

*Research Framework for a Review of Community Justice in Yukon*  
Community Justice – Financial Resource Management – Costs

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## 1. Key Themes (to be explored)

Costs should not be allowed to drive initiatives and projects involving justice personnel cannot be sustained without specific additional funding, while community organizations need on-going not short-term funding. Calculating the costs and benefits of restorative justice initiatives will present 'formidable conceptual and practical problems'. They should include hidden and direct costs and savings, and some of the benefits may be difficult to quantify, costs will vary with the location and size etc. of projects. Tackling more serious cases may be more cost-effective than less serious ones. Restorative justice projects, especially at the pre-charge stage, will have cost savings but support services must still be maintained.

### **Potential Benefits of Community Justice:**

Offender Healing/Wellness?

- Reducing recidivism?
- Completion of education,
- better parenting skills,
- establish a steady work pattern

Increasing community capacity?

- the empowerment of community individuals,
- an increase in community responsibility to issues,
- maintaining family links

Improving community development ?

- improved holistic health of children,
- a return to traditional ceremony, and
- a decrease in overall violence.
- an increased sense of safety,
- broadening of community resources,

Victim Healing/Wellness/Satisfaction?

- an increased sense of safety,

### **Potential Savings Created by Community Justice**

Reductions in incarceration?

Reductions in probation caseloads?

Address backlog of cases in justice system – hear more serious cases

- Caution is warranted to the extent to which interest in implementing criminal justice reforms is driven by a **cost-reduction formula** can be ascertained.
  - o These reforms will likely require significant additional resources which do not appear to be forthcoming.
  - o The strategy cannot be simply download responsibility for some offenses to the community without also providing sufficient resources to meet additional demands on present service-providers.

Volunteers

Fewer hours

Require less legal representation

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**2. Research Questions <sup>1</sup>**

|  |
|--|
| <b>2.1. Budget</b> - see chapter on “Funding/Budgets”  |
| <b>2.2. Funding</b> - see chapter on “Funding/Budgets”<br><br>How much funding was contributed - by the federal & provincial governments - for the total number of years the community justice was in operation? |
| <b>2.3. Start-Up Costs</b><br><br>What were the start-up costs for the community justice project during the first year of operation?   |

| <b>2.4. Estimated Cost of Community Justice Process Per Participant</b>   |        |            |              |
|---|--------|------------|--------------|
| Key Player (if applicable)  | Action | Time Spent | Dollar Value |
| Community Justice Coordinator   |        |            |              |
| Community Justice Committee Member  |        |            |              |
| Elder   |        |            |              |
| RCMP,   |        |            |              |
| Defense Counsel   |        |            |              |
| Crown Counsel   |        |            |              |
| Court – Judge/JP  |        |            |              |
| Probation Officer   |        |            |              |
| Other   |        |            |              |
| What are the costs and expenditures on a per-participant basis?<br>How do these differ by participant characteristics?<br>What other costs are incurred on behalf of the participant?     |        |            |              |
| Does their involvement in this program create incremental costs in other community or government programs?  |        |            |              |
| Are there long-term costs resulting from a participant's involvement in this program?<br>In what areas are these costs incurred?<br>How much per participant?<br>By participant grouping? |        |            |              |
| <b>2.5. Estimated Benefits of Community Justice Process Realized per Participant</b>  |        |            |              |
| Were any benefits of the community justice process realized for each participant?<br>If so, what were they?<br>If not, what were they?  |        |            |              |

<sup>1</sup> Some questions were adapted from National Crime Prevention Centre, Evaluating community-based crime prevention projects: a checklist of approaches and options, September 1996, <http://www.crime-prevention.org/english/publications/economic/list/index.html#Operations>

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| <b>2.6. Estimated Cost of Justice System per Participant*</b>               |   |                   |             |
|---|---|-------------------|-------------|
| <b>Action Item</b>  | <b>Key Players Involved e.g.</b><br>RCMP, RCMP, Defense Counsel,<br>Correctional Staff, Crown Counsel,<br>Court – Judge and other court staff,<br>Probation Officer, Other? | <b>Time Spent</b> | <b>Cost</b> |
| Apprehension<br>(costs associated with<br>initial complaint<br>confinement) |   |                   |             |
| Investigation, trial<br>preparation, etc.                                   |   |                   |             |
| Initial Court Appearance  |   |                   |             |
| Remand  |   |                   |             |
| Trial<br>(Prosecutor, legal aid,<br>court costs,<br>transportation, etc.)   |   |                   |             |
| Incarceration   |   |                   |             |
| Post Incarceration  |   |                   |             |
| <b>Total</b>  |   |                   |             |

**2.7. Estimated Benefits of Justice System Realized per Participant**

Were any benefits of the community justice process realized for each participant?  
If so, what were they?  
If not, what were they ?

**2.8. Estimated Savings Realized per Participant - Community Justice Process/Justice System**

Were any savings realized per participant by going through the community justice process as opposed to the justice system?  
If so, how much?  
If not, how much?

- Note: the pre-incarceration costs include the expenditures for the investigation of the crime, remand and court/trial.
  - It is difficult to determine an average total for this expenditure, as it depends greatly on many variables.
    - An individual can spend no time in remand (released on bail or own recognizance), or up to two years in remand awaiting trial.
    - The investigation can take one day or three years.
    - The individual could plead guilty immediately, saving the cost of a trial, or could enter a plea of innocence and have a lengthy trial.

### 3. Relevant Documents, Studies and Practices – Yukon

#### 3.1. Restorative Justice in the Yukon – 1999 <sup>2</sup>

- **Cost Savings:** Four (4) communities suggested any cost savings to the government resulting from a community justice project should be re-directed back to the community justice project.

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<sup>2</sup> In December 1998, the Minister of Justice tabled a draft discussion paper on Restorative Justice in the Yukon as part of the government’s goal of fostering safe and healthy communities. To focus the consultation process, the draft Restorative Justice in Yukon paper and information pamphlets highlighted a number of issues and questions dealing with correctional reform, crime prevention, policing policy, victim services and community and aboriginal justice projects. In May-June 1999, the Minister of Justice, the Commanding Officer of the RCMP and members of their staff visited most of the Yukon communities to hear what Yukon people had to say about the future direction for Justice in the Territory. During the months of July-August 1999, the comments heard at the public consultation meetings were included in “Restorative Justice in the Yukon, Community Consultation Report.” Copies of the report were made public.

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**4. Relevant Documents, Studies and Practices – Other Northern Territories**

## 5. Relevant Documents, Studies and Practices – Other Canadian

### 5.1. Survey of Pre-charge Restorative Justice Programs -<sup>3</sup>

*Costs and benefits:* costs should not be allowed to drive initiatives and projects involving justice personnel cannot be sustained without specific additional funding, while community organizations need on-going not short-term funding. Calculating the costs and benefits of restorative justice initiatives will present 'formidable conceptual and practical problems' (Knapp, 1992). They should include hidden and direct costs and savings, and some of the benefits may be difficult to quantify, costs will vary with the location and size etc. of projects. Tackling more serious cases may be more cost-effective than less serious ones. Restorative justice projects, especially at the pre-charge stage, will have cost savings but support services must still be maintained.

### 5.2. Incarceration in Canada<sup>4</sup>

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<sup>3</sup> Shaw, Margaret and Frederick Jané, Department of Sociology & Anthropology, Concordia University, Montréal, Québec, Network for Research on Crime and Justice, Survey of Pre-charge Restorative Justice Programs, <http://qsilver.queensu.ca/rcinet/projects/excsum.htm>

<sup>4</sup> National Crime Prevention Centre, Incarceration in Canada, <http://www.crime-prevention.org/english/>





National Crime Prevention Centre  
Centre national de prévention du crime

## INCARCERATION IN CANADA

This fact sheet provides an overview of incarceration in Canada. The information provided focuses on the growth and costs of the corrections system and the value of alternatives to incarceration.

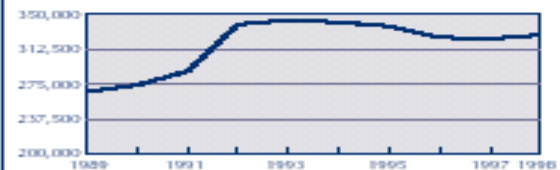
The National Strategy on Community Safety and Crime Prevention is the Government of Canada's \$32 million per year initiative to help Canadians deal with the difficult problems of crime and victimization. The National Strategy launched its second phase in 1998, contributing funding, expertise, knowledge, and tools to support grass-roots, community safety projects across Canada. In its work with communities, the National Strategy has placed a particular emphasis on children, youth, women, and Aboriginal people. The National Strategy reflects the Government's determination to prevent crime before it happens, and thereby reduce the social and economic burden of crime on all Canadians.<sup>1</sup>

### Crime and Incarceration Facts

- 75 percent of Canadians feel that the crime rate is increasing. However, Canada's 1998 crime rate was 8,355 offenders per 100,000 population—a decrease of 5.4 percent from the previous year and the sixth consecutive annual decrease.<sup>2</sup>

- From 1988 to 1998, Canada's annual average prison population rose 24 percent.<sup>3</sup> The increase was particularly significant in the early 1990s but began to level off and decline in the latter years of this period.
- There are 4,900 young people in jail in Canada on any given day—an increase of 26 percent since 1987.<sup>4</sup>
- Aboriginal people account for a disproportionate percentage of the inmate population: less than 2 percent of Canada's adult population is Aboriginal, yet they represent 17 percent of all federal prisoners.<sup>5</sup>
- The annual cost to house an adult male inmate in a federal institution ranges from \$40,000 to \$70,000; for juvenile inmates, the average annual cost is \$100,000. For female inmates the average annual cost is \$108,000.

Total number of admissions to provincial/territorial and federal corrections, 1989 to 1998



CCJS, "Adult Correctional Services in Canada, 1997-98," *Journal* 19 (4), p.3.

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### Who Are We Incarcerating?

The average federal inmate is:

- male (95 percent);
- 33 years of age;
- serving a sentence for robbery;
- serving a 45-month sentence.

The average provincial inmate is:

- male (91 percent);
- 32 years of age;
- serving a sentence for property offence (56 percent of all offences);
- serving a 44-day sentence.

Most prisoners suffer from social disadvantages. In 1998, 37 percent of inmates had an education below the grade 10 level (19 percent for other adult Canadians); 52 percent were unemployed at the time of their offence (versus 10 percent unemployment for other adult Canadians).<sup>6</sup>

Generally, non-violent offenders pose a minimal risk to the public, yet they are incarcerated at enormous public expense. Research on incarceration and recidivism reveals two conclusions:

- prison produces slight increases in recidivism;
- there is a tendency for lower-risk offenders to be negatively affected by the prison experience.<sup>7</sup>

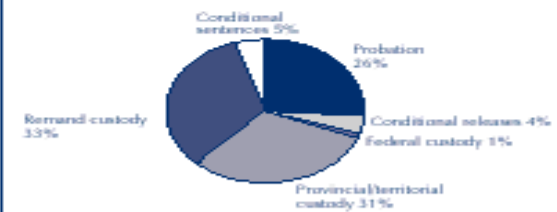
### The Role of Incarceration in Preventing Crime

Imprisonment can play only a limited role in a crime prevention strategy. When restricted to violent offenders, and particularly those who are likely to re-offend, incarceration is necessary and effective. It is an expensive alternative, however, and should be reserved for this profile of offender. Unfortunately, sentences have become longer and incarceration rates have increased (which has resulted in a significant increase in the cost to the taxpayer). It is important to note that while the incarceration rate decreased slightly from 1993 to 1997, it still remains historically high.

### The Overuse of Incarceration in Sentencing

In Canada, the majority of sentences are handed out for non-violent offences. In 1998, the violent crime rate fell by 2 percent—the sixth consecutive year that the rate has declined. In addition, a significant proportion of offences (65 percent), including the most violent ones, occur within the family or involve people known to the offender. Despite some well-publicized cases, random violence from strangers is not as prevalent in Canada as in the United States and other countries.

Adult correctional population, 1997-98



CCJS, "Adult Correctional Services in Canada, 1997-98," *Justicia* 19 (4), p.4.

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Three theories have been put forth in support of incarceration as an effective means of decreasing the crime rate.

- **Individual deterrence:** The prisoner may be deterred by the experience of incarceration and then returned to life in the community at the end of the sentence.
- **General deterrence:** The threat of punishment, especially imprisonment, will prevent people from committing crimes in the first place.
- **Incapacitation:** Crimes can be prevented by removing offenders from society and keeping them in prison.

