

***FEASIBILITY STUDY FOR THE CLOSURE OF  
STATE INSTITUTIONAL FACILITIES***

**Part 1: Department of Corrections Facilities**

November 1, 2009

# TABLE OF CONTENTS

<b>SECTION</b>	<b>PAGE</b>
<b>EXECUTIVE SUMMARY</b> .....	1
<b>BACKGROUND AND CONTEXT</b>	
Study Mandate and Requirements .....	5
The Consultant Team .....	5
Study Requirements Specific to DOC .....	6
The Role of DOC .....	6
Adult Corrections Terminology Used in this Report .....	6
The Capacity of DOC Institutions .....	11
Population History and Forecast .....	13
<b>CLOSURE OPTIONS</b>	
What are the Options and How Were They Selected? .....	21
Why Isn't Full Closure of McNeil Island an Option? .....	22
Why are there No Options for Female Offenders? .....	23
Downsizing Occurs in a Changing Environment .....	24
A Hypothetical Baseline .....	24
Description of the Options .....	26
Scenario 1 .....	26
Scenario 2 .....	28
Scenario 3 .....	29
Cost Analysis .....	32
Life Cycle Cost .....	42
Alternative Uses .....	46
<b>THE EFFECT OF CLOSURES</b>	
The Effect of Closure on Employees .....	48
The Effect of Closure on the Host Community .....	53
Programmatic Impacts .....	57
<b>CONCLUSIONS AND RECOMMENDATIONS</b>	
Conclusions .....	59
Recommendations .....	63
<b>IMPLEMENTATION PLAN</b> .....	66
<b>DOC APPENDICES</b> (bound separately)	
A. Disaggregation of Population Projection	
B. Detailed Description of Closure Options	
C. Staffing Impact Analysis	
D. Capital Cost Calculations	
E. Cost per Offender by Custody Level	

**TECHNICAL APPENDICES** (bound separately)

A. Economic and Fiscal Impacts to Affected Communities

B. Impacts to Affected Employees

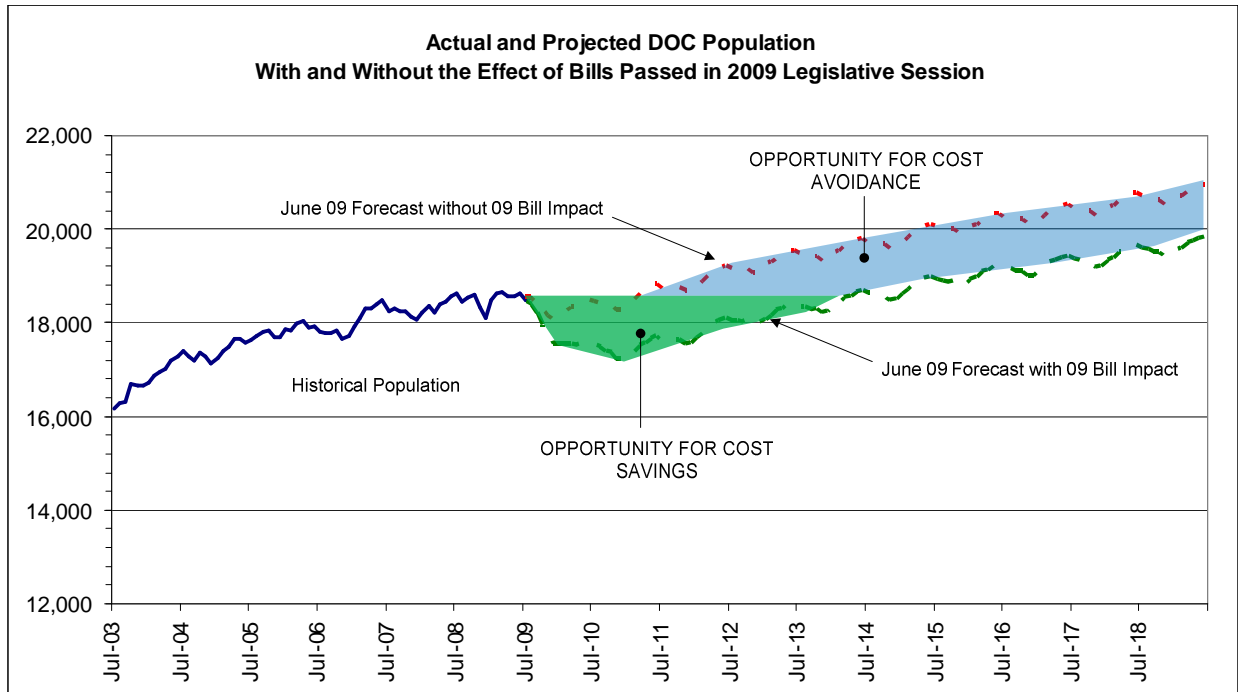
C. State Lifecycle Costs

# EXECUTIVE SUMMARY

In the 2009 legislative session, the Washington State Legislature directed that a feasibility study of closing state institutional facilities be conducted. The proviso specifically requires study of Department of Corrections (DOC) institutions and a plan to eliminate 1,580 adult corrections beds. Accompanying budget language assumes that closure of these beds will save \$12 million in fiscal year 2011.

## THE FEASIBILITY OF CLOSING ADULT CORRECTIONS BEDS

After decades of almost continuous growth in the prison population, actions taken by the 2009 legislature are expected to result in a decrease of more than 1,100 inmates. While underlying factors will cause the prison population to return to 2009 levels within less than five years, this temporary decrease in the number of inmates presents an opportunity to save taxpayer dollars. In subsequent years the number of inmates will remain approximately 1,100 below what it would have been absent the 2009 law changes. This represents an ongoing opportunity to avoid costs that otherwise would have occurred. This is illustrated in the following chart.



DOC operates a number of prison facilities to house adult offenders who require confinement under different conditions ranging from minimum to maximum security. This study disaggregated the prison population forecast by gender and the projected security level needs of the inmate population. The disaggregated forecast was then compared to the current funded capacity of DOC institutions. This analysis resulted in the following key findings.

## Key Findings from Analysis of the Population Projection and DOC Bed Capacity

1. There are more funded prison beds than inmates, but surplus capacity is not evenly distributed. Most importantly:
  - Almost all of the surplus capacity is at medium security for male inmates.
  - DOC cannot eliminate beds at higher security levels. In fact, DOC will need additional higher security beds for male inmates in the near future.<sup>1</sup>
2. DOC closed minimum security beds for female offenders this summer. There are no additional opportunities to eliminate prison beds for female offenders.
3. The opportunities for closing beds occur within a dynamic environment. While there are more savings than costs, there will be increased costs (including capital costs) at some locations.

In addition to surplus funded beds, there are closed living units at several DOC institutions. These non-staffed, non-funded, beds represent additional built capacity. DOC's built capacity for male offenders exceeds funded capacity by almost 2,000 beds. Most of these beds are medium security. Built capacity for women exceeds funded capacity by nearly 400 beds. All of these beds are minimum security. This surplus built capacity greatly reduces, but does not eliminate, the capital requirements of the Department of Corrections over the next ten years.

### **CLOSURE SCENARIOS**

A variety of closure options were considered, not all of which proved feasible. Foremost among those found infeasible is full closure of the McNeil Island Corrections Center. For a variety of reasons – most of which relate to the presence of the Special Commitment Center<sup>2</sup> on the island – there are compelling reasons to maintain at least some DOC presence there.

Significant savings from facility closure or downsizing only occur if an entire institution, or major component thereof, can be closed. Major savings also accrue if the security level of an institution is downgraded. The scenarios considered in this study do both.

After reviewing the options, three closure scenarios were developed for detailed study. These are:

#### **Scenario 1**

Downsize the McNeil Island Corrections Center  
Close the Ahtanum View Corrections Center and move the program to Monroe  
Close one living unit at the Larch Corrections Center for six years

#### **Scenario 2**

Close the Washington State Reformatory Unit at the Monroe Correctional Complex  
Close the Ahtanum View Corrections Center and move the program to Monroe

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<sup>1</sup> There is a projected deficit at "close security," an intermediate level between medium and maximum security.

<sup>2</sup> The Special Commitment Center is a facility for civilly committed sexually violent predators operated by the Department of Social and Health Services.

### Scenario 3

Close the Main Institution (within the old prison walls) at the Washington State Penitentiary  
Close the Ahtanum View Corrections Center and move the program to Monroe  
Close one living unit at the Larch Corrections Center for three years

These scenarios are mutually exclusive – that is, they cannot be done simultaneously. It is possible, however, to do them sequentially.

### KEY FINDINGS

#### All Three Scenarios Generate Substantial Savings

All of the scenarios save more than \$12 million per year in operating costs as assumed in the budget assumptions related to this study – but not in the first year. Each scenario also creates long-term capital cost savings by reducing or eliminating the need for maintenance and preservation projects related to old buildings. These savings are substantial for Scenarios 2 and 3.

Scenario 3 – which includes closing the Main Institution at the Washington State Penitentiary – generates the greatest savings but requires approximately \$41 million in up-front capital expenditures.

Somewhat greater savings can be achieved by sequencing Scenarios 1 and 3. This strategy has additional advantages, including reducing adverse impacts to the City and County of Walla Walla and postponing the lay off of staff at the Penitentiary until a time when there are more transfer opportunities within the agency.

The following table summarizes cumulative FTE, operating, and capital cost savings for the three scenarios plus the effect of sequencing Scenarios 1 and 3.

#### **Summary of 10 Year FTE, Operating, and Capital Budget Savings by Scenario**

(MICC = McNeil Island Corrections Center; WSRU = Washington State Reformatory Unit at Monroe;  
WSP-Main = Main Institution at the Washington State Penitentiary)

	Scenario 1 (MICC)	Scenario 2 (WSRU)	Scenario 3 (WSP-Main)	Sequencing Scenarios 1 & 3
Staff Years Eliminated	2,259	2,741	2,855	3,124
<b>Operating Budget Savings</b>				
Current Dollars	\$137,700,000	\$169,000,000	\$173,900,000	\$180,426,000
Net Present Value	\$73,500,000	\$84,200,000	\$97,100,000	(not calculated)
<b>Capital Budget Savings</b>				
Current Dollars	\$9,705,000	\$24,787,000	\$77,221,000	\$79,918,000
Net Present Value	\$4,900,000	\$18,800,000	\$64,100,000	(not calculated)

#### Additional Steps are Needed if 1,580 Beds are to be Eliminated

When the target of eliminating 1,580 prison beds was first developed, it was assumed that population reduction bills under consideration in the 2009 legislative session would reduce the prison population by approximately this amount. However, not all of the law changes under

consideration passed. Those that did pass are projected to reduce the population by about 1,100. While this generates the ability to achieve significant bed reductions and dollar savings, without a further decrease in prison population it is not possible to close 1,580 beds at this time.

The estimated impact of the bills not passed in the last legislative session is 452 beds. Additional steps to eliminate DOC beds can be taken if these, or similar, population reduction measures are adopted in the future.

## **RECOMMENDATIONS**

Sequencing Scenario 1 (downsizing the McNeil Island Corrections Center) and Scenario 3 (close the Main Institution at the Washington State Penitentiary) achieves the greatest savings. Assuming that capital funds are available, this is the recommended alternative. If capital funds are not available, it is recommended that Scenario 1 (downsizing the McNeil Island Corrections Center) be implemented.

If additional closure of beds is required, it is recommended that additional close custody inmates be moved to out of state rental beds and that the highest cost close security housing units<sup>3</sup> be closed. If additional steps are taken to reduce the number of lower risk offenders in prison, it is recommended that the Larch Corrections Center (downsized under Scenarios 1 and 3) be fully closed.

Finally, it is recommended that additional detailed study be made of the Washington State Reformatory Unit at Monroe and the buildings within the walls of the Washington State Penitentiary to determine which, if any, buildings should be preserved for future use and to create master plans for future development of both sites.

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<sup>3</sup>The highest cost close security housing units are located at the Washington State Penitentiary

# BACKGROUND AND CONTEXT

## STUDY MANDATE AND REQUIREMENTS

In the 2009 legislative session, the Washington State Legislature directed the Office of Financial Management to contract with consultants to conduct “a study of the feasibility of closing state institutional facilities and a plan on eliminating beds in the state institutional facility inventory.” The proviso from Engrossed Substitute House Bill (ESHB) 1244 noted that:

*“In conducting this study, the consultants shall consider the following factors as appropriate:*

- i. The availability of alternate facilities including alternatives and opportunities for consolidations with other facilities, impacts on those alternate facilities, and any related capital costs;*
- ii. The cost of operating the facility, including the cost of providing services and the cost of maintaining or improving the physical plant of the facility;*
- iii. The geographic factors associated with the facility, including the impact of the facility on the local economy and the economic impact of its closure, and alternative uses for a facility recommended for closure;*
- iv. The costs associated with closing the facility, including the continuing costs following the closure of the facility;*
- v. Number and type of staff and the impact on the facility staff including other employment opportunities if the facility is closed;*
- vi. The savings that will accrue to the state from closure or consolidation of a facility and the impact any closure would have on funding the associated services; and*
- vii. For residential habilitation centers, the impact on clients in the facility being recommended for closure and their families, including ability to get alternate services and impacts on being moved to another facility.”*

The legislature further directed that *“the office of financial management and consultants shall consult with the department of social and health services, the department of corrections, stakeholder organizations and groups that represent the people served in these institutions, labor organizations that represent employees who work in these institutions and other persons or entities with expertise in the areas being studied.”*

## THE CONSULTANT TEAM

The firm of Christopher Murray & Associates of Olympia, Washington was chosen through a competitive selection process as the lead consultant for the feasibility study. Subconsultants on the team include:

Davis Deshaies, LLC (analysis of residential habilitation centers),  
Berk & Associates (economic impact analysis), and  
Ambia, Inc (architectural and engineering requirements and costs).

## **STUDY REQUIREMENTS SPECIFIC TO THE DEPARTMENT OF CORRECTIONS (DOC)**

ESHB 1244 requires that the report provide a recommendation and a plan to eliminate 1,580 DOC beds. Budget language assumes that closure of these beds will save \$12 million in fiscal year 2011.

The work plan for the study of DOC facilities involves the following major activities:

1. Review of the facilities, mission, and population of DOC facilities
2. Analysis of the population forecast and projected future needs for DOC facilities by gender and security level
3. Identification of the capacity of DOC facilities to accommodate the needs of the projected future population
4. Estimation of the impact on staff of facility closure and redistribution of offenders, including effects of the Reduction in Force (RIF) process, job loss, and opportunities for reemployment
5. Estimation of the capital costs and savings associated with facility closure and redistribution of offenders
6. Identification of programmatic impacts and other considerations related to facility closure
7. Identification of the impact of facility closure on the host community, including direct and indirect job loss and local purchases

To accomplish these tasks, the consultant reviewed data and information provided by DOC and others; toured facilities and talked with staff; conferred with headquarters staff; met with community groups; conferred with labor organizations and with representatives from the Washington Association of Counties, the Washington Association of Sheriffs and Police Chiefs, and the Washington Association of Prosecuting Attorneys. The consultant team's extensive experience and knowledge of adult corrections in Washington and other states facilitated understanding of the issues and informed their analysis.

## **THE ROLE OF DOC**

The Department of Corrections is responsible for administering adult corrections programs operated by the State of Washington. This includes state correctional institutions and programs for offenders supervised in the community. This study is confined to analysis of the feasibility of closing and/or consolidating DOC's institutions.

## **ADULT CORRECTIONS TERMINOLOGY USED IN THIS REPORT**

The terminology used to describe adult corrections institutions and operations means little to those who have not already been introduced to the subject. This section may be skipped by those already familiar with adult corrections but may be useful to those who are not.

### Classification and Security

The Department of Corrections uses a classification system to divide inmates into various categories that relate to two primary factors: 1) the danger they pose to staff, other inmates and the public and, 2) the amount of supervision they require while incarcerated. Inmates receive an initial classification when they are first committed to DOC. They are periodically reclassified

based on a classification review schedule or for cause. Initial classification is largely based on static factors like criminal history, escape history, age, gender, etc. While static factors continue to play a role, reclassification takes into account the inmate’s behavior while incarcerated: good behavior can result in a less restrictive classification level, bad behavior the opposite.

The Washington Department of Corrections classification system is relatively complicated but, for all practical purposes, there are five classification levels. When applied to inmates, these levels are called “custody designations.”

The department also has a five level system to identify the physical security provided by buildings and correctional facilities. When applied to buildings, these are called “security levels.” Custody designations and security levels look very much alike but use different suffixes. The term “custody” refers to inmates; “security” refers to buildings.

**Table 1: “Custody” and “Security” is Not the Same Thing**

“Custody” applies to inmates	“Security” applies to buildings
Maximum Custody	Maximum Security
Close Custody	Close Security
Medium Custody	Medium Security
Minimum Custody	Minimum Security
Work Release	Work Release

Maximum, close, and medium security facilities have high security, armed perimeter fences or walls. Minimum security facilities typically have a single fence. Work release facilities may have a fence, but not one that provides real security.

Maximum custody inmates require the most supervision by correctional officers; have the greatest restriction on their freedom of movement and interaction with others; and require single occupancy cells in the most secure buildings. Higher custody inmates are typically housed in “wet cells” – i.e. a cell with a toilet and wash basin. At lower custody levels the amount of supervision decreases; freedom of movement and association increases; and the physical construction of cells and buildings changes. Some medium security, and virtually all minimum security, cells are “dry cells” – i.e. they have no plumbing fixtures.

While the distinction between custody and security may seem minor, it is one we try to adhere to in this report: inmates have custody; buildings have security. Its importance relates to a cardinal rule of corrections: an inmate may be held in a facility which has a security level equal to or greater than his or her custody designation – but not one that is lower. Hence, a medium *custody* inmate may be held in a medium, close, or maximum *security* facility, but not a minimum security or work release facility.

## Other Terminology

There are several other terms used in this report that merit explanation.

- *MI3* is a subset of minimum custody. This custody designation is used to refer to an inmate who, because of good behavior,<sup>4</sup> scores minimum custody on the classification instrument, but for other reasons (e.g. risk of escape or danger to the community) needs to be confined behind a medium security perimeter. There are a large number of MI3 inmates in DOC institutions. The department has taken advantage of this by sometimes building less secure (and therefore less costly) housing units inside medium security perimeters and staffing them (at less expense) at minimum security staffing levels.
- *Reception*: the Department of Corrections operates two reception centers for newly committed inmates – one for men and one for women. Inmates in reception, and buildings used for reception, constitute additional categories of inmates and buildings. It is in reception that inmates receive their initial custody classification. Prior to classification a newly committed inmate is counted as unclassified. Buildings used for reception may be designated close or medium security but they are referred to as “reception beds.”
- *Intensive Management Unit (IMU)*: An intensive management unit is a maximum security building located within a secure perimeter. DOC does not operate any maximum security institutions – only maximum security buildings. DOC often uses the acronym IMU instead of the term “maximum security.”
- *Multi-custody Facility*: Except for work release facilities and stand-alone minimum security camps, all DOC institutions are designed to hold inmates of more than one custody level. Some institutions have maximum, close, medium and minimum security beds at the same site. Buildings housing higher custody inmates are inside one or more security perimeter. Minimum security beds are typically outside the security perimeter. When a minimum security facility and secure facility share the same site they are said to be “collocated.”

## DOC Institutions and Their Acronyms

DOC operates eight major correctional institutions and four stand-alone minimum security facilities for men. Four of the major men’s institutions have minimum security facilities on the same site. There are also three institutions for women, two of which are stand-alone minimum security facilities. DOC also operates 15 work release facilities. Of these, two are for women.

DOC correctional institutions are listed in Tables 2A and 2B along with their acronyms. Their locations are shown in Figure 1. Whenever possible the full name of an institution is used in this report. However, in some tables and charts where space is at a premium, the acronym may be substituted for the full name.

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<sup>4</sup>“Good behavior” includes, but is not limited to, the absence of bad behavior. MI3 inmates are typically willing to work and to participate actively in treatment programs, education, etc.

