

# How is Your Portfolio Doing?

*Evidence-Based Policy Options To Reduce  
Prison Construction, Criminal Justice Costs,  
and Crime Rates*

**Wisconsin Family Impact Seminar  
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Olympic

Seattle

Washington State Institute For Public Policy

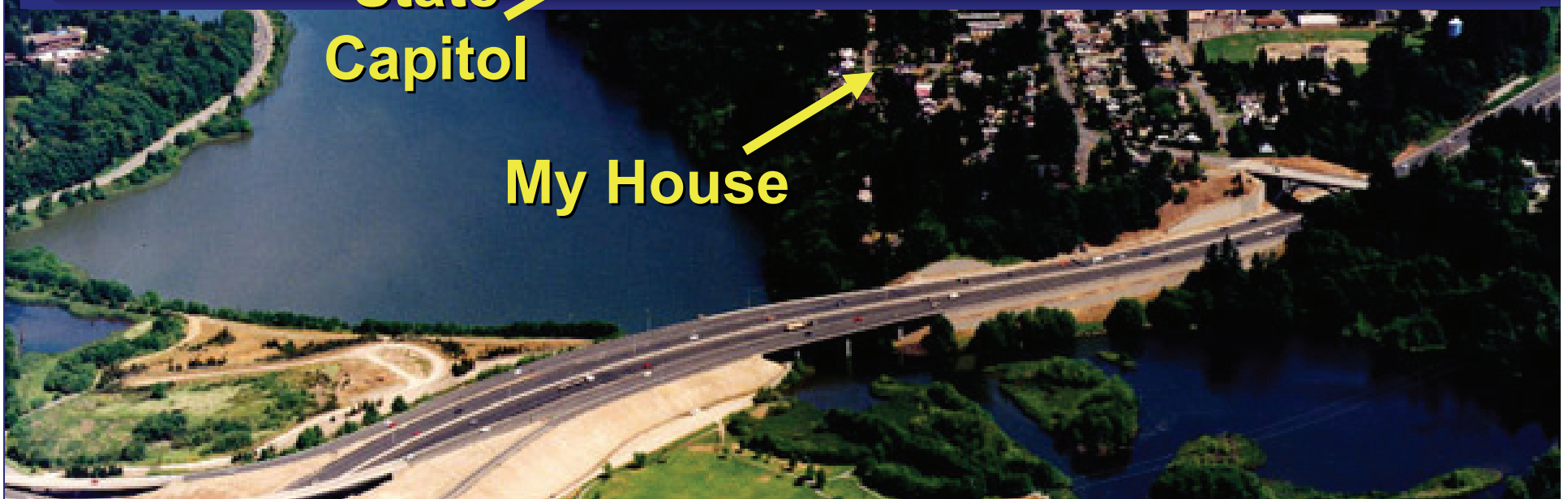
Created by the 1983 Washington Legislature

WSIPP

Mission: carry out non-partisan research on projects assigned by the legislature or the Institute's Board of Directors

