

State Budget Implications of Prison Growth in Iowa

Matt De Lisi
Terry L. Besser
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A report for

The Iowa Policy Project

318 2nd Avenue North, Mount Vernon, Iowa 52314
319-643-3628 (phone) – 319-895-0022 (fax)
www.iowapolicyproject.org

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By Matt De Lisi and Terry L. Besser

Prisons are a growth industry in Iowa and around the nation. By 1998, the U.S. prison population had grown to 1,302,019, almost four times its 1980 level of 329,821 (U.S. Department of Justice, 1999). Trends in Iowa match the national picture. Iowa housed 3,842 prison inmates in 1990. By 2001 that number had increased by 111 percent (8,101 inmates in June 2001) and is projected to increase by another 52 percent to 12,318 by 2011 (Iowa Department of Human Rights, 2001). Already in early 2003, the number had surpassed 8,500.

The exponential growth in the last two decades in the number of people incarcerated by the state poses significant challenges for state and local policy makers. In this study, we examine only the state budget implications of prison growth. This is not to diminish the importance of other ramifications. However, since prison construction and operations consume an ever-increasing share of state expenditures, it is essential that Iowa citizens and legislators understand the public policy decisions that have contributed to the current challenges.

Growth of the Iowa Prison Population

Major challenges facing Iowa government are how to effectively protect the community and supervise criminal offenders. Under the broad title of supervision are two sometimes-competing objectives, punishment and rehabilitation. People differ sharply about the severity of punishment needed, the state's obligations to rehabilitate offenders, whether correctional clients should work while under supervision, and how to reintegrate offenders back into local communities.

In the past 20 years, Iowa has expanded the role of corrections in society. This expansion has taken two general forms. First, Iowa is imprisoning more offenders than ever before. Second, Iowa has "widened the net" of community corrections, such that 37,310 Iowans are on probation and 5,493 are on parole. Iowa ranks 40th in the United States in per capita correctional population although criminal justice expenditures are a significant portion of the state budget. While many aspects of crime and its punishment are marked by ideological disagreement, taxpayers and policymakers across the political spectrum agree on one thing: Supervising criminals should be cost-effective.

Iowa's prisoner population has increased substantially in recent decades. From 1930 (when data were first reliably collected) until 1980, the prison population hovered at about 100

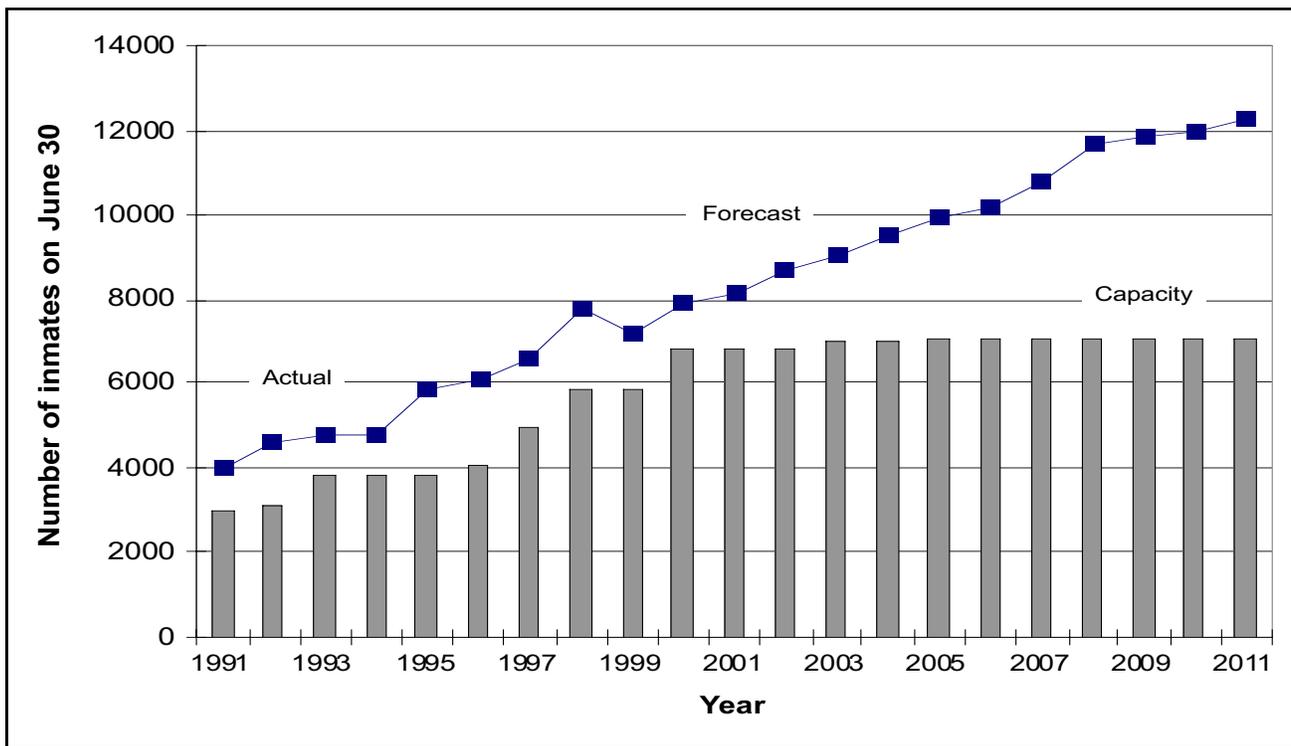
Dr. Matt De Lisi, Ph.D., is an assistant professor in the Department of Sociology and coordinator of the Criminal Justice Studies Program at Iowa State University. DeLisi, whose areas of expertise are habitual criminals and criminological theory, has published nearly 20 scholarly articles on career criminals and related topics.

Dr. Terry L. Besser, Ph.D., is an associate professor in the Department of Sociology at Iowa State University, where she has focused on the relationship of businesses and communities. Besser has authored numerous scholarly and applied publications from her research including two books – one on work in Japanese plants in the United States and one on business social responsibility to communities.

This project was conducted privately for The Iowa Policy Project and should not be construed as an Iowa State University or a State of Iowa study.

inmates per 100,000 residents. The same general rate characterizes prison populations across the United States. Increasingly, criminal justice policy has come to rely on incarceration to control crime. For example, in 1980, Iowa's correctional population was 86 per 100,000 residents. According to the Iowa Department of Human Rights (2001), this rose 62 percent to 139 per 100,000 in 1990, and nearly doubled in the next decade to 276 per 100,000 in 2000. Growth has been particularly dramatic in the past decade, and is projected to swell the Iowa prison population to 12,318 inmates, or by about 52 percent over the next 10 years, as shown below:

Figure S1. Total Iowa Inmates, Actual & Forecast to 2011



Source: U.S. Department of Justice. 2001. Sourcebook of Criminal Justice Statistics, 2000. Washington, DC: Bureau of Justice Statistics.

The 8,101 inmates housed in Iowa's prison system as of June 30, 2001, represented 120 percent of capacity. A substantial share of the growth in Iowa's prison population is attributed to incarceration for the most serious offenses for longer periods, including a requirement to serve 85 percent of the sentence for certain offenses.

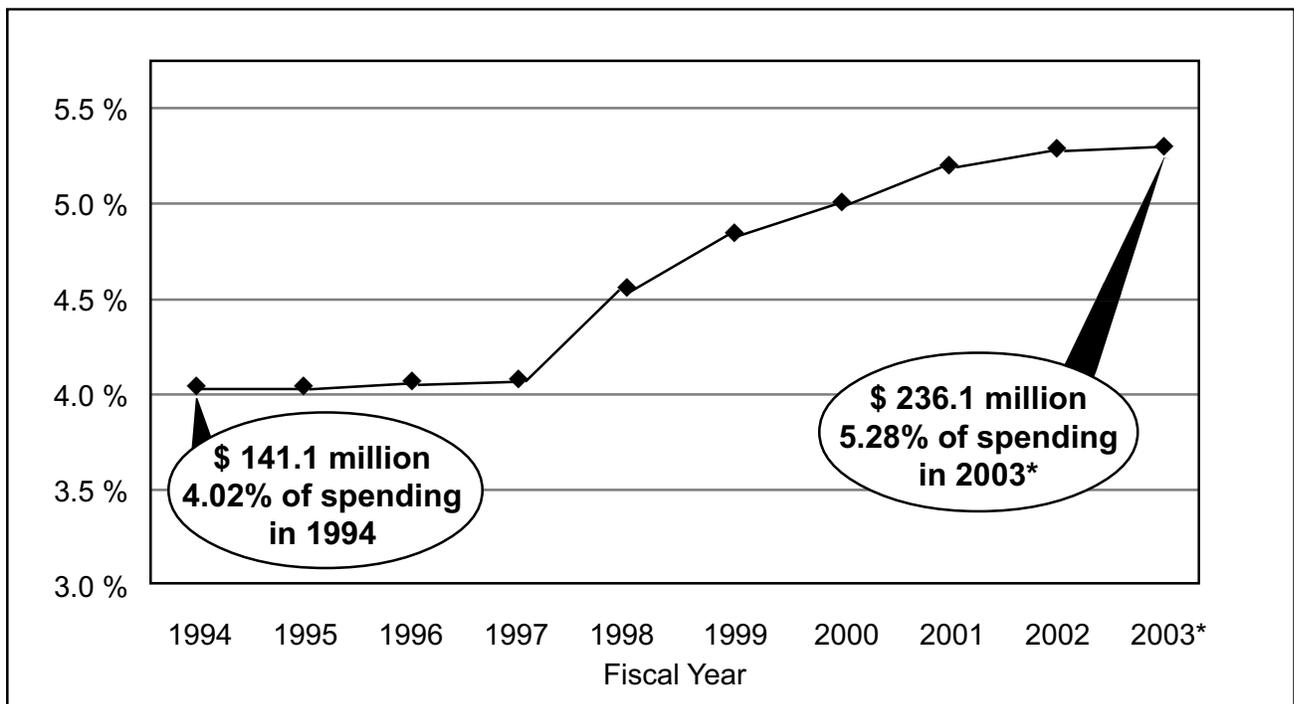
An examination of the Iowa prison and correctional services population shows drug crimes are the most common type of specific offense for which inmates are incarcerated. Twenty-one percent of Iowa inmates are serving time for drug crimes. Incarcerated drug offenders doubled from 1995 to 2000 (773 to 1,611 inmates).

