

# Operational Efficiencies in Idaho's Prison System

Evaluation Report  
January 2010

Office of Performance Evaluations  
Idaho Legislature



Report 10-01

Created in 1994, the legislative Office of Performance Evaluations operates under the authority of Idaho Code § 67-457 through 67-464.

Its mission is to promote confidence and accountability in state government through professional and independent assessment of state agencies and activities, consistent with legislative intent.

The eight-member, bipartisan Joint Legislative Oversight Committee approves evaluation topics and receives completed reports. Evaluations are conducted by Office of Performance Evaluations staff. The findings, conclusions, and recommendations in the reports do not necessarily reflect the views of the committee or its individual members.

### **2009–2010 Joint Legislative Oversight Committee**

#### **Senate**

Elliot Werk, *Co-chair*

John McGee

James C. Hammond

Edgar J. Malepeai

#### **House of Representatives**

Clifford R. Bayer, *Co-chair*

Maxine T. Bell

Donna H. Boe

Shirley G. Ringo

Rakesh Mohan, Director  
Office of Performance Evaluations

# Operational Efficiencies in Idaho's Prison System

January 2010

Report 10-01

Office of Performance Evaluations  
954 West Jefferson Street  
10th Street Entrance, 2nd Floor  
P.O. Box 83720, Boise, Idaho 83720-0055





# Office of Performance Evaluations Idaho Legislature

---

954 W. Jefferson Street  
10th Street Entrance, 2nd Floor  
P.O. Box 83720  
Boise, Idaho 83720-0055

Phone (208) 332-1470  
Fax (208) 332-1471  
Website: [www.idaho.gov/ope](http://www.idaho.gov/ope)

**Rakesh Mohan**  
Director

**Joint Legislative  
Oversight Committee**

**Senators**  
Elliot Werk, Co-chair  
John McGee  
James C. Hammond  
Edgar J. Malepeai

**Representatives**  
Clifford R. Bayer, Co-chair  
Maxine T. Bell  
Donna H. Boe  
Shirley G. Ringo

January 21, 2010

**Members**  
Joint Legislative Oversight Committee  
Idaho Legislature

You directed us to study operations and capacity planning for Idaho's prison facilities. This report identifies the key issues that contribute to prison inefficiency and potential risks to safety and security.

We commend the Department of Correction for its efforts to manage the complex and ever-changing demands of the prison system. The prison system continues to be faced with a variety of challenges such as an aging facility infrastructure, anticipated population growth, limited ability to comply with national standards, and budget shortfalls.

Our report suggests a strategic approach to both modernize Idaho's prison facilities and improve security staffing. To achieve system-wide efficiency over the short and long term, the state should consider simultaneously implementing our recommendations for a standardized staffing model and replacement of the least efficient prisons. The planning necessary to improve the efficiency, safety, and security of the prison system is reliant on a joint effort between the department and the Legislature and can begin immediately.

We appreciate receiving responses to our report from the Office of the Governor, the department, and the state Building Authority, which are included at the end of the report. In his response, Governor Butch Otter concurred with our finding that modernized facilities can yield future efficiencies and said, "When economic conditions improve and offer more certainty, I will work with legislative leaders to address the facility needs of Idaho's prison system in a responsible manner." Executive Director Wayne Meuleman of the Building Authority hopes that our analysis will serve as a model for evaluating facilities at other state agencies.

Department Director Brent Reinke stated that the report's facts and analysis will guide the development of more efficient prisons. He also proposed a joint, collaborative effort with our office and the Washington State Institute for Public Policy in conducting an outcome study of alternatives to incarceration. We believe such a study would not only be beneficial to the department but

---

also would offer valuable information to policymakers on the effectiveness of these programs.

I would like to express my sincere thanks to officials and staff of the department for their assistance and cooperation. They took time out from their busy schedules to assist us with our site visits to each of the nine prisons, explain prison operations in full detail, and promptly respond to our numerous information requests.

Sincerely,

A handwritten signature in black ink that reads "Rakesh Mohan". The signature is written in a cursive style with a large, prominent initial 'R'.

Rakesh Mohan

# Table of Contents

	Page
<b>Executive Summary</b> .....	ix
<b>Chapter 1: Identifying Operational Efficiencies</b> .....	1
Cost of Idaho’s Prison System .....	1
Legislative Request & Study Objectives.....	2
Methodology.....	3
Managing Idaho’s Inmate Population .....	4
Department Efforts .....	9
<b>Chapter 2: Security Staffing</b> .....	11
Prisons Benefit from Standardized Staffing.....	11
Many Factors Influence Prison Security Staffing.....	12
Current Approach to Staffing Has Limitations .....	13
Use of a Standardized Staffing Model Can Help Reduce Risks.....	14
Furloughs Have Unintended Consequences.....	17
Recommendations .....	18
<b>Chapter 3: Benchmarks for Efficiency</b> .....	21
Certain Prison Characteristics Increase Costs.....	21
Benchmarks Provide a Standard for Efficiency .....	25
<b>Chapter 4: Facility Planning</b> .....	31
Idaho Can Enhance Safety and Security.....	31
Idaho Can Realize Savings Through Prison Replacement .....	33
Replacing Housing Units Has Many Benefits.....	35
Recommendation .....	37
<b>Chapter 5: Looking Forward</b> .....	39
Idaho’s Incarcerated Population Is Expected to Grow.....	39
State Moves Forward on Plans to Manage Growth.....	41
State Should Consider Other Options for Moving Forward .....	43

	Page
<b>Appendix A: Economic Analysis Methodology</b> .....	47
<b>Appendix B: Discount Rate</b> .....	57
<b>Responses to the Evaluation</b>	
Office of the Governor .....	61
Department of Correction .....	63
Idaho State Building Authority .....	67

# List of Exhibits

	Page
<b>Exhibit 1.1</b> Summary of Idaho's Custody and Security Levels .....	5
<b>Exhibit 1.2</b> Idaho's Prisons and Locations.....	6
<b>Exhibit 1.3</b> Percentage of Total Operating Capacity in Idaho by Prison.....	7
<b>Exhibit 1.4</b> Prison Operating Capacity, November 2009 .....	8
<b>Exhibit 3.1</b> Design and Layout of a Housing Unit Where Continuous Observation Is Not Possible.....	22
<b>Exhibit 3.2</b> Design and Layout of a Housing Unit That Provides Continuous Observation .....	22
<b>Exhibit 3.3</b> Use of Tower Security at Idaho State Correctional Institution .....	23
<b>Exhibit 3.4</b> Example of the Effect of Medium Custody Housing Unit Capacity on Security Staffing Costs .....	24
<b>Exhibit 3.5</b> VFA Facility Condition Assessment Indexes, Fiscal Years 2006 and 2010.....	26
<b>Exhibit 3.6</b> Medium Custody Benchmarks for Efficiency .....	27
<b>Exhibit 4.1</b> Rank Order of State-Operated Prisons from Least to Most Efficient.....	34
<b>Exhibit 4.2</b> Housing Unit Group Replacement Options.....	35
<b>Exhibit 5.1</b> Summary of Forecasted Growth in the Incarcerated Population, Fiscal Years 2010–2013.....	39
<b>Exhibit A.1</b> Cost Per Inmate Per Day in State-Operated Prisons, Fiscal Year 2009 .....	48
<b>Exhibit A.2</b> Security Staffing Costs for Close Custody Housing Units, Fiscal Year 2009.....	49
<b>Exhibit A.3</b> Security Staffing Costs for Medium Custody Housing Units, Fiscal Year 2009.....	49
<b>Exhibit A.4</b> Security Staffing Costs for Minimum Custody Housing Units, Fiscal Year 2009.....	50
<b>Exhibit A.5</b> Rank Order of State-Operated Prisons and Housing Units from Least to Most Efficient .....	52
<b>Exhibit A.6</b> Major Financial Assumptions of Cost Allocation Model from Most to Least Sensitive to Change.....	54
<b>Exhibit A.7</b> Sensitivity of Present Value Savings to Changes in Cost Allocation Model Assumptions .....	54



## *Executive Summary*

# Operational Efficiencies in Idaho's Prison System

*Idaho's prison system has faced considerable challenges in recent years including budget reductions, outdated facilities, and limited staffing levels. Many prison facilities have outdated designs that do not meet national standards, are difficult to staff adequately, and are expensive to operate. Forecasted prison population growth will require policymakers to answer complex demands for expanded prison capacity and increased spending. Our report provides short- and long-term recommendations to improve the efficiency of prison facilities and staffing, and suggestions for how the state can prepare to address the needs of a growing prison population.*

## **Idaho Faces Complex Challenges**

The Department of Correction has taken commendable efforts to manage a complex prison system with limited resources. Idaho's state-operated prison infrastructure is aging, expensive to maintain, and in many cases inefficient due to outdated design. Nevertheless, the department has succeeded in keeping the system running while absorbing a 9 percent budget decrease between fiscal years 2009 and 2010 and a budget holdback of approximately \$2.4 million in fiscal year 2010.

The department has pursued several initiatives to address budget cuts, such as closing two of its most expensive to operate housing units, bringing back inmates from expensive out-of-state placements, furloughing staff, and holding some vacant positions open. To be prepared for long-term challenges, the department has also engaged in important planning efforts that include a comprehensive evaluation of the condition of its facilities and the development of a System Master Plan that assessed short-term, intermediate, and long-term prison capacity needs.

The department is currently experiencing many challenges, which we anticipate will continue into the future:

- The current population forecast indicates additional capacity will be needed as the prison population is expected to grow from 7,283 in fiscal year 2009 to 8,608 in fiscal 2013—an increase of 18 percent. Based on cost estimates and the projected mix of inmate custody levels from the System Master Plan, accommodating population growth will require

estimated construction and project costs of \$213 million and ongoing operating costs of over \$37 million.

- At the same time, the System Master Plan indicated that 15 percent of the total prison capacity in 2008 (883 out of 5,997 beds) had insufficient space and deficient physical features. All but one of Idaho's prisons were unable to accommodate the population being housed in ways that were compliant with nationally accepted standards for space and physical features. Taking the 883 noncompliant beds out of service and replacing them could cost an estimated \$142 million.
- Idaho's aging prison facility infrastructure is in poor condition overall and is increasingly expensive to maintain. The current backlog of maintenance needs for the eight state-operated prisons is over \$35 million. To simply maintain the poor condition of existing facilities will require the state to spend millions more per year.
- More than half of the housing units have insufficient staffing to provide continuous observation of inmates. National standards recognize that continuous observation of inmates is crucial for protecting the safety of inmates, staff, and the public.
- Given the risks associated with understaffed facilities, we agree with the department's assessment that furloughs and other emergency money-saving efforts at the state-operated prisons are not sustainable if the state is to continue to appropriately manage inmates.

The State of Idaho faces formidable challenges moving into the future. Although Idaho ranks among the lowest in the nation for the annual operating cost per inmate, the state may be achieving such a ranking at the expense of increased risks to safety and security. Nevertheless, both short- and long-term opportunities exist to address some of the most pressing staffing and facility issues, while recognizing the fiscal constraints facing state government.

## **Modernization of Prisons Is Essential for Reducing Risk and Improving Efficiency**

Our analysis shows that those prisons in Idaho with obsolete or ad hoc designs, relatively small housing units, or high maintenance needs can increase risks to safety and security and be more expensive to operate. Replacing some of Idaho's inefficient physical prison infrastructure with smarter, more efficiently designed facilities would enhance safety and security. This report can help Legislators answer the following questions:

- If the inmate population increases, should Idaho replace less efficient prisons or housing units while also adding capacity to the system?

- If the inmate population stabilizes, should Idaho replace any prisons or housing units?
- If the inmate population decreases, should Idaho close any prisons or housing units?
- What should the design and layout, capacity, and staffing levels be in new prisons or housing units?

The System Master Plan developed for the department indicated that many state-operated prisons were out of compliance with American Correctional Association standards for space and physical features. Although the Department of Correction mandates that Idaho's privately-operated prison be accredited by the American Correctional Association, no state-operated prisons are accredited by the Correctional Association.

Building on the previous planning efforts of the department and working closely with correction staff and other state agencies, we have identified several opportunities to replace some of the most inefficient, ill-designed, and expensive to maintain facilities in the prison system. We estimate that, in the long-term, replacing inefficient facilities can result in savings due to lower maintenance costs, more efficiently designed housing units that reduce staffing needs, and other savings. The replacement projects we identified would net the state a cost savings of approximately \$24.9 million if the money were in hand today, which translates into an annual savings of about \$1.7 million for a period of 50 years.<sup>1</sup>

We estimate that the state can use realized savings to replace over 1,100 inefficient beds found in those facilities with the most obsolete designs. The facility replacement options identified in this report are not only economically justified, but the replacement facilities could be designed to meet national square feet per inmate standards and requirements for continuous observation.

## **Idaho Is at Risk Because Many Prisons Cannot Provide Continuous Observation**

Continuous observation of inmates is a standard that the American Correctional Association states is a fundamental requirement for maintaining prison safety and security. Most of Idaho's state-operated prisons struggle to continuously observe inmates due to staffing limitations and outdated facility design. As currently staffed, the department does not have the resources to place enough staff in these inefficient units to provide continuous observation. If all existing prisons were staffed to provide continuous observation, both the number of

---

<sup>1</sup> These figures are conservative estimates only and may not capture all potential savings.

inefficient facilities that are candidates for replacement and the level of cost savings realized by replacing those prisons would increase considerably.

The increased staffing efficiencies achieved by replacing some of the least efficient facilities can lessen the need for additional staff. More efficient facilities can also help reduce the financial and legal risks currently associated with failure to meet staffing standards and can help address security staffing based on a systematic assessment of needs rather than budget constraints.

Our visits to each of the nine prisons found that the implementation of security staff furloughs to manage budget cuts has required the department to manage staffing resources through highly variable and piecemeal staffing patterns. The department has managed furloughs by accruing overtime, using administrative staff to fill key posts, designating some security posts as discretionary or, at times, leaving posts unstaffed. Although intended to save money in the short-term, we found that furloughs may not only cost the state more money, but they also may increase risks to safety and security.

Even without the current budget shortfalls that resulted in security staff furloughs, prison administrators indicate that facilities still would have fewer staff than are necessary for ensuring the safety and security of inmates, staff, and the public. Additionally, department staffing levels have generally lagged behind the levels recommended by a department-commissioned study conducted in 1999. We found that the department does not use a formalized process for determining the number of staff needed. Without a standardized staffing model to serve as a baseline, we were unable to quantify to what extent prison security staffing is limited. We recommend that the department develop a standardized staffing model that can systematically link facility design, staff duties, and necessary posts to better meet standards and limit risks to safety and security.

## **Idaho Should Be Prepared to Address the Needs of a Growing Prison Population**

Although growth has slowed in recent years, forecasted inmate population increases will again call on the Department of Correction and policymakers to answer complex questions about how to manage the associated costs. Idaho's prisons are currently operating at or near capacity, which limits the department's ability to place inmates in the most appropriate setting or safely manage population increases. Without increasing the state's capacity, population growth will force the department to resort to other means of managing prison overflow, such as placing inmates in county jails or housing them out of state.

The Department of Correction continues to pursue ways to manage future growth through the construction of new prison bed space. However, state correctional officials agree that the most immediate way to control correctional

spending is to reduce the number of offenders entering the system and the length of time they remain in prison. The use of alternative practices to reduce the size of the prison population can decrease the need for additional staff and facilities. Policymakers should continue working with the Department of Correction and other judicial stakeholders to explore alternative practices that can slow future population growth and reduce inmate lengths of stay without jeopardizing public safety. To explore alternative options, Idaho may wish to replicate efforts taken by the State of Washington to identify how evidence-based and cost-beneficial alternative options could affect future demand for prison capacity.

## **Idaho Can Pursue Both Short- and Long-Term Efforts to Improve Prisons**

Our report provides the Department of Correction and the Legislature with a set of recommendations to continue moving forward with immediate and ongoing efforts to efficiently and effectively operate the prison system. We have identified a fiscally responsible approach to improving the operational efficiency of the prison system in a way that also reduces risks to safety and security, which includes four primary recommendations.

**Develop a Statewide Standardized Staffing Model.** The department should develop a standardized staffing model and should base the model on the operating philosophy of continuous staff observation of inmates to most effectively enhance safety and security.

**Implement a Standardized Staffing Model Developed by the Department.** Once a standardized staffing model has been developed, the Department of Correction should seek the support of the Legislature to implement those standards over time as the state economy recovers. Given the design of Idaho's prisons, implementation of a standardized model may require additional staff. However, the state could offset the cost of increased staffing levels by coordinating implementation of a standardized model with the replacement of inefficient facilities.

