

The Price of Prisons | Alabama

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012



Taxpayer Costs (dollars in millions)	
ALDOC prison budget	\$445.5
Other state costs	
Underfunded retiree health care	\$7.8
Judgments and legal claims	\$0.4
Statewide administrative costs	\$0.4
Inmate education and training	\$8.4
Subtotal: Other state costs	\$17.0
TOTAL TAXPAYER COST	\$462.5

Source: Vera Institute of Justice, True Cost of Prisons survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Apparent discrepancies between subtotals and totals are the result of rounding.

IN FISCAL YEAR 2010, the Alabama Department of Corrections (ALDOC) had \$445.5 in prison expenditures. However, the state also had \$17 million in prison-related costs outside the department's budget. The total cost of Alabama's prisons—to incarcerate an average daily population of 26,758—was therefore \$462.5 million, of which 3.7 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the ALDOC's budget included the following:

- > **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, Alabama contributed 50 percent of the amount necessary to fully fund retiree health care benefits. The state will need to pay the remaining \$7.8 million, plus interest, to provide for the retiree health care benefits of corrections employees that are scheduled under current law.
- > **JUDGMENTS AND LEGAL CLAIMS.** In 2010, the Alabama Department of Finance's Division of Risk Management paid \$405,000 in costs for corrections-related judgments and legal claims.
- > **INMATE EDUCATION AND TRAINING.** The Department of Postsecondary Education paid \$8.4 million for education and training programs in 2010.

Download the report, which fully explains the methodology, at www.vera.org/priceofprisons.



About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

The full report, *The Price of Prisons: What Incarceration Costs Taxpayers*, provides data for 40 states and a full description of the methodology. Download the report at vera.org/priceofprisons.

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The Price of Prisons | Arizona

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$998.5 million
ADC prison budget

\$1 billion
Total state cost of prisons

\$24,805
Average annual cost per inmate

IN FISCAL YEAR 2010, the Arizona Department of Corrections (ADC) had \$998.5 million in prison expenditures. However, the state also had more than \$5.1 million in prison-related costs outside the department's budget. The total cost of Arizona's prisons—to incarcerate an average daily population of 40,458—was therefore more than \$1 billion, of which less than 1 percent were costs outside the corrections budget.

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Prison costs outside the ADC's budget included the following:

Taxpayer Costs (dollars in millions)	
ADC prison budget	\$998.5
Other state costs	
Retiree health care contributions	NE
Capital costs	\$0.5
Judgments and legal claims	\$2.2
Statewide administrative costs	\$2.4
Subtotal: Other state costs	\$5.1
TOTAL TAXPAYER COST	\$1,003.60

- > **CAPITAL COSTS.** Although debt service is included in the ADC budget, a limited number of pay-as-you-go capital costs are funded by the Arizona Department of Administration. In 2010, these costs amounted to \$530,000.
- > **JUDGMENTS AND LEGAL CLAIMS.** The Arizona Department of Administration's Risk Management Division paid \$2.2 million in costs associated with judgments and legal claims in 2010.
- > **RETIREE HEALTH CARE CONTRIBUTIONS.** This cost is outside the ADC budget. Vera could not obtain the necessary financial data to determine these costs. Therefore, the state's total prison cost calculated for this report is a conservative estimate.

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IN FISCAL YEAR 2010, the Arkansas Department of Correction (DOC) had \$288.6 million in prison expenditures. However, the state also had \$37.5 million in prison-related costs outside the department's budget. The total cost of Arkansas's prisons—to incarcerate an average daily population of 13,369—was therefore \$326.1 million, of which 11.5 percent were costs outside the corrections budget.

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METHODOLOGY

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Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | California

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$7 billion

CDCR prison budget

\$7.9 billion

Total state cost of prisons

\$47,421

Average annual cost
per inmate

IN FISCAL YEAR 2010, the California Department of Corrections and Rehabilitation (CDCR) had \$7 billion in prison expenditures. However, the state also had \$969.7 million in prison-related costs outside the department's budget. The total cost of California's prisons—to incarcerate an average daily population of 167,276—was therefore \$7.9 billion, of which 12.2 percent were costs outside the corrections budget.

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Prison costs outside CDCR's budget included the following:

Taxpayer Costs (dollars in millions)

CDCR prison budget	\$6,962.7
Other state costs	
Retiree health care contributions	\$320.1
Underfunded retiree health care	\$607.0
Statewide administrative costs	\$38.0
Inmate hospital care	NE
Inmate education and training	\$4.5
Subtotal: Other state costs	\$969.7
TOTAL TAXPAYER COST	\$7,932.4

Source: Vera Institute of Justice, *True Cost of Prisons* survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Vera could not obtain information about all prison costs outside the state's corrections budget. These costs were not estimated and appear as NE. Apparent discrepancies between subtotals and totals are the result of rounding.

- > **RETIREE HEALTH CARE CONTRIBUTIONS.** The state of California made a payment of \$320.1 million for corrections employees in 2010.
- > **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, California contributed 34.5 percent of the amount necessary to fully fund retiree health care benefits. The state will need to pay the remaining \$607 million, plus interest, to provide for the retiree health care benefits for corrections employees that are scheduled under current law.
- > **STATEWIDE ADMINISTRATIVE COSTS.** In 2009, the most recent year for which Vera could obtain data, CDCR incurred \$38 million in indirect costs (such as auditing or information technology) paid by state administrative agencies. Indirect costs related to prison operations provided by these agencies were determined using the Statewide Cost Allocation Plan (SWCAP).
- > **INMATE EDUCATION AND TRAINING.** In 2010, the California Department of Forestry and Fire Protection paid \$4.5 million for education and training programs.
- > **INMATE HOSPITAL CARE.** A portion of this cost is funded outside the corrections department. Vera could not obtain this information and this cost is not included in this fact sheet. Therefore, the state's total prison cost calculated for this report is a conservative estimate.

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About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

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METHODOLOGY

The Vera Institute of Justice conducted a survey to collect data on spending by corrections departments and other state agencies. For the survey, prisons are defined as residential facilities that hold sentenced adult offenders in state custody. Prison costs include expenses for the operation of state-run prisons, privately run prisons, and any payments made to local jails and to other states for housing state-sentenced inmates. Taxpayer costs include expenses funded by state and federal revenue. Vera excluded from this analysis any corrections department expenses that do not directly relate to prison operations, such as community corrections or juvenile justice.

Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | Colorado

WHAT INCARCERATION COSTS TAXPAYERS **FACT SHEET • JANUARY 2012 (UPDATED 2/6/12)**

Key Findings

\$584.7 million

DOC prison budget

\$606.2 million

Total state cost of prisons

\$30,374

Average annual cost
per inmate

IN FISCAL YEAR 2010, the Colorado Department of Corrections (DOC) had \$584.7 million in prison expenditures. However, the state also had \$21.5 million in prison-related costs outside the department's budget. The total cost of Colorado's prisons—to incarcerate an average daily population of 19,958—was therefore \$606.2 million, of which 3.5 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the DOC's budget included the following:

- > **UNDERFUNDED PENSION CONTRIBUTIONS.** In 2010, the state of Colorado contributed 62 percent of the annual amount required to fully fund pension benefits in the long run. The state will need to pay the remaining \$16.2 million, plus interest, to provide for corrections employees' pension benefits.
- > **RETIREE HEALTH CARE CONTRIBUTIONS.** The state made a payment of \$3.2 million for corrections employees in 2010.
- > **UNDERFUNDED RETIREE HEALTH CARE.** In 2010, the state contributed 94 percent of the annual amount required to fully fund retiree health care benefits in the long run. The state will need to pay the remaining \$205,000, plus interest, to provide for the retiree health care benefits of corrections employees that are scheduled under current law.
- > **STATEWIDE ADMINISTRATIVE COSTS.** In 2009, the most recent year for which Vera could obtain data, the DOC incurred \$1.9 million in indirect costs (such as auditing or information technology) paid by state administrative agencies. Indirect costs related to prison operations provided by these agencies were determined using the Statewide Cost Allocation Plan (SWCAP).

Taxpayer Costs (dollars in millions)

DOC prison budget	\$584.7
Other state costs	
Underfunded pensions	\$16.2
Retiree health care contributions	\$3.2
Underfunded retiree health care	\$0.2
Statewide administrative costs	\$1.9
Subtotal: Other state costs	\$21.5
TOTAL TAXPAYER COST	\$606.2

Source: Vera Institute of Justice, *True Cost of Prisons* survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Apparent discrepancies between subtotals and totals are the result of rounding.

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> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

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Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | Connecticut

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$613.3 million

DOC prison budget

\$929.4 million

Total state cost of prisons

\$50,262

Average annual cost
per inmate

IN FISCAL YEAR 2010, the Connecticut Department of Corrections (DOC) had \$613.3 million in prison expenditures. However, the state also had more than \$316.2 in prison-related costs outside the department's budget. The total cost of Connecticut's prisons and jails—to incarcerate an average daily population of 18,492—was therefore \$929.4 million, of which 34 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Connecticut's corrections system has a unified structure, meaning that jails and prisons are operated by the state rather than county and state jurisdictions, respectively. Thus, the figures provided for Connecticut are for both jails and prisons.

Prison costs outside the DOC's budget included the following:

- **EMPLOYEE BENEFITS.** Employee fringe benefits for Connecticut corrections employees were paid by the Office of the State Comptroller. In 2010, these expenses totaled \$104.2 million.
- **PENSION CONTRIBUTIONS.** The Office of the State Comptroller made a contribution of \$147.1 million toward corrections employees' pensions in 2010.
- **UNDERFUNDED PENSION CONTRIBUTIONS.** In 2010, the state of Connecticut contributed 80.3 percent of the amount necessary to fully fund pensions in the long run. The state will need to pay the remaining \$36.1 million, plus interest, to provide for corrections employees' pension benefits.
- **OTHER STATE COSTS.** Portions of capital costs and of judgments and legal claims for prisons are funded outside the corrections department. Vera could not obtain this information and the costs are not included in this fact sheet. Vera was also unable to obtain the necessary financial data to determine the cost of retiree health care contributions and underfunded retiree health care costs for corrections staff. Therefore, the state's total prison cost calculated for this report is a conservative estimate.