The first theory has proven to be ineffectual. Over the past 20 years, research has shown the limits of incarceration as an effective individual deterrent. Other sentences, such as a period of supervision in the community under a probation order, can be just as effective as incarceration and, in some cases, more effective.<sup>8</sup>

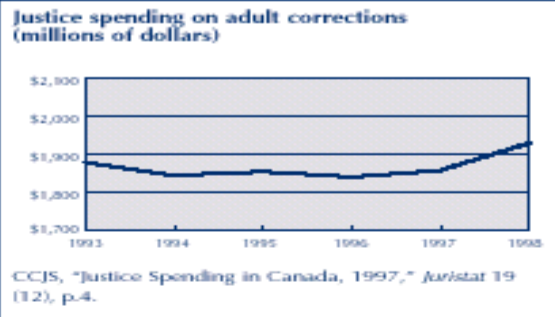
As for general deterrence, it is true that the fear of punishment deters people from committing crimes. Incarceration, however, is an expensive form of punishment. Alternative punishments, such as social sanctions, would likely be as effective in preventing crime (and much cheaper) than building more prisons and incarcerating more offenders.

Incapacitation is the best justification for incarceration. It must be applied selectively, however, because not all offenders re-offend. Imprisoning them all, particularly the non-violent offender, results in a considerable waste of government dollars.

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### The Cost of Incarceration

The annual cost of corrections in Canada is about \$2 billion. While this figure grows each year, spending on other social services has not kept pace. One way to reduce the number of inmates, and alle-



viate the financial burden of corrections, is to invest in the healthy development of children. For example, the Perry Preschool Project, a highly regarded American study of child development, reveals that children born into poverty who attend a day-care program have half as many criminal arrests, are less dependent on welfare, are more likely to complete high school, and have higher earnings than those who do not participate.<sup>9</sup> The study also reveals that taxpayers saved \$7.16 for each dollar invested in the program. The preschool participants absorbed fewer resources because they were less likely to come into contact with the law.

### Effective Correctional Treatment

Research in the field of corrections, particularly in the past 20 years, has demonstrated that appropriate service and treatment directed to the criminogenic needs of offenders reduces the likelihood of recidivism. These criminogenic need factors include substance abuse, unemployment, poor impulse control, sexual deviance, and lack of positive social ties. Although treatment programs and activities that address these deficits are often provided to offenders while they are incarcerated, interventions while in the community are crucial to ensure the safe and effective reintegration of the offender into the community.

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### Alternatives to Incarceration

To reduce costs, a system is required to develop non-prison sentences, while at the same time holding offenders accountable for their actions. In addition to probation and fines, this system would include a wide range of pre-charge and post-charge alternatives such as counselling, conferencing, and programming. Another important step would be to encourage local communities to take responsibility for these alternative measures. These measures would increase victim participation in the justice process, produce significant restitution payments, and facilitate community service work for offenders.

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### The Role of the National Strategy

Canada has a high rate of incarceration compared with other Western industrialized countries. Using social development initiatives, the National Strategy on Community Safety and Crime Prevention works to reduce the incarceration rate by reducing the number of people who come into contact with the judicial system.

Research shows that early childhood experiences often influence later involvement in crime. The National Strategy's community-based projects tackle the root causes of crime, such as family abuse, parental neglect, difficulties in school, and lack of recreational and educational facilities. As a community finds ways to eliminate these root causes, the number of people who will turn to crime and, in turn, the number of people who will end up incarcerated, will decrease.

- 1 In July of 1994, the federal Minister of Justice and the Solicitor General of Canada, in consultation with the provinces and territories, appointed 25 volunteers from a multitude of disciplines to the National Crime Prevention Council. The Council's basic goals were to help governments at all levels co-ordinate their efforts to prevent crime and reduce victimization, and to help communities develop practical solutions for the problems they face in these areas. This fact sheet is a revision of a document originally published by the Council in 1997.
- 2 CCJS, "The Justice Factfinder, 1997," *Juristat* 19 (7), p.1.
- 3 CCJS, "The Justice Factfinder, 1997," *Juristat* 19 (7), p.9.
- 4 CCJS, "Justice Data Factfinder," *Juristat* 16 (9), p.16.
- 5 CCJS, "The Justice Factfinder, 1997" *Juristat* 19 (7), p.9.
- 6 CCJS, "The Justice Factfinder, 1997" *Juristat* 19 (7), p.9.
- 7 Paul Gendreau and Claire Goggin et al., "The Effects of Prison Sentences on Recidivism," *User Report 1999-24* (Ottawa: Solicitor General Canada, 1999) p.1.
- 8 I. Brownlee, "Intensive Probation With Young Adult Offenders," *British Journal of Criminology* 35 (1995), pp.599-612.
- 9 L.J. Schweinhart et al., *Significant Benefits: The High/Scope Perry Preschool Project Study through Age 27* (Ypsilanti, MI: High/Scope, 1993).

### 5.3. Cost-Benefit Analysis of Hollow Water's Community Holistic Circle Healing Process -2001<sup>5</sup>

- Through analysis of the Hollow Water First Nation Community Holistic Circle Healing (CHCH) (program for sexual abuse victims and offenders) process, this research report addresses the question whether changes to justice and corrections in aboriginal communities result in savings to governments.
- According to the report, the healing program has significantly:<sup>6</sup>
  - o reduced alcohol abuse,
  - o improved educational standards, and
  - o increased the number of programs for infants, children and youth in the community.
- The report concludes:
  - o that by investing in Hollow Water's healing program for the past ten years, the federal government and the Province of Manitoba have **saved over \$3 million in justice costs**, and
  - o have contributed in a significant way to economic, cultural and social sustainability for the Hollow Water First Nation.

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<sup>5</sup> Native Counselling Services of Alberta. 2001. A cost-benefit analysis of Hollow Water's Community Holistic Circle Healing process. APC 20 CA (2001). Ottawa, Ontario: Solicitor General of Canada, Aboriginal Corrections Policy Unit.  
<http://www.sgc.gc.ca/epub/abocor/eapc2001/eapc2001.htm>

<sup>6</sup> Solicitor General of Canada, News Release, Federal Government Announces Release Of Report On Healing Program For Victims And Offenders, Ottawa, June 11, 2001, <http://www.sgc.gc.ca/Releases/e20010611.htm>

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- This report shows that community-based healing programs for sexual abuse victims and offenders can bring about real and lasting benefits in terms of greater social, cultural and economic health and well-being for Aboriginal individuals and communities.

**Direct Costs, Benefits And Savings**

| <b>Victimizers</b>                                    |   |
|---|---|
| # of victimizers who participated in the CHCH program | 107 victimizers   |
| Types of victimizer's' crimes                         | primarily sexual offences,<br>range from break and enter to second degree murder. |
| % of CHCH staff time                                  | 60% of their time is spent in victimizer services                                 |
| <b>Victims</b>  |   |
| # of victims involved in the CHCH program             | 400 to 500 victims  |
| % of CHCH staff time                                  | 30% in services to victims and families   |
| <b>Community</b>                                      |   |
| % of CHCH staff time                                  | 10% in community development.   |

| <b>Cost Comparison Assumptions: Mainstream Criminal Justice System -</b> |  |
|--|--|
| % of sentence incarcerated   | average Aboriginal offender spends 60% of his/her sentence incarcerated  |
| Sentence length  | individuals who have participated in the process would have been found guilty and given sentences that are equal to the national average.                    |
| Pre-Incarceration  | all pre-incarceration costs are indicated to be the responsibility of the provincial government and conservatively estimated to be \$19,500.00 per offender. |
| Government Workers   | average cost of government workers   |
| CHCH Community development work  | seen as incomparable to any service available from either the province of Manitoba or the federal government.  |

|   | <b>CHCH Process - Costs</b>   | <b>Government Run Services - Costs</b>  |
|---|---|---|
| # of years in operation   | formally operating for over ten years   | for ten years   |
| \$ contributed by federal & provincial governments per year                       | contributed a combined total of approximately \$240,000 per year (240,000 represents an average income for CHCH; the actual annual income ranges between \$200,000 and \$300,000 for any specific year of operation.) |   |
| Total \$ contributed by federal & provincial governments in 10 years of operation | Estimated total of \$2.4 million  | A conservative estimate would be between \$6,212,732 & \$15,901,885.<br><br>The range in amounts is accounted for by taking the actual inmate costs (low end) and the total operational costs of housing inmates (high end).<br><br>Inmate related costs are reported, which reflect the cost of adding an offender to a prison that exists – extra funds would not be made available for the costs of prison management, but rather those costs that are specific to the individual inmate; inmate |

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|                   | CHCH Process - Costs   | Government Run Services - Costs   |
|-------------------|--|---|
|                   |  | <p>pay, canteen, clothing, food services, cleaning, health care and education.</p> <p>The operational costs are those that incorporate all expenditures in the institution, including management.</p> <p>Neither the inmate related costs nor the operational costs reflect the expense of Regional Head Quarters, nor National Head Quarters administration.</p> |
| Cost not Included | estimates do not take into consideration costs associated with victimizer re-offending nor their victims who would also require additional assistance. |   |

**Estimated Cost of Justice System (Pre-Incarceration)\***

| Item  | Cost            |
|---|-----------------|
| Apprehension<br>(costs associated with initial complaint confinement) | \$1,500         |
| Investigation, trial preparation, etc.                                | 2,000           |
| Initial Court Appearance  | 1,000           |
| Remand  | 3,000           |
| Trial<br>(Prosecutor, legal aid, court costs, transportation, etc.)   | 12,000          |
| <b>Total</b>  | <b>\$19,500</b> |

- Note: the pre-incarceration costs include the expenditures for the investigation of the crime, remand and court/trial.
  - It is difficult to determine an average total for this expenditure, as it depends greatly on many variables.
    - An individual can spend no time in remand (released on bail or own recognizance), or up to two years in remand awaiting trial.
    - The investigation can take one day or three years.
    - The individual could plead guilty immediately, saving the cost of a trial, or could enter a plea of innocence and have a lengthy trial.
    - Given the above variables, an average of \$19,500 is a very conservative estimation.

|                | CHCH Process - Benefits  | Government Run Services - Benefits  |
|----------------|--|---|
| \$ value       | <p>\$1 provincial spent</p> <p>\$1 federal spent</p> <p>\$ 2 combined</p> <p>Clearly, the governments and taxpayers are receiving value for their money.</p> | <p>\$3.75 provincial for pre-incarceration costs, prison and probation costs.</p> <p>between \$2.46 to \$12.15 federal on incarceration and parole costs.</p> <p>community receives well over \$6.21 to \$15.90 worth of services and value-added benefits.</p> |
| Other Benefits | <p>community capacity</p> <p>healing effect of CHCH healing process</p>  |   |

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|            | <b>CHCH Process - Benefits</b>   | <b>Government Run Services - Benefits</b>  |
|------------|--|--|
|            | community development component  |  |
| Recidivism | CHCH has a very low recidivism rate, only 2 clients re-offended during the past 10 years (approximately 2%)  | recidivism rate for sex offenders is approximately 13% and for any form of recidivism the figure rises to approximately 36%. |
| Wellness   | <p>Community members indicated that on a scale of 0 (being the no health or wellness) to 10 (being the fullness of life) that the community was at 0 in 1984-1986.</p> <p>Substantial movement toward health and wellness has occurred. Most of the members in the community view themselves to have moved slightly more than halfway on the scale toward health and wellness.</p> <p>This perception is attributed to the work and effort of CHCH and the integration of its core values into the whole members. The CHCH program is a catalyst for the healing of intergenerational pain that has been borne by the community.</p> |  |

|                           | <b>CHCH Process</b>  | <b>Mainstream Justice System</b>  |
|---------------------------|--|---|
| <b>Pre-Incarceration</b>  | <p>Pre-Sentencing: two (2) years to start the healing process.</p> <p>The first two years are intensive and involve the victimizer, the victim and respective families, and, in this case extended families.</p> |   |
| <b>Incarceration</b>      | After the second year, time spent with the victimizer, on a sliding scale, is reduced almost in half (1/2).  | Sexual assault – medium security – 2-3 years<br>May be extended up to 4 –5 years depending on the seriousness of the case |
| <b>Post Incarceration</b> | It generally takes five (5) years in total to heal the victimizer, and it is just the beginning of healing which is a lifetime journey.  |   |

**Factors and Forces**

- **Colonization:** The most significant of these issues is acknowledged to be colonization.
  - o Community members indicated that the historical colonization of Aboriginal people has led to ingrained dependant behaviour, a distrust/resistance to bureaucracies, intergenerational grief for lost culture/traditions and a fear of the dominant society.

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- Indeed, it has been this process of cultural genocide that is accepted as the basis for individual, family and community dysfunction, as well as the process of breaking the CHCH process "into pieces", consequently blocking their receipt of adequate funding for all that is accomplished through the 13 Step process.
- It is worthy to note that the community of Hollow Water, which as a result of the CHCH healing process has realised significant shifts in overall health and wellness, does not have one legal action filed by a community member as a result of residential school abuse.
- Additional significant issues include:
  - population trends (an increase in the number of youth and therefore youth at risk),
  - an increased migration into the community,
  - inadequate housing,
  - significant substance abuse (and other health issues) and
  - over 70% unemployment.