**Use Shift Relief Factor Tool Effectively.** Once a standardized staffing model is in place, the Department of Correction should update its shift relief factor calculation and seek legislative support to use the relief factor (or a similar tool) in a way that ensures prisons are allocated the security staff necessary to meet the demands of the standardized model.

**Begin Planning for the Replacement of Inefficient Prisons or Housing Units.** Idaho should begin preparing to replace those prisons or housing units that have outdated or ad hoc designs and, therefore, are inefficient to operate or maintain. Prison replacement projects should be a part of both capacity planning and the state's effort to standardize its approach to security staffing.

## Acknowledgements

We appreciate the cooperation and assistance we received from both Department of Correction officials and staff, as well as the assistance we received from the following entities: legislative Budget and Policy Analysis, the Division of Financial Management, the Idaho Judiciary, the Office of the Attorney General, the Division of Public Works, and the Idaho State Building Authority. We also appreciate the input received from the firm of Carter Goble Lee; VFA, Incorporated; Christopher Murray and Associates; the Washington Office of Financial Management; and the Washington Department of Corrections.

Carrie DeLong Parrish and Maureen Brewer of the Office of Performance Evaluations conducted this study. Margaret Campbell was copy editor and Brekke Wilkinson was desktop publisher.

Kathleen Sullivan, former professor and director of the Center for Education Research and Evaluation at the University of Mississippi, conducted the quality control review. Technical assistance was provided by three consultants:

- Michael Huddleston, Contract Auditor, Woodinville, Washington
- Bob Thomas, Robert C. Thomas & Associates and Senior Principal Management Auditor at the King County Auditor's Office, Seattle, Washington
- Robert Williams, Principal, Robert M. Williams & Associates, Clinton, Washington

# Chapter 1

## Identifying Operational Efficiencies

*This report provides the Legislature with information about where efficiencies can be found in Idaho's prisons given current staffing levels, existing facilities, and the need to maintain safety and security. This information will be useful in the 2010 legislative session as policymakers discuss options for the short- and long-term future of prisons.*

### Cost of Idaho's Prison System

In 1999, the prison system confined 4,422 inmates. By the end of fiscal year 2009, the number of incarcerated offenders had increased to 7,283 inmates—an average increase of 4.9 percent annually. As of October 2009, Idaho's incarcerated population accounted for 35 percent of all offenders managed by the Department of Correction. The remaining 65 percent of offenders are known as supervised offenders who are managed in community-based probation or parole programs.

Although incarcerated offenders comprise around one-third of the offender population, the prisons are allocated 58 percent of the department's total 2010 budget. Department of Correction expenditures in the past decade have ranged from 6.1 percent to 8.1 percent of the state's total general fund. In fiscal 2009, the department spent an average of \$57.44 per day to house one inmate. The total appropriation for the department in fiscal 2010 is \$167.5 million, a 9.1 percent decrease from the 2009 appropriation of \$184.3 million.

In addition to the budget decrease between fiscal years 2009 and 2010, in September 2009, the Governor instructed the department to hold back \$2.4 million in general funds. To manage the significant budget reduction, the department has made a variety of cuts including closing two of the most expensive to operate housing units, returning inmates from out-of-state placements, furloughing staff, and holding vacant positions open.

## Legislative Request and Study Objectives

In May 2009, the Joint Legislative Oversight Committee asked us to conduct an evaluation of operations and capacity planning in Idaho’s prisons to better inform future decisions for Department of Correction needs. Legislators were concerned that managing inmate population growth may become increasingly more difficult given forecast projections and current budget limitations.

A 2007 study indicates that the annual operating cost per inmate in Idaho ranks among the lowest in the nation.<sup>1</sup> Department officials state that the climate and culture created by positive interactions between staff and inmates helps to maintain safe and secure prison environments. In addition, the state has

**NEGATIVE INCIDENTS may include but are not limited to inmate assaults on staff, inmate on inmate assaults, trespassing on prison grounds by the public or former offenders, group disturbances or riots, gang activity, suicides, and escapes.**

undertaken the commendable effort of finding efficiencies in the prison system during a time of intense economic pressure. However, in spite of this effort, Idaho’s prisons may still be at risk for negative incidents.

Some of the potential for negative incidents may be due to security staffing and facility design limitations in the eight state-operated prisons. One of the key limitations for state-operated prisons is the ability to provide continuous observation. According to the American Correctional Association, a fundamental requirement of providing safety and security is to continuously observe inmates.<sup>2</sup> Continuous observation is defined as uninterrupted staff supervision of inmates in their living areas and occurs when security staff can directly or indirectly observe

inmate behaviors and needs. Direct supervision of inmates places an officer’s station within the inmate living area. Indirect supervision places an officer’s station right outside the inmate living area but still allows for a full view of the unit. The department’s ability to provide continuous observation is largely dependent on adequate prison staffing levels and appropriate facility design.

---

<sup>1</sup> Pew Charitable Trust, “Public Safety, Public Spending: Forecasting America’s Prison Population 2007–2011”, [http://www.pewcenteronthestates.org/uploadedFiles/ Public%20Safety%20Public%20Spending.pdf](http://www.pewcenteronthestates.org/uploadedFiles/Public%20Safety%20Public%20Spending.pdf). Only seven states have lower annual operating costs per inmate. Louisiana has the lowest, followed by Alabama, South Carolina, Mississippi, South Dakota, Missouri, and Texas.

<sup>2</sup> The American Correctional Association is the oldest and largest international correctional association in the world and provides standards and accreditation for correctional entities nationwide ([www.aca.org](http://www.aca.org)).

In Idaho, the provision of continuous observation and compliance with other Correctional Association standards is only mandated at the privately-operated prison, which manages 31 percent of the state's incarcerated population. The Department of Correction requires the privately-operated prison be accredited by the American Correctional Association; however, state-operated facilities are not mandated to meet Correctional Association standards. Comparisons of performance and efficiency are difficult between Idaho's state-operated prisons and the privately-operated prison because of the differences in compliance with national standards and other elements such as facility design, staffing, and custody level.

**CONTINUOUS OBSERVATION of inmates is necessary to provide safety and security within a prison and can reduce risks to inmates, staff, and the public.**

We designed this study to answer three overarching questions:

- How has the Department of Correction managed trends in the prison population?
- Are the prisons operating efficiently?
- How can Idaho best accommodate growth in its prison population?

**Comparing state- and privately-operated prisons is difficult because of differences in facility design, staffing, custody level, and compliance with national standards.**

Our report provides the 2010 legislative session with perspectives and recommendations that can be used to discuss immediate and ongoing plans for managing future prison system demands. We describe how the department currently manages inmates and facilities and identify where the state can find efficiencies.

## Methodology

We designed this evaluation to examine both short- and long-term options for improving staffing efficiency and effectiveness and realizing cost savings through modernization of prison facilities. Our evaluation examined the elements that influence security staffing needs and the decision-making process the department uses to determine necessary staffing levels. In addition, our evaluation answers key questions about how to most effectively achieve efficiencies. It considers the cost savings possible by replacing some of the least efficient prisons or housing units. A key piece of our work involved conducting an economic analysis using a prison cost allocation model. The model explains variations in costs among the prisons by housing unit and identifies the least efficient facilities.<sup>3</sup>

<sup>3</sup> To avoid compromising prison security, we have not mentioned facilities' names in certain cases

We conducted our study by employing the following tasks:

- Toured all nine prisons and visited with wardens and other administrative and security staff to identify cost drivers specific to each facility
- Worked with officials from the Department of Correction, the Idaho Judiciary, the Office of the Attorney General, legislative Budget and Policy Analysis, and the Criminal Justice Commission to thoroughly understand Idaho’s correctional system
- Worked with the Division of Public Works and the Idaho State Building Authority and their consultants from Seattle-Northwest Securities to better understand Idaho’s methods of financing major capital projects
- Obtained perspectives and expertise from Steven Carter (Carter Goble Lee), Peter Scanlon (VFA, Incorporated), and Christopher Murray (Christopher Murray & Associates) who have conducted previous studies for the Idaho Department of Correction on facility capacity, condition, and staffing
- Developed a cost allocation model to determine the cost of operating and maintaining each prison facility and to compare the cost of retaining the current prisons with the cost of replacing them<sup>4</sup>

## **Managing Idaho’s Inmate Population**

Similar to other state agencies and programs, budget constraints have had an effect on the department’s prison staff and facilities—two of the most costly components of managing the state’s incarcerated population. Prison costs are closely tied to where security staff must be located within a prison and how many hours and days those locations must be staffed to maintain safety and security. Prisons also incur costs because of certain facility characteristics, namely the design and layout, housing unit capacity, and physical condition.

### ***Custody and Security Levels***

Significant variations exist in the amount of money needed to house an inmate. The Department of Correction considers the types of inmates entering the system when making decisions about what security staff, prison facilities, and housing units are necessary to safely confine inmates.<sup>5</sup> The department assigns inmates to a particular prison primarily based on their custody level, which is determined by

---

<sup>4</sup> Appendix A provides detailed methodology used to develop the model for this study.

<sup>5</sup> For the purposes of this report, a facility is one or more buildings that comprise a prison and a housing unit is a building specifically designed as the primary residence for inmates.

a battery of assessments and the department's placement matrix. The custody level of an inmate establishes the amount of supervision he or she requires by security staff. The department manages inmates within four basic custody levels: close, medium, minimum, and community. Each prison is unique in the mix of inmates it serves.

After the department determines an inmate's custody level, the inmate is assigned to a prison based on security level. The security level of a prison dictates which systems, such as perimeter fencing, are needed to secure an inmate within a housing unit or prison.

According to current department policy, a secure prison must have two perimeter fences with razor wire attached and an armed staff on patrol or in a tower. Idaho has five secure prison facilities. Exhibit 1.1 provides a summary of the custody and security levels of Idaho's prisons.

**CUSTODY LEVELS refer to inmates.**  
**SECURITY LEVELS refer to prison buildings.**

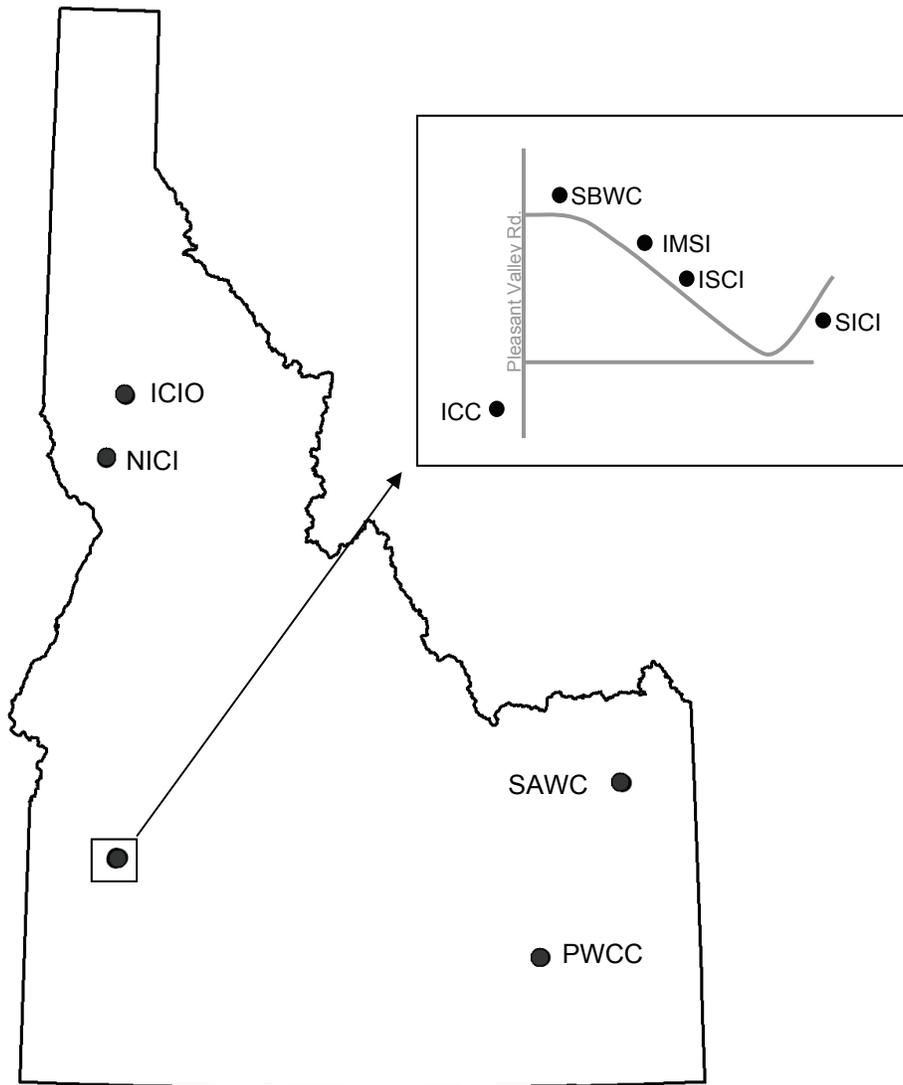
**EXHIBIT 1.1 SUMMARY OF IDAHO'S CUSTODY AND SECURITY LEVELS**

Custody	Perimeter	Movement	Officer Checks	General Inmate Characteristics
Close	Secure	Controlled	At least every hour	Fails to follow prison rules, poses a management or security threat to the operation of a safe and secure facility, or needs protection from other offenders
Medium	Secure	Controlled	Every hour	Can follow prison rules, has considerable time left in sentence, or may be an escape risk
Minimum	Unsecure	Unrestricted	Every two hours	Continuously follows prison rules, confined for nonviolent crime, and is within 24 months of eligibility for release
Community	Unsecure	Unrestricted	Inmates report to officers as directed	Consistently follows rules, confined for nonviolent crime, and has a pending release date

Sources: Carter Goble Lee, *A System Master Plan*, prepared for the Department of Correction, February 2008; prison visits and warden interviews.

Note: In addition to four custody levels, the state has some unclassified inmates, including those participating in the Rider Program who remain under the retained jurisdiction of the courts.

**EXHIBIT 1.2: IDAHO'S PRISONS AND LOCATIONS**



Official Name	Acronym	Abbreviated Name in Report
Idaho Correctional Center	ICC	Privately-operated prison in Boise
Idaho Correctional Institution – Orofino	ICIO	Prison in Orofino
Idaho Maximum Security Institution	IMSI	Maximum security prison in Boise
Idaho State Correctional Institution	ISCI	Medium security prison in Boise
North Idaho Correctional Institution	NICI	Prison in Cottonwood
Pocatello Women’s Correctional Center	PWCC	Women’s prison in Pocatello
South Boise Women’s Correctional Center	SBWCC	Women’s prison in Boise
South Idaho Correctional Institution	SICI	Minimum security prison in Boise
St. Anthony Work Camp	SAWC	Prison in St. Anthony

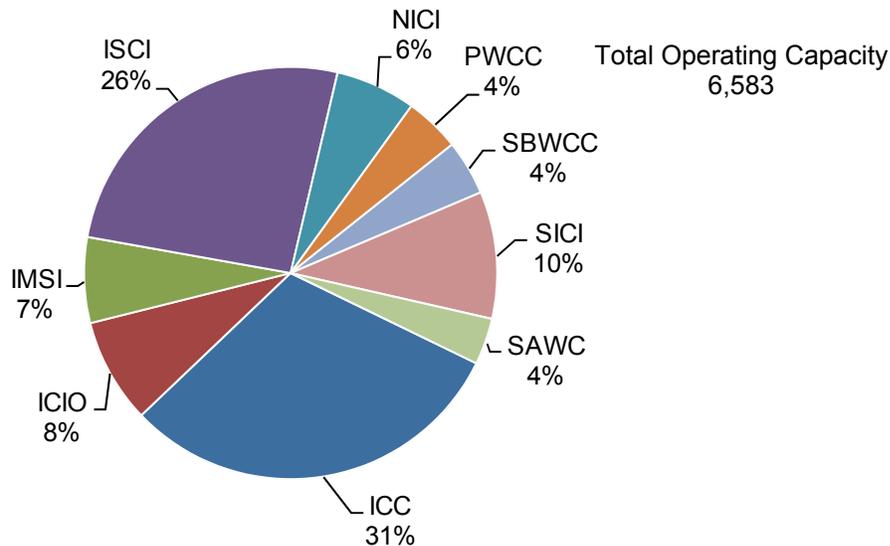
## Security Staffing and Prison Facilities

In December 2009, the Department of Correction employed over 1,500 full-time staff, over 1,000 working in the eight state-operated prisons. The primary job function of 80 percent of prison employees is to provide security.<sup>6</sup>

Idaho's prison system is comprised of nine prisons located throughout the state (see exhibit 1.2). Five prisons are located south of Boise, two are located in northern Idaho, and two are located in eastern Idaho. One of the prisons in Boise, the Idaho Correctional Center, is the state's largest prison and is privately-operated by the Corrections Corporation of America.

