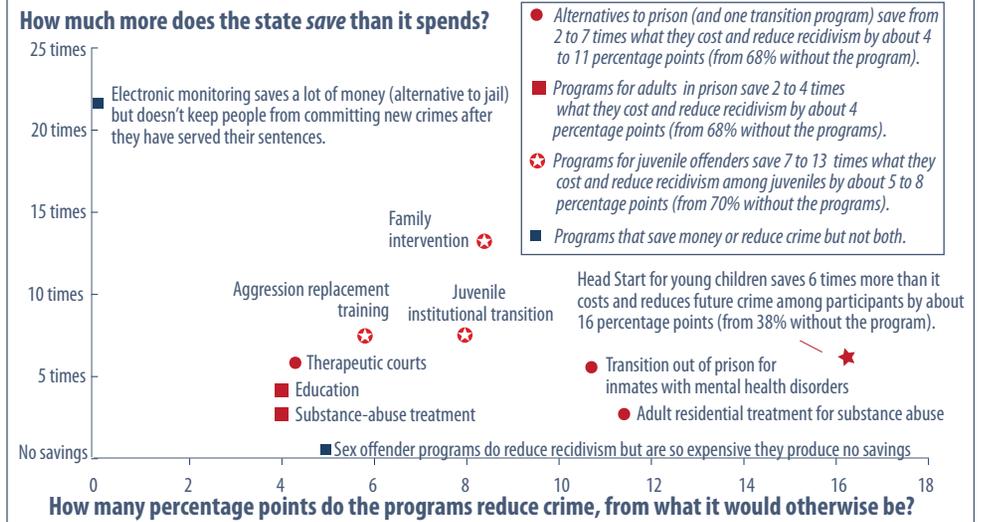
- *Programs that set up transition services for inmates with mental-health disorders coming out of prison are among the most effective—but they can't readily be expanded to serve the many people who could benefit from them.*

- *Alternatives to prison for some people charged with lesser offenses save the state money right away, and almost all reduce recidivism. The exception is electronic monitoring, which is inexpensive but hasn't been shown to reduce future crime.*

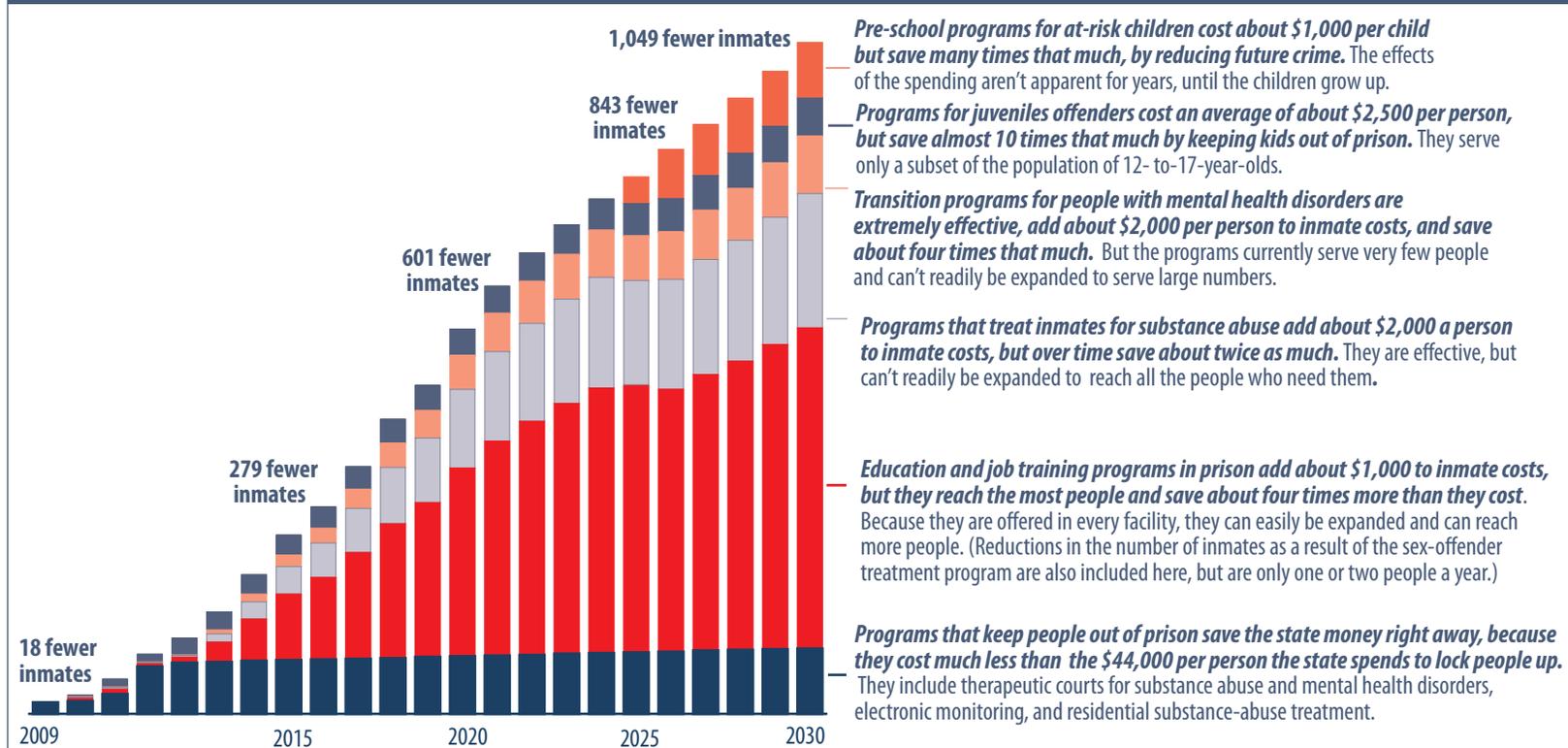
- *Treatment programs for sex offenders do reduce crime, but they are very expensive and so don't save the state money.*