**Scale of Wellness**

- Community members indicated that on a scale of 0 (being the no health or wellness) to 10 (being the fullness of life) that the community was at 0 in 1984-1986.
  - Substantial movement toward health and wellness has occurred.
  - Most of the members in the community view themselves to have moved slightly more than halfway on the scale toward health and wellness.
  - This perception is attributed to the work and effort of CHCH and the integration of its core values into the whole members.
  - The CHCH program is a catalyst for the healing of intergeneration pain that has been borne by the community.
- **Signs of health and wellness** include:
  - improved holistic health of children,
  - more people completing their education,
  - better parenting skills,
  - the empowerment of community individuals,
  - broadening of community resources,
  - an increase in community responsibility to issues,
  - an increased sense of safety,
  - a return to traditional ceremony, and
  - a decrease in overall violence.
- From these indicators of wellness underlie the community perceptions that "things are getting better".
- They also clearly indicate that through prevention, community training and intervention, the CHCH program has caused a decrease in the amount and type of services the community has required from outside sources.
- In addition, there is every indication that these cost savings will increase exponentially into the future.

Some of the areas of immediate need centered on the following:

- The need for a **spiritual bush camp** directed to youth/families. Results of the interviews indicate that when Native young people come to recognize "who they are", "their place in Creation", "what it means to be Anishnabe", and the meaning of the Seven Sacred Teachings, a change takes place. Pride, and a sense of identity results.
- It is important, if not critical, that funding be appropriated for CHCH to put a young sexual offender **treatment center** into place. The CHCH manager repeatedly points out that continuous calls come in requesting this kind of treatment, and that nothing currently exists in the area to address young sexual offender treatment. Based on the anticipated growing need in the next 10 years, and CHCH's proven track record and acknowledged skills, funding a treatment infrastructure and providing additional training for CHCH workers would seem crucial to Corrections Canada, particularly within the next ten year time span.



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- **A community "vision"** facilitated by a trained, accomplished person is recommended to enable each of the community members to be focussed and to work together in the same direction. This gives the community more power, and action to accomplish a great deal more together. This is especially needed in the area of economic development, and is necessary to avoid a fragmentation of community efforts.
- **Core funding** for a period of at least 3 years at a higher level than is currently received is necessary. This would enable long term planning to be put into effect, enable the hiring of one or two more workers to more deeply focus on youth and on core healing requirements. The workload of CHCH is monumental. Some serious consideration must be given to the workload of these workers, and to additional training needs.
- **Computerization** - for better record keeping is needed. Healers, as a rule, are not interested in records; they're interested in people. However, the CHCH secretary is computer literate and open to new learning. In a participatory way, the project researchers helped CHCH frame out typical offender files, and put other record-keeping aspects into place as a "start". With a little help, teaching and monitoring, effective record keeping can be achieved, simplified and maintained.

**Justice Committee - Workload**

|  | <b>CHCH Process</b>  |
|--|--|
| <b>Caseload to Caseload Ratio - 1 Worker for Every # Victimizers</b>                                     | <p>The current caseload of 115, victimizers, victims and their respective families represents a 1 to 11 ratio among victimizers and</p> <p>a ratio of 1 to 23 with inclusion of victim and family members.</p> <p>In federal prisons, maximum security intensive treatment units, the ratio is one staff member to 1.8 offenders.</p>  |
| <b>Court Responsibilities:</b><br><br><b>Report Submissions</b><br><b>Travel</b><br><i>Court Circuit</i> | <p><i>Report submissions</i> to the Crown Attorney regarding pending charges of offenders by the worker responsible for a given offender; liaison with lawyers and the Crown Attorney during remand prior to sentencing, offender progress reports re: their healing journey and a fully detailed pre-sentencing report.</p> <p>The latter represents the collective work of those who have interacted/worked with the offender, victim, and respective families since disclosure. The report is extensively detailed and takes a considerable amount of time to complete.</p> <p><i>Court travel:</i> 110 trips. Depending on the offense, and age of the client, offenders are escorted to either an Adult Provincial Criminal Court, Youth Court or Family Court. A total of 110 court hearings have been attended in the past year: 91 court hearings in Pine Falls and 19 court hearings in Winnipeg.</p> |
| <b>Probation</b>   | <p>In addition to full responsibilities and a heavy caseload, one CHCH worker handles the Fine Option Program - 26 clients have been seen.</p> <p>In addition, this same worker is involved with the probation program and has seen 81 clients. Her transportation costs generally exceed the limit allotted to workers in order to accommodate the requirements of this responsibility.</p>   |
| <b>Appropriate Dispute Resolution</b>  | <p><b><u>Circle Sentencing</u></b></p> <p>Sentencing circles are held every two years. Eight offenders, 3 youth and</p>  |

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|   | <b>CHCH Process</b>   |
|---|---|
|   | <p>5 adults, were sentenced in August, 2000.</p> <p>Details of CHCH efforts expended for the sentencing circle will be described in the Typical Offender section of this report.</p>  |
| <b>Home Visits</b>  | <p>173 home visits, an essential component of the work, enables clients to continue therapy when unable to attend office sessions.</p> <p>For some, home visits provide a protective, safe client environment.</p>  |
| <b>Community Work:</b><br><br><b>Holiday Events</b><br><b>School Events (graduations)</b><br><b>Sports Events</b><br><br><b>Community Feasts (breakfast, supper)</b><br><br><b>Traditional Ceremonies</b><br><b>Visiting Elders</b> | <p>Although primary focus is on providing a safe and healthy place for children in the community and restoring balance to the victimizer, victim and representative families, CHCH also participates in strengthening the circle within the community through in-community training and participation in various activities. This function also serves to restore balance to the workers.</p> <p>Participation in some of the past year's activities included: Black Island Days, enjoyed by the entire community; Christmas tree/parade; Halloween party, minor hockey, community workshops, graduations, school events, community feasts, Sacred Fire, Traditional Ceremonies, National Child Day, Pancake breakfast and visiting elders.</p> <p>CHCH hosted four activities in the summer of 2000: a community information sharing fair, premiere of the NFB Hollow Water documentary, a community fast, and a circle sentencing in August.</p> <p>Numerous other meetings and circles are held, not only to address specific cases, but also to strengthen community resources.</p> |
| <b>Training</b><br>In-community<br>Outside community  | <p>Requests for information and presentations continue to increase. For a total of 3 full days every month (or 12X per year) the entire staff presents to visitors (Aboriginal communities, justice, students, etc.) who are interested in learning about the process.</p>  |
| <b>Hours of Work</b>  | <p>No set hours exist for CHCH workers. Most are open to receiving telephone calls from community members at any time, day or night, if a need exists. One worker tallied 45 community-related calls to her home in one month. The workers are there for the community.</p>   |
| <b>Overtime/On Call</b>   | <p>On Call - Each of the CHCH and CFS workers rotate the responsibility of being on call for an entire weekend. When on-call, a worker must be readily available in the community to handle emergencies and disclosures. If a disclosure occurs when on call, the worker on duty takes on the responsibility of helping and supporting the victim and victimizer throughout the entire 13 Step process, unless he/she is a family member/relative of the victimizer.</p> <p>Time allotment per worker for on-call responsibility is 3 days or one weekend every seven weeks, or approximately seven times a year.</p> <p>The mandate of CHCH is that no one is turned away when calling for help.</p>   |
| <b>Additional Responsibilities</b>  | <p>Each CHCH worker contributes \$10.00 from their payroll to meet the need of having an extra constable in the area.</p>   |

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- In addition, according to the CHCH year end report, staff responsibilities included: group and individual healing and treatment work, case conferencing, one-on-one counseling, home therapy visits, justice system requirements, public relations and travel, inclusive of:
- a total of 20 new cases: 8 sexual assault, 4 among youths and 4 among adults and 12 family violence, of whom one was a youth offender. 18 charges were laid, 2 are pending.
- There were two cases in which CHCH had no involvement (which means the offenders chose to go through the justice system);
- 143 client circles with after-circle debriefings; staff sharing circles Monday mornings, as required;
- 481 individual (one-on-one) sessions, varying in time from one to four hours, inclusive of counseling, anger management, inner child therapy, sweats and traditional ceremonies;
- 195 case conferences with other agencies and organizations (i.e. RCMP, legal aid lawyers, school personnel, treatment centers, Child and Family Services, probation and parole, HWFN Chief & Council, psychologists, NADAP and the school nurse);
- Treatment groups: each worker facilitates one treatment group per week throughout the year, with the exception of holidays. Seven groups are held weekly from Monday through Thursday and encompass the following: Girls (9-13), Boys (9-13), Family Violence, Drumming/Young Women, Adult Women, Human Sexuality, and Young Men's Group (15-17); and

#### **The Intangible Benefits**

A suitable criteria has not been put into place, nor perhaps can it be, to quantify the threads of value or the parts that comprise the whole.

- **Commitment:** It is very difficult, if not impossible, to adequately place a dollar value on the depth, quality, commitment and sustainability of the healing work achieved in Hollow Water, and the impressive track record CHCH holds.
- **Healing Process:** How does one weigh the intricacies of the healing process, and how much over how long a period of time needs to be achieved to be considered value-added?
- **Wellness:** How does one put a dollar value on a child's smile, the mental, emotional, spiritual and physical components of wellness.
- **Tradition:** Or, how does one put a dollar figure on the power of the Seven Sacred Teachings, the core philosophy around which CHCH operates and brings healing to offenders and to the community.

#### **Quantifiable/Tangible**

- There is, however, a need to attempt to quantify the success of Hollow Water from a cost and savings perspective.
  - Governments, and the public-at-large, are beginning to question the amount of resources going to Aboriginal communities for what some consider to be "soft" projects.
    - Aboriginal communities working in the area of healing and wellness have known for some time that the work they do with victims, offenders and their families is not "soft".
- It is, in fact, very hard both in terms of commitment and emotion. They know that they are keeping members out of provincial and federal justice, corrections and social service systems and they know what it costs to have their members go through those systems.
- Financial aspects of the Hollow Water Community Holistic Circle Healing program (CHCH).
  - More specifically, it examines the cost of operating the program and compares it to what the cost would be if the victimizers were processed through the justice system in a holistic manner.
  - The review included identification of the following:
    - Number of victimizers diverted to the CHCH system;
    - Victimizer crimes and typical incarceration times;

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- Costs incurred in the CHCH and Canadian justice system;
- Cost differences between the two systems;
- Comparison between CHCH costs and other victim and family services; and
- Non-measurable cost advantages of the CHCH or justice system.

**CHCH COSTS**

**Annual Costs:**

The CHCH program is operated as a division, or department, of the Hollow Water First Nation. The band’s annual audited financial statements provide the Statement of Revenue and Expenditures for the CHCH operations. The statement for the year ending March 31, 2000 is reproduced as Schedule A. In summary, the expenditures are outlined in Table A.

**Table A: Expenditures for CHCH Operation**

|                       | 2000               |                                 | 1999               |                                 |
|-----------------------|--------------------|---------------------------------|--------------------|---------------------------------|
|                       | Expenditure Amount | Percentage of Total Expenditure | Expenditure Amount | Percentage of Total Expenditure |
| Salaries and Benefits | \$228,125          | 84%                             | \$251,161          | 85%                             |
| Other                 | \$42,173           | 16%                             | \$45,047           | 15%                             |
| <b>Total</b>          | <b>\$270,298</b>   | <b>100%</b>                     | <b>\$296,208</b>   | <b>100%</b>                     |

As can be seen from the above, staff costs account for over 80% of total expenditures. Most of the other expenses are directly related to staff activities (such as travel). Staff vacancies have reduced costs in both years but more so in the year ending March 31, 2000. The current staff compliment consists of one manager, one office administration position and five counsellors.

A review of the CHCH costs for the previous years indicates similar levels of and types of expenditures. This led to the conclusion that a figure of \$300,000 as an annual cost, would be a representative figure to use when comparing the costs of operating CHCH to the costs that would be incurred by the provincial or federal governments for mainstream services. There is, however, an upward pressure on this and it is difficult to maintain the quality with the grants currently available. In addition to the usual inflationary pressures, CHCH is faced with a client increase each year. CHCH success is in part based on maintaining services and support for victims and victimizers until healing is achieved. Thus, each year more people come into the program but there is not a corresponding departure. The intensity of support to an individual may have an effect on the ability to expand services to youth and to provide help to other communities.

**Funding:**

CHCH received funding, through contribution agreements, from both the federal and provincial governments, with each contributing \$120,000 per year to the project. The funding is project specific and is not ongoing. In addition, the amount contracted has not increased. The normal inflation in costs has been born by additional contributions from the Hollow Water First Nation, by program efficiencies and by using additional community resources (volunteers) to avoid reducing the program. In the year ending March 2000, the band’s direct monetary contribution was \$7,121 and in the

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previous year it was \$14,144 (See Schedule A). The amounts would have been more if CHCH staff vacancies had not reduced the costs in each of the years. In addition, the band provides some in-kind services, such as accounting, to CHCH that further increase their contribution.