In addition, racial minorities are over-represented in the prison population generally, a topic that deserves further study if Iowa is to recognize a responsibility to understand varying effects of its policies on various segments of the population.

Growth in Iowa Corrections Spending

At the same time prison population numbers are increasing and expected to continue increasing, resources to deal with them are declining due to state budget cuts. As a result, the Department of Corrections was forced in its budget for 2001-02 to process an additional 200 inmates with \$18 million less funding. The daily cost of supervising correctional clients varies by sentence. Iowa spends about \$48 or more per day for each prison inmate – or about six times the cost of supervising community corrections clients. Since 1980, prison spending has increased more than three times; likewise, spending growth on imprisonment has tripled the spending growth of higher education.

Figure S2: Iowa Correctional Spending as a Share of General Expenditures, 1994-2003



Sources: Iowa Legislative Fiscal Bureau. Iowa Prison System. 2002. Des Moines, Iowa: General Assembly Iowa Legislative Fiscal Bureau. * Budgeted for 2003.

Alternatives to Prison

There are several benefits to prison alternatives. Lesser sanctions permit the supervision of offenders at their appropriate risk level, rather than simply incarcerating all violators. Community corrections promote the integration or re-integration of offenders into the community by strengthening the offender’s family, work and community ties. Substance abuse and alcohol treatment is provided in addition to counseling and mental health treatment. Community corrections cost far less than incarceration, and they reduce prison overcrowding.

Alternatives to prison also have costs. Sentencing offenders to community corrections may not satisfy crime victims who expect the harshest form of legal punishment. Intermediate sanctions also increase opportunities for recidivism by allowing offender access to potential victims. The use of community corrections also brings more people under the auspices of the criminal justice system.

Key Findings

Incarceration is an expensive way to protect society.

It costs the state \$48 a day per inmate for incarceration, compared with \$23.80 per day for a student at Iowa State University, and \$1.50 to \$8 per day for each individual in community corrections. Even though corrections appropriations have declined in the past two years (due to the state budget shortfall), they still take more than 5 percent of the state budget. In addition, prison spending is an area of greater growth than the state's expenditures for higher education (187 percent more for prisons from 1980 to 2000, to 63 percent more for higher education).

Inmate populations are growing while budget problems force cuts in staff.

Iowa's prisons are experiencing increases in the inmate population and simultaneous reductions in prison staff. If no legislative changes are made to address this, the need for new prison construction is immediate (at a cost of \$45 million for building and more than \$28 million per year for operating costs).

Legislative mandates have caused more inmates serving longer sentences.

From 1991 to 2001, length of stay more than doubled and in some cases more than tripled for offenders serving time for the most serious types of offenses (second-degree murder, second-degree robbery and burglary), and even more for habitual offenders and sexual predators. These followed new mandatory minimum sentencing laws, which are wide-sweeping and may cause longer incarceration than necessary for some offenders.

Current incarceration rates pose a significant, growing burden to Iowa taxpayers.

Expenditures for prisons divert funds from other programs and projects, and in the current budget climate this will continue. The incarceration/budget combination presents a two-pronged challenge to policy makers: Policies that demand more incarceration put greater pressures on the state budget; the state's budget situation places greater pressure on the ability of the Department of Corrections to meet its responsibilities.

At present trends, costs will increase for long-term inmates.

Two segments of the growing prison population in Iowa will bring additional state responsibilities for care. First, those serving long-term sentences become elderly. In addition, corrections officials project 52 percent growth by 2011 in the number of inmates diagnosed with special needs (mental illness, mental retardation or borderline intellectual functioning) – just as they do for the prison population generally. Currently 18 percent of Iowa inmates require some ongoing psychiatric care.

Inmate choices to serve full sentences and reject parole raise cost and safety issues.

The growing share of inmates who choose to serve full sentences instead of being paroled in a supervised release for part of their term not only drive up costs (\$48 per day compared to at most \$8 per day), but may pose greater risks to community safety. Inmates who are released directly to the community without the benefit of assistance programs and without any state supervision upon release may be more likely to return to crime. The opportunity for parole previously served as an incentive to inmates to participate in rehabilitative programs and to exhibit good behavior in prison. Without that incentive, controlling and rehabilitating prisoners becomes much more challenging.

Policy Conclusions

This report demonstrates the economic implications of the growth of prisons in the state of Iowa. The increasing share of state resources demanded by Iowa's corrections system in the context of budget shortfalls and expectations for continued strapped finances demand a fresh review of the state's ability and willingness to support the current system. Our recommendations:

- The courts, Department of Corrections and Board of Parole should be granted more discretion to review inmates serving 85 percent sentences, to assess their suitability for parole or other supervision, such as community-based corrections. This does not necessarily mean shorter time under supervision, but it makes sense criminologically and economically to allow authorities discretion in determining the most appropriate supervision.
- Encourage the use of community-based corrections services where appropriate to save costs and improve inmates' opportunities for a constructive role in the community. Incarceration costs six to 32 times as much as community-based corrections, which reduces prison overcrowding and permits supervision of certain offenders at a more appropriate risk level than prisons provide.
- Continue use of eligibility for parole after serving 50 percent of the sentence for certain crimes, and continued allowance of "good time" sentence reductions.
- Examine practices in other states that more heavily emphasize rehabilitation than incarceration for drug offenders, who comprise more than 1 in 5 of Iowa inmates.
- Distinguish between "person" and "non-person" crimes for sentencing, providing judges with discretion to order shorter sentences for property offenders than for violent offenders convicted of the same class felony.
- Continue to focus rehabilitative efforts on offenders who are amenable to treatment. However, transitional treatment should be provided to habitual offenders who tend to serve 100 percent of their sentence.

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Introduction and Orientation

Prisons are a growth industry in Iowa and around the nation. By 1998, the U.S. prison population had grown to 1,302,019, almost four times its 1980 level of 329,821 (U.S. Department of Justice, 1999). Trends in Iowa match the national picture. Iowa housed 3,842 prison inmates in 1990. In 2001 that number increased by 111 percent (8,101 inmates in June 2001) and is projected to increase by another 52 percent to 12,318 by 2011 (Iowa Department of Human Rights, 2001). By early 2003, the number of inmates already had passed 8,500. The exponential growth of the last two decades in the number of people incarcerated poses significant challenges for state and local policy makers. In this study, we examine only the state budget implications of prison growth. This is not to diminish the importance of other ramifications. However, since prison construction and operations consume an ever-increasing share of state expenditures, it is essential that Iowa citizens and legislators understand the public policy decisions that have contributed to the current challenges.

Much is written about the criminal justice system and yet many citizens have at best a cursory understanding of its processes. This introduction briefly walks an individual through the various stages of the criminal justice system, providing information on the most likely or prevalent actions at each point.

The Criminal Justice System

First, someone commits a crime. If this offense is not reported to the authorities, it will never enter the criminal justice system. Most crimes are never reported to the police.¹ For the remaining crimes, the police are notified about alleged violations of the law. The police involvement is usually reactive, that is, police respond to communication from a witness, the victim, or even the defendant.

Second, if the police determine that a violation occurred, they must find probable cause to make an arrest. It is important to note that the majority of police-citizen contacts do not result in arrest and only a fraction of actual crimes are ever reported to the police.

Third, after arrest, defendants are taken to jail, a local correctional facility that houses defendants prior to court (pre-sentence) and for up to two years after (post-sentence). Depending on the severity of charges, potential danger to the public, risk of fleeing, and community ties, defendants may post money for release (bond or bail), promise to appear in court (release on recognizance), or be held in jail until their first court appearance or arraignment. This detention lasts no longer than 48 hours.