Taxpayer Costs (dollars in millions)

DOC prison budget	\$613.3
Other state costs	
Employee benefits	\$104.2
Pension contributions	\$147.1
Underfunded pensions	\$36.1
Retiree health care	NE
Capital costs	NE
Judgments and legal claims	NE
Statewide administrative costs	\$28.7
Subtotal: Other state costs	\$316.2
TOTAL TAXPAYER COST	\$929.4

Source: Vera Institute of Justice, True Cost of Prisons survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Vera could not obtain information about all prison costs outside the state's corrections budget. These costs were not estimated and appear as NE. Apparent discrepancies between subtotals and totals are the result of rounding.

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> About this project

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Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | Delaware

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$190.4 million

DDOC prison budget

\$215.2 million

Total state cost of prisons

\$32,967

Average annual cost
per inmate

IN FISCAL YEAR 2010, the Delaware Department of Corrections (DDOC) had \$190.4 million in prison expenditures. However, the state also had \$24.8 million in prison-related costs outside the department's budget. The total cost of Delaware's prisons—to incarcerate an average daily population of 6,528—was therefore \$215.2 million, of which 11.5 percent were costs outside the corrections budget.

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Delaware's corrections system has a unified structure, meaning that jails and prisons are operated by the state rather than county and state jurisdictions, respectively. The figures here represent all expenditures in the Bureau of Prisons, Bureau of Correctional Healthcare Services, and Level IV facilities (such as drug treatment facilities and work release centers).

Prison costs outside the DDOC's budget included the following:

- > **RETIREE HEALTH CARE CONTRIBUTIONS.** The state of Delaware made a payment of \$7 million for corrections employees in 2010.
- > **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, the state of Delaware contributed 35 percent of the annual amount required to fully fund retiree health care benefits in the long run. The state will need to pay the remaining \$13 million, plus interest, to provide for the retiree health care benefits of corrections employees that are scheduled under current law.
- > **INMATE EDUCATION AND TRAINING.** The Delaware Department of Education and the Delaware Department of Health and Social Services spent a combined \$3.5 million on inmate education and training programs in 2010.

Taxpayer Costs (dollars in millions)

DDOC prison budget	\$190.4
Other state costs	
Retiree health care contribution	\$7.0
Underfunded retiree health care	\$13.0
Judgments and legal claims	\$0.2
Statewide administrative costs	\$1.1
Inmate education and training	\$3.5
Subtotal: Other state costs	\$24.8
TOTAL TAXPAYER COST	\$215.2

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Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

This fact sheet and the report The Price of Prisons: What Incarceration Costs Taxpayers were produced by Vera's Center on Sentencing and Corrections and its Cost-Benefit Analysis Unit in partnership with the Public Safety Performance Project of the Pew Center on the States.



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The Price of Prisons | Florida

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$2.05 billion

FLDOC prison budget

\$2.08 billion

Total state cost of prisons

\$20,553

Average annual cost
per inmate

IN FISCAL YEAR 2010, the Florida Department of Corrections (FLDOC) had \$2.05 billion in prison expenditures. However, the state also had \$29.4 million in prison-related costs outside the department's budget. The total cost of Florida's prisons—to incarcerate an average daily population of 101,324—was therefore \$2.08 billion, of which 1.4 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the FLDOC's budget included the following:

- > **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, the state of Florida contributed 32.3 percent of the annual amount required to fully fund retiree health care benefits in the long run. The state will need to pay the remaining \$20.4 million, plus interest, to provide for the retiree health care benefits of corrections employees that are scheduled under current law.
- > **PRIVATE PRISONS.** The state's Department of Management Services' Bureau of Private Prison Monitoring oversees Florida's seven private prisons. The bureau spent \$2.2 million in 2010.
- > **STATEWIDE ADMINISTRATIVE COSTS.** In 2009, the most recent year for which Vera could obtain data, the FLDOC incurred \$6.7 million in indirect costs (such as auditing or information technology) paid by state administrative agencies. Indirect costs related to prison operations provided by these agencies were determined using the Statewide Cost Allocation Plan (SWCAP).

Taxpayer Costs (dollars in millions)

FLDOC prison budget	\$2,053.2
Other state costs	
Underfunded retiree health care	\$20.4
Private prisons	\$2.2
Statewide administrative costs	\$6.7
Subtotal: Other state costs	\$29.4
TOTAL TAXPAYER COST	\$2,082.5

Source: Vera Institute of Justice, True Cost of Prisons survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Apparent discrepancies between subtotals and totals are the result of rounding.

Download the report, which fully explains the methodology, at www.vera.org/priceofprisons.

> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

The full report, *The Price of Prisons: What Incarceration Costs Taxpayers*, provides data for 40 states and a full description of the methodology. Download the report at vera.org/priceofprisons.

METHODOLOGY

The Vera Institute of Justice conducted a survey to collect data on spending by corrections departments and other state agencies. For the survey, prisons are defined as residential facilities that hold sentenced adult offenders in state custody. Prison costs include expenses for the operation of state-run prisons, privately run prisons, and any payments made to local jails and to other states for housing state-sentenced inmates. Taxpayer costs include expenses funded by state and federal revenue. Vera excluded from this analysis any corrections department expenses that do not directly relate to prison operations, such as community corrections or juvenile justice.

Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | Georgia

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$1.0 billion
GDC prison budget

\$1.1 billion
Total state cost of prisons

\$21,039
Average annual cost per inmate

IN FISCAL YEAR 2010, the Georgia Department of Corrections (GDC) had more than \$1.0 billion in prison expenditures. However, the state also had \$100.3 million in prison-related costs outside the department's budget. The total cost of Georgia's prisons—to incarcerate an average daily population of 53,704—was therefore more than \$1.1 billion, of which 8.9 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the GDC's budget included the following:

Taxpayer Costs (dollars in millions)	
GDC prison budget	\$1,029.5
Other state costs	
Retiree health care contributions	\$22.0
Underfunded retiree health care	\$28.0
Capital costs	\$49.7
Statewide administrative costs	\$0.6
Subtotal: Other state costs	\$100.3
TOTAL TAXPAYER COST	\$1,129.9

Source: Vera Institute of Justice, True Cost of Prisons survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Apparent discrepancies between subtotals and totals are the result of rounding.

- > **RETIREE HEALTH CARE CONTRIBUTIONS.** The state of Georgia made a payment of \$22 million for corrections employees in 2009, the most recent year for which Vera could obtain data.
- > **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2009, the most recent year for which Vera could obtain data, the state of Georgia contributed 44 percent of the annual amount required to fully fund retiree health care benefits in the long run. The state will need to pay the remaining \$28 million, plus interest, to provide for the retiree health care benefits of corrections employees that are scheduled under current law.
- > **CAPITAL COSTS.** In 2010, the state spent \$49.7 million on debt service for the GDC's capital costs.

Download the report, which fully explains the methodology, at www.vera.org/priceofprisons.

> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

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METHODOLOGY

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Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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Key Findings

\$143.2 million

IDOC prison budget

\$144.7 million

Total state cost of prisons

\$19,545

Average annual cost per inmate

IDOC prison budget	\$143.2
Other state costs	
Retiree health care contributions	\$0.2
Underfunded retiree health care	\$0.2
Capital costs	NE
Judgments and legal claims	NE
Statewide administrative costs	\$1.0
Subtotal: Other state costs	\$1.5
TOTAL TAXPAYER COST	

IN FISCAL YEAR 2010, the Idaho Department of Correction (IDOC) had \$143.2 million in prison expenditures. However, the state also had more than \$1.5 million in prison-related costs outside the department’s budget. The total cost of Idaho’s prisons—to incarcerate an average daily population of 7,402—was therefore \$144.7 million, of which 1.0 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees’ pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the IDOC’s budget included the following:

- > **RETIREE HEALTH CARE CONTRIBUTION.** The state of Idaho made a payment of \$247,000 for corrections employees in 2010.
- > **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, the state contributed 51 percent of the annual amount required to fully fund retiree health care benefits in the long run. The state will need to pay the remaining \$237,000, plus interest, to provide for the retiree health care benefits for corrections employees that are scheduled under current law.
- > **STATEWIDE ADMINISTRATIVE COSTS.** In 2009, the most recent year for which Vera could obtain data, the IDOC incurred \$973,000 in indirect costs (such as auditing or information technology) paid by state administrative agencies. Indirect costs related to prison operations that are provided by these agencies were determined using the Statewide Cost Allocation Plan (SWCAP).
- > **OTHER STATE COSTS.** A portion of the costs of capital improvements, judgments, and legal claims were funded outside the corrections department. Vera could not obtain this information and these costs are not included in this fact sheet. Therefore, the state’s total prison cost calculated for this report is a conservative estimate.

Download the report, which fully explains the methodology, at www.vera.org/priceofprisons.

> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

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METHODOLOGY

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Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | Illinois

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$1.2 billion

IDOC prison budget

\$1.7 billion

Total state cost of prisons

\$38,268

Average annual cost
per inmate

IN FISCAL YEAR 2010, the Illinois Department of Corrections (IDOC) had nearly \$1.2 billion in prison expenditures. However, the state also had \$566.1 million in prison-related costs outside the department's budget. The total cost of Illinois's prisons—to incarcerate an average daily population of 45,551—was therefore more than \$1.7 billion, of which 32.5 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the IDOC's budget included the following:

Taxpayer Costs (dollars in millions)

IDOC prison budget	\$1,177
Other state costs	
Employee benefits	\$163.8
Pension contributions	\$152.5
Underfunded pensions	\$11.3
Retiree health care contributions	\$48.4
Underfunded retiree health care	\$99.1
Capital costs	\$64.8
Statewide administrative costs	\$26.1
Subtotal: Other state costs	\$566.1
TOTAL TAXPAYER COST	\$1,743.2

Source: Vera Institute of Justice, True Cost of Prisons survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Apparent discrepancies between subtotals and totals are the result of rounding.

- > **EMPLOYEE BENEFITS.** The state of Illinois spent \$163.8 million on health insurance for corrections employees.
- > **PENSION CONTRIBUTIONS.** The state made a contribution of \$152.5 million for corrections employees in 2010.
- > **UNDERFUNDED PENSION CONTRIBUTIONS.** In 2010, the state of Illinois contributed 93 percent of the annual amount required to fully fund pension benefits in the long run. The state will need to pay the remaining \$11.3 million, plus interest, to provide for corrections employees' pension benefits.
- > **RETIREE HEALTH CARE CONTRIBUTIONS.** The state made a payment of \$48.4 for corrections employees.
- > **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, the state of Illinois contributed 33 percent of the annual amount required to fully fund retiree health care benefits in the long run. The state will need to pay \$99.1 million, plus interest, to provide for the retiree health care benefits of corrections employees that are scheduled under current law.
- > **CAPITAL COSTS.** In 2010, the state spent \$64.8 million on debt service for the IDOC's capital assets.

