



# Department of Justice

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**STATEMENT FOR THE RECORD**

**OF**

**CHARLES E. SAMUELS, JR.  
DIRECTOR  
FEDERAL BUREAU OF PRISONS**

**BEFORE THE**

**COMMITTEE ON THE JUDICIARY  
UNITED STATES SENATE**

**ENTITLED**

**“RISING PRISON COSTS: RESTRICTING BUDGETS AND  
CRIME PREVENTION OPTIONS”**

**AUGUST 1, 2012**

**Statement for the Record  
Charles E. Samuels, Jr.  
Director  
Federal Bureau of Prisons  
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**Committee on the Judiciary  
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**“Rising Prison Costs: Restricting Budgets and Crime Prevention Options”  
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**Overview**

The Federal Bureau of Prisons (Bureau) is committed to the dual mission of keeping offenders confined in prisons that are safe, secure and humane, and providing opportunities for prisoners to prepare themselves for a productive life when they return to the community. The agency has had great success on both fronts, measured by key indicators such as escapes, disturbances, the rates of assaults and homicides, and rates of recidivism (significantly lower than the rates for large states, as reported by the Bureau of Justice Statistics).

From the agency’s inception in 1930 until 1980, the number of federal inmates remained fairly stable. But in the 1980s, with the enactment of new drug legislation and other changes, the number of inmates (and staff and facilities) increased exponentially (from 24,640 inmates in 1980 to over 218,000 today). Additionally, the types of offenders in Federal custody have changed, with the majority of new admissions being drug offenders (followed by weapons offenders and now immigration offenders) as opposed to bank robbers and white collar offenders.

Even during this time of tremendous growth, the Bureau has continued to focus on both aspects of its mission – security and reentry – by developing and later enhancing a state-of-the-art drug treatment program, expanding Federal Prison Industries (FPI), creating a residential faith-based program, and many others. At the same time, the Bureau developed and validated the first objective risk assessment classification system, constructed a “supermax” facility, and introduced many sophisticated technologies and inmate management procedures to enhance safety and security.

Prison crowding remains a significant challenge for the Bureau, and the inmate population continues to grow. While the rate is somewhat less than was seen in the late 1990s and early 2000s, on average the prison population has grown by 6,400 inmates each year from 2001 to 2010 (the equivalent of about four prisons).

In the past, the Bureau has faced numerous fiscal challenges caused by the rapidly growing prison population and increasingly overcrowded conditions. In response, the Bureau

implemented a number of initiatives to streamline operations, centralize and automate functions, and reduce management positions. The cost savings initiatives implemented by the Bureau have enabled it to operate more efficiently and remain within total funding levels through fiscal year (FY) 2007. In FY 2008, BOP required supplemental funds to maintain basic operations. Since that time, BOP has been able to manage to operate within funding levels provided. The Bureau operates with an average daily cost per offender (\$77.49) that is slightly less than the average for the states (\$79.84) (American Corrections Association 2011 Directory of Adult and Juvenile Corrections). But with increasing populations, the overall Bureau budget continues to rise. The FY 2012 enacted budget was \$6.64 billion dollars, and this increase is directly tied to the increasing number of federal prisoners.

Prisons are essential to public safety. They must be safe and secure, and we must maintain our capacity to imprison those who commit crimes. The collective challenge is to figure out how to control prison spending without compromising public safety or programs that are proven to lower crime rates and recidivism. Our ability to increase the productivity of public safety spending of all kinds will largely determine whether we build on the reductions in crime that we've experienced since the early 1990s, or whether we see setbacks.

### **The Federal Inmate Population**

The Bureau is the Nation's largest corrections system with responsibility for incarcerating more than 218,000 inmates. The Bureau confines over 176,000 inmates in 117 facilities with a total rated capacity of 128,236, with the remaining 41,000 managed in contract care consisting primarily of privately operated prisons. Drug offenders comprise the largest single offender group admitted to Federal prison and sentences for drug offenses are much longer than those for most other offense categories.