- *Programs that prevent future crime by helping very young at-risk children are the most effective. But the effects of spending for those programs aren't apparent until many years later.*

**Figure 6. How Effective Are Various Programs at Saving Money and Reducing Crime?**



**Figure 7. How Would Expanding Specific Programs Contribute to Reducing Growth in Numbers of Inmates?**



## CONCLUSION

In conclusion, Figure 8 shows how Alaska's corrections system got where it is and where it's likely to go—if intervention and prevention programs are kept at their current levels, and if the most effective programs are expanded to serve more of the eligible people.

We found that the state could both reduce the number of Alaskans in prison or jail and save considerable money over the next 20 years, by adding about \$4 million a year to the \$17 million it currently spends to keep people from returning to prison—or prevent them from ever going there at all.

Spending more for these programs even as oil prices and state revenues are falling may not seem like a good idea. But Alaska also needs to look to the future—and over time the benefits of strategically expanding those programs that reduce crime and keep more Alaskans out of prison far outweigh the costs.

## METHOD OF ANALYSIS

Our job was to assess whether specific programs could reduce long-term state spending for corrections by reducing growth in the number of inmates. As a starting point, we needed evaluations of how effective various programs are at reducing future crime.

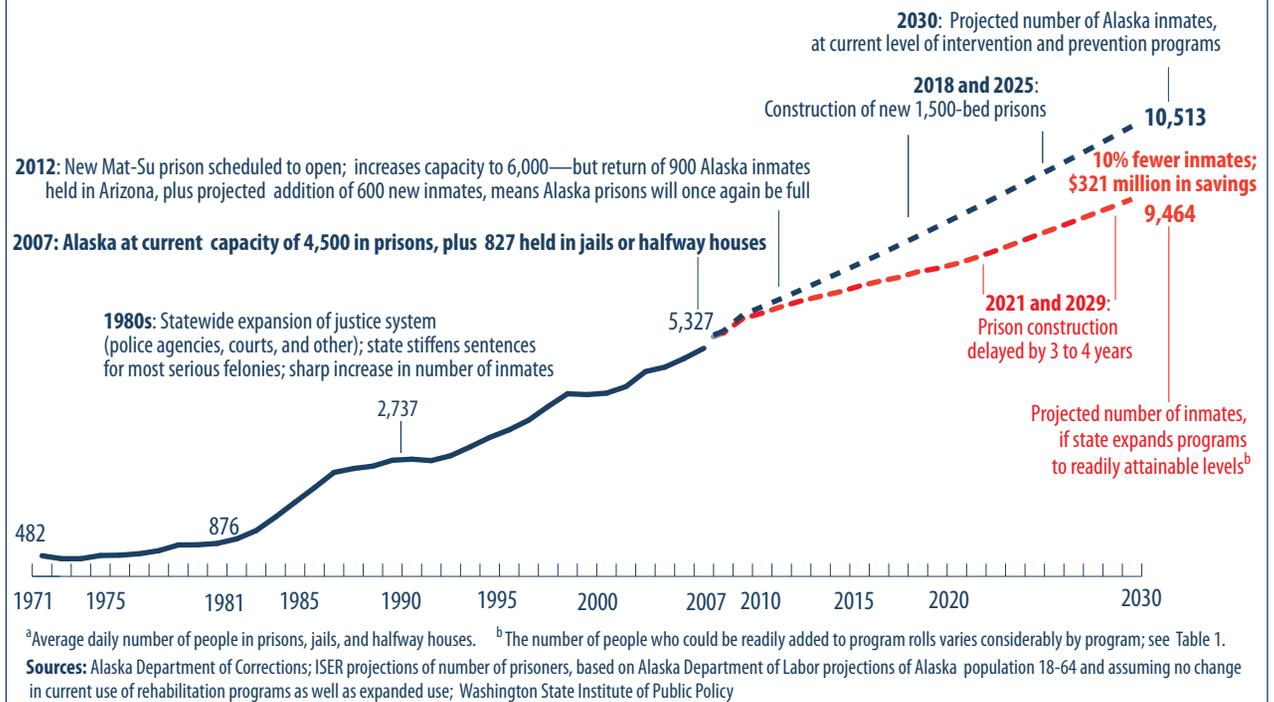
But except for some of the therapeutic court programs, most programs in Alaska have not been rigorously evaluated. Therefore, we used results of a Washington state assessment that systematically reviewed 571 program evaluations from around the country.

To be included, evaluations had to have carefully designed control groups, replicable results in multiple settings, and long-lasting effects. This method is evidence-based public policy, which merges research and practice. It is similar to clinical trials in medicine. Keep in mind that this is a new field, and only about 10% of programs in place nationwide have been evaluated at this standard.