Download the report, which fully explains the methodology, at www.vera.org/priceofprisons.

> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

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METHODOLOGY

The Vera Institute of Justice conducted a survey to collect data on spending by corrections departments and other state agencies. For the survey, prisons are defined as residential facilities that hold sentenced adult offenders in state custody. Prison costs include expenses for the operation of state-run prisons, privately run prisons, and any payments made to local jails and to other states for housing state-sentenced inmates. Taxpayer costs include expenses funded by state and federal revenue. Vera excluded from this analysis any corrections department expenses that do not directly relate to prison operations, such as community corrections or juvenile justice.

Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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IN FISCAL YEAR 2010, the Indiana Department of Correction (IDOC) had \$562.2 million in prison expenditures. However, the state also had more than \$7.2 million in prison-related costs outside the department's budget. The total cost of Indiana's prisons—to incarcerate an average daily population of 38,417—was therefore \$569.5 million, of which 1.3 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the IDOC's budget included the following:

- > **UNDERFUNDED PENSION CONTRIBUTIONS.** In 2010, the state of Indiana contributed 92 percent of the amount necessary to fully fund pensions in the long run. The state will need to pay the remaining \$2.2 million, plus interest, to provide for corrections employees' pension benefits.
- > **STATEWIDE ADMINISTRATIVE COSTS.** In 2009, the most recent year for which data are available, the state of Indiana spent \$7.2 million on administrative costs outside the IDOC's budget.

> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

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METHODOLOGY

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Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | Iowa

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$265.4 million

DOC prison budget

\$276 million

Total state cost of prisons

\$32,925

Average annual cost
per inmate

IN FISCAL YEAR 2010, the Iowa Department of Correction (DOC) had \$265.4 million in prison expenditures. However, the state also had more than \$10.6 million in prison-related costs outside the department's budget. The total cost of Iowa's prisons—to incarcerate an average daily population of 8,384—was therefore \$276 million, of which 3.9 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the DOC's budget included the following:

- **UNDERFUNDED PENSION CONTRIBUTIONS.** In 2010, the state of Iowa contributed 89.5 percent of the amount necessary to fully fund pensions in the long run. The state will need to pay the remaining \$1.6 million, plus interest, to provide for corrections employees' pension benefits.
- **CAPITAL COSTS.** In 2010, the state funded \$8.4 million in debt service for the DOC.
- **STATEWIDE ADMINISTRATIVE COSTS.** In 2010, the DOC incurred \$0.6 million in indirect costs (such as auditing or information technology) paid by state administrative agencies. Indirect costs related to prison operations provided by these agencies were determined using the Statewide Cost Allocation Plan (SWCAP).
- **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** These costs could not be determined using information available to Vera and are not included in this fact sheet. Therefore, the state's total prison cost calculated for this report is a conservative estimate.

Taxpayer Costs (dollars in millions)

DOC prison budget	\$265.4
Other state costs	
Underfunded pensions	\$1.6
Underfunded retiree health care	NE
Capital costs	\$8.4
Judgments and legal claims	\$0.0
Statewide administrative costs	\$0.6
Subtotal: Other state costs	\$10.6
TOTAL TAXPAYER COST	\$276.0

Source: Vera Institute of Justice, True Cost of Prisons survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Vera could not obtain information about all prison costs outside the state's corrections budget. These costs were not estimated and appear as NE. Apparent discrepancies between subtotals and totals are the result of rounding.

Download the report, which fully explains the methodology, at www.vera.org/priceofprisons.

> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

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METHODOLOGY

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Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | Kansas

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$156.1 million

KDOC prison budget

\$158.2 million

Total state cost of prisons

\$18,207

Average annual cost
per inmate

IN FISCAL YEAR 2010, the Kansas Department of Corrections (KDOC) had \$156.1 million in prison expenditures. However, the state also had \$2.1 million in prison-related costs outside the department's budget. The total cost of Kansas's prisons—to incarcerate an average daily population of 8,689—was therefore \$158.2 million, of which 1.3 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the KDOC's budget included the following:

- > **UNDERFUNDED PENSION CONTRIBUTIONS.** In 2010, the state of Kansas contributed 72 percent of the amount necessary to fully fund pensions in the long run. The state will need to pay the remaining \$1.9 million, plus interest, to provide for corrections employees' pension benefits.
- > **STATEWIDE ADMINISTRATIVE COSTS.** In 2009, the most recent year for which data is available, the KDOC incurred \$173,000 in indirect costs (such as auditing or information technology) paid by state administrative agencies. Indirect costs related to prison operations provided by these agencies were determined using the Statewide Cost Allocation Plan (SWCAP).

Taxpayer Costs (dollars in millions)

KDOC prison budget	\$156.1
Other state costs	
Underfunded pensions	\$1.9
Statewide administrative costs	\$0.2
Subtotal: Other state costs	\$2.1
TOTAL TAXPAYER COST	\$158.2

Source: Vera Institute of Justice, *True Cost of Prisons* survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Apparent discrepancies between subtotals and totals are the result of rounding.

Download the report, which fully explains the methodology, at www.vera.org/priceofprisons.

> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

The full report, *The Price of Prisons: What Incarceration Costs Taxpayers*, provides data for 40 states and a full description of the methodology. Download the report at vera.org/priceofprisons.

METHODOLOGY

The Vera Institute of Justice conducted a survey to collect data on spending by corrections departments and other state agencies. For the survey, prisons are defined as residential facilities that hold sentenced adult offenders in state custody. Prison costs include expenses for the operation of state-run prisons, privately run prisons, and any payments made to local jails and to other states for housing state-sentenced inmates. Taxpayer costs include expenses funded by state and federal revenue. Vera excluded from this analysis any corrections department expenses that do not directly relate to prison operations, such as community corrections or juvenile justice.

Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | Kentucky

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$272.5 million

DOC prison budget

\$311.7 million

Total state cost of prisons

\$14,603

Average annual cost
per inmate

IN FISCAL YEAR 2010, the Kentucky Department of Corrections (DOC) had \$272.5 million in prison expenditures. However, the state also had \$39.2 million in prison-related costs outside the department's budget. The total cost of Kentucky's prisons—to incarcerate an average daily population of 21,347—was therefore \$311.7 million, of which 12.6 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the DOC's budget included the following:

- **UNDERFUNDED PENSION CONTRIBUTIONS.** In 2010, the state of Kentucky contributed 99 percent of the amount necessary to fully fund pensions in the long run. The state will need to pay the remaining \$202,000, plus interest, to provide for corrections employees' pension benefits.
- **RETIREE HEALTH CARE CONTRIBUTIONS.** The state made a payment of \$13.7 million for corrections employees in 2010.
- **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, the state contributed 63.5 percent of the amount necessary to fully fund retiree health care benefits. The state will need to pay the remaining \$7.9 million, plus interest, to provide for the retiree health care benefits of corrections employees that are scheduled under current law.
- **CAPITAL COSTS.** In 2010, the Kentucky Finance and Administration Cabinet paid \$14.8 million in debt service for the DOC's capital costs.

Taxpayer Costs (dollars in millions)

DOC prison budget	\$272.5
Other state costs	
Underfunded pensions	\$0.2
Retiree health care contributions	\$13.7
Underfunded retiree health care	\$7.9
Capital costs	\$14.8
Statewide administrative costs	\$2.6
Subtotal: Other state costs	\$39.2
TOTAL TAXPAYER COST	\$311.7

Source: Vera Institute of Justice, *True Cost of Prisons* survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Apparent discrepancies between subtotals and totals are the result of rounding.

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> About this project

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METHODOLOGY

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Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | Louisiana

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$608.1 million

DPS&C prison budget

\$698.4 million

Total state cost of prisons

\$17,486

Average annual cost
per inmate

IN FISCAL YEAR 2010, the Louisiana Department of Public Safety and Corrections (DPS&C) had \$608.1 million in prison expenditures. However, the state also had \$90.3 million in prison-related costs outside the department's budget. The total cost of Louisiana's prisons—to incarcerate an average daily population of 39,938—was therefore \$698.4 million, of which 12.9 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the DPS&C's budget included the following:

Taxpayer Costs (dollars in millions)

DPS&C prison budget	\$608.1
Other state costs	
Underfunded pensions	\$5.4
Underfunded retiree health care	\$32.2
Capital costs	\$4.2
Judgments and legal claims	\$1.5
Statewide administrative costs	\$2.4
Inmate hospital care	\$40.7
Inmate education and training	\$3.9
Subtotal: Other state costs	\$90.3
TOTAL TAXPAYER COST	\$698.4

Source: Vera Institute of Justice, True Cost of Prisons survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Apparent discrepancies between subtotals and totals are the result of rounding.

- > **UNDERFUNDED PENSION CONTRIBUTIONS.** In 2010, the state contributed 87.2 percent of the annual amount required to fully fund pension benefits in the long run. The state will need to pay the remaining \$5.4 million, plus interest, to provide for corrections employees' pension benefits.
- > **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, the state of Louisiana contributed 25.3 percent of the annual amount required to fully fund retiree health care benefits in the long run. The state will need to pay the remaining \$32.2 million, plus interest, to provide for the retiree health care benefits of corrections employees that are scheduled under current law.
- > **INMATE HOSPITAL CARE.** When incarcerated individuals require hospital care, they are served by the Louisiana State University (LSU) hospital system. In 2010, LSU spent \$40.7 million on hospital care for state inmates.
- > **INMATE EDUCATION AND TRAINING.** Education and training programs are funded in part by the Louisiana Department of Education and Louisiana Community and Technical College System. In 2010, the two organizations spent \$3.9 million for educational and vocational services for inmates.

Download the report, which fully explains the methodology, at www.vera.org/priceofprisons.

> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

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METHODOLOGY

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Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | Maine

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$124.8 million

MDOC prison budget

\$132.9 million

Total state cost of prisons

\$56,269

Average annual cost
per inmate

IN FISCAL YEAR 2010, the Maine Department of Corrections (MDOC) had \$124.8 million in prison expenditures. However, the state also had \$8.1 million in prison-related costs outside the department's budget. The total cost of Maine's prisons—to incarcerate an average daily population of 2,362—was therefore \$132.9 million, of which 6.1 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the MDOC's budget included the following:

- > **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, the state of Maine contributed 59.8 percent of the annual amount required to fully fund retiree health care benefits in the long run. The state will need to pay the remaining \$5.1 million, plus interest, to provide for the retiree health care benefits for corrections employees that are scheduled under current law.
- > **CAPITAL COSTS.** In 2010, the state of Maine paid \$1.6 million to fund debt service for the MDOC.
- > **STATEWIDE ADMINISTRATIVE COSTS.** In 2008, the most recent year for which Vera could obtain data, MDOC incurred \$1.4 million in indirect costs (such as auditing or information technology) paid by state administrative agencies. Indirect costs related to prison operations provided by these agencies were determined using the Statewide Cost Allocation Plan (SWCAP).
- > **INMATE HOSPITAL CARE.** MaineCare pays a portion of these costs. Vera could not obtain this information and these costs are not included in this fact sheet. Therefore, the state's total prison cost calculated for this report is a conservative estimate.