Over 45 percent of the inmate population housed in Bureau facilities is confined in medium and high security facilities – at the medium security level about 66 percent of the inmates are drug or weapon offenders, approximately 76 percent have a history of violence, 42 percent have been sanctioned for violating prison rules, and half of the inmates in this population have sentences in excess of 8 years. At the high security level, more than 70 percent of the inmates are drug offenders, weapons offenders, or robbers, another 10 percent have been convicted of murder, aggravated assault, or kidnapping, and half of the inmates in this population have sentences in excess of 12 years. Moreover, approximately 70 percent of high security inmates have been sanctioned for violating prison rules, and more than 90 percent have a history of violence. One out of every six inmates at high security institutions is gang affiliated.

### **Institution Crowding**

Crowding is one of the most significant issues facing the Bureau today. As noted earlier, the Bureau confines over 176,000 inmates in Bureau-operated facilities with a total rated capacity of just 128,800 beds. The Bureau has managed overcrowding by double and triple bunking inmates throughout the system, or housing them in space not originally designed for inmate housing, such as television rooms, open bays, program space, etc. Crowding also strains facilities' infrastructure like water, sewage, and power systems.

The Bureau relies on multiple approaches to house the increasing federal inmate population, such as contracting with the private sector and state and local facilities for low-security inmates; expanding existing institutions where infrastructure permits, and it is programmatically appropriate and cost effective to do so; and acquiring, constructing, and activating new facilities as funding permits. In light of overcrowding and stresses on prison staffing, the Bureau's ability to safely manage the increasing federal inmate population is one of the Department's top ten management and performance challenges identified by the Office of the Inspector General in the Department's Performance and Accountability Report, stating "In sum, the Department continues to face difficult challenges in providing adequate prison and detention space for the increasing prisoner and detainee populations and in maintaining the safety and security of prisons."

In the past, we have been able to take a variety of steps to mitigate some of the effects of crowding in our facilities. For example, we have improved the architectural design of our newer facilities and have taken advantage of improved technologies in security measures such as perimeter security systems, surveillance cameras, and equipment to monitor communications. These technologies support Bureau employees' ability to provide inmates the supervision they need in order to maintain security and safety in our institutions. We have also enhanced population management and inmate supervision strategies in areas such as classification and designation, intelligence gathering, gang management, use of preemptive lockdowns, and controlled movement.

The inmate-to-staff ratio is an important factor in maintaining institution safety. In 2005, the Bureau performed a rigorous analysis of the effects of crowding and staffing on inmate rates of violence. Data were used from all low-security, medium-security, and high-security Bureau facilities for male inmates for the period July 1996 through December 2004. We accounted for a variety of factors known to influence the rate of violence and, in this way, were able to isolate and review the impact that crowding and the inmate-to-staff ratio had on serious assaults. This study found that increases in both the inmate-to-staff ratio and the rate of crowding at an institution (the number of inmates relative to the institution's rated capacity) are related to increases in the rate of serious inmate assaults.<sup>1</sup> The analysis revealed that an increase of one inmate in an institution's inmate-to-custody-staff ratio increases the prison's annual serious assault rate by approximately 4.5 per 5,000 inmates. This demonstrates through empirical research that there is a direct relationship between crowding, staffing, and institution safety.

### **FY 2013 Budget Request**

The President's FY 2013 Budget request for the Bureau is \$6.820 billion for the Salaries and Expenses (S&E) account. The S&E base budget incorporates increases in costs for inmate medical care, food, utilities, and existing contract beds. With respect to the Bureau's methods for cost estimation, the Government Accountability Office (GAO) released report GAO-10-94 in November 2009 and concluded that the Bureau's methods for cost estimation largely reflect best practices as outlined in GAO's *Cost Estimating and Assessment Guide*.