State  
Capitol

My House



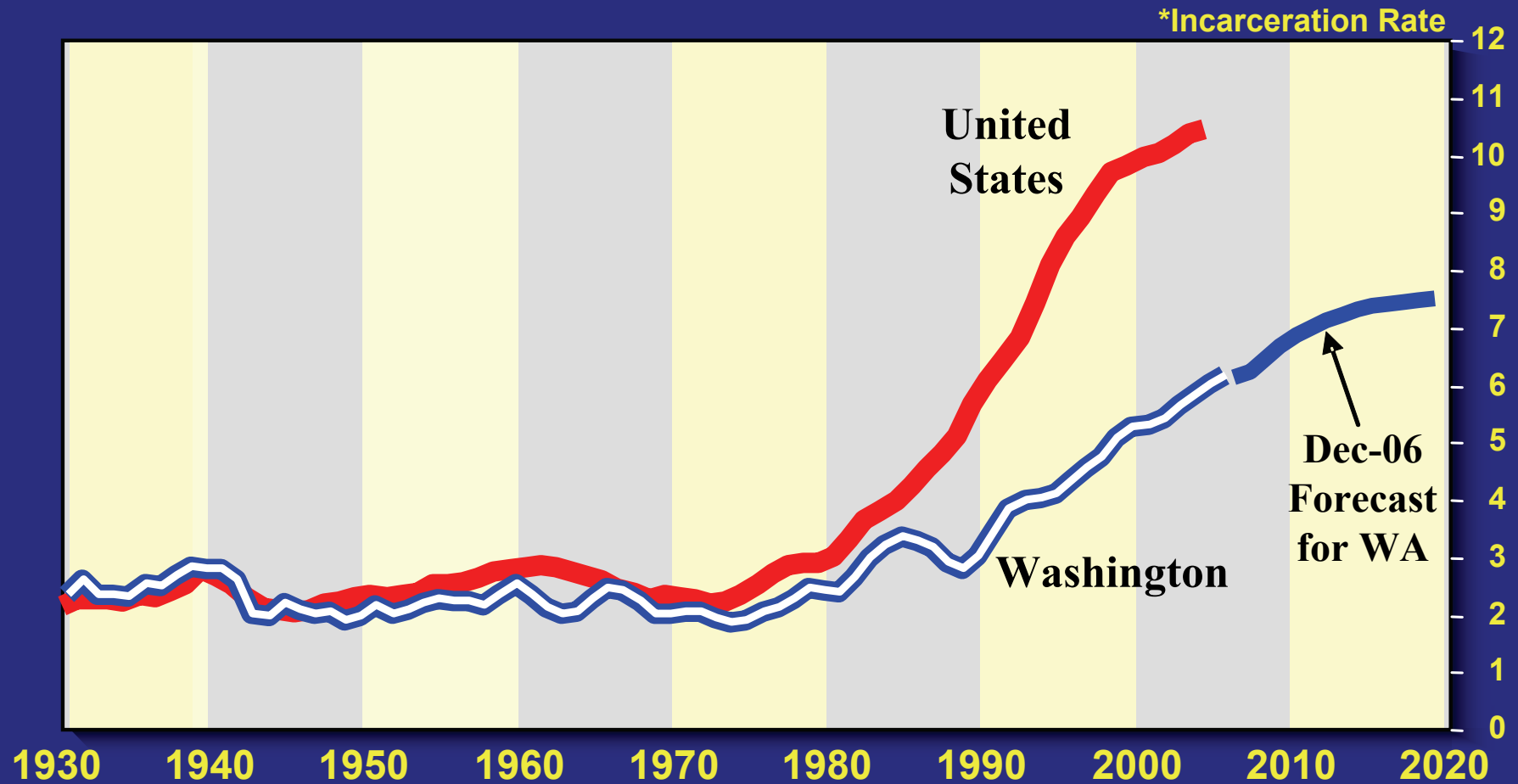
# *Topics*

1. What Works? What's Economic?
2. Results from Our 2006 Study & 2007 Washington Legislative Action

*The “Take Home” Message?*

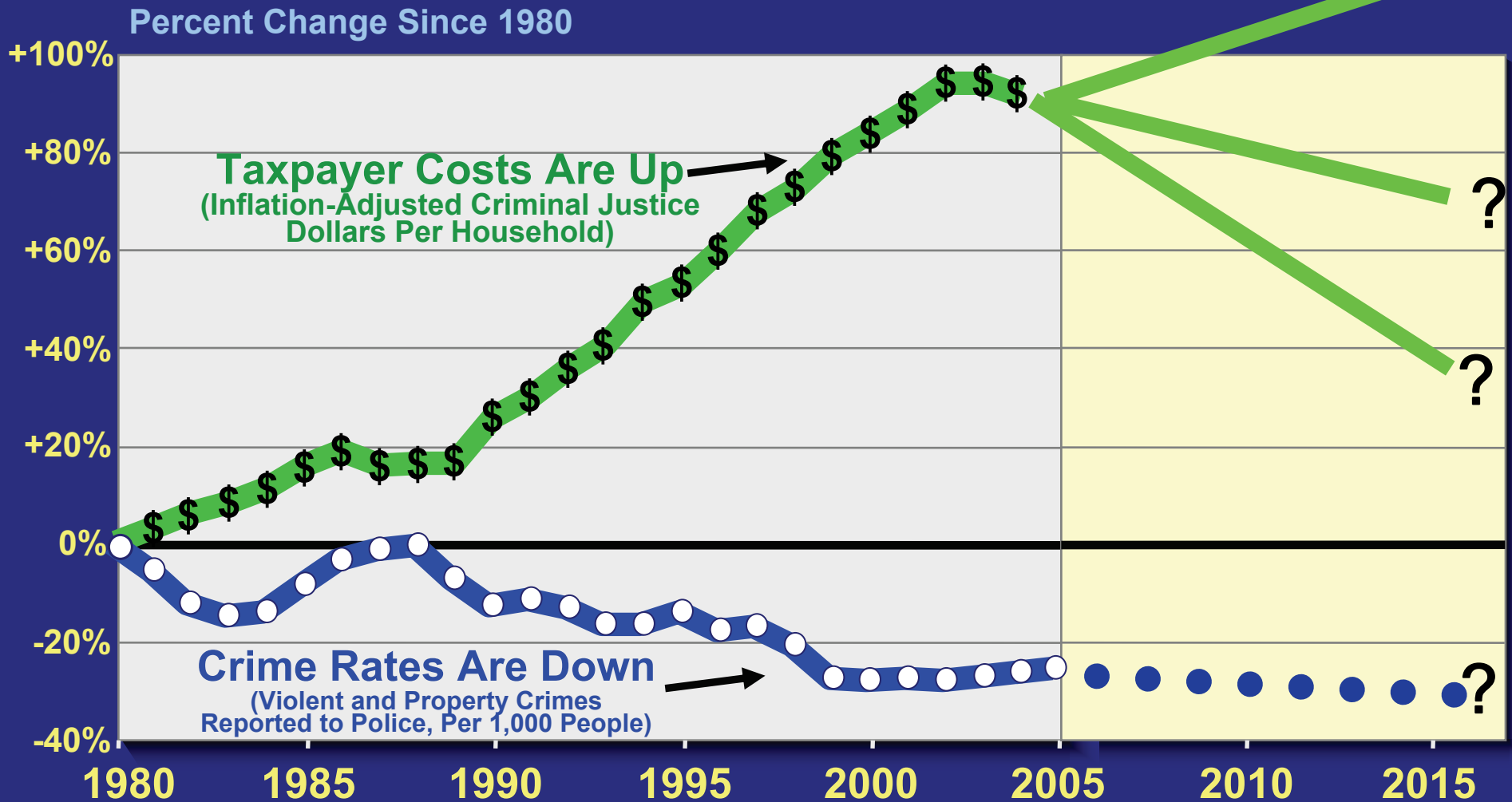
**The “Magic” of  
Compound Interest!**  
(Small gains, over time, matter a lot)