Taxpayer Costs (dollars in millions)

MDOC prison budget	\$124.8
Other state costs	
Underfunded retiree health care	\$5.1
Capital costs	\$1.6
Statewide administrative costs	\$1.4
Inmate hospital care	NE
Subtotal: Other state costs	\$8.1
TOTAL TAXPAYER COST	\$132.9

Source: Vera Institute of Justice, True Cost of Prisons survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Vera could not obtain information about all prison costs outside the state's corrections budget. These costs were not estimated and appear as NE. Apparent discrepancies between subtotals and totals are the result of rounding.

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> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

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METHODOLOGY

The Vera Institute of Justice conducted a survey to collect data on spending by corrections departments and other state agencies. For the survey, prisons are defined as residential facilities that hold sentenced adult offenders in state custody. Prison costs include expenses for the operation of state-run prisons, privately run prisons, and any payments made to local jails and to other states for housing state-sentenced inmates. Taxpayer costs include expenses funded by state and federal revenue. Vera excluded from this analysis any corrections department expenses that do not directly relate to prison operations, such as community corrections or juvenile justice.

Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | Maryland

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$731.3 million

DOC prison budget

\$836.2 million

Total state cost of prisons

\$38,383

Average annual cost
per inmate

IN FISCAL YEAR 2010, the Maryland Division of Correction (DOC) had \$731.3 million in prison expenditures. However, the state also had \$104.9 million in prison-related costs outside the department's budget. The total cost of Maryland's prisons—to incarcerate an average daily population of 21,786—was therefore \$836.2 million, of which 12.5 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the DOC's budget included the following:

Taxpayer Costs (dollars in millions)

DOC prison budget	\$731.3
Other state costs	
Underfunded pensions	\$11.4
Underfunded retiree health care	\$55.5
Capital costs	\$10.0
Statewide administrative costs	\$8.0
Inmate education and training	\$17.3
Other	\$2.7
Subtotal: Other state costs	\$104.9
TOTAL TAXPAYER COST	\$836.2

Source: Vera Institute of Justice, *True Cost of Prisons* survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Apparent discrepancies between subtotals and totals are the result of rounding.

- > **UNDERFUNDED PENSION CONTRIBUTIONS.** In 2010, the state of Maryland contributed 70 percent of the annual amount required to fully fund pension benefits in the long run. The state will need to pay the remaining \$11.4 million, plus interest, to provide for corrections employees' pension benefits.
- > **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, the state contributed 28 percent of the annual amount required to fully fund retiree health care benefits in the long run. The state will need to pay the remaining \$55.5 million, plus interest, to provide for the retiree health care benefits of corrections employees that are scheduled under current law.
- > **CAPITAL COSTS.** In 2010, \$10 million in pay-as-you-go funding was budgeted by the Maryland Department of Public Safety and Correctional Services' Office of the Secretary, but not within its Division of Corrections. The state of Maryland also issues bonds for DOC capital projects, but those costs are not included in this fact sheet. Therefore, the state's total prison cost calculated for this report is a conservative estimate.
- > **INMATE EDUCATION AND TRAINING.** In 2010, the Department of Labor, Licensing and Regulation paid \$17.3 million for programming in the Division of Workforce Development and Adult Learning.
- > **OTHER COSTS.** In 2010, the Division of Parole and Probation paid \$2.7 million for the operations of contractual pre-release facilities.

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> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

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Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | Michigan

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$1.2 billion
MDOC prison budget

\$1.3 billion
Total state cost of prisons

\$28,117
Average annual cost per inmate

IN FISCAL YEAR 2010, the Michigan Department of Corrections (MDOC) had almost \$1.2 billion in prison expenditures. However, the state also had more than \$69.7 million in prison-related costs outside the department's budget. The total cost of Michigan's prisons—to incarcerate an average daily population of 45,096—was therefore nearly \$1.3 billion, of which 5.5 percent was outside the corrections department.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the MDOC's budget included the following:

Taxpayer Costs (dollars in millions)	
MDOC prison budget	\$1,198.2
Other state costs	
Underfunded pensions	NE
Underfunded retiree health care	NE
Capital costs	\$47.1
Statewide administrative costs	\$22.6
Subtotal: Other state costs	\$69.7
TOTAL TAXPAYER COST	\$1,268.0

Source: Vera Institute of Justice, True Cost of Prisons survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Vera could not obtain information about all prison costs outside the state's corrections budget. These costs were not estimated and appear as NE. Apparent discrepancies between subtotals and totals are the result of rounding.

- > **CAPITAL COSTS.** In 2010, the state of Michigan spent \$47.1 million on debt service that financed the purchase of capital assets for the MDOC.
- > **STATEWIDE ADMINISTRATIVE COSTS.** In 2009, the most recent year for which Vera could obtain data, the MDOC incurred \$22.6 million in indirect costs (such as auditing or information technology) paid by state administrative agencies. Indirect costs related to prison operations provided by these agencies were determined using the Statewide Cost Allocation Plan (SWCAP).
- > **UNDERFUNDED CONTRIBUTIONS TO PENSIONS AND RETIREE HEALTH CARE.** MDOC offered defined benefit retirement plans to employees hired prior to 1997 and Vera could not obtain the necessary financial data to determine the cost of underfunded retiree health care and the pensions for corrections staff hired before 1997. Employees hired since 1997 are enrolled in defined contribution retirement plans for which there are no underfunded costs.

Download the report, which fully explains the methodology, at www.vera.org/priceofprisons.



About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

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The Price of Prisons | Minnesota

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$365.5 million

MNDOC prison budget

\$395.3 million

Total state cost of prisons

\$41,364

Average annual cost
per inmate

IN FISCAL YEAR 2010, the Minnesota Department of Corrections (MNDOC) had \$365.5 million in prison expenditures. However, the state also had \$29.8 million in prison-related costs outside the department's budget. The total cost of Minnesota's prisons—to incarcerate an average daily population of 9,557—was therefore \$395.3 million, of which 7.5 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the MNDOC's budget included the following:

- > **UNDERFUNDED PENSION CONTRIBUTIONS.** In 2010, the state of Minnesota contributed 63 percent of the amount necessary to fully fund pensions in the long run. The state will need to pay the remaining \$9.6 million, plus interest, to provide for corrections employees' pension benefits.
- > **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, the state contributed 44 percent of the annual amount required to fully fund retiree health care benefits in the long run. The state will need to pay the remaining \$3.5 million, plus interest, to provide for the retiree health care benefits of corrections employees that are scheduled under current law.
- > **CAPITAL COSTS.** In 2010, Minnesota's Department of Administration paid \$14.3 million through bonded funds for the costs associated with the MNDOC's capital improvements.

Taxpayer Costs (dollars in millions)

MNDOC prison budget	\$365.5
Other state costs	
Underfunded pensions	\$9.6
Underfunded retiree health care	\$3.5
Capital costs	\$14.3
Statewide administrative costs	\$2.3
Subtotal: Other state costs	\$29.8
TOTAL TAXPAYER COST	\$395.3

Source: Vera Institute of Justice, True Cost of Prisons survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Apparent discrepancies between subtotals and totals are the result of rounding.

Download the report, which fully explains the methodology, at www.vera.org/priceofprisons.



About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

The full report, *The Price of Prisons: What Incarceration Costs Taxpayers*, provides data for 40 states and a full description of the methodology. Download the report at vera.org/priceofprisons.

METHODOLOGY

The Vera Institute of Justice conducted a survey to collect data on spending by corrections departments and other state agencies. For the survey, prisons are defined as residential facilities that hold sentenced adult offenders in state custody. Prison costs include expenses for the operation of state-run prisons, privately run prisons, and any payments made to local jails and to other states for housing state-sentenced inmates. Taxpayer costs include expenses funded by state and federal revenue. Vera excluded from this analysis any corrections department expenses that do not directly relate to prison operations, such as community corrections or juvenile justice.

Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | Missouri

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$503.9 million

DOC prison budget

\$680.5 million

Total state cost of prisons

\$22,350

Average annual cost
per inmate

IN FISCAL YEAR 2010, the Missouri Department of Corrections (DOC) had \$503.9 million in prison expenditures. However, the state also had \$176.5 million in prison-related costs outside the department's budget. The total cost of Missouri's prisons—to incarcerate an average daily population of 30,447—was therefore \$680.5 million, of which 25.9 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the DOC's budget included the following:

- **EMPLOYEE BENEFITS.** In 2010, the Missouri Office of Administration paid \$90.4 million for DOC employee benefits.
- **PENSION CONTRIBUTIONS.** The Office of Administration made a contribution of \$35.3 million for corrections employees in 2010.
- **RETIREE HEALTH CARE CONTRIBUTIONS.** The Office of Administration paid \$11.2 million for corrections employees in 2010.
- **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, the state of Missouri contributed 79 percent of the amount necessary to fully fund retiree health care benefits. The state will need to pay the remaining \$2.9 million, plus interest, to provide for the retiree health care benefits for corrections employees that are scheduled under current law.
- **CAPITAL COSTS.** The Missouri Office of Administration spent \$26.4 million on debt service for the DOC's capital assets.
- **JUDGMENTS AND LEGAL CLAIMS.** The state legal defense fund makes payments for corrections-related judgments and claims on behalf of the DOC. Vera could not obtain this information and these costs are not included in this fact sheet. Therefore, the state's total prison cost calculated for this report is a conservative estimate.

Taxpayer Costs (dollars in millions)

DOC prison budget	\$503.9
Other state costs	
Employee benefits	\$90.4
Pension contributions	\$35.3
Retiree health care contributions	\$11.2
Underfunded retiree health care	\$2.9
Capital costs	\$26.4
Judgments and legal claims	NE
Statewide administrative costs	\$10.3
Subtotal: Other state costs	\$176.5
TOTAL TAXPAYER COST	\$680.5

Source: Vera Institute of Justice, True Cost of Prisons survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Vera could not obtain information about all prison costs outside the state's corrections budget. These costs were not estimated and appear as NE. Apparent discrepancies between subtotals and totals are the result of rounding.