CHCH also receives considerable benefit from community resources. Volunteers are trained and assist counsellors in many of their duties. This includes, but is not limited to: driving, suicide watch, participation in circles, and accompanying workers for safety. The community also provides support in other ways such as helping with visitors who come to Hollow Water to learn and train in this restorative justice program.

The integrated nature of CHCH with the band and the community does not allow the calculation of a precise dollar value for the non-monetary contributions. A conservative estimate of 3,500 volunteer hours, at \$10.00<sup>34</sup> per hour, would indicate that at least \$35 000 per year of volunteer time, services and support were provided, that would otherwise be paid staff time.

It is fair to summarize the funding of CHCH as a three-way partnership. The federal and provincial governments provide fixed funding each year as their contribution. Hollow Water First Nation provides any shortfall in funding and volunteer community resources as their part of the partnership.

**Client Statistics**

In order to compare the CHCH costs to costs that would have been incurred by the mainstream systems, it was necessary to determine the number of victimizers that were diverted to CHCH. A complete list of victimizer showing name, date of birth, date charged and offence was prepared by CHCH staff. This list included all victimizers since the program started 10 years ago. The victimizer list was rearranged into male, female and youth victimizers and grouped by type of offence. This information is summarized in Table B, (The detailed victimizer lists are provided as Schedule B1, B2 and B3. Names have been removed to assure confidentiality.)

**Table B: Victimizer Summary**

|  | Male      | Female   | Youth     | Total      |
|--|-----------|----------|-----------|------------|
| Assault <sup>35</sup>                      | 33        | 3        | 5         | 41         |
| Sexual Assault <sup>36</sup>               | 27        | 2        | 8         | 37         |
| Theft and Break and Enter                  | 3         | 0        | 4         | 7          |
| Criminal Loss of Life <sup>37</sup>        | 1         | 2        | 0         | 3          |
| Other Offences <sup>38</sup>               | 4         | 0        | 2         | 6          |
| <b>Subtotal</b>                            | <b>68</b> | <b>7</b> | <b>19</b> | <b>94</b>  |
| Referred from Other Reserves               | 7         | 0        | 0         | 7          |
| Confronted (voluntarily entered treatment) | 6         | 0        | 0         | 6          |
| <b>Total</b>                               | <b>81</b> | <b>7</b> | <b>19</b> | <b>107</b> |

**Table C: Victimizer Statistics (by age at date of charge)**

| Years of Age          | Male      | Female   | Total     |
|-----------------------|-----------|----------|-----------|
| Under 16              | 9         | 1        | 10        |
| Under 18              | 9         | 0        | 9         |
| <b>Subtotal Youth</b> | <b>18</b> | <b>1</b> | <b>19</b> |
| 18 to 20              | 13        | 2        | 15        |
| 21 to 25              | 12        | 3        | 15        |
| 26 to 30              | 18        | 0        | 18        |
| 31 to 40              | 11        | 2        | 13        |

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|                       |           |          |           |
|-----------------------|-----------|----------|-----------|
| 41 to 50              | 9         | 0        | 9         |
| Over 51               | 5         | 0        | 5         |
| <b>Subtotal Adult</b> | <b>68</b> | <b>7</b> | <b>75</b> |
| <b>Total</b>          | <b>86</b> | <b>8</b> | <b>94</b> |

The age of the victimizers was calculated as part of determining what sentences might have been applied if the victimizers had proceeded through the court system.

### Justice System Costs For Victimizers

- The CHCH program can be considered a sentencing diversion program that enables the victimizer to remain in the community, while participating in an intensive healing process that enables the victimizer to be both accountable to the community and have an opportunity for real and sustainable holistic personal change.
  - o Justice system costs were established by determining a cost for each step that a victimizer would go through if not diverted to CHCH.
  - o This included all processes from the first reporting of a suspected crime, through the police work, the trial, incarceration and parole to final release. By far the most significant cost is incarceration.
  - o Since the victimizer pleads guilty in court, this process is an alternative to incarceration as opposed to true diversion, where charges would be stayed or dropped.
- These costs were then applied to the victimizer list and a typical cost determined for each offence.
  - o Two assumptions needed to be made.
    - That if the victimizers did indeed go to trial, that they would be found guilty and further, that their sentence would fall within the national averages shown here.
    - Given national trends in Aboriginal corrections, it is assumed that each federal offender would serve 66% of his total sentence in a federal institution.
- Costs were estimated by referring to national publications on such things as sentencing norms for all the offences identified in the victimizer list and costs of incarceration.
  - o Knowledgeable people were also interviewed by telephone confirming publication data and providing more specific information relative to CHCH.
  - o This included the Hollow Water Constable, staff of CHCH, RCMP officers, prosecutors and defence attorneys, judicial staff, various federal and provincial government officials.
  - o Sufficient information was available to determine reliable cost data of what costs would be if the 107 victimizers cared for by CHCH had gone through the criminal justice process.

Table D.1 details the type of federal offences committed by the adult males victimizers and the corresponding time that is estimated they would have spent in prison and on parole. For purposes of this study, it has been estimated that Aboriginal offenders would spend approximately 66 percent of their sentence in an institution as opposed to 60 percent for non-Aboriginal offenders<sup>29</sup>. Table D.2 uses this information to estimate the costs associated with the total prison and parole years. It should be noted that inmate-related costs are reported, which reflect the cost of adding an offender to a prison that exists - extra funds would not be made available for the costs of prison management, but rather those costs that are specific to the individual inmate; inmate pay, canteen, clothing, food services, cleaning, health care and education. The operational costs are those that incorporate all expenditures in the institution, including management.

Neither the inmate-related costs nor the operational costs reflect the expense of Regional Headquarters, nor National Headquarters administration. If one were to find the actual costs, they would vary from individual to individual, depending on the specific institution used, treatments, and conduct during incarceration and a number of other factors that cannot be determined. Further, costs reported here do not reflect the additional cost of psychological services and specialized sex offender treatment programs, which are acknowledged to be more costly than standard incarceration costs.

Tables D.3 and D.4 detail the type of provincial offences committed by the adult male victimizers, corresponding time that is estimated they would have spent in prison and on probation and an estimation of the cost incurred to the

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Manitoba government. It should be noted that for the provincial (and young offender costs), inmate related versus operation costs were not available, therefore only one cost is reported. The corresponding information for women is in Tables E.1 and E.2 and for young offenders is in Tables F.1 and F.2

In each table, the pre-incarceration costs include the expenditures for the investigation of the crime, remand and court/trial. It is difficult to determine an average total for this expenditure, as it depends greatly on many variables. An individual can spend no time in remand (released on bail or own recognizance), or up to two years in remand awaiting trial. The investigation can take one day or three years. The individual could plead guilty immediately, saving the cost of a trial, or could enter a plea of innocence and have a lengthy trial. Given the above variables, an average of \$19,500 is a very conservative estimation (See details in Schedule C).

**Estimated Costs to the Federal Government:**

**Table D.1: Adult Male Victimizers: Federal Offenders**

| Offences               | # of Offenders | Average Sentence (years) | Average Time Incarcerated (years) | Total Time Incarcerated (years) | Average Time Parole (years) | Total Time Parole (years) |
|------------------------|----------------|--------------------------|-----------------------------------|---------------------------------|-----------------------------|---------------------------|
| Assault                | 33             | 3                        | 1.8                               | 59.4                            | 1.2                         | 27.5                      |
| Sexual Assault         | 27             | 4                        | 2.4                               | 64.8                            | 1.6                         | 43.2                      |
| Manslaughter           | 1              | 8                        | 4.8                               | 4.8                             | 3.2                         | 3.2                       |
| Other Offences         | 4              | 3                        | 1.8                               | 7.2                             | 1.2                         | 4.8                       |
| From Other Communities | 7              | 3                        | 1.8                               | 12.6                            | 1.2                         | 8.4                       |
| <b>Total</b>           | <b>72</b>      |                          |                                   | <b>148.8</b>                    |                             | <b>87.1</b>               |

**Table D.2: Federal Government Cost Estimates Over 10 Years For Adult Male Victimizers**

| Process   | Inmate Related Cost                  | Total Inmate Related Amount | Operational Cost                      | Total Operational Amount |
|---|--------------------------------------|-----------------------------|---------------------------------------|--------------------------|
| Pre-Incarceration Costs (costs assumed by Manitoba) |                                      |                             |                                       |                          |
| Incarceration                                       | 148.8 yrs @ \$7,390/yr <sup>40</sup> | <b>\$1,099,632</b>          | 148.8 yrs @ \$59,661/yr <sup>41</sup> | <b>\$8,877,557</b>       |
| Parole Supervision                                  | 87.1 yrs @ \$13,000/yr <sup>42</sup> | <b>\$1,132,300</b>          | 87.1 yrs @ \$13,000/yr                | <b>\$1,132,300</b>       |
| <b>Total</b>  |                                      | <b>\$2,231,932</b>          |                                       | <b>\$10,009,857</b>      |

**Table D.3: Adult Female Victimizers: Provincial Offenders**

| Offences | Number of Offenders | Average Sentence (years) | Average Time Incarcerated | Total Time Incarcerated | Average Time Parole | Total Time Parole |
|----------|---------------------|--------------------------|---------------------------|-------------------------|---------------------|-------------------|
|          |                     |                          |                           |                         |                     |                   |

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|                               |          |    |         |             |     |             |
|-------------------------------|----------|----|---------|-------------|-----|-------------|
|                               |          |    | (years) | (years)     |     |             |
| Assault                       | 3        | 3  | 1.8     | 5.4         | 1.2 | 3.6         |
| Sexual Assault                | 2        | 4  | 2.4     | 4.8         | 1.6 | 3.2         |
| 2 <sup>nd</sup> Degree Murder | 1        | 10 | 6.0     | 6.0         | 4.0 | 4.0         |
| Failure to Provide Necessity  | 1        | 2  | 1.2     | 1.2         | 1.8 | 1.8         |
| <b>Total</b>                  | <b>7</b> |    |         | <b>17.4</b> |     | <b>12.6</b> |

**Table D.4: Federal Government Cost Estimates Over 10 Years For Female Victimizers**

| Process   | Inmate Related Costs                 | Amount           | Operational Cost                       | Amount             |
|---|--------------------------------------|------------------|--|--------------------|
| Pre-Incarceration Costs (costs assumed by Manitoba) |                                      |                  |  |                    |
| Incarceration                                       | 17.4 yrs. @ \$7,390/yr <sup>43</sup> | \$128,586        | 17.4 yrs. @ \$113,610/yr <sup>44</sup> | \$1,976,814        |
| Parole Supervision                                  | 12.6 yrs @ \$13,000/yr               | \$163,800        | 12.6 yrs. @ \$13,000/yr                | \$163,800          |
| <b>Total</b>  |                                      | <b>\$229,386</b> |  | <b>\$2,140,614</b> |

Estimated Costs to the Provincial Government:

**Table E.1: Male Victimizers: Provincial Offenders**

| Offences                  | Number of Offenders | Average Sentence (years) | Average Time Incarcerated (years) | Total Time Incarcerated (years) | Average Time Probation (years) | Total Time Probation (years) |
|---------------------------|---------------------|--------------------------|-----------------------------------|---------------------------------|--------------------------------|------------------------------|
| Theft and Break and Enter | 3                   | 0.49                     | 0.49 <sup>45</sup>                | 1.47                            | 0                              | 0                            |
| <b>Total</b>              | <b>3</b>            |                          |                                   | <b>1.47</b>                     |                                | <b>0</b>                     |

**Table E.2: Provincial Government Cost Estimates Over 10 Years for Male Victimizers**

| Process  | Cost                                      | Amount             |
|--|---|--------------------|
| Pre-Incarceration Costs. (Includes 72 federally sentenced males) | 75 offenders @ \$19,500/offender          | \$1,462,500        |
| Incarceration  | 1.47 Yrs @ \$32,798.90 / yr <sup>46</sup> | \$48,214           |
| <b>Total</b>   |   | <b>\$1,510,714</b> |

**Table E.3: Provincial Government Cost Estimates Over 10 Years For Female Victimizers Sentenced to Federal Institutions**

| Process   | Cost                   | Amount    |
|---|------------------------|-----------|
| Pre-Incarceration Costs (costs assumed by Manitoba) | 7 offenders @ \$19,500 | \$136,500 |
| Incarceration                                       |                        |           |
| Parole Supervision                                  |                        |           |



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|              |  |                  |
|--------------|--|------------------|
| <b>Total</b> |  | <b>\$136,500</b> |
|--------------|--|------------------|

**Table F.1: Young Offenders: Provincial Offences**

| Offences                     | Number of Offenders | Average Sentence (years) | Average Time Incarcerated (years) | Total Time Incarcerated (years) | Average Time Probation (years) | Total Time Probation (years) |
|------------------------------|---------------------|--------------------------|-----------------------------------|---------------------------------|--------------------------------|------------------------------|
| Assault                      | 5                   | 1.42                     | 0.42 <sup>47</sup>                | 2.1                             | 1 <sup>48</sup>                | 5                            |
| Sexual Assault               | 8                   | 2.42                     | 0.92 <sup>49</sup>                | 7.36                            | 1.5 <sup>50</sup>              | 12                           |
| Theft and Break/Enter        | 4                   | 1.25                     | 0.25 <sup>51</sup>                | 1                               | 1                              | 4                            |
| Other Offences <sup>52</sup> | 2                   | 0                        | 0                                 | 0                               | 0                              | 0                            |
| <b>Total</b>                 | <b>19</b>           |                          |                                   | <b>10.46</b>                    |                                | <b>21</b>                    |

**Table F.2: Provincial Government Cost Estimate Over 10 Years For Young Offenders**

| Process                 | Cost                    | Amount           |
|-------------------------|-------------------------|------------------|
| Pre-Incarceration Costs | 19 offenders @ \$19,500 | <b>\$370,500</b> |
| Incarceration           | 10.6 yrs @ \$46,000/yr  | <b>\$487,600</b> |
| Probation Supervision   | 21 yrs @ \$6,000/yr     | <b>\$126,000</b> |
| <b>Total</b>            |                         | <b>\$984,100</b> |

To summarize, the total estimated amount that the federal government would have spent on the incarceration and supervision of participants in the CHCH program over the past ten years, had they proceeded through the correctional justice system would be a minimum of \$2,461,318. The actual costs probably lie somewhere between the minimal costs of adding a single new inmate in a federal institution and the larger amount of \$12,150,471. Most, if not all, of the 72 adult male victimizers from Hollow Water would be placed in Stony Mountain penitentiary. That number of offenders may have had additional impacts on the operational costs for the institution.