# Adult Prison Incarceration Rates: 1930 to 2005



\*The incarceration rate is defined as the number of inmates in state prisons per 1,000 18- to 49-year-olds in Washington or the United States.

# Crime Rates and Taxpayer Costs



All Data are for Washington State: 1980 to 2005

## **2005 Legislative Direction** (ESSB 6094):

- ✓ *“Study options to stabilize future **prison populations.**”*
- ✓ *“Study the net short-run and long-run **fiscal savings to state and local governments** of implementing...
  - **evidence-based treatment human service and corrections programs and policies, including prevention and intervention programs,**
  - **sentencing alternatives,**
  - **and the use of risk factors in sentencing.”***
- ✓ *“**Project total fiscal impacts** under alternative implementation scenarios.”*

**We published our report in October, 2006**

# ***“Evidence-Based” Public Policy Levers to Affect Crime***

✓ Prisons/Jails

✓ Police

✓ Programs

**All three cost money** (no free lunch)

**All three can be effective** (or ineffective)

**Therefore, → Portfolio**

# ***Our Research Approach***

## **3 Steps**

### **1. What works & what doesn't?**

- ✓ We located 571 **rigorous** (comparison group), **real world** evaluations of **adult** and **juvenile** corrections programs, & **prevention**

### **2. What are the economics of each option?**

- ✓ We estimated the **taxpayer** and **crime victim** benefits and costs to people in Washington

### **3. How would alternative “portfolios” affect future prison demand, spending, & crime?**

- ✓ We assessed market potential & developed **Current Level**, **“Moderate”** & **“Aggressive”** portfolios