**Table 2A: DOC Institutions for Men**

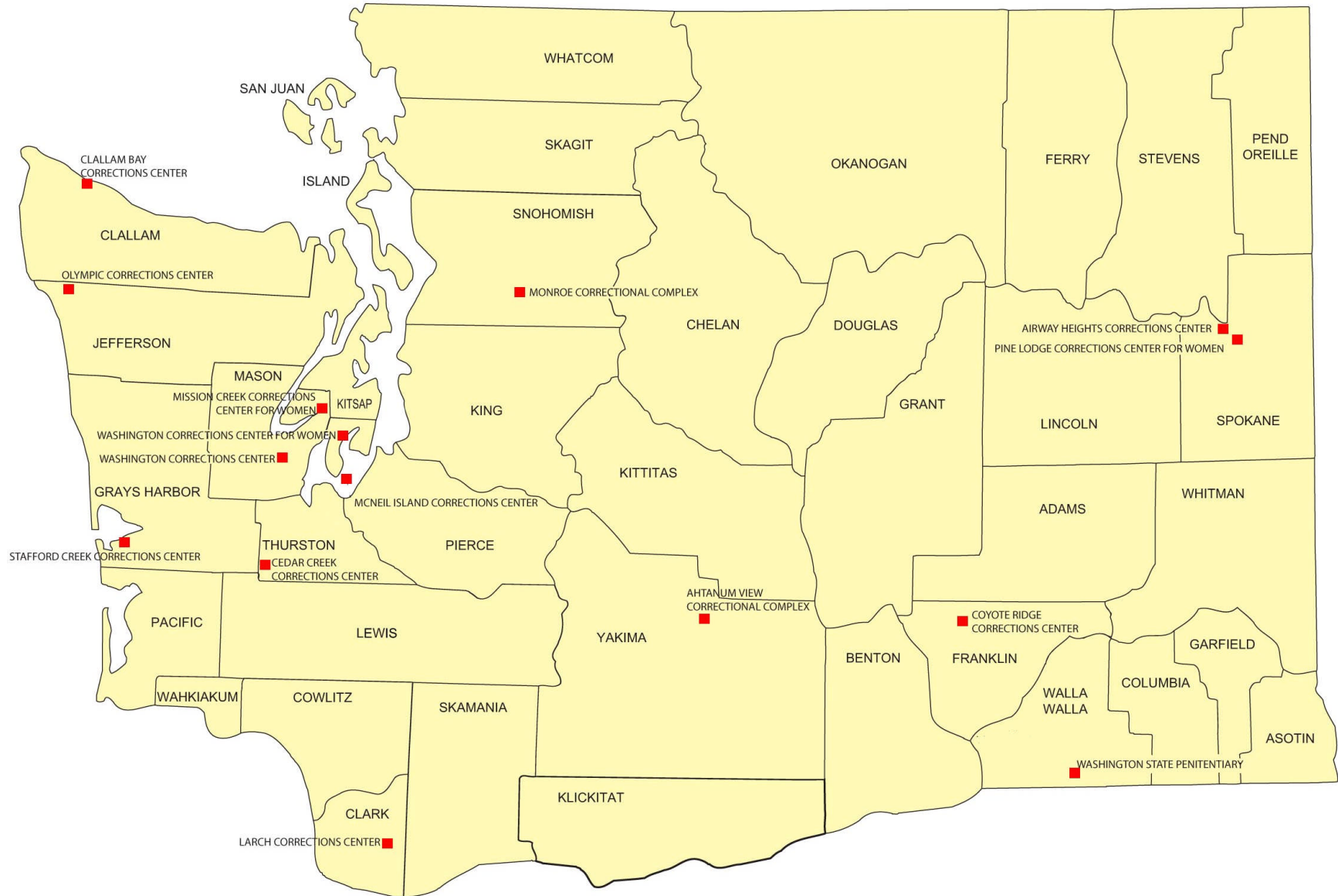
Major Institutions / Units	Acronym
Airway Heights Corrections Center	AHCC
Minimum Security Unit	AHCC-MSU
Clallam Bay Corrections Center	CBCC
Coyote Ridge Corrections Center	CRCC
Minimum Security Camp	CRCC-MSU
McNeil Island Corrections Center	MICC
Monroe Correctional Complex	MCC
Intensive Management Unit	MCC-IMU
Special Offender Unit	MCC-SOU
Twin Rivers Unit	MCC-TRU
Washington State Reformatory Unit	MCC-WSRU
Minimum Security Unit	MCC-MSU
Stafford Creek Corrections Center	SCCC
Washington Corrections Center	WCC
Intensive Management Unit	WCC-IMU
Training Center	WCC-TC
Reception Center	WCC-RC
Washington State Penitentiary	WSP
Intensive Management Unit	WSP-IMU
West Complex	WSP-WC
Main Institution	WSP-MI
BAR (Baker/Adams/Rainier) Unit	WSP-BAR
Minimum Security Unit	WSP-MSU

Stand Alone Minimum Security Facilities	Acronym
Athanum View Corrections Center	AVCC
Cedar Creek Corrections Center	CCCC
Larch Corrections Center	LCC
Olympic Corrections Center	OCC

**Table 2B: DOC Institutions for Women**

Institution	Acronym
Washington Corrections Center for Women	WCCW
Mission Creek Corrections Center	MCCC
Pine Lodge Corrections Center	PLCC

# EXHIBIT 1: LOCATION OF DEPARTMENT OF CORRECTIONS INSTITUTIONS



## THE CAPACITY OF DOC INSTITUTIONS

The capacity of a correctional institution is usually expressed in terms of a number of beds – as in “the Cedar Creek Corrections Center is a 500-bed minimum security facility.” It seems like it should be a simple matter to state institutional capacity – it is, however, somewhat complicated. In this report we refer to four types of capacity:

- Operational Capacity
- Emergency Capacity
- Funded Capacity
- Built Capacity

The *operational capacity* of a facility is the number of beds at which the facility normally operates. The number of persons in each cell is consistent with constitutional minimum requirements; utilities, programs, and support services are adequately sized to serve the number of inmates in the institution. The amount of tension and friction within the institution varies within normal limits. Operational capacity can change based on funding. (See “funded capacity,” below.)

*Emergency capacity* generally involves placing more inmates in certain larger cells – thereby increasing the number of inmates in the institution. The number of persons in each cell remains within constitutional minimum requirements but utilities, programs and/or support services may sometimes be stretched thin. Tension and friction can – and if continued for long enough – will increase. Not all DOC institutions have emergency capacity. The legislature generally provides no additional funding for DOC to operate facilities at emergency capacity.

*Funded capacity* is determined by the number of staff supported by appropriations for that purpose. DOC uses a staffing model to determine the required number of staff for each living unit and institution it operates. Consequently, it is possible to fund operation of an institution at less than its normal operational capacity. This is done by closing individual living units and not staffing them. Closing living units may also result in staff reductions in other parts of the institution.

*Built capacity* is equal to the maximum operational capacity of an institution when it is fully funded. Built capacity is therefore equal to the number of non-funded beds at a facility.

Table 3, on the next page, summarizes the October 2009 funded capacity of DOC institutions security level.

**Table 3: Funded (Emergency) Capacity of DOC Institutions by Security Level**

Institutions for Men	Reception	Maximum	Close	Medium <sup>5</sup>	Minimum	Total
Airway Heights CC				1,574	600	2,174
Clallam Bay CC		62	458	380		900
Coyote Ridge CC				768	300	1,068
McNeil Island CC				1,017	256	1,273
Monroe Corr Complex		136	72	1,862	480	2,550
Stafford Creek CC		72		1,900		1,972
Washington CC	1,068	62		228		1,358
Washington State Pen		158	1,116	852	189	2,315
Athnum View CC					120	120
Cedar Creek CC					505	505
Larch CC					480	480
Olympic CC					376	376
Subtotal – Men	1,068	490	1,646	8,581	3,306	15,091
Work release (various locations)						567
						Total - Men
						15,658
Institutions for Women	Reception	Maximum	Close	Medium	Minimum	Total
Wash CC for Women	63	0	101	305	315	784
Mission Creek CC					187	187
Pine Lodge CC					172	172
Subtotal - Women	63	0	101	305	674	1,143
Work release (various locations)						107
						Total – Women
						1,250

DOC also has funded capacity in out of state rental beds. It is expected that by the end of calendar year 2009 only 40 to 50 close custody inmates will still be in out of state beds.

One final capacity category has to do with violators. Violators are offenders on community supervision who violate a condition of their term of supervision. DOC has agreements with many county jails in Washington State to hold violators. While some of the most difficult violators are returned to prison, most are held in jail. If DOC didn't have these agreements, many more violators would be in prison and there would be fewer beds available for committed offenders.

There are closed beds for men at three locations: the Washington Corrections Center (80 reception beds), McNeil Island (43 maximum security beds), and especially Coyote Ridge (1,024 medium beds and 300 minimum beds). There are closed beds for women at the Washington Corrections Center for Women (30 close beds), Mission Creek (100 minimum beds) and Pine Lodge (242 minimum beds). System-wide built and funded capacity for men and women is summarized in Table 4 on the next page.

<sup>5</sup> Medium security facilities can also house MI3 inmates.

**Table 4: DOC Operational, Emergency, Funded, and Built Capacity by Security Level**

Security Level	Capacity for Men			
	Operational	Emergency	Funded	Built
Reception	948	120	1,068	1,148
Maximum	490	0	490	533
Close	1,646	0	1,646	1,646
Medium	8,107	474	8,581	10,140
Minimum	3,242	64	3,306	3,606
Work Release	567	0	567	567
<b>Subtotal - Men</b>	<b>15,000</b>	<b>658</b>	<b>15,658</b>	<b>17,640</b>
Security Level	Capacity for Women			
	Operational	Emergency	Funded	Built
Reception	63	0	63	63
Maximum	0	0	0	0
Close	101	0	101	131
Medium	305	0	305	305
Minimum	632	42	674	1,016
Work Release	107	0	107	107
<b>Subtotal - Women</b>	<b>1,208</b>	<b>42</b>	<b>1,250</b>	<b>1,622</b>

**POPULATION HISTORY AND FORECAST**

Over the last decade the number of offenders in Washington’s prisons has increased by more than 3,500 – reaching an all-time high of over 18,600 this summer. This follows years of largely uninterrupted growth dating from the 1980’s.

Legislative Action to Reduce the Number of Offenders in Prison

During the 2009 legislative session six bills were considered, and four passed, that would reduce the number of offenders in prison. The four bills which passed were:

- SB 5525 – Concerning rental vouchers to allow release from prison  
Historically, some prisoners in DOC custody have been held past their earned early release date for a variety of reasons, including the lack of a sponsor or living arrangement. This bill allows DOC to provide rental vouchers to an offender for a period up to three months, if rental assistance will enable the offender to have an approved release plan.
- SB 6167 – Concerning crimes against property  
The monetary amounts differentiating the various degrees of property crimes in Washington were established in 1975 and have never been adjusted. This bill directs the Sentencing Guidelines Commission to review the threshold amounts differentiating the various degrees of property crimes in Washington to determine whether they should be modified.

- SB 2194 – Modifying provisions relating to medical placement of offenders  
This bill changes the eligibility conditions for extraordinary medical placement of incarcerated offenders. An offender is eligible if: 1) he or she has a medical condition that is serious and is expected to require costly care or treatment; 2) the offender poses a low risk to the community because the offender is currently physically incapacitated due to age or a medical condition or is expected to be so at the time of release; and 3) it is expected that granting the extraordinary medical placement will result in a cost savings to the state.
- Budget Initiative – Increasing DOSA beds  
Based on testimony from judges and DOC it is estimated that an additional 115 Drug Offender Sentencing Alternative (DOSA) beds can be funded without saturating the market for this alternative. Savings from a reduced demand for prison beds exceeds the costs associated with this initiative.

The two bills which did not pass were:

- SB 6183 – Relating to the early deportation of illegal alien offenders  
Under current law, conditional release of alien offenders may only be allowed with the approval of the sentencing court and the prosecuting attorney of the county of conviction. Under this bill placement of an offender on conditional release status and transfer to the custody of the Immigration and Customs Enforcement would no longer require the approval of the sentencing court and the prosecuting attorney.
- SB 6160 – Concerning criminal justice sentencing  
This bill would have amended the sentencing grid to allow judges greater discretion in addressing mitigating and aggravating circumstances that may allow the imposition of a sentence above or below the standard sentence range.

#### Estimated Effect of Bills to Reduce the Number of Offenders in Prison

The cumulative impact of these six bills was estimated to reduce the number of offenders in prison by 1,589 by FY11 and 1,630 thereafter. The cumulative impact of the four bills which did pass is estimated to reduce the number of offenders by 1,137 by FY11 (with no appreciable change thereafter).

Exhibit 2, below, shows population growth in DOC institutions from January 2001 through the present along with the population forecast prepared by the Caseload Forecast Council in June 2009. The June 2009 forecast takes into account the anticipated effect of bills passed in the last legislative session. As Figure 2 clearly illustrates, there is expected to be a sizeable, and relatively rapid, decline in prison populations due to these recent changes in state law.

## Exhibit 2: Population History and Forecast for DOC Institutions

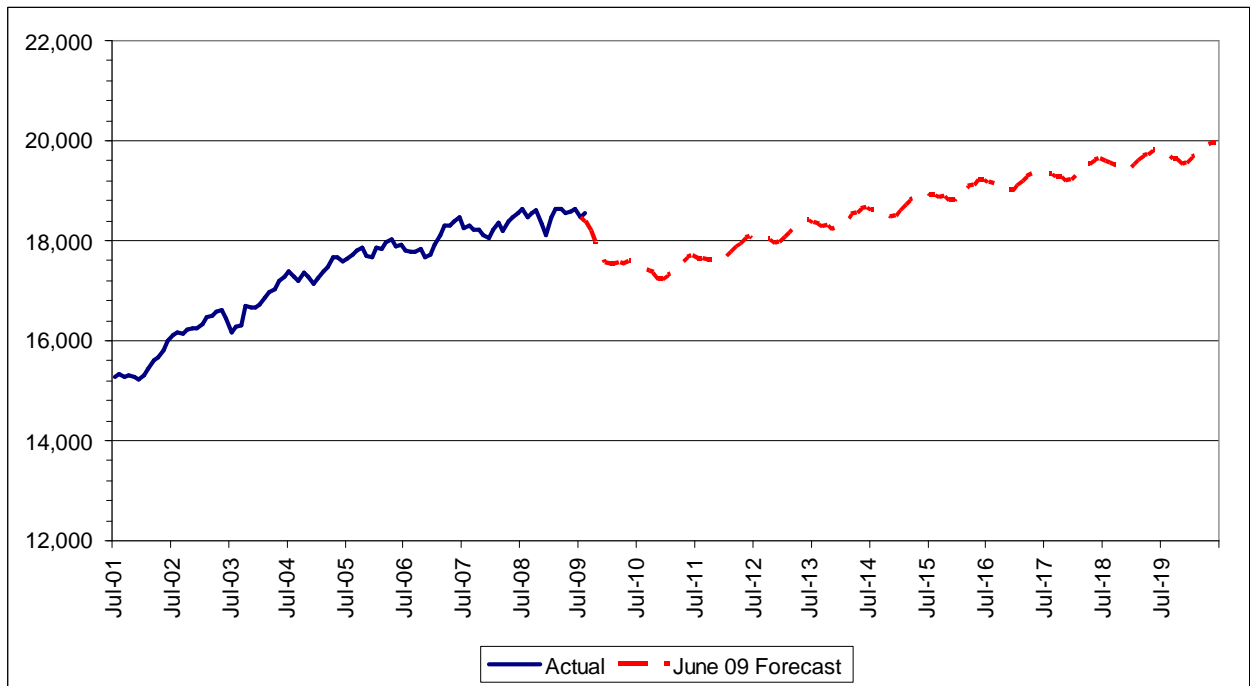


Exhibit 2 also shows that this decline is temporary and that, after an initial decrease, population growth resumes – more or less following the trajectory interrupted by these law changes.

There are two important implications of the population forecast. First, the opportunity to reduce beds is temporary – four to five years at most.

Second, after the prison population returns to its current level, future savings will be in the form of avoided costs, not actual cost reductions.

**The DOC population projection has two important implications:**

1. **The opportunity to reduce prison beds is temporary.**
2. **Long term savings will be *avoided* costs – not cost reductions.**

### Implications for ESHB 1244 Objectives

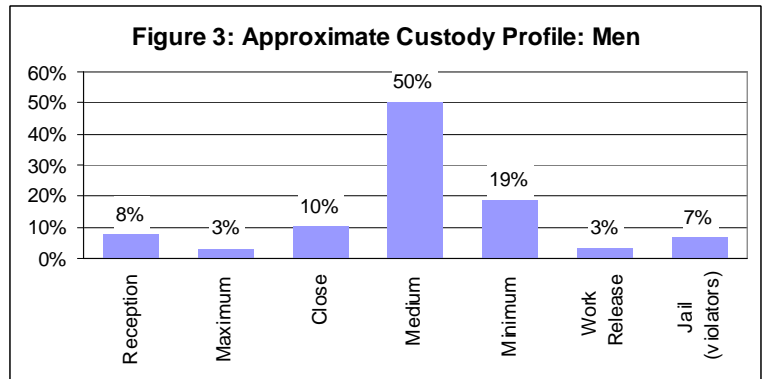
The estimated impact of the six bills introduced in the last legislative session is believed to be the origin of the ESHB 1244 requirement to develop a plan to eliminate 1,580 DOC beds. Since the estimated impact of the bills that passed is about 450 less than this, eliminating 1,580 beds is only possible if the combined impact of population reductions plus currently funded excess capacity totals at least 1,580. Excess funded capacity is addressed on the following pages. However, it is first important to understand how much capacity will be needed.

### **POPULATION FORECAST AND THE NEED FOR BEDS BY GENDER AND SECURITY LEVEL**

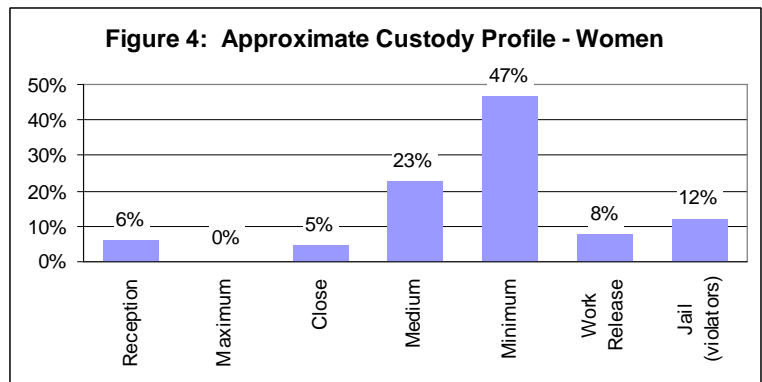
The detailed forecast for DOC prison inmates developed by the Caseload Forecast Council is disaggregated by gender and crime type. The detail from this forecast is used in something called the “Capacity Needs Assessment Model,” originally developed by one of the members of the

consultant team. The Capacity Needs Assessment Model translates the detail of the caseload forecast into a forecast by gender and custody level. At any given time the projected total number of offenders in each custody level can be compared to the current or planned capacity at the corresponding security level to determine if there is enough, not enough, or too much capacity at each security level. We call the overall percentage distribution of offenders by custody level the “custody profile” of the prison population.

Exhibits 3 and 4 illustrate the projected average custody profile for men and women in DOC institutions over the next ten years. These charts also show the average percentage of violators projected to be in county jails during this time.



These averages obscure small, but important, changes over the decade. Because of the changing nature of the offender population, the percentage of offenders requiring higher security is projected to increase, and the percentage requiring lower security decrease, over the decade. For men there is about a 1.4 percent shift to higher security levels. For women the shift is a little less than one percent. These changes are consistent with the law changes enacted in the last legislative session which focused on lower risk offenders.

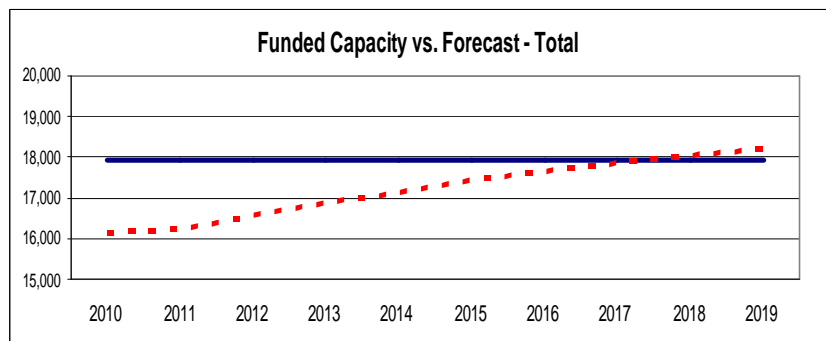


The methodology used to calculate these percentages is fairly complex. A technical description can be found in the appendix to this report.

Exhibits 5 through 12 show the projected male offender population in comparison to current funded capacity. In each chart the solid line represents funded capacity and the dashed line represents the projected number of male offenders.

### FUNDED CAPACITY vs FORECAST: MEN

Exhibit 5



“Current funded capacity” includes returning all out of state inmates except close custody and opening one additional medium

security living unit at Coyote Ridge during FY10.

Exhibit 5 illustrates how an overall 1,800 bed surplus reduces to zero in eight years.

Except for Exhibit 5, from the bottom of the vertical scale to the top represents 2,500 beds/inmates in each chart. This makes the size of surpluses and deficits visually comparable between security levels.

Exhibits 6, 7 and 8 indicate there is no possibility for eliminating reception, IMU or close security beds over the next ten years. In fact, despite an overall surplus of beds, DOC will need additional close security beds soon.