In our visits to each prison, we examined operating capacity—a count of the number of beds that could be permanently filled by inmates. Our count of operating capacity excludes beds that inmates often fill only temporarily such as medical or segregation beds. Exhibit 1.3 shows the percentage of total operating

**EXHIBIT 1.3 PERCENTAGE OF TOTAL OPERATING CAPACITY IN IDAHO BY PRISON**



Source: Prison visits and warden interviews.

Note: Operating capacity was determined by the Office of Performance Evaluation and is a count of the number of beds at each facility, which does not include medical beds or segregation beds used for temporary holding or discipline.

<sup>6</sup> For the purposes of this evaluation, we defined security staff as correctional officers, specialists, sergeants, and lieutenants. Although many food service officers provide significant security support in addition to their food service duties, we excluded them from our definition of security staff.

capacity in Idaho by prison. In early November 2009, the prisons were at 98.5 percent of their total capacity. At that time, capacity at three prisons was at or over 100 percent full. The prison with the most available beds was at 96 percent of capacity. Exhibit 1.4 shows each prison's operating capacity and the percentage of capacity that was filled in November 2009.

Department officials state that ideal capacity levels are near 97 or 98 percent full. Having a small amount of beds available at each prison allows for flexibility to move inmates to appropriate facilities as their risk level, program needs, or other circumstances change. When prisons operate at or near capacity, the ability to safely manage population growth or contingencies such as emergencies or serious incidents is reduced.

The age, and in some cases the original purpose, of some prison facilities limit the state's ability to comply with national standards and can put the state at a disadvantage for achieving efficiency. The oldest facility in Idaho is the prison in Orofino which began operations in 1984 in a building originally constructed and operated as a mental health hospital. Two other state-operated prisons were originally designed for other purposes. The prison in St. Anthony was designed to be a hospital, and the prison in Cottonwood was built to house staff at a military radar station.

**EXHIBIT 1.4 PRISON OPERATING CAPACITY, NOVEMBER 2009**

	Operating Capacity	Inmate Count	Percent of Capacity
Idaho Correctional Center	2,016	2,021	100.2
Idaho Correctional Institution – Orofino	541	529	97.8
Idaho Maximum Security Institution	442	424	95.9
Idaho State Correctional Institution	1,705	1,645	96.5
North Idaho Correctional Institution	414	416	100.5
Pocatello Women's Correctional Center	285	285	100.0
South Boise Women's Correctional Center	284	273	96.1
South Idaho Correctional Institution	656	654	99.7
St. Anthony Work Camp	240	236	98.3
<b>Total</b>	<b>6,583</b>	<b>6,483</b>	<b>98.5</b>

Sources: Prison visits and warden interviews; Department of Correction's daily count sheet.

Note: Operating capacity was determined by the Office of Performance Evaluations and is a count of the number of beds at each facility, which does not include medical beds or segregation beds used for temporary holding or discipline. Inmate count was taken by the Department of Correction on November 4, 2009.

## **Department Efforts**

The Department of Correction has made significant efforts to manage the prison system, which include commissioning several studies during the past decade. The studies have provided valuable and useful information for managing security staffing and facility needs. Our evaluation used the information presented in these studies to build on our understanding of where achieving efficiency in staffing and facility planning is possible.

**A System Master Plan for the Idaho Department of Correction**, Carter Goble Lee (February 2008). This project identified prison facility needs based on a snapshot of existing and future capacity. The work of Carter Goble Lee helped us to estimate the cost of constructing new facilities and compare those costs with the current costs of operating Idaho's least efficient prisons. The study also provided information on the extent to which the facilities comply with national standards (chapter 3).

**Facility Condition Assessment: Final Report**, VFA, Inc. (June 2006). VFA reviewed the maintenance and repair needs of major systems for every building within the state-operated prisons. The study recommended a preventive approach to building maintenance and provided the department with software to manage maintenance priorities. The work of VFA enabled us to compare the cost of maintenance backlogs and future repairs at existing facilities with the cost of replacing the least efficient prisons or housing units (chapter 3).

**Correctional Staffing Model & Roster Management Report**, Christopher Murray & Associates (September 1999). Murray and Associates assessed how and why correctional supervision is needed and provided plans and tools for consistent, effective, and efficient use of correctional staff in Idaho's prisons. Department administrators state they implemented some of the study's staffing recommendations that were not dependent on significant additional funding. Although conducted nearly a decade ago, this study provides support to our findings for the department's management of staff resources (chapter 2).



## Chapter 2

# Security Staffing

*Security staffing is a key cost driver for prisons. Making staffing decisions based on a consistent and rational assessment of need can help ensure the effective use of state dollars. Department of Correction administrators are dedicated, creative, and flexible in their efforts to operate the prisons in a way that limits costs. Recently, this flexibility has helped the department implement furloughs due to budget holdbacks; however, more than half of the housing units have insufficient staffing to provide continuous observation of inmates. Without a standardized staffing model serving as a baseline, it is difficult for the Office of Performance Evaluations, the department, or other stakeholders to quantify the full extent of any staffing shortfalls.*

### **Prisons Benefit from Standardized Staffing**

The American Correctional Association and other correctional experts state that prisons can avoid many safety and security problems by adequately staffing facilities with employees who have the proper training and understanding of how to effectively implement policies and procedures. Additionally, Correctional Association standards require that staffing levels be sufficient to provide continuous observation of inmates to protect the safety of inmates, staff, and the public. Standards and guidelines for staffing and operations exist to help agencies avoid problems. When prisons use a clear staffing rationale to adequately staff facilities, negative incidents can be prevented and additional benefits can be realized:

1. In cases where adequate staffing based on a standardized model is in place and negative incidents occur, management may be able to rule out staffing as the cause of the problem and can focus on other prison elements that may have contributed to the negative incident.
2. The risk of litigation can be reduced. Staff of the Idaho Office of the Attorney General state that courts typically look for the use of standards such as those promoted by the American Correctional Association when resolving litigation issues. Although the use of a clear staffing rationale cannot entirely insulate a prison system from litigation, a standardized approach can provide significant support in the event of a lawsuit.

## Many Factors Influence Prison Security Staffing

Clear security staffing rationale helps prison administrators ensure that oversight of inmates and facility operations is effective in maintaining safety and security. Staffing a facility is not as simple as defining a staff-to-inmate ratio. Rather, prison administrators must determine security staffing needs based on the custody and security level of inmates, each prison's physical features, and the tasks that must be completed by security staff each day.

**A POST is a station or task that must be overseen by a security officer for a certain period of time.**  
**A SHIFT is the amount of time one employee works in a given day.**

The basic roles and responsibilities of security staff are similar across the state and are defined by the department through a series of standard operating procedures. However, due to the custody level of inmates, variations exist in the frequency with which security staff must perform their duties. In addition, the location and roles of prison security staff are influenced by facility design and layout (including size).

A post is a mandatory position that must be filled by security staff during designated days and hours for safety and security. If the staff member assigned to a post is absent, another staff person must be assigned. A post may require one shift or many shifts. Some posts, such as housing unit supervision or perimeter monitoring operate 24 hours a day, seven days a week and require three, eight hour shifts. Other posts, such as supervision of visiting or recreation may only operate for one, eight hour shift five days each week.

Once the number of mandatory posts has been established, the number of staff necessary to ensure coverage of each post must be determined. Over the course of a year, staff miss work due to both planned and unplanned absences. Therefore, even a post that must only be covered eight hours a day, five days a week requires more than one staff member to cover a position for absent or vacationing workers.

A common tool called the shift relief factor is a multiplier that prison administrators apply to the number of posts to determine how many full-time employees are needed.<sup>1</sup> The shift relief factor may vary among states or prison systems due to variations in policies and procedures for staff leave benefits. Prison administrators determine a shift relief factor by estimating the amount of time staff are not available to fill their shift and calculating the number of extra full-time employees needed to cover future absences. To ensure that relief is

---

<sup>1</sup> Although the shift relief factor is the most common and nationally recognized method for determining the amount of staff needed, it cannot answer questions about the appropriate mix of staff resources. Other methods exist to help determine whether hiring additional employees or funding the overtime of existing employees is more cost-effective.

adequate, prison administrators should revisit the calculation for their shift relief at least every three years or whenever significant changes occur to the department's mission or policies.<sup>2</sup>

## Current Approach to Staffing Has Limitations

American Correctional Association standards call on prison administrators to determine staffing requirements on an ongoing basis. In Idaho, Department of Correction administrators work with prison wardens to determine posts, job duties, and types of security staff needed to ensure safety. Administrators consider many factors as they make staffing decisions, such as: laws, historical negative incidents, and interactions with offenders. Although some posts are consistent across all prisons, department administrators annually help prison wardens determine the number of posts each prison must fill. As a part of this annual process, department administrators review staffing; however, the department's process has limitations:

1. **The department limits the number of posts at each prison based on the number of staff available to fill the posts.** Instead of systematically identifying and staffing all posts that are necessary to maintain the safety and security of each prison, administrators determine the number of posts based on the number of currently approved full-time employees.
2. **The department does not use a set of prescribed rules to identify those posts that are mandatory at each prison; however, it does document the tasks that staff are required to perform.** Determining when more staff are needed can be difficult when posts are staffed with too much variability. If a facility does not have the appropriate number of posts, existing staff may be overburdened and experience low morale due to extra responsibilities.
3. **Prisons may have more posts to fill than staff available.** Department administrators try to prioritize what posts are most necessary and which posts can be cut without significantly increasing risk. At one facility, the budget allows for one post in each housing unit but no post for visiting hours. At this facility, an officer assigned to a housing unit post also must provide security for visits, thus leaving a subset of offenders unsupervised.

**The SHIFT RELIEF FACTOR is a mathematical tool used to determine the number of staff needed to fill mandatory posts.**

---

<sup>2</sup> Christopher Murray & Associates, *Idaho Department of Correction Roster Management*, prepared for the Department of Correction, September 1999.

4. **In many cases, current staffing patterns are not sufficient to provide continuous observation.** According to the American Correctional Association, continuous observation is a fundamental requirement for maintaining safe and secure prisons. Many of Idaho's housing units are not under continuous observation due to current staffing levels or the design of the housing unit.<sup>3</sup>
5. **Without a defined number of mandatory posts, the shift relief factor cannot be used effectively.** The functionality of the shift relief factor is fundamentally based on knowing exactly how many posts a prison must staff in order to maintain safety and security. In the case of Idaho's prisons, the use of posts and the shift relief factor is reversed. Rather than systematically identifying a prison's necessary posts and then using the relief factor to staff them accordingly, the department uses the relief factor to calculate the number of posts that a prison can cover with existing staff. Because mandatory posts are not systematically identified first, the shift relief factor cannot inform the department or policymakers of true staffing needs.
6. **The department's shift relief factor may be out of date.** The American Correctional Association and other correctional experts advise that a shift relief factor should be periodically updated to ensure it reflects current tendencies in personnel absences. The department was unable to provide documentation of how or when its current shift relief factor was last calculated.

Our visits to each prison provided an opportunity to observe staffing patterns and talk with prison administrators about the achievements and challenges of staffing in their facilities. Many prison wardens indicated that they have fewer staff than they feel are necessary and that this shortage poses potential risks to safety and security. The department has not established a formal set of rules to use when making decisions about what posts are mandatory. Determining the full extent of any staffing shortfall or the adequacy of the current allocation of staff among the prisons is difficult without the guidance of a standardized method of staffing.

## **Use of a Standardized Staffing Model Can Help Reduce Risks**

Many questions about whether staffing levels are adequate can be answered through the use of a formalized staffing model. A standardized staffing model is an operational policy that provides a plan for consistent and efficient staffing of

---

<sup>3</sup> Chapter 3 describes the degree to which the design and layout of many housing units limit the feasibility of continuous observation.

prison facilities. Based on facility design and the necessary security activities at each prison (such as continuous observation or daily counting of inmates), a staffing model provides a framework for systematically determining the number of necessary posts. Using a standardized staffing model to systematically link facility design, staff duties, and necessary posts can help reduce the potential for risks associated with insufficient staff coverage.

Communicating staffing needs to the Legislature and garnering support may be difficult because the department lacks a systematic way to measure staffing levels and identify shortcomings. Department staff indicate that garnering legislative support for additional staff at existing prisons can be difficult and often occurs only in conjunction with construction of new bed space or litigation. Once a standardized model is in place, the department can more effectively use tools like the shift relief factor to communicate staffing needs to the Legislature. Standardizing how the department makes staffing decisions can be beneficial to both the department and the Legislature:

- Staffing needs can be assessed consistently based on explicit criteria
- Resources can be distributed fairly among state prisons
- Staffing practices can be well supported and legally defensible
- Performance measures can be used to identify and address deficiencies in operations such as specific times and locations where continuous observation is not being provided<sup>4</sup>

A staffing model should be based on the department's goals to address risks to safety and security in each prison. The following cyclical process could be used to help the department develop and implement a standardized staffing model:

1. Standardize the department's approach to staffing by developing a model that identifies the key locations and roles of security staff based on inmate custody levels, facility design and layout, and facility security features. Determine how performance of the staffing model will be measured.
2. Determine what changes are necessary to existing staffing levels in order to implement the staffing model.
3. Determine what, if any, state investment is needed to modify current staffing levels, obtain legislative support, and implement the staffing model.

---

<sup>4</sup> US Department of Justice, National Institute of Corrections. *Jail Standards and Inspection Programs*, April 2007.

4. Measure staffing levels in comparison to the performance goals of original model.
5. Identify what has worked and what has not worked, as well as areas of remaining potential risk. Make adjustments to the staffing model as needed.
6. Periodically reexamine the staffing model and performance goals. Begin the cycle again.

A staffing model is a dynamic plan that can assist the department in fulfilling its mission and reduce the potential for risk as changes occur to facilities and inmate populations. The American Correctional Association does not recommend that a state implement across-the-board staffing standards that ignore the nuances of individual facilities. Rather, a dynamic staffing model acknowledges the unique characteristics of each prison and establishes a customized approach.

Staffing models are not intended to be a permanent rule for how the department should staff prisons. Instead, a model can provide the framework necessary for the department to standardize staff locations and roles as much as possible and measure the degree to which staffing levels are meeting department needs. We believe department administrators possess the professional judgment and insight necessary to determine how a standardized staffing model should look. Several resources are currently available to assist the department in developing a standardized staffing model:

- As previously discussed, the department contracted with Christopher Murray & Associates in 1999 to conduct a review of security supervision in Idaho. The study provided the department with a staffing model intended to help adequately staff state-operated prisons. This model describes mandatory posts (as influenced by inmate custody level) and may still be relevant and useful.
- The department renewed its contract with Corrections Corporation of America in July 2009 for the operation of the Idaho Correctional Center. The department employed a decision-making process to develop a small staffing model that lists mandatory security posts in the new contract, which includes a requirement for uninterrupted supervision of offenders.
- The National Institute of Corrections provides technical assistance to help states assess and improve operations. Correctional partners in surrounding states may be able to provide additional technical assistance, perspective, or feedback.

## **Furloughs Have Unintended Consequences**

In fiscal years 2009 and 2010, the state imposed budget holdbacks to the Department of Correction. In addition to holding open some vacant positions, the department has implemented 28 hours of furlough for each security staff during fiscal year 2010 for a total of 22,134 furlough hours.<sup>5</sup>

The department intends for furloughs to reduce the number of staff being paid to work. When a staff member is absent because of a furlough, prison administrators may choose to not staff the post, fill the post with a staff member who typically works another post (thus leaving another post empty), or fill the position by using staff overtime hours. In each of these cases, some duties that were previously carried out may no longer be completed or additional costs may be incurred.

To manage furloughs, many prison wardens indicate they generated a list of posts that, although previously deemed necessary, could be left vacant for a period of time while the staff member assigned to that post works a more vital post. At some prisons, administrators such as wardens, deputy wardens, or lieutenants will work the shifts of correctional officers in order to provide coverage while the officer is furloughed. Removing staff from one post to cover a different post has predictable consequences, some of which are potentially negative.

When coverage of furloughs result in staff generating overtime hours, prison administrators strive to compensate staff for that overtime through compensatory time off instead of paying overtime wages. Staff accrue 90 minutes of compensatory time for every 60 minutes of overtime worked. If prison administrators cannot compensate staff for overtime by granting compensatory time off within six months of earning the overtime, the prison must pay the overtime wage to staff.