# Our “Consumer Reports” List

## 1. What Works?

## 2. What Doesn't?

## 3. What Are the Benefits & Costs?

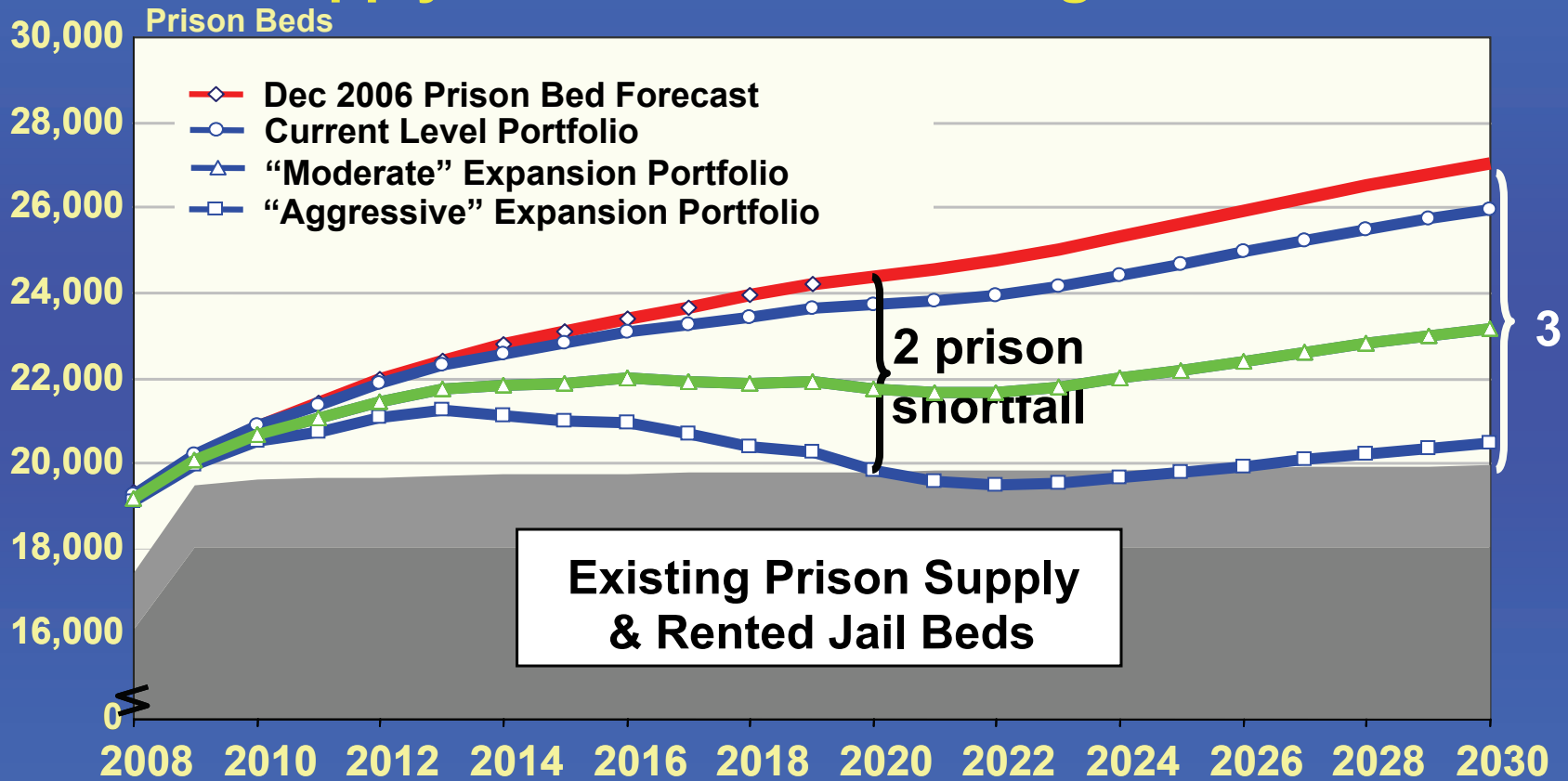
Exhibit 4 Reducing Crime With Evidence-Based Options: What Works, and Benefits & Costs					
Washington State Institute for Public Policy Estimates as of October, 2006	Effect on Crime Outcomes Percent change in crime outcomes, & the number of evidence-based studies on which the estimate is based (in parentheses)	Benefits and Costs (Per Participant, Net Present Value, 2006 Dollars)			
		Benefits to Crime Victims (of the reduction in crime)	Benefits to Taxpayers (of the reduction in crime)	Costs (marginal program cost, compared to the cost of alternative)	Benefits (total) Minus Costs (per participant)
<b>Programs for People in the Adult Offender System</b>					
Vocational education in prison	-9.0% (4)	\$8,114	\$6,806	\$1,182	\$13,738
Intensive supervision: treatment-oriented programs	-16.7% (11)	\$9,318	\$9,369	\$7,124	\$11,563
General education in prison (basic education or post-secondary)	-7.0% (17)	\$6,325	\$5,306	\$962	\$10,669
Cognitive-behavioral therapy in prison or community	-6.3% (25)	\$5,658	\$4,746	\$105	\$10,299
Drug treatment in community	-9.3% (6)	\$5,133	\$5,495	\$574	\$10,054
Correctional industries in prison	-5.9% (4)	\$5,360	\$4,496	\$417	\$9,439
Drug treatment in prison (therapeutic communities or outpatient)	-5.7% (20)	\$5,133	\$4,306	\$1,604	\$7,835
Adult drug courts	-8.0% (57)	\$4,395	\$4,705	\$4,333	\$4,767
Employment and job training in the community	-4.3% (16)	\$2,373	\$2,386	\$400	\$4,359
Electronic monitoring to offset jail time	0% (9)	\$0	\$0	-\$870	\$870
Sex offender treatment in prison with aftercare	-7.0% (6)	\$6,442	\$2,885	\$12,585	-\$3,258
Intensive supervision: surveillance-oriented programs	0% (23)	\$0	\$0	\$3,747	-\$3,747
Washington's Dangerously Mentally Ill Offender program	-20.0% (1)	\$18,020	\$15,116	n/e	n/e
Drug treatment in jail	-4.5% (9)	\$2,481	\$2,656	n/e	n/e
Adult boot camps	0% (22)	\$0	\$0	n/e	n/e
Domestic violence education/cognitive-behavioral treatment	0% (9)	\$0	\$0	n/e	n/e
Jail diversion for mentally ill offenders	0% (11)	\$0	\$0	n/e	n/e
Life Skills education programs for adults	0% (4)	\$0	\$0	n/e	n/e
<b>Programs for Youth in the Juvenile Offender System</b>					
Multidimensional Treatment Foster Care (v. regular group care)	-22.0% (3)	\$51,828	\$32,915	\$6,945	\$77,798
Adolescent Diversion Project (for lower risk offenders)	-19.9% (6)	\$24,328	\$18,208	\$1,913	\$40,623
Family Integrated Transitions	-13.0% (1)	\$30,708	\$19,502	\$9,665	\$40,545
Functional Family Therapy on probation	-15.9% (7)	\$19,529	\$14,617	\$2,325	\$31,821
Multisystemic Therapy	-10.5% (10)	\$12,855	\$9,622	\$4,264	\$18,213
Aggression Replacement Training	-7.3% (4)	\$8,897	\$6,659	\$897	\$14,660
Teen courts	-11.1% (5)	\$5,907	\$4,238	\$936	\$9,208
Juvenile boot camp to offset institution time	0% (14)	\$0	\$0	-\$8,077	\$8,077
Sex offender cognitive-behavioral treatment	-10.2% (5)	\$32,515	\$8,377	\$33,064	\$7,829
Restorative justice for low-risk offenders	-8.7% (21)	\$4,628	\$3,320	\$880	\$7,067
Interagency coordination programs	-2.5% (15)	\$3,084	\$2,308	\$205	\$5,186
Juvenile drug courts	-3.5% (15)	\$4,232	\$3,167	\$2,777	\$4,622
Regular surveillance-oriented parole (v. no parole supervision)	0% (2)	\$0	\$0	\$1,201	-\$1,201
Juvenile intensive probation supervision programs	0% (3)	\$0	\$0	\$1,598	-\$1,598
Juvenile wilderness challenge	0% (9)	\$0	\$0	\$3,085	-\$3,085