**The preponderance of surplus capacity at medium security means that is where the opportunities to close unfunded beds will be found.**

Exhibit 6

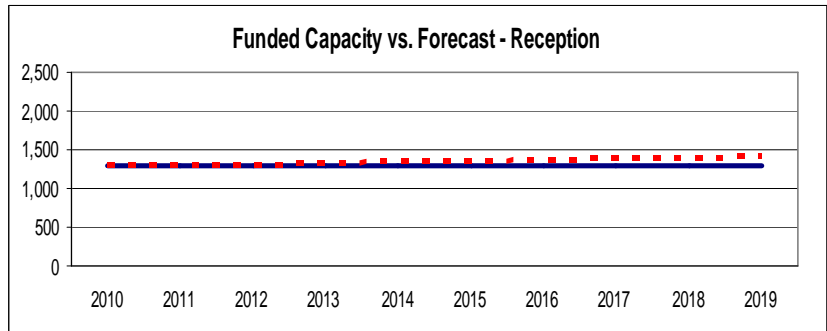


Exhibit 7

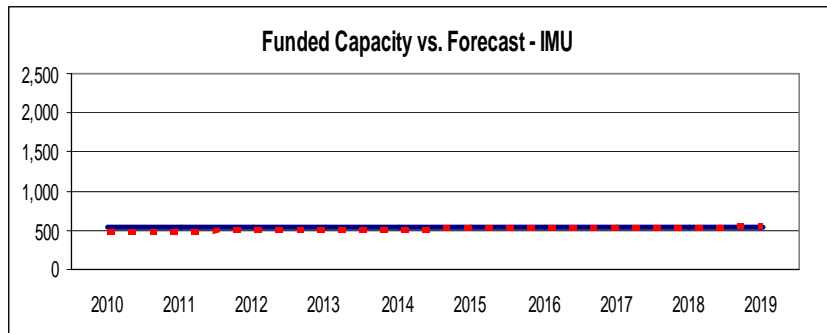


Exhibit 8

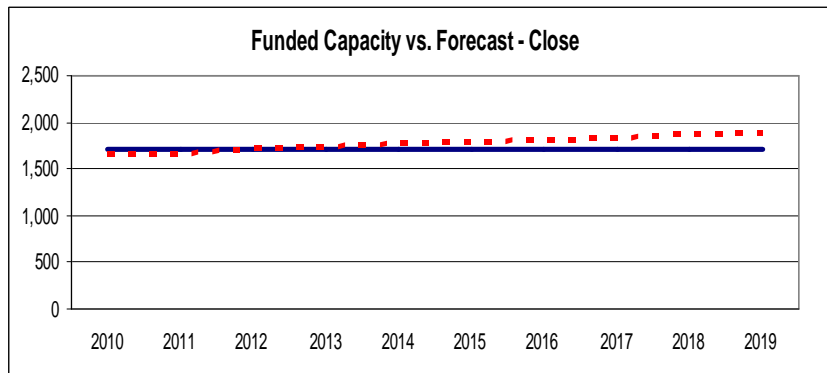
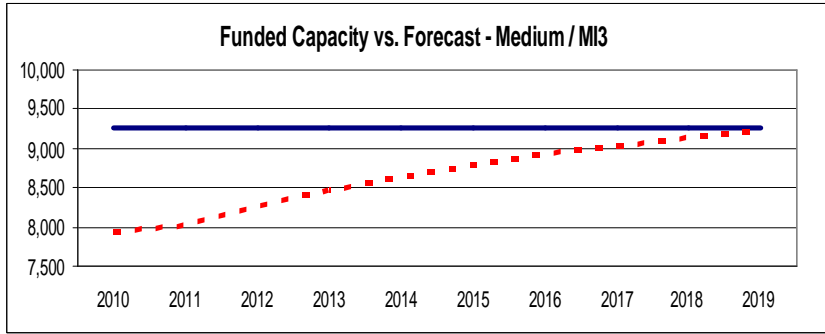


Exhibit 9



Exhibits 9, 10, and 11 show that almost the entire surplus of male beds is in medium security, minimum security, and work release. In fact, nearly three-quarters of all the surplus capacity is in medium/MI3 security.

Exhibit 10

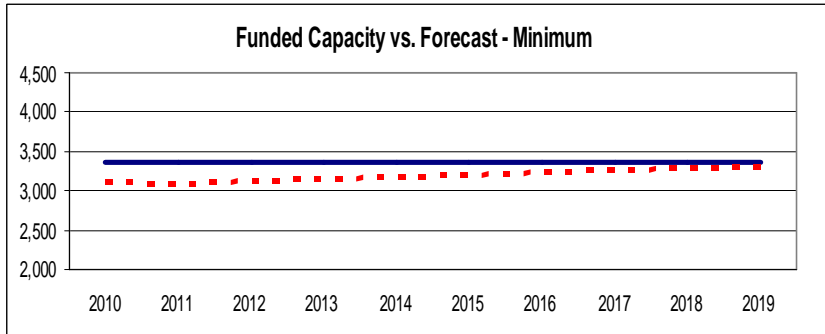
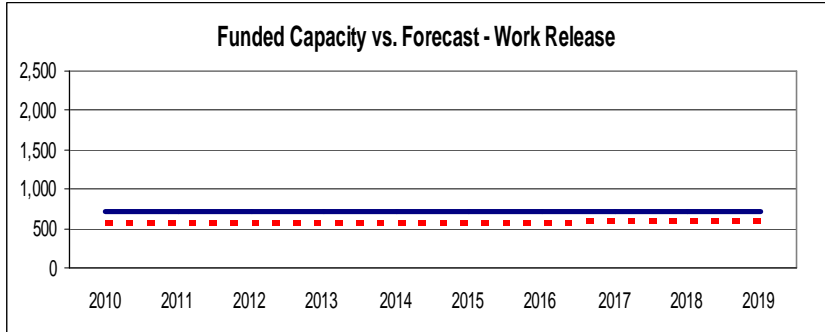
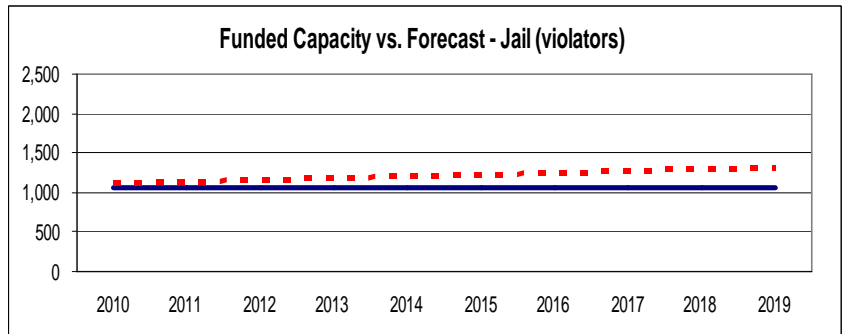


Exhibit 11



The capacity of jail beds for male violators is somewhat arbitrary. DOC has contracts for 1,224 jail beds for this purpose. Most contract beds can be used for either men or women. For purposes of this analysis, 86% of the beds are allocated to men and 14% to women.

Exhibit 12



The projected deficit of jail rental beds for violators may present a problem for DOC. This analysis assumes that additional jail beds can be rented. But many local jurisdictions are now

looking for additional beds. It may be that some jurisdictions will stop renting beds to DOC or that price increases will make them a less desirable alternative for DOC violators.

A similar analysis was also done for female offenders. For technical reasons, disaggregation of the female offender population projection by security level is based on the recommendations of the 2007 Female Offender Master Plan prepared for DOC.

For female offenders, the distance from the bottom of the vertical scale to the top represents 300 beds or inmates in each chart. As with male offenders, this makes the size of surpluses and deficits visually comparable between security levels. Of course, since there are far fewer female than male offenders, the charts for females cannot be visually compared to those for males.

Exhibit 13 shows there will soon be a deficit in female prison beds – although it takes ten years for this deficit to reach 100 beds.

Exhibits 14 through 16 show no significant need for female offender beds at higher security levels any-time during the next ten years.

### FUNDED CAPACITY vs FORECAST - WOMEN

Exhibit 13

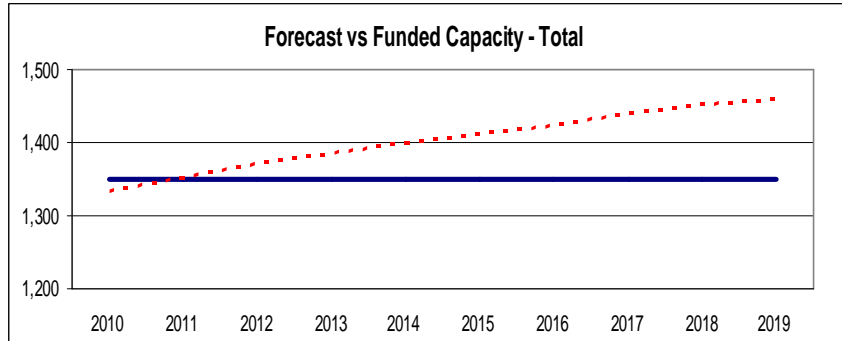


Exhibit 14

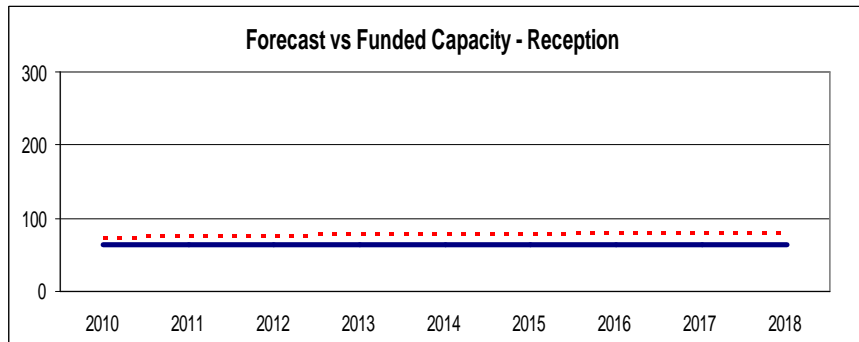


Exhibit 15

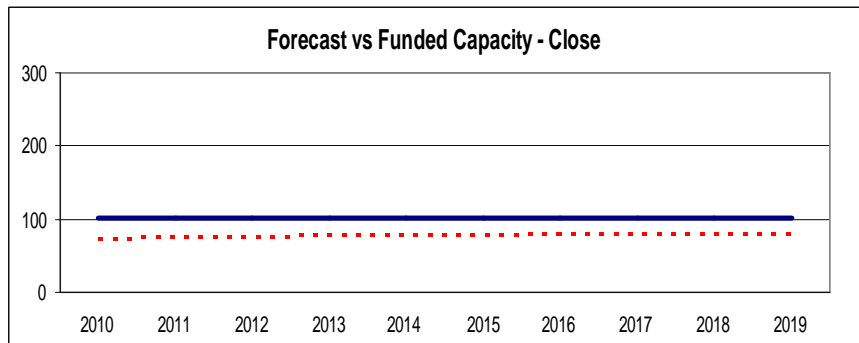


Exhibit 16

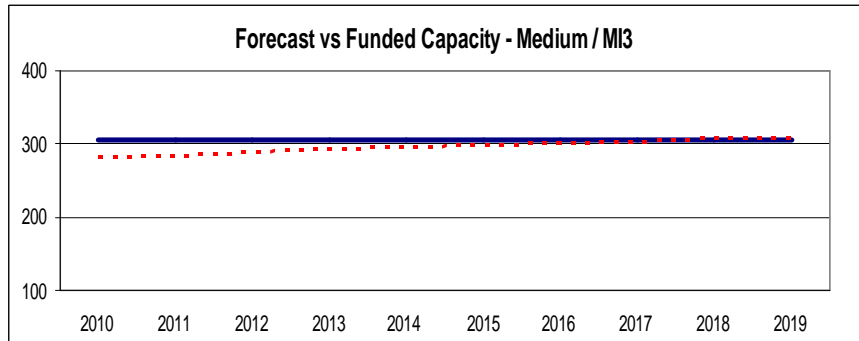


Exhibit 17

As Exhibit 17 illustrates, virtually the entire projected deficit for female offenders is expected to be at minimum security. This is fortunate. Construction of a hundred beds at Mission Creek Corrections Center for Women near Belfair will be completed in the near future (and is counted at Build Capacity in Table 4, above). Additional surplus capacity is also available at the Pine Lodge Corrections Center in Medical Lake.

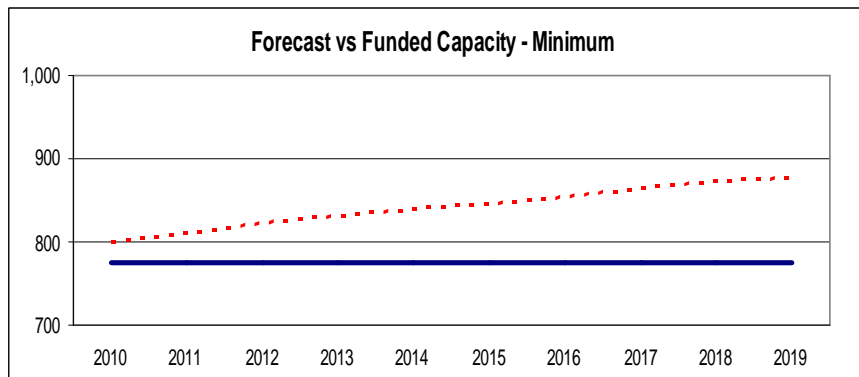


Exhibit 18

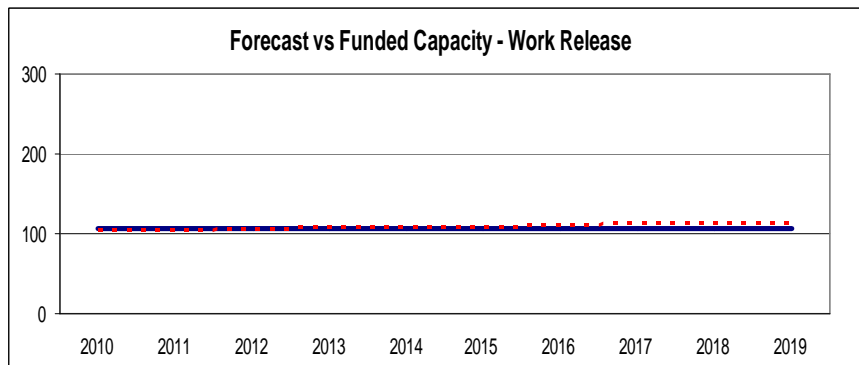
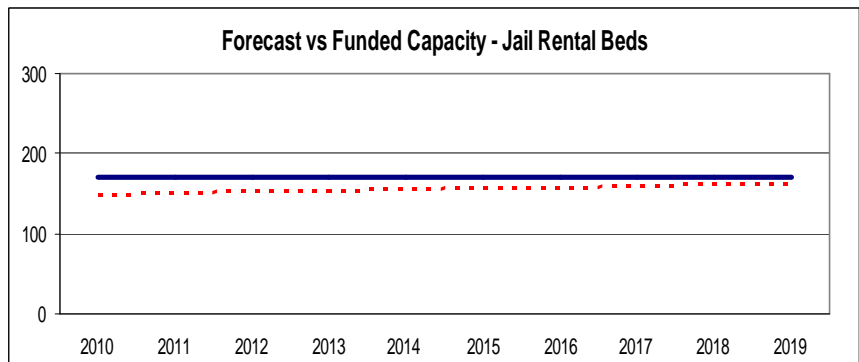


Exhibit 19

As noted for males, the capacity of jail beds for violators somewhat arbitrarily allocates 86% of the beds to men and 14% to women. For the most part, any surplus capacity could be used by either gender.



# CLOSURE OPTIONS

## WHAT ARE THE OPTIONS AND HOW WERE THEY SELECTED?

A variety of closure/consolidation options were evaluated for this study. We have combined five options into three scenarios. They are:

- Scenario 1
  - Downsize the McNeil Island Corrections Center
  - Close and relocate the Ahtanum View Corrections to the Monroe Correctional Complex
  - Temporarily close half of the Larch Corrections Center
- Scenario 2
  - Close the Washington State Reformatory Unit at the Monroe Correctional Complex
  - Close and relocate the Ahtanum View Corrections to the Monroe Correctional Complex
- Scenario 3
  - Close the Main Institution (the old walled institution) at Washington State Penitentiary
  - Close the Ahtanum View Corrections Center in Yakima
  - Temporarily close half of the Larch Corrections Center

Downsizing the McNeil Island Corrections Center was included as an option for two reasons: 1) it is expensive to operate, and 2) there was widespread discussion of this option during the last legislative session.

Closing the Washington State Reformatory Unit (the old walled institution) was included because of high operating and capital costs. On a per inmate basis, Cellhouse 1 and 2 at the Washington State Reformatory Unit are among the most expensive in the state. While subsequent analysis reduced this amount substantially, initial review of DOC's 10-year capital plan identified nearly \$60,000,000 in preservation projects for the Washington State Reformatory Unit. Since Cellhouse 1 and 2 are based on a building design concept that is at least 100 years old, this may not be the best use of capital dollars.

The reasons for selecting the Reformatory also apply to the Main Institution (the old walled institution) at the Washington State Penitentiary. Six, 7 and 8 Wing at WSP are the most expensive medium security beds in the state. In addition, initial review of DOC's 10-year capital plan identified well over \$100,000,000 in preservation projects for the old Penitentiary.

In addition to these major options, closure of the Ahtanum View Corrections Center (AVCC) in Yakima is included with all scenarios. Ahtanum View is a small specialized facility which houses elderly, medically challenged, and disabled offenders. The high medical costs for this population would follow them wherever they are located, but the facility is also expensive on a per capita basis because it is so small. While the other options can only be implemented sequentially, this option can be implemented in conjunction with any of the major options.

The ability to temporarily close approximately 240 minimum security beds became apparent during study of the various closure/consolidation options. The choices for temporarily closing this many minimum security beds are limited. Ultimately, the consultant team selected Larch

Corrections Center for temporary downsizing through a process of elimination. That process included the following observations.

Collocated minimum security living units at the Airway Heights Corrections Center are too large; those at the Penitentiary, Monroe, McNeil Island, and Coyote Ridge are essential to the operation of their respective facilities. Ahtanum View is already recommended for closure. That leaves Cedar Creek, Olympic, and Larch Corrections Centers

For minimum facilities not collocated with a major institution, Cedar Creek's living units are the least expensive – on average about \$5,000 less per inmate per year than the average for either Larch or Olympic. Since the driving force behind closing or downsizing institutions is primarily financial, no additional consideration was given to downsizing Cedar Creek.

It is possible to achieve the goal of closing 240 minimum security beds by closing one living unit at Larch. The two largest living at Olympic would have to be closed to achieve the same result. If this were done, only a very small (and very costly per inmate) facility would be left at Olympic. A second reason for selecting Larch instead of Olympic is because – for the same reasons that downsizing the Washington State Penitentiary has a much bigger impact on the Walla Walla economy than similar sized reductions do in larger communities – downsizing Olympic Corrections Center would impact the west Jefferson County economy much more than a similar change at Larch would impact the Clark County economy.

The study team also considered closing the Pine Lodge Corrections Center for Women but, for reasons discussed below under “Why are there No Alternatives for Female Offenders?” this option was not analyzed in depth.

#### **WHY ISN'T FULL CLOSURE OF THE MCNEIL ISLAND CORRECTIONS CENTER AN OPTION?**

There are four important reasons why full closure of the McNeil Island Corrections Center is not considered feasible:

1. If the corrections center were closed, the high cost of operating a prison on an island would be eliminated but the cost to the state would go up. This is because of the presence of the DSHS Special Commitment Center (SCC) on the island. The SCC houses sexually violent predators who have been civilly committed following completion of a term of confinement in a DOC facility. It presently has 308 beds but plans for expansion to approximately 400 beds have been developed. Without the prison there might be fewer ferry and barge trips to and from the island, but there would still be a fleet of vessels to maintain and crews to operate them. Other costs, such as having your own fire department, fresh water system, and wastewater treatment facility, would all remain.
2. Maintenance of vessels, roads, power lines, buildings and grounds all over the island is done with minimum security inmates working under the direction of DOC staff. Trained inmates also serve as firefighters, deckhands on vessels, and assistants in the steam plant, wastewater treatment facility and elsewhere. These inmates receive a stipend of 42¢ per hour and, except for inmate firefighters, cannot receive more the \$55 per month. There are 149 minimum security inmates serving in jobs solely related to island operations. At maximum stipend, the total cost for this inmate labor is about \$100,000 a year. Discounting for shortened work hours and that fact that some inmate jobs are part time, it

is estimated that it would take approximately 110 state employees to do the same work. Using the middle step of the salary range for the appropriate job classes plus 35 percent for benefits, the annual cost of state employees doing the same work would be more than \$5.4 million. The net increase in cost of using non-inmate labor is therefore approximately \$5.3 million. This does not include supervisory personnel who would have to remain.<sup>6</sup>

3. The quitclaim deed transferring McNeil Island from the federal government to the State of Washington stipulates that the property “shall be used and maintained as a correctional facility in perpetuity and that the ... property shall not be sold, leased, mortgaged, assigned or otherwise disposed of, except to another Government agency for the same purpose ...” The quitclaim deed goes on to say “in the event of breach of this covenant ... all right, title and interest in and to the ... property, including all improvements thereon, shall revert to ... the United States of America.” While there might be a alternative solution to this problem, there is a formal process for disposal of surplus federal property and competing claims for some, or all, of the island might arise.
4. We are informed there is no job classification in the Department of Social and Health Services that allows an employee to carry or use a firearm. All island security, including armed response when there is an incident at the Special Commitment Center, is provided by DOC. There were reportedly multiple times last year when DOC placed armed correctional officers around the perimeter of the SCC facility. Without DOC, someone else would have to fulfill this role.

#### **WHY ARE THERE NO CLOSURE OPTIONS FOR FEMALE OFFENDERS?**

DOC closed Unit 2 at the Pine Lodge Corrections Center for Women in June of this year. This building has an operational capacity of 242 minimum security beds and its closure is counted toward the 1,580 bed target mandated by ESHB 1244. Downsizing of facilities for female offenders has already occurred. The population forecast and the projected future need for beds by security level does not permit closing additional beds. In fact, rather than additional closures, it will be necessary to open additional minimum security beds for women in the near future.

**Elimination of beds for female offenders has already occurred.**

DOC has two options for additional minimum security beds for female offenders: 1) opening a new 100-bed minimum security unit nearing completion at the Mission Creek Corrections Center for Women or, 2) reopening beds at Pine Lodge. Assuming DOC receives funding, the consultant team recommends opening the new unit at Mission Creek. There are two reasons for this recommendation. First, the new unit at Mission Creek will be staff efficient, safer, and need no capital improvements for many years. Second, a smaller Pine Lodge is consistent with the recommendations of the DOC *Female Offender Master Plan* completed in 2007. At its current level of operation, Pine Lodge is appropriately sized to house minimum security women from Eastern Washington. This reduced size improves opportunities for maintaining family and community ties – an important consideration for all offenders but especially for female offenders with children.

