

## Cost/Benefit Analysis of Various Capacity Expansion Options

The Kansas Department of Corrections (KDOC) continually seeks ways to cost-effectively manage the growing inmate population. This includes the use of program credits through SB 14 and utilizing contract jails to house inmates when necessary. Recently an opportunity presented itself when the St. Francis Boys Home in Ellsworth announced that it would be closing in March 2012. This facility is within one mile of the Ellsworth Correctional Facility (ECF) and is capable of housing 95 minimum-security inmates that are currently occupying medium beds at ECF. By moving 95 minimum-security inmates to St. Francis, KDOC will be able to house 95 medium-security inmates at ECF rather than placing them in a county jail at a cost of \$40 per day. The added benefit of this move is that those 95 inmates are currently assigned to various work crews and private industries. By keeping them in Ellsworth the community can continue to benefit from the inmate labor being provided and the inmates will remain employed. In addition, the inmates who work offsite will remain outside the secure facility, which reduces the opportunity for introduction of contraband into the facility, making it safer for both staff and inmate

KDOC can acquire the property for approximately \$350,000, pending an appraisal, and utilize existing Correctional Institutions Building Fund resources to install cameras, new locks, and make minor mechanical and electrical upgrades for under \$100,000. Operating costs are estimated at \$1,037,288. This facility would be operated as a unit of ECF. Thus, support and administrative services would be provided by ECF. Meals can be prepared at ECF and brought to the Boys Home, eliminating the need for on-site food service. Finally, those inmates would fall under ECF's count for purposes of the health care contract. Under the current medical contract when the ADP at a facility exceeds the contract ADP by 10% or more, KDOC is charged an additional amount for each inmate above the 10% threshold (the rate varies by facility). Since ECF would remain under the 10% threshold, there would be no added cost to assign 95 more inmates to ECF. The total day cost to house an inmate at St. Francis would be \$29.60 a day.

St Francis Boys Home--95 Beds	
Operating Costs	
Salaries and Wages (15 FTE)	747,166
Other Operating Costs	150,000
Food Service	140,122
Medical	-
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	\$ 1,037,288
Cost/Day	\$ 29.60

Other options include the Toronto facility, the Atchison Juvenile Correctional Facility, and the North Unit at El Dorado. As discussed below, each of these facilities cost more to operate on a per inmate basis, and in the case of the Atchison facility, significant renovations would be needed prior to occupancy. The specifics of each facility are discussed below. It should be noted that the Stockton Correctional Facility

was re-opened during FY 2011 and the Osawatomie Correctional Facility is no longer a housing option due to the unit being transferred to SRS following its closure in 2009.

**Atchison Juvenile Correctional Facility**

The Juvenile Justice Authority (JJA) initially closed this facility in December 2008. After a brief period where a contractor operated the facility as a group home, the facility was permanently closed in December 2009. The 96-bed facility is in a poor state of repair and copper thieves have done over \$500,000 in damage to the steam lines, tele/data lines, and boilers. In addition, many of the buildings require new roofs, the doors and locks would need to be replaced, and fire alarm upgrades are necessary (all these items were included in JJA's Five-Year Capital Improvement Plan for FY 2010-FY 2015). Since Lansing Correctional Facility is over 30 miles away, meals would have to be prepared on-site. This would require the purchase of food service equipment as much of it had been removed. KDOC would also need to purchase new furniture, beds, and inmate wardrobes. Two transport vehicles would be required to take inmates to worksites and to LCF. Finally, many of the buildings have significant mold issues that must be remediated before those buildings could be occupied. Total renovation and start-up costs are estimated at \$1.8 million, or \$19,269 per bed. At this cost the CIBF would not be able to absorb this without delaying other critical projects at the other facilities.

<b>Atchison Juvenile Correctional Facility--96 Beds</b>	
<b>One-Time Costs</b>	
Replace stolen steam lines, tele/data lines, repair boilers	500,000
New doors and locks	153,006
New roofs	341,105
Fire alarm upgrades	195,700
Mold removal	190,000
Food service equipment	190,000
Transport vehicles (2)	30,000
Furniture, wardrobes, beds, etc	250,000
<b>Total Renovation and Start-up Costs</b>	<b>\$ 1,849,811</b>

Due to the distance from LCF, additional staff beyond those needed for St. Francis include an administrative assistant, two additional corrections officers for inmate transports, an IT support position, and two additional maintenance staff (based on JJA experience). Total FTE for this facility would be 27. Utilities are estimated at \$225,000 annually, with an additional \$50,000 for other operating costs. As with St. Francis, no additional health care costs would be incurred as this facility would be tied to LCF, which would remain below the 10% threshold with these additional beds. The daily operating cost is estimated at \$43.94 per day.