Juvenile intensive parole supervision	0% (10)	\$0	\$0	\$6,460	-\$6,460
Scared Straight	+6.8% (10)	-\$8,355	-\$6,253	\$58	-\$14,667
Counseling/psychotherapy for juvenile offenders	-18.9% (6)	\$23,126	\$17,309	n/e	n/e
Juvenile education programs	-17.5% (3)	\$41,181	\$26,153	n/e	n/e
Other family-based therapy programs	-12.2% (12)	\$15,006	\$11,231	n/e	n/e
Team Child	-10.9% (2)	\$5,759	\$4,131	n/e	n/e
Juvenile behavior modification	-8.2% (4)	\$19,271	\$12,238	n/e	n/e
Life skills education programs for juvenile offenders	-2.7% (3)	\$6,441	\$4,091	n/e	n/e
Diversion progs. with services (v. regular juvenile court)	-2.7% (20)	\$1,441	\$1,034	n/e	n/e
Juvenile cognitive-behavioral treatment	-2.5% (8)	\$3,123	\$2,337	n/e	n/e
Court supervision vs. simple release without services	0% (8)	\$0	\$0	n/e	n/e
Diversion programs with services (v. simple release)	0% (7)	\$0	\$0	n/e	n/e
Juvenile intensive probation (as alternative to incarceration)	0% (5)	\$0	\$0	n/e	n/e
Guided Group Interaction	0% (4)	\$0	\$0	n/e	n/e
<b>Prevention Programs (crime reduction effects only)</b>					
Nurse Family Partnership-Mothers	-56.2% (1)	\$11,531	\$8,161	\$5,409	\$14,283
Nurse Family Partnership-Children	-16.4% (1)	\$8,632	\$4,922	\$733	\$12,822
Pre-K education for low income 3 & 4 year olds	-14.2% (8)	\$8,145	\$4,644	\$593	\$12,196
Seattle Social Development Project	-18.6% (1)	\$1,605	\$4,341	n/e	n/e
High school graduation	-10.4% (1)	\$1,738	\$2,851	n/e	n/e
Guiding Good Choices	-9.1% (1)	\$570	\$2,092	n/e	n/e
Parent-Child Interaction Therapy	-3.7% (1)	\$268	\$784	n/e	n/e
<b>Program types in need of additional research &amp; development before we can conclude they do or do not reduce crime outcomes:</b>					
<b>Programs needing more research for people in the adult offender system</b>					
Case management in the community for drug offenders	0% (13)				Findings are mixed for this broad grouping of programs.
COASA (Faith-based supervision of sex offenders)	-22.3% (1)				Too few evaluations to date.
Day fines (compared to standard probation)	0% (1)				Too few evaluations to date.
Domestic violence courts	0% (2)				Too few evaluations to date.
Faith-based programs	0% (5)				Too few evaluations to date.
Intensive supervision of sex offenders in the community	0% (4)				Findings are mixed for this broad grouping of programs.
Medical treatment of sex offenders	-21.4% (1)				Too few evaluations to date.
Mixed treatment of sex offenders in the community	0% (2)				Too few evaluations to date.
Regular parole supervision vs. no parole supervision	0% (1)				Too few evaluations to date.
Restorative justice programs for lower risk adult offenders	0% (6)				Findings are mixed for this broad grouping of programs.
Therapeutic community programs for mentally ill offenders	-20.8% (2)				Too few evaluations to date.
Work release programs (from prison)	-4.3% (4)				Too few recent evaluations.
<b>Programs needing more research for youth in the juvenile offender system</b>					
Dialectical Behavior Therapy	0% (1)				Too few evaluations to date.
Increased drug testing (on parole) vs. minimal drug testing	0% (1)				Too few evaluations to date.
Juvenile curfews	0% (1)				Too few evaluations to date.
Juvenile day reporting	0% (2)				Too few evaluations to date.
Juvenile jobs programs	0% (3)				Too few recent evaluations.
Juvenile therapeutic communities	0% (1)				Too few evaluations to date.
Mentoring in juvenile justice	0% (1)				Too few evaluations to date.