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<sup>6</sup> Assumptions and calculations of the value of inmate labor can be found in the appendix to this report.

## **DOWNSIZING OCCURS IN A CHANGING ENVIRONMENT**

The analysis of capacity and projected demand by security level discussed earlier shows not only that the opportunities for eliminating beds in DOC are mainly at medium security, it also shows that DOC will need *additional* beds at some security levels over the next ten years. The implications of this for female offenders were just discussed. For men, the disaggregated population projection indicates a need for additional beds at close security in the relatively near future.

The result of this dynamic is that, while DOC downsizes at one or more locations, it will increase elsewhere. Some increases are consequences of downsizing; others will need to occur regardless of the downsizing option or even a decision to downsize. This context needs to be described so the effects of downsizing can be better understood.

## **A HYPOTHETICAL BASELINE**

In order to isolate the effects of changes strictly related to downsizing, it was first necessary to identify changes that are likely to occur anyway. We call this a “hypothetical baseline” because the issues can be addressed in multiple ways. We did not confer with DOC on this. DOC might have other, perhaps better, ideas. This is not a recommendation; it is an illustration that activities which increase cost – including capital construction – will likely be required even while steps are being taken to reduce costs.

One approach to a hypothetical baseline might be to continue business as usual and not close (or open) anything until it is needed. All medium security facilities would continue operation as usual and – according to the population projection – no additional units at Coyote Ridge Corrections Center would open until FY2016. However, because there are medium beds in the system now which are far more expensive to operate than those sitting vacant at Coyote Ridge, this is not a realistic baseline. The hypothetical baseline we suggest is closure of higher cost medium beds in FY11 (without closing whole institutions or medium security compounds) followed by opening medium beds at Coyote Ridge at a pace to keep up with demand.

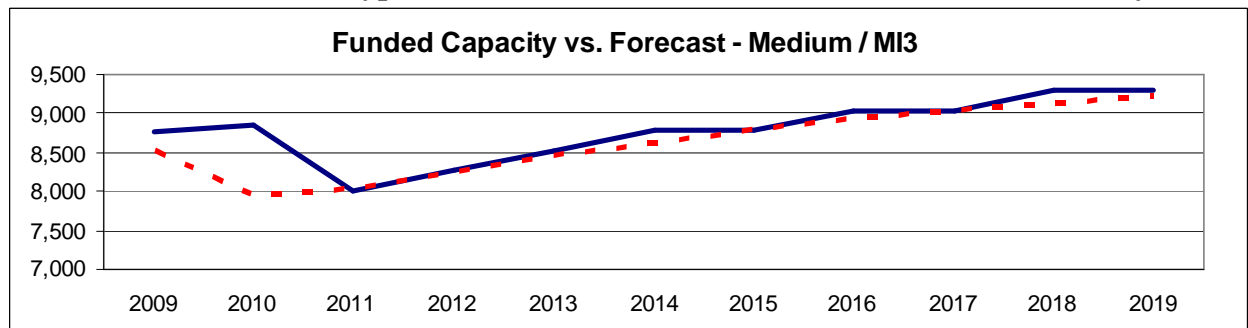
Unless (or until) there are significant changes in the caseload forecast for male offenders it is expected that initiatives similar to the following will take place over the next ten years independent of downsizing:

- FY2010
  - Return all medium and minimum custody inmates from out of state contract beds
  - Open one medium security living unit at the Coyote Ridge Corrections Center in Spring 2010
  
- FY2011
  - Close up to 850 higher cost medium security beds, including 512 at McNeil Island and the remainder at either the Main Institution at the Penitentiary or Cellhouse 1 or 2 at the Washington State Reformatory Unit at Monroe
  
  - Begin design and construction of 198 close security beds at the Penitentiary
  - Reopen 80 reception beds at the Washington Corrections Center
  - Increase jail contract beds for violators

- FY2012  
Open 256 medium security beds at Coyote Ridge  
Increase the out of state contract for close custody inmates  
Continue construction of close security beds
- FY2013  
Open 256 medium security beds at Coyote Ridge  
Increase jail contract beds for violators
- FY2014  
Open 256 medium security beds at Coyote Ridge  
Complete construction and open 198 close security beds at the Washington State Penitentiary  
Return all close custody inmates from out of state contract beds
- FY2015  
Increase jail contract beds for violators
- FY2016  
Reopen 256 medium security beds at McNeil Island  
Reopen 44-bed IMU at McNeil Island
- FY2017  
Increase jail contract beds for violators
- FY2018  
Open 256 medium security beds at Coyote Ridge  
Expand work release beds
- FY2019  
No changes

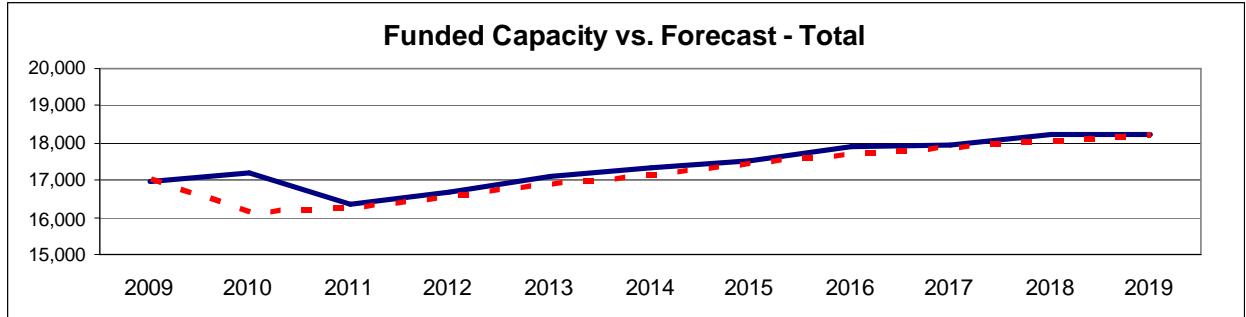
Under this hypothetical baseline, capacity and demand in the critical category of medium security will be more or less in balance by 2011 and look something like the following chart over subsequent years.

**Exhibit 20: The “Hypothetical Baseline” Scenario and Medium/MI3 Security**



The possible steps outlined in the hypothetical baseline scenario keep the system more or less in balance at each security level throughout the next ten years. The year by year effect of these steps is summarized in the next chart.

**Exhibit 21: The “Hypothetical Baseline” Scenario and Overall Capacity vs Demand**



**DESCRIPTION OF THE OPTIONS**

DESCRIPTION OF SCENARIO 1

Downsize the McNeil Island Corrections Center

Counting segregation and emergency capacity, the McNeil Island Corrections Center has 1,328 beds. Currently there are 1,249 funded beds at McNeil Island. This includes 97 medium security beds, 896 MI3 beds, and 256 minimum security beds. Among other things, minimum security offenders provide the labor force for island related inmate jobs outside the security perimeter of the institution.

For the reasons outlined in the section titled “Why Isn’t Full Closure of the McNeil Island Corrections Center an Option?” the study team concluded that full closure of the prison on McNeil Island is not a feasible option. McNeil Island can, however, be downsized and converted to a 512 minimum security facility. While not its highest and best use, this option can produce significant cost savings. In the future, when the need for medium security beds exceeds otherwise available capacity, closed parts of McNeil Island could be reopened as medium security.

This option involves the following steps:

- Keep the current minimum security unit at McNeil Island open (256 beds)
- Close 737 medium security beds at McNeil Island
- Convert one 256-bed medium security unit at McNeil Island to minimum security
- Move 256 minimum security inmates to McNeil Island and close a similar number of minimum security beds elsewhere. (See “Temporary Closure of Minimum Security Beds,” below.)
- Open a 256-bed medium security unit at Coyote Ridge Corrections Center

After these steps are taken, McNeil Island is a 512 bed minimum security facility. Minimum security offenders fill all island related inmate and correctional industries jobs.

Other than timing related to minimum security, and where medium security beds are opened in later years, future steps closely parallel the hypothetical baseline scenario. However, because there is a projected need for the currently closed IMU beds at McNeil Island by 2016, under this scenario MICC would reopen one 256 bed medium housing unit in 2016. Opening a medium security housing unit would be accompanied by adding custody and other staff needed for a facility with medium custody inmates – a necessary step if IMU inmates are also at McNeil Island.

#### Close the Ahtanum View Corrections Center and Move it to the Monroe Correctional Complex

The Ahtanum View Corrections Center is located about six miles west of downtown Yakima. The main building was gutted and remodeled in the late 1990’s. All structures are in good condition. The Ahtanum View Work Release facility is located on the same 7.5 acre site. The latter occupies a 1930’s vintage building constructed by the Works Progress Administration. It is in need of capital improvements, including changes to meet ADA requirements, replace doors and windows, and upgrade the HVAC system. The work release facility is operated under contract for DOC by a private contractor.

The Ahtanum View Corrections Center program for medically fragile and disabled offenders – most of them elderly – is the only one of its kind in DOC. Under this proposal the program would be moved to an existing minimum security building at Monroe. This building would require minor physical changes – some of which would reduce the bed capacity of the unit – to accommodate this population. FTEs and dollars associated with the special needs of these inmates would follow them to their new location.

After moving the program to Monroe, it is recommended that Ahtanum View Work Release move into the vacated Ahtanum View Corrections Center. This saves future capital dollars otherwise needed to upgrade the existing work release facility.

Closure of Ahtanum View takes 120 minimum security beds permanently off line. In addition, modifications to an existing living unit at the Monroe Correctional Complex to accommodate the extra space requirements of disabled inmates results in permanent elimination of another 54 minimum security beds.

### Temporarily Close Minimum Security Beds

If the McNeil Island Corrections Center is converted to minimum security, there is an opportunity to close approximately 240 minimum security beds for at least two years. This can be extended to up to six years if temporary excess capacity at medium security associated with opening units at the Coyote Ridge Corrections Center is used to house overflow minimum custody inmates.

Large savings occur when you can close an entire institution or compound. Smaller savings occur when you close an entire living unit. Negligible savings occur if you downsize multiple existing living units in lieu of closing whole units.

Since there are no male minimum security facilities as small as 240 beds, it is not possible to close an entire minimum security facility. It is possible, however, to temporarily close one or more living units. As discussed above under, “What are the Options and How Were they Selected,” it is recommended that one living unit at Larch Corrections Center be temporarily closed as part of Scenario 1.

### **DESCRIPTION OF SCENARIO 2**

#### Close the Washington State Reformatory Unit at the Monroe Correctional Complex

The Washington State Reformatory Unit at Monroe is the old Washington State Reformatory. It is one of five compounds that make up the Monroe Correctional Complex. The other units are the Twin Rivers Unit (TRU), Special Offender Unit (SOU), Minimum Security Unit (MSU) and Intensive Management Unit (IMU). Each unit has a security perimeter appropriate to the security level of its respective compound.

Including emergency capacity, there are 772 medium security beds in two large cellhouses at the Washington State Reformatory Unit. All of these beds are currently funded. These two cellhouses are physically part of the wall of the old Reformatory. There are many other buildings inside the wall, including a hospital and kitchen. The hospital serves the entire correctional complex. The kitchen prepares food for all of the facilities except the Twin Rivers Unit. Because of the role they play, these two buildings would have to continue operation even if the remainder of the Reformatory were closed.

Under this option, no inmates would live inside the walls of the old Reformatory. Housing units would be closed and all custody posts associated with medium security would be vacated. Minimum security inmates from the adjacent Minimum Security Unit would work in the kitchen. In effect, the old walled institution would become minimum security. However, since the hospital would continue to operate, and inmates of any custody level may be in the hospital, the hospital would have to operate like a jail – with the building itself constituting the security perimeter.

With permanent closure of the Washington State Reformatory Unit, all available medium security beds in the system are filled by 2018. It would therefore be necessary to construct new medium security beds somewhere in the system to come on line by 2018.

Unlike Scenario 1 and 3 where new minimum security capacity is created by conversion of existing medium security housing to minimum, no new minimum capacity is created by Scenario 2. Consequently, it will be necessary to open approximately 100 additional minimum security beds in 2013 and another 100 in 2016. It is recommended that this be done by phased expansion of the Minimum Security Camp at Coyote Ridge.

#### Close the Ahtanum View Corrections Center and Move it to the Monroe Correctional Complex

The issues and steps relating to closing the Ahtanum View Corrections Center and moving the program to Monroe are the same as in Scenario 1.

### **DESCRIPTION OF SCENARIO 3**

#### Close the Main Institution at the Washington State Penitentiary

The old walled institution at the Washington State Penitentiary is now commonly referred to as the Main Institution. It is one of four compounds at Penitentiary. The others are the West Complex, the Minimum Security Unit and two collocated IMUs.

There are a number of buildings inside the walls, including 852 funded medium security beds. Inmates in the Main Institution include kitchen workers and workers in Correctional Industries.

The West Complex is entirely close security. The compound was built to be expanded but has a kitchen that, because of space limitations, can only provide food service to the West Complex. The IMUs and the Main Institution continue to rely on the old central kitchen at the Main Institution for food preparation. The logistics of food service and (to a lesser extent) the needs of correctional industries – affect the strategy and timing for implementing this option.

Under this option, one housing unit at the Main Institution would be converted to house approximately 240 minimum custody inmates. All other housing units would be closed and all custody posts required for medium security would be vacated. Like the option to close the old Reformatory, the old walled institution at the Penitentiary would become minimum security. The minimum security inmates at the Main Institution would be kitchen and Correctional Industries workers until such time as the West Complex kitchen is expanded and a new medium security unit is constructed at the Penitentiary.

The following steps are involved in this option:

- Close 648 medium security beds at the Main Institution
- Convert one medium security living unit at the Main Institution to minimum security
- Move 240 minimum security inmates to the Main Institution and close a similar number of minimum security beds elsewhere. (See “Temporary Closure of Minimum Security Beds,” below.)
- Begin design and construction of a 256-bed medium security unit at the Penitentiary. (Alternatively, DOC could replicate the current close security design and operate the new building as medium security. This option would be faster.)
- Begin design and construction of a kitchen expansion at the West Complex.

- Once construction of both projects is complete, move medium security inmates into the new living unit and minimum security inmates out of the Main Institution and into other minimum security facilities in the system. The medium security inmates in the new West Complex living unit become the kitchen and correctional industries workers.
- Close the Main Institution

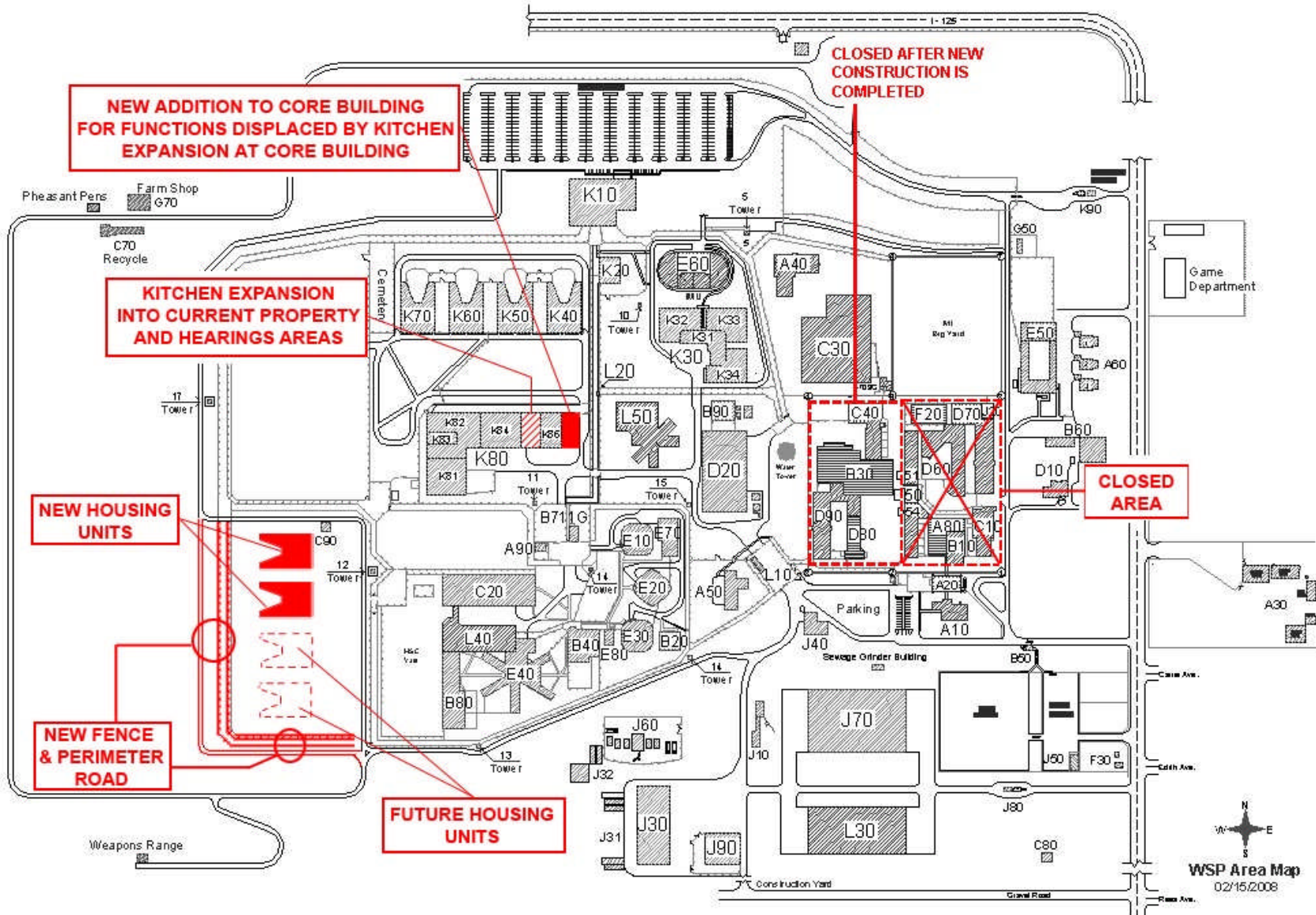
It should be noted that under the baseline scenario, a new close security housing unit is constructed at the Washington State Penitentiary. This construction should take place at the same time as construction of the medium security unit described above.

It should also be noted that the Main Institution at the Penitentiary houses the execution chamber. This facility would have to be maintained or relocated if the Main Institution is closed.

Except for some timing issues, the remainder of this option is essentially the same as the hypothetical baseline scenario.

Proposed new construction at the Washington State Penitentiary is illustrated on the following page.

EXHIBIT 23: SITE PLAN OF THE WASHINGTON STATE PENITENTIARY SHOWING PROPOSED CHANGES



### Close the Ahtanum View Corrections Center and Move it to the Monroe Correctional Complex

The issues and steps relating to closing the Ahtanum View Corrections Center and moving the program to Monroe are the same as in Scenario 1.

### Temporarily Close Minimum Security Beds

Like Scenario 1, there is an opportunity to close approximately 240 minimum security beds if the Main Institution at the Washington State Penitentiary is temporarily converted to minimum security. In this case, closure would last three years. It is recommended that one living unit at the Larch Corrections Center be closed for three years as part of Scenario 3.

### **COST ANALYSIS**

The tables on the following pages summarize the projected FTE, operating and capital cost impact of each of the Options, including the impact of closing minimum security beds. Because closures cannot take place immediately, all savings in FY11 are reduced to reflect partial savings. In most cases, full savings are realized in the second year.

Avoided capital costs are based on DOC's ten year capital plan. The projects for each potentially affected facility were reviewed by the consultant team architects. Those projects that would not be needed if the facility closed were eliminated. In some cases part of a project (that part associated with the closed portion of the institution) was eliminated.

All dollars amounts in these tables are in current (2009) dollars.

Documentation of how FTE impacts and capital and operating costs/savings were calculated can be found in the appendix to this report.

## SCENARIO 1

Scenario 1 includes downsizing of the McNeil Island Corrections Center, relocating the Ahtanum View Corrections Center program to Monroe, and closing one living unit at Larch Corrections Center for six years. The FTE, operating and capital cost implications are shown in the following tables.