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About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

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The Price of Prisons | Montana

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$74.6 million

DOC prison budget

\$76.0 million

Total state cost of prisons

\$30,227

Average annual cost
per inmate

IN FISCAL YEAR 2010, the Montana Department of Corrections (DOC) had \$74.6 million in prison expenditures. However, the state also had \$1.3 million in prison-related costs outside the department's budget. The total cost of Montana's prisons—to incarcerate an average daily population of 2,513—was therefore \$76 million, of which 1.8 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the DOC's budget included the following:

- > **UNDERFUNDED PENSION CONTRIBUTIONS.** In 2010, the state of Montana contributed 73.5 percent of the annual amount required to fully fund pension benefits in the long run. The state will need to pay the remaining \$776,000, plus interest, to provide for corrections employees' pension benefits.
- > **INMATE HOSPITAL CARE.** In 2010, the state Medicaid budget provided \$77,000 for a portion of the cost of inmate hospital care.
- > **INMATE EDUCATION AND TRAINING.** In 2010, \$84,000 for adult basic and literacy education programming was provided outside the corrections budget.
- > **STATEWIDE ADMINISTRATIVE COSTS.** In 2008, the most recent year for which Vera could obtain data, DOC incurred \$343,000 in indirect costs (such as auditing or information technology) paid by state administrative agencies. Indirect costs related to prison operations provided by these agencies were determined using the Statewide Cost Allocation Plan (SWCAP).

Taxpayer Costs (dollars in millions)

Underfunded pension contribution	\$0.8
Judgments and legal claims	\$0.1
Inmate hospital care	\$0.1
Inmate education and training	\$0.1
Statewide administrative costs	\$0.3

Source: Vera Institute of Justice, *True Cost of Prisons* survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Apparent discrepancies between subtotals and totals are the result of rounding.

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METHODOLOGY

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Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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IN FISCAL YEAR 2010, the Nebraska Department of Correctional Services (NDCS) had \$158.2 million in prison expenditures. However, the state also had \$5.1 million in prison-related costs outside the department's budget. The total cost of Nebraska's prisons—to incarcerate an average daily population of 4,452—was therefore \$163.3 million, of which 3.1 percent were costs outside the corrections budget.

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Prison costs outside the NDCS's budget included the following:

- > **CAPITAL COSTS.** In 2010, the state of Nebraska spent \$4.8 million outside the corrections budget on improvements and renovations to NDCS facilities.
- > **STATEWIDE ADMINISTRATIVE COSTS.** In 2009, the most recent year for which Vera could obtain data, the NDCS incurred \$336,000 in indirect costs (such as auditing or information technology) paid by state administrative agencies. Indirect costs related to prison operations provided by these agencies were determined using the Statewide Cost Allocation Plan (SWCAP).

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About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

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The Price of Prisons | Nevada

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$267.9 million
NDOC prison budget

\$282.9 million
Total state cost of prisons

\$20,656
Average annual cost per inmate

Taxpayer Costs (dollars in millions)	
NDOC prison budget	\$267.9
Other state costs	
Underfunded pensions	\$2.5
Underfunded retiree health care	\$11.5
Statewide administrative costs	\$1.1
Subtotal: Other state costs	\$15.0
TOTAL TAXPAYER COST	\$282.9

Source: Vera Institute of Justice, True Cost of Prisons survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Apparent discrepancies between subtotals and totals are the result of rounding.

IN FISCAL YEAR 2010, the Nevada Department of Corrections (NDOC) had \$267.9 million in prison expenditures. However, the state also had \$15 million in prison-related costs outside the department's budget. The total cost of Nevada's prisons—to incarcerate an average daily population of 13,696—was therefore \$282.9 million, of which 5.3 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the NDOC's budget included the following:

- > **UNDERFUNDED PENSION CONTRIBUTIONS.** In 2010, the state of Nevada contributed 93 percent of the annual amount required to fully fund pension benefits in the long run. The state will need to pay the remaining \$2.5 million, plus interest, to provide for corrections employees' pension benefits.
- > **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, the state contributed 21.5 percent of the annual amount required to fully fund retiree health care benefits in the long run. The state of Nevada will need to pay the remaining \$11.5 million, plus interest, to provide for the retiree health care benefits of corrections employees that are scheduled under current law.
- > **STATEWIDE ADMINISTRATIVE COSTS.** In 2009, the most recent year for which Vera could obtain data, the NDOC incurred \$1.1 million in indirect costs (such as auditing or information technology) paid by state administrative agencies. Indirect costs related to prison operations provided by these agencies were determined using Nevada's Statewide Cost Allocation Plan (SWCAP).

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About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

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METHODOLOGY

The Vera Institute of Justice conducted a survey to collect data on spending by corrections departments and other state agencies. For the survey, prisons are defined as residential facilities that hold sentenced adult offenders in state custody. Prison costs include expenses for the operation of state-run prisons, privately run prisons, and any payments made to local jails and to other states for housing state-sentenced inmates. Taxpayer costs include expenses funded by state and federal revenue. Vera excluded from this analysis any corrections department expenses that do not directly relate to prison operations, such as community corrections or juvenile justice.

Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | New Hampshire

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$80.3 million

NHDOC prison budget

\$81.4 million

Total state cost of prisons

\$34,080

Average annual cost
per inmate

IN FISCAL YEAR 2010, the New Hampshire Department of Corrections (NHDOC) had \$80.3 million in prison expenditures. However, the state also had more than \$1.1 million in prison-related costs outside the department's budget. The total cost of New Hampshire's prisons—to incarcerate an average daily population of 2,389—was therefore more than \$81.4 million, of which 1.4 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the NHDOC's budget included the following:

- **STATEWIDE ADMINISTRATIVE COSTS.** In 2009, the most recent year for which Vera could obtain data, the NHDOC incurred \$1.1 million in indirect costs (such as auditing or information technology) paid by state administrative agencies. Indirect costs related to prison operations provided by these agencies were determined using the Statewide Cost Allocation Plan (SWCAP).
- **OTHER STATE COSTS.** A portion of the cost of employee fringe benefits, capital costs, and corrections-related judgments and legal claims is funded outside the corrections department. Vera could not obtain this information and these costs are not included in this fact sheet. Vera was also unable to obtain the necessary financial data to determine the cost of contributions to retiree health care for corrections staff. Therefore, the state's total prison cost calculated for this report is a conservative estimate.

Taxpayer Costs (dollars in millions)

NHDOC prison budget	\$80.3
Other state costs	
Employee benefits	NE
Retiree health care contributions	NE
Capital costs	NE
Judgments and legal claims	NE
Statewide administrative costs	\$1.1
Subtotal: Other state costs	\$1.1
TOTAL TAXPAYER COST	\$81.4

Source: Vera Institute of Justice, *True Cost of Prisons* survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Vera could not obtain information about all prison costs outside the state's corrections budget. These costs were not estimated and appear as NE. Apparent discrepancies between subtotals and totals are the result of rounding.

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> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

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METHODOLOGY

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Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | New Jersey

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$1.2 billion

NJDOC prison budget

\$1.4 billion

Total state cost of prisons

\$54,865

Average annual cost
per inmate

IN FISCAL YEAR 2010, the New Jersey Department of Corrections (NJDOC) had almost \$1.2 billion in prison expenditures. However, the state also had \$255.5 million in prison-related costs outside the department's budget. The total cost of New Jersey's prisons—to incarcerate an average daily population of 25,822—was therefore \$1.4 billion, of which 18 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the NJDOC's budget included the following:

Taxpayer Costs (dollars in millions)

NJDOC prison budget	\$1,161.3
Other state costs	
Employee benefits	\$60.7
Pension contributions	\$0
Underfunded pensions	NE
Retiree health care contributions	\$52.1
Underfunded retiree health care	\$131.2
Capital costs	\$2.2
Judgments and legal claims	\$0.2
Statewide administrative costs	\$9.0
Subtotal: Other state costs	\$255.5
TOTAL TAXPAYER COST	\$1,416.7

Source: Vera Institute of Justice, True Cost of Prisons survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Vera could not obtain information about all prison costs outside the state's corrections budget. These costs were not estimated and appear as NE. Apparent discrepancies between subtotals and totals are the result of rounding.

- > **EMPLOYEE BENEFITS.** In 2010, the state of New Jersey made a payment of \$60.7 million on behalf of NJDOC for the employer's share of social security taxes, unemployment insurance, and temporary disability insurance.
- > **RETIREE HEALTH CARE CONTRIBUTIONS.** The state paid \$52.1 million from the interdepartmental account for corrections employees in 2010.
- > **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, the state contributed 28.4 percent of the annual amount required to fully fund retiree health care benefits in the long run. The state will need to pay the remaining \$131.2 million, plus interest, to provide for the retiree health care benefits for corrections employees that are scheduled under current law.
- > **CAPITAL COSTS.** In 2010, the state of New Jersey paid \$2.2 million for pay-as-you-go capital costs for the NJDOC.
- > **PENSION CONTRIBUTIONS.** NJDOC reported that the state did not make a pension contribution in 2010. Vera could not obtain the necessary financial data to determine the cost of the unfunded pension contribution for corrections staff. Therefore, these costs are not included in this fact sheet and the state's total prison cost calculated for this report is a conservative estimate.

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State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

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Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | New York

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$2.7 billion

DOCS prison budget

\$3.6 billion

Total state cost of prisons

\$60,076

Average annual cost
per inmate

IN FISCAL YEAR 2010, the New York Department of Correctional Services (DOCS) had \$2.7 billion in prison expenditures. (In 2011, DOCS merged with the Division of Parole to become the Department of Corrections and Community Supervision.) However, the state also had \$812.5 million in prison-related costs outside the department's budget. The total cost of New York's prisons—to incarcerate an average daily population of 59,237—was therefore almost \$3.6 billion, of which 22.8 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the DOCS budget included the following:

- > **PENSION CONTRIBUTIONS.** The state of New York made a contribution of \$179.5 million for corrections employees in 2010.
- > **RETIREE HEALTH CARE CONTRIBUTIONS.** The state paid \$223.9 million for corrections employees in 2010.
- > **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, New York contributed 37.6 percent of the amount necessary to fully fund retiree health care benefits. The state will need to pay the remaining \$371.7 million, plus interest, to provide for the retiree health care benefits for corrections employees that are scheduled under current law.
- > **EMPLOYEE BENEFITS.** Fringe benefits, such as health insurance and the employer's share of Social Security taxes, are funded outside the corrections department. Vera could not obtain this information and these costs are not included in this fact sheet. Therefore, the state's total prison cost calculated for this report is a conservative estimate.