# Evidence-Based Programs: *Selected Results*

	Expected Change In <b>Crime</b> (# of EB Studies)	Benefits Minus Costs (per-person, life cycle)
<b><u>Adult Offenders</u></b>		
Adult Drug Courts	-8.0% (57)	\$4,767
Education Prgs., Prison	-7.0% (17)	\$10,669
Drug Tx in Prison (TC or out-patient)	-5.7% (20)	\$7,835
Cog-Behavioral Treatment	-6.3% (25)	\$10,299
ISP: surveillance	-0.0% (23)	-\$3,747
ISP: treatment	-17.1% (11)	\$11,563
Electronic Monitoring	-0.0% (9)	\$870
<b><u>Juvenile Offenders</u></b>		
Functional Family Thpy.	-15.9% (7)	\$31,821
Family Int. Transitions	-13.0% (1)	\$40,545
Aggression Repl. Trng.	-7.3% (4)	\$14,660
Restorative Justice (low risk)	-8.7% (21)	\$7,067
<b><u>Prevention</u></b>		
Pre-School* (low income)	-14.2% (8)	\$12,196
Nurse Family Partnership*	-36.3% (2)	\$27,105

# Results for Three Example Portfolios of Evidence-Based Options

## Prison Supply & Demand in Washington: 2008 to 2030



### Taxpayer Summary Statistics

	Current Level	Moderate	Aggressive
Annual cost of portfolio	\$41 million	\$63 million	\$85 million
Long-run net taxpayer benefits	\$1.1 billion	\$1.7 billion	\$2.4 billion
Benefit-to-cost ratio	\$2.45	\$2.55	\$2.60
Return on investment	24%	27%	28%
Crime Rate in 2020 (2005 rate = 52)	48	48	49

# ***Reducing Crime and Taxpayer Costs***

- ✓ **COMPENSIVE & LONG-TERM ...**  
**Adult offender programs and juvenile offender and prevention programs need to be in the portfolio.**  
**Compound Interest: Small gains, over time, matter a lot.**
- ✓ **ASSESSMENT ...**Use formal assessment tools to align the right criminal justice resource with the right offender.
- ✓ **STATE & LOCAL EFFORTS ...**Fiscal and policy coordination is vital for many adult, juvenile, and prevention options.
- ✓ **PROGRAM ACCOUNTABILITY ...**It's critical to implement programs with quality control ("Starbucks")
- ✓ **EXPERIMENT ...**Try some non "evidence-based" approaches as well; evaluate the results rigorously

October 2006

## EVIDENCE-BASED PUBLIC POLICY OPTIONS TO REDUCE FUTURE PRISON CONSTRUCTION, CRIMINAL JUSTICE COSTS, AND CRIME RATES<sup>‡</sup>

Current long-term forecasts indicate that Washington will need two new prisons by 2020 and possibly another prison by 2030. Since a typical new prison costs about \$250 million to build and \$45 million a year to operate, the Washington State Legislature expressed an interest in identifying alternative "evidence-based" options that can: a) reduce the future need for prison beds, b) save money for state and local taxpayers, and c) contribute to lower crime rates.

The 2005 Legislature directed the Washington State Institute for Public Policy (Institute) to report, by October 2006, whether evidence-based and cost-beneficial policy options exist.

If economically sound options are available, then the Legislature also directed the Institute to project the total impact of alternative implementation scenarios.<sup>1</sup>

This report describes our results to date. We begin by providing background information on historic and projected incarceration rates in Washington, as well as a history of crime rates and fiscal costs of the criminal justice system. We then describe the process we use to determine if evidence-based and economically sound options exist and we present our findings. This is followed by our projections of the impact of alternative implementation scenarios. We conclude by discussing some implications of the findings and next steps. For technical readers, appendices begin on page 18 and describe our research methods and results in greater detail.

<sup>‡</sup>Suggested citation: Steve Aos, Maria Miller, and Elizabeth Drake. (2006). *Evidence-Based Public Policy Options to Reduce Future Prison Construction, Criminal Justice Costs, and Crime Rates*. Olympia: Washington State Institute for Public Policy.

