

2009 CORRECTIONS
GRAND JURY REPORT
WORKGROUP REPORT

As submitted to Sheriff Dan Staton and Chair Jeff Cogen, July 15 2010

In February of 2010, Sheriff Staton directed the formation of a workgroup with regard to a collaborative consideration and response to the 2009 Corrections Grand Jury Report. The following report is a summary of the group's discussions, research, findings and recommendations to the Sheriff and Chair regarding the recommendations cited in the 2009 Corrections Grand Jury Report:

Workgroup Attendees:

Co-chairs Multnomah County Commissioner Diane McKeel, District 4 Commissioner, Peter Ozanne, LPSCC Executive Director and Captain Drew Brosh, MCSO Corrections Division;

Captain Raimond Adgers, MCSO Court Services Section Commander;

Truls Neal, Manager, Department of Community Justice;

Chuck French, Senior Deputy District Attorney, District Attorney's Office;

Jacquie Weber, Assistant County Attorney, Office of County Attorney;

Mark Ulanowicz, Principal Auditor, Auditor's Office;

Christian Elkin, Principal Analyst, Budget Office;

Rob Milesnick, Adjunct Professor, Portland State University;

Chet Lee, 2009 Grand Jury Foreman;

Markley Drake, MCSO Senior Research Analyst;

Elizabeth Davies, LPSCC Staff Analyst

Background:

On March 2, 2010, Sheriff Staton testified before the Board of County Commissioners and Chair Ted Wheeler regarding the 2009 Corrections Grand Jury Report. At that time he identified areas of overall jail operations he felt had improved over previous years and areas meriting further evaluation. He also noted several areas identified for cost savings by the report that in his view were areas ultimately administrated by the Board and Chair rather than the Sheriff's Office. The Sheriff also shared these views in response to the Grand Jury Report during the February 2 Local Public Safety Coordinating Council meeting. In both of these presentations, Sheriff Staton committed to the formation of a workgroup to review the Grand Jury Report findings, identify those opportunities for savings under the exclusive authority of the Sheriff, and to develop a jail bed costing model that both identifies the true cost of local jail bed days for cost-saving analysis and contract pricing, and for equitable comparative analysis with other jurisdictions using the same comparative cost factors.

Discussion:

The workgroup had its first meeting on March 16, with two subsequent meetings April 15 and June 22 (May was skipped due to analyst involvement in FY2011 budget preparations). Research and information sharing was also conducted between meetings. Initial discussion focused on those areas for cost saving identified in the 2009 Corrections Grand Jury Report with regard to contract beds, medical services, labor costs and identifying those areas where the Sheriff could and could not act on recommendations. Further discussion was largely dominated by two topics: the complexity of determining true beds costs (for internal and contracting purposes) and how those costs, once determined, might be equitably compared with other jail systems, understanding a perfect match may be difficult with regard to system size, multiple facilities, CPI factors, state requirements, presence of collective bargaining etc... not likely being the same for other systems, and also understanding these differences may factor into beds day costs, making the efficiencies possible in some jurisdictions impossible in others.

The most common method of determining jail costing is to simply establish the jail "budget" for one year, divide that number by 365 days to establish a daily jail operations cost, then to divide that number by the number of operational beds to determine a "jail bed day" cost. However, each agency arrives at a jail budget number differently, therefore costs some jails consider part of the jail budget others may not. A good local example of this issue is a snapshot of the 2009 OSSA Jail Statistics by County, where each of Oregon's 36 counties reports their jail budget and operational capacity to the Jail Command Council for statistical purposes. When applying the common formula to those counties reporting both total jail budget and operations beds (not all did), Multnomah County cost per day ranked 6th highest in the state. However, as described above, this simplistic model does not reflect an equitable comparison of what costs

each county considered as part of their jail budget (administration, facility expense, medical, booking, court security etc...) and what other factors may be involved in daily operations affecting daily costs for some and not for others (transportation, facility type, maximum security/special needs inmates, local economics etc...).

After a comparison of multiple jail costing methods including local, state and federal models, the group decided upon a full cost model to include all jail funded activities and supporting activities to arrive at a true cost for our system. Once done, the results could be used both as a comparator to other agencies both local and regional, utilizing the same criteria used to develop our local model, and as a factor in determining jail bed pricing for contract beds to ensure Multnomah County recovers full costs from its contract bed partners, or when subsidizing contract partners, policy makers can make an informed decision to do so. With the costing methodology established, the task of developing the actual cost figures was assigned to Analyst Christian Elkin (Budget Office), Analyst Markley Drake (MCSO) and Analyst Elizabeth Davies (LPSCC).