The total amount that would have been spent by Manitoba over the past ten years for pre-incarceration, incarceration and supervision of the participants is estimated as being \$2,631,414.

### **VICTIM AND FAMILY SERVICES**

The second key component of the services provided by CHCH, is the work that is done with the victims of the individuals that are receiving treatment and the families of both the victims and the victimizer. It is this work that promotes individual, family and community healing and wellness, and is a cornerstone of the restorative justice process in the community of Hollow Water. Through their work with those affected by the victimizer's actions, it provides an opportunity for victimizer accountability, counseling for all people affected by the crime and for the community to come to terms with the issue and move forward.

The total of 107 victimizers understates the number of people CHCH deals with and considers their responsibility. For each victimizer, there exists at least one victim and the families of both the victim and the victimizer, which are counseled and supported as a key part of the healing process. Schedule B also shows that some of the victimizers have been convicted of more than one offence, which also increase the number of people (victims and families) involved. It is

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estimated that 400 to 500 people have received support from CHCH but it is more accurate to say the whole community has benefited.

Due to this unique aspect of the program, it is difficult to find another service with which to compare cost value of the service provided. It is however, appropriate to estimate that at least two counselor position person years are spent each year providing family and victim services. It is debatable whether this service is best aligned with the RCMP (victim services) or it is best aligned with family and social services (Child Protection / Welfare). For the purposes of this project, we will assume that it is most comparable to the work provided by the provincial government, through the Department of Child and Family Services. The work that the CHCH staff does is largely counseling, therapeutic and supportive in nature and exceeds that of police-based victim services.

It is estimated that the cost to the government for each position is between \$52,000/year and \$60,000/year, the average being \$56,000/year. If those two counselors did not exist, and the Provincial Government was to provide a reasonably similar service for the community of Hollow Water, it could be argued that it would cost Manitoba \$56,000 per position, for a total of \$112,000 per year. For the ten years of Hollow Water’s existence, the estimated total cost to the Manitoba Government would be approximately \$1,120,000.

**COMMUNITY DEVELOPMENT SERVICES**

The final key component to the CHCH Program is the work that has been done in community development. This includes presentations, workshops, participating in community recreational events, ceremonies and other activities. CHCH members are active in the community and dedicated to strengthening the circle within the community. Again, finding a manner of comparing the cost of participating in the community restoration is very difficult. Some of this work is done through the volunteer efforts of staff, over and above the work that they do with victims, families and victimizers.

There are additional benefits, which are evident from reading earlier chapters in this report, but are unable to be calculated accurately enough to be included. Examples include the benefits of keeping a family together, keeping a child in school, holding a victimizer accountable for his/her actions in the community and providing a community healing process. These can only be evaluated through a long-term study of the Hollow Water community as a whole.

**COMPARISON OF COSTS AND SAVINGS**

As previously mentioned, CHCH has received approximately \$120,000.00 per year from each of the federal and provincial governments, as well as other contributions, to create an average of \$300,000 spent each fiscal year. Through interviews with CHCH staff, and review of program documents, it is estimated that 60% of their time is spent on victimizer treatment, 30% of time is spent with the victims or families, and 10% of time is spent providing services that are oriented towards community development. Using these percentages, a comparison could be drawn between the cost of providing the CHCH services, to the cost of providing services by federal and provincial government departments.

**Table G: Estimated Cost Comparisons**

|  | <b>CHCH</b> | <b>Provincial Costs</b> | <b>Federal Costs</b>              | <b>Total Costs to Governments</b> |
|--|-------------|-------------------------|-----------------------------------|-----------------------------------|
| <b>Victimizer Services</b><br>(60%) X 10 years | \$1,800,000 | \$2,631,414             | \$2,461,318<br>to<br>\$12,150,471 | \$4,863,346<br>to<br>\$12,641,271 |
| <b>Victim and Family Services</b><br>(30%)     | \$900,000   | \$1,120,000             |                                   | \$1,120,000                       |
| <b>Community Development Services</b> (10%)    | \$300,000   |                         |                                   |                                   |

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|              |             |             |                                   |                                   |
|--------------|-------------|-------------|-----------------------------------|-----------------------------------|
| <b>Total</b> | \$3,000,000 | \$3,751,414 | \$2,461,318<br>to<br>\$12,150,471 | \$6,212,732<br>to<br>\$15,901,885 |
|--------------|-------------|-------------|-----------------------------------|-----------------------------------|

Table G. demonstrates that the raw benefit of the CHCH program is very significant. CHCH has been operating for about ten years during which the governments of Canada and Manitoba have contributed a combined total of \$240,000 per annum or an estimated total of \$2,400,000. There have been some additional, relatively minor grants or expenditures by the governments, but these will not materially affect the overall totals. The above table indicates that the financial benefits to both governments (the total government expenditure less the CHCH expenditure) have been, at minimum, \$3,212,732 over the past 10 years.

The total cash saving to Manitoba is estimated to be approximately \$2,551,414, or an average saving of about \$255,140 per year, when their contribution to Hollow Water is deducted from the overall provincial costs. Likewise, if the federal contribution is also compared to the estimated costs the federal government would otherwise have to assume, the net savings to the federal government would be, at minimum, \$1,261,317, or an minimum average saving of \$126,132 per year.

To put it another way, for each dollar Manitoba spends on CHCH, it would otherwise have to spend approximately \$3.00 for policing, court, institutional, probation and victims’ services. For each dollar the federal government spends on CHCH, it would otherwise have to spend a minimum of \$2.00 for institutional and parole services.

There are additional considerations that need to be noted. For example, the CHCH process works to wellness and these costs do not include costs that would otherwise be borne by governments to support the broader community development processes that are undertaken by CHCH.

These estimates do not take into consideration the costs associated with victimizers reoffending and victims requiring additional assistance as a result. Research indicates that the recidivism rate for sex offenses is approximately 13% and for any form of recidivism the figure rises to approximately 36%. Given that CHCH has had only 2 clients reoffend during the past 10 years (approximately 7%), one can conclude that the total amount saved by both Manitoba and the federal government are understated.

While this study uses inmate related costs to project savings to the federal government, larger savings to the federal government may occur if more communities are able to replicate the success of Hollow Water. It is not inconceivable that savings could approximate the operational cost per inmate if Aboriginal community healing processes can stem the growth of Aboriginal incarceration and institutions, like Stony Mountain, are able to reduce their overall costs as a result.

- Following an executive summary, several chapters present the research data and findings.
  - Chapter 1 deals with the research approach, protocol, design, and data collection.
  - Chapter 2 examines the nature, purpose, elements, process, and results circles.
  - Chapter 3 presents contextual issues that affect aboriginal communities and CHCH – for example, intergenerational effects of colonialism, education, migration patterns, economic conditions, substance abuse, and personal ecology (health, nutrition).
  - Chapter 4 details health and wellness issues pertaining to aboriginal people.
  - Chapter 5 analyzes and compares costs in several areas – CHCH, justice system expenses for victimizers, victim and family services, and community development services.
  - Chapter 6 provides a profile of the actual work of the Hollow Water CHCH.
  - Several appendices add further statistical information and research samples on the circle steps, costs, and aboriginal demographics.

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#### 5.4. Law, Justice, And The Community– 2001 <sup>7</sup>

##### National Crime Prevention Centre, Research and Evaluation Unit

- In 1996, the annual cost of crime to Canadians was estimated at approximately \$46 billion (...that was even a conservative estimate given the fact that this figure doesn't include the cost of white-collar crime, such as income tax evasion or stock market fraud).
  - In addition, measuring the indirect or intangible costs associated with crime and victimization is a tricky undertaking (for example, the pain and suffering that arises as a result of a sexual assault incident).
- Nearly \$10 billion of this amount is directed to the criminal justice system, and the overwhelming majority of expenditures are related to police, courts, and corrections – the agencies that have been traditionally responsible for crime detection and control.

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#### 5.5. Chilliwack Restorative Justice/Youth Diversion Association (CRJYDA) - Cost-Benefit Analysis - April 2001 <sup>8</sup>

Our cost-benefit analysis has determined that when the RCMP refers to Chilliwack Restorative Justice, there is an annual saving to the Province of \$256,950.00.

##### **CRJYDA “Typical Offender” Profile**

Gender: Male (57% of CRJYDA offenders)

Age: 16 (20% of CRJYDA offenders)

Offense: Theft Under (78% of CRJYDA offenders)

This typical adolescent offender, let's call him Billy, is a first-time offender (no previous criminal record), who is accepting responsibility for his part in the offense. Because Billy is accepting responsibility, it is considered the equivalent of pleading guilty within the court system, for the purpose of this cost-benefit analysis. Therefore, the case of an offender pleading not guilty in court will not be examined here. Although he has no previous criminal record, Billy will likely have some minor problems at home or school. These difficulties manifest themselves as behavioral or discipline problems, learning disabilities, or even drug and alcohol issues. These issues will have to be faced by any individual or organization dealing with Billy.

##### **CRJYDA Process**

The arresting RCMP Member documents the police file and completes the Restorative Justice Referral form after running the checks through CPIC and PIRS. The original is sent to the Restorative Justice program. A Diversion Meeting is held, and a Diversion Agreement is completed. A mentor is assigned. Upon completion, a Closure Meeting is held.

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<sup>7</sup> Report on the 28th Canadian Congress On Criminal Justice, June 20 - 23, 2001/20 Halifax, Nova Scotia Law, Justice, And The Community, hosted by the Canadian Criminal Justice Association: Mark Irving, Research & Evaluation Unit National Crime Prevention Centre <http://home.istar.ca/~ccja/angl/report.html>

<sup>8</sup> Chilliwack Restorative Justice & Youth Diversion Association (CRJYDA) Cost-Benefit Analysis April 2001 <http://www.chilliwack.com/services/crjyda>

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|                      | <b>Action</b>              | <b>Time Spent</b>          | <b>Dollar value</b> |
|----------------------|----------------------------|----------------------------|---------------------|
| Coordinator, CRJYDA  | Administrative (paperwork) | 30 minutes                 | \$6.00              |
| Coordinator, CRJYDA  | Contact and Scheduling     | 60 minutes                 | \$12.00             |
| RCMP Member          | Administrative             | 30 minutes                 | \$44.00             |
| RCMP (Records, etc)  | Administrative             | 60 minutes                 | \$18.00             |
| Committee Volunteers | Intake Meeting             | 60 minutes x 3             | N/A                 |
| Committee Volunteers | Closure Meeting            | 15 minutes x 3             | N/A                 |
| Volunteer Mentor     | Mentoring                  | 6 hours (+ mileage)        | N/A                 |
| <b>Totals</b>        |                            | <b>12 hours 45 minutes</b> | <b>\$80.00</b>      |

#### Court Process

The arresting RCMP Member completes and files a Report to Crown Counsel (RTCC), which is forwarded to Crown for approval. The offender is required to attend court on a Promise to Appear. At this point, the offender may retain counsel. A plea is entered. The offender pleads guilty and the matter is set down for another court appearance to allow an opportunity for probation services to prepare a pre-sentence report. The sentence could include, as a condition of the probation order, community service work. The Youth Probation Officer conducts meetings until the completion of the sentence. The Community Court Ordered Work Supervisor would supervise any work ordered.

|  | <b>Action</b>                     | <b>Time Spent</b> | <b>Dollar Value</b> |
|--|-----------------------------------|-------------------|---------------------|
| RCMP Member                                  | Administrative                    | 90 minutes        | \$132.00            |
| RCMP (Records, etc)                          | Administrative                    | 60 minutes        | \$18.00             |
| RCMP Court Liaison                           | Administrative                    | 60 minutes        | \$18.00             |
| Legal Services                               | Defense Counsel                   | 3 hours           | \$135.00            |
| Community Work Order Supervisor              | Supervising youth completing work | 15 hours          | \$240.00            |
| Crown Counsel (2 appearances)                | Administrative and court time     | 90 minutes        | \$67.50             |
| Youth Probation Officer                      | 6 Months supervision              | 9 hours           | \$225.00            |
| Probation Office Admin. Staff                | Administration                    | 60 minutes        | \$14.00             |
| Provincial Court Judge and other court staff | Administrative and court time     | 90 minutes        | \$1800.00           |
| <b>Totals:</b>                               |                                   |                   | <b>\$2649.50</b>    |

**Based on the above comparison, there is a savings of \$2,569.50 per young offender. Chilliwack Restorative Justice handles an average of 100 referrals per year.**

#### Outcomes

The typical consequences faced by Billy as a result of the Diversion process at CRJYDA may include approximately 20 hours of community service, an apology letter delivered to the victim (the store manager or security officer) face-to-face, restitution in the amount of any costs to the victim, mandatory attendance at a support group or life skills program, and

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a 500-1000 word essay on the consequences of his behavior. Billy does not have a criminal record upon successfully completing all the conditions of the Diversion Agreement.