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<sup>1</sup> Federal Bureau of Prisons (2010). The Effects of Changing Crowding on Inmate Violence and Administrative Remedies Granted. Office of Research and Evaluation, Federal Bureau of Prisons, Washington, DC.

For FY 2013, a net increase of \$23.4 million in program changes is proposed. The request includes \$81.4 million in program enhancements to begin the activation process for two institutions, the United States Penitentiary (USP) at Yazoo City, Mississippi and the Federal Correctional Institution (FCI) at Hazelton, West Virginia, and to acquire 1,000 private contract beds.

The Administration has proposed legislation that would provide inmates with enhanced incentives for good behavior and for participation in programming that is proven to reduce the likelihood of recidivism. The first proposal increases good conduct time credit availability by seven days per year for each year of the sentence imposed. This would result in a reduction, within a year, of approximately 4,000 federal inmates in custody, yielding significant savings of taxpayer dollars. If enacted before FY 2013, this proposal could result in a significant cost avoidance of up to \$41 million. The second proposal creates a new sentence reduction credit that inmates could earn for successful participation in recidivism-reducing programs, such as FPI, education, and occupational/vocational training. We cannot estimate the number of inmates who will choose to participate in these programs. However, we can assume this proposal would reduce the future anticipated growth in the inmate population, thereby reducing long-term costs.

For FY 2013, a total of \$99.2 million is requested for the B&F appropriation. Additionally, a rescission of \$75 million in prior years' New Construction unobligated balances is proposed. With the continued and future projected inmate growth and age of existing prisons, the Bureau continues to allocate Modernization and Repair (M&R) funds primarily for emergencies as major infrastructure and life safety systems begin to fail and to address a limited number of high priority major projects, annually. Approximately one-third of the Bureau's 117 institutions are 50 years or older. The aging and failing infrastructure at these locations exacerbates our challenges in maintaining our Federal prisons.

### **Inmate Reentry**

It is our philosophy that "reentry begins on the day of incarceration," and we work with inmates to address identified skill deficiencies and weaknesses, provide appropriate treatment programs and assist with preparation for reintegration. Over the past few years we have made great strides in enhancing collaboration both within and outside our agency to ensure we are providing offenders the best opportunities for success once back in the community.

Almost all federal inmates will be released back to the community at some point. Each year, over 45,000 federal inmates return to our communities. Most need job skills, vocational training, education, counseling, and other assistance such as drug abuse treatment, anger management, and parenting skills if they are to successfully reenter society. Federal prisons offer a variety of inmate programs to address reentry needs, including work, education, vocational training, substance abuse treatment, observance of faith and religion, psychological services and counseling, release preparation, and other programs that impart essential life skills. We also provide other structured activities designed to teach inmates productive ways to use their time.

Rigorous research has found that inmates who participate in FPI are 24 percent less likely to recidivate; inmates who participate in vocational or occupational training are 33 percent less

likely to recidivate; inmates who participate in education programs are 16 percent less likely to recidivate; and inmates who complete the residential drug abuse treatment program are 16 percent less likely to recidivate and 15 percent less likely to relapse to drug use within 3 years after release.<sup>2</sup>

In 2001, the Washington State Institute for Public Policy evaluated the costs and benefits of a variety of correctional, skills-building programs. The study examined program costs; the benefit of reducing recidivism by lowering costs for arrest, conviction, incarceration, and supervision; and the benefit by avoiding crime victimization. The study was based on validated evaluations of crime prevention programs, including the Bureau's assessment of our industrial work and vocational training programs (the Post Release Employment Project study) and our evaluation of the Residential Drug Abuse Treatment program (the TRIAD study). The "benefit" is the dollar value of criminal justice system and victim costs avoided by reducing recidivism, and the "cost" is the funding required to operate the correctional program. The benefit-to-cost ratio of residential drug abuse treatment is as much as \$2.69 for each dollar invested in the program; for adult basic education, the benefit is as much as \$5.65; for correctional industries, the benefit is as much as \$6.23; and for vocational training, the benefit is as much as \$7.13. The study clearly indicates these inmate programs result in significant cost savings through reduced recidivism, and their expansion is important to public safety.<sup>3</sup>

### **Federal Prison Industries**

FPI directly supports the mission of the Bureau by increasing the likelihood of inmates successful reentry and by keeping inmates productively occupied, both at no cost to the taxpayer. As noted above, inmates who participate in FPI are significantly less likely to return to a life of crime, less likely to engage in disruptive behavior while in prison, and more likely to be employed upon release as compared to similar inmates who did not participate in the program.