Table 5A  
Downsize McNeil Island Corrections Center

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
<b>OPERATING COST IMPACT - FTE REDUCTION</b>											
<b>CUSTODY</b>											
Captain	-0.5	-1.0	-1.0	-1.0	-1.0	0.0	0.0	0.0	0.0	0.0	
Lieutenant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Sergeant	-10.6	-21.2	-21.2	-21.2	-21.2	-2.6	-2.6	-2.6	-1.5	-1.5	
Correctional Officer	-83.5	-167.0	-167.0	-167.0	-167.0	-41.3	-41.3	-41.3	-18.9	-18.9	
<b>NON CUSTODY</b>	-24.4	-48.8	-48.8	-48.8	-48.8	-17.0	-17.0	-17.0	-5.0	-5.0	
<b>HEALTHCARE</b>	-13.8	-27.5	-27.5	-27.5	-27.5	-8.5	-8.5	-8.5	-4.0	-4.0	
Cumulative change from 2009	-132.8	-265.5	-265.5	-265.5	-265.5	-69.4	-69.4	-69.4	-29.4	-29.4	
Change per year	-132.8	-132.8	0.0	0.0	0.0	196.1	0.0	0.0	40.0	0.0	
<b>Estimated Operating Budget Impact per Year</b>											
Salaries and benefits	-\$7,691,000	-\$15,382,000	-\$15,382,000	-\$15,382,000	-\$15,382,000	-\$3,890,000	-\$3,890,000	-\$3,890,000	-\$1,703,000	-\$1,703,000	-\$84,295,000
Warm closure costs	\$46,406	\$76,493	\$76,493	\$76,493	\$76,493	\$38,246	\$38,246	\$19,123	\$19,123	\$19,123	\$486,240
Restart Cost						\$0		\$2,507,000			\$2,507,000
<b>Total</b>	<b>-\$7,644,594</b>	<b>-\$15,305,507</b>	<b>-\$15,305,507</b>	<b>-\$15,305,507</b>	<b>-\$15,305,507</b>	<b>-\$3,851,754</b>	<b>-\$3,851,754</b>	<b>-\$1,363,877</b>	<b>-\$1,683,877</b>	<b>-\$1,683,877</b>	<b>-\$81,301,760</b>
<b>CAPITAL BUDGET IMPACT</b>											
<b>New Capital Initiatives</b>											
None	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Capital Cost Avoidance</b>											
Project list in appendix	-\$450,750	-\$1,502,500	-\$1,282,900	-\$770,500	-\$589,300	-\$166,500	-\$164,700	-\$160,500	-\$112,350	\$0	-\$5,200,000
Subtotal	-\$450,750	-\$1,502,500	-\$1,282,900	-\$770,500	-\$589,300	-\$166,500	-\$164,700	-\$160,500	-\$112,350	\$0	-\$5,200,000
Estimated Capital Budget Impact	-\$450,750	-\$1,502,500	-\$1,282,900	-\$770,500	-\$589,300	-\$166,500	-\$164,700	-\$160,500	-\$112,350	\$0	-\$5,200,000

Scenario 1 continued on next page.

Scenario 1 continued

Table 5B  
Close Ahtanum View Corrections Center & Relocate Program to Monroe

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
<b>OPERATING COST IMPACT - FTE REDUCTION AT AVCC</b>											
<b>CUSTODY</b>											
Lieutenant	-0.3	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	
Sergeant	-1.3	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	
Correctional Officer	-7.8	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	
<b>NON CUSTODY</b>											
	-6.5	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	
<b>HEALTHCARE</b>	-3.5	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	
Cumulative change from 2009	-19.3	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	
Change per year	-19.3	-58.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>OPERATING COST IMPACT - FTE INCREASE AT MCC</b>											
<b>CUSTODY</b>											
Lieutenant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Sergeant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Correctional Officer	0.2	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	
<b>NON CUSTODY</b>											
	3.0	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	
Cumulative change from 2009	3.2	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	
Change per year	3.2	9.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Estimated Operating Budget Impact per Year</b>											
Close AVCC	-\$1,755,200	-\$7,020,800	-\$7,020,800	-\$7,020,800	-\$7,020,800	-\$7,020,800	-\$7,020,800	-\$7,020,800	-\$7,020,800	-\$7,020,800	-\$64,942,400
One time medical transport cost	\$23,000										\$23,000
Warm closure - AVWR facility	\$32,075	\$19,043	\$19,043	\$19,043	\$19,043	\$19,043	\$19,043	\$19,043	\$19,043	\$19,043	\$203,466
Additional MCC MSU staff	\$169,250	\$677,000	\$677,000	\$677,000	\$677,000	\$677,000	\$677,000	\$677,000	\$677,000	\$677,000	\$6,262,250
Non staff health care dollars - Transfer from AVCC to MCC	\$261,557	\$1,046,227	\$1,046,227	\$1,046,227	\$1,046,227	\$1,046,227	\$1,046,227	\$1,046,227	\$1,046,227	\$1,046,227	\$9,677,600
AVWR contract adjustment <sup>1</sup>	\$24,788	\$99,150	\$99,150	\$99,150	\$99,150	\$99,150	\$99,150	\$99,150	\$99,150	\$99,150	\$917,138
<b>Total</b>	<b>-\$1,244,531</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$47,858,946</b>
<b>CAPITAL BUDGET IMPACT</b>											
<b>New Capital Initiatives</b>											
Modify MSU building & site	\$89,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$89,100
<b>Subtotal</b>	<b>\$89,100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$89,100</b>
<b>Capital Cost Avoidance</b>											
Replace AVWR windows & doors	\$0	-\$66,800	-\$534,400	-\$66,800	\$0	\$0	\$0	\$0	\$0	\$0	-\$668,000
Renovate AVWR	-\$171,500	-\$1,372,000	-\$171,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$1,715,000
Replace AVWR HVAC system	-\$221,100	-\$1,326,600	-\$663,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$2,211,000
<b>Subtotal</b>	<b>-\$392,600</b>	<b>-\$2,765,400</b>	<b>-\$1,369,200</b>	<b>-\$66,800</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$4,594,000</b>
<b>Estimated Capital Budget Impact</b>	<b>-\$303,500</b>	<b>-\$2,765,400</b>	<b>-\$1,369,200</b>	<b>-\$66,800</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$4,504,900</b>

<sup>1</sup> The AVCC currently provides food service and maintenance for the AV Work Release facility. This adjustment approximates what would be needed to offset the loss of AVCC services

Scenario 1 continued

Table 5C  
Close One Living Unit at Larch Corrections Center for Six Years

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
<b>OPERATING COST IMPACT - FTE REDUCTION AT LCC</b>											
<b>CUSTODY</b>											
Lieutenant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Sergeant	-1.6	-1.8	-1.8	-1.8	-1.8	-1.8	0.0	0.0	0.0	0.0	
Correctional Officer	-17.6	-19.5	-19.5	-19.5	-19.5	-19.5	0.0	0.0	0.0	0.0	
<b>NON CUSTODY</b>	<b>-10.8</b>	<b>-13.0</b>	<b>-13.0</b>	<b>-13.0</b>	<b>-13.0</b>	<b>-13.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	
Cumulative change from 2009	-30.0	-34.3	-34.3	-34.3	-34.3	-34.3	0.0	0.0	0.0	0.0	
Change per year	-30.0	-4.3	0.0	0.0	0.0	0.0	34.3	0.0	0.0	0.0	
<u>Estimated Operating Budget Impact per Year</u>											
Salaries and benefits	-\$1,650,600	-\$1,899,000	-\$1,899,000	-\$1,899,000	-\$1,899,000	-\$949,500	\$0	\$0	\$0	\$0	-\$10,196,100
Warm closure costs	\$6,357	\$19,043	\$19,043	\$19,043	\$19,043	\$0	\$0	\$0	\$0	\$0	\$82,531
Restart Cost						\$1,612,000					\$1,612,000
<b>Total</b>	<b>-\$1,644,243</b>	<b>-\$1,879,957</b>	<b>-\$1,879,957</b>	<b>-\$1,879,957</b>	<b>-\$1,879,957</b>	<b>\$662,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$8,501,569</b>

**CAPITAL BUDGET IMPACT**

There are no capital budget impacts associated with temporary closure of a living unit at LCC

Table 5D  
SUMMARY - SCENARIO 1

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
<b>NET CHANGE IN FTES per YEAR</b>											
<b>McNeil Island Corrections Center</b>	-132.8	-132.8	0.0	0.0	0.0	196.1	0.0	0.0	40.0	0.0	
<b>Ahtanum View Corrections Center</b>	-19.3	-58.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Monroe Correctional Complex</b>	3.2	9.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Larch Corrections Center</b>	<b>-30.0</b>	<b>-4.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>34.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	
Total per year	-178.8	-185.4	0.0	0.0	0.0	196.1	34.3	0.0	40.0	0.0	
Cumulative change from 2009	-178.8	-364.3	-364.3	-364.3	-364.3	-168.2	-133.9	-133.9	-93.9	-93.9	
<b>Estimated Operating Budget Impact</b>	<b>-\$10,533,367</b>	<b>-\$22,364,843</b>	<b>-\$22,364,843</b>	<b>-\$22,364,843</b>	<b>-\$22,364,843</b>	<b>-\$8,368,633</b>	<b>-\$9,031,133</b>	<b>-\$6,543,256</b>	<b>-\$6,863,256</b>	<b>-\$6,863,256</b>	<b>-\$137,662,276</b>
<b>Estimated Capital Budget Impact</b>	<b>-\$754,250</b>	<b>-\$4,267,900</b>	<b>-\$2,652,100</b>	<b>-\$837,300</b>	<b>-\$589,300</b>	<b>-\$166,500</b>	<b>-\$164,700</b>	<b>-\$160,500</b>	<b>-\$112,350</b>	<b>\$0</b>	<b>-\$9,704,900</b>

## SCENARIO 2

Scenario 2 includes closing the Washington State Reformatory Unit at the Monroe Correctional Complex and relocating the Ahtanum View Corrections Center program to Monroe. The FTE, operating and capital cost implications are shown in the following tables.

Table 6A  
Close the Washington State Reformatory Unit at the Monroe Correctional Complex

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
<b>OPERATING COST IMPACT - FTE REDUCTION</b>											
<b>CUSTODY</b>											
Captain	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Lieutenant	-2.5	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	
Sergeant	-8.4	-16.7	-16.7	-16.7	-16.7	-16.7	-16.7	-16.7	-16.7	-16.7	
Correctional Officer	-85.9	-171.8	-171.8	-171.8	-171.8	-171.8	-171.8	-171.8	-171.8	-171.8	
<b>NON CUSTODY</b>	<b>-17.5</b>	<b>-35.0</b>	<b>-38.0</b>	<b>-38.0</b>	<b>-38.0</b>	<b>-38.0</b>	<b>-38.0</b>	<b>-38.0</b>	<b>-38.0</b>	<b>-38.0</b>	
Cumulative change from 2009	-114.3	-228.5	-231.5	-231.5	-231.5	-231.5	-231.5	-231.5	-231.5	-231.5	
Change per year	-114.3	-114.3	-3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>FTE Increases</b>											
Hospital custody staff	2.7	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	
Cumulative change from 2009	2.7	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	
Change per year	2.7	2.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<u>Estimated Operating Budget Impact per Year</u>											
Salaries and benefits	-\$6,414,500	-\$12,829,000	-\$12,993,000	-\$12,993,000	-\$12,993,000	-\$12,993,000	-\$12,993,000	-\$12,993,000	-\$12,993,000	-\$12,993,000	-\$123,187,500
Warm closure costs	\$115,957	\$212,213	\$212,213	\$212,213	\$212,213	\$212,213	\$212,213	\$212,213	\$212,213	\$212,213	\$2,025,870
<b>Total</b>	<b>-\$6,298,543</b>	<b>-\$12,616,787</b>	<b>-\$12,780,787</b>	<b>-\$12,780,787</b>	<b>-\$12,780,787</b>	<b>-\$12,780,787</b>	<b>-\$12,780,787</b>	<b>-\$12,780,787</b>	<b>-\$12,780,787</b>	<b>-\$12,780,787</b>	<b>-\$121,161,630</b>
<b>CAPITAL BUDGET IMPACT</b>											
<b>New Capital Initiatives</b>											
None	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Capital Cost Avoidance</b>											
Project list in appendix	-\$813,300	-\$2,711,000	-\$2,950,100	-\$3,508,000	-\$3,385,750	-\$3,100,500	-\$2,416,800	-\$821,500	-\$410,750	-\$164,300	-\$20,282,000
Subtotal	-\$813,300	-\$2,711,000	-\$2,950,100	-\$3,508,000	-\$3,385,750	-\$3,100,500	-\$2,416,800	-\$821,500	-\$410,750	-\$164,300	-\$20,282,000
Estimated Capital Budget Impact	-\$813,300	-\$2,711,000	-\$2,950,100	-\$3,508,000	-\$3,385,750	-\$3,100,500	-\$2,416,800	-\$821,500	-\$410,750	-\$164,300	-\$20,282,000

Scenario 2 continued on the next page.

Scenario 2 continued

Table 6B  
Close Ahtanum View Corrections Center & Relocate Program to Monroe

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total	
<b>OPERATING COST IMPACT - FTE REDUCTION AT AVCC</b>												
<b>CUSTODY</b>												
Lieutenant	-0.3	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	
Sergeant	-1.3	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	
Correctional Officer	-7.8	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	
<b>NON CUSTODY</b>	-6.5	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	
<b>HEALTHCARE</b>	-3.5	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	
Cumulative change from 2009	-19.3	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	
Change per year	-19.3	-58.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>OPERATING COST IMPACT - FTE INCREASE AT MCC</b>												
<b>CUSTODY</b>												
Lieutenant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Sergeant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Correctional Officer	0.2	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	
<b>NON CUSTODY</b>	3.0	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	
Cumulative change from 2009	3.2	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	
Change per year	3.2	9.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Estimated Operating Budget Impact per Year</b>												
Close AVCC	-\$1,755,200	-\$7,020,800	-\$7,020,800	-\$7,020,800	-\$7,020,800	-\$7,020,800	-\$7,020,800	-\$7,020,800	-\$7,020,800	-\$7,020,800	-\$7,020,800	-\$64,942,400
One time medical transport cost	\$23,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,000
Warm closure - AVWR facility	\$32,075	\$19,043	\$19,043	\$19,043	\$19,043	\$19,043	\$19,043	\$19,043	\$19,043	\$19,043	\$19,043	\$203,466
Additional MCC MSU staff	\$169,250	\$677,000	\$677,000	\$677,000	\$677,000	\$677,000	\$677,000	\$677,000	\$677,000	\$677,000	\$677,000	\$6,262,250
Non staff health care dollars - Transfer from AVCC to MCC	\$261,557	\$1,046,227	\$1,046,227	\$1,046,227	\$1,046,227	\$1,046,227	\$1,046,227	\$1,046,227	\$1,046,227	\$1,046,227	\$1,046,227	\$9,677,600
<b>AVWR contract adjustment<sup>1</sup></b>	<b>\$24,788</b>	<b>\$99,150</b>	<b>\$99,150</b>	<b>\$99,150</b>	<b>\$99,150</b>	<b>\$99,150</b>	<b>\$99,150</b>	<b>\$99,150</b>	<b>\$99,150</b>	<b>\$99,150</b>	<b>\$99,150</b>	<b>\$917,138</b>
<b>Total</b>	<b>-\$1,244,531</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$47,858,946</b>
<b>CAPITAL BUDGET IMPACT</b>												
<b>New Capital Initiatives</b>												
Modify MSU building & site	\$89,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$89,100
Subtotal	\$89,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$89,100
<b>Capital Cost Avoidance</b>												
Replace AVWR windows & doors	\$0	-\$66,800	-\$534,400	-\$66,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$668,000
Renovate AVWR	-\$171,500	-\$1,372,000	-\$171,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$1,715,000
Replace AVWR HVAC system	-\$221,100	-\$1,326,600	-\$663,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$2,211,000
Subtotal	-\$392,600	-\$2,765,400	-\$1,369,200	-\$66,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$4,594,000
Estimated Capital Budget Impact	-\$303,500	-\$2,765,400	-\$1,369,200	-\$66,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$4,504,900

<sup>1</sup> The AVCC currently provides food service and maintenance for the AV Work Release facility. This adjustment approximates what would be needed to offset the loss of AVCC services

Scenario 2 continued on the next page.

Scenario 2 continued

Table 6C  
**SUMMARY - SCENARIO 2**

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
<b>NET CHANGE IN FTES per YEAR</b>											
WSRU at Monroe Corr Complex	-111.6	-111.6	-3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
MSU at Monroe Corr Complex	3.2	9.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Ahtanum View Corrections Center	-19.3	-58.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total per year	-127.7	-159.9	-3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Cumulative change from 2009	-127.7	-287.7	-290.7	-290.7	-290.7	-290.7	-290.7	-290.7	-290.7	-290.7	
<b>Estimated Operating Budget Impact</b>	-\$7,543,074	-\$17,796,167	-\$17,960,167	-\$17,960,167	-\$17,960,167	-\$17,960,167	-\$17,960,167	-\$17,960,167	-\$17,960,167	-\$17,960,167	-\$169,020,577
<b>Estimated Capital Budget Impact</b>	-\$1,116,800	-\$5,476,400	-\$4,319,300	-\$3,574,800	-\$3,385,750	-\$3,100,500	-\$2,416,800	-\$821,500	-\$410,750	-\$164,300	-\$24,786,900

### SCENARIO 3

Scenario 3 includes temporarily converting the Main Institution at the Washington State Penitentiary into a small minimum security facility, constructing new housing and other relocating the Ahtanum View Corrections Center program to Monroe, and closing one living unit at Larch Corrections Center for six years. The FTE, operating and capital cost implications are shown in the following tables.

Table 7A  
Close the Main Institution at the Washington State Penitentiary

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
<b>OPERATING COST IMPACT - FTE REDUCTION</b>											
<b>CUSTODY</b>											
Captain	-0.5	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	
Lieutenant	-2.5	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	
Sergeant	-6.7	-13.4	-13.4	-13.4	-12.5	-12.5	-12.5	-12.5	-12.5	-12.5	
Correctional Officer	-89.5	-178.9	-178.9	-178.9	-177.2	-177.2	-177.2	-177.2	-177.2	-177.2	
<b>NON CUSTODY</b>	<b>-13.5</b>	<b>-27.0</b>	<b>-27.0</b>	<b>-27.0</b>	<b>-33.0</b>	<b>-33.0</b>	<b>-33.0</b>	<b>-33.0</b>	<b>-33.0</b>	<b>-33.0</b>	
Cumulative change from 2009	-112.7	-225.3	-225.3	-225.3	-228.7	-228.7	-228.7	-228.7	-228.7	-228.7	
Change per year	-112.7	-112.7	0.0	0.0	-3.4	0.0	0.0	0.0	0.0	0.0	
<b>Estimated Operating Budget Impact per Year</b>											
Salaries and benefits	-\$6,497,666	-\$12,995,333	-\$12,995,333	-\$12,995,333	-\$13,152,333	-\$13,152,333	-\$13,152,333	-\$13,152,333	-\$13,152,333	-\$13,152,333	-\$124,397,663
Warm closure costs	\$140,503	\$118,451	\$118,451	\$118,451	\$118,451	\$118,451	\$118,451	\$118,451	\$118,451	\$118,451	\$1,206,562
<b>Total</b>	<b>-\$6,357,163</b>	<b>-\$12,876,882</b>	<b>-\$12,876,882</b>	<b>-\$12,876,882</b>	<b>-\$13,033,882</b>	<b>-\$13,033,882</b>	<b>-\$13,033,882</b>	<b>-\$13,033,882</b>	<b>-\$13,033,882</b>	<b>-\$13,033,882</b>	<b>-\$123,191,101</b>
<b>CAPITAL BUDGET IMPACT</b>											
<b>New Capital Initiatives</b>											
Construct 198 close security beds	<- part of baseline - there is an additional \$18.8 million capital cost not attributable to the closure scenario										
Construct 256 medium securitybeds	\$2,345,202	\$3,702,988	\$7,387,281	\$4,354,381	<- assumes fast track schedule						\$17,789,853
Expand W Complex kitchen	\$477,833	\$754,480	\$1,505,151	\$887,201	<- assumes fast track schedule						\$3,624,665
Subtotal	\$2,823,035	\$4,457,469	\$8,892,433	\$5,241,582	\$0	\$0	\$0	\$0	\$0	\$0	\$21,414,518
<b>Capital Cost Avoidance</b>											
Project list in appendix	\$0	\$0	-\$2,812,125	-\$9,373,750	-\$14,738,050	-\$27,254,750	-\$21,452,675	-\$7,914,500	-\$6,704,300	-\$3,880,500	-\$94,130,650
Subtotal	\$0	\$0	-\$2,812,125	-\$9,373,750	-\$14,738,050	-\$27,254,750	-\$21,452,675	-\$7,914,500	-\$6,704,300	-\$3,880,500	-\$94,130,650
Estimated Capital Budget Impact	\$2,823,035	\$4,457,469	\$6,080,308	-\$4,132,168	-\$14,738,050	-\$27,254,750	-\$21,452,675	-\$7,914,500	-\$6,704,300	-\$3,880,500	-\$72,716,132

Scenario 3 continued on the next page.