Through the court system, Billy may face consequences such as six months probation and 15 hours of community work service. Billy has a criminal record. Additional costs of community service and resources which may have been utilized by Billy and his family have not been included. These may include counseling services, etc.

Recidivism is difficult to measure and compare, due to varying definitions of “recidivism”, and varying lengths of time between the completion of the first offense and the evaluation. Chilliwack RCMP conducted an assessment of 113 cases of CRJYDA. Recidivism was defined as “a youth who has re-offended or has come into contact with the police in a negative way.” All cases that were closed between June of 1998 and December 1999 were examined. The total recidivism rate was determined to be twenty-nine percent (29%).

CHILLIWACK RESTORATIVE JUSTICE  
AND YOUTH DIVERSION ASSOCIATION

**Three-Year Comparative Diversion Statistics**

|   | June 1, 1998 to<br>May 31, 1999 | 1999 to 2000     | 2000 to 2001     |
|---|---------------------------------|------------------|------------------|
| <b>Total Number Referred:</b>             | <b>114</b>                      | <b>135</b>       | <b>136</b>       |
| Females:                                  | 43                              | 57               | 60               |
| Males:                                    | 71                              | 78               | 76               |
| Crown Ref:                                | 30                              | 19               | 24               |
| Federal Crown Ref:                        | 0                               | 2                | 2                |
| RCMP Referrals:                           | 84                              | 114              | 110              |
| <b>Accepted:</b>                          | <b>98</b>                       | <b>125</b>       | <b>114</b>       |
| Crown Not Accepted:                       | 9                               | 3                | 6                |
| RCMP Not Accepted:                        | 5                               | 7                | 11               |
| Transfer Out:                             | 2                               | 0                | 5                |
| <b>Completed:</b>                         | <b>48</b>                       | <b>108</b>       | <b>67</b>        |
| Partial Completion:                       | 2                               | 8                | 10               |
| Non Compliance:                           | 6                               | 8                | 12               |
| No Show at Meeting:                       | 3                               | 4                | 7                |
| Court Discharge:                          | 1                               | 0                | 0                |
| Chose Court System:                       | 0                               | 3                | 3                |
| <b>BREAKDOWN OF AGES (all referrals):</b> | <b>1998-1999</b>                | <b>1999-2000</b> | <b>2000-2001</b> |
| Under 12                                  | 0                               | 0                | 1                |
| 12 years                                  | 17                              | 16               | 8                |
| 13 years                                  | 18                              | 26               | 21               |
| 14 years                                  | 22                              | 25               | 20               |
| 15 years                                  | 24                              | 26               | 16               |
| 16 years                                  | 20                              | 24               | 28               |
| 17 years                                  | 13                              | 18               | 18               |
| Adults                                    | 0                               | 0                | 24               |
| <b>CHARGES*</b>                           | <b>1998-1999</b>                | <b>1999-2000</b> | <b>2000-2001</b> |
| Assault                                   | 4                               | 8                | 9                |
| Theft Under (including Shoplifting)       | 77                              | 88               | 68               |
| Car Theft (including Attempted)           | 2                               | 2                | 1                |
| B & E (including Attempted)               | 5                               | 3                | 2                |
| Possession of Marijuana                   | 1                               | 5                | 3                |
| Possession of Prohibited Weapon           | 0                               | 0                | 1                |
| Possession of Housebreaking Tools         | 1                               | 0                | 0                |
| Arson (including Attempted)               | 3                               | 1                | 3                |
| Vandalism                                 | 1                               | 14               | 23               |
| Mischief                                  | 1                               | 1                | 1                |
| Uttering Threats                          | 2                               | 1                | 2                |
| Uttering Counterfeit                      | 1                               | 0                | 0                |
| Fraud Under \$5000                        | 0                               | 0                | 1                |
| Insurance Fraud                           | 0                               | 1                | 0                |
| Trespassing                               | 0                               | 1                | 0                |
| <b>Totals:</b>                            | <b>98</b>                       | <b>125</b>       | <b>114</b>       |

\* Statistics kept on charges accepted by the Committee

**5.6. Conducting Economic Analysis Of Crime Prevention Programs - 2000<sup>9</sup>**

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<sup>9</sup> Joseph P. Hornick, Ph.D. Joanne J. Paetsch, B.A. and Lorne D. Bertrand, Ph.D. Canadian Research Institute for Law and the Family A Manual On Conducting Economic Analysis Of Crime Prevention Programs Prepared for: National Crime Prevention Centre June 2000

## **2.0 THE PROCESS AND OUTCOME EVALUATION: THE BASIS FOR COST BENEFIT ANALYSIS**

The critical factor in conducting economic analysis of a group of prevention programs is the methodological quality of the project-specific research. The economic analysis can only be as good as the process and outcome research upon which it is based. Weak and flawed research will limit the validity of the findings of the economic analysis.

### **2.1 A Model for Process and Outcome Analysis**

#### **Process Analysis**

In the broadest terms, process analysis examines how a program or project was actually implemented and answers the question of whether the program was carried out as it was intended. It monitors and documents the goals, inputs, activities, and outputs as pictured in Figure 1. A complete process analysis must include a comprehensive coverage of all the designated components outlined in Figure 1.

#### Program Goals and Objectives

The programs' goals and objectives must be clearly documented in a process analysis. Further, the objectives must be measurable since they form the basis for expected outcome for the outcome analysis. At this stage, the complete program design and rationale should be documented, as well as anticipated inputs, activities, and outputs. If these expectations are changed as the program is implemented, then the reason why this occurred should be clearly documented.

#### Inputs

Inputs are the next component that must be documented in a process analysis. They include all the resources used to implement and operate the program. Most inputs can be (and must be for cost analysis) expressed in terms of money. While this may seem straightforward when considering such things as staff costs, administrative costs, and capital costs necessary to operate a program, such things as volunteer time, shared administrative structures, etc. are complex and difficult to measure in monetary terms, but must be included to determine actual costs of a program. The measurement of inputs is critical to cost effectiveness and cost benefit analysis and will be covered in more detail in Section 4.0.

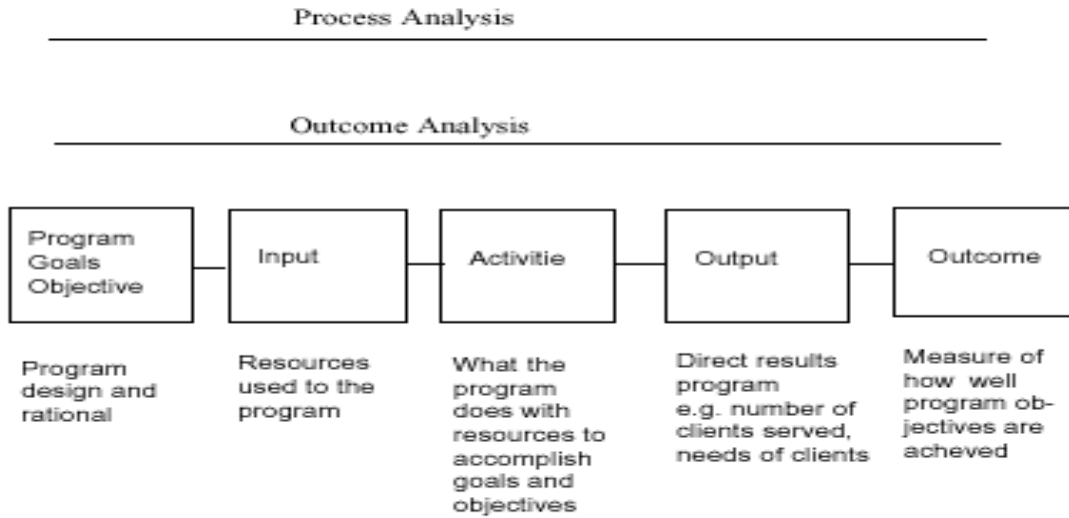
#### Activities

The specific activities of the program are also a critical component of a process evaluation. Unfortunately, evaluators often assume that program services and activities



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**Figure 1**  
**Process and Outcome Evaluation**



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are adequately measured by the descriptions in the proposal and do not attempt to measure activities directly after the program is implemented. In reality, program activities often vary considerably from the proposed approach both within and between programs. One of the most accurate measurements of program activities is obtained through the use of a time budget study. A time budget study tracks for a given period of time the actual activities of the service providers, which is most representative of the normal operation of the program. Alternatively, reviews of files, interviews with the service providers, or focus groups can be conducted to collect this information, although these methods tend to be less objective.

While a detailed description of the activities is not required for economic analysis, it is essential for at least two reasons. First, it facilitates possible replication of the program. Second, if the activities are not monitored directly, differences in the way similar programs are implemented could result in achievement of different unexplained outcomes.

#### Outputs

Outputs are the direct results of program activities and are usually measured in terms of the amount of work accomplished. For example, they could include the number of staff hired, number of clients served, the level of client service delivered, education/training sessions held, and coordinating or partnering with other agencies. If clients are serviced directly, it is also essential during this step of the process analysis to document their needs and strengths at intake into the programs since these directly affect potential for change and the final outcomes.

Outputs can best be measured by a combination of approaches including: time budget studies, review of client files, and baseline standardized measures of clients' needs. It is important that outputs not be confused with outcomes. Further, it is the outcomes attributable to the intervention that are important for economic analysis.

#### **Outcome Analysis**

In addition to the four process analysis components described above, as indicated in Figure 1, an outcome analysis includes measurement of outcomes.

#### Outcomes

Outcomes are the measures of whether the programs are having their intended effects by achieving specific program objectives, identified during the design phase of the program. In programs involving the provision of services to clients, the outcomes should focus directly on the changes expected of the clients. For example, outcomes may relate to behaviour, knowledge, attitude, values, or other attributes that are affected by the program. In addition, for some programs (e.g., crime prevention through social development), it may also be necessary to identify shorter-term outcomes since the full benefits of the program may not be realized for many years. While intended outcomes

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(i.e., those dictated by the stated objectives of the program) are the core of outcome evaluation, researchers should also be sensitive to unintended effects – both positive and negative.

## **2.2 Need for Rigorous Evaluation<sup>1</sup>**

The stronger the research design of the outcome evaluation, the more confidence can be placed in the findings of the economic analysis. Some researchers (e.g., Weimer & Friedman, 1979) recommend that the cut-off point for performing economic analyses be set at experimental or strong quasi-experimental designs. Anything less will reduce the confidence that can be held in the economic findings.

This is a particularly difficult issue, since the use of randomized controlled experiments or even the establishment of comparison groups may not be possible for a variety of reasons, including community or political resistance, a «treat all» approach of the intervention, methodological issues (e.g., small sample size), and financial cost. Simple one-group (no control group) pre-post evaluation designs are better than nothing at all, but attributing reported claims of program effects, whether desirable, undesirable, or unchanged, to the program is confounded by many potential alternative explanations. The addition of a control or comparison group, preferably one that is equivalent to the treatment group, increases substantially the ability to make a valid inference of cause and effect. The equivalent control group design — program group compared with comparable control group, measuring pre-post and experimental-control comparisons — has been recommended as the minimum research design for evaluating crime prevention programs (Sherman et al., 1997, 1998).

Further, as Sherman et al. have indicated, an evaluation cannot be only a description of the implementation process or monitoring or auditing the expenditure of funds. Measuring “impact” requires claims about cause and effect. The scientific standards for inferring causation have been clearly established in the literature on research design and methods (Cook & Campbell, 1979; Federal Judicial Center, 1981). They include, at minimum, the ability to:

- (1) measure the dosage, timing and content of the project or program;
- (2) gather baseline data prior to the start of the program, if necessary; and
- (3) gather comparable data from both the program group and appropriate comparison groups where the program is not operating.