Moreover, FPI positively impacts the US economy through the purchase of raw materials from suppliers around the country and the payment of staff salaries that are spent in the community without additional tax burden to society. Seventy-eight percent of FPI expenditures

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<sup>2</sup> Federal Bureau of Prisons (1985). PREP: Post Release Employment Project Interim Report, Office of Research and Evaluation, Federal Bureau of Prisons, Washington, DC.

Federal Bureau of Prisons (2000). TRIAD Drug Treatment Evaluation Project Final Report of Three-Year Outcomes: Part I, Office of Research and Evaluation, Federal Bureau of Prisons, Washington, DC.

Harer, M. D. (1995). Prison Education Program Participation and Recidivism: A Test of the Normalization Hypothesis. Office of Research and Evaluation, Federal Bureau of Prisons, Washington, DC.

Saylor, W. G. and Gaes, G. G. (1997). PREP: Training Inmates Through Industrial Work Participation and Vocational and Apprenticeship Instruction. *Corrections Management Quarterly*, 1(2).

<sup>3</sup> Aos, Stever, Phipps, P., Bamoski, R., and Lieb, R. (2001). The Comparative Costs and Benefits of Programs to Reduce Crime, Washington State Institute for Public Policy.

during FY 2011 were for the purchase of raw materials, supplies, equipment, and services from private sector businesses. More than 40 percent of FPI's purchases were from small businesses.

By design, FPI's authorizing statute limited the sale of products only to agencies of the Federal Government. As created in the authorizing statute, FPI was given a procurement preference that required Federal agencies to look first to FPI to purchase needed products before considering outside vendors. This preference was necessary because FPI is structured such that it does not have significant marketing and business development capabilities, as compared to large, commercial businesses. Indeed, its primary mission is to provide meaningful work and training opportunities to federal inmates so that they can acquire the necessary knowledge, skills, and work habits which will be required upon their release from prison.

Opposition to this procurement preference—commonly referred to as “mandatory source”—led the Congress to enact legislation over the past ten years that has severely eroded FPI's procurement preference resulting in numerous factory closures and significant declines in inmate employment. As a result of this legislation, FPI now competes for all of its business. Moreover, in order to adequately continue to provide work and training opportunities for inmates, prepare inmates for release to the community, and continue to lower the rate of recidivism, it is critical that FPI be able to expand its potential customer and product base.

While the FY 2012 Commerce Justice Science Appropriations bill provided FPI with two important new marketing authorities – repatriation authority and interstate commerce authority under Prison Industries Enhancement Certification Program – these new authorities alone are not enough to stave off the erosion caused by prior legislative changes.

### **Conclusion**

The Bureau of Prisons prides itself on being a leader in the field of corrections, and rightly so. We have long been viewed as a model for the states in developing treatment modalities, inmate programs, security technology, prison architecture, training programs, and more. We continually strive to gain efficiencies and enhance operations while remaining good stewards of taxpayer dollars.

But the mission of the Bureau of Prisons is challenging – indeed the challenges have never been greater. While there are many facets to our operations, the foundation for it all is safe, secure, orderly institutions, and every staff member in the Bureau is critical to this mission. Through the continuous diligent efforts of our staff who collectively work 24 hours each day, 365 days per year – weekends and holidays – we protect the public. By maintaining high levels of security and ensuring inmates are actively participating in evidenced-based reentry programs, we continue to serve and protect society.