<b>Atchison Juvenile Correctional Facility--96 Beds</b>	
Operating Costs	
Salaries and Wages (23 FTE)	1,142,922
Other Operating Costs	255,000
Food Service	141,597
Medical	-
	<u>\$ 1,539,519</u>
Cost/Day	\$ 43.94

### **Toronto Correctional Facility**

This 70-bed minimum-security facility was a unit of the El Dorado Correctional Facility and was closed in 2009. Minimal renovations and start-up costs would be required other than the addition of a fire sprinkler system and minor repairs. Personnel costs are based on the last year of operation and are estimated at \$849,859 for 17 FTE plus \$138,402 for other operating costs. Since this facility would be tied to EDCF, as well as the Labette facility, the actual ADP would exceed the 10% threshold. Therefore, the cost to provide health care for these inmates would be \$146,657. The total daily cost to operate this facility is estimated at \$35.34 per inmate per day.

<b>Toronto Correctional Facility--70 Beds</b>	
Operating Costs	
Salaries and Wages (17 FTE)	849,859
Other Operating Costs	138,402
Food Service	103,248
Medical	146,657
	<u>\$ 1,238,166</u>
	\$ 35.34

### **EDCF North Unit**

Like Toronto, this 102-bed unit was close in 2009 due to budget reductions. Staffing is estimated at \$957,287 for 20 FTE, based on the last full year of operations, plus \$162,521 for other operating costs. The additional cost to the health care contract is estimated at \$213,700. As with Toronto, minimal renovation and start-up costs would be incurred (approximately \$300,000 for fire sprinklers, cleanup, and minor repairs). The cost per day per inmate would be \$39.86.

EDCF North Unit--102 Beds	
Salaries and Wages (20 FTE)	957,287
Other Operating Costs	162,521
Food Service	150,446
Medical	213,700
	<u>\$ 1,483,955</u>
Cost/Day	\$ 39.86

### Comparison of Operating Costs

The Governor's Recommendation for FY 2013 included \$3,354,034 for contract jail beds. This will allow the agency to house up to 230 inmates in county jails during FY 2013 at a cost of \$40 per day. Though the North Unit and Toronto options both have a daily operating cost of under \$40 a day, the St. Francis option at \$29.92 per day would result in the greatest savings for the state. After the initial purchase of the property, in FY 2014 the state will pay a combined cost of \$35.83 per inmate per day to house inmates in county jails and St. Francis, at a total annual cost of \$3,004,034 for 230 beds combined. The next most cost-effective option on a per inmate basis would be the North Unit, with a combined cost of \$3,450,388 for 237 beds. This is \$446,354 greater than the St. Francis option and gains the state only seven additional beds at a daily cost of \$174.70 per bed. The results of the cost/benefit analysis are summarized in the following table.

**Cost/Benefit Comparison**

	FY 2013			FY 2014		
	Cost	Beds	Cost/Bed	Cost	Beds	Cost/Bed
<b>All contract beds</b>	<b>3,354,034</b>	<b>230</b>	<b>40.00</b>	<b>3,354,034</b>	<b>230</b>	<b>40.00</b>
Contract Beds	1,966,433	135	40.00	1,966,433	135	40.00
St. Francis Operations	1,037,601	95	29.92	1,037,601	95	29.92
Purchase	350,000	-	N/A	-	-	N/A
<b>Total</b>	<b>\$ 3,354,034</b>	<b>230</b>	<b>\$ 40.01</b>	<b>\$ 3,004,034</b>	<b>230</b>	<b>\$ 35.83</b>
Contract Beds	1,966,433	135	40.00	1,966,433	135	40.00
Atchison Operations	1,539,519	96	43.94	1,539,519	96	43.94
<b>Total</b>	<b>\$ 3,505,952</b>	<b>231</b>	<b>\$ 41.64</b>	<b>\$ 3,505,952</b>	<b>231</b>	<b>\$ 41.64</b>
Contract Beds	1,966,433	135	40.00	1,966,433	135	40.00
Toronto Operations	1,238,166	70	48.46	1,238,166	70	48.46
<b>Total</b>	<b>\$ 3,204,599</b>	<b>205</b>	<b>\$ 42.89</b>	<b>\$ 3,204,599</b>	<b>205</b>	<b>\$ 42.89</b>
Contract Beds	1,966,433	135	40.00	1,966,433	135	40.00
North Unit Operations	1,483,955	102	39.86	1,483,955	102	39.86
<b>Total</b>	<b>\$ 3,450,388</b>	<b>237</b>	<b>\$ 39.94</b>	<b>\$ 3,450,388</b>	<b>237</b>	<b>\$ 39.94</b>