Fourth, once a defendant goes to court, the responsibility for the case shifts from the police

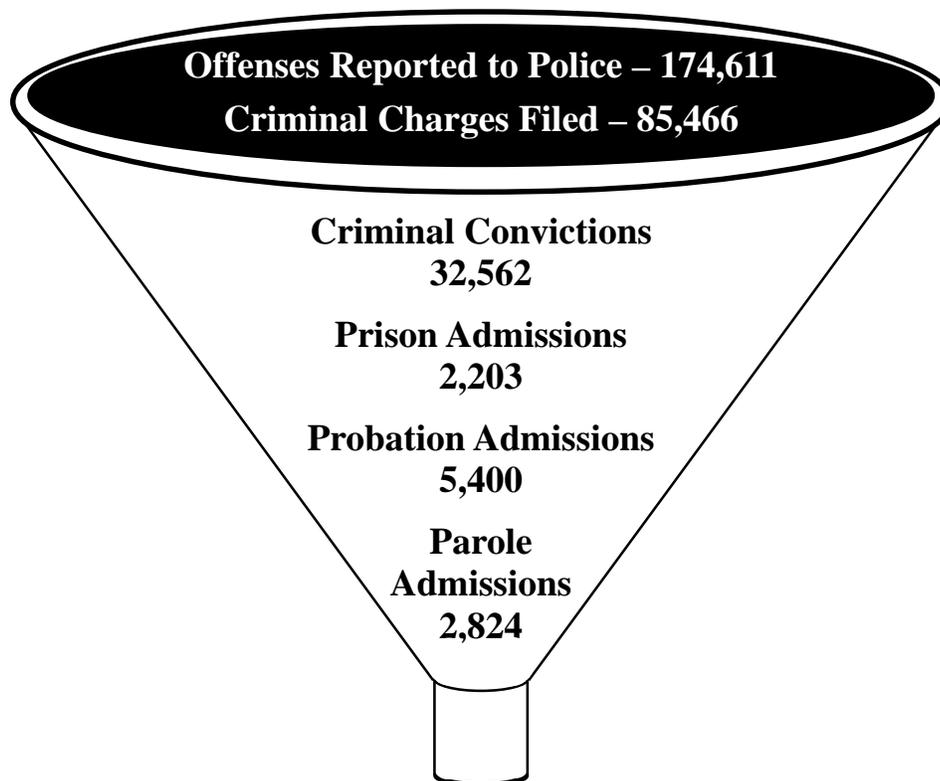
¹ Hindelang, Michael J., Travis Hirschi, and Joseph G. Weis. 1981. *Measuring delinquency*. Beverly Hills, CA: Sage Publishing.

to the prosecution or county attorney. Here, a variety of factors determine whether the courts will pursue prosecuting the case. These include the evidence gathered by police, cooperation of witnesses, the cooperation of the alleged victim, and the amount of resources (staff) at the prosecution's discretion. If there is little likelihood that the case will result in a conviction or that the prosecution would be able to proceed, the case will be dismissed. However, if sufficient evidence exists, the case will proceed.

Fifth, the defendant will hire or be appointed counsel if he/she is indigent. Sixth, the defendant, defense counsel and the prosecution will attempt to resolve the case without going to trial. This process is known as a plea bargain and is a common occurrence. Essentially, the defendant promises to plead guilty to a reduced charge that warrants a reduced penalty. While this results in conviction, it avoids a potentially harsher one.

Finally, the prosecution makes a recommendation to the judge about the sentence that the defendant should receive. These range from fines or unsupervised monitoring (the defendant promises to not engage in more crime), supervised sentences while the offender remains in the community (probation) to incarceration or, in some states or federal cases, even death. This range of punishments is known as the continuum of sanctions. Figure 1 displays the criminal justice "funnel" of criminal cases in Iowa. It illustrates the amount of crime that the justice system faces each year, and the flow of people at various points in that system, not the disposition of all cases in that year.

Figure 1. Iowa's Criminal Justice System Activity, 2001



Sources: Iowa Uniform Crime Reports, 2001; 2001 Annual Statistical Report of the Iowa Judicial Branch, 2002. Des Moines, Iowa: Supreme Court of Iowa.

Prison Growth and its Impact on State Expenditures

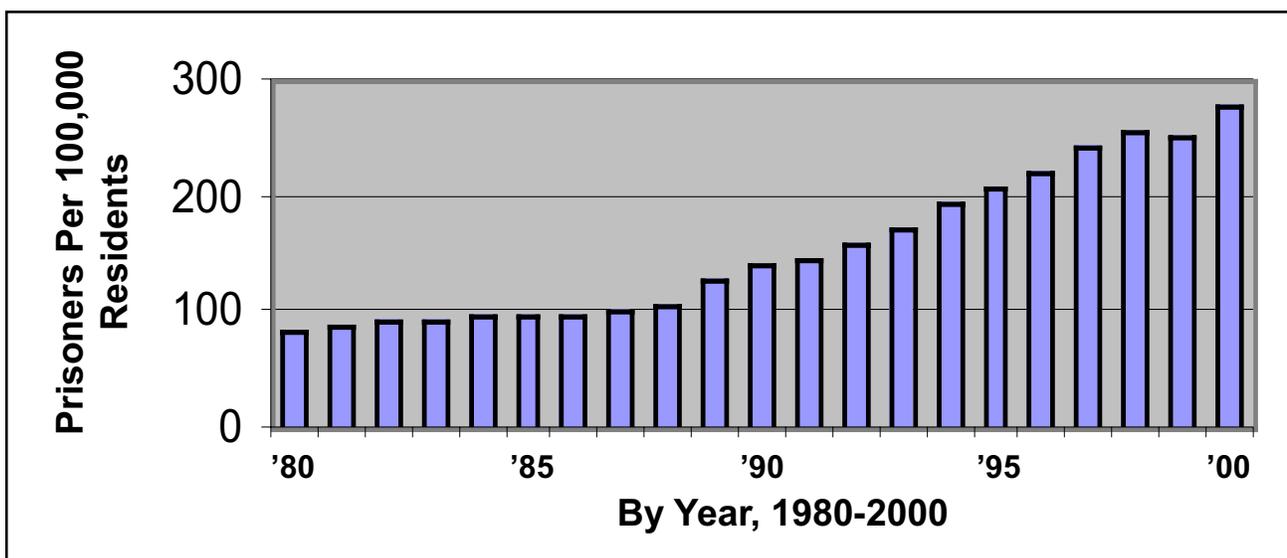
A major challenge facing Iowa government is how to effectively protect the community and supervise criminal offenders. Under the broad title of supervision are two sometimes-competing objectives, punishment and rehabilitation. People differ sharply about the severity of punishment that should be applied, the state's obligations to rehabilitate offenders, whether correctional clients should be expected to work while under supervision, and how to reintegrate offenders back into local communities.

In the past 20 years, Iowa has expanded the role of corrections in society. This has taken two general forms. First, Iowa imprisons more offenders today than ever before. Second, Iowa has "widened the net" of community corrections, such that 37,310 Iowans are on probation and 5,493 are on parole. Iowa ranks 40th in the United States in per capita correctional population although criminal justice expenditures are a significant portion of the state budget. While many aspects of crime and its punishment are subject to ideological disagreement, taxpayers and policymakers from both ends of the political spectrum agree on one thing: Supervising criminals should be cost-effective.

Growth of the Iowa Prison Population

Iowa's prisoner population has increased substantially. From 1930 (when data were first reliably collected) until 1980, the prison population hovered at about 100 inmates per 100,000 residents. The same general rate characterizes prison populations across the United States. Increasingly, the criminal justice system became increasingly more reliant on incarceration as a crime-control policy. For example, in 1980, Iowa's correctional population was 86 per 100,000 residents. According to the Iowa Department of Human Rights (2001), this rose 62 percent to 139 per 100,000 in 1990, and nearly doubled in the next decade to 276 per 100,000 in 2000. Since 1989, this growth has been particularly dramatic, as shown in Figure 2.

