Reducing Spending, Preserving Public Safety in Criminal Justice Budgets

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Strained state budgets have reignited the conversation on effective ways to ensure public safety while reducing spending. Corrections spending typically accounts for around 5% of state general fund budgets annually. In fiscal year 2019, corrections accounted for 5.2% of general fund expenditures based on NCSL’s annual survey of legislative fiscal offices. States estimated spending just over $45 billion on corrections in FY 2019, an increase from $43.5 billion in FY 2018.

State budgets cover health care, corrections, education, social services, infrastructure, transportation, the environment and other areas with daily effects on the lives of citizens. The four areas that make up the largest segments of state budgets are K-12 education, Medicaid, higher education and corrections.

On average, only about 2% to 3% of corrections budgets come from sources such as federal Byrne JAG funding. Unlike the other major budget areas, corrections is supported almost entirely by state general funds. Given the limited federal funds and related directives, state budget and policy decisions are the primary drivers of prison populations and costs. Cities and counties are responsible for funding most law enforcement and jail operations and sometimes community supervision services. While the state does not appropriate for those services, many of the policy decisions made in statehouses also impact local public safety spending and the number of people in jails and under community supervision.

As the impacts of the pandemic have come into sharper focus, revenue predictions changed, with most states estimating a revenue shortfall in FY 2021. As a result, state governments have started to make a number of changes in order to try to close these budget shortfalls. Arkansas reduced its FY 2020 budget for the state corrections division by $17.5 million, close to 5%. Washington’s corrections department proposed a range of policy changes to reduce the budget, including limiting incarceration for some crimes and expanding availability of earned time.

When states find it necessary to make significant changes to their budgets, whether due to a financial crisis like the Great Recession or, more recently, the coronavirus pandemic, there are a number of policy options. Those options can be fiscally beneficial while still ensuring public safety and encouraging successful outcomes for individuals involved with the justice system.
Incarcerating people in prisons and jails is one of the most expensive portions of criminal justice budgets. One estimate is that nearly 9 out of every 10 state dollars spent on corrections supports incarceration expenses. There are a range of policy levers that can reduce the number of people incarcerated, thereby contributing to reduced costs. Examples of the changes that can most impact corrections budgets include policies that can reduce admissions and shorten lengths of stay during incarceration.

Additional briefs in this series will explore the budgetary impacts of specific changes to criminal justice policy.

Reduce Admissions
- Changes to sentencing policies that reduce the number of people sentenced to incarceration.
  - Removing mandatory prison sentences.
  - Establishing a presumption of probation.

  Legislative changes in Louisiana included reducing the use of prison for nonviolent offenses, resulting in a 26% reduction in the number of people incarcerated for drug offenses and a 22% reduction for property offenses.

- Redefining penalty ranges that differentiate what constitutes a felony, a misdemeanor and a violation.

Shorten Length of Stay
- Creating and increasing use of “earned” and “good” time policies.
- Implementing “second look” pretrial release review hearings.
- Changes to parole that increase the number of people eligible for release prior to the expiration of their sentence.
  - Establishing a presumption of parole.
  - Relaxing minimum time-served requirements.
  - Creating and using medical and geriatric parole.

Reduce Revocations of Community Supervision for Rule Violations
- Changes to supervision rule violation (technical violation) responses to reduce the use of and pathways to incarceration.
  - Limiting arrest and incarceration prior to revocation hearings.
  - Limiting the use of, and capping the length of, incarceration.
  - Directing the use of non-prison sanctions.

  Idaho avoided over $21 million in potential costs by reducing prison beds being used between July 2014 and February 2018. This followed legislation establishing a limited supervision program and a matrix of swift, certain and graduated sanctions, among other changes.