The compensatory time earned by an employee providing furlough coverage for another employee may cost more than the savings incurred. Every hour of furlough covered by the use of overtime results in a future liability of one and one half hours of compensatory time. After a short period of time, staff are not only trying to cover posts during mandatory furlough days, they are also trying to cover posts during the compensatory time off generated by furlough coverage. This cycle of using overtime to cover both furloughs and compensatory time off

---

<sup>5</sup> All other department staff were mandated to take 70 hours of furlough each in fiscal year 2010; however, the effects of furloughs on non-security staff are different because non-security positions are not posts that must always be filled.

may cost more and increase risks of negative incident either due to a lapse in security coverage or low staff morale.<sup>6</sup>

## Recommendations

### *Develop a Standardized Staffing Model*

A staffing model may take many different forms but, most importantly, should be an effective tool for the department to use in determining the staff needed for safety and security and in communicating staffing needs.

**Recommendation 2.1:** The Department of Correction should develop a standardized staffing model. In order to meet best practices, the department should base the model on correctional standards related to maintaining continuous observation.

**Fiscal Impact:** The department already has the in-house expertise to develop a standardized staffing model. Development of the model will not require any new money but implementation may require funding for additional staff; however, as discussed in chapter 4, the increased efficiency that can be achieved in modern facilities would lessen the need for additional staff.

**Timeline:** The department should be able to develop the staffing model by the 2011 legislative session.

### *Implement the Standardized Staffing Model*

The success of implementing a staffing model will in large part depend on legislative support because a prison security staffing model may have considerable fiscal implications.

**Recommendation 2.2:** After developing a standardized staffing model, the department should seek the support of the Legislature to implement the model over time. The Legislature should require the department to use the staffing model in developing future requests for security staff.

**Fiscal Impact:** Depending on the criteria used by the department to set staffing standards, some resources may be required if additional staff are necessary. The cost savings identified in this report for replacing inefficient facilities may have the potential to offset the cost of additional staffing.

---

<sup>6</sup> In a recent presentation to the Joint Finance-Appropriations Committee, the department's director indicated concerns about the sustainability of furloughs over time.

**Timeline:** The department should begin implementing the standardized staffing model in fiscal year 2012.

### ***Use Shift Relief Factor to Ensure Proper Staffing Levels***

As it is currently used, the shift relief factor does not provide the department or the Legislature with an accurate picture of staffing needs. The shift relief factor should clearly illustrate the staffing necessary to fill mandatory posts as determined by the standardized staffing model.

**Recommendation 2.3:** Once a standardized staffing model is in place, the Department of Correction should update its shift relief factor and seek legislative support to use the factor (or a similar tool) in a way that ensures state-operated prisons are allocated staff based on the model.

**Fiscal Impact:** The department has the in-house expertise to calculate a shift relief factor on a regular basis and needs no additional resources. However, once the factor is implemented, some resources may be required depending on the need for additional prison security staff.

**Timeline:** The department should start using the shift relief factor upon implementation of the standardized staffing model, effective fiscal year 2012.



## **Chapter 3**

# **Benchmarks for Efficiency**

*Costs per inmate per day vary among Idaho's nine prisons. Some of the variation in costs is due to the amount of security staffing required by each inmate custody level. However, beyond custody level, increased costs can be explained by cost drivers such as facility design and layout, housing unit capacity, and the condition of the facility or individual housing units. There are very few housing units in Idaho that are benchmarks for efficiency. This evaluation identified a benchmark for medium custody but did not find benchmarks for close or minimum custody.*

### **Certain Prison Characteristics Increase Costs**

This evaluation assessed the reasons why Idaho's costs per inmate per day vary across the one, privately-operated and eight state-operated prisons. Largely dependent on the staffing necessary to maintain safety and security within different custody levels, some inmates cost more to house than others. To the extent that differences outside of custody level can further explain cost variation, we identified three primary cost drivers:

- Facility design and layout
- Housing unit capacity
- Facility condition

### **Twenty Four Housing Units in Idaho's State-Operated Prisons Do Not Provide Continuous Observation**

The Department of Correction's mission is to protect the public while maintaining a professional environment that results in a mutual respect between staff and inmates. To a certain degree, department efforts align with American Correctional Association standards that say prison housing units should promote staff and inmate safety and well-being.<sup>1</sup> However, to most effectively meet this standard, the design and layout of housing units should allow staff to

---

<sup>1</sup> American Correctional Association standards are not mandated, but courts often consider them when issuing rulings.

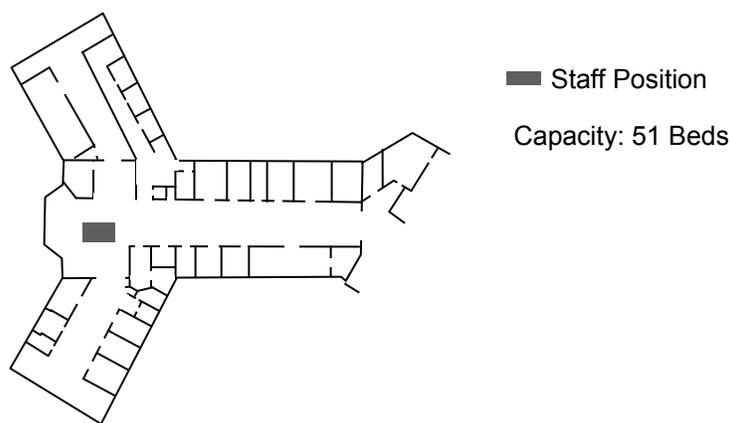
continuously observe inmates. Continuous observation can be provided through two types of supervision: direct or indirect. Direct supervision of inmates places the officer's station in the inmate living area. Indirect supervision places the officer's station right outside the inmate living area but still allows for a full view of the unit.

Given current staffing levels, 24 out of 40 housing units in the state-operated prisons do not provide continuous observation.<sup>2</sup> Exhibit 3.1 depicts a medium custody housing unit at one of the prisons where only one staff person provides security on each shift. Because of the design and layout of this particular unit, the one staff assigned to the unit cannot provide uninterrupted supervision of all the rooms and cells. Conversely, exhibit 3.2 illustrates an example of a medium

---

**EXHIBIT 3.1 DESIGN AND LAYOUT OF A HOUSING UNIT WHERE CONTINUOUS OBSERVATION IS NOT POSSIBLE**

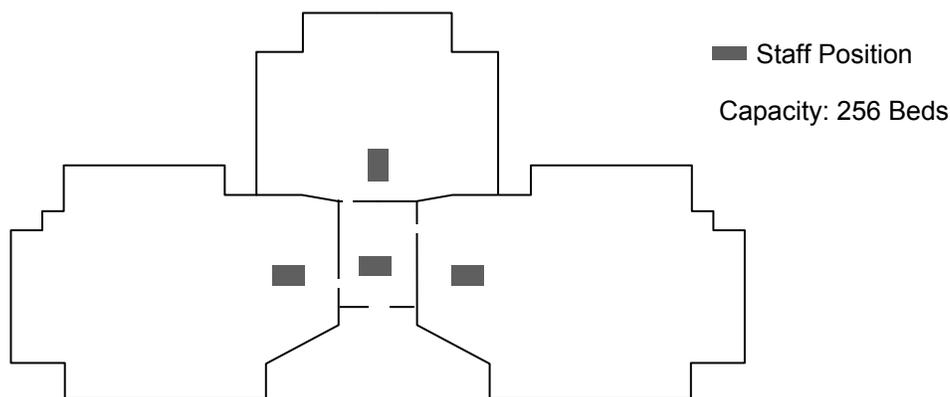
---



---

**EXHIBIT 3.2 DESIGN AND LAYOUT OF A HOUSING UNIT THAT PROVIDES CONTINUOUS OBSERVATION**

---



---

<sup>2</sup> Of the 24 housing units that do not provide continuous observation, 14 are minimum custody. While continuous observation may be less critical in minimum custody units than higher custody units, the state can still meet the standard in units with better designs.

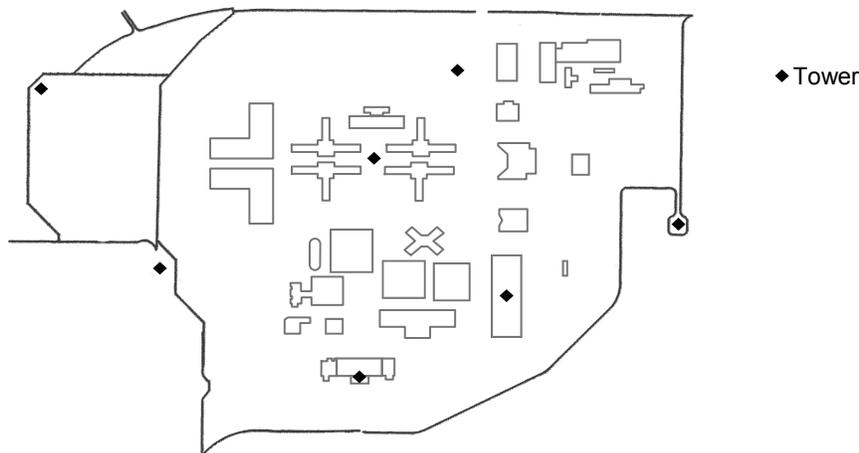
custody housing unit where continuous observation is possible because of its staffing level and design.

We found that many of the housing units have obsolete or ad hoc designs largely because, in general, the prison facilities are old and three of them were retrofitted to become prisons. Due to outdated or makeshift designs and limited staffing levels, the state may be at risk for inmate management problems. When inmates are left periodically unsupervised or staff is absent from certain areas of the housing unit, problems can occur:

- Conflict among inmates
- Harm to equipment, furnishings, and walls
- Litigation from unobserved behavior such as suicide, fights, and sexual assault

In addition to the increased risk when continuous observation is not possible, an obsolete prison design and layout can have a significant effect on costs. For example, the use of advanced technology and a smart design can reduce the cost of controlling movement in the prison and securing the perimeter fence. The state's medium security prison located south of Boise was designed after a college campus, requiring staff to monitor inmate movement to and from various buildings. Exhibit 3.3 shows that in order to safely manage the inmate population and monitor movement within the perimeter, the use of manned

**EXHIBIT 3.3 USE OF TOWER SECURITY AT IDAHO STATE CORRECTIONAL INSTITUTION**



Source: Exhibits 3.1–3.3 were created based on information from prison visits, warden interviews, and site maps.

towers is required.<sup>3</sup> In contrast, other prisons in Idaho operate under one roof, eliminating the need for manned towers that increase the cost of security. The department's System Master Plan recommended that the state replace the current perimeter fence with a stun fence in order to reduce the cost of perimeter security.<sup>4</sup>

### ***Many Housing Units Are Too Small to Achieve Cost Savings***

An effectively designed housing unit allows for minimal staff to continuously observe more inmates without jeopardizing safety and security. Whether a housing unit has capacity for 100 inmates or 50, every unit requires staff. The appropriate capacity of a housing unit will vary depending on custody level, which is a driver for the amount of staff required to complete duties and respond to situations. For example, the sizes of the state's medium custody housing units range from 51 to 354 beds. Many housing units in Idaho are too small to achieve the cost savings that are possible when security staff supervise a large number of inmates at one time. Exhibit 3.4 shows the considerable influence of housing unit capacity on security staffing costs per inmate per day for a sample of medium custody units.

In addition to the number of inmates a housing unit can confine, American Correctional Association standards indicate prisons should have an adequate amount of square footage and physical features such as toilets, sinks, and showers. In creating the System Master Plan, Carter Goble Lee measured Idaho's state-operated prison capacity based on Correctional Association space and physical feature standards. The study found that the number of inmates

#### **EXHIBIT 3.4 EXAMPLE OF THE EFFECT OF MEDIUM CUSTODY HOUSING UNIT CAPACITY ON SECURITY STAFFING COSTS**

	Housing Unit	Capacity	Cost Per Inmate Per Day (\$)
Idaho Correctional Institution – Orofino	McKelway B1	51	26.52
Pocatello Women's Correctional Center	Unit 2	69	25.33
Idaho State Correctional Institution	Unit 10	108	23.36
Idaho Correctional Center	Unit JKL	256	17.34
Idaho Correctional Center	Unit M-R	354	13.98

Sources: Office of Performance Evaluations' cost allocation model; prison visits and warden interviews.

<sup>3</sup> The medium security prison south of Boise also uses guard dogs to secure the prison's perimeter, contributing to increased perimeter security costs.

<sup>4</sup> Carter Goble Lee, *A System Master Plan*, prepared for the Department of Correction, February 2008.

housed at all but one of the state-operated prisons was higher than Correctional Association standards would allow. According to the firm, 883 out of the 5,997 beds in place at the time of its assessment had insufficient space and deficient physical features. The number of noncompliant beds may have changed since the 2008 study, but if the State of Idaho were to take 883 noncompliant beds out of service and replace them elsewhere, the cost to the state would be approximately \$142 million.<sup>5</sup>

### **Idaho's Prison Facilities Face Considerable Maintenance Backlog**

Every prison incurs maintenance costs. Those costs can be fairly large, especially for aging facilities like many in Idaho. To better understand and prioritize the maintenance needs of each prison, the department commissioned VFA, Incorporated to conduct facility condition assessments for the state-operated prisons. Since its publication in 2006, the VFA assessments have guided the department's major maintenance efforts.

The assessments found that the Department of Correction needs to address substantial maintenance backlog in an effort to bring the facilities into good condition within ten years. The current backlog of maintenance needs for the eight state-operated prisons is over \$35 million. To simply maintain the poor condition of existing facilities will require the state to spend millions more per year. Although the department does not currently have the funds to maintain all facilities in good condition, for the purposes of our report, we included the major maintenance costs identified by VFA in the total cost of operating the prisons.<sup>6</sup>

Exhibit 3.5 displays the current conditions of each prison and the annual funding necessary to bring them into good condition and maintain that condition. VFA used a standard called the facility condition index to determine the condition of each prison. The standard defines a facility as being in good condition when it has reduced its maintenance backlog to the point at which the total cost of completing deferred maintenance requirements, divided by the current replacement value of the facility, is less than or equal to 0.05.

### **Benchmarks Provide a Standard for Efficiency**

To ensure a fair comparison of the variation in costs among the prisons, we calculated the costs of operating each housing unit. We compared cost variations within three custody levels that each require a different level of security:

---

<sup>5</sup> Estimate based on costs per square foot generated by Carter Goble Lee.

<sup>6</sup> Appendix A provides detailed information on how our evaluation incorporated these costs into an economic analysis.

**EXHIBIT 3.5 VFA FACILITY CONDITION ASSESSMENT INDEXES,  
FISCAL YEARS 2006 AND 2010**

	2006			2010 <sup>a</sup>		Annual Equivalent <sup>b</sup> (\$)
	Age of Buildings (Years)	Condition	Index	Condition	Index	
ICIO	17–68	Poor	0.21	Poor	0.13	1,037,339
IMSI	11–34	Poor	0.14	Good	0.02	2,089,779
ISCI	5–36	Poor	0.27	Poor	0.19	4,258,422
NICI	16–51	Poor	0.18	Poor	0.18	429,077
PWCC	12–13	Fair	0.08	Good	0.05	1,143,502
SAWC	31–51	Poor	0.39	Poor	0.40	486,356
SBWCC	1–8	Good	0.02	Good	0.01	88,544
SICI	3–39	Poor	0.21	Poor	0.13	709,086

Sources: VFA, Inc, *Facility Condition Assessment: Final Report*, prepared for the Department of Correction, April 2006; Office of Performance Evaluations' cost allocation model.

Note: Condition ratings are based on the following scale: good is equal to an index of 0.05 or less, fair is equal to an index of 0.06 to 0.10, and poor is equal to an index of 0.11 or greater. Condition ratings and indexes can change quickly from year to year if major systems are due for replacement but are not immediately addressed.

<sup>a</sup> 2010 figures calculated by the Department of Correction using VFA software and incorporating maintenance and repairs that have occurred since the 2006 assessment.

<sup>b</sup> An annual equivalent is a way to express the cost per year of major systems periodic repair and replacement in prison facilities over the span of their useful lives.

minimum, medium, and close. After determining the cost to operate each housing unit, our goal was to identify those housing units that could serve as a benchmark or standard for efficiency in each custody level. We developed the following criteria, largely based on the American Correctional Association's standard of continuous observation, to identify the state's benchmark housing units:

1. A design and layout that facilitates continuous observation of inmates
2. A staffing level that allows for continuous observation of inmates
3. A capacity level that accommodates a large number of inmates
4. Having met the first three criteria, a relatively low cost per inmate per day

We visited and evaluated all of the housing units in order to find those that would be benchmarks for efficiency. We were able to identify two medium custody housing units that met the benchmark criteria. Although we did not find

any existing close or minimum custody housing units in the state that could serve as benchmarks, we worked with department administrators to identify possible benchmarks.