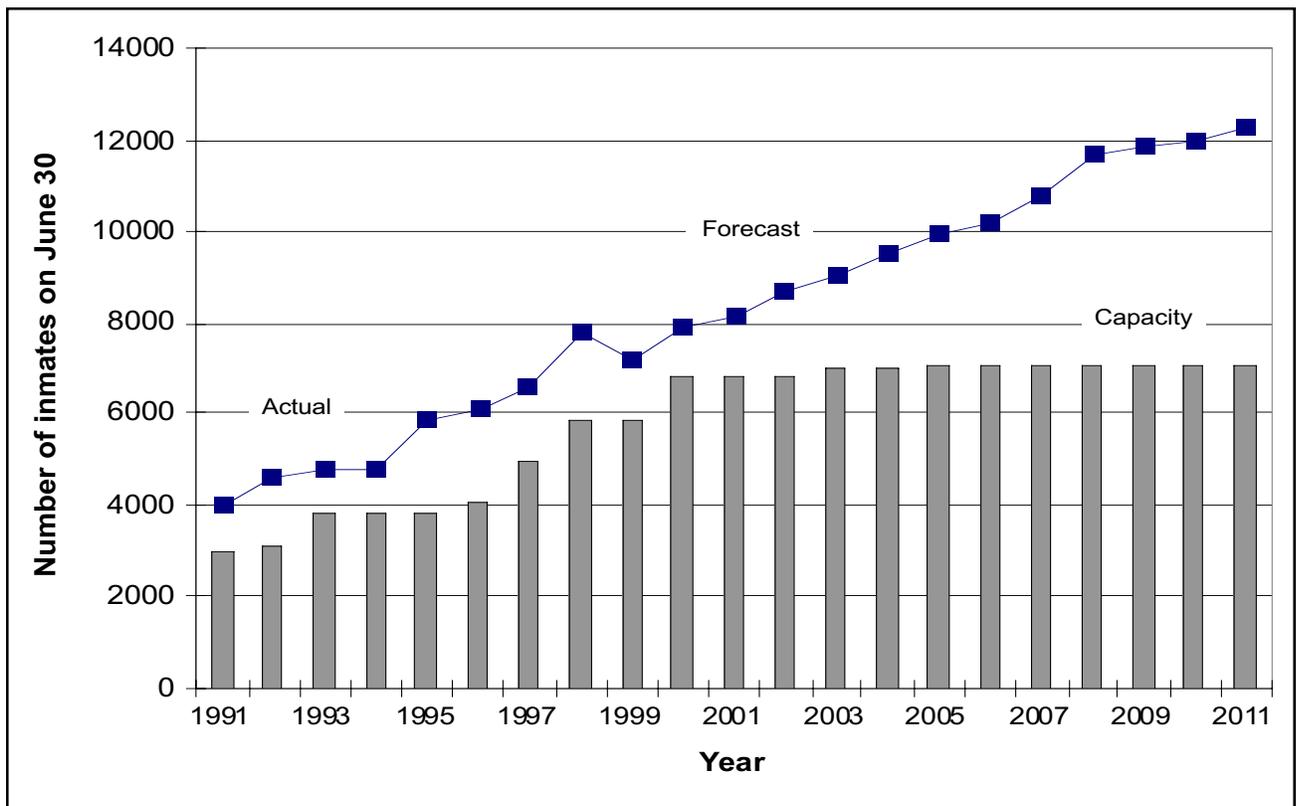
Figure 2. Iowa Prison Population Per 100,000 Residents, 1980-2000



Source: U.S. Department of Justice. 2001. Sourcebook of Criminal Justice Statistics, 2000. Washington, DC: Bureau of Justice Statistics.

As of June 30, 2001, Iowa housed 8,101 inmates in its prison system, or 120 percent of capacity. This means that 3 of every 1,000 Iowa residents are in prison. This total is up 111 percent from the 3,842 inmates imprisoned in Iowa in 1990. By June 30, 2011, the prison population is projected to swell to 12,318 inmates or by about 52 percent over 10 years. If prison capacity remains constant and inmate population trends follow projections, Iowa's prisons by then would be operating at 173 percent capacity. (See Figure 3). Without policy changes to affect these trends, the need for new prison construction is immediate, at a cost of \$45 million for a building and \$28 million or more per year for operation.

Figure 3: Total Iowa Inmates, Actual & Forecast to 2011



Source: Iowa Department of Human Rights. 2001. Iowa Prison Population Forecast FY 2002-2011. Des Moines, Iowa: Division of Criminal & Juvenile Justice Planning.

Iowa policy makers are perennially concerned about the effect of sentencing legislation on the state's prison facilities. In 1990, the Legislature enacted the Correctional Policy Project under the auspices of the Criminal and Juvenile Justice Planning Advisory Council. The purpose of the project is to study sentencing policies as they impact correctional growth. At the same time, there was a national trend of dissatisfaction with sentencing policies. Offenders convicted of the most serious crimes, such as murder, rape, and armed robbery were serving relatively brief prison terms because of the use of good time and other reductions in sentences. To promote "truth-in-sentencing," the U.S. Department of Justice created the Violent Offender Incarceration Truth in Sentencing program, which allocated federal funds to states that adopted the 85 percent federal sentencing policy. That policy means inmates can receive no more than a 15 percent reduction in their sentence due to

good time earned from compliant behavior and involvement in prison programs. Commonly, inmates receive a 50 percent sentence reduction – one day of good time for each day served with good behavior. For example, first-degree burglary and first-degree robbery are both Class B felonies, with only the latter considered an 85 percent offense. Class B felonies carry a maximum sentence of 25 years. Thus, an inmate would serve no more than 12 years for burglary, but no less than 21.2 years for robbery, even though both offenses are legally equivalent.² With Senate File 2114, Iowa adopted the 85 percent sentencing policy in 1996. As this report suggests, 85 percent sentencing has increased length of stays for inmates convicted of the most serious offenses. Moreover, former Iowa Department of Corrections Director W.L. “Kip” Kautzky has suggested the 85 percent laws are a significant cause of Iowa’s prison growth.³ As currently applied, these requirements do not allow discretion by the courts or state corrections or parole officials to determine whether supervision short of incarceration would be more appropriate or more effective for a given offender.

Table 1 illustrates how a substantial amount of Iowa’s prison growth can be attributed to longer incarceration of the most serious types of offenders. From 1991 to 2001, the percent increase in length of stay (in months) was: 275 percent for second-degree murder; 281 percent for other Class B felonies such as second-degree robbery; 229 percent for Class C felonies such as burglary; 364 percent for habitual offenders defined as recidivists with at least three felony convictions; and 685 percent for sexual predators. By comparison, the respective increases were 33 percent for “other” felonies, 11 percent for aggravated misdemeanors against person, and 29 percent for aggravated misdemeanors against property. Thus, the Legislature-mandated incarceration of offenders convicted of the most serious crimes means that an increasing number of inmates will be incarcerated for much longer periods.

Drug crimes are the most common type of specific offense for which inmates are incarcerated. Twenty-one percent of Iowa inmates are serving time for drug crimes. Incarcerated drug offenders more than doubled from 1995 to 2000 (773 to 1,611 inmates). Most inmates are versatile (as opposed to specialized) offenders. Therefore, drug offenders are frequently engaged in other criminal activity, primarily property crime. Drug offenders are the primary population whom correctional officials hope to transition from prison to community corrections. As more than \$28 million is spent to incarcerate drug offenders, greater use of community-based services could provide funds for treatment of those offenders, and potentially other services such as health insurance and school meals for Iowa children.

One other note about the Iowa prison population, aside from types of offenses: While this paper examines impacts of prisons on the state budget, one related topic deserving of further review is the impact of corrections policies on ethnic or racial minorities. For juvenile cases alone, minorities constitute 11 percent of Iowa’s population but 14 percent of juvenile arrests, 28 percent of juvenile detentions, 25 percent of juvenile training school placements, and 48 percent of juvenile prison commitments.⁴ According to the Iowa Department of Corrections, the non-caucasian population of Iowa’s adult corrections institutions was 29 percent⁵, far above its 6 percent⁶ representation in the population generally. This disparate impact on minority populations in Iowa demands more study.

² Iowa Department of Human Rights. 1997. Iowa Criminal and Juvenile Justice Plan, 1997 Update. Des Moines, Iowa: Department of Human Rights Division of Criminal and Juvenile Justice Planning.

³ Kautzky, W.L. 2002. “Correctional Service Changes in Iowa: Impacts of Reduced Funding.” Presentation to the Iowa Bar Association, June.

