



# OREGON DEPARTMENT OF CORRECTIONS

HB 3194 Cost Avoidance

Presentation to the Ways and Means  
Public Safety Subcommittee  
February 10, 2015

Director Colette S. Peters



# Cost Avoidance – Background

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- Upon passage, estimated 10-year cost avoidance of \$326.4 million
- Estimated state government cost avoidance of:
  - \$19.7 million in 2013-15
  - \$70.3 million in 2015-17
- Estimated increased cost to community corrections of:
  - \$1.3 million in 2013-15
  - \$3.6 million in 2015-17



# Cost Avoidance Report

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- CJC issued its report on January 1, 2015
- DOC provided support by helping to identify calculation methodology
- Based on updates, the estimated state government cost avoidance:
  - Remained at \$19.7 million for 2013-15
  - Reduced to \$64.5 million for 2015-17
- The increased cost to community corrections:
  - Remained at \$1.3 million for 2013-15
  - Increased to \$6 million for 2015-17



# Projected Prison Population

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<b>Date</b>	<b>April 2013 (Pre-3194) Population Forecast</b>	<b>October 2014 (Post-3194) Population Forecast</b>	<b>Impact on Inmate Population</b>
July 1, 2013	14,600	14,578*	-22
July 1, 2015	15,021	14,528	-493
July 1, 2017	15,351	14,447	-904
July 1, 2019	15,706	14,696	-1,010
July 1, 2021	16,089	14,892	-1,194
July 1, 2023	16,395	14,993	-1,402

\*Reflects the actual prison population on July 1, 2013.



# Cost Avoidance – State Government

Biennium	DOC Average Caseload Net Change (April 2013 – Pre-3194)			DOC Average Caseload Net Change (October 2014– Post-3194)			State Government Cost Avoidance
	Avg. Population	* Net Change	Cost	Avg. Population	* Net Change	Cost	
2013-15	14,794	629	\$22.6	14,598	433	** \$2.9	\$19.7
2015-17	15,139	974	\$72.2	14,447	282	\$7.7	\$64.5
2017-19	15,473	1,308	\$218.5	14,542	377	\$7.8	\$210.7
2019-21	15,853	1,688	\$116.8	14,743	578	\$46.0	\$70.8
2021-23	16,185	2,020	\$141.1	14,892	727	\$59.0	\$82.1
<b>Total</b>			<b>\$571.2</b>			<b>\$123.4</b>	<b>\$447.8</b>

\*Compared to the average inmate population of 14,165 for the 2011-13 biennium.

\*\*Represents HB 3194 fiscal impact based on estimated net change of 259 inmates. Current estimates project the cost to be \$8.4 million returning a cost avoidance of \$14.2 million for 2013-15.



# Community Corrections Cost

Biennium	Community Correction Caseload Projections (April 2013 – Pre-3194)		Community Correction Caseload Projections (Oct. 2014– Post-3194)		Caseload Cost
	Avg. Population	Cost	Avg. Population	Cost	
2013-15	32,772	\$198.0	33,024	\$199.3	*\$1.3
2015-17	34,051	\$205.8	32,391	\$211.8	** \$6.0
<b>Total</b>		<b>\$403.8</b>		<b>\$411.1</b>	<b>\$7.3</b>

\*Represents fiscal impact in HB 3194 based on estimated average population increase of 252 with a capitated rate of \$8.63. Does not include subsequent \$15.7 million baseline increase to reset capitated rate to \$9.32.

\*\*Caseload cost accounts for capitated rate moving from \$8.63 to \$9.32.



# Cost Avoidance Summary

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<b>Biennium</b>	<b>State Government Cost Avoidance</b>	<b>Community Corrections Cost Increase</b>	<b>Total Cost Avoidance</b>
2013-15	\$19.7	(\$1.3)	\$18.4
2015-17	\$64.5	(\$6.0)	\$58.5
<b>Total</b>	<b>\$84.2</b>	<b>(\$7.3)</b>	<b>\$76.9</b>



# DOC Prison Population