Taxpayer Costs (dollars in millions)

DOCS prison budget	\$2,746.2
Other state costs	
Employee benefits	NE
Pension contributions	\$179.5
Retiree health care contributions	\$223.9
Underfunded retiree health care	\$371.7
Statewide administrative costs	\$37.4
Subtotal: Other state costs	\$812.5
TOTAL TAXPAYER COST	\$3,558.7

Source: Vera Institute of Justice, *True Cost of Prisons* survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Vera could not obtain information about all prison costs outside the state's corrections budget. These costs were not estimated and appear as NE. Apparent discrepancies between subtotals and totals are the result of rounding.

Download the report, which fully explains the methodology, at www.vera.org/priceofprisons.

> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

The full report, *The Price of Prisons: What Incarceration Costs Taxpayers*, provides data for 40 states and a full description of the methodology. Download the report at vera.org/priceofprisons.

METHODOLOGY

The Vera Institute of Justice conducted a survey to collect data on spending by corrections departments and other state agencies. For the survey, prisons are defined as residential facilities that hold sentenced adult offenders in state custody. Prison costs include expenses for the operation of state-run prisons, privately run prisons, and any payments made to local jails and to other states for housing state-sentenced inmates. Taxpayer costs include expenses funded by state and federal revenue. Vera excluded from this analysis any corrections department expenses that do not directly relate to prison operations, such as community corrections or juvenile justice.

Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | North Carolina

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$1.1 billion

DOC prison budget

\$1.2 billion

Total state cost of prisons

\$29,965

Average annual cost
per inmate

IN FISCAL YEAR 2010, the North Carolina Department of Corrections (DOC) had \$1.1 billion in prison expenditures. However, the state also had \$109.3 million in prison-related costs outside the department's budget. The total cost of North Carolina's prisons—to incarcerate an average daily population of 40,203—was therefore \$1.2 billion, of which 9.1 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the DOC's budget included the following:

Taxpayer Costs (dollars in millions)

DOC prison budget	\$1,095.4
Other state costs	
Retiree health care contribution	\$28.2
Underfunded retiree health care	\$76.3
Capital costs	NE
Statewide administrative costs	\$4.7
Inmate education and training	NE
Subtotal: Other state costs	\$109.3
TOTAL TAXPAYER COST	\$1,204.7

Source: Vera Institute of Justice, *True Cost of Prisons* survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Vera could not obtain information about all prison costs outside the state's corrections budget. These costs were not estimated and appear as NE. Apparent discrepancies between subtotals and totals are the result of rounding.

- **RETIREE HEALTH CARE CONTRIBUTIONS.** The North Carolina Department of the State Treasurer made a payment of \$28.2 million for corrections employees in 2010.
- **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, the state contributed 27 percent of the annual amount required to fully fund retiree health care benefits in the long run. The state will need to pay the remaining \$76.3 million, plus interest, to provide for the retiree health care benefits for corrections employees that are scheduled under current law.
- **STATEWIDE ADMINISTRATIVE COSTS.** In 2005, the most recent year for which Vera could obtain data, the DOC incurred \$4.7 million in indirect costs related to prison operations (such as auditing or information technology) provided by state administrative agencies. Indirect costs related to prison operations were determined using North Carolina's Statewide Cost Allocation Plan (SWCAP).
- **OTHER STATE COSTS.** Capital costs and a portion of inmate education and training costs are funded outside the corrections department. Vera could not obtain this information and these costs are not included in this fact sheet. Therefore, the state's total prison cost calculated for this report is a conservative estimate.

Download the report, which fully explains the methodology, at www.vera.org/priceofprisons.

> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

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METHODOLOGY

The Vera Institute of Justice conducted a survey to collect data on spending by corrections departments and other state agencies. For the survey, prisons are defined as residential facilities that hold sentenced adult offenders in state custody. Prison costs include expenses for the operation of state-run prisons, privately run prisons, and any payments made to local jails and to other states for housing state-sentenced inmates. Taxpayer costs include expenses funded by state and federal revenue. Vera excluded from this analysis any corrections department expenses that do not directly relate to prison operations, such as community corrections or juvenile justice.

Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | North Dakota

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$56.2 million

DOCR prison budget

\$58.1 million

Total state cost of prisons

\$39,271

Average annual cost
per inmate

IN FISCAL YEAR 2010, the North Dakota Department of Corrections and Rehabilitation (DOCR) had \$56.2 in prison expenditures. However, the state also had \$1.9 million in prison-related costs outside the department's budget. The total cost of North Dakota's prisons—to incarcerate an average daily population of 1,479—was therefore \$58.1 million, of which 3.3 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the DOCR's budget included the following:

- > **UNDERFUNDED PENSION CONTRIBUTIONS.** In 2010, the state of North Dakota contributed 56 percent of the annual amount required to fully fund pension benefits in the long run. The state will need to pay the remaining \$1.3 million, plus interest, to provide for corrections employees' pension benefits.
- > **RETIREE HEALTH CARE CONTRIBUTIONS.** The state made a payment of \$215,000 for corrections employees in 2010.
- > **JUDGMENTS AND LEGAL CLAIMS.** In 2010, the North Dakota Office of Management and Budget's Risk Management Division paid \$28,220 for corrections-related judgments and claims.

Taxpayer Costs (dollars in millions)

DOCR prison budget	\$56.2
Other state costs	
Underfunded pensions	\$1.3
Retiree health care contributions	\$0.2
Judgments and legal claims	\$0.03
Statewide administrative costs	\$0.3
Subtotal: Other state costs	\$1.9
TOTAL TAXPAYER COST	\$58.1

Source: Vera Institute of Justice, True Cost of Prisons survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Apparent discrepancies between subtotals and totals are the result of rounding.

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> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

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METHODOLOGY

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Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | Ohio

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$1.27 billion

DRC prison budget

\$1.32 billion

Total state cost of prisons

\$25,814

Average annual cost
per inmate

IN FISCAL YEAR 2010, the Ohio Department of Rehabilitation and Correction (DRC) had nearly \$1.27 billion in prison expenditures. However, the state also had \$50.5 million in prison-related costs outside the department's budget. The total cost of Ohio's prisons—to incarcerate an average daily population of 50,960—was therefore more than \$1.32 billion, of which 3.8 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the DRC's budget included the following:

- > **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, the state of Ohio contributed 38 percent of the annual amount required to fully fund retiree health care benefits in the long run. The state will need to pay the remaining \$49.1 million, plus interest, to provide for the retiree health care benefits of corrections employees that are scheduled under current law.
- > **STATEWIDE ADMINISTRATIVE COSTS.** In 2009, the most recent year for which Vera could obtain data, the DRC incurred \$1.4 million in indirect costs (such as auditing or information technology) paid by state administrative agencies. Indirect costs related to prison operations provided by state administrative agencies were determined using the Statewide Cost Allocation Plan (SWCAP).

Taxpayer Costs (dollars in millions)

DRC prison budget	\$1,265.0
Other state costs	
Underfunded retiree health care	\$49.1
Statewide administrative costs	\$1.4
Subtotal: Other state costs	\$50.5
TOTAL TAXPAYER COST	\$1,315.5

Source: Vera Institute of Justice, True Cost of Prisons survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Apparent discrepancies between subtotals and totals are the result of rounding.

Download the report, which fully explains the methodology, at www.vera.org/priceofprisons.

> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

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METHODOLOGY

The Vera Institute of Justice conducted a survey to collect data on spending by corrections departments and other state agencies. For the survey, prisons are defined as residential facilities that hold sentenced adult offenders in state custody. Prison costs include expenses for the operation of state-run prisons, privately run prisons, and any payments made to local jails and to other states for housing state-sentenced inmates. Taxpayer costs include expenses funded by state and federal revenue. Vera excluded from this analysis any corrections department expenses that do not directly relate to prison operations, such as community corrections or juvenile justice.

Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | Oklahoma

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$441.8 million

ODOC prison budget

\$453.4 million

Total state cost of prisons

\$18,467

Average annual cost
per inmate

IN FISCAL YEAR 2010, the Oklahoma Department of Corrections (ODOC) had \$441.8 million in prison expenditures. However, the state also had \$11.6 million in prison-related costs outside the department's budget. The total cost of Oklahoma's prisons—to incarcerate an average daily population of 24,549—was therefore \$453.4 million, of which 2.6 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

In 2010, underfunded pension contributions were the major prison cost outside the ODOC's budget. The state of Oklahoma contributed 66.8 percent of the annual amount required to fully fund pension benefits in the long run. The state will need to pay the remaining \$11.6 million, plus interest, to provide for corrections employees' pension benefits.

Taxpayer Costs (dollars in millions)

ODOC prison budget	\$441.8
Other state costs	
Underfunded pensions	\$11.6
TOTAL TAXPAYER COST	\$453.4

Source: Vera Institute of Justice, True Cost of Prisons survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Apparent discrepancies between subtotals and totals are the result of rounding.

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About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

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The Price of Prisons | Pennsylvania

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$1.6 billion

PADOC prison budget

\$2.1 billion

Total state cost of prisons

\$42,339

Average annual cost
per inmate

IN FISCAL YEAR 2010, the Pennsylvania Department of Corrections (PADOC) had almost \$1.6 billion in prison expenditures. However, the state also had \$463.8 million in prison-related costs outside the department's budget. The total cost of Pennsylvania's prisons—to incarcerate an average daily population of 48,543—was therefore almost \$2.1 billion, of which 22.6 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the PADOC's budget included the following:

Taxpayer Costs (dollars in millions)

PADOC prison budget	\$1,591.4
Other state costs	
Underfunded pensions	\$120.1
Underfunded retiree health care	\$35.4
Capital costs	NE
Statewide administrative costs	\$35.3
Inmate health care	\$231.7
Inmate education and training	\$41.3
Subtotal: Other state costs	\$463.8
TOTAL TAXPAYER COST	\$2,055.3

Source: Vera Institute of Justice, *True Cost of Prisons* survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Vera could not obtain information about all prison costs outside the state's corrections budget. These costs were not estimated and appear as NE. Apparent discrepancies between subtotals and totals are the result of rounding.