Table 1: Inmate Average Length Of Stay (In Months)

| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | % Change |
|------------------------------|------|------|------|------|------|------|------|------|----------|
| <i>New Admissions:</i> | | | | | | | | | |
| No Parole - Murder-2nd | 95 | 130 | 138 | 190 | 510 | 510 | 510 | 510 | 437% |
| No Parole - Other Class B | 68 | 77 | 75 | 85 | 255 | 255 | 255 | 255 | 275% |
| No Parole - Class C | 30 | 36 | 35 | 37 | 102 | 102 | 102 | 102 | 240% |
| No Parole - Habitual Class C | 44 | 52 | 39 | 47 | 153 | 153 | 153 | 153 | 248% |
| No Parole - Sex Predators | 25 | 27 | 35 | 39 | 191 | 191 | 191 | 191 | 664% |
| Class B Felony | 68 | 77 | 75 | 85 | 103 | 88 | 105 | 81 | 19% |
| Class C vs. Persons | 30 | 36 | 35 | 37 | 41 | 45 | 46 | 48 | 60% |
| Class C Non-Persons | 16 | 21 | 21 | 25 | 25 | 24 | 24 | 24 | 50% |
| Class D vs. Persons | 17 | 16 | 20 | 22 | 22 | 20 | 22 | 23 | 35% |
| Class D Non-Persons | 10 | 12 | 13 | 14 | 14 | 16 | 16 | 16 | 60% |
| Other Felony | 44 | 52 | 39 | 47 | 43 | 52 | 57 | 46 | 5% |
| Agg. Misd. vs. Persons | 11 | 10 | 9 | 9 | 11 | 10 | 11 | 10 | -9% |
| Agg. Misd. Non-Persons | 8 | 7 | 8 | 9 | 8 | 9 | 9 | 9 | 13% |
| Serious Misdemeanor | 7 | 8 | 7 | 9 | 8 | 9 | 6 | 8 | 14% |
| Drunken Driving Initial Stay | 2 | 3 | 2 | 2 | 3 | 3 | 4 | 3 | 50% |
| <i>Readmissions:</i> | | | | | | | | | |
| Class B Felony | 23 | 34 | 25 | 24 | 28 | 36 | 63 | 29 | 26% |
| Class C Felony | 16 | 18 | 17 | 18 | 21 | 22 | 22 | 19 | 19% |
| Class D Felony | 10 | 10 | 9 | 11 | 12 | 12 | 12 | 12 | 20% |
| Other Felony | 30 | 24 | 32 | 32 | 35 | 38 | 33 | 23 | -23% |
| All Misdemeanors | 4 | 6 | 6 | 7 | 9 | 6 | 9 | 9 | 125% |
| Violator Placement | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 4 | 100% |

Source: Iowa Department of Corrections. 2001. Strategic Plan 2002. Des Moines, Iowa: Department of Corrections.

In sum, Iowa’s correctional populations, both imprisoned and in the community, are growing rapidly. There are several sources of this growth: an increasing number of inmates serving life sentences, an increasing number of inmates serving 85 percent of lengthy prison terms, and the increased reliance on community sanctions such as probation and parole. Iowa’s correctional system, especially its prisons, is placing increased fiscal strain on the state government. The economics of prison growth constitute the remainder of this study.

⁴ Scott Musel, Laura Roder-Grubb and Richard Moore, 2002. Connecting Iowa’s Disproportionate Minority Confinement Efforts to the Iowa Justice Data Warehouse. Des Moines, Iowa: Department of Human Rights Division of Criminal and Juvenile Justice Planning and Statistical Research Center.

⁵ January 2003 Monthly Statistical Movement Summary for Department of Corrections. Des Moines, Iowa: State of Iowa Department of Corrections, Bureau of Research and Statistics.

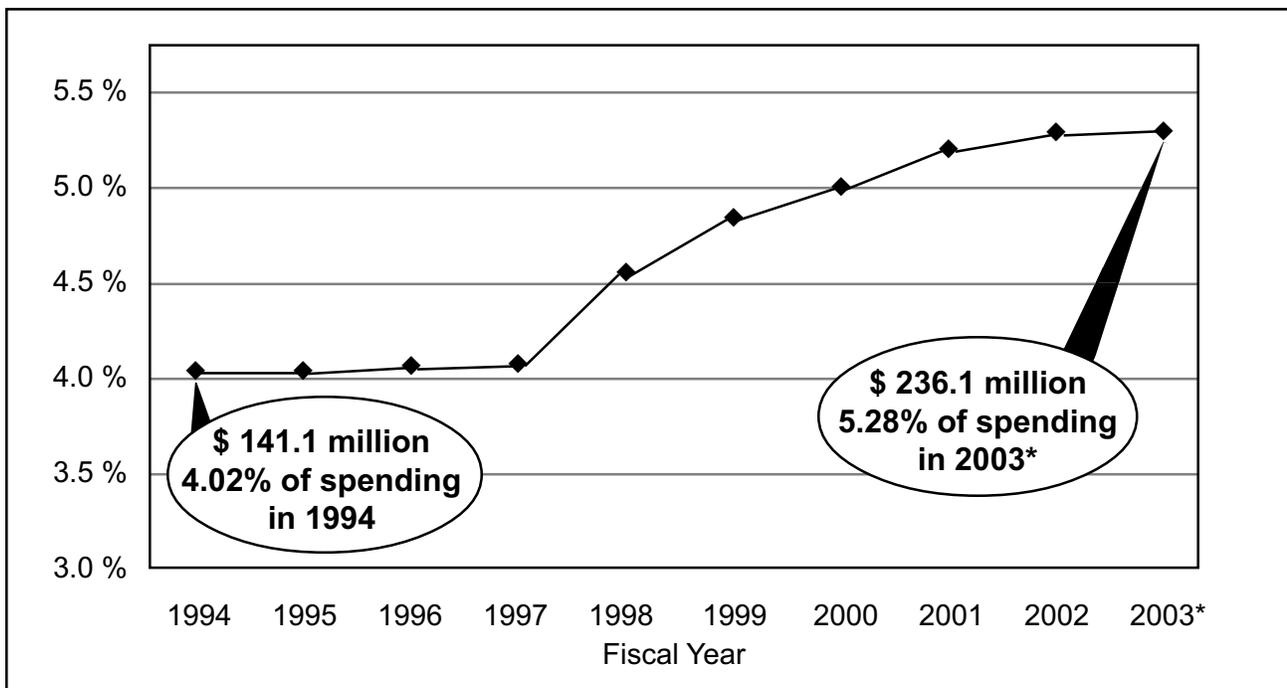
⁶ U.S. Census Bureau, Census 2000.

Growth in Iowa Corrections Spending

Iowa's growing prison population presents a two-pronged challenge to policy makers: Policies that demand more incarceration put greater pressures on the state budget; the state's budget situation places greater pressure on the ability of the Department of Corrections to meet its responsibilities.

Shortfalls in state revenues from 2001-2002 have been devastating for the Iowa Department of Corrections, according to Kautzky. The Department of Corrections operating budget has decreased from \$254 million to \$236 million, a shortfall of \$18 million. This has resulted in the loss of approximately 300 correctional workers, as well as the loss of the entire inmate educational program (\$2.8 million). In 2000, 519 Iowa inmates had been awarded GED certificates. The cuts left the department to process an additional 200 inmates with a budget decrease of \$18 million. The Department of Corrections budget comprises about 5 percent of Iowa's roughly \$4.5 billion state general fund budget. As a share of all state general fund spending, corrections grew from 4.02 percent in 1994 to 5.28 percent in the 2003 budget (see Figure 4 and Table 2).

Figure 4: Iowa Correctional Spending as a Share of General Expenditures, 1994-2003



Sources: Iowa Legislative Fiscal Bureau. Iowa Prison System. 2002. Des Moines, Iowa: General Assembly Iowa Legislative Fiscal Bureau. * Estimated for 2003.

Several criminal justice officials lamented that prisons can be filled immediately upon completion; therefore it is unlikely that Iowa prisons will ever operate at or below 100 percent capacity. According to the Iowa Department of Corrections, for every 1,000 increase in the inmate population, a new 750-bed prison will need to be constructed. This assumes that each correctional facility will operate at 130 percent capacity. The fiscal costs of prisons are high. Estimated construction cost of 750-bed prison is \$45 million and the estimated annual operating budget of each prison is \$28 million.

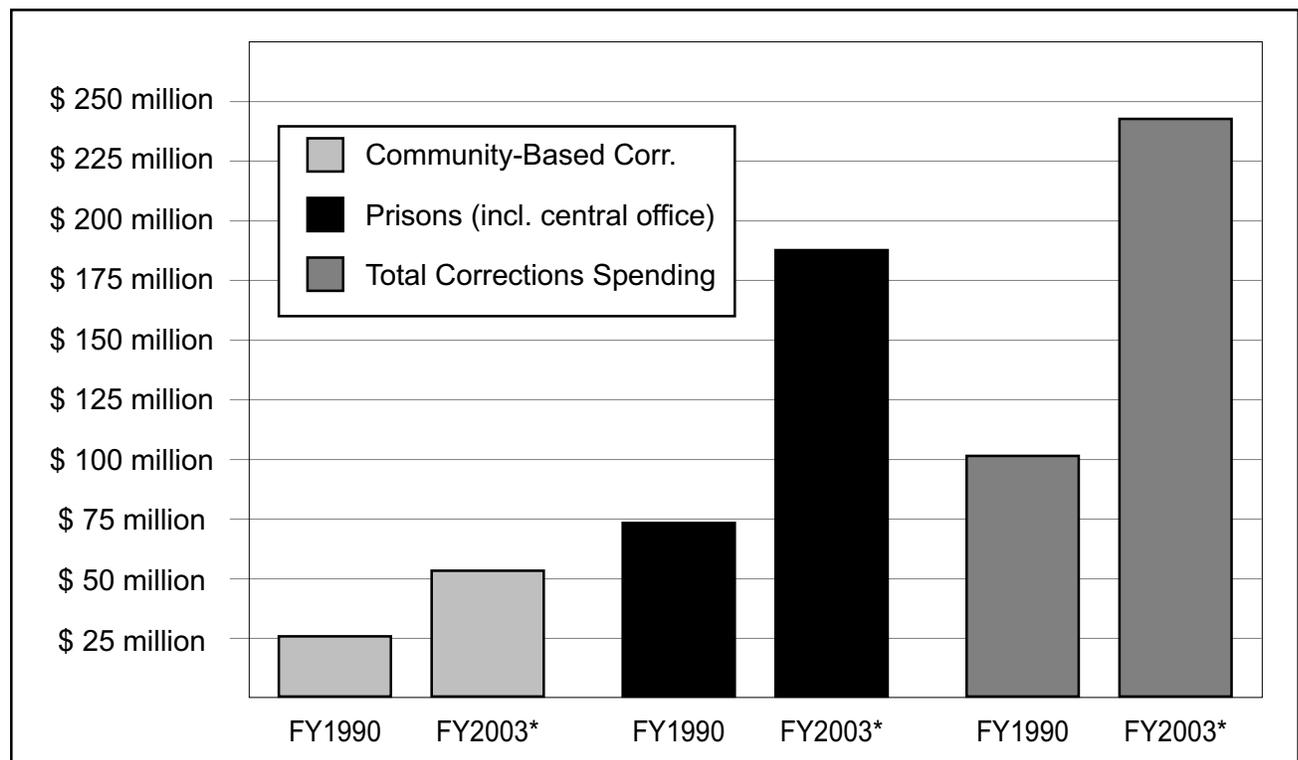
Table 2: Iowa Correctional Spending as a Share of General Expenditures, 1994-2003