With data from rigorous evaluations, the Washington State Institute of Public Policy created a model that estimated the effects of programs on recidivism—and then combined those results with a cost-benefit analysis to estimate the long-term effects on state spending and inmate populations.

We combined the institute's estimates of recidivism with Alaska data on program costs, eligible groups, and state population to estimate long-term effects on crime and state spending.

**Figure 8. Average Number of Alaska Inmates,<sup>a</sup> 1971-2007, and Projected Number, 2008-2030**



The authors thank the members of the Alaska Criminal Justice Working Group for their help in identifying programs to evaluate and for comments on drafts of this publication. The Alaska Legislature funded this group in 2007 and authorized the Alaska Judicial Council to act as its staff.

The group is chaired by a justice of the Alaska Supreme Court and Alaska's lieutenant governor. Other members include top policy-makers from the departments of Corrections, Public Safety, Health and Social Services, and Law, as well as the Alaska Mental Health Trust Authority; the heads of the Alaska Public Defender Agency and the Office of Public Advocacy; the administrative and deputy directors for the Alaska Court System; the executive director of the Judicial Council, the U.S. attorney, and Anchorage's police chief.

This group meets monthly to talk about long-term justice issues, as well as to resolve any inter-branch issues that come up among the many agencies and organizations that deal with aspects of Alaska's justice system.

The authors also thank Elizabeth Drake and Steve Aos of the Washington State Institute of Public Policy for developing the methods and models we used and for helping us apply them to Alaska. For more information go to [www.wsipp.wa.gov](http://www.wsipp.wa.gov).

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