- > **UNDERFUNDED PENSION CONTRIBUTIONS.** In 2010, the state of Pennsylvania contributed 31.4 percent of the amount necessary to fully fund pensions in the long run. The state will need to pay the remaining \$120.1 million, plus interest, to provide for corrections employees' pension benefits.
- > **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, the state contributed 60.7 percent of the annual amount required to fully fund retiree health care benefits in the long run. The state will need to pay the remaining \$35.4 million, plus interest, to provide for the retiree health care benefits for corrections employees that are scheduled under current law.
- > **STATEWIDE ADMINISTRATIVE COSTS.** In 2008, the most recent year for which Vera could obtain data, the PADOC incurred \$5.1 million in indirect costs (such as auditing or information technology) paid by state administrative agencies. These costs were determined using Pennsylvania's Statewide Cost Allocation Plan (SWCAP). PADOC also reported \$30.2 million in additional administration costs outside the corrections budget.
- > **INMATE HEALTH CARE.** All inmate health care is funded by the state of Pennsylvania outside the corrections budget. In 2010, the state incurred \$231.7 million in inmate health care costs.
- > **INMATE EDUCATION AND TRAINING.** In 2010, the state paid \$41.3 million for inmate education and training programs.
- > **CAPITAL COSTS.** The cost of debt service, which funds PADOC capital improvements, is outside the corrections department. Vera could not obtain this information and these costs are not included in this fact sheet. Therefore, the state's total prison cost calculated for this report is a conservative estimate.

Download the report,
which fully explains the
methodology, at
www.vera.org/priceofprisons.

> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

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METHODOLOGY

The Vera Institute of Justice conducted a survey to collect data on spending by corrections departments and other state agencies. For the survey, prisons are defined as residential facilities that hold sentenced adult offenders in state custody. Prison costs include expenses for the operation of state-run prisons, privately run prisons, and any payments made to local jails and to other states for housing state-sentenced inmates. Taxpayer costs include expenses funded by state and federal revenue. Vera excluded from this analysis any corrections department expenses that do not directly relate to prison operations, such as community corrections or juvenile justice.

Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | Rhode Island

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$159.8 million

RIDOC prison budget

\$172.1 million

Total state cost of prisons

\$49,133

Average annual cost
per inmate

IN FISCAL YEAR 2010, the Rhode Island Department of Corrections (RIDOC) had \$159.8 million in prison expenditures. However, the state also had \$12.3 million in prison-related costs outside the department's budget. The total cost of Rhode Island's prisons—to incarcerate an average daily population of 3,502—was therefore \$172.1 million, of which 7.2 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Rhode Island operates a unified correctional system, meaning that both prisons and jails are under the jurisdiction of the state's Department of Corrections. However, the figures Rhode Island provided exclude the costs of pretrial incarceration in jail and community confinement.

Prison costs outside the RIDOC's budget included the following:

- **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, the state of Rhode Island contributed 73.1 percent of the amount necessary to fully fund retiree health care benefits. The state will need to pay the remaining \$2.3 million, plus interest, to provide for the retiree health care benefits for corrections employees that are scheduled under current law.
- **STATEWIDE ADMINISTRATIVE COSTS.** In 2009, the most recent year for which Vera could obtain data, the RIDOC incurred \$9.9 million in indirect costs (such as auditing or information technology) paid by state administrative agencies. Indirect costs related to prison operations provided by other state administrative agencies were determined using the Statewide Cost Allocation Plan (SWCAP).
- **INMATE HOSPITAL CARE.** In 2010, the Rhode Island Department of Human Services provided \$49,000 toward hospital care for Medicaid-eligible inmates.
- **INMATE EDUCATION AND TRAINING.** The RIDOC's Correctional Industries Internal Service Fund paid \$100,000 toward inmate education and training programs in 2010. These costs are not included in the RIDOC's budget.
- **CAPITAL COSTS.** A portion of these costs are funded outside the corrections department. Vera could not obtain this information and these costs are not included in this fact sheet. Therefore, the state's total prison cost calculated for this report is a conservative estimate.

Taxpayer Costs (dollars in millions)

RIDOC prison budget	\$159.8
Other state costs	
Underfunded retiree health care	\$2.3
Capital costs	NE
Statewide administrative costs	\$9.9
Inmate hospital care	\$0.05
Inmate education and training	\$0.1
Subtotal: Other state costs	\$12.3
TOTAL TAXPAYER COST	\$172.1

Source: Vera Institute of Justice, *True Cost of Prisons* survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Vera could not obtain information about all prison costs outside the state's corrections budget. These costs were not estimated and appear as NE. Apparent discrepancies between subtotals and totals are the result of rounding.

Download the report,
which fully explains the
methodology, at
www.vera.org/priceofprisons.

> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

The full report, *The Price of Prisons: What Incarceration Costs Taxpayers*, provides data for 40 states and a full description of the methodology. Download the report at vera.org/priceofprisons.

METHODOLOGY

The Vera Institute of Justice conducted a survey to collect data on spending by corrections departments and other state agencies. For the survey, prisons are defined as residential facilities that hold sentenced adult offenders in state custody. Prison costs include expenses for the operation of state-run prisons, privately run prisons, and any payments made to local jails and to other states for housing state-sentenced inmates. Taxpayer costs include expenses funded by state and federal revenue. Vera excluded from this analysis any corrections department expenses that do not directly relate to prison operations, such as community corrections or juvenile justice.

Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | Texas

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$2.5 billion

TDJC prison budget

\$3.3 billion

Total state cost of prisons

\$21,390

Average annual cost
per inmate

IN FISCAL YEAR 2010, the Texas Department of Criminal Justice (TDCJ) had \$2.5 billion in prison expenditures. However, the state also had \$782.9 million in prison-related costs outside the department's budget. The total cost of Texas's prisons—to incarcerate an average daily population of 154,576—was therefore \$3.3 billion, of which 23.7 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the TDJC's budget included the following:

- **EMPLOYEE BENEFITS.** The state's Employees Retirement System paid \$194.5 million for employee health insurance premiums on behalf of TDCJ.
- **PENSION CONTRIBUTIONS.** The Employees Retirement System paid \$83.4 million for corrections employees in 2010.
- **UNDERFUNDED PENSION CONTRIBUTIONS.** In 2010, the Employees Retirement System contributed 63.4 percent of the amount necessary to fully fund pensions in the long run. The state will need to pay the remaining \$48.1 million, plus interest, to provide for corrections employees' pension benefits.
- **RETIREE HEALTH CARE CONTRIBUTIONS.** The state of Texas made a payment of \$61.6 million for corrections employees in 2010.
- **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, the state of Texas contributed 25.8 percent of the annual amount required to fully fund retiree health care benefits in the long run. The state will need to pay the remaining \$177.2 million, plus interest, to provide for the retiree health care benefits for corrections employees that are scheduled under current law.
- **CAPITAL COSTS.** In 2010, the Texas Public Finance Authority paid \$208.7 million to fund debt service for repair and rehabilitation of TDCJ facilities.
- **JUDGMENTS AND LEGAL CLAIMS.** A portion of these corrections-related costs are funded outside the corrections department. Vera could not obtain this information and these costs are not included in this fact sheet. Therefore, the state's total prison cost calculated for this report is a conservative estimate.

Taxpayer Costs (dollars in millions)

TDJC prison budget	\$2,523.5
Other state costs	
Employee benefits	\$194.5
Pension contributions	\$83.4
Underfunded pensions	\$48.1
Retiree health care contributions	\$61.6
Underfunded retiree health care	\$177.2
Capital costs	\$208.7
Judgments and legal claims	NE
Statewide administrative costs	\$9.4
Subtotal: Other state costs	\$782.9
TOTAL TAXPAYER COST	\$3,306.4

Source: Vera Institute of Justice, True Cost of Prisons survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Vera could not obtain information about all prison costs outside the state's corrections budget. These costs were not estimated and appear as NE. Apparent discrepancies between subtotals and totals are the result of rounding.

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> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

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METHODOLOGY

The Vera Institute of Justice conducted a survey to collect data on spending by corrections departments and other state agencies. For the survey, prisons are defined as residential facilities that hold sentenced adult offenders in state custody. Prison costs include expenses for the operation of state-run prisons, privately run prisons, and any payments made to local jails and to other states for housing state-sentenced inmates. Taxpayer costs include expenses funded by state and federal revenue. Vera excluded from this analysis any corrections department expenses that do not directly relate to prison operations, such as community corrections or juvenile justice.

Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | Utah

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$178.1 million
UDC prison budget

\$186.0 million
Total state cost of prisons

\$29,349
Average annual cost per inmate

Taxpayer Costs (dollars in millions)	
UDC prison budget	\$178.1
Other state costs	
Retiree health care contributions	\$5.4
Statewide administrative costs	\$2.4
Inmate education and training	\$0.1
Subtotal: Other state costs	\$7.9
TOTAL TAXPAYER COST	\$186.0

Source: Vera Institute of Justice, True Cost of Prisons survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Apparent discrepancies between subtotals and totals are the result of rounding.

IN FISCAL YEAR 2010, the Utah Department of Corrections (UDC) had \$178.1 million in prison expenditures. However, the state also had \$7.9 million in prison-related costs outside the department's budget. The total cost of Utah's prisons—to incarcerate an average daily population of 6,338—was therefore \$186 million, of which 4.3 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the UDC's budget included the following:

- > **RETIREE HEALTH CARE CONTRIBUTIONS.** The state of Utah made a payment of \$5.4 million for corrections employees in 2010.
- > **STATEWIDE ADMINISTRATIVE COSTS.** In 2009, the most recent year for which Vera could obtain data, the UDC incurred \$2.4 million in indirect costs (such as auditing or information technology) paid by state administrative agencies. Indirect costs related to prison operations provided by these agencies were determined using the Statewide Cost Allocation Plan (SWCAP).
- > **INMATE EDUCATION AND TRAINING.** The Utah State Board of Education paid \$80,000 toward inmate education and training programs in 2010.

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> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

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METHODOLOGY

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Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | Vermont

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$102.0 million

DOC prison budget

\$111.3 million

Total state cost of prisons

\$49,502

Average annual cost
per inmate

IN FISCAL YEAR 2010, the Vermont Department of Corrections (DOC) had \$102 million in prison expenditures. However, the state also had \$9.2 million in prison-related costs outside the department's budget. The total cost of Vermont's prisons and jails—to incarcerate an average daily population of 2,248—was therefore \$111.3 million, of which 8.3 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Vermont's corrections system has a unified structure, meaning that jails and prisons are operated by the state rather than county and state jurisdictions, respectively. Thus, the figures provided for Vermont are for both jails and prison.