We understand, however, that this might not be possible in the current program of research projects. Just focusing on the establishment of a control group when faced with, for example, a «treat all» approach, a number of options are available to the researcher, including the use of time-lag recruited no-treatment control groups or wait-list control groups in which the full sample eventually receives the intervention (see e.g., Webster-Stratton & Hammond, 1997).

## **2.3 Limitations of Current Projects**

There are a number of incompatibilities between the ideal of rigorous social science

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science evaluation and economic analysis methods and the reality of the projects funded under the Investment Fund. In the current situation we must consider how to address the following methodological issues:

- strengthening initially weak evaluation designs;
- dealing with projects that do not employ a random assignment of participants to an experimental and matched control group;
- measuring benefits that may only be realized in the medium or long-term;
- dealing with programs that have more than one funder, and in which some of the financial contributions are in-kind; and
- conducting retrospective economic analysis for programs that are currently underway.

### **3.0 COST EFFECTIVENESS AND COST BENEFIT ANALYSIS**

Crime prevention has been identified as a priority in political and policy settings. However, very little is known about the economic efficiency of crime prevention. This is a particularly complex problem in the area of crime prevention through social development because of the possible “distance in time” between the intervention and the actual reduction in the probability of the perpetration of crime, particularly with early intervention programs. The need for empirically-based information in this area, however, dictates that we must do the best job possible in establishing the true value of crime prevention through social development.

The key questions in this area are as follows:

- What is the cost of a specific crime prevention program?
- How do outcomes and the cost of the programs compare?
- Which specific program approach is the most cost effective in crime prevention and produces the greatest net benefits for society?
- How should future resources be spent?

In this section, cost effectiveness and cost benefit analyses are defined, the stages of analysis are identified, and the responsibilities for specific tasks are listed.

#### **3.1 Definitions**

The concepts of inputs, activities, outputs, and outcomes have been defined and discussed above. The concepts of “costs” and “benefits” however, also need to be defined.

- *Costs* can be defined as the monetary value of inputs. Some of these we direct and choose, such as the costs of staff salaries. Others are less direct and more difficult to measure, such as the costs of volunteer time. A strategy for identifying **all** costs will be discussed in the next section of this manual.
- *Benefits* can broadly be defined as the value of outcomes to society that are attributed to the program intervention. They are usually expressed in monetary terms, but there may also be significant benefits that cannot be monetized.

### 3.2 Types of Economic Analysis

#### Cost Effectiveness Analysis

Cost effectiveness analysis in the current context of crime prevention estimates the costs of achieving a unit change in a specific outcome, which is measured by either a reduction in crime directly and/or an increase in conditions known to be associated with the probable reduction in crime (where the reduction in crime is theoretical as opposed to real). In other words, cost effectiveness analysis will demonstrate whether specific programs have been more or less costly in achieving specific outcomes than existing intervention or other new approaches.

Figure 2 pictures the critical components of cost effectiveness analysis and its relationship to process analysis and outcome analysis. As indicated by this figure, cost effectiveness analysis examines inputs in terms of costs relative to outcomes in terms of what is achieved by the intervention. For example, we can use cost effectiveness analysis to determine the unit cost per family of delivering home visitors' interventions to boost the healthy development of infants and school readiness of young children. Further, if outputs and outcomes of several different program interventions are measured in the same way, we can use cost effectiveness analysis to compare the relative cost effectiveness of the different interventions.

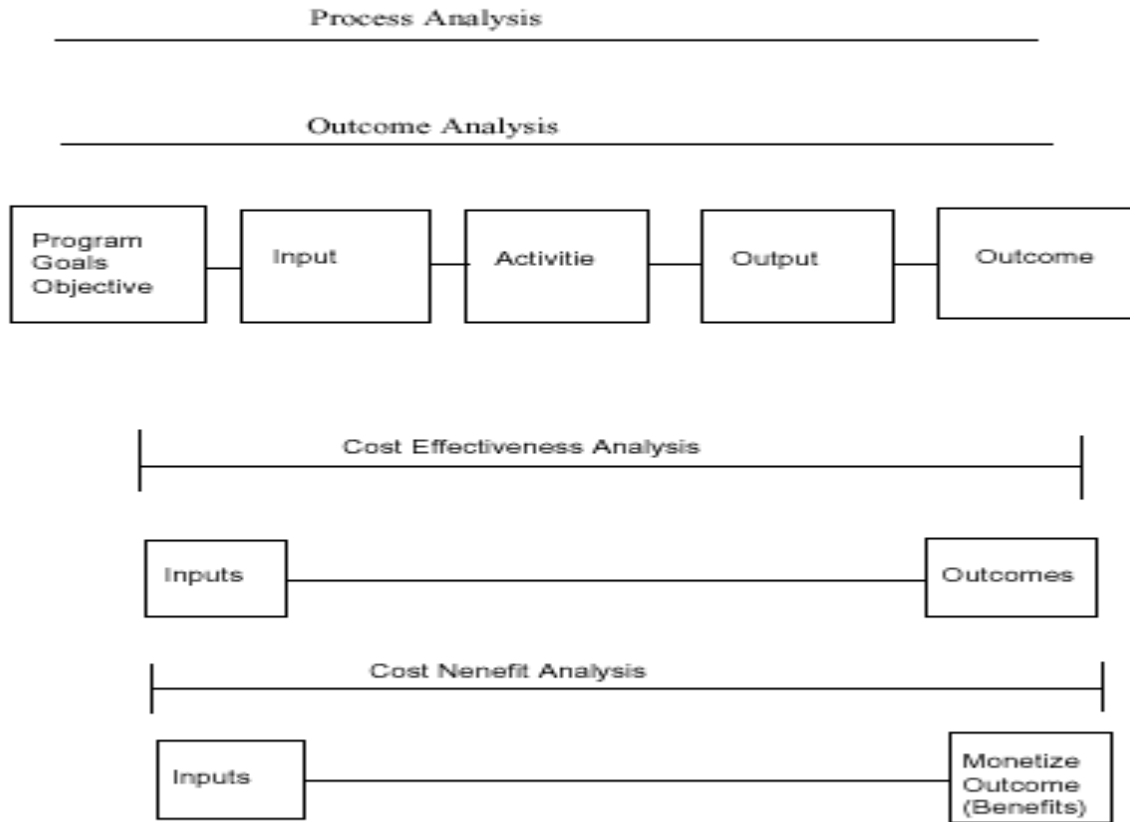
The hypothetical examples in Table 1 demonstrate the usefulness of cost effectiveness analysis. As is noted in the table, Program A is more expensive in terms of unit costs per client. However, cost effectiveness analysis demonstrates that Program A is far more cost effective than Program B with respect to diversion of children from child welfare.

#### Cost Benefit Analysis

As shown in Figure 2, cost benefit analysis is based on the input component of process analysis and outcome analysis. Cost benefit analysis, however, involves a critical additional step, i.e., calculating the outcomes of the intervention in monetary terms. Once both inputs and outcomes are expressed in monetary terms, then benefit/cost ratios can be calculated where the value of outcomes is divided by input costs, or the net benefit can be calculated by subtracting the sum of the input costs from the sum of the benefit costs. While the calculations of cost benefit analysis seem to be straightforward, the assumptions upon which the amounts of monetary benefits are based are quite complex and will be discussed in Section 5.0.

The obvious advantage of cost benefit analysis over cost effectiveness analysis is that it permits the comparison of the cost/benefit of interventions which might have very different outcomes and target groups because the outcomes are expressed in common terms, i.e., money.

**Figure 2**  
**A Model of Process, Cost Effectiveness, and Cost Benefit Analysis**



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**Table 1**  
**Hypothetical Example of the Cost-Effectiveness Analysis**  
**of Two Early Intervention Programs**

|   |           |
|---|-----------|
| <b>PROGRAM A: HOME VISITATION</b>   |           |
| <u>Data</u>   |           |
| Cost of the program for 1 year =  | \$150,000 |
| Number of clients served in 1 year =  | 50        |
| Outcome: number of clients diverted from child welfare =  | 30        |
| <u>Analysis</u>   |           |
| Unit cost of program per client =<br>(150,000 ) 50)   | \$3,000   |
| Average cost of diversion from child welfare =<br>(150,000 ) 30)  | \$5,000   |
| <b>PROGRAM B: PARENTING EDUCATION COURSE</b>  |           |
| <u>Data</u>   |           |
| Cost of the program for 1 year =  | \$100,000 |
| Number of clients served in 1 year =  | 100       |
| Outcome: number of clients diverted from child welfare =  | 10        |
| <u>Analysis</u>   |           |
| Unit cost of program per client =<br>(100,000 ) 100)  | \$1,000   |
| Average cost of diversion from child welfare =<br>(100,000 ) 10)  | \$10,000  |
| <b>COMPARISON</b>   |           |
| Unit cost of Program A is three times that of Program B.<br>But Program A is twice as cost-effective than Program B in diverting<br>clients from child welfare. |           |



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The hypothetical example in Table 2 (based on the example in Table 1) demonstrates the increased usefulness of cost benefit analysis over cost effectiveness analysis. Note that because of the relative high cost of child welfare involvement, Program A obtained a high benefit to cost ratio, i.e., 1.6, and the overall monetary benefit of the program outweighed the cost by \$90,000. Program B in contrast cost less but was less effective and thus generated a cost of \$20,000 rather than any economic benefit.

In terms of crime prevention interventions, many outcomes will be measured by either conditions associated with the reduction of crime, or the actual reduction of crime. Thus, benefits are usually based on the reduction of costs (i.e., savings) to society of the costs of crime including costs to the victim(s) and the justice system. In order to calculate the savings to society of a particular intervention, how much crime has been prevented as a result of the intervention must be identified.

### **3.3 Steps in Economic Analysis**

In review of the process pictured in Figure 2, cost effectiveness analysis involves the following steps:

1. Describing the intervention in terms of its goals and objectives and activities.
2. Identifying and quantifying inputs.
3. Valuing inputs in money.
4. Identifying outputs.
5. Identifying outcomes.
6. Quantifying outcomes.
7. Comparing input costs with outcomes.

Cost benefit analysis adds two other steps:

8. Valuing outcomes thus creating "benefits."
9. Comparing economic costs with economic benefits.

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**Table 2**  
**Hypothetical Example of the Cost-Benefit Analysis**  
**of Two Early Intervention Programs<sup>1</sup>**

| <b>PROGRAM A: HOME VISITATION</b>   |           |
|---|-----------|
| <u>Data</u>   |           |
| Input cost =  | \$150,000 |
| Outcome quantity (diversion from child welfare) =   | 30        |
| Outcome value (benefit) <sup>2</sup> =<br>(30 x 8,000)  | \$240,000 |
| <u>Analysis</u>   |           |
| Benefit/cost ratio =<br>(240,000/150,000)   | 1.6       |
| Net economic benefit =<br>(240,000 - 150,000)   | \$90,000  |
| <b>PROGRAM B: PARENTING EDUCATION COURSE</b>  |           |
| <u>Data</u>   |           |
| Input cost =  | \$100,000 |
| Outcome quantity (diversion of child welfare) =   | 10        |
| Outcome value (benefit) <sup>2</sup> =<br>(10 x 8,000)  | \$80,000  |
| <u>Analysis</u>   |           |
| Benefit/cost ratio =<br>(80,000/100,000)  | .8        |
| Net economic benefit (cost) =<br>(80,000 - 100,000)   | -\$20,000 |
| <b>COMPARISON</b>   |           |
| For Program A, benefits outweigh costs by \$90,000.<br>For Program B, costs outweigh benefits, and there is a net cost of \$20,000. |           |

<sup>1</sup> Using the example from Table 1.  
<sup>2</sup> Average hypothetical value of a diversion from child welfare = \$8,000.

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**3.4 Responsibilities**

It is expected that the evaluators of specific Crime Prevention Investment Fund projects would conduct cost effectiveness analysis by carrying out steps 1 through 7 above paying particular attention to the collection of detailed costs data and the identification and quantification of outcomes. This cost effectiveness analysis then would facilitate direct comparisons between different interventions with similar outcomes. In addition, the evaluators of specific programs would report detailed data on inputs and outcomes to the NCPC in order to facilitate both comparative cost effectiveness analysis and cost benefit analysis.

The NCPC then would be responsible for the completion of the cost benefit analysis (i.e., tasks 8 and 9) either directly or through contracting specifically for these tasks. It is important that these tasks are centralized in the NCPC to facilitate standardization in the comparison of the benefits of different programs.

#### **4.0 MEASURING COSTS**

In order to complete steps 2 and 3 of the economic analysis (see Section 3.3), inputs include an array of resources which must be identified, quantified, and expressed in monetary terms to measure the cost of an intervention. These resources should be identified as soon as possible by the program evaluators, so data can be collected on an ongoing basis rather than retrospectively. If the program is already operating, retrospective data will be sufficient; however, extra effort may be required to collect comprehensive cost data.

