



November 1997

CORRECTIONS COSTS

As prison populations have increased, the State's corrections system has required an increasing proportion of state expenditures. Between fiscal years 1985-86 and 1995-96, when total general purpose revenue spending increased 67 percent, the average daily adult inmate population doubled and expenditures to incarcerate adult inmates increased 129.4 percent, from approximately \$121.6 million to an estimated \$279.0 million. The Department of Corrections predicts adult inmate populations and expenditures will continue to increase into the foreseeable future.

Wisconsin's Incarceration Costs Are Comparable to Those of Other States

Wisconsin's daily per inmate cost of \$53.51 ranks 30th among the states and is slightly higher than the average reported in a national survey. While differences among systems make cost comparisons among states extremely difficult to interpret, the largest single factor in corrections costs is staffing. Entry-level salaries for Wisconsin correctional officers are below the national average and the averages of other midwestern states. Wisconsin's overall inmate-to-security staff ratio is the same as the national average of 4.5 inmates per correctional officer, but Wisconsin employs more security staff per inmate than other midwestern states.

While costs vary significantly among correctional facilities within Wisconsin, we were not able to analyze those differences because the Department has not standardized reporting and record-keeping requirements, and individual facilities define and report their operating costs differently. For example, while all facilities provide rehabilitation programs, only four report those costs separately. Consequently, cost data reported by the Department cannot be used to evaluate the efficiency of individual facilities or to determine the areas of expenditure that are increasing the fastest. The Department must standardize financial reporting requirements for individual facilities to allow costs and potential efficiencies to be better analyzed.

Contracting Decisions Should Consider Cost and Other Factors

As incarceration costs have increased, corrections officials in Wisconsin and nationally have looked to privatization of services as one way of controlling or reducing costs. However, experience in Wisconsin and other states has shown that while it may be possible to reduce costs through contracting in some cases, in others the costs of contracting may exceed the costs of direct provision of services.

As of October 1997, the Department contracted for housing for 1,158 minimum- and medium-security inmates in Wisconsin and Texas county jails and a federal prison in Duluth, Minnesota. Contract costs are \$39.96 per inmate per day under the Texas contract, \$43.34 under the contract with the federal prison in Duluth, and \$60.00 under contracts with most Wisconsin counties. However, comparing Wisconsin's average daily cost to these contract costs does not recognize differences in the security levels and programs offered under contract, or the Department's costs related to contracting for bed space. For example, the Department does not transfer its highest-cost inmates—those requiring maximum security, or inmates with health conditions—to non-department facilities.

While the immediate cost-effectiveness of housing contracts has been of secondary concern because of overcrowding, cost-effectiveness should be of significant importance to the State in contracting for food and health services. However, contracting for such services does not always cost less. For example, the Department's contract costs for food and health services at the new Prairie du Chien facility are 21.8 percent higher than its average costs for providing similar services directly at institutions of similar size.

To manage its resources most effectively and ensure that the desired goals of contracting are actually met, whether they be cost savings or improved services, the Department will need to approach decisions to contract for services in a more systematic and businesslike manner. To do that, the State will need to establish clearly defined objectives against which contract services, costs, or performance can be assessed.

Rehabilitation Programs Need Evaluation

While the Department has limited flexibility in controlling security costs, it has considerably more discretion over rehabilitation costs, which accounted for approximately \$35.8 million in fiscal year 1995-96. In addition to work opportunities such as Badger State Industries, the Department provides a variety of other treatment- and education-based rehabilitation programs, such as basic academic education, vocational education, alcohol and other drug abuse treatment, sex offender treatment, aggression management, and other programs such as parenting programs and childhood abuse counseling.

Although most inmates with identified education or treatment needs receive at least one non-work rehabilitation program during their incarceration, several factors preclude every identified need from being met. These include overcrowded conditions that exceed capacity to provide programs, as well as the difficulty in meeting the rehabilitation needs of those incarcerated for only short periods of time. However, the Department does not gather information to determine why inmates do or do not receive programs, or to manage existing resources most effectively. Improvements to information on rehabilitation activity are needed so that the effect of specific program decisions—such as standardizing curricula among facilities—can be evaluated in the future.

[View full summary](#)