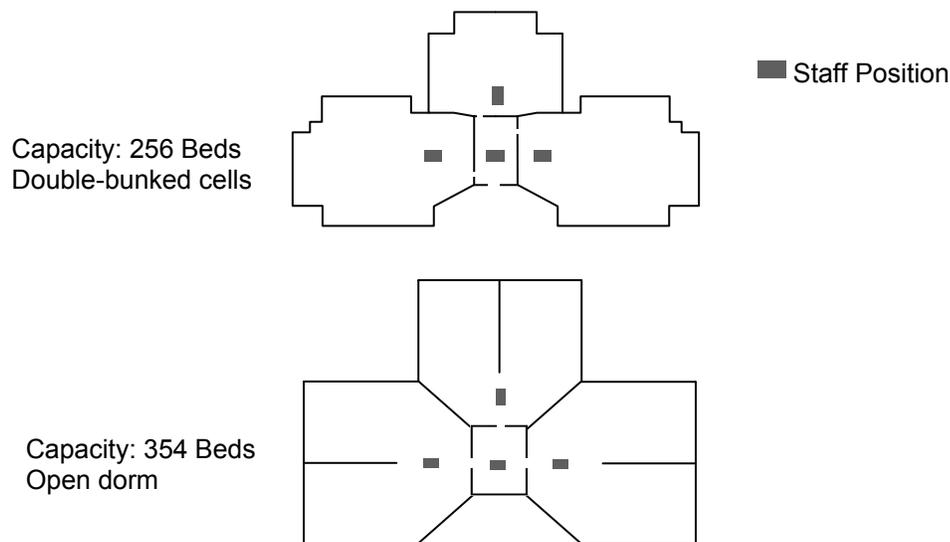
**Idaho Has Housing Unit Benchmarks for Medium Custody**

Based on our criteria, two housing units at the privately-operated prison south of Boise serve as medium custody benchmarks for efficiency: a 256-bed unit of double-bunked cells and a 354-bed unit with an open dorm design.<sup>7</sup> Both units are part of the only prison in Idaho that is accredited by the American Correctional Association and staffed to standards outlined by the department.

**If the Department of Correction were to operate a facility designed like the privately-operated prison in Idaho, the state could realize greater efficiencies.**

The modern design and layout of the privately-operated prison allows the facility to run more efficiently than many of the state-operated prisons. If the Department of Correction were to operate a facility designed like the privately-operated prison, the state could realize similar efficiencies. Exhibit 3.6 shows the basic design and layout of each of the units we identified as benchmarks for

**EXHIBIT 3.6 MEDIUM CUSTODY BENCHMARKS FOR EFFICIENCY**



Source: Prison visits, warden interviews, and site maps.

<sup>7</sup> Department administrators state that most medium custody inmates should be housed in double-bunked cells instead of open dorms, unless they are actively programming or present a lower security risk. However, only 43 percent of Idaho's current medium custody inmates are housed in double-bunked cells.

medium custody housing as well as the location and number of security posts needed to provide supervision.

### ***Idaho Does Not Have Housing Unit Benchmarks for Close or Minimum Custody***

We did not find any close or minimum custody units that met our criteria to serve as benchmarks for efficiency. However, the reasons we could not identify benchmarks for these custody levels were different. We called on the professional judgment and expertise of department administrators to help us address this issue.

#### **Close Custody**

The ten close custody units in Idaho each house inmates with unique security needs, making comparisons to one another difficult. Close custody includes several types of inmates. Inmates who do not require a security staff escort and can recreate in groups of up to 16 are called general population close custody. Other close custody inmates require more restrictive housing.

<b>Restrictive Housing Status</b>	<b>Description</b>
Administrative Segregation	Inmates who pose a management or security threat to the operation of a safe and secure facility can be temporarily or permanently housed in administrative segregation, and includes inmates under the sentence of death
Disciplinary	Inmates temporarily housed in detention for failure to follow
Protective Custody	Inmates who must be protected from other inmates in the institution posing a threat; level 1 protective custody requires more security than level 2

Department administrators reiterated the importance of distinguishing between close custody units that have inmates requiring restrictive housing and those that have general population inmates. Department administrators think that the new close custody unit at the privately-operated prison is a good design for general population inmates. However, if the unit were to house close custody inmates requiring restrictive housing, the unit would need more staff.<sup>8</sup>

---

<sup>8</sup> The privately-operated prison houses both medium and general population close custody inmates. Idaho conforms to nationwide trends in which, due to public policy and liability reasons, privately-operated prisons tend to oversee only lower custody inmates and not the most dangerous inmates.

### Minimum Custody

Many of the security costs for the minimum custody housing units across the state were relatively low. However, because their design and current staffing levels do not allow for continuous observation, even units with the lowest costs per inmate per day did not qualify as a benchmark.

Department administrators thought that the design and size of the open dorm benchmark for medium custody has great potential to be a benchmark for minimum custody. If the unit were to house minimum custody inmates instead of medium custody, the unit would require a lower staffing level.



## **Chapter 4**

# **Facility Planning**

*Using information from the Department of Correction and a set of economic assumptions, our analysis ranks Idaho's prisons and housing units in order of efficiency and estimates the savings available if the state replaced some of the least efficient facilities. If the incarcerated population were to decrease, the state can realize cost savings by strategically closing the least efficient facilities. If the population stays steady or increases, the state can realize cost savings and reduce risks to safety and security by replacing the least efficient facilities with housing units that meet benchmark criteria. Further, the state can finance replacement projects in such a way that the projects could pay for themselves.*

### **Idaho Can Enhance Safety and Security**

As discussed in chapters 2 and 3, the state-operated prisons are potentially at risk due to staffing limitations and the obsolete or ad hoc design and layout of the current prison facilities. The Legislature should consider the benefits of a standardized approach to staffing combined with a smart, efficient facility design:

- Staff can manage more inmates in well-designed facilities that allow for continuous observation
- Continuous observation of inmates can help the state avoid negative incidents

The total number of inmates and the type of crime those inmates are convicted of continues to change. The Legislature and the Department of Correction are faced with making decisions about how to manage this ever changing incarcerated population. Given the primary prison cost drivers and the limitations of current prison staffing levels, our evaluation provides guidance for how policymakers can systematically enhance safety and security. Policymakers can use this report to help answer the following questions:

- If the inmate population increases, should Idaho replace less efficient prisons or housing units while also adding capacity to the system?
- If the inmate population stabilizes, should Idaho replace any prisons or housing units?

- If the inmate population decreases, should Idaho close any prisons or housing units?
- What should the design and layout, capacity, and staffing levels be in new prisons or housing units?

This chapter provides a rank order of the relative efficiency of the state's prisons and housing units, and estimates the cost savings available if Idaho pursues replacing some of the least efficient prisons and housing units.

### ***Cost Allocation Model Ranks Facility Efficiency and Quantifies Replacement Benefits***

As the incarcerated population increases or decreases, understanding the relative efficiency of Idaho's prisons and housing units can help the state know where to look for savings. For example, the department recently closed two of the least efficient housing units in order to save money.<sup>1</sup> Understanding the relative efficiency of housing units across the state can better inform these types of decisions in the future.

We conducted an economic analysis that ranks the state-operated prisons and housing units in order of efficiency. Our cost allocation model provides this rank by comparing the cost of operating and maintaining the current prisons and housing units to the cost of constructing and operating new prisons or housing units.

**To determine the cost of staffing new prisons or housing units, we used the security staffing costs of benchmarks in chapter 3.**

By examining the state-operated prisons' design and layouts and security staffing levels, we concluded that the current prisons are operating as efficiently as possible but new, better designed prisons could be operated more efficiently. We measured to what extent a new facility could (1) reduce security staffing costs by taking advantage of a smarter design and larger capacity, and (2) reduce maintenance costs simply because the state would no longer have to pay to bring aging prisons into better condition. We developed a model to determine at which point the savings from more efficient security staffing and maintenance would justify the costs of constructing and operating a new prison.<sup>2</sup>

---

<sup>1</sup> Under pressure to find additional savings in a shrinking budget, the department closed two housing units at the maximum security prison south of Boise. Our analysis showed that both units were inefficient largely because they only housed 36 inmates each.

<sup>2</sup> Appendix A details our methodology to quantify the costs of retaining Idaho's current prisons and the potential savings to the general fund if the state considered a set of replacement options.

Calculation of *exactly* how much a new prison or housing unit will cost to construct and operate is nearly impossible until the project is underway. Therefore, we based our model on a range of conservative economic assumptions to avoid overstating estimated savings. There are two key assumptions that most heavily influence the model's results:

- **Discount Rate:** A discount rate expresses the time value of money and is based on the concept that a dollar today is generally worth more than a dollar received some time in the future. Economists use the rate to express future values in terms of their present worth to an investor. In public sector analyses, the investor is the taxpayers. Appendix B provides detail on the importance of the discount rate in estimating costs and potential savings.
- **Additional Savings:** Often, new facilities can realize other cost savings that we did not quantify in this evaluation. For example, the state could realize additional savings through advanced technologies in energy.

The cost savings estimates are meant to identify the prisons and housing units that merit further review in terms of the feasibility of replacement. **We view the cost savings stated in this report as initial, conservative estimates only. Neither the Legislature nor the department should interpret the estimates as a budget number.**

## Idaho Can Realize Savings Through Prison Replacement

When compared to Idaho's benchmark housing units, the women's prison in Pocatello was the only prison that, if replaced, could realize immediate security staff savings. We were surprised that some of the oldest prisons, as well as prisons that were not originally designed to be prisons, did not surface in our analysis as the strongest candidates for replacement. This anomaly is primarily due to the level at which the prisons are currently staffed.

As discussed in chapter 3, 24 out of 40 state-operated housing units would require more staff in order to provide continuous observation. If the state had enough security staff to provide uninterrupted supervision, the costs of retaining the current prisons would dramatically increase. In some cases, even a slight increase in the housing units' security staff would make an entire prison a strong candidate for replacement.

**If prisons were staffed to a level that provided continuous observation, the cost savings of replacing them would increase considerably.**

Given current staffing levels and facility design, our cost allocation model ranked the women's prison in Pocatello as the least efficient in

the state. Exhibit 4.1 shows that the current cost per inmate per day of operating the prison in Pocatello is greater than 100 percent of the cost of constructing and operating a new prison.

The housing units that make up the prison in Pocatello have higher costs than comparable units across the rest of the state, largely because the housing units were built for very few inmates. The relatively small size of Idaho's incarcerated female population may make it difficult to achieve the kind of efficiencies we observed in our benchmark housing units. However, the state has several options to increase the efficiency of housing female offenders:

- As of November 2009, Idaho confined 569 female offenders in the state's two women's prisons and 84 females in county jails. If the two prisons were combined into one location and capacity were expanded, the state's ability to fill larger capacity housing units would increase.
- The number of incarcerated females is expected to grow. As the demand for female beds increases, it will become easier for the state to fill larger units, increasing the viability of replacing the women's prison in Pocatello.
- States can manage the needs of small or unique populations by constructing facilities that can safely and efficiently house both males and females.

The total present value savings of replacing the women's prison in Pocatello with larger, more efficient units would be \$19,358,736, and the state would save

**EXHIBIT 4.1 RANK ORDER OF STATE-OPERATED PRISONS FROM LEAST TO MOST EFFICIENT**

	Rank	Retain to Replace Ratio <sup>a</sup> (%)
Pocatello Women's Correction Center	1	118
Idaho Correctional Institution, Orofino	2	92
Idaho Maximum Security Institution	3	91
Idaho State Correctional Institution	4	90
South Idaho Correctional Institution	5	86
North Idaho Correctional Institution	6	84
St. Anthony's Work Camp	6	84
South Boise Women's Correctional Center	8	82

Source: Office of Performance Evaluations' cost allocation model.

<sup>a</sup> Cost to retain each prison over the cost to replace the prison. Ratios greater than 100 percent mean that the prison is a candidate for replacement because the facility is costing the state more to retain than to replace.

approximately \$1,310,964 on an annual basis over a period of fifty years.<sup>3</sup> One of our consultants, an expert in finance, and the Idaho State Building Authority and its financial advisors agree that there are financing options available that could help to address negative cash flow issues if the replacement project did not pay for itself immediately.

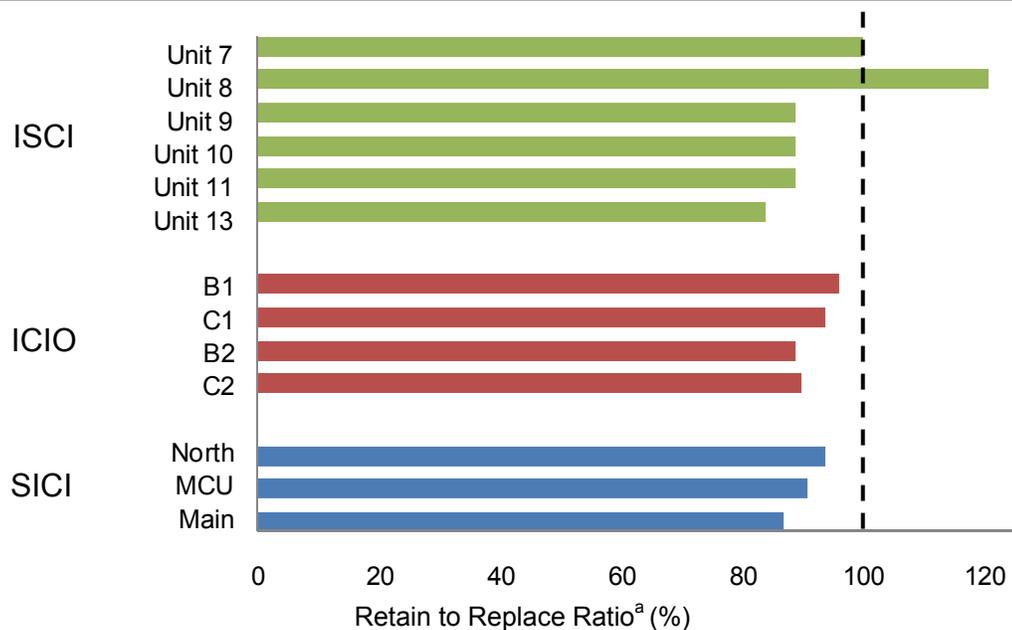
**PRESENT VALUE SAVINGS** represent the worth or value of savings if it was realized today.

**ANNUALIZED SAVINGS** is a way to express a present value as an annual amount that grows according to the inflation rate.

## Replacing Housing Units Has Many Benefits

As previously discussed, if the state had enough security staff to provide continuous observation in every housing unit, the costs of keeping many housing units and prison facilities would dramatically increase. Therefore, a high replacement priority should go to the least efficient facilities that have outdated designs. Exhibit 4.2 shows the relative rank of three sets of housing units in relation to the point at which replacement would generate immediate cost savings. Regardless of the cost savings available, replacement of these housing

**EXHIBIT 4.2 HOUSING UNIT GROUP REPLACEMENT OPTIONS**



Source: Office of Performance Evaluations' cost allocation model.

<sup>a</sup> Cost to retain each prison over the cost to replace the prison. Ratios greater than 100 percent mean that the prison is a candidate for replacement because the facility is costing the state more to retain than to replace.

<sup>3</sup> Actual cash flow per year would be different. Also, these cost savings estimates are based on specific model assumptions outlined in appendix A.

unit groups may be justified because of the opportunities they present for the state:

- To save additional dollars in areas that our model did not quantify, such as reduced energy costs
- To enhance safety and security through better housing unit design that may limit the risk and cost of negative incidents
- To add capacity to the prison system given the expected growth in the inmate population
- To achieve compliance with national accreditation standards over time

### ***Units 7–11 and Unit 13 at the Idaho State Correctional Institution***

Replacing Unit 8 at the medium security prison south of Boise would net the state a present value savings of \$5,538,095 and an annual savings of \$375,037 over a period of 50 years. If the state chose to replace Unit 8, it could also consider consolidating five more housing units at the prison into two or three larger, more efficient units. For the past two decades, each of these housing units has operated under a court order that limits the units' capacities and therefore, their efficiency.<sup>4</sup> Replacing these units could make the court order obsolete. Further, the design and layout of new units could meet the department's preference to house medium custody inmates in double-bunked cells and allow for continuous observation.

### ***Four Units at the Idaho Correctional Institution at Orofino***

McKelway Hall was a part of a former state hospital and confines inmates in four housing units at the prison in Orofino. The building is one of the oldest in the prison system, and the design of each housing unit makes uninterrupted supervision impossible without increasing staffing significantly more than the current level. If the state replaced all four units, it could potentially realize savings and increase safety and security with a more efficient, modern design and layout that meets standards for continuous observation.