Scenario 3 continued

Table 7B  
Close Ahtanum View Corrections Center & Relocate Program to Monroe

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
<b>OPERATING COST IMPACT - FTE REDUCTION AT AVCC</b>											
<b>CUSTODY</b>											
Lieutenant	-0.3	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0
Sergeant	-1.3	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1	-5.1
Correctional Officer	-7.8	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3	-31.3
<b>NON CUSTODY</b>	-6.5	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9	-25.9
<b>HEALTHCARE</b>	-3.5	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1	-14.1
Cumulative change from 2009	-19.3	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4	-77.4
Change per year	-19.3	-58.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>OPERATING COST IMPACT - FTE INCREASE AT MCC</b>											
<b>CUSTODY</b>											
Lieutenant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sergeant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Correctional Officer	0.2	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
<b>NON CUSTODY</b>	3.0	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1
Cumulative change from 2009	3.2	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9
Change per year	3.2	9.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Estimated Operating Budget Impact per Year</b>											
Close AVCC	-\$1,755,200	-\$7,020,800	-\$7,020,800	-\$7,020,800	-\$7,020,800	-\$7,020,800	-\$7,020,800	-\$7,020,800	-\$7,020,800	-\$7,020,800	-\$64,942,400
One time medical transport cost	\$23,000										\$23,000
Warm closure - AVWR facility	\$32,075	\$19,043	\$19,043	\$19,043	\$19,043	\$19,043	\$19,043	\$19,043	\$19,043	\$19,043	\$203,466
Additional MCC MSU staff	\$169,250	\$677,000	\$677,000	\$677,000	\$677,000	\$677,000	\$677,000	\$677,000	\$677,000	\$677,000	\$6,262,250
Non staff health care dollars - Transfer from AVCC to MCC	\$261,557	\$1,046,227	\$1,046,227	\$1,046,227	\$1,046,227	\$1,046,227	\$1,046,227	\$1,046,227	\$1,046,227	\$1,046,227	\$9,677,600
AVWR contract adjustment <sup>1</sup>	\$24,788	\$99,150	\$99,150	\$99,150	\$99,150	\$99,150	\$99,150	\$99,150	\$99,150	\$99,150	\$917,138
<b>Total</b>	<b>-\$1,244,531</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$5,179,380</b>	<b>-\$47,858,946</b>
<b>CAPITAL BUDGET IMPACT</b>											
<b>New Capital Initiatives</b>											
Modify MSU building & site	\$89,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$89,100
Subtotal	\$89,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$89,100
<b>Capital Cost Avoidance</b>											
Replace AVWR windows & doors	\$0	-\$66,800	-\$534,400	-\$66,800	\$0	\$0	\$0	\$0	\$0	\$0	-\$668,000
Renovate AVWR	-\$171,500	-\$1,372,000	-\$171,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$1,715,000
Replace AVWR HVAC system	-\$221,100	-\$1,326,600	-\$663,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$2,211,000
Subtotal	-\$392,600	-\$2,765,400	-\$1,369,200	-\$66,800	\$0	\$0	\$0	\$0	\$0	\$0	-\$4,594,000
Estimated Capital Budget Impact	-\$303,500	-\$2,765,400	-\$1,369,200	-\$66,800	\$0	\$0	\$0	\$0	\$0	\$0	-\$4,504,900

<sup>1</sup> The AVCC currently provides food service and maintenance for the AV Work Release facility. This adjustment approximates what would be needed to offset the loss of AVCC services

Scenario 3 continued on the next page.

Scenario 3 continued

Table 7C  
Close One Living Unit at Larch Corrections Center for Three Years

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
<b>OPERATING COST IMPACT - FTE REDUCTION AT LCC</b>											
<b>CUSTODY</b>											
Lieutenant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Sergeant	-1.6	-1.8	-1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Correctional Officer	-17.6	-19.5	-19.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>NON CUSTODY</b>	<b>-10.8</b>	<b>-13.0</b>	<b>-13.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	
Cumulative change from 2009	-30.0	-34.3	-34.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change per year	-30.0	-4.3	0.0	34.3	0.0	0.0	0.0	0.0	0.0	0.0	
<u>Estimated Operating Budget Impact per Year</u>											
Salaries and benefits	-\$1,650,600	-\$1,899,000	-\$949,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$4,499,100
Warm closure costs	\$6,357	\$19,043	\$9,522	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,922
Restart Cost			\$1,612,000								\$1,612,000
<b>Total</b>	<b>-\$1,644,243</b>	<b>-\$1,879,957</b>	<b>\$672,022</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$2,852,178</b>

**CAPITAL BUDGET IMPACT**

There are no capital budget impacts associated with temporary closure of a living unit at LCC

Table 7D  
SUMMARY - SCENARIO 3

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
<b>NET CHANGE IN FTES per YEAR</b>											
Washington State Penitentiary	-112.7	-112.7	0.0	0.0	-3.4	0.0	0.0	0.0	0.0	0.0	
Ahtanum View Corrections Center	-19.3	-58.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Monroe Correctional Complex	3.2	9.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Larch Corrections Center</b>	<b>-30.0</b>	<b>-4.3</b>	<b>0.0</b>	<b>34.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	
Total per year	-158.7	-165.3	0.0	34.3	-3.4	0.0	0.0	0.0	0.0	0.0	
Cumulative change from 2009	-158.7	-324.1	-324.1	-289.8	-293.2	-293.2	-293.2	-293.2	-293.2	-293.2	
<b>Estimated Operating Budget Impact</b>	<b>-\$9,245,937</b>	<b>-\$19,936,218</b>	<b>-\$17,384,240</b>	<b>-\$18,056,261</b>	<b>-\$18,213,261</b>	<b>-\$18,213,261</b>	<b>-\$18,213,261</b>	<b>-\$18,213,261</b>	<b>-\$18,213,261</b>	<b>-\$18,213,261</b>	<b>-\$173,902,225</b>
<b>Estimated Capital Budget Impact</b>	<b>\$2,519,535</b>	<b>\$1,692,069</b>	<b>\$4,711,108</b>	<b>-\$4,198,968</b>	<b>-\$14,738,050</b>	<b>-\$27,254,750</b>	<b>-\$21,452,675</b>	<b>-\$7,914,500</b>	<b>-\$6,704,300</b>	<b>-\$3,880,500</b>	<b>-\$77,221,032</b>

## LIFE CYCLE COSTS

This section is a summary of findings described in detail in Appendix 2 to this report.

In the preceding section, operating and capital cost savings are expressed in current dollars with each scenario described as if it occurred in isolation from anything else that might otherwise take place in the adult corrections system. While this is a valid way of evaluating these scenarios, it has several limitations, specifically:

- Treating all costs and savings in current dollars ignores that fact that spending or saving a dollar today is not the same thing as spending or saving a dollar next year.
- Assuming that each scenario takes place in isolation from the rest of the adult corrections system exaggerates savings because it assumes that DOC would continue to operate partly full facilities and take no steps to economize if none of the scenarios were implemented.

Life cycle cost analysis is a method whereby these limitations can be neutralized and each scenario's effectiveness measured in a way that allows them to be directly compared.

### What is Life Cycle Cost Analysis?

Life cycle cost analysis takes into account the concept of the time value of money. A few examples can illustrate what this means and why it is important. If I were to say, "which would you prefer: \$1,000 today or \$1,000 a year from now?" most people would have no difficulty making a quick decision. On the other hand, if I were to say, "which would you prefer: \$1,000 today or \$100 a month for the next 12 months?" most people might pause and think a bit before answering. But if I were to say: which is the better deal: Scenario 1 – where you save more during the first five years than any other scenario but less after that, or Scenario 2 or 3 – where you save less at first but more later?" the answer is not so obvious.

Life cycle cost analysis discounts future costs and savings in a systematic way to determine what those costs and savings are worth today. Adding together costs and savings from this year to discounted costs and savings from years 2, 3, 4, and so forth results in what is called the "net present value."

In the life cycle cost analysis presented here, the three scenarios are not compared directly one to another but to the "hypothetical baseline" described in the section above titled, "Downsizing Occurs in a Changing Environment." How each scenario differs from the baseline is a directly comparable measure of the relative financial performance of each scenario.

These two elements of the life cycle cost analysis – discounting future costs and savings and comparing each scenario to the hypothetical baseline – eliminates the limitations noted above and provides an apples-to-apples comparison the three scenarios.

### Methodology and Limitations

To measure net savings, the team economists, Berk & Associates (BERK), compared each scenario with a hypothetical baseline scenario—an assumed state-of-the-world that describes how

the system might reasonably be expected to operate if none of the contemplated actions were pursued.

The hypothetical baseline scenario assumes that the DOC will pursue relatively modest steps towards making full and efficient use of the resources that it now has at its disposal. In particular, the DOC baseline assumes that the Department would take advantage of the newly completed medium-security Coyote Ridge Correctional Center. The primary actions in the hypothetical baseline involve closing higher cost medium security living units at several institutions and opening lower cost units at Coyote Ridge as they are needed. These steps would improve the cost-efficiency of the department by reducing the per-inmate cost below 2009 levels.

Each of the three scenarios analyzed in this report represent further, more aggressive, actions that DOC might take to save even more money. The life cycle cost analysis presented here calculates how much *more* the State might save over ten years (beyond savings embedded in the hypothetical baseline) if policy makers pursue these more aggressive actions. All Findings are presented in terms of “Net Present Value.”

There is one important limitation that pertains to the calculation of the net present value of capital expenditures and savings. Whenever one is talking about capital investments, it is important to recognize that most such investments generate value that extends beyond the 10-year timeframe of this analysis. Because of data limitations, we were not able to calculate this residual value. However, as will be seen in the discussion below, in the context of the alternative scenarios we evaluated, alternative ways at looking at this issue make it moot.

### Net Present Value of Operating Cost Savings

From the perspective of operating cost reduction, Scenario 3 – Closure of the Main Institution at WSP offers the greatest prospect for savings over the ten years from 2011 through 2020 (see Table 8). In present value terms, Scenario 3 offers savings of \$97 million, versus savings of \$84 million under Scenario 2 – Closure of WSRU at MCC, and \$74 million under Scenario 1 – Downsizing MICC.<sup>7</sup>

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<sup>7</sup> Net Present Values are calculated using a discount rate of 4.2%, a rate that reflects projected future costs of State bonded debt. In effect, this discount rate reflects the cost the State pays to move money forward through time.

**Table 8: Present Value of 10-Year Operating Savings (in Millions)  
Relative to Hypothetical Baseline  
(Savings Presented in Year-of-Expenditure Dollars)**

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Net Present Value of Savings (2011)
<b>Scenario 1 - Downsize MICC</b>	\$2.39 M	\$13.19	\$13.63	\$14.26	\$13.34	\$6.21	\$8.99	\$5.59	\$6.16	\$6.31	<b>\$73.5 M</b>
<b>Scenario 2 - Close WSRU at MCC</b>	\$5.17 M	\$9.27	\$9.41	\$9.71	\$8.95	\$10.46	\$13.66	\$13.42	\$13.75	\$14.08	<b>\$84.2 M</b>
<b>Scenario 3 - Close Main Institution at WSP</b>	\$6.96 M	\$12.82	\$11.18	\$12.33	\$12.40	\$11.92	\$13.30	\$13.62	\$13.95	\$14.29	<b>\$97.1 M</b>

Source: BERK

Net Present Value of Capital Cost Savings

Comparisons of capital cost savings are somewhat less straightforward to interpret. Among the three scenarios, the scenario that offers the greatest capital “savings” is Scenario 3 – Closure of the Main Institution at WSP. The reason this scenario is associated with the greatest savings is that closing the Main Institution means that the State can avoid spending nearly \$100 million in renovations for the facility (a savings that is offset in part by a newly-constructed housing and kitchen expansion that is envisioned in the scenario).

However, as noted above, whenever one is talking about capital investments, it is important to recognize that most such investments generate value that extends beyond the 10-year timeframe of this analysis. If it is the case that DOC will need additional capacity to house inmates in coming decades, then the large investment to renovate the Main Institution generates *some* ongoing value. One way to measure this value is to consider how much the State has spent in recent years to expand capacity. The recently constructed 2,048 bed medium security facility at Coyote Ridge cost of nearly \$230 million.<sup>8</sup> This suggests that the per-bed cost of constructing a facility is roughly \$112,000. Applying this per-bed value to the 852 beds and associated facilities at the Main Institution results in a capacity value of \$96 million (if one assumes that the \$94 million investment [in 2009 dollars] results in a like-new facility).

On the other hand, another way to think about the value of a given facility investment is to consider the degree to which the investment affects the ability of the Department to provide cost-effective services. If the Department had the choice between two \$100 million facilities, but one of the two was configured to save the department \$5 million per year due to more efficient operations, the latter facility would have a much greater true value to the State than the former.

<sup>8</sup> Construction costs are for a facility constructed in 2006, 2007, and 2008 in a favorable bidding market. This large facility also benefited from economies of scale that would not necessarily be present for other DOC expansion projects. The current bidding climate is, however, considered to be at least as favorable as was the case for Coyote Ridge.

(Over a 25-year time-span, the more efficient facility would save the department nearly \$100 million in operating costs [in present-value terms] when compared with the less efficient facility.)

When one takes into consideration the operational-efficiency differences between the two facilities, one could say that the efficient facility is truly worth \$100 million, but the less efficient option is worth the \$100 million construction cost *minus* the present value of the additional operating costs it would require. Under the scenario where the less-efficient facility translates to \$5 million more in operating costs each year, (assuming the facility had a 25-year useful life) the accumulated additional costs of operation would come close to \$100 million (in present value terms). This, in turn, means that the true value of the less efficient facility from the perspective of DOC would be close to zero.

In fact, the numbers for a rebuilt Main Institution at WSP are even more unattractive than the above hypothetical discussion. The costs of operating the Main Institution as it is configured are roughly \$20,000 per-bed per-year higher than costs of modern facilities in the DOC.<sup>9</sup> Multiplied by 852 beds, this translates to a cost inefficiency of \$17 million per year. This large cost inefficiency suggests that, from a lifecycle perspective, rebuilding the Main Institution is a very bad investment.

This discussion highlights two points: (1) assessing the “value” of a given capital investment is challenging; and (2) without considering the complexities, a straight-up comparison of capital expenditures among scenarios is of only limited value.

Having noted the limitations, Table 9 summarizes the net present value of capital cost savings associated with the three action scenarios.

**Table 9: Present Value of 10-Year Capital Savings (in Millions)  
Relative to Hypothetical Baseline  
(Savings Presented in Year-of-Expenditure Dollars)**

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Net Present Value of Savings (2011)
<b>Scenario 1 - Downsize MICC</b>	\$0.45 M	\$1.56	\$1.38	\$0.86	\$0.67	\$0.19	\$0.19	\$0.19	\$0.14	\$0.00	<b>\$4.9 M</b>
<b>Scenario 2 - Close WSRU at MCC</b>	\$0.82 M	\$2.82	\$3.18	\$3.89	\$3.85	\$3.59	\$2.85	\$0.99	\$0.50	\$0.21	<b>\$18.8 M</b>
<b>Scenario 3 - Close Main Institution at WSP</b>	(\$2.85) M	(\$4.64)	(\$6.55)	\$4.59	\$16.75	\$31.58	\$25.31	\$9.50	\$8.21	\$4.85	<b>\$64.1 M</b>

Source: BERK

<sup>9</sup> See appendix for calculations of cost per bed by institution and housing unit.

## ALTERNATIVE USES

It is difficult to find alternative uses for correctional facilities. Furthermore, it is not recommended that any DOC property be fully vacated and disposed of. Consequently, any alternative use would have to be fully compatible with an adjacent correctional use.

Any alternative use that is not correctional in nature would require new occupancy permits and modification to buildings as required by the new occupancy type. Changes of this magnitude would require the buildings be brought up to all modern code requirements. Under these circumstances, with buildings as old as the ones at Monroe and Walla Walla, it is generally cheaper to demolish and replace buildings rather than upgrade them.

Each closure option also has limitations, particularly those for McNeil Island and Monroe. As noted above (“Why Isn’t Full Closure of McNeil Island and Option?”), the deed conveying the island to the State of Washington explicitly requires the property be used as a correctional facility in perpetuity or else revert to the federal government. At Monroe, even if the reformatory is closed for purposes of housing inmates, the hospital and kitchen would still be in operation. The entire Reformatory property is, in effect, within the boundaries of a minimum security facility. Finally, the financial advantages of the options for Monroe and Walla Walla include large capital cost avoidance. Continued use of these facilities would require additional capital expense.

### Renting Beds

Many correctional agencies – federal, state and local – contract for beds from other jurisdictions or private operators. DOC contracts for space in county jails to house offenders who violate terms of their community supervision. DOC also rents prison beds in other states and is expected to continue to do so, at least for close custody inmates, for some years. On the other hand, DOC doesn’t need to rent medium security beds because it has surplus capacity at that security level.

Since it has surplus capacity, couldn’t DOC go into the business of renting prison bed? DOC has, in fact, rented beds to the federal government and other jurisdictions in the past. Keeping facilities open by renting them to other jurisdictions would save jobs and eliminate adverse economic impacts to local communities.

The major closure options discussed here save substantial dollars by nature of their size and through downgrading the security level of the institutions. Offsetting those savings would require renting more than 700 medium security beds for any of the three scenarios. If fewer beds are rented, the cost per bed increases dramatically because the living unit and, more importantly, everywhere outside the living unit, must be staffed for medium security.

There is a competitive national market for renting prison beds and renting beds must be justifiable on a financial basis. DOC currently rents close custody beds from the Corrections Corporation of America (CCA) for \$68.24 a day. This is less than \$25,000 per inmate per year. DOC cannot breakeven at this price point.

With a federal court order to reduce prison population in California by 40,000, the demand for prison rental beds may soon become dramatically larger. A larger demand could drive up prices. On the other hand, California has been paying bills to vendors with IOUs lately. We recommend caution before going down this path.

In conclusion, renting prison beds appears to be the only possible alternative use for closed DOC facilities. However, unless a large customer with cash emerges, we believe it is unlikely that DOC can rent enough beds at a high enough rate to make financial sense.

# THE EFFECTS OF CLOSURE

## THE EFFECT OF CLOSURE ON EMPLOYEES

This section is a summary of findings described in detail in Appendix 2 to this report.

There are two important issues to understand as we examine the effect of each scenario on DOC employees: (1) how employees are categorized and (2) the process by which employees may continue employment with DOC.

### Employee Job Classifications and Categories

The project team estimated the changes in FTEs by state job class for each closure or downsizing component of each scenario. While estimated changes for every job class are included in the appendix, three summary job class categories were created for more streamlined discussion here. Each of these categories includes multiple positions, classes, and series. The categories are:

- *Custody*: Custody employees fall under four specific job classes: Captain, Lieutenant, Sergeant, and Correctional Officer.
- *Non Custody*: Employees in this category provide a number of services, including administration, business functions, offender programs, and facility maintenance.
- *Healthcare*: Healthcare employees provide inmates with medical, dental, and mental health services. This category includes healthcare professionals (such as nurses, mental health counselors, and dental hygienists) as well as management and administrative support for healthcare activities.

It should be noted that correctional Industry (CI) employees are not included in this analysis because there is no change in CI employment due to the scenarios studied.

### All Scenarios Result in Layoffs of DOC Employees

In the DOC scenarios studied employees and employment opportunities are affected in different ways. While employment increases at some locations, on balance, there are net job losses. The following changes occur:

- Elimination of FTEs as a result of partial facility closure
- Elimination of FTEs as a result of a full facility closure
- Creation of new FTEs at institutions as a result of relocating inmates from a downsized or closed facility

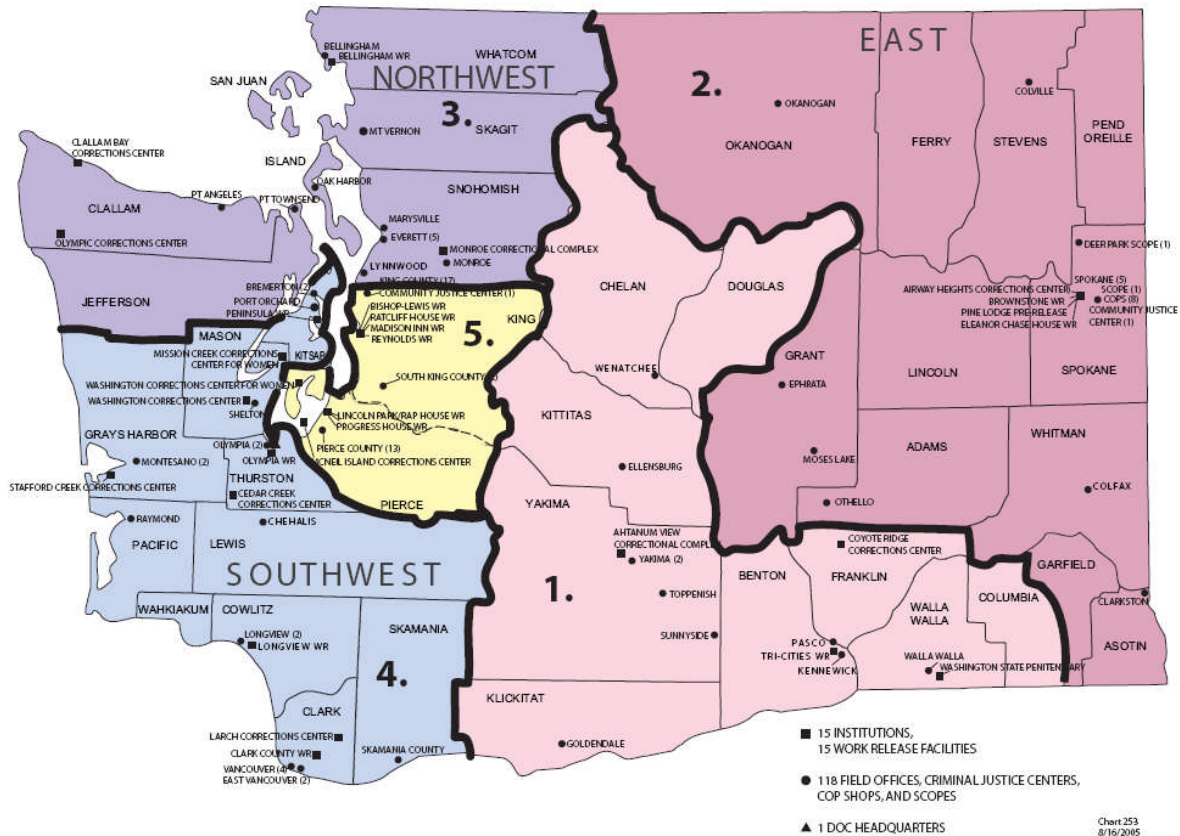
### The Formal Option Process

Closures of DOC facilities will result in a reduction in positions and employee layoffs. By civil service rules and union agreements, these employees have different options available to them for continued employment within DOC. This section presents an overview of the types of processes used for continued employment opportunities.

Under the State layoff process the State is under obligation to find and offer employment opportunities for permanent employees laid off in a facility closure or downsizing. This is called the **formal option process**. In this process, permanent employees being laid are offered a comparable position for which they have the required job skills within a designated “layoff unit.” A layoff unit is the geographic boundary used for determining available positions. There are three tiers of layoff units:

- *County:* Employees are first considered for positions for which they are eligible in their current county of employment.
- *Region:* If there are no eligible positions in the county, the process extends to a regional level. These regions are defined by the agency and are illustrated in Exhibit 24.
- *State:* If there are no eligible positions in the region, the process then extends statewide.

