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Executive Summary
**Efficiently Reducing Corrections Costs in Wisconsin:
 Applying the Washington State Model**

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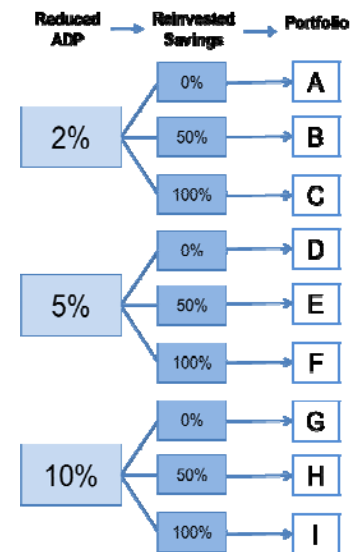
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Wisconsin has a higher incarceration rate and spends a greater percentage of its total state budget on corrections than neighboring states do. Wisconsin’s prison population is projected to increase 25 percent by 2019 at a taxpayer cost of \$2.5 billion. In light of a substantial projected state budget deficit, this analysis examines cost-beneficial policy options that could lower corrections costs in Wisconsin. The Washington State Institute for Public Policy has developed Sentencing Tool software to assist states in identifying evidence-based programs that can reduce crime and lower corrections costs. This approach involves first reducing costs by decreasing the average daily prison population and then deciding whether or not to reinvest the savings into evidence-based criminal justice intervention programs, and if so, how much to reinvest. This analysis uses the institute’s Sentencing Tool and Wisconsin data on crime, victimization, criminal justice expenditures, and intervention programming to examine the costs and benefits of nine combinations of prison population reduction and savings reinvestment. We refer to each of these combinations as a portfolio.

First, we projected three scenarios that would decrease the prison population by 2 percent, 5 percent, or 10 percent. This translates into incarcerating 450, 1,124, or 2,248 fewer low-risk prisoners. Second, for each scenario we took the savings from reduced incarceration and invested 0 percent, 50 percent, or 100 percent of it into evidenced-based programs (see figure on right). We selected eight intervention programs found by the institute to be highly effective in reducing crime outcomes,¹ and we targeted our reinvestments to maximize existing program capacity in Wisconsin. This resulted in nine portfolios, labeled A through I.

The table below presents the results of our analysis.² It shows how each portfolio, if implemented, would be expected to affect

Release and Reinvestment Portfolios



¹ The programs selected were Multidimensional Treatment Foster Care, Family Functional Therapy, and Family Integrated Transitions for juveniles; and vocational education, general education, cognitive-behavioral therapy, correctional industries, and intensive drug treatment for adults while in prison.

² For more information, see the full report at <http://www.lafollette.wisc.edu/publications/workingpapers/#2011-001>. The La Follette School of Public Affairs at the University of Wisconsin–Madison takes no stand on policy issues; opinions expressed in this paper reflect the views of individual researchers and authors.

victimizations (the number of crimes experienced), the costs associated with these victimizations (e.g., health care, therapy, lost wages, diminished quality of life), the savings to government as a result of reduced crime and incarceration, and the net social benefits. Net social benefits are equal to government savings (after taking into account the costs of intervention programming) plus avoided victim costs.

Net Social Benefits				
Portfolio	Change in Number of Victimization	Victim Costs Avoided (in millions)	Government Savings (in millions)	Net Social Benefits (in millions)
A	312	-\$1.0	\$9.7	\$8.7
B	-114	\$2.9	\$4.5	\$7.4
C	-723	\$8.9	\$0	\$8.9
D	752	-\$2.4	\$22.7	\$20.3
E	-490	\$9.8	\$11.3	\$21.1
F	-1,523	\$20.1	\$0	\$20.1
G	1,585	-\$5.1	\$45.4	\$40.3
H	-865	\$18.7	\$22.7	\$41.4
I	-3,273	\$42.5	\$0	\$42.5

Note: Net social benefits are avoided victim costs and government savings
Source: Authors

All nine portfolios yielded estimated net social benefits. The portfolios with significant reinvestment in evidence-based programs produced greater benefits than portfolios that did not reinvest. However, portfolios that reduced the prison population by a higher percentage could be considered riskier because they had greater variability in estimates of victimization and net benefits. The portfolios that did not reinvest in evidence-based programs always reduced public safety due to estimated increases in victimizations.

From a societal perspective, our analysis found *Portfolio I* to be the most cost-beneficial policy option—society as a whole gains the most through reduced costs to the government and the savings due to the reduction in victimization. *Portfolio G* predicted the greatest savings to government, and *Portfolio C* was the least risky and, thus, the most likely of the options to produce favorable results.

***Portfolio I* yielded the greatest societal savings.** Decreasing the average daily prison population by 10 percent (2,248 prisoners) and reinvesting 100 percent of the savings was the option with the highest estimated societal savings. This option predicted net social benefits of \$42.5 million and a decrease in victimizations of more than 3,000. This option also had the widest range of variability in its estimates.

***Portfolio G* yielded the greatest government savings.** Decreasing the average daily prison population by 10 percent (2,248 prisoners) and reinvesting 0 percent of the savings had the highest estimated government savings at \$45 million. This option resulted in an estimated increase of more than 1,500 victimizations, yielding net social benefits of about \$40 million.

***Portfolio C* was the least risky.** Decreasing the average daily prison population by 2 percent (450 prisoners) and reinvesting 100 percent of the savings was the least risky option in terms of crime reduction. This portfolio was the only one in which the possible number of new victimizations was very close to or less than zero for all estimates. This option yielded net social benefits of about \$9 million.