### ***Three Units at the South Idaho Correctional Institution***

Three housing units at the minimum security prison south of Boise have highly inefficient, obsolete designs and limited staffing levels. The security staff assigned to each unit is responsible for roving the entire unit, providing only

---

<sup>4</sup> The *Balla Lawsuit*, from the early 1980s, is about inmate conditions of confinement. Among other rulings, the court issued an order that capped the capacity at 75 percent of available beds in several housing units still in operation at the state's medium security prison south of Boise.

intermittent supervision. Department administrators state that the design and size of the open dorm benchmark for *medium* custody could be used to replace *minimum* custody units. If the medium custody benchmark were operated as a minimum custody unit, the unit would require fewer staff.

## Recommendation

The replacement projects we identified would net the state an estimated cost savings of approximately \$24.9 million if the money was in hand today, which translates into an annual savings of about \$1.7 million for a period of 50 years. The ultimate goal of replacing facilities should not be to only replace the facilities that generate immediate savings, but rather, to replace a *combination* of facilities. Ideally, the savings from replacing the least efficient facilities can help to fund the replacement of facilities that are also inefficient but still require some financing to replace. For example, the savings the state can realize long term by replacing the 285 beds in the women's prison in Pocatello are sufficient to also replace the over 850 beds that comprise our housing unit replacement recommendations at the medium security prison south of Boise and the prison in Orofino. Altogether, we estimate that the state can take advantage of a combination of opportunities to replace over 1,100 beds. Strategic combinations of replacement options can not only make modernization of prison facilities economically attainable, but can also assist the state in moving toward compliance with national standards, reducing the need for additional staff, and reducing the investment in and operation of inefficient facilities.

### ***Begin Planning to Replace Inefficient Prisons or Housing Units***

By planning for the replacement of some of the least efficient prisons and housing units, Idaho can prepare to modernize the prisons' physical infrastructure as it adds capacity to the system. Replacing inefficient prisons or housing units or both will help the state realize cost savings through operation and maintenance of more efficient facilities. Further, replacing inefficient prisons and housing units can assist the state in implementing an effective, sustainable approach to staffing and help limit the state's exposure to potential safety and security risks.

**Recommendation 4.1:** By working closely with the Department of Correction, the Legislature should start planning for the replacement of some of the least efficient prisons and housing units and prepare to replace them when the state's economic condition improves.

**Fiscal Impact:** Financing options exist that could help to cover potential negative cash flow issues from prison or housing unit replacement projects.

**Timeline:** While budget pressures may prevent the state from moving forward immediately to replace inefficient prisons or housing units, understanding the potential cost savings from replacement is valuable information. In order for the state to realize cost savings sooner, planning now could be timely given the current budget deficit and a likelihood of increased budgets if growth in the prison population occurs in the future.

## Chapter 5

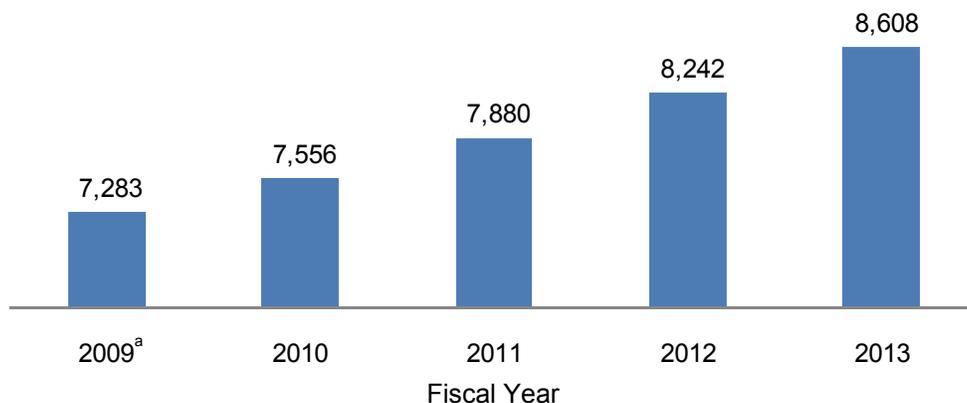
# Looking Forward

*To manage inmate population growth, Idaho has been forced to make difficult decisions such as addressing prison overcrowding by housing inmates out of state. Although growth has slowed recently, forecasted inmate population increases will again call on the Department of Correction and policymakers to answer complex questions about how to control the associated costs. Currently, the department has successfully moved all inmates temporarily housed out of state back to Idaho's prisons, has closed two of the least efficient housing units, and is working to expand capacity. The department and policymakers may want to consider additional cost saving measures such as adding bed space as part of replacing inefficient facilities, ensuring inmates are placed in appropriate bed space, and reducing the size of the prison population.*

### Idaho's Incarcerated Population Is Expected to Grow

In August 2009, the Department of Correction published its projections for how the correctional population will change over fiscal years 2010 to 2013 (see exhibit 5.1). Despite the population declines of 2008 and 2009, the forecast predicts steady growth of incarcerated offenders into the future—an additional

**EXHIBIT 5.1 SUMMARY OF FORECASTED GROWTH IN THE INCARCERATED POPULATION, FISCAL YEARS 2010–2013**



Source: Department of Correction, *Flow Model Offender Forecast*, August 2009.

<sup>a</sup> Actual inmate total for fiscal year 2009.

1,325 inmates by 2013. To increase the state's capacity by 1,325 additional inmates, the state will require construction and project costs of \$213 million and ongoing operating costs of over \$37 million.<sup>1</sup>

The department uses a process called the Flow Model to forecast future correctional populations. Idaho's process for forecasting future populations reflects best practices in the corrections field. An independent Forecast Advisory Committee that is composed of a broad spectrum of Idaho's criminal justice experts provides input and guidance to how changes in the forecast are interpreted each year. The committee is also responsible for providing input into the model's projections and identifying possible explanations for why the population changes over time.

### ***Population Growth Slowed Temporarily***

Historically, the Department of Correction has experienced prison overcrowding and housed some inmates in other states. The department began sending inmates to be housed out of state in October 2005. The prison population housed out of state reached a peak of 722 inmates in July 2008. In July 2009, the department completed the return of all prisoners to the state of Idaho, ending the four-year rental of out-of-state beds.

The department's effort to return all inmates to Idaho was possible due to a decline in the number of incarcerated offenders. The total incarcerated population in fiscal years 2008 and 2009 did not grow as was originally anticipated, but rather, decreased by 74 inmates. The Department of Correction attributes the 2008 decrease in the incarcerated population to three key factors:<sup>2</sup>

1. A reduction of reported crime in Idaho, which translated into a decline in the number of court commitments
2. Collaboration between the Department of Correction and the Idaho Judiciary to seek community-based alternatives for offenders who revoke their probation
3. Continued efforts by the Parole Commission to accelerate the parole process

In addition, officials of the Idaho Judiciary attribute the prison population decrease to the alternative sentencing options available to judges such as drug

---

<sup>1</sup> Estimates extrapolated from Carter Goble Lee figures for (1) costs of prison construction per square foot, and (2) the anticipated custody levels of incoming offenders.

<sup>2</sup> Department of Correction, *Flow Model Offender Forecast*, August 2009.

and mental health courts, as well as to statutory reforms for substance abuse assessments and mental health examinations administered prior to sentencing.

Driven by scarce budget resources, the Department of Correction, the Idaho Judiciary, and other stakeholders continue to seek new and innovative ways to stretch limited dollars and increase efficiency. The department has recently implemented several new initiatives that may impact future populations including a more standardized approach to offender programming, policies to guide inmate movement, and a process for dealing with parole violations. During times of rapid program or policy change, as has been the case in Idaho, forecasting inaccuracies are to be expected. As changes are made to the policies or procedures that impact how offenders enter and move through the system, the department's forecast may slightly over project the prison population.

## **State Moves Forward on Plans to Manage Growth**

The department has taken the lead in achieving efficiencies through the closure of housing units. Additionally, to meet demands for bed space, the state has completed capacity expansions at the privately-operated prison, continues to work with county jails across the state, and has plans for the addition of new bed space.

### ***State Expanded Privately-Operated Beds***

Two capital projects to expand bed capacity were completed in 2009 at the only privately-operated prison.<sup>3</sup> One project converted a state warehouse building into a 304-bed housing unit largely for inmates participating in a special drug and alcohol treatment program called Therapeutic Community. The other project added a 324-bed housing unit for close custody inmates.

The addition of these two new housing units brings the state's total privately-operated bed capacity to 2,016—31 percent of the prison system's November 2009 operating capacity.<sup>4</sup> The percentage of privately-operated beds is anticipated to increase with the construction of the Correctional Alternative Placement Program facility located south of Boise. This new facility will add 432 beds to the system, which will increase the percentage of privately-operated beds in Idaho to 35 percent. According to the US Department of Justice, in 2008, the private sector managed about 7 percent of all states' inmate populations.

---

<sup>3</sup> All privately-operated prison facilities in Idaho are paid for and owned by the state.

<sup>4</sup> The privately-operated bed capacity of 2,016 excludes 88 beds that are used to temporarily house inmates needing disciplinary segregation.

Among Idaho's surrounding states, Nevada, Oregon, and Utah did not house any inmates in privately-operated prisons in 2008 and Montana housed the most at about 36 percent of total capacity.<sup>5</sup>

### ***Department Continues to Plan Capital Projects***

Currently, several capital projects are in the formation or construction process:

- The Correctional Alternative Placement Program facility will consist of 432 beds to serve inmates working in the facility or nearing community re-entry, parole violators, a subset of Riders, and inmates with a revoked probation.<sup>6</sup> Construction of this facility began in July 2008 and is anticipated to be complete by May 2010. The facility is being purchased by the state but the Management Training Corporation will privately operate this facility.
- The Legislature approved a 300-bed secure mental health facility in 2008. This facility is a joint venture between the Department of Correction and the Department of Health and Welfare. It will house inmates with mental illness who require a secure setting.
- The Idaho Association of Counties and the Idaho Sheriff's Association are managing grant funding to research the potential for regional offender management centers that can simultaneously meet the changing needs of the state and counties. Consultants will conduct a cost-benefit analysis to determine the feasibility of constructing regional centers. The centers would provide housing and programming for incarcerated offenders as well as programming services for those who have broken the law but have not been sentenced to prison.

### ***County Jails Help Manage State Inmates***

County jails serve a key role in how the Department of Correction manages the incarcerated population. The department houses some inmates in county jails instead of one of the nine prisons for several reasons. Primarily, county jails house inmates between the time they are sentenced in court and the time they are

---

<sup>5</sup> In 2008, New Mexico housed a greater percent of inmates in private prisons than any other state in the country, at about 46 percent. Currently, Arizona is the only state attempting to place its entire prison system under private control.

<sup>6</sup> Parole violator is a temporary incarceration status for those inmates who served their prison sentence, were released on parole, and broke the conditions of their parole. Riders are offenders who remain under the jurisdiction of the courts and are mandated by a judge to complete specific programming. Revoked probation occurs when offenders are supervised in the community rather than prison but violate the terms of their probation and are incarcerated.

transported to prison. A secondary role for county jails is to help the department manage inmate overflow when prisons are at capacity.

In September 2009, counties statewide offered a total county jail capacity of 469 beds to the department—275 beds for men and 194 for women. In early December 2009, county jails housed 361 males and 83 females. According to department staff, the inmate population housed in county jails decreased during 2009 due to slower overall incarcerated population growth and the addition of new bed space. With prisons currently operating at or near capacity, department staff anticipate that county jail populations will begin to increase through the summer of 2010 when the new Correctional Alternative Placement Program facility is anticipated to open.

## **State Should Consider Other Options for Moving Forward**

As presented in chapter 4, replacing some of Idaho's least efficient prisons and housing units can save the state money. The effort can also be used as an opportunity to increase operational capacity. However, as Idaho continues to modify the infrastructure of prisons, the department, policymakers, and other stakeholders should consider other options to both streamline and limit the state's use of a finite number of bed spaces. In the following sections, we provide examples of options for future efforts.

### ***Periodically Review Master Plan***

Idaho made a significant investment when it commissioned Carter Goble Lee to create the System Master Plan for the Department of Correction in early 2008. The plan was based on a ten-year population growth forecast that projected a significant need to rapidly increase capacity. Anticipating significant population growth, the plan was designed to assist the department in making decisions about where and how future capacity should be added to the prison system. However, after the plan was completed, the incarcerated population did not grow as quickly as the forecast originally anticipated.

Although the demand for increasing future capacity has changed since Carter Goble Lee conducted its initial study, the findings and recommendations are still relevant for determining how to move forward in building capacity and maximizing the use of each facility. Representatives of Carter Goble Lee indicated that states that have funded initial master plans should consider having their plans reviewed and updated at least every five years in order to reflect changes in prison populations or facilities.

### ***Ensure Optimal Use of Bed Space***

Ensuring that inmates are housed in the space that is most appropriately matched to their custody, security, and programming needs can be difficult when facilities are operating at capacity. Some inmates may not be housed in the most appropriate location due to the necessity of making do with the resources available. As Idaho plans for future capacity needs and considers replacing inefficient housing units, the state should work to ensure that inmates are housed in the most appropriate location. For example, the prison in Orofino houses community, minimum, medium, and close custody inmates as well as inmates with a protective custody status. Currently, a unit designed to house close custody inmates also houses medium custody inmates because other medium custody units are at or near capacity. Replacing the building that houses the majority of the medium custody inmates would allow for an opportunity to both increase the capacity of the prison and streamline the prison's use of bed spaces.

In another case, the mission of the prison in Cottonwood is to house Riders who are under the jurisdiction of the courts and are receiving short-term, intense programming. Due to the availability of specific resources, the department recently changed the mission of the smallest, least efficient unit at the prison to serve another set of inmates who must complete a different program than Riders. If the state added capacity by replacing facilities or housing units as discussed in chapter 4, the department could more efficiently manage those inmates who are currently housed in Cottonwood but are not participating in the Rider program. This change would not only increase efficiency by alleviating the need to operate a relatively small, higher cost housing unit, but would also streamline Cottonwood's mission.

### ***Reduce the Prison Population***

Prison population size is closely tied to incarceration rates and the length of time inmates are imprisoned, both of which are a reflection of local crime rates and criminal justice policy. A 2005 report found that Idaho's crime rates and aggressive criminal justice policies resulted in the state being below the average national crime rate but above the average national incarceration rate.<sup>7</sup> Department of Correction statistics indicate that the length of stay for nonviolent offenders leaving prison has increased from 26 months in fiscal year 1996 to 37 months in fiscal 2009. The department notes that the increase in length of stay corresponds with an increase in indeterminate sentence length (64 months in 1996 to 93 months in 2009).<sup>8</sup>

---

<sup>7</sup> Pew Charitable Trust, "Public Safety, Public Spending: Forecasting America's Prison Population 2007-2011", <http://www.pewcenteronthestates.org/uploadedFiles/Public%20Safety%20Public%20Spending.pdf>.

<sup>8</sup> After an inmate has served the determinate (fixed) portion of his or her sentence, he or she may have an indeterminate sentence that can vary in length depending on when the Commission of Pardons and Parole grants the inmate parole.

State correctional officials agree that the most immediate way to control correctional spending is to reduce both the number of offenders entering the system and the length of time they remain in prison. Efforts to maintain or reduce the level of investment dedicated to corrections should focus on ways to impact the overall population of juvenile and adult offenders who are incarcerated, sentenced to community supervision, or no longer under community supervision.

Policymakers should continue to work with the Department of Correction and other judicial stakeholders to explore alternative practices that can reduce the number of people entering prison as well as the sentence length of incarcerated offenders. For example, in an interview with judges from Idaho's Felony Sentencing Committee, several judges identified residential treatment as a setting that can provide more control over offenders than simple outpatient treatment but less control than a secure prison facility.<sup>9</sup> Such treatment may reduce the rate at which offenders re-enter the prison system.

To reduce the need for additional prison capacity, the Washington Institute for Public Policy published a systematic and comprehensive review of 571 adult offender, juvenile offender, and crime reduction programs. The analysis included three broad approaches to structuring correctional programs: intervention programs, crime prevention, and changes to state sentencing laws. The report concluded that if Washington implemented an array of evidence-based options, a significant level of future prison construction could be avoided, taxpayers could save up to \$2 billion, and crime rates could be reduced.<sup>10</sup> Idaho may wish to conduct a similar study to explore whether certain combinations of evidence-based alternatives could affect the demand for increased prison capacity given the state's correctional system and available resources.

Our study and a concurrent Office of Performance Evaluations study, *Increasing Efficiencies in Idaho's Parole Process*, focused on evaluating the *efficiency* of the prison systems and processes in place for incarcerated offenders. The next step for Idaho should be to consider the *effectiveness* of our correctional system. Much like the State of Washington, Idaho may wish to examine the effectiveness of correctional alternatives in the areas of crime prevention, sentencing laws, and intervention programs.

