



Oregon

John A. Kitzhaber, MD, Governor

Department of Corrections

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February 8, 2013

The Honorable Jackie Winters, Co-Chair
The Honorable Jennifer Williamson, Co-Chair
Public Safety Subcommittee
900 Court St. NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairpersons:

ORS 423.486 requires the department to conduct an actual cost study every six years. With the last cost study conducted in 2006, the department fulfilled its statutory obligation by conducting a cost study in 2012. At the request of LFO Analyst Monica Brown, I am submitting this letter to update you on the cost study conducted.

There have been many questions raised regarding the cost study and the methodology used – specifically, why was a national time study used instead of Oregon specific data? According to research standards for a time study to produce accurate data, business practices should be stable for a minimum of one year. That was not the case in Oregon during this reporting period. In 2012, Oregon's Community Corrections' business practices were in a state of flux.

- The Public Safety Checklist (PSC) was implemented as the statewide risk assessment tool.
- Significant changes began in supervision associated with implementation of evidence-based practices.

For these reasons, in collaboration with our community corrections partners, it was determined that utilizing this national study would reflect more accurate data. The national study utilized data from a report produced by the Bureau of Justice Assistance (BJA) and the American Parole and Probation Association (APPA). The BJA/APPA report compiled nine time studies conducted across the nation.

Data from the BJA/APPA report were used to establish the time per month spent on cases at different risk levels. In addition, Oregon counties provided actual cost information that included the cost of supervision, sanctions, services, and treatment for fiscal year 2011. These two sources of information allowed the department to calculate two hourly rates: one rate for low risk offenders and another rate for new intakes, high risk, and medium risk offenders. Costs for low risk offenders only include supervision costs, while costs for new intakes, high risk offenders, and medium risk offenders include supervision costs plus sanctions, services, and treatment.



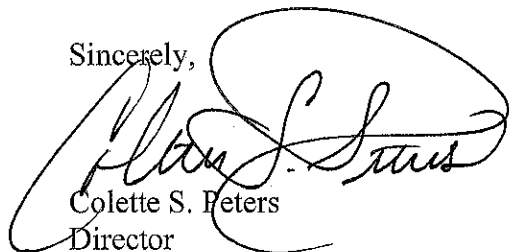
Letter to Co-Chairs and Public Safety Subcommittee

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If you have additional questions or need more information on the cost study, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Colette S. Peters". The signature is written in a cursive style with a large, looping initial "C".

Colette S. Peters
Director

c: Ken Rocco
Monica Brown

Oregon Department of Corrections
 2012 Community Corrections Actual Cost Study
 FY 2011 Actual Costs Incurred

	FY 2011 Reported Data
Total County General Fund and State Grant-in-Aid Supervision Expenditures, with Indirect Costs limited to 10%.	\$ 75,466,071
Total County General Fund and Grant-in-Aid Sanctions, Services and Treatment.	16,340,066
Net Felony Supervision Costs with 10% Indirect Cost Cap - FY 2011	<u><u>\$ 91,806,137</u></u>
Calculated Adjusted Actual Hourly Rate:	
Supervision (all offenders)	\$ 116.50
Sanctions, Services, and Treatment (new, high & medium risk only)	73.50
Combined Rate for New, High & Medium-Risk Offenders	<u><u>\$ 190.10</u></u>
Caseload Hours per Month per Risk Level:	
New	3.20
High	3.90
Medium	1.83
Low	0.54
Limited	0.54
Monthly Cost per Case per Risk Level:	
New	\$608.32
High	\$741.39
Medium	\$347.88
Low	\$62.91
Limited	\$62.91
Local Control Expenditures - FY 2011	
	<u><u>\$ 20,736,858</u></u>