Findings:

A number of factors affect the costs of jail beds in any local system, and these must be part of any comparison of costs across systems, as well as factors in consideration for what may allow or prohibit cost saving opportunities locally. These factors include:

- Number of facilities in the jail system (single, multiple and location of court facilities relative to jail facilities);
- Number of system beds (reducing beds may lower overall costs to county but raise the individual bed day cost);
- CPI issues (e.g. urban vs. rural);
- Circuit court requirements prevailing in system;
- Direct supervision vs. indirect supervision practices;
- Single bunking vs. double bunking practices;
- Classification of inmates in a particular facility;

It was also determined that an alternate method of costing may be more effective when considering contract beds (apart from comparisons) based on the following factors:

- Marginal costing and the potential to rent less expensive beds at the “end of the system;”
- Actual costs involved with individual inmate needs/classification;
- Consideration of housing costs post-booking;
- Consideration of a sliding scale contract with variables in price based on inmate need.

After much discussion, it was determined that while it is desirable to come to a average bed day cost across the system, the actual costs of each inmate varies as they travel through the system, and it may be useful to commit further study to various classifications of inmates as to what resources are used by varying inmates and at what

cost. However, for our present purposes our current program offers were applied to our chosen costing model to establish jail bed day costs in our system. Costs were broken out by both housing areas and categories, including core housing, direct inmate, admin, support, programs and medical. This was done to better identify which costs are identified with differing jail housing areas and services required. Factors were then used to apply to certain cost categories, some at 100% (dorm costs for example) others at a lesser percentage (the percentage of a whole program offer like IT or Fiscal for example that applies to jail functions).

Summary of Jail Bed Costing Worksheets (complete worksheets are attached)

Table One
Worksheet 1 Budgeted Housing Costs and Direct Inmate Costs
Section 1 - Housing
Section 2 - Direct Inmate Costs
Section 3 - Court Services/FSOs (Facility Security Officers)
Worksheet 2 Budgeted Administration and Support Costs
Section 4 - MCSO Administration
Section 5 - Support Functions
Section 6 - Inmate Programs
Worksheet 3 Budgeted Health Care Costs
Section 7 - Medical Housing
Section 8 - Medical Booking

Three worksheets have been prepared that outline the costs associated with housing inmates and processing offenders in the system. The three worksheets are outlined in Table One. All figures used in the worksheets are taken from the Adopted Budget for Fiscal Year 2010/2011 (FY 2011) program offers. The data was then entered into Excel spreadsheets. The divisor used for all worksheets is 1,310 budgeted jail beds. Each worksheet is further divided into three parts displayed left to right; the *Cost in Budget* for each program offer in the left portion, the middle portion is the *Cost Factored for Corrections Housing & Inmates*, and the part on the right, is the *Cost per Jail Bed per day*.

Costs in Budget figures are from each program offer and no changes are indicated. The middle part of the worksheets is the *Cost Factored for Housing and Inmates* shows a column indicating the factor to each budgeted costs applied, which ranges from 1.00 (100%) to 0.00 (0%) for each program offer. The notes below each worksheet explain basically how the factor is determined. These factors will change as the committee continues to deliberate the costs.

The third part on the right shows the cost per jail bed. The chart below shows that personnel make up 80.28 percent of the cost with Internal Service Reimbursements (ISRs) making up 12.89 percent of the total.

Table Two	
Total Costs Per Bed Per Day	
Section 1 Housing	\$103.01
Section 2 Direct Inmate	\$21.99
Section 3 Court Services	\$0.00
Section 4 MCSO Central Administrative Costs for Housing	\$14.26
Section 5 Support Functions	\$10.04
Section 6 Inmate Programs	\$7.97
Total all Sections	\$157.27
Total Sections 7 & 8 Medical Support	\$21.99
Total all sections Plus Medical	\$179.26

Table two below shows the total cost per bed day for each section. The total for all sections is \$157.27, with housing costs at \$103.01. Medical Cost from the Health Department adds \$21.99 per day per bed on average. Medical or Infirmary beds can cost in excess of \$400 per day. Some inmates use no health care costs as compared to some inmates with severe medical conditions requiring infirmary costs, hospitalization and other costs.

Chart two illustrates the information in Table Two without the medical cost.

Currently the method to determine jail bed cost is the following formula:

$$([\text{Budgeted Cost}] \div [\text{Number of Budgeted Beds}]) \div 365 \text{ days} = \text{Average cost per day per bed (Cost per bed)}$$

The number of *Budgeted* jail beds can change the cost per jail bed considerably. A change of 59 beds (one dorm) results in a change of 21,535 to the divisor. Jail beds are added and subtracted using whole dorms thereby changing the divisor artificially changes the jail bed cost. This creates fluctuating jail bed costs based on changes to the number of beds when in fact the cost may not have changed plus or minus to the amount indicated by the jail bed cost figure. A more stable number to use may be

the *operating capacity* of 1,485 beds. This allows for trending of cost data, cost projections and other useful analysis and reporting. This total operating capacity excludes Wapato and double bunking. Current Policy and budgetary limitations will exclude double bunking and the opening of Wapato for the foreseeable future thereby stabilizing the divisor.