**Exhibit 24: DOC Regions**



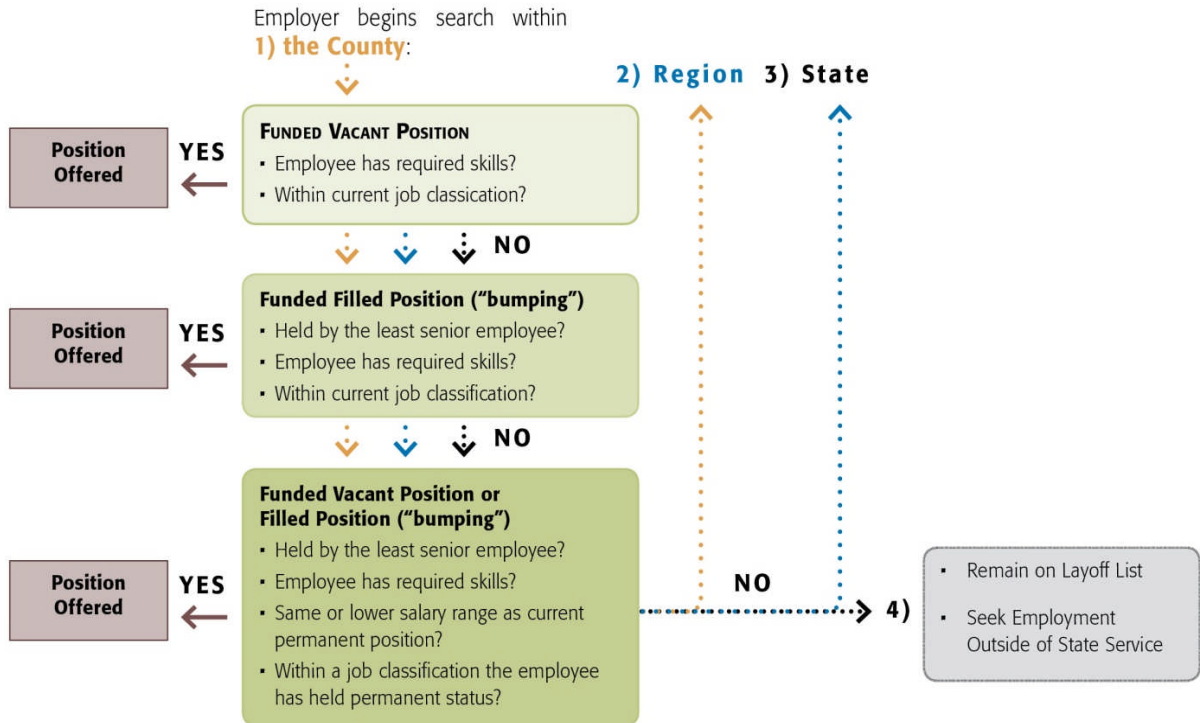
Within each successive layoff unit (first county, then regional, then statewide), employees are considered for the following types of positions in the following order:

- A funded vacant position in the same job class
- A funded position in the same job class that is currently filled by a more junior employee
- A funded vacant or filled position in a job class held by the employee in the past

This process is illustrated in Exhibit 25 and described in the Technical Appendix to this report.

## Exhibit 25: The Formal Option Process

**Layoff Unit:** Geographic boundary used for determining available positions



### A Note about DOC Facilities and Divisions

DOC operates 15 State prisons in Washington. Employment options through the processes described below may be offered at any of these facilities. In addition, permanent employees may also be offered employment at DOC Headquarters, in the DOC's Community Corrections Division (which supervises offenders in the community), or in work release facilities across the State. Community Corrections is comprised of six regions: (1) King County, (2) Pierce County, (3) East Section 1, (4) East Section 2, (5) the Northwest Region, and (6) the Southwest Region. There is, however, little overlap in the job classes employed at state prisons and the job classes employed at Headquarters and Community Corrections; employees most likely to receive employment options at Headquarters or Community Corrections generally serve in non-custody roles.

### Summary of Employee Impacts

The numbers of FTEs reduced and created under Scenarios 1, 2, and 3 – as well as the net change in FTE count – are summarized in the following table.

**Table 10: Summary of Changes in FTE Counts, FY11 and FY 12**

Scenario	DOC Staff Reduced at Closed and Down-sized Facilities	Demand for Staffing Created Elsewhere <sup>10</sup>	Net Change in DOC FTE Count, FY09 to FY12
<b>Scenario 1:</b> - Downsize MICC - Close AVCC - Downsize LCC	-357.8 FTE	67.2 FTE	-290.6 FTE
<b>Scenario 2:</b> - Close WSRU at MCC - Close AVCC	-268.3FTE	57.5 FTE	-210.8 FTE
<b>Scenario 3:</b> - Close MI at WSP - Close AVCC - Downsize LCC	-317.6 FTE	67.2 FTE	-250.4 FTE

As Table 10 demonstrates, over the first two years, Scenario 1 causes the largest number of FTE reductions and results in the largest net reduction of staff. Scenario 2 has the fewest employee impacts over the same period. While employment under Scenario 1 increases in later years at McNeil Island, this increase is sufficiently delayed so there would be no benefit to staff laid off during the first two years of scenario implementation.

Exhibit 26, on the following page, summarizes employment options for laid off employees within and outside of DOC and highlights the following key findings:

- Under all three scenarios, laid off staff who cannot “bump” into a position at the institution being downsized would most likely have to relocate if they were to stay employed by DOC. Some exceptions might occur with Scenario 1 where more senior staff might be able to obtain employment at the Washington Corrections Center for Women. At Ahtanum View, where the entire facility is closed, relocation (or a very long commute) is probably the only option.
- Very laid off employees will be eligible for newly created positions at the regional level. These instances include: Washington State Penitentiary employees eligible for Coyote Ridge Corrections Center positions (Scenario 3), Ahtanum View Corrections Center employees eligible for positions created at Coyote Ridge (Scenarios 1, 2, and 3), and Larch Corrections Center employees eligible for positions at the Washington Corrections Center (Scenarios 1 and 3).
- At the statewide level, vacant positions will be scarce because of system-wide reductions. Opportunities to bump more junior employees will depend upon seniority, work history, and skill set. Almost all such options would require relocation and would likely result in the displacement of more junior staff.

In terms of employment outside of DOC, employees at McNeil Island (Scenario 1) and Monroe (Scenario 2) have relatively easier access to large job markets. Employees at the Washington

<sup>10</sup> It is projected that additional staff will be needed at Coyote Ridge, the Washington Corrections Center, and the Monroe Correctional Complex during FY11 and FY12. See Exhibit 16.

State Penitentiary (Scenario 3), Ahtanum View Corrections Center (Scenarios 1, 2, and 3), and the Larch Corrections Center (Scenarios 1 and 2), are more likely to have to accept long commutes or relocation to find employment outside of DOC.

### Exhibit 26: Summary of Employment Options

Scenario & FTE Reductions (FY11-12)	Within DOC		Outside DOC
	Newly Created Positions	"Bumping" Opportunities	
<p><b>Scenario 1:</b>                      - Downsize MICC                      - Close AVCC                      - Downsize LCC                        357.8 FTE reduced</p>	<p><i>Coyote Ridge Corrections Center</i> (35.2 FTE)  <i>Monroe Correctional Complex</i> (12.9 FTE)  <i>Washington Corrections Center</i> (22.3 FTE)                        All newly created positions are farther than reasonable commutes from closing/downsizing facilities (most are 100 to 200 miles away), other than WCC, which is approx. 40 miles from MICC (Steilacoom)</p>	<p>MICC staff may receive options at WSP or CRCC, both requiring relocation and possibly bumping more junior staff.                        AVCC staff may be offered options to new positions at WSP or CRCC, or may bump less senior employees at these facilities. Either would require relocation and CRCC would likely be undesirable because the employee would lose union seniority in the "post and bid" process                      LCC staff may receive options at a number of facilities, including for new positions at WCC. Relocation would be required and options other than new positions at WCC may displace junior staff.</p>	<p>MICC employees have relatively easy access to large job markets in the Olympia/Tumwater/Lacey area as well as Tacoma (15 miles) and Seattle (45 miles)                        AVCC staff seeking employment outside of DOC will be challenged by the region's relatively higher unemployment and the lack of large employment centers within easy commuting range                        LCC employees may need to drive 30-40 miles to access larger job markets; the area has relatively higher levels of unemployment</p>
<p><b>Scenario 2:</b>                      - Close WSRU at MCC                      - Close AVCC                        268.3FTE reduced</p>	<p><i>Coyote Ridge Corrections Center</i> (35.2 FTE)  <i>Washington Corrections Center</i> (22.3 FTE)                        All newly created positions are farther than reasonable commutes from closing/downsizing facilities (100-200 miles)</p>	<p>More senior MCC staff may receive options at Clallam Bay or Olympic Corrections Centers, requiring relocation and, in the case of filled positions, displacing more junior staff.                        See Scenario 1, above, for AVCC</p>	<p>MCC employees have access to Everett, the Eastside, and Seattle within 30 miles of driving                        See Scenario 1, above, for AVCC</p>
<p><b>Scenario 3:</b>                      - Close MI at WSP                      - Close AVCC                      - Downsize LCC                        317.6 FTE reduced</p>	<p><i>Coyote Ridge Corrections Center</i> (35.2 FTE)  <i>Monroe Correctional Complex</i> (12.9 FTE)  <i>Washington Corrections Center</i> (22.3 FTE)                        All newly created positions are farther than reasonable commutes from closing/downsizing facilities (80-335 miles)</p>	<p>Senior WSP employees would be eligible for new positions created at CRCC, and others may fill vacant positions or bump more junior staff. Acceptance of an option at CRCC would require relocation.                        See Scenario 1, above, for AVCC and LCC</p>	<p>WSP employees have relatively fewer nearby options than other DOC employees: the region has relatively higher unemployment and outside of Walla Walla itself, large job markets are reached only with a considerable drive                        See Scenario 1, above, for AVCC and LCC</p>

## THE EFFECT OF CLOSURE ON THE HOST COMMUNITY

This section is a summary of findings described in detail in Appendix 2 to this report.

### Purpose

Significant downsizing and/or closures of state facilities would have economic and fiscal impacts on the local communities that are home to these facilities. The primary impacts would be a result of lost employment, lost purchases of goods and services within the community, and the loss of taxes paid to the host jurisdiction.

As a result of shifting the populations from closed or downsized facilities to other locations, “receiving communities” will experience some positive economic and fiscal impacts from increased employment, additional purchases of goods and services, and increased tax revenue to the host jurisdiction. Because the State is considering making these changes in an effort to improve efficiency and ultimately decrease spending, one would expect the increased expenditures (and impacts) in the receiving communities to not fully offset the losses in the communities where facilities are closed or downsized.

The purpose of this analysis, which is represented in more detail in the accompanying Technical Appendix, is to:

- Estimate the direct, indirect, and induced economic impacts on the local region from the changes in employment and purchases of goods and services for communities either losing or gaining economic activity associated with the studied facilities
- Estimate the fiscal impacts (change in tax revenue) to the local jurisdictions losing economic activity associated with the studied facilities

### Methodology and Limitations

An assessment of **economic impacts** concerns itself with effects on patterns of commerce. *What shift in economic activity (business activity, income, or wages) can be attributed to a given action or investment?* An economic impact is characterized by a net new change in economic activity, that is, economic activity that would otherwise not occur.

Our goal in this analysis is to estimate 1) the full impact on the regional economy of the change in economic activity if a facility were closed or downsized, and 2) the full impact of additional economic activity in receiving communities.

IMPLAN (short for IMpact Analysis for PLANning) software was used for this analysis. IMPLAN is an input/output model that uses county-level data to trace the ripple effects (direct, indirect, and induced effects) of an expenditure that occurs within the economy.

One of the limitations of this analysis is that it is performed as a snapshot in time. It compares the impacts of a facility’s current expenditures with the likely impacts under a contemplated scenario. Although many of the scenarios discussed in this report transition over a period of time, for the economic analysis we have chosen a future point in which the changes are anticipated to have

been completed and the facility's operations are relatively static. All dollars used in this portion of the analysis are 2009 dollars.

Another important issue to note is that these analyses describe the economic impacts to the local *region*, not the local *jurisdiction*, because the facility may draw employees, goods, and services from the larger area. *The impacts to the local jurisdiction may be much greater relative to its local economy than that shown for the larger region.* In some of the scenarios analyzed in this report, employees and residents of a facility are assumed to move to other locations within the same study region, minimizing the economic impacts shown in our analysis. However, they may be moving outside of the local jurisdiction, which can have significant impacts to that local community. The ripple effects from the loss of employees and residents at the facilities can have a profound impact in particular on cities of smaller size. If employees and residents relocate, the indirect and induced effects from the lost spending of wages and facility purchases can be devastating on a small local economy. The importance of this issue as it pertains in particular to smaller communities that currently host facilities being considered for downsizing or closure should not be underestimated by the reader.

**Reading the Economic Impact Tables.** Each economic impact discussion in this report includes a table showing the results of the analysis similar to the one shown in Table 11 below. The information highlighted in gray comes directly from the facilities or work done by the project team for this study. The remainder of the table, in white, is a result of the analysis done with IMPLAN. The title of each table contains the region analyzed for that facility.

The table begins on the left with the expenditure categories. The second column shows expected change in facility expenditures due to the system changes being considered in the scenario. The third column shows the estimated *direct impacts* to economic output resulting from these expenditures (or reduction of expenditures), i.e. those dollars spent by the facility that are assumed to be local to the study region. The multiplier in the next column accounts for the *indirect and induced impacts* and is used to estimate the *total impacts* to economic output in the study area. The estimated number of jobs supported within the community by these expenditures is shown in the sixth column, followed by impacts on labor income. Estimated jobs in the Facility Salaries/Benefits category (and School District category for the JRA analysis) include the actual number of FTEs to be laid off and/or gained at a facility plus induced jobs resulting from the change in household spending (there are no indirect jobs in this spending category since there is no industry purchase occurring in the economy here, only wages being spent).

**Table 11: Example of the Annual Economic Impact Tables Used in this Report**

Expenditure Categories	Annual Reduction in Expenditures	Output Direct Impact	Output Multiplier	Output Total Impact	Total Community Job Loss	Total Labor Income Lost
Food	\$ 244,463	\$ 68,278	1.55	\$ 106,028	1.2	\$ 46,940
Goods	\$ 848,033	\$ 214,265	1.54	\$ 329,601	3.9	\$ 145,061
Services	\$ 825,046	\$ 462,603	1.65	\$ 761,155	9.4	\$ 332,078
Utilities	\$ 215,436	\$ 215,436	1.67	\$ 359,276	2.0	\$ 120,049
Salaries/Benefits	\$ 7,476,080	\$ 7,476,080	1.48	\$ 11,077,502	166.8	\$ 7,932,450
Capital (Annual Avg)	\$ 676,320	\$ 676,320	1.61	\$ 1,088,864	7.8	\$ 453,172
<b>Total</b>	<b>\$ 10,285,379</b>	<b>\$ 9,112,983</b>	<b>1.51</b>	<b>\$ 13,722,427</b>	<b>191.1</b>	<b>\$ 9,029,749</b>

**Fiscal Impacts:** In addition to the impacts on the local and regional economy, the downsizing and/or closure of state facilities will have a direct impact on the host jurisdiction's finances. The

Technical Appendix of this report discusses each of the following potential revenue sources in more detail: utility and sales taxes, State shared revenues (including Motor Vehicle Fuel Tax, Liquor Board Profits and Excise Tax, and Criminal Justice Revues), Criminal Justice Sales Tax, and Public Safety Sales Tax.

With the exception of the Gas Tax, the revenues discussed above are generally part of each city’s General Fund. To give a sense of the impact of lost revenues we have shown the portion of total General Fund revenues estimated to be lost through closure or downsizing of each facility. It is important to note that each facility studied in this report has a unique relationship with the jurisdiction in which it is located. In many cases the facilities function as an integral part of the local community and there is a mutually beneficial relationship that exists. Throughout the discussion of impacts to the communities we have tried to characterize some of the ways in which the facilities interact with their local communities. However, these relationships are complex and varied and the scope of this analysis does not capture the full extent of the interaction and mutual reliance between each facility and its community

Summary of Economic Impacts

Table 12 summarizes the estimated annual loss of economic activity in the local communities affected by facility closures or downsizing in the three scenarios. This table takes into account both direct job loss from facility closure or downsizing as well as induced job loss due to the effect such a change has on the local economy. Detailed descriptions may be found in the appendix to this report.

In instances in which a facility closure or downsizing results in the transfer of inmates to a facility not listed below, the *positive* economic impacts of this transfer have not been calculated. These impacts would occur because of the increased staffing and spending needed to support the increase in the local prison population.

**Table 12: Summary & Comparison of Annual Estimated Economic Impacts  
All Scenarios**

Scenario/Area Definition	Output Total Impact	Total Community Job Change	Total Labor Income Change
Scenario 1 – Downsize MICC King, Kitsap, Mason, Pierce & Thurston	\$ (27,193,730)	(354)	\$ (18,369,474)
Scenario 2 – Close WSRU at Monroe King & Snohomish	\$ (27,554,993)	(318)	\$ (16,266,532)
Scenario 3 – Close MI at WSP Walla Walla (1 <sup>st</sup> 4 years)	\$ (14,103,564)	(237)	\$ (12,501,675)
Walla Walla (after 4 years)	\$ (21,322,511)	(302)	\$ (15,162,675)
Scenarios 1, 2, 3 – Close AVCC Kittitas & Yakima	\$ (12,947,578)	(139)	\$ (8,592,289)
Scenarios 1 & 3 – Downsize LCC Clark	\$ (2,899,213)	(45)	\$ (1,999,130)

Losses in total economic output are similar for the downsizing of McNeil Island Corrections Center and the closure of Washington State Reformatory Unit at Monroe. The initial impact of Scenario 3 on Walla Walla is reduced by the positive effect of new construction associated with this scenario. The impact on Walla Walla County increases once construction is completed.

Even though the job loss and other indicators are less in Walla Walla County when compared to the other major closure/downsizing options, because the local economy is small, loss of 302 jobs represents an increase in county unemployment of 1.1 percent. For Pierce and Snohomish Counties, the increase in unemployment is less than 1/10 of 1 percent. Even this exaggerates the impact of Scenarios 1 and 2 because the regional economy extends beyond the county line for both of these scenarios.

Because Ahtanum View and Larch Corrections Centers are smaller facilities, the impacts of changes to these facilities are also smaller. The closure of Ahtanum View would cause an estimated total economic output loss of approximately \$13 million annually and the reduction of 139 jobs within the study area. The downsizing of Larch Corrections Center would cause an estimated loss in total economic output of approximately \$3 million annually and a reduction of 45 jobs within the study area. The annual impacts from changes at Larch Corrections Center would be seen for six years in Scenario 1 and three years in Scenario 3.

Summary of Fiscal Impacts

Table 13 shows the comparison of the estimated revenue loss to each jurisdiction’s operating funds for all facility options included in the three scenarios.

**Table 13: Summary and Comparison of Estimated Annual Fiscal Impacts  
All Scenarios**

	Estimated Reduction in Revenue	Percent of General Fund
Scenario 1 – Pierce County	\$57,100	0.02%
Scenario 2 – City of Monroe	\$118,600	1.10%
Scenario 3 – City of Walla Walla	\$112,700	0.40%

The City of Monroe is estimated to see the greatest loss in revenue from the downsizing of MCC with an impact of approximately 1.4% on its General Fund. The fiscal impacts to Pierce County and the City of Walla Walla are small, with Walla Walla (the larger of the two) experiencing a General Fund impact estimated at approximately half of one percent.

## **PROGRAMMATIC IMPACTS**

### Downsize the McNeil Island Corrections Center

One of the major concerns expressed by staff regarding the potential closure of the McNeil Island Corrections Center is preservation of the mental health program. The McNeil Island Corrections Center has a unique program in that mentally ill inmates can progress from maximum security all the way to work release. Mental health staff members are in direct contact with the staff of the Rap/Lincoln work release facility that specializes in mental health offender re-entry services.

It should be noted that the mental health staffing is preserved in the closure scenarios for McNeil Island Corrections Center. This way, if the facility is down-sized, the program can remain. It should also be mentioned that the McNeil Island Corrections Center has a long standing relationship with the University of Washington nursing program and currently has two doctoral level interns: One in Pharmacy and one in mental health. Although these programs could be transferred, they took years to develop.

The McNeil Island Corrections Center also supports a number of other correctional facilities. For example, it provides healthcare and dental services for the Rap/Lincoln work release and provides pharmacy services for the Washington Correction Center for Women. It also serves as back-up for suicide prevention of inmates from the Washington Correction Center in Shelton.

### Close the Washington State Reformatory Unit at Monroe

The Monroe Correctional Complex has an active and positive association with the community. This are nearly a thousand volunteers who work at the complex, a unique program called the University Behind Bars, and the Matthew House. The latter is an apartment where families of inmates can stay while visiting an inmate. Matthew House has also developed a transportation service for families to visit inmates around the entire state of Washington.