### Summary

Under current long-term forecasts, Washington State faces the need to construct several new prisons in the next two decades. Since new prisons are costly, the 2005 Washington Legislature directed the Washington State Institute for Public Policy to project whether there are "evidence-based" options that can:

- reduce the future need for prison beds,
- save money for state and local taxpayers,
- contribute to lower crime rates.

We conducted a systematic review of all research evidence we could locate to identify what works, if anything, to reduce crime. We found and analyzed 529 rigorous comparison-group evaluations of adult corrections, juvenile corrections, and prevention programs, most of which were conducted in the United States. We then estimated the costs and benefits of many of these evidence-based options. Finally, we projected the degree to which alternative "portfolios" of these programs could affect future prison construction needs, criminal justice costs, and crime rates in Washington.

We find that some evidence-based programs can reduce crime, but others cannot. Per dollar of spending, several of the successful programs produce favorable returns on investment. Public policies incorporating these options can yield positive outcomes for Washington.

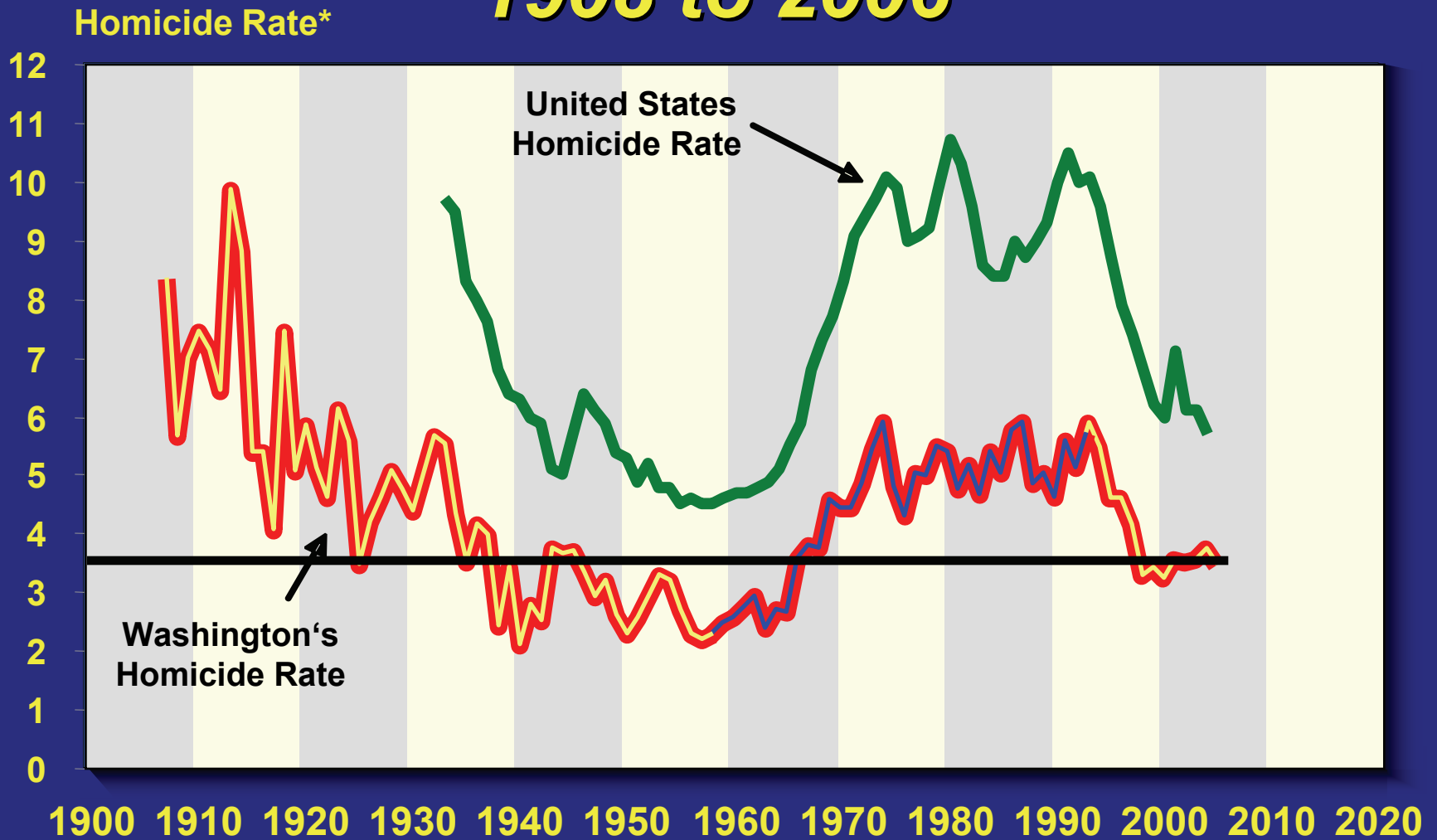
We project the long-run effects of three example portfolios of evidence-based options: a "current level" option as well as "moderate" and "aggressive" implementation portfolios.