Table Three below demonstrates this factor. As jail beds are added or deleted the cost per jail bed changes. Column one shows the current costs using budgeted jail beds. Column two shows the costs as they would appear if the total operating capacity were used. Column Three shows the difference between columns one and two. Column four demonstrates the cost using an additional cost for the three additional dorms or 175 beds added. Column five is the difference between columns one and four.

Table Three					
	Cost per day per Bed				
	Current Budgeted Beds	Full Capacity no additional costs	Difference	Full Capacity adding the costs of three dorms	Difference
Beds	1,310	1,485	175	1,485	175
Section 1 Housing	\$103.01	\$90.87	-\$12.14	\$94.67	-\$8.34
Section 2 Direct Inmate	\$21.99	\$18.60	-\$3.39	\$18.60	-\$3.39
Section 3 Court Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Section 4 MCSO Central Administrative Costs for Housing	\$14.26	\$12.58	-\$1.68	\$12.58	-\$1.68
Section 5 Support Functions	\$10.04	\$8.66	-\$1.38	\$8.66	-\$1.38
Section 6 Inmate Programs	\$7.97	\$7.03	-\$0.94	\$7.03	-\$0.94
Total all Sections	\$157.27	\$137.73	-\$19.53	\$141.54	-\$15.73
Medical costs	\$21.99	\$19.39	-\$2.60	\$19.39	-\$2.60
Total all costs	\$179.26	\$157.12	-\$22.14	\$160.93	-\$18.33

These costs are subject to change and dependant in part on changing budgetary policies. The additional factor of using budgeted jail beds also creates difficulties in comparing bed cost from year to year and its use as a comparison of cost recovery. A costing method using activity based costing along with a consistent divisor of operating bed capacity may provide better results for comparative purposes.

Recommendations:

The workgroup determined that while some recommendations are fairly straightforward, recommendations based on jail bed costing data analysis come from a complexity of factors and require continued and ongoing analysis and validation. That said, the workgroup reached the following conclusions based on our continuing discussion and research.

It is agreed that “opting out” of contracting jail beds to Oregon DOC under SB1145 is not under the auspices of the Sheriff to act upon, nor is the option currently available under state budget rules. In the event that the current state budget reduction created an opportunity to opt out of the SB1145 funding program, that decision will ultimately come from the Board of County Commissioners with a consideration of overall public safety system impact, as the Sheriff’s Office is only affected by reimbursement for jail bed occupancy under the program, while the Department of Community Justice receives a larger portion (65%) for SB1145 funding for community supervision of offenders. Outsourcing Corrections Health to a private contractor is also outside the Sheriff’s sole authority to act upon, provided medical care provided in the jail is delivered at a constitutionally required standard. However, costing information developed by the group may be useful to the Sheriff in larger public safety discussions concerning SB1145 funding in Multnomah County, and we recommend the Sheriff consider this information as part of those discussions.

As personnel costs make up roughly 80% of overall jail operational expenditures, we recommend the Sheriff explore the potential for savings with regard to utilizing of civilian staff in non-inmate supervision functions, and the potential of utilizing retired sworn staff for the backfill of vacant posts in the jail in the place of current sworn staff on overtime. However, any utilization of current or retired staff requiring collective bargaining must be weighed against overall bargaining strategies, as current contract language may prohibit implementation of such strategies or may be less effective in cost savings than other bargaining efforts.

The Sheriff has been successful in curbing sick leave issues, and we recommend the Sheriff continue close monitoring of time and attendance data and enforcement of agency and county policy regarding leave generally.

As data produced by our analysts indicates the relatively low impact of US Marshal prisoners to the more expensive systems beds, and understanding the removal of US Marshal revenues to our system would force the closure of more local beds than US Marshal prisoners currently occupy, we recommend the Sheriff continue to contract with the US Marshal provided *continuing analysis* of data supports these conclusions.

Representatives from the Health Department and Corrections Health recently joined our discussion and have attached notes to the worksheets with regard to medical costing in the jail, and are currently preparing an independent response to the Grand Jury Report. Data analysis continues at the writing of this report, and respecting the requests of the Sheriff and Board members we make the above recommendations now in the interests of time, with the understanding that a follow up report with an “apples to apples” comparison of our jail system with other local and regional systems will be made as that information becomes available.

Attachments: Jail Bed Costing Worksheets
US Marshal Revenues and Impacts
OSJCC 2009 Jail Stats by County