---

<sup>9</sup> In this instance, residential treatment is defined as a live-in setting, staffed by qualified substance abuse professionals, that provides comprehensive therapeutic activities such as clinical assessment, group and individual treatment, and recovery support opportunities. Residential treatment provides support for the development of a long-term aftercare plan, offers little or no medical oversight or supervision of participants, and is generally not provided in a hospital setting.

<sup>10</sup> Washington State Institute for Public Policy, "Evidence-Based Public Policy Options to Reduce Future Prison Construction, Criminal Justice Costs, and Crime Rates", <http://www.wsipp.wa.gov/rptfiles/06-10-1201.pdf>

Although the state can realize some cost savings and increased efficiencies by implementing the recommendations of this report, efforts to control prison spending into the future should consider how to reduce the size of the prison population without jeopardizing safety and security. If efforts are successful, the state may be able to delay the need for expanding the capacity of the prison system.

## **Appendix A**

# **Economic Analysis Methodology**

*Our cost allocation model identifies the estimated cost savings to the state of replacing some of the least efficient prisons and housing units. We were able to estimate the savings by conducting a life cycle cost analysis that compared the cost of operating and maintaining Idaho's current prisons with the cost of replacing them. Our analysis included initial construction costs plus the cost to finance the project.*

### **Cost Allocation Model Identifies Savings**

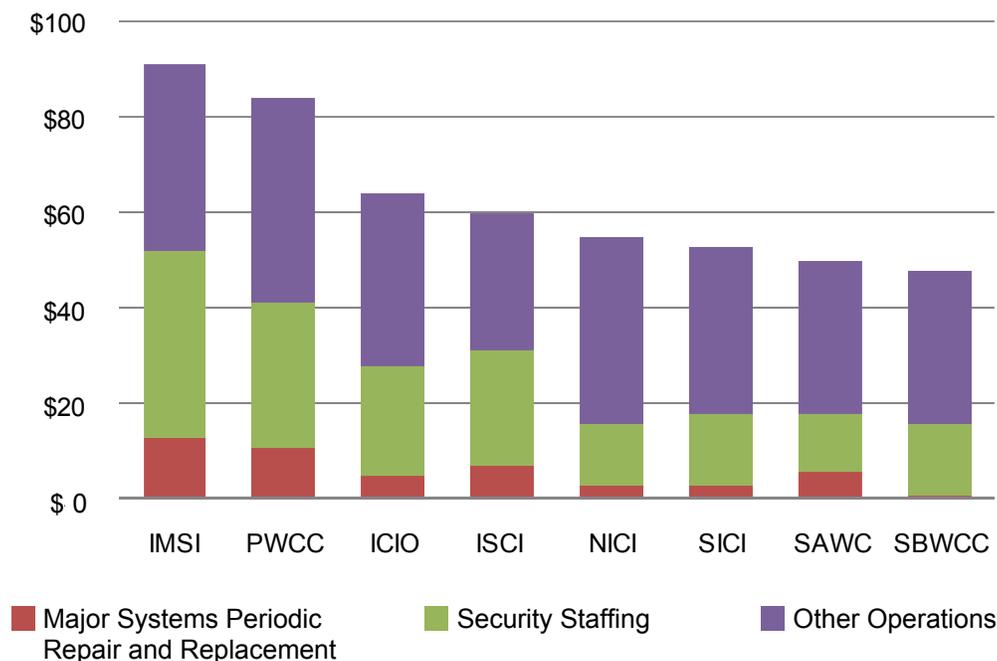
We designed a cost allocation model to enable us to conduct a life cycle cost analysis on the cost of operating and maintaining the current prisons compared with the cost to construct, operate, and maintain new prisons. A life cycle cost analysis compares projects based on their initial and future costs. The analysis determines at what point (threshold) the potential savings resulting from replacing an old, less efficient prison facility will outweigh the costs of constructing a new, more efficient facility.

### **Cost of Operating and Maintaining Idaho's Current Prisons**

In cooperation with the Department of Correction, we compiled information that helped us calculate the cost of operating and maintaining each of the eight state-operated prisons. We collected fiscal year 2009 expenditure data and compiled figures for each prison's capacity, the total number of security posts, the total number of staff covering those posts, and numbers for the cost of maintaining the prisons in good condition.

We allocated this information by several categories including major systems periodic repair and replacement costs, security staffing costs, and other operational costs. By gathering this information, we estimated the cost per inmate per day of each state-operated prison and housing unit in the state. Exhibit A.1 provides a snapshot of our estimates of cost per inmate per day at each state-operated prison, broken down by key cost drivers including security staffing and major maintenance costs.

**EXHIBIT A.1 COST PER INMATE PER DAY IN STATE-OPERATED PRISONS, FISCAL YEAR 2009**



Source: Office of Performance Evaluations' cost allocation model.

Note: This exhibit should not be used to compare the efficiency of prisons because of the variations in inmate custody levels among prisons.

**Our Costs Per Inmate Per Day Differ from Other Published Numbers**

The costs per inmate per day that we calculated vary from the department's previously published numbers. There are two reasons for this difference:

1. To make the state fully aware of the major systems repair and replacement needs of each prison, our cost allocation model includes the costs that VFA, Incorporated outlined in its 2006 facility condition assessments. Department officials updated the numbers to reflect the major systems repair and replacement work completed since 2006. Therefore, the numbers contained in the model represent the annualized future costs of bringing the prisons into good condition and maintaining that condition. Representation of these costs is important because Idaho should understand the full costs associated with protecting state assets—in this case, its prison facilities.
2. To determine the cost of security staffing at each of the prisons, we calculated an average statewide salary, inclusive of benefits, per security

staff position: correctional officers, specialists, sergeants, and lieutenants.<sup>1</sup> The use of averages accounted for the possibility that much more (or less) experienced staff may prefer to work at one prison over another. This technique allowed us to assume that all security staff were interchangeable among the prisons.

Exhibits A.2, A.3, and A.4 display the security staffing portions of the total costs per day for every housing unit in the state, including the units at the privately-operated prison. We applied the state's average security staff salaries to the

**EXHIBIT A.2 SECURITY STAFFING COSTS FOR CLOSE CUSTODY HOUSING UNITS, FISCAL YEAR 2009**

Prison	Housing Unit	Cost Per Inmate Per Day (\$)	Prison	Housing Unit	Cost Per Inmate Per Day (\$)
IMSI	B-Block	42.62	IMSI	A-Block	36.97
PWCC	Unit 4	40.53	IMSI	C-Block	34.99
ISCI	Unit 8	39.55	ICIO	A-Block	24.83
IMSI	J-Block	38.59	ICC	DEF North Wing	17.30

**EXHIBIT A.3 SECURITY STAFFING COSTS FOR MEDIUM CUSTODY HOUSING UNITS, FISCAL YEAR 2009**

Prison	Housing Unit	Cost Per Inmate Per Day (\$)	Prison	Housing Unit	Cost Per Inmate Per Day (\$)
ISCI	Unit 7	28.71	ISCI	Unit 14	20.81
ISCI	Unit 16	26.77	ISCI	Unit 13	20.79
ICIO	McK B1	26.52	ISCI	Unit 24	20.42
PWCC	Unit 2	25.33	ISCI	Unit 15	20.29
ICIO	McK C1	25.24	ISCI	Unit 20A	19.21
ICC	ABC North Wing	25.08	ICC	GHI North Wing	17.64
ISCI	Unit 10	23.36	ICC	JKL North Wing	17.34
ISCI	Unit 11	23.36	ICC	M-R West Wing	13.98
ISCI	Unit 9	23.07	ICC	S-X West Wing	13.98
ICIO	McK C2	22.31	ICC	North Wing Warehouse	12.19
ICIO	McK B2	22.11			

<sup>1</sup> Data was collected using Department of Correction pay code classifications for correctional manager 1, correctional sergeant, correctional officer, and correctional specialist. Food service officers in the state-operated prisons provide a security function in the kitchens and cafeterias; however, we excluded them from our analysis because their assignments and duties differ from other security officers.

**EXHIBIT A.4 SECURITY STAFFING COSTS FOR MINIMUM CUSTODY HOUSING UNITS, FISCAL YEAR 2009**

Prison	Housing Unit	Cost Per Inmate Per Day(\$)	Prison	Housing Unit	Cost Per Inmate Per Day(\$)
PWCC	Unit 1	32.45	SICI	MCU	15.23
PWCC	Unit 3	23.56	SAWC	A Dorm	12.81
PWCC	Unit 5	23.56	SAWC	C Dorm	12.44
NICI	Unit 1	19.98	NICI	Unit 2	12.16
SBWCC	Unit 1	19.10	NICI	Unit 4	12.00
ICIO	Givens	16.44	NICI	Unit 3	11.29
SAWC	B Dorm	16.21	SBWCC	Unit 2	11.25
SICI	PRC	16.12	SICI	Main	10.36
SICI	North	15.80	SAWC	Annex	9.88

Source: Exhibits A.2–A.4 were created based on data from the Office of Performance Evaluations' cost allocation model.

privately-operated prison's units in order to make a fair comparison between the state-operated and privately-operated housing units.

### ***Determining the Cost of Constructing, Operating, and Maintaining New Prisons***

We estimated the cost of constructing new prisons based on numbers presented in Idaho's System Master Plan.<sup>2</sup> These numbers reflect the cost per gross square foot (by custody level) of constructing new facilities which meet American Correctional Association space standards. Our construction costs include the estimated total amount to be financed, covering the initial construction and project costs plus a contingency amount and a financing factor. A contingency amount helps cover what are termed the "soft costs" of construction such as architecture and engineering fees. A financing factor covers the total cost to finance a capital project.

In addition to relying on information from the System Master Plan, we worked closely with Steve Carter of Carter Goble Lee, staff from the Department of Correction, and staff from the Division of Public Works to verify the reasonableness of our construction and project cost assumptions. We also collected information from other states' corrections systems to help establish the appropriate ranges for our assumptions. To help determine our assumptions for the cost of financing a construction project, we contracted with Robert M. Williams & Associates and reviewed the results of the analysis with the Idaho

<sup>2</sup> Carter Goble Lee, *A System Master Plan*, prepared for the Department of Correction, February 2008.

State Building Authority and its financial consultants, Seattle-Northwest Securities.

To the total costs of building eight new state-operated prisons, we added security staffing costs, other operational costs, and an estimate for the per square foot costs of major systems periodic repair and replacement. At this point in our analysis, we examined the potential for savings in two places: (1) savings from major systems periodic repair and replacement, and (2) savings from security staffing. We assumed that major systems periodic repair and replacement would be cheaper on a square footage basis in a new prison, based on information from prisons and jails in other states, and reflecting the fact that all systems in new facilities would start with a new life cycle. We also assumed that the state would capture the security staffing efficiencies of the benchmark housing units we identified in chapter 3. These assumptions are reflected in our calculations of the cost per inmate per day to operate and maintain a new, more efficient prison.

### ***Comparing the Cost of Idaho's Current Prisons with the Cost of New Prisons***

To determine whether Idaho could save money by replacing any of the current prisons with new ones, we took these steps:

1. **Determined a net present value for each of the state-operated prisons and each of the hypothetical new prisons using our calculated costs per inmate per day.** Net present value helps determine whether a project will result in a positive return on investment by measuring future cash flows within a period of analysis.<sup>3</sup> Net present value takes into account the time value of money by comparing the worth of a dollar today to its assumed worth in the future.<sup>4</sup>
2. **Used the net present value of each prison to calculate annual equivalents.** An annual equivalent expresses the cost per year of operating and maintaining an asset (in this case, a prison) over its useful life. It is used to assess investment project alternatives by creating fair comparisons of multiple alternatives when the alternatives have different expected useful lives.
3. **Estimated the net present value and annual equivalent savings the state could realize.** In general, when net present values are positive, investment projects merit further review and consideration. Positive net present values mean that the savings over time (within the period of analysis) are greater than the costs.

---

<sup>3</sup> The period of analysis represents the expected useful life (in years) of a new prison.

<sup>4</sup> A key element of calculating net present value is the discount rate. Appendix B provides more detail for the role of the discount rate and how it was used for the purposes of this study.

## Results of the Life Cycle Cost Analysis

In chapter 4, our analysis ranked Idaho's prisons and housing units according to a ratio that *divided the cost to retain* the current prisons and housing units *by the cost to replace* them. Exhibit A.5 depicts the efficiency of each state-operated prison and housing unit in relation to one another based on this ratio. Ratios greater than 100 percent mean that a prison or housing unit is a candidate for replacement because, given our cost allocation model's assumptions, the prison or housing unit is currently costing the state more to keep than to replace. Prisons or housing units with ratios relatively close to 100 percent may be

### EXHIBIT A.5 RANK ORDER OF STATE-OPERATED PRISONS AND HOUSING UNITS FROM LEAST TO MOST EFFICIENT

#### Rank by Prison

Prison	Rank	Retain to Replace Ratio <sup>a</sup> (%)	Prison	Rank	Retain to Replace Ratio <sup>a</sup> (%)
PWCC	1	118	SICI	5	86
ICIO	2	92	SAWC	6	84
IMSI	3	91	NICI	6	84
ISCI	4	90	SBWCC	8	82

#### Rank by Close Custody Housing Units

Prison	Housing Unit	Rank	Retain to Replace Ratio <sup>a</sup> (%)	Prison	Housing Unit	Rank	Retain to Replace Ratio <sup>a</sup> (%)
PWCC	Unit 4	1	132	ICIO	A-Block	5	99
ISCI	Unit 8	2	121	IMSI	A-Block	6	98
IMSI	C-Block	3	114	IMSI	J-Block	7	97
IMSI	B-Block	4	107				

#### Rank by Medium Custody Housing Units

Prison	Housing Unit	Rank	Retain to Replace Ratio <sup>a</sup> (%)	Prison	Housing Unit	Rank	Retain to Replace Ratio <sup>a</sup> (%)
PWCC	Unit 2	1	103	ICIO	McK B2	9	89
ISCI	Unit 7	2	100	ISCI	Unit 10	9	89
ICIO	McK B1	3	96	ISCI	Unit 13	11	84
ICIO	McK C1	4	94	ISCI	Unit 14	11	84
ISCI	Unit 16	5	93	ISCI	Unit 15	13	83
ICIO	McK C2	6	90	ISCI	Unit 24	14	80
ISCI	Unit 9	6	90	ISCI	Unit 20A	15	76
ISCI	Unit 11	6	90				

**EXHIBIT A.5—CONTD.**

## Rank by Minimum Custody Housing Units

Prison	Housing Unit	Rank	Retain to Replace Ratio <sup>a</sup> (%)	Prison	Housing Unit	Rank	Retain to Replace Ratio <sup>a</sup> (%)
PWCC	Unit 1	1	125	ICIO	Givens	10	88
PWCC	Unit 3	2	112	SICI	Main	11	87
PWCC	Unit 5	2	112	NICI	Unit 2	12	86
SBWCC	Unit 1	4	98	NICI	Unit 4	12	86
NICI	Unit 1	5	95	NICI	Unit 3	14	84
SICI	North	6	94	SBWCC	Unit 2	14	84
SAWC	A Dorm	7	93	SAWC	B Dorm	16	80
SICI	PRC	8	92	SAWC	C Dorm	17	77
SICI	MCU	9	91	SAWC	Annex	17	77

Source: Office of Performance Evaluations' cost allocation model.

<sup>a</sup> Cost to retain each prison over the cost to replace the prison. Ratios greater than 100 percent mean that the prison is a candidate for replacement because the facility is costing the state more to retain than to replace.

candidates for replacement under a different set of assumptions—for instance, if the state can realize additional savings through reduced energy costs.

### ***Analysis' Major Assumptions***

Our model operated on several key assumptions that affect our costs and cost savings estimates. Exhibit A.6 shows the major economic assumptions of the model. The model has default assumptions, but also allows model users to modify the default assumptions within the ranges.

We established appropriate ranges for these assumptions and conducted sensitivity analyses in those ranges to test our assumptions. We used these tests to determine (1) whether any number in our range of assumptions changed our conclusions, and (2) if so, to what extent. Our model was most sensitive to changes in the discount rate and the percentage of additional savings (from energy efficiencies, for example). Exhibit A.7 shows how dramatically our most sensitive assumptions affect the potential cost savings of two replacement options discussed in chapter 4—the women's prison in Pocatello and Unit 8 at the medium security prison south of Boise.

### ***Financing Prison or Housing Unit Replacement Projects***

Our cost allocation model recognizes that the total cost of financing a capital project is higher than the initial cost of construction. This higher cost is due to several factors such as debt issuance costs, differences between short- and long-term interest rates, upfront spending, and the length of the construction period.