We find that if Washington successfully implements a moderate-to-aggressive portfolio of evidence-based options, a significant level of future prison construction can be avoided, taxpayers can save money, and crime rates can be reduced.



**Thank You!**

# Homicide Rates: 1908 to 2006

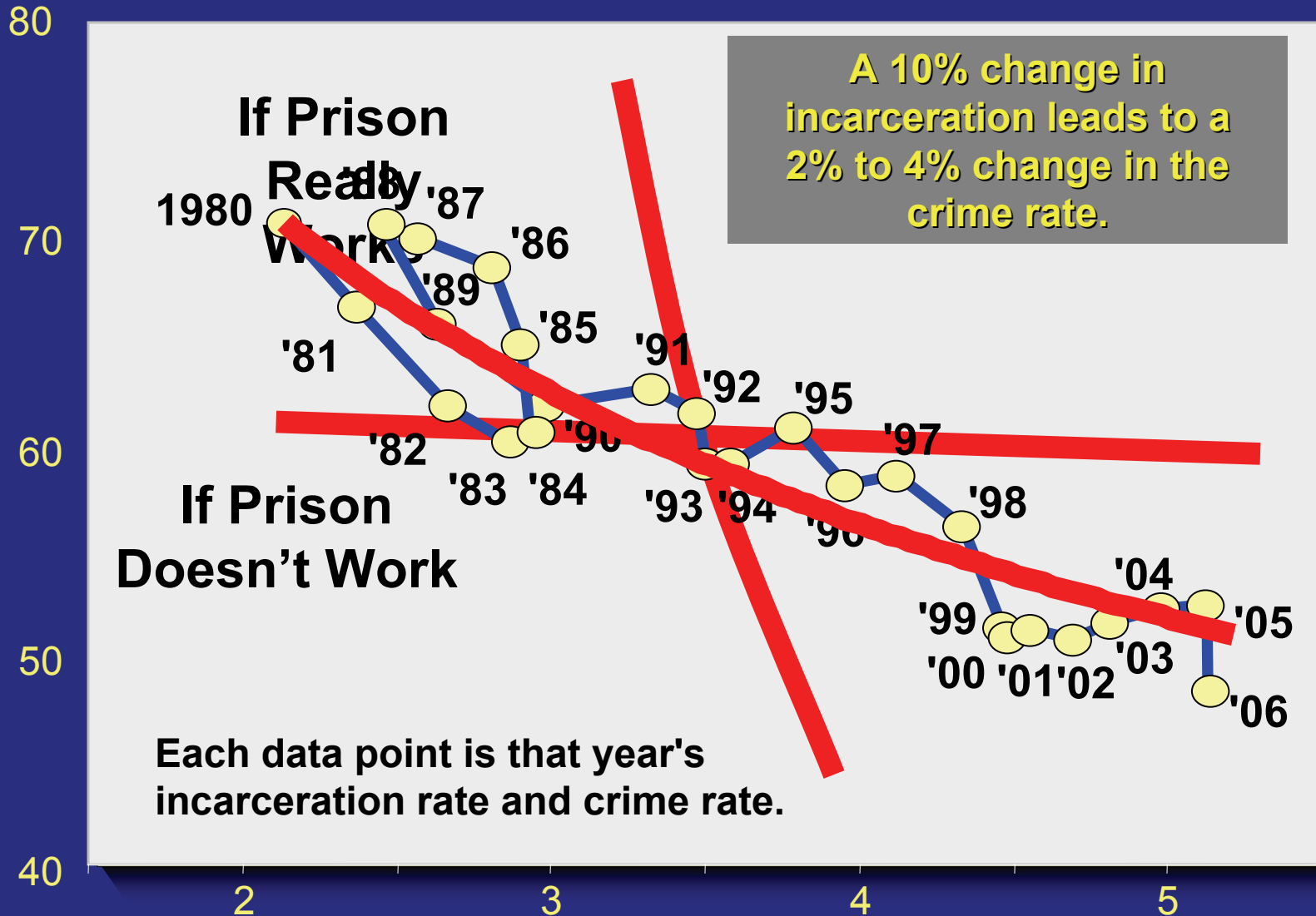


\*Homicide rate defined as the number of deaths (classified as homicides by coroners) per 100,000 population.

# Prison Economics 101:

## Does Prison Affect the Crime Rate?

Washington's Crime Rate  
(non-drug crimes per 1,000 pop)



Washington's Incarceration Rate (ADP per 1,000 pop) 12 of 16



# Prison Econ. 102: Diminishing Returns:

As Incarceration Rates are Raised,  
the Number of Crimes Avoided Declines