| Fiscal Year | General Fund (millions) | Corrections Appropriations (millions) | Corrections Pct. |
|-------------|----------------------------|--|------------------|
| 1994 | \$ 3,508.1 | \$ 141.1 | 4.02 % |
| 1995 | \$ 3,614.4 | \$ 145.2 | 4.02 % |
| 1996 | \$ 3,855.4 | \$ 156.2 | 4.05 % |
| 1997 | \$ 4,138.9 | \$ 168.1 | 4.06 % |
| 1998 | \$ 4,359.2 | \$ 197.9 | 4.54 % |
| 1999 | \$ 4,529.9 | \$ 218.6 | 4.83 % |
| 2000 | \$ 4,763.6 | \$ 238.1 | 5.00 % |
| 2001 | \$ 4,886.9 | \$ 253.0 | 5.18 % |
| 2002 | \$ 4,610.3 | \$ 243.1 | 5.27 % |
| 2003* | \$ 4,468.8 | \$ 236.1 | 5.28 % |

Sources: Iowa Legislative Fiscal Bureau. Iowa Prison System. 2002. Des Moines, Iowa: General Assembly Iowa Legislative Fiscal Bureau. * Estimated for 2003.

Iowa’s criminal justice expenditures are increasing rapidly in proportion to other state functions. Two other ways of looking at the cost of corrections are shown in Figure 5 (below) and in Table 3 (Page 9), which compares spending per resident on prisons and higher education. Since 1980, prison spending has increased 187 percent compared with 63 percent for higher education. These figures, adjusted for inflation, suggest that Iowa’s spending growth on imprisonment is triple the spending growth of higher education.

Figure 5: Iowa Correctional Spending Growth, 1990-2003



Source: Iowa Legislative Fiscal Bureau. Des Moines, Iowa.
* Estimated for 2003.

Table 3: Iowa Correctional and Higher Education Spending Per Resident, 1980-2000

| Fiscal Year | Prisons | Education |
|--------------------|-----------|-----------|
| 1980-1981 | \$ 34.96 | \$ 190.98 |
| 1985-1986 | \$ 49.85 | \$ 221.94 |
| 1990-1991 | \$ 49.99 | \$ 248.11 |
| 1995-1996 | \$ 54.33 | \$ 249.78 |
| 1999-2000 | \$ 100.42 | \$ 311.95 |
| % Change 1980-2000 | 187% | 63% |

Sources: Ambrosio, Tara-Jen and Vincent Schiraldi. (1997) *From Classrooms to Cellblocks: A National Perspective*. Washington, D.C.: The Justice Policy Institute. Ziedenberg, Jason and Vincent Schiraldi. (2002) *Cellblocks or Classrooms? The Funding of Higher Education and Corrections and Its Impact on African American Men*. Washington, D.C.: The Justice Policy Institute.

Alternatives to Prison

Essentially, any non-prison sanction is viewed as an alternative to prison. Prison is different from other sanctions in two distinct ways. First, it is the most severe sentence that can be administered and is reserved for either those who commit the most serious offenses or who have exhausted other avenues of correction (e.g., habitually violating conditions of probation or parole). Second, prison is very expensive. Iowa spends approximately \$48 per inmate per day⁷ compared to parole and intensive probation (\$8 per client per day) and unsupervised probation or deferred sentencing (\$1.50 per client per day). Except for the most serious felonies (e.g., murder, rape, and kidnapping), offenders are accorded numerous opportunities before being punished by the sanction of last resort, prison.

There are several benefits to prison alternatives. Lesser sanctions permit the supervision of offenders at their appropriate risk level, rather than simply incarcerating all violators. Community corrections promote the integration or re-integration of offenders into the community by strengthening the offender's family, work and community ties. For example, because of mandatory wage garnishment, people in community corrections paid \$4.8 million in restitution in 2000. Substance abuse and alcohol treatment is provided in addition to counseling and mental health treatment. Community corrections are tremendously inexpensive compared to incarceration. Finally, they reduce prison overcrowding.

Alternatives to prison also have costs. Sentencing offenders to community corrections instead of prison may not satisfy crime victims who expect the harshest form of legal punishment. Intermediate sanctions also increase opportunities for recidivism by allowing offender access to potential victims. The use of community corrections also "widens the net," or enables the system to supervise more people than resources for prisons otherwise allow. By 2001, Iowa had 37,310 people on some correctional sentence other than prison, an increase of 111 percent since 1990 when 17,716 clients were under non-prison correctional supervision. Even if Iowa is able to stabilize its prison population, we will have a rather sizable correctional population that needs to be served. Finally, relying on community corrections rather than prison to punish criminal offenders sometimes contradicts public opinion and can raise the potential political liability of appearing "soft on crime."

The daily cost of supervising correctional clients varies by sentence. Iowa spends approxi-

⁷ W.L. Kautzky, Director of Iowa Department of Corrections, Interview, April 12, 2002.

mately \$48 per day for each prison inmate. Prison is reserved for offenders who are convicted of felonies or aggravated misdemeanors. A judge’s discretion to imprison an offender is also heavily influenced by that individual’s criminal record including prior arrests, previous commitments to prison, and history of compliance with community corrections. Iowa spends approximately \$8 per day for community corrections clients who are receiving extensive supervision such as intensive supervised probation, parole and electronic monitoring. These are for offenders who have already been incarcerated and released from prison (parole) and convicted felons who have not been imprisoned (probation). Iowa spends about \$1.50 to monitor low-level, minimum risk correctional clients, typically persons on probation for operating a vehicle under the influence of alcohol or other intoxicant, first offense (OWI 1st). Prison costs six to 32 times as much as community corrections. Why is prison so expensive? The Iowa Department of Corrections provides housing; dietary services; constant surveillance; medical, mental health and substance abuse treatment; education and job skills instruction; and behavioral and psychological treatment. Community corrections may provide some of these services, but in a reduced capacity.

How much money do alternative sanctions already save in Iowa? In 2000, the Iowa Board of Parole approved work release for 1,108 offenders and granted parole to 2,854 offenders. There were already 5,493 offenders on parole caseloads. Since incarceration costs \$48 or more per day, and intensive supervision costs an average of \$8 per day, the savings are at least fivefold. Table 4 shows the daily and annual savings.

Table 4: Corrections Costs/Savings for Alternatives to Prison, 2000

| Sanction | Number of Offenders | One-Day | | Annual | |
|-----------------|----------------------------|----------------|----------------|---------------|----------------|
| | | Costs | Savings | Costs | Savings |
| Work Release | 1,108 | \$ 8,864 | \$ 44,320 | \$ 3,235,360 | \$ 16,176,800 |
| New Parole | 2,854 | \$ 22,832 | \$ 114,160 | \$ 8,333,680 | \$ 41,668,400 |
| Old Parole | 5,493 | \$ 43,944 | \$ 263,664 | \$ 16,039,560 | \$ 96,237,360 |

Costs at \$8/day; Savings estimated at \$40/day as comparison with \$48/day incarceration cost estimate per inmate. Source: Iowa Board of Parole. 2001. Annual Report for State Fiscal Year 2000. Des Moines, Iowa: Iowa Board of Parole.

Probation and parole officers in Iowa are keenly aware of the overcrowding affecting the state’s prison system. Unfortunately, downturns in the state economy have severely impacted community corrections. For example, six officials from the Department of Correctional Services in the 2nd Judicial District of Iowa currently serve 550 clients in three counties. On average, this equates to probation/parole caseloads of 92 clients. Moreover, the 2nd Judicial District lost 20 percent of its full-time positions because of budget cuts.