**EXHIBIT A.6 MAJOR FINANCIAL ASSUMPTIONS OF COST ALLOCATION MODEL FROM MOST TO LEAST SENSITIVE TO CHANGE**

	Sensitivity to Change Rank	Default Used to Generate Report Numbers	Range Used in Model
Real discount rate	1	7%	4 to 10%
Additional savings	2	5%	0 to 10%
Construction inflation	3	4%	2 to 6%
Construction cost	4	0%	Plus or minus 10%
Financing interest	5	4.52%	3.7 to 5.3%
Capitalized financing factor	5	1.092	1.062 to 1.126
Major maintenance (per gross square foot)	7	\$3.54	\$2.30 to \$4.80
Project cost factor	8	1.3	1.2 to 1.4
Period of analysis (useful life)	9	50 years	40 to 75 years
Major maintenance upgrade factor	10	0.135	.10 to .18
Major maintenance soft cost factor	11	0.17	.15 to .20
General inflation rate	12	3%	2 to 4%

**EXHIBIT A.7 SENSITIVITY OF PRESENT VALUE SAVINGS TO CHANGES IN COST ALLOCATION MODEL ASSUMPTIONS**

	Savings Using Default Assumption (\$)	Savings Using Low Point in Range of Assumptions (\$)	Savings Using High Point in Range of Assumptions (\$)
<i>Pocatello Women's Correction Center</i>			
Real discount rate	19,358,736	37,241,031	11,469,953
Additional savings	19,358,736	13,558,061	25,159,412
Construction inflation	19,358,736	16,924,857	23,656,955
Construction cost	19,358,736	21,492,522	17,224,951
<i>Unit 8 at ISCI</i>			
Real discount rate	5,538,095	9,285,710	3,792,486
Additional savings	5,538,095	4,126,603	6,949,587
Construction inflation	5,538,095	5,381,454	5,816,383
Construction cost	5,538,095	5,974,787	5,101,403

Source: Exhibits A.6 and A.7 were created based on data from the Office of Performance Evaluations' cost allocation model.

Because of the cost to finance capital projects, the intent of our model is to calculate an annual payment on capital project expenditures after considering all of the incurred financing and transaction costs.

As previously mentioned, we worked with the Idaho State Building Authority and their financial consultants, Seattle-Northwest Securities, to review the detailed financing scenarios for the proposed Secure Mental Health Facility produced for the Building Authority by Citigroup Global Markets, Incorporated. Our objective was to develop a financing factor that would produce the state's payment for a given capital project over a 20 year financing period.<sup>5</sup> Our goal was to make the financing factor used in our model closely approximate the cost to the state of the financing scenarios modeled by Citigroup. We found that our approach was able to approximate the more complex estimates of Citigroup within a small margin of error.

For the purposes of selecting a default assumption in our model, we used the midpoint of a conservative rate scenario developed by Citigroup in July 2009 and a subsequent, more aggressive scenario from October. We used the results of the two scenarios to define the range of assumptions used in our model for sensitivity analyses. While our midpoint assumption is realistic in the current interest rate environment (mid- to late-year 2009), the current investment rates are very low. Therefore, the state should review these rates and assumptions with the Building Authority and their financial consultants when the state considers capital projects and conducts sensitivity analyses on the project alternatives.

---

<sup>5</sup> This payment is termed the "debt service payment."



## **Appendix B**

# **Discount Rate**

*The discount rate is a very important assumption in our cost allocation model. The rate set by an analyst has significant influence on the estimates of the costs and potential savings if Idaho pursued replacing some of the least efficient prisons and housing units. The discount rate addresses the time value of money, a principle which states that money in hand today generally has greater worth than money in hand tomorrow. To ensure that discount rate assumptions used in future cost estimates are based on sound economic principles, the Legislature should consider creating a discount rate policy that outlines the state's approach to estimating the current value of investments made now in order to realize future savings.*

### **Discount Rate Is an Important Element of Cost Estimating**

As discussed in chapter 4 and appendix A, estimating the cost of replacing inefficient prisons or housing units involves uncertainties regarding the costs and potential cost savings. The discount rate was the assumption in our model that most heavily influenced our cost savings estimates. The discount rate takes into account the fact that today's costs and benefits likely do not have the same value as they do in the future. Generally, money in hand today has a different, usually greater, worth than the same amount of money received in the future; therefore, the discount rate represents the time value of money.

### **Selecting a Discount Rate for Use in Our Cost Allocation Model**

In our model, we established our discount rate assumption around a default *real* discount rate of 7 percent. "Real" refers to a rate of return before considering inflation.<sup>1</sup> We based this rate on federal policy from the US Office of Management and Budget. The federal office's policy of using a real discount rate of 7 percent reflects the pre-inflation opportunity for what taxpayers' money could earn if it were invested in a project other than replacing inefficient prisons

---

<sup>1</sup> The discount rate that reflects the effect of inflation is referred to as the *nominal* discount rate.

or housing units. For example, if a dollar could earn a pre-inflation rate of 7 percent in a taxpayer's *private* investment, diverting that dollar into an investment in a *public* project would only make sense if the benefits equaled at least the benefits of the taxpayer's private investment.

Using a **higher** real discount rate is more conservative because it requires that projects be competitive based on the possible rates of return on the taxpayers' investment. For example, if we used a higher discount rate than the default rate in our model, the cost savings of replacing prisons or housing units would dramatically decrease because the rate lowers the present value of future savings. However, using a very high rate can too heavily favor the dollar's current use in a private investment over future public benefits.

Using a **lower** real discount rate places a greater value on estimated future savings from a project. Therefore, a lower discount rate than the default rate we used in our model would dramatically increase the potential savings of replacing prisons or housing units. However, too low of a rate can understate the value of the dollar's current use in a public investment and result in less investment than is worthwhile. The following table shows an example of the effect of the discount rate on the potential cost savings from replacing the women's prison in Pocatello.

Real Discount Rate	Present Value Savings
4%	\$37,241,031
7%	\$19,358,736
10%	\$11,469,953

## Idaho Should Consider Establishing a Discount Rate Policy

Idaho does not currently have a policy to help guide state agencies in determining the costs or cost savings of making certain investments with state dollars. The Legislature should consider developing a discount rate policy that can provide consistency in justifying state investments of taxpayer money. A discount rate policy can help ensure there is not an alternative use for taxpayers' money that may realize greater cost savings in the future.

A practical approach to setting a discount rate policy would be to establish a base **real** rate to use in economic analyses and identify a range of rates around the base real rate to use in sensitivity analyses.<sup>2</sup> Exceptions to the base rate should require specific justification and approval by a central agency such as the Division of Financial Management.

<sup>2</sup> Sensitivity analyses show how changes in the discount rate affect the results of economic analyses.

# **Responses to the Evaluation**





C.L. "BUTCH" OTTER  
GOVERNOR

January 14, 2010

Mr. Rakesh Mohan, Director  
Office of Performance Evaluations  
P.O. Box 83720  
Boise, ID 83720-0055

Dear Director Mohan,

Thank you for the opportunity to comment on the Office of Performance Evaluations report entitled **Operations and Capacity in Idaho Prisons**. The inclusion of my staff and the staff of the Idaho Department of Correction at various points of this review is appreciated.

This report rightfully acknowledges the responsible leadership demonstrated by managers at the Idaho Department of Correction. It also highlights the commitment and dedication of Idaho's professional correctional staff – the men and women who protect our safety while providing opportunities for offender change. The staff at the Idaho Department of Correction continuously evaluates the way they do business, and their innovative approach to managing offenders in a dynamic environment is working.

While not specifically addressed by this report, significant State and private investments in education and treatment, along with better partnerships and cooperation, have contributed greatly to more manageable prison populations. Drug courts, diversion programs, intensive supervision, treatment opportunities and a number of other programs all have helped address the root causes of incarceration and curbed recidivism. This type of systemic change provides hope for continued sustainable prison population numbers. Additional sentencing alternatives, like the Correctional Alternative Placement Program (CAPP) and a proposed Therapeutic Community Rider option, will build on past successes.

It also should be noted that many of the recommendations can be directly attributed to the scarcity of State resources. This fact, while difficult, is an unfortunate reality facing managers throughout State government. Declining State revenues have forced managers to focus and hone their efforts to provide only essential services and direct resources to fulfilling their constitutional and statutory duties.

The Idaho Department of Correction is undertaking a comprehensive review of resources through my Zero Base Budgeting Initiative. This process, required of all Executive Branch Agencies, will assist the department in identifying and prioritizing staffing needs, inventorying available resources and realigning those resources to match priorities. This process will be especially helpful to address the recommendations specific to staffing needs not only between programs, but also across all divisions.

I have no doubt that modernized facilities could yield future efficiencies. I will, however, oppose efforts to significantly renovate or build new prison facilities in this difficult budgetary environment. Even deferred financing options commit future State resources in a time of financial uncertainty. It is unwise, and unfair to the taxpayers, to saddle future leaders with capital projects and ongoing operational expenses without first ensuring sufficient resources to cover the liabilities.

When economic conditions improve and offer more certainty, I will work with legislative leaders to address the facility needs of Idaho's prison system in a responsible manner.

It bears repeating that Idaho's professional correctional staff does a tremendous job protecting public safety. By necessity, they have been asked to do more with less, but through an unwavering dedication to safeguarding the public and the offenders in their care, they have delivered. Your acknowledgement of their hard work and successes is appreciated. So too is the opportunity to comment on this report.

As Always – Idaho, "Esto Perpetua"

A handwritten signature in black ink, appearing to read "C.L. Butch Otter". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

CLO/jdt

C.L. "Butch" Otter  
Governor of Idaho



# IDAHO DEPARTMENT OF CORRECTION

*"Protecting Idaho through Safety, Accountability,  
Partnerships And Opportunities for Offender Change"*

C.L. "Butch" Otter  
Governor

Brent D. Reinke  
Director

---

January 14, 2010

Mr. Rakesh Mohan, Director  
Office of Performance Evaluations  
P.O. Box 83720  
Boise, ID 83720-0055

Dear Director Mohan:

RE: Operational Efficiencies in Idaho's Prison System

Thank you for the opportunity to respond to the **Operational Efficiencies in Idaho's Prisons System** evaluation. The Idaho Department of Correction (Department) Leadership Team has reviewed the evaluation and recommendations. The report provides a solid foundation of facts and analysis to guide the Department, Governor and legislators in developing even more efficient prisons into the future.

## **STAFFING**

The Department will determine next steps for development of a staffing model and relief tool as part of strategic planning efforts. Legislative input and support will be critical to establish a valid supportable model.

The report brings forward the essential nature of the Department's public safety mission. It also underscores an important truth: If proper staffing isn't provided, safety decreases.

The Division of Financial Management required the Department to undertake Zero-Based Budgeting (ZBB) to evaluate staffing needs based on Idaho Code requirements. The Management Services Division has completed the analysis and identified staff needs. The Community Corrections Division has begun the analysis this fiscal year with the Prisons Division scheduled to undertake the ZBB analysis in 2012. We hope to coordinate rather than duplicate staffing model efforts.

Furloughs, required to balance the budget, have impacted all these efforts. Department-wide, the Department is currently managing furloughs totaling 80,000 hours. The lost productivity is equivalent to 39 layoffs.

## **FACILITIES**

The Department appreciates the acknowledgment that Idaho's prison cost is among the lowest in the nation and recognizes facility design can enhance efficiencies while increasing safety.

Capital and strategic planning efforts will incorporate actions specific to the Operational Efficiency recommendations on replacement of outdated facilities. The Department phased out three less efficient units last year and will continue to explore ways to increase efficiency. The Economic Analysis in the report will be factored into future capital plan decisions.

The Department, in partnership with Idaho Association of Counties and Idaho Sheriffs' Association, is also developing a concept called Regional Offender Management Centers as a future solution to reduce bed costs by coordinating the sharing of regional facilities with counties. The OPE efficiency model will be utilized to help design this concept to be more cost-effective.

## **FEMALE POPULATION**

The Pocatello Women's Correctional Center (PWCC) is Idaho's largest female prison and has the highest cost per inmate per day. Idaho's female prison population is not large enough for the state to benefit from the efficiencies associated with the larger housing units and larger facilities. Nationwide, female institutions cost between 50-100% more to operate than male institutions. The facility efficiency chart in Exhibit 4.1 shows how smaller units and populations in facilities increase costs.

Idaho's newest prison was used for these comparisons and cost analysis. The Idaho Correctional Center has an efficient design, benefits from the efficiency of larger housing units and houses males. Efficiencies for PWCC require consideration of our inability to benefit from system efficiencies because of the small female offender population size and a national perspective on costs associated with female inmates.

## **CONTROLLED GROWTH:**

### **REDUCING GROWTH BY INCREASING ALTERNATIVES**

The Department will continue its focus on "Controlled Growth" in Idaho's prisons. The "Controlled Growth" effort includes reducing inmate population growth into the future partially through providing alternatives to incarceration. Legislative proposals introduced this year would develop alternatives to incarceration with shorter lengths of stay. These short-term treatment options reduce bed needs into the future.

To enhance these diversion efforts, the Department will request the Joint Legislative Oversight Committee consider allowing OPE to develop a relationship with the Washington State Institute for Public Policy to initiate an outcome study on the three identified alternatives to incarceration.

The initial concept is to study outcomes associated with the Correctional Alternative Placement Program (90-day treatment), the New Directions Retained Jurisdiction Program (120-day treatment), and a new treatment option being proposed: the Therapeutic Community Rider (270-day treatment).

Mr. Rakesh Mohan

Page 3

January 13, 2010

In closing, I must again thank you and the entire staff in the Office of Performance Evaluation for your professionalism and expertise. The Department appreciates the thorough and well-defined approach used by the Office of Performance Evaluation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brent D. Reinke". The signature is fluid and cursive, with the first name "Brent" being the most prominent part.

Brent D. Reinke  
Director

BDR:tj



# IDAHO STATE BUILDING AUTHORITY

Board of Commissioners:

V. L. Bud Tracy, *Chairman*  
James C. Hammond, *Vice Chairman*  
Candice Allphin  
Harold W. Davis  
John Ewing  
J. Philip Reberger  
Patricia J. Story

**755 W. FRONT STREET, SUITE 200  
BOISE, IDAHO 83702**

Wayne V Meuleman  
*Executive Director*

**TELEPHONE**  
(208) 345-6057

**FAX**  
(208) 336-9712

January 21, 2010

Mr. Rakesh Mohan, Director  
Office of Performance Evaluations  
State of Idaho  
P O Box 83720  
Boise, Idaho 83720-0055

RE: Operational Efficiencies in Idaho's Prison System

Dear Rakesh:

Thank you for the opportunity to review your preliminary draft report regarding the operations and capacity of Idaho prisons. The analysis of the existing facilities is a complex job, well done, and is the first comprehensive analysis of state government facilities of this type that I have seen.

Evaluation of staffing costs as well as operational and maintenance expenses of existing facilities compared to the present value cost of modernized replacement facilities is impressive. Hopefully, your analysis will serve as a model for evaluating state government facilities for other agencies.

Thank you again.

Very truly yours,



Wayne V Meuleman  
Executive Director

WVM:voe



## Office of Performance Evaluations Reports, 2008–Present

Publication numbers ending with “F” are follow-up reports of previous evaluations. Publication numbers ending with three letters are federal mandate reviews—the letters indicate the legislative committee that requested the report.

<u>Pub. #</u>	<u>Report Title</u>	<u>Date Released</u>
08-01	Governance of Information Technology and Public Safety Communications	March 2008
08-02F	State Substance Abuse Treatment Efforts	March 2008
08-03F	Virtual School Operations	March 2008
09-01	Public Education Funding in Idaho	January 2009
09-02F	Higher Education Residency Requirements	January 2009
09-03	Idaho Transportation Department Performance Audit	January 2009
09-04	Feasibility of School District Services Consolidation	February 2009
09-05F	School District Administration and Oversight	February 2009
09-06F	Use of Average Daily Attendance in Public Education Funding	February 2009
09-07F	Child Welfare Caseload Management	February 2009
09-08F	Public Education Technology Initiatives	February 2009
09-09F	Management in the Department of Health and Welfare	March 2009
09-10F	Governance of Information Technology and Public Safety Communications	April 2009
10-01	Operational Efficiencies in Idaho’s Prison System	January 2010

Reports are available from the OPE Web site at [www.idaho.gov/ope/](http://www.idaho.gov/ope/)  
Office of Performance Evaluations • P.O. Box 83720 • Boise, ID 83720-0055  
Phone: (208) 332-1470 • Fax: (208) 332-1471