Although there would be no reason that these services would not continue at the other facilities within the complex, the volunteer representatives we spoke with mentioned that the proximity to Seattle is what makes these programs possible. For example, the Monroe Correctional Complex has the ability to draw from large universities where professors are willing to donate teaching time, from groups in Seattle such as the Black Prisoners Caucus that requires inmates involved in the program to “hold each other accountable as active parents”, and for the ability to connect with teachers of children of inmates in the Seattle School District. If hundreds of inmates were transferred from Monroe, they would lose these services and volunteers who have developed personal relationships with specific inmates might stop coming to Monroe.

Other qualitative issues that were expressed in a community meeting in Monroe include concerns about the impact on the local school district and children of inmates who attend school there, the belief among many that the quality of volunteer programs makes the community safer through reduced recidivism, and the fact that the community has already been hit hard by the economic down-turn. It is believed that the further loss of quality local jobs would likely cause additional businesses to close.

### Close the Main Institution at Washington State Penitentiary

The Washington State Penitentiary currently has the full range of security levels. Closing the Main Institution would temporarily eliminate all medium security beds and produce a gap between close and minimum security. This would require that inmates transfer when they reach medium security. This is contrary to a department initiative expressed by the Prisons Director which is to reduce the number of transfers throughout the system. It costs less and is more family friendly if an offender does not move during his/her incarceration. In some cases, it means their children do not have to change schools. Staff also expressed the belief that having medium security beds on site is an incentive for close custody inmates to behave properly and worked towards the lower security levels.

Closure of the Main Institution would also adversely affect the education program and the employees who work there.

### Close the Ahtanum View Corrections Center

The programmatic issues facing the closure of the Ahtanum View Corrections Center are primarily focused on the quality of life of the inmates. The Ahtanum View Corrections Center has an environment unlike any other in DOC. It is more like a geriatric nursing environment than a typical prison environment. This is likely due to the fact that, with the exception of the 30 healthy inmate workers that support the facility, the Ahtanum View Corrections Center's entire inmate population is somewhat medically fragile. If the program is transferred to Monroe, the Ahtanum View inmates, while they would have their own living unit and separate outdoor area, would share the compound with the general population. They would also utilize the infirmary at Washington State Reformatory Unit where there are inmates of all security levels and criminal sophistication.

The Ahtanum View staff interacts with these medically fragile inmates in ways not seen at other correctional facilities. For example, inmates with Alzheimer's disease are able to move within the building. This would not be the case if they could wander to areas where there are general population inmates. In another environment they might need to be confined to their rooms more often. Also, almost every inmate at Ahtanum View is considered capable of working. One example seen when visiting the facility was a mentally challenged inmate whose job is to clean doorknobs all day. This reduces idleness, promotes daily functioning and probably contributes to the hygiene of the facility.

The Ahtanum View Corrections Center also has a strong component of community volunteers that are interested in this specialized population. Although the Monroe Correctional Complex also has a huge contingency of volunteers, a program for this specific population will need to be developed.

# CONCLUSIONS AND RECOMMENDATIONS

## CONCLUSIONS

Significant savings from facility closure or downsizing only occur if an entire institution, or major component thereof, can be closed. Major savings also accrue if the security level of an institution is downgraded. The options considered in this study do both.

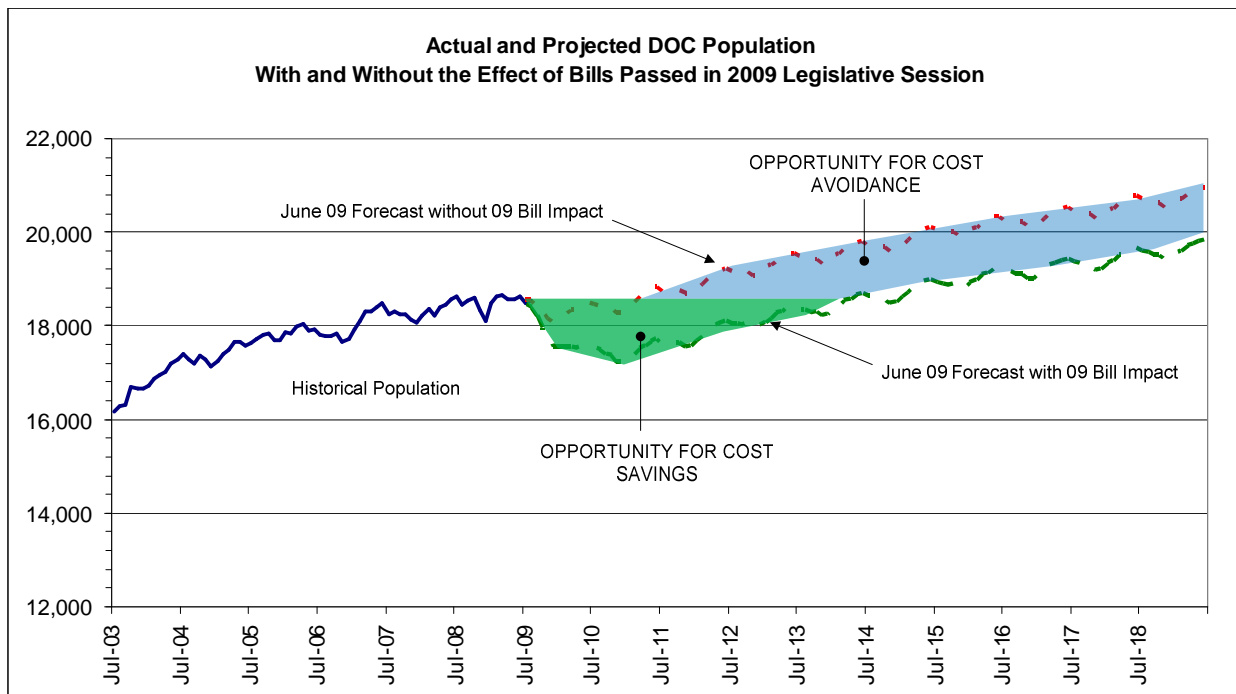
The opportunities for eliminating beds are mainly found at medium security. DOC cannot reduce beds at higher security levels and will, within a short period of time, need additional close security beds. DOC has already closed beds for female offenders. There are no additional opportunities for closing female prison beds.

We do not recommend complete closure of the McNeil Island Corrections Center. The presence of the Special Commitment Center on the island makes this an undesirable alternative.

### Cost Savings are Temporary – Cost Avoidance Permanent

By reducing the need for prison beds, a window of opportunity is created during which real cost savings are possible. Over time that window closes. After that, the number of offenders in prison remains lower than it otherwise would have been – thereby permanently reducing future costs.

**Exhibit 27**



### All Major Options Save at Least \$12,000,000 in Operating Costs per Year

After the first year, all of the scenarios save at least \$12,000,000 per year. First year savings are less because full closure is not realized immediately. Second year savings range from

approximately \$18 million for Scenario 2 (primary action: close the Reformatory Unit at Monroe) to \$22 million for Scenario 1 (primary action: downsize the McNeil Island Corrections Center). At nearly \$20 million, second year savings for Scenario 3 (primary action: close the Main Institution at the Penitentiary) are between those for Scenarios 1 and 2.

Eliminating 1,580 DOC Beds

As of the date of this report, DOC has already closed 267 beds. This includes 187 at the Pine Lodge Corrections Center for Women and 80 reception beds at the Washington Corrections Center.

The projected decrease in prison population is smaller than anticipated when ESHB was passed. Population reduction bills in the last legislative session are projected to reduce the population by about 1,100. While significant bed reductions and dollar savings are possible, without a further decrease in prison population it is not possible to close 1,580 beds at this time.

The following table summarizes what the three scenarios are able to accomplish. It is important to note that, other than the beds associated with closing Athanum View and moving its program to Monroe, none of the minimum security beds are permanently closed. Under Scenario 1, medium security beds are eventually reopened at McNeil Island. Because Scenarios 2 and 3 permanently close medium security beds, both of these options require additional construction of medium security beds by 2018. While none of the major options can be done simultaneously, they could be done sequentially.

**Table 14: Eliminating 1,580 Adult Corrections Beds**

	Scenario 1 Downsize MICC	Scenario 2 Close WSRU at MCC	Scenario 3 Close MI at WSP
Beds Closed by DOC since the legislation passed			
Close Unit 2 at Pine Lodge	187	187	187
Close R-2 at WCC	80	80	80
Impact of Evaluated Options			
Close medium security beds	481	772	648
Close minimum security beds	240	0	240
Impact of Athanum View Closure			
Close AVCC	120	120	120
Reduce capacity at MCC-MSU	54	54	54
Subtotal	1,162	1,213	1,329
Additional steps dependent upon policy changes (See Recommendation 3, below)	456	480	324
Total	1,618	1,693	1,653

The estimated impact of the bills not passed in the last legislative session is 452 beds. Additional steps to eliminate DOC beds can be taken if these, or similar, population reduction measures are adopted in the future.

### Long-Term Capital Savings are Significant for Some Options

The options to close the Washington State Reformatory Unit at Monroe and, especially, the Main Institution at Penitentiary, result in avoidance of significant capital dollars that otherwise would have to be spent to maintain outdated structures that have long outlived their expected useful life. For example, in current (undiscounted) dollars, the 10-year net capital savings under Scenario 2 is nearly \$25 million while the savings for Scenario 3 is more than \$77 million.

### With Some Options it Takes Money to Save Money

If a large number of medium security beds are permanently closed – as would be the case with both the Monroe and Walla Walla options – all medium security beds (including the new Coyote Ridge Corrections Center) will be full by 2018. Under both of these scenarios it would be necessary to build a new 256 bed medium security unit for occupancy in 2018. In today’s dollars, this is estimated to cost approximately \$18 million. This amount nearly offsets the projected capital cost savings from closing the Reformatory Unit at Monroe.

### Summary of Savings over Ten Years

Table 15 summarizes the finding of the financial analysis. As can be seen from this table, Scenario 3 generates the greatest savings in FTEs, operating costs, and capital costs.

**Table 15: Summary of 10 Year FTE, Operating, and Capital Budget Savings by Scenario**

	Scenario 1	Scenario 2	Scenario 3
Staff Years Eliminated (10 year total)	2,259	2,741	2,855
Operating Budget Savings (10 year total)			
Current Dollars	\$137,700,000	\$169,000,000	\$173,900,000
Net Present Value	\$73,500,000	\$84,200,000	\$97,100,000
Capital Budget Savings (10 year total)			
Current Dollars	\$9,705,000	\$24,787,000	\$77,221,000
Net Present Value	\$4,900,000	\$18,800,000	\$64,100,000

It is also possible to sequence Scenarios 1 and 3. If this were done, construction required for Scenario 3 could be completed prior to closing the Main Institution at the Penitentiary. In addition, reopening McNeil Island as a medium security institution would occur sooner (and faster) than would otherwise be the case. Accelerated reopening of McNeil Island also shortens the time one living unit at Larch Corrections Center is closed from six years to five years. While the financial savings of sequencing Scenarios 1 and 3 are only a little more than under Scenario 3 by itself, there are other advantages.

The first advantage of sequencing Scenarios 1 and 3 is the effects of closing the Main Institution at the Washington State Penitentiary are delayed. While essentially the same number of employees would be laid off, delayed closure could coincide with opening new close and medium security beds in the West Complex and reopening most of the McNeil Island Corrections Center – thereby increasing opportunities for continued employment by DOC employees. Similarly, the effect of layoffs on the Walla Walla economy would be delayed and, because of employment

generated by construction at the Penitentiary, there would actually be an increase in local economic activity for the first four years.

A second advantage to sequencing Scenarios 1 and 3 is there would never be a time when the Penitentiary was without medium security beds. The ability to house all custody levels at the Penitentiary has important programmatic and management advantages to DOC.

While we did not evaluate the life cycle costs of sequencing Scenarios 1 and 3, we can estimate the operating and capital cost savings in current dollars. Table 16 summarizes the savings associated with this strategy.

**Table 16: 10-Year FTE, Operating, and Capital Budget Savings Sequencing of Scenarios 1 and 3**

	Sequencing of Scenarios 1 & 3
Staff Years Eliminated	3,124
Operating Budget Savings (current dollars)	-\$180,426,000
Capital Budget Savings (current dollars)	-\$79,918,000

Effect on DOC Employees

Under the State layoff process permanent employees being laid are offered a comparable position for which they have the required job skills within a designated “layoff unit.” There are three tiers of layoff units: the county, region, and state.

Under all three scenarios, laid off staff who cannot “bump” into a position at the institution being downsized would most likely have to relocate if they were to stay employed by DOC. Some exceptions might occur with Scenario 1 where more senior staff might be able to obtain employment at the Washington Corrections Center for Women. At Ahtanum View, where the entire facility is closed, relocation (or a very long commute) is probably the only option. The number of staff who would have to relocate due to closing the Main Institution at the Penitentiary would be somewhat less if Scenarios 1 and 3 are sequenced and closure is delayed until construction of additional close security beds at the Penitentiary is completed.

Very few laid off employees will be eligible for newly created positions at the regional level. Some laid off employee at the Washington State Penitentiary or Ahtanum View could be eligible for Coyote Ridge Corrections Center positions. Some employees at the Larch Corrections Center could be eligible for positions at the Washington Corrections Center.

At the statewide level, vacant positions will be scarce because of system-wide reductions. Opportunities to bump more junior employees will depend upon seniority, work history, and skill set. Almost all such options would require relocation and would likely result in the displacement of more junior staff.

In terms of employment outside of DOC, employees at McNeil Island (Scenario 1) and Monroe (Scenario 2) have relatively easier access to large job markets. Employees at the Washington State Penitentiary (Scenario 3), Ahtanum View Corrections Center (Scenarios 1, 2, and 3), and

the Larch Corrections Center (Scenarios 1 and 2), are more likely to have to accept long commutes or relocation to find employment outside of DOC.

### Effect on Host Communities

The economic effects on the host community of the major closure/downsizing options are similar. Direct and induced local job loss range from 302 in Walla Walla County to 354 in the areas affected by downsizing of the McNeil Island Corrections Center. Smaller job losses and associated economic effects would occur in relation to closure of the Ahtanum View Corrections Center or downsizing of the Larch Corrections Center. However, because the Walla Walla economy is so much smaller than the economies potentially affected by downsizing the McNeil Island Corrections Center or closing the Washington State Reformatory Unit at Monroe, the impact would be much greater. In the case of Walla Walla County, losing 302 jobs means an increase in unemployment of more than one percent. Loss of 354 jobs associated with downsizing the McNeil Island facility would increase regional unemployment by approximately 2/100<sup>th</sup> of one percent. A similarly small impact would be felt if the Reformatory Unit at Monroe is closed.

If closing the Main Institution at the Penitentiary is delayed until construction associated with this option is completed, there would be a four year increase in employment in Walla Walla County.

### **RECOMMENDATIONS**

Completion of the community impact analysis has caused us to modify the recommendations of the draft report to include an option to sequence Scenarios 1 and 3. Our final recommendations are as follows:

1. Our first recommendation depends on the availability of capital dollars and the priorities of the executive and legislature. We recommend:
  - a. If capital dollars are not available to make the necessary improvements at the Washington State Penitentiary it is recommended that Scenario 1 be implemented.<sup>11</sup> This scenario includes downsizing the McNeil Island Corrections Center, closing the Ahtanum View Corrections Center, relocating the Ahtanum View program to Monroe, and a six year closure of one living unit at the Larch Corrections Center.

In current dollars, this alternative would save the state approximately \$138 million in operating costs, and a little less than \$10 million in capital expenditures, over ten years.

- b. If capital funds are available for a new medium security housing unit, West Complex kitchen expansion, and close security housing unit at the Washington State Penitentiary, it is recommended that Scenarios 1 and 3 be implemented sequentially. Under this strategy, the Main Institution at the Penitentiary would continue operation as a medium security facility until construction of the elements listed above was completed. After that, most of the McNeil Island Corrections Center would be reopened as medium security and the Main Institution at the Penitentiary would close. In current dollars, the cost of these three projects is estimated to be approximately \$41,000,000. Not all capital dollars would be

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<sup>11</sup> Approximately \$18.8 million for close security housing at the Penitentiary is needed even if none of the scenarios are implemented.

needed immediately – it would be possible to begin with an appropriation for design, engineering and site work and follow with a larger appropriation for the remainder of the project.

This alternative achieves the greatest savings. In current dollars it is estimated that sequential implementation of Scenarios 1 and 3 would save the state over \$180 million in operating cost, and nearly \$80 million in capital expenditures, over ten years.

- c. If for some reason it is decided that Scenario 1 should not be implemented, it is recommended that Scenario 3 be implemented. This scenario includes the temporary downsizing of the Main Institution at the Penitentiary, closing the Ahtanum View Corrections Center, relocating the Ahtanum View program to Monroe, and a two year closure of one living unit at the Larch Corrections Center.

In current dollars, this alternative would save the state approximately \$174 million in operating costs, and \$77 million in capital expenditures, over ten years.

- 2. Additional recommendations are necessary in order to reach the legislative mandate to close 1,580 adult corrections beds. We want to strongly emphasize that – absent policy changes – the following recommendations are not feasible.

With Scenario	Rent Out of State Close Custody Beds	Take Action to Reduce Minimum Custody Population
1 – Downsize MICC	WSP – close two BAR <sup>12</sup> Units (216 beds)	LCC - close second living unit (240 beds)
2 – Close WSRU at MCC		LCC – close facility (480 beds)
3 – Close MI at WSP	WSP – close three BAR Units (324 beds)	No further action needed

The BAR Units (Adams, Baker, Rainier) at the Washington State Penitentiary are the most expensive close security beds in the state. On a per inmate basis, they cost approximately twice as much as DOC currently pays for out of state beds. A significant complication in closing these units is that they primarily house mentally ill and protective custody inmates. Vendors who rent prison beds will not take inmates with significant mental health issues. Consequently, in order to close these units it would be necessary to identify other close custody inmates who could be sent out of state and rearrange how close security living units are used so that one to two 198-bed living units in the West Complex could be used by the inmates currently occupying the BAR units.

- 3. We recommend that a highest and best use study be conducted to determine the future of the Washington State Reformatory and the Main Institution at the Washington State Penitentiary. This study should include an architectural, engineering, and programmatic evaluation of all buildings within the walls at both institutions to determine which, if any, should be preserved for future use. A long-term plan for additional development of the Monroe Correctional Complex and the Penitentiary Complex should be included in the high and best use study.

<sup>12</sup> The BAR Units are Adams, Baker and Rainier in the South Complex at WSP



# IMPLEMENTATION PLAN

This implementation plan assumes that the caseload forecast for adult corrections inmates remains reasonably accurate for the years covered by this implementation plan. It further assumes that capital dollars are available for required construction at the Washington State Penitentiary and that there are no impediments to downsizing the McNeil Island Corrections Center.

## **FY 2010**

1. Request and obtain funds for design, engineering, and site work for construction of 256 medium security beds, 198 close security beds, and expansion of the West Complex kitchen at the Washington State Penitentiary. For maximum savings, consultant selection and all subsequent work should be fast tracked.
2. Hire and train staff and open a fourth living unit at Coyote Ridge in spring 2010 as planned.
3. Prepare half of one minimum security housing unit at the Monroe Correctional Complex to receive disabled and medically fragile inmates from Ahtanum View Corrections Center.
4. Double cell 100% of the reception beds in R4, R5, R6 at the Washington Corrections Center

## **FY 2011**

5. Hire and train staff and open a fifth living unit at Coyote Ridge no later than the end of calendar year 2010.
6. Relocate all McNeil Island medium custody/MI3 inmates to Coyote Ridge and other vacant medium security beds throughout the system. This will require used of most emergency beds as well as all funded medium security operational capacity.
7. Move 256 minimum security inmates to a living unit at McNeil Island. Relocate minimum custody inmates as necessary and close one living unit at the Larch Corrections Center.
8. Move Ahtanum View inmates to the converted living unit at Monroe.
9. Close the Ahtanum View Corrections Center. Move the Ahtanum View Work Release into the vacated corrections center building. Close the old work release facility.
10. Begin site work at the Washington State Penitentiary
11. Request and obtain funds for construction of projects at the Penitentiary. Bid projects and begin construction when site work is completed.

## **FY 2012**

12. Hire and train staff and open a sixth living unit at Coyote Ridge
13. Reopen R2 at the Washington Corrections Center
14. Increase out of state rental beds for close custody inmates as necessary
15. Continue construction at the Washington State Penitentiary

## **FY 2013**

16. Hire and train staff and open a seventh living unit at Coyote Ridge
17. If necessary, temporarily house excess minimum custody inmates in MI3 beds
18. Increase out of state rental beds for close custody inmates as necessary
19. Continue construction at the Washington State Penitentiary

## **FY 2014**

20. Complete construction at the Washington State Penitentiary
21. Open 198 close security beds at the Penitentiary and return all out of state close custody inmates

**FY 2015**

22. Open 256 medium security beds Coyote Ridge Corrections Center
23. Reopen 512 medium security beds, and 44 IMU beds, at McNeil Island
24. Open 256 medium security beds at the Penitentiary. Move all medium custody inmates out of the Main Institution at the Penitentiary to the new medium security living unit and other available beds in the system.
25. Close the Main Institution at the Penitentiary

**FY 2016**

26. Reopen 240 minimum security beds at the Larch Corrections Center
27. Open 100 minimum security beds at the Coyote Ridge Corrections Center Camp
28. Move 256 minimum security inmates from McNeil Island to Larch Corrections Center and other available minimum security beds; reopen MICC unit as medium security

**FY 2017**

29. Open 100 minimum security beds at the Coyote Ridge Corrections Center Camp

**FY 2018**

30. Open remaining beds at McNeil Island as medium security

Throughout this period it will likely be necessary to increase jail rental beds for violators from time to time. Additional work release beds may be needed towards the end of the decade.