Probation and parole officers and parole judges employ a “least restrictive response,” which means that offenders are sent through many stages of treatment and punishment alternatives before they are revoked and returned to prison. For example, the “most restrictive response” would be immediate revocation and return to prison. Probation and parole officers generally explore less serious options before considering prison. As a result, correctional clients are not hastily revoked for “technical” violations. In fact, technical violations are frequently quite substantive and include substance use, alcohol use, association with convicted felons, failure to maintain contact with parole officer, and failure to apply for, secure and maintain employment. Probationers or parolees are not necessarily revoked

and returned to prison even if they commit a new felony. Felony arrests often result in 30-60 days in a county jail and additional opportunities on the violator program. Overall, less than one in five Iowa parolees returns to prison compared to one in three nationally. In the past five years, revocations are down in Iowa. Work-release revocations declined from 48 percent to 19.6 percent. Parole revocations declined from 39 percent to 12.6 percent. Intensive

Figure 6: Total Releases, Paroles and Expirations

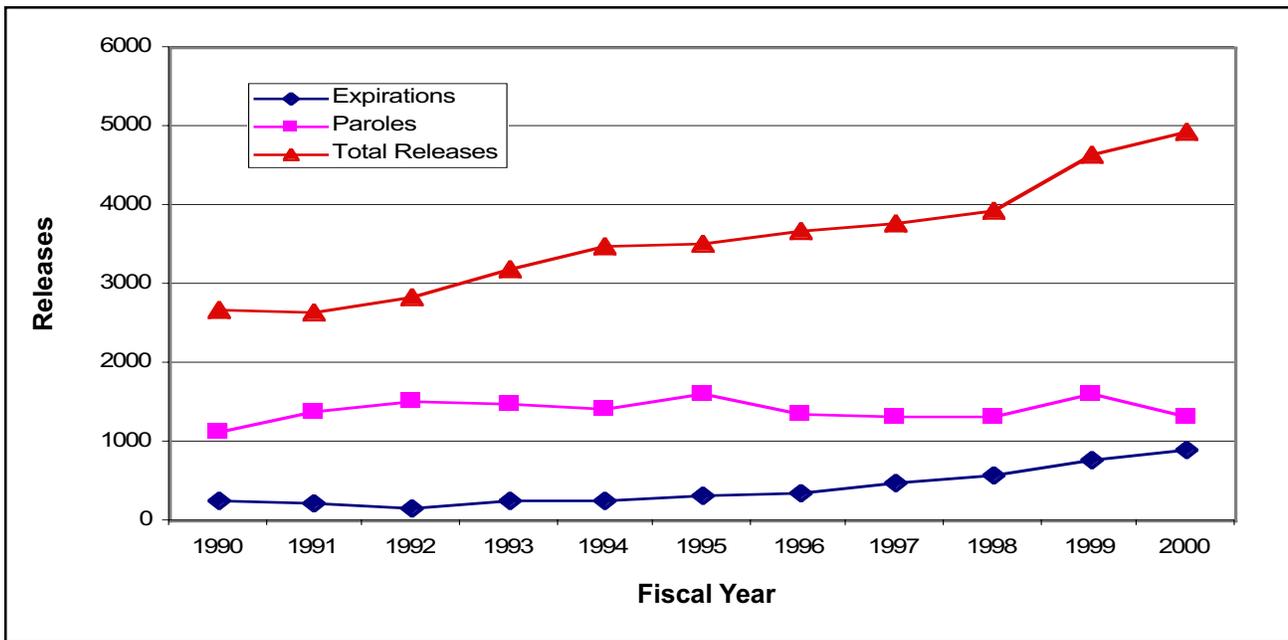
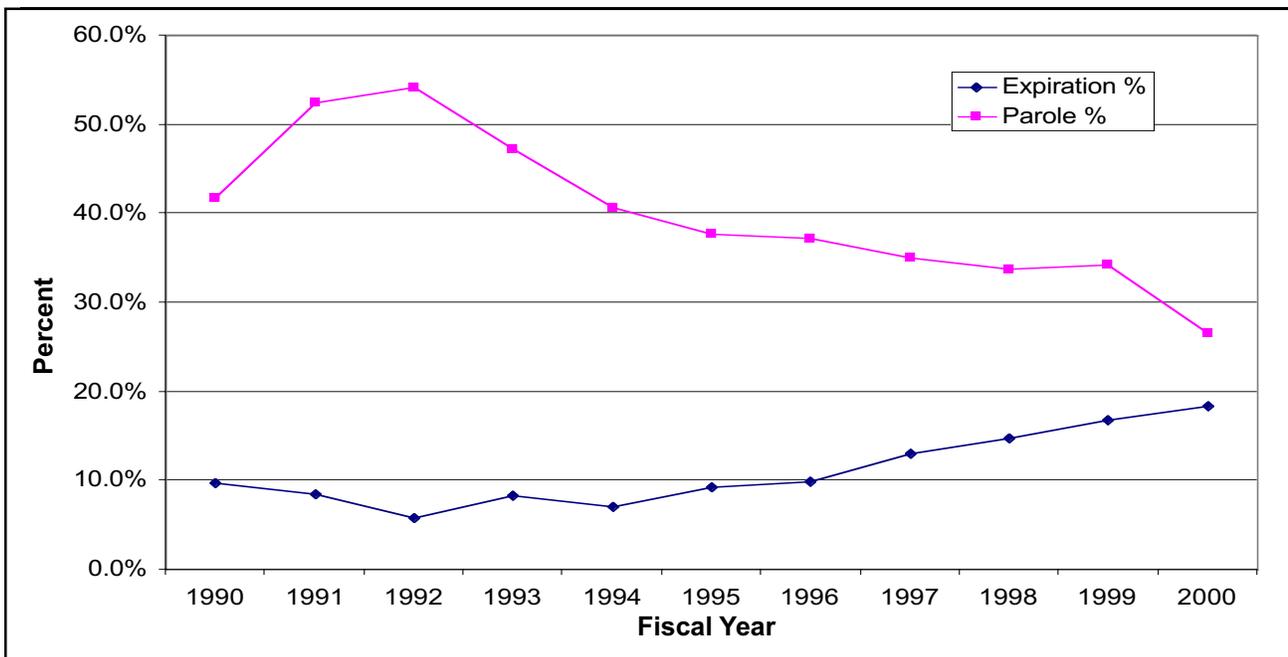


Figure 7: Paroles and Expirations as a Percentage of Releases



Source, Figures 6-7: Iowa Board of Parole. 2001. Annual Report for State Fiscal Year 2000. Des Moines, Iowa: Iowa Board of Parole.

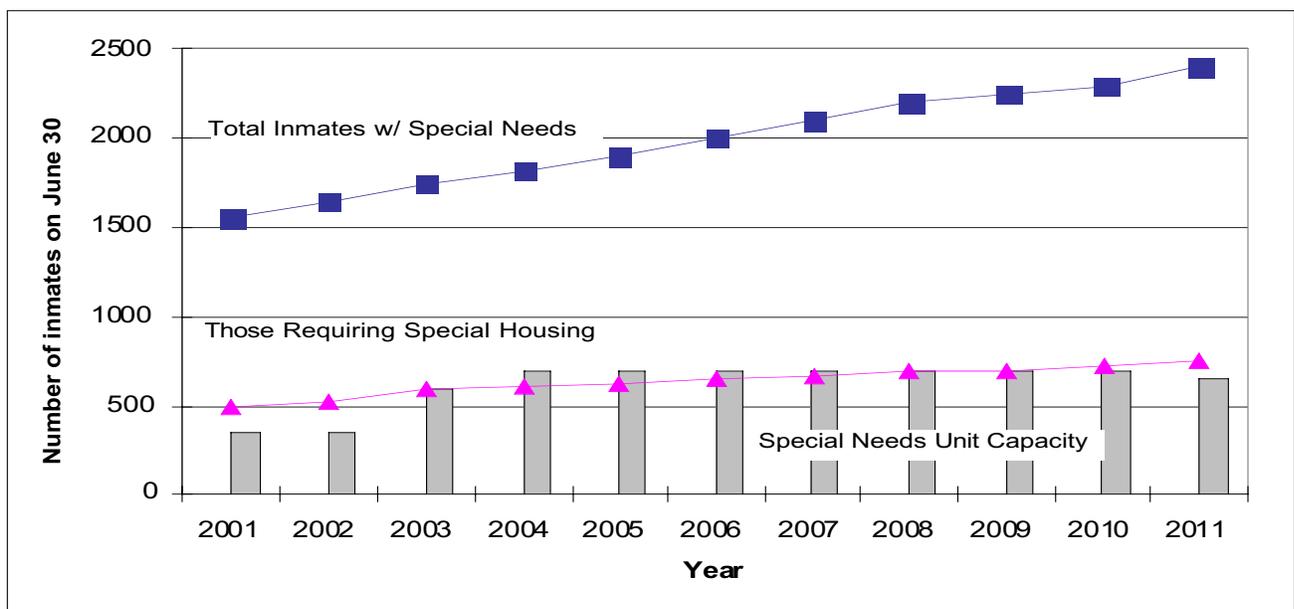
supervision revocations declined from 24 percent to 20.4 percent. For a look at 10-year trends in releases from Iowa prisons, see Figures 6 and 7.