Prison costs outside the DOC's budget included the following:

Taxpayer Costs (dollars in millions)

DOC prison budget	\$102.0
Other state costs	
Underfunded pension contributions	\$0.9
Retiree health care contributions	\$1.5
Underfunded retiree health care	\$2.4
Capital costs	\$0.7
Statewide administrative costs	\$3.7
Subtotal: Other state costs	\$9.2
TOTAL TAXPAYER COST	\$111.3

Source: Vera Institute of Justice, *True Cost of Prisons* survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Apparent discrepancies between subtotals and totals are the result of rounding.

- > **UNDERFUNDED PENSION CONTRIBUTIONS.** In 2010, the state of Vermont contributed 84.1 percent of the annual amount required to fully fund pension benefits in the long run. The state will need to pay the remaining \$878,000, plus interest, to provide for corrections employees' pension benefits.
- > **RETIREE HEALTH CARE CONTRIBUTIONS.** The state made a payment of \$1.5 million for corrections employees in 2010.
- > **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, the state of Vermont contributed 38.8 percent of the annual amount required to fully fund retiree health care benefits in the long run. The state will need to pay the remaining \$2.4 million, plus interest, to provide for the retiree health care benefits of corrections employees that are scheduled under current law.
- > **CAPITAL COSTS.** In 2010, the Vermont Department of Buildings and General Services paid \$680,000 in debt service for the DOC's capital assets.
- > **STATEWIDE ADMINISTRATIVE COSTS.** In 2010, the DOC incurred \$3.7 million in indirect costs (such as auditing or information technology) paid by state administrative agencies in 2010. Indirect costs related to prison operations provided by these agencies were determined using the Statewide Cost Allocation Plan (SWCAP).

Download the report, which fully explains the methodology, at www.vera.org/priceofprisons.

> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

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METHODOLOGY

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Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | Virginia

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$712.4 million

DOC prison budget

\$748.6 million

Total state cost of prisons

\$25,129

Average annual cost
per inmate

IN FISCAL YEAR 2010, the Virginia Department of Corrections (DOC) had \$712.4 million in prison expenditures. However, the state also had \$36.2 million in prison-related costs outside the department's budget. The total cost of Virginia's prisons—to incarcerate an average daily population of 29,792—was therefore \$748.6 million, of which 4.8 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the DOC's budget included the following:

- **UNDERFUNDED PENSION CONTRIBUTIONS.** In 2010, the state of Virginia contributed 67 percent of the amount necessary to fully fund pensions in the long run. The state will need to pay the remaining \$21.9 million, plus interest, to provide for corrections employees' pension benefits.
- **RETIREE HEALTH CARE CONTRIBUTIONS.** The state of Virginia made a payment of \$6.6 million for corrections employees in 2010.
- **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, the state of Virginia contributed 53.5 percent of the amount necessary to fully fund retiree health care benefits. The state will need to pay the remaining \$5.8 million, plus interest, to provide for the retiree health care benefits for corrections employees that are scheduled under current law.
- **OTHER COSTS.** Capital improvements, corrections-related judgments and legal claims, and a portion of the cost of inmate education and training are funded outside the corrections department. Vera could not obtain this information and these costs are not included in this fact sheet. Therefore, the state's total prison cost calculated for this report is a conservative estimate.

Taxpayer Costs (dollars in millions)

DOC prison budget	\$712.4
Other state costs	
Underfunded pensions	\$21.9
Retiree health care contributions	\$6.6
Underfunded retiree health care	\$5.8
Capital costs	NE
Judgments and legal claims	NE
Statewide administrative costs	\$1.8
Inmate education and training	NE
Subtotal: Other state costs	\$36.2
TOTAL TAXPAYER COST	\$748.6

Source: Vera Institute of Justice, *True Cost of Prisons* survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Vera could not obtain information about all prison costs outside the state's corrections budget. These costs were not estimated and appear as NE. Apparent discrepancies between subtotals and totals are the result of rounding.

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> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

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Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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IN FISCAL YEAR 2010, the Washington Department of Corrections (DOC) had \$684.6 million in prison expenditures. However, the state also had \$115 million in prison-related costs outside the department's budget. The total cost of Washington's prisons—to incarcerate an average daily population of 17,050—was therefore \$799.6 million, of which 14.4 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes.

> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

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Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

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The Price of Prisons | West Virginia

WHAT INCARCERATION COSTS TAXPAYERS

FACT SHEET • JANUARY 2012

Key Findings

\$152.1 million

WVDOC prison budget

\$169.2 million

Total state cost of prisons

\$26,498

Average annual cost
per inmate

IN FISCAL YEAR 2010, the West Virginia Division of Corrections (WVDOC) had \$152.1 million in prison expenditures. However, the state also had \$17.1 million in prison-related costs outside the department's budget. The total cost of West Virginia's prisons—to incarcerate an average daily population of 6,385—was therefore \$169.2 million, of which 10.1 percent were costs outside the corrections budget.

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Prison costs outside the WVDOC's budget included the following:

Taxpayer Costs (dollars in millions)

WVDOC prison budget	\$152.1
Other state costs	
Underfunded pension contribution	\$.9
Underfunded retiree health care	\$15.2
Judgments and legal claims	NE
Statewide administrative costs	\$1.0
Subtotal: Other state costs	\$17.1
TOTAL TAXPAYER COST	\$169.2

Source: Vera Institute of Justice, True Cost of Prisons survey. See "Methodology" for more details. Taxpayer costs include expenses funded by state and federal revenue. Vera could not obtain information about all prison costs outside the state's corrections budget. These costs were not estimated and appear as NE. Apparent discrepancies between subtotals and totals are the result of rounding.

- **UNDERFUNDED PENSION CONTRIBUTIONS.** In 2010, the state of West Virginia contributed 88 percent of the annual amount required to fully fund pension benefits in the long run. The state will need to pay the remaining \$919,000, plus interest, to provide for corrections employees' pension benefits.
- **UNDERFUNDED RETIREE HEALTH CARE CONTRIBUTIONS.** In 2010, the state contributed 16.9 percent of the annual amount required to fully fund retiree health care benefits in the long run. The state will need to pay the remaining \$15.2 million, plus interest, to provide for the retiree health care benefits for corrections employees that are scheduled under current law.
- **STATEWIDE ADMINISTRATIVE COSTS.** In 2005, the most recent year for which Vera could obtain data, the WVDOC incurred \$1 million in indirect costs (such as auditing or information technology) paid by state administrative agencies. Indirect costs related to prison operations provided by these agencies were determined using West Virginia's Statewide Cost Allocation Plan (SWCAP).
- **JUDGMENTS AND LEGAL CLAIMS.** The cost of corrections-related judgments and claims are funded by the Court of Claims and the Board of Risk and Insurance Management. Vera could not obtain this information and these costs are not included in this fact sheet. Therefore, the state's total prison cost calculated for this report is a conservative estimate.

Download the report, which fully explains the methodology, at www.vera.org/priceofprisons.

> About this project

State corrections departments pay most of the cost of prisons. However, other state government agencies may take on some of the costs, such as capital expenditures and inmate hospital care. Prison costs also include the costs of underfunded contributions to state employees' pensions and retiree health care, because some of these benefits are for corrections personnel. States must pay the remainder of these contributions in the future. Specific prison costs outside the corrections budget vary from state to state. Thus, the cost of incarceration states report is often understated—and in different ways by each state.

In August 2011, the Vera Institute of Justice distributed a survey to the department of corrections in every state to collect the information necessary to calculate the total cost of prisons in fiscal year 2010. Corrections departments from 40 states completed and returned the survey, which asked respondents to provide prison expenditures by the department of corrections and associated costs other departments paid. Vera researchers then used publicly available documents to collect information regarding pension and retiree health care funding to estimate the cost of underfunded contributions to those benefits.

The full report, *The Price of Prisons: What Incarceration Costs Taxpayers*, provides data for 40 states and a full description of the methodology. Download the report at vera.org/priceofprisons.

METHODOLOGY

The Vera Institute of Justice conducted a survey to collect data on spending by corrections departments and other state agencies. For the survey, prisons are defined as residential facilities that hold sentenced adult offenders in state custody. Prison costs include expenses for the operation of state-run prisons, privately run prisons, and any payments made to local jails and to other states for housing state-sentenced inmates. Taxpayer costs include expenses funded by state and federal revenue. Vera excluded from this analysis any corrections department expenses that do not directly relate to prison operations, such as community corrections or juvenile justice.

Vera obtained information regarding the underfunding of pensions and retiree health care through Consolidated Annual Financial Reports for fiscal year 2010. Prison-related administrative costs were determined per each state's most recent publicly available Statewide Cost Allocation Plan (SWCAP).

This fact sheet and the report The Price of Prisons: What Incarceration Costs Taxpayers were produced by Vera's Center on Sentencing and Corrections and its Cost-Benefit Analysis Unit in partnership with the Public Safety Performance Project of the Pew Center on the States.



The Center on Sentencing and Corrections and the Cost-Benefit Analysis Unit are part of the Vera Institute of Justice, an independent nonprofit organization that combines expertise in research, demonstration projects, and technical assistance to help leaders in government and civil society improve the systems people rely on for justice and safety.



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IN FISCAL YEAR 2010, the Wisconsin Department of Corrections (DOC) had \$800.3 million in prison expenditures. However, the state also had \$74.1 million in prison-related costs outside the department's budget. The total cost of Wisconsin's prisons—to incarcerate an average daily population of 23,015—was therefore \$874.4 million, of which 8.5 percent were costs outside the corrections budget.

Determining the total cost of state prisons requires accounting for expenditures in all areas of government that support the prison system—not just those within the corrections budget. The additional costs to taxpayers can include expenses that are centralized for administrative purposes (such as employee benefits and capital costs) and services for inmates funded through other agencies. Prison costs also include the cost of underfunded contributions to corrections employees' pensions and retiree health care plans; states must pay the remainder of those contributions in the future.

Prison costs outside the DOC's budget included the following:

- > **CAPITAL COSTS.** In 2010, the state of Wisconsin paid \$13 million for debt service to finance capital assets for the DOC.
- > **STATEWIDE ADMINISTRATIVE COSTS.** In 2010, the DOC incurred \$1.3 million in indirect costs (such as auditing or information technology) paid by state administrative agencies. Indirect costs related to prison operations provided by these agencies were determined using the Statewide Cost Allocation Plan (SWCAP).
- > **INMATE HOSPITAL CARE.** In 2010, the state of Wisconsin spent \$59.8 million for care through the Wisconsin Resource Center, a mental health facility established as a prison to house certain adults in the state's custody.

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