As these data indicate, parole releases in Iowa have decreased while expirations have increased. Expiration occurs when an inmate serves 100 percent of his/her sentence in prison and therefore does not “owe” the state any more time such as a parole sentence. With the advent of 85 percent sentences, many inmates are simply choosing to remain incarcerated for their entire stay rather than attempt parole. Concomitantly, these offenders are either ineligible for parole or simply refuse to comply with it. This means that more inmates are serving more time and not receiving any transition treatment, counseling or life skills that intermediate sanctions provide. It could be argued that these offenders are less equipped than ever to succeed after release. Approximately 22 percent of offenders refuse parole and are not amenable to treatment. Those who refuse tend to be habitual offenders.⁸

“Special Needs” Inmates

Special-needs inmates, persons with mental illness or disorder, mental retardation, and borderline intellectual functioning, often require placement in non-traditional prisons. These inmates require added medical costs and additional staff. A related concern is the institutional risk posed by inmates suffering from personality disorders such as antisocial personality disorder, psychopathy and sociopathy. These inmates are among the most problematic and violent offenders in prison.⁹ By mid-year 2001, Iowa prisons housed 1,564 special-needs inmates. Eighteen percent of Iowa inmates require on-going psychiatric care at some level. The state projects the special-needs inmate population to increase to 2,377

Figure 8: Inmates with Special Needs: Actual & Forecast



Source: Iowa Department of Corrections. 2001. Strategic Plan 2002. Des Moines, Iowa: Division of Criminal & Juvenile Justice Planning.

⁸ Lowell Brandt, Assistant Director for Offender Services, Press Release 2001.

⁹ Hare, R. D. 1993. *Without conscience: The disturbing world of the psychopaths among us*. New York: Guilford.

inmates (a 52 percent increase, as with the general prison population) by mid-year 2011. As Figure 8 clearly shows (Page 12), Iowa's prisons can in no way house let alone meet the needs of an already large and growing population of special needs inmates.

Do offenders who are sentenced to life in prison or lengthy terms really serve their time? In most states, life imprisonment is a slightly misleading penalty since offenders are still eligible for reduction by receiving "good time" or time reduced from their sentence for complying with prison regulations. Nationally, the average "life sentence" is approximately 12 years. This is not the case in Iowa, where the life sentence is true. Under Iowa law, three crimes warrant a life sentence: first-degree murder, first-degree kidnapping, and first-degree sexual abuse. Seven additional violations require that 85 percent of the maximum sentence (25 years to 50 years) be served. These violations are second-degree murder, attempted murder, vehicular homicide while under the influence of intoxicants, first-degree robbery, second-degree robbery, second-degree sexual abuse, and second-degree kidnapping. By mid-year 2001, Iowa housed 512 inmates serving a life sentence and an additional 491 inmates serving 85 percent of the maximum sentence for other serious crimes. In 10 years, about 718 additional inmates serving at least 85 percent of a lengthy prison term will be incarcerated in Iowa.¹⁰

Promising Programs to Reduce Correctional Costs

The Violators Program accords inmates treatment and programming for one month to six months after violations of probation or parole. If inmates successfully complete the program, they are given sentence consideration (and probably additional chances in community corrections) instead of an automatic return to prison. For example, the Fort Dodge Correctional Facility RIVERS (Redirecting Inmate Values, Energy, Relationships, and Skills) program is a six-month, structured, therapeutic community with 200 beds devoted to youthful offenders.¹¹

With bipartisan support, Senate File 543 accords judges the discretion to reconsider sentences up to one year after conviction. For example, persons convicted of Class D felonies may be sentenced to one year to five years sentencing in which good time is earned. This provides incentives for inmates to comply with prison regulations and participate in various programs to facilitate their transition to freedom. Similarly, Senate File 537 requires that the Department of Public Health create a 200-bed substance abuse treatment facility for probationers. This could divert as many as 200 offenders from prison. Substance Abuse Program Initiative: Drug Courts (specialized units devoted to low-risk drug offenders) are already operational in the 2nd, 3rd, 4th and 5th Judicial Districts and are planned for the 1st, 6th and 7th Judicial Districts. Drug offenders are increasingly being diverted to community-based therapeutic communities to save prison space.

The Center for Creative Justice (CCJ) is a private correctional entity that services minimum-risk offenders such as persons convicted of OWI 1st. Funded by the United Way of Story County, City of Ames, Story County, Iowa State University Government of the Student Body, user fees and donations, CCJ supervises misdemeanor probationers and persons

¹⁰ Tom Becker. 9/21/01. Remarks to the 2001 State of Black Iowa. State Public Defender of Iowa News Archive. Des Moines, Iowa.

¹¹ For a comprehensive look at the policy-related efforts of the prison system, see Iowa Department of Corrections, Strategic Plan 2002, pp. 30-37.

receiving deferred prosecution.¹² Based on the motto “Resolution of conflict ~ Restoration to community,” CCJ employs a restorative justice philosophy and programs such as Alternative Dispute Resolution Mediation Services, Tools for Life, comprehensive skills training, empowerment, a substance abuse program and educational workshops.

With the exception of lifers and inmates subject to the 85 percent rule, prison sentences are automatically reduced by 50 percent upon entering prison. Additional “good time” can also be earned. These approaches are helpful in reducing length of sentence and should be continued.

¹² The majority of correctional officials interviewed expressed confidence in privatized community corrections (e.g., The Center for Creative Justice) and concern over the ethical dilemmas posed by privatized prison. At this time, it is not likely that Iowa will begin incarcerating inmates in private prisons. For the record, a recent meta-analysis of 33 cost-effectiveness evaluations of private and public prisons found that private prisons did not offer significant cost-savings to taxpayers (Pratt, Travis C. and Jeff Maahs. 1999. “Are Private Prisons More Cost-Effective Than Public Prisons? A Meta-Analysis of Evaluation Research Studies.” *Crime & Delinquency* 45:358-371.

Conclusion

This study examined the impact of corrections spending for the state budget in Iowa. Concern about this issue is prompted by the exponential growth in the number of incarcerated inmates in the state in the last two decades. The growth is illustrated by the fact that in 1980 less than one Iowa resident in 1,000 was incarcerated. In 20 years, that figure has tripled to about three in 1,000 Iowans in prison.

Incarceration is an expensive undertaking. It costs the state \$48 a day per inmate for incarceration, compared to \$23.80 per day for a student at Iowa State University, and \$1.50 to \$8.00 per day for each individual in community corrections. In total, Iowa appropriated approximately \$236 million to the Department of Corrections for FY2001-2002. Even though this represents a decline from the previous year (due to the state budget shortfall), it is still 5 percent of the state budget and signifies an area of greater growth than the state's expenditures for higher education (a 187 percent increase in expenditures for corrections from 1980 to 2000 compared to a 63 percent increase for higher education).

If the present situation continues, the future costs of incarceration will only increase as the number of inmates grows, inmates serving long term sentences become elderly, and more inmates are diagnosed with special needs (mental illness, mental retardation, or borderline intellectual functioning). Currently 18 percent of Iowa inmates require on-going psychiatric care at some level. By 2011, the state expects the number of inmates needing that help to increase by 52 percent, just as the prison population would increase. In addition, a growing share of inmates serving long-term sentences are choosing to stay in prison for their full term instead of being paroled in a supervised release for part of their sentence. Not only does this cost more for the state (\$48 per day compared to at most \$8 per day), but may actually pose greater risks to community safety. Inmates who are released directly to the community without the benefit of assistance programs and without any state supervision upon release may be more likely to return to crime. Also the opportunity for parole previously served as an incentive to inmates to participate in rehabilitative programs and to exhibit good behavior in prison. If parole no longer is an incentive, controlling and rehabilitating prisoners becomes much more challenging.

Incarcerating so many Iowans poses a significant and growing fiscal burden to Iowa taxpayers. Expenditures for prisons diverts funds from programs and projects that most Iowans believe are at least as important as incarcerating a growing number of non-violent offenders. Iowa has several options to contain or reduce prison expenditures without compromising the public safety. Many of these proposals have been recommended by and/or are supported by Iowa Department of Corrections officials. Among them are greater reliance on diversion programs for youth and substance abuse offenders, allowing judges greater discretion to use "shock sentencing" for non-violent offenders (commuting long sentences to shorter ones after the offender serves time with good behavior and participates in rehabilitative programs), reducing the length of sentences for non-violent offenders. In addition, the courts, Department of Corrections and Board of Parole could have more discretion to review inmates serving 85 percent sentences, to assess their suitability for parole or other supervision, such as community-based corrections. This would not mean shorter time under supervision, but could from both a criminological and economic standpoint offer more appropriate supervision.

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