##### **4.1 Start-up and Ongoing Costs**

Obviously the start-up or initiation of a program could cost considerably more than ongoing operations. The hiring and training of new staff combined with the gradual intake of clients make this stage of a program less cost effective than it would be once the staffing has stabilized and the case load has reached maximum numbers. However, since we are currently interested in the possible replication of these crime prevention programs, identification of start-up costs as well as ongoing operations is essential. Presumably the first year of operation of these programs would be a reasonable time period to identify start-up costs. After the first year of operation, it is hopeful that the programs would be fully operational. If this is not the case, it would seem to be a good reason to examine implementation issues such as the need for the intervention, intake procedures, or advertising, and adjust the program to fit the revised need. Once the program has reached a full complement (e.g., caseload is at full capacity) of service provisions, measuring ongoing costs should commence.

Because we are currently concerned with both replicating and sustaining these programs, both start-up and ongoing costs should be identified by performing cost effectiveness analysis on the data for the first and second year of operation if the program is fully operational. It should be recognized that programs which require community capacity building and the formation of partnerships in order to get them off the ground may take a number of years before the program is fully operational, and ongoing costs can be identified.

##### **4.2 Specific Categories for Costs**

Table 3 contains a list of direct and indirect costs of a typical program. Direct costs should be relatively easy to identify since they are usually already identified in monetary terms. Indirect costs, such as volunteer time, however, are more difficult to identify but must be included in the cost analysis.

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**Table 3**

**Cost Data Required for Crime Prevention Interventions**

|  |
|--|
| <p><b>A: DIRECT COSTS</b></p> <p>Administrative costs</p> <ul style="list-style-type: none"> <li>• staff salaries and benefits</li> <li>• staff training costs (start-up and in-service)</li> </ul> <p>Operating expenses</p> <ul style="list-style-type: none"> <li>• equipment (purchase and rental)</li> <li>• furniture</li> <li>• office space (if purchased or rented)</li> <li>• office supplies</li> <li>• utilities (heat, water, electricity)</li> <li>• telephone, fax, mail, etc.</li> <li>• advertising</li> <li>• insurance (e.g., liability, automotive, property)</li> <li>• transportation</li> </ul> <p>Client expenses</p> <ul style="list-style-type: none"> <li>• materials for clients (e.g., books on parenting)</li> <li>• travel expenses (e.g., bus fare for appointments, mileage for special outings, child care costs)</li> </ul> |
| <p><b>B: INDIRECT COSTS</b></p> <p>Volunteer (time) for partner networks and administration</p> <p>Volunteer (time) for client services</p> <p>Victim costs</p> <p>In-kind resources (e.g., resources shared from host agency such as space, furniture, computers)</p>   |

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**Direct Costs**

Direct costs include all the expected cost items that would be included in a program budget. Evaluators should begin to monitor these costs as early as possible to ensure the calculation of start-up costs as well as ongoing costs. As Table 3 indicates, direct costs include at least three categories of costs. First, administrative costs include such items as staff salaries and benefits. Pay particular attention when positions are split within an agency to include the correct proportional costs of the position to the program being evaluated. Staff training is also a significant administration cost, particularly at the start-up of new programs. Even after programs are up and running, in-service training can be a significant expenditure and should be carefully documented. In-service training should be interpreted broadly to include a full range of educational activities, e.g., from attendance at conferences to special targeted programs such as a management or supervision course.

The next major category of direct costs is capital costs. It includes both purchase and rental of all the equipment necessary to operate the program. Office space is another operating cost that can be simple, e.g., the cost of rental of premises or it can involve the purchase cost of a building. Office space may also be donated by a host agency, in which case it should be listed under indirect costs as use of an in-kind resource. All equipment such as computers, fax machines, and copy machines should be itemized here and it should be indicated whether they are rented or purchased. Likewise, if the program owns a vehicle, it should be itemized here.

Other operating expenses should also be tracked by item. These include such basics as stationery, mail, and courier costs, in addition to utilities and telephones. Advertising could include the costs of a range of things such as brochures to special events staged with the intent of advertising the program. Insurance can also be a considerable cost. All insurance costs should be recorded such as property, liability for staff and boards of directors, and automobile insurance if the program owns a vehicle. Transportation costs should also be carefully tracked. This would include a range of things from reimbursing staff mileage when they have to travel for work purposes to travel to administrative meetings, courses, and/or conferences.

Some direct expenses may also be attributed to clients. Some programs, for example, have to purchase material such as books, training and/or assessment materials for clients. Travel for clients to meetings or special outings as well as child care costs may be covered and thus should be documented.

**Indirect Costs**

As mentioned above, indirect costs should also be tracked, but these are often far more difficult to measure than direct costs. Indirect costs can be categorized into at least three categories.

The use of volunteers is probably the most common indirect expense and it occurs at two levels — administrative and client service — and both of these should be

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measured. Administrative volunteers would include the volunteer who sits on an advisory and/or administrative committee for the program. Their time is either totally voluntary (i.e., they are not paid) or contributed (i.e., they are paid to sit on the committee by a partnering agency). Regardless, in all cases volunteer time should be identified, and assessed a monetary equivalent.

In cases where a volunteer's time is paid for by another agency and as such the volunteer is acting as an agent or representative of another agency or program, that volunteer time should be recorded (or at least estimated if precise records are not available) and the equivalent of the volunteer's hourly wage should be used to estimate the indirect costs. In situations where volunteers are operating independently on their own time, then the estimate of their costs should be based on the level of tasks that they are performing for the program.

Cohen (1998) has also indicated that the cost of crime to victims should, if possible, be estimated. This may include direct financial loss as well as the indirect cost of pain and suffering. Unfortunately, it is difficult to monetize the indirect cost. However, at minimum, they should be mentioned.

In-kind resources are particularly important to consider in programs that are hosted by larger agencies that also have many other programs. The resources can range as indicated above from "free" office space to the use of agency computers and information systems. All of these in-kind resources should be identified and monetary estimates of costs should be made in order to determine the true costs of implementing a program.

## **5.0 MEASURING OUTCOMES**

This section deals with the completion of steps 4 through 7 of the economic analysis listed in Section 3.3 (i.e., identification of outputs and outcomes; quantification of outcomes; and comparison of costs with outcomes). The completion of these tasks, in addition to steps 2 and 3 (measuring costs), provides the framework for the cost effectiveness analysis described in Section 2.0.

### **5.1 Identification of Outputs**

For cost effectiveness analysis, it is necessary to identify both the number of clients served and the level of service delivered. When this information is analyzed in relation to the costs of inputs, it provides the basic unit cost per client and cost of specific services delivered.

### **5.2 Identification and Quantification of Outcomes**

As discussed previously, outcomes are the condition and/or changes in conditions that result because of the activities of the program. The identification and quantification of outcomes is a complex task due to a number of issues including intended and unintended outcomes, short-term and long-term outcomes, and qualitative outcomes.

#### Intended and Unintended Outcomes

Intended outcomes include the outcomes derived from specific program objectives. In other words, the intended outcomes for programs involved in the provision of services to clients should measure directly the changes expected of the client as a result of the intervention. These may relate to behaviour, knowledge, attitude, or values that are expected to change because of the program. Intended outcomes measure whether the program is achieving the impact that it is intended to provide.

Unintended outcomes are more difficult to identify and measure because they are not tied to program objectives and are not necessarily anticipated. Further, they can be positive or negative. An example of a negative unintended outcome was the increase in theft of cigarettes that occurred a few years ago. Governments increased tax to get people to stop smoking; however, the unintended effect was that it made cigarettes so expensive that more people were willing to take the risk of stealing them.

While it is difficult if not impossible to identify unintended outcomes when an evaluation study is first implemented, researchers should remain vigilant and open-minded in monitoring the effects of programs. If there is a suspicion that unintended



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outcomes are occurring, if possible a strategy should be developed to measure these outcomes.

Short-term/Long-term Outcomes

The distinction between short-term and long-term outcomes is particularly relevant for crime prevention programs. Obviously the ultimate goal of all crime prevention programs is the reduction in crime. For some crime prevention initiatives, particularly target hardening (e.g., increased security), the reduction of crime may be relatively direct and immediate. However, in the area of crime prevention through social development, observable reduction in crime is not so direct or immediate. For example, interventions focussed on the development of young children and families create particular problems for the measurement of impacts and outcomes since their main benefits are only expected to occur in the medium to long term. The full benefits of such a program may not be visible for many years and the success of the intervention will need to be measured in the interim period. Intermediate impact measures should therefore be established that partly reflect final outcome measures and partly assess any benefits that occur in the short term (Karoily et al, 1998).

At minimum, program effects on delinquency and later offending should be measured. An assessment of crime benefits should focus on affected agencies within the criminal justice system (e.g., police, courts, corrections) and crime victims and their families. Other key outcome variables that should be measured include substance abuse, education, employment, health, and family factors. In the case of education, for example, benefits should be assessed for schooling expenses (e.g., remedial classes, support services) and educational output (e.g., high school completion, enrollment in college or university). Other outcome variables such as conduct problems in early childhood should also be measured (Welsh, draft).

Qualitative Outcomes

Outcomes which cannot be quantified should also be documented even though they cannot be used in the cost-effectiveness or cost benefit analysis. For example, a police foot patrol program, which increases police visibility, may lead to a reduction in fear of crime even if it does not affect the crime rates directly.

Comparison of Costs with Outcomes

Once outcomes have been identified and measured they can be compared with the costs of the activities performed to achieve them, thus completing cost effectiveness analysis (see Section 3.2).

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## 6.0 FURTHER TASKS: MEASURING BENEFITS

The final two steps in economic analysis involve valuing outcomes thereby creating “benefits,” and comparing costs with economic benefits. These tasks should be performed centrally under the direction of the NCPC since all projects should be measured by the same standards. These tasks go beyond the mandate of this manual; however, a brief discussion of them is presented below.

### 6.1 Valuing Outcomes

Valuing outcomes of crime prevention initiatives is a complex process that requires at minimum the identification of standardized estimates of the costs of crimes and the identification of how many potential crimes (or crime careers) were prevented by a particular program which achieved specific outcomes.

#### Estimates of the Costs of Crime

Estimates of the costs of specific crimes will need to be calculated on the basis of existing data on the rates of crime and the costs associated with dealing with those crimes. These estimates of the unit costs of different types of crimes will allow the valuation of crimes prevented. The use of uniform unit costs of crimes is necessary in comparing different crime prevention programs.

#### Estimating Crimes Prevented

Estimating crimes prevented must be based on a theory that links the outcomes of programs to the estimated number of crimes prevented by that program. In the case of some very targeted programs, such as an initiative focussed on reducing re-offending among first-time young offenders, the link can be relatively direct and easy to calculate. In other initiatives, where the link is more theoretical and longer term, the prediction will be more difficult – e.g., programs which focus on the social development of young children.

### 6.2 Comparing Costs with Economic Benefits

Once the outcomes of a crime prevention initiative are valued, e.g., an estimate can be made of the number of crimes prevented by the program, as well as the cost savings of preventing the crimes, then a comparison can be made with the costs of the program.

The economic efficiency of a program can be reported as a benefit-cost ratio by dividing the value of the outcomes (or “benefits”) by the costs of the program. A benefit-cost ratio greater than 1.0 means the program is economically efficient.

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The economic efficiency of a program can also be reported as a net value, by subtracting the costs of the program from the benefits, or value of the outcomes. A positive number means the program is economically efficient.

Other Cost Savings

While the generally accepted formula for identifying the cost/benefit of a crime prevention program is briefly outlined above, other cost savings should also be considered – especially since many of the NCPC initiatives have a broad focus on crime prevention through social development. In other words, many of these programs may do more than prevent crime and there should be some attempt to calculate these benefits.

Karoly et. al. (1998) provide an excellent example of this in their analysis of early childhood intervention. As they indicate, early childhood intervention programs generate at least four types of cost savings:

- (1) increased tax revenues from the increased employment earnings of program participants;
- (2) decreased welfare outlay due to higher employment;
- (3) reduced expenditures for health services; and
- (4) lower criminal justice system costs.

### **6.3 Other Issues to be Considered**

There are a number of other issues that should be considered by a centralized team tasked with conducting cost benefit analysis of crime prevention programs. These include the following:

- Calculating present value – Since many of the projects funded by NCPC will involve programs lasting more than one year, it is necessary to take inflation into account. This can be done by calculating present value, i.e., making all monetary costs and benefits comparable over time by use of a price index.
- Marginal costs versus average costs – According to Dhiri & Brand (1999), marginal cost refers to the extra spending that is required to achieve one extra unit of outcome, i.e., to prevent one more crime. It does not include fixed costs, unless they are required to achieve the outcome. If the cost of a marginal increase in spending results in a greater reduction in the cost of crime, then, in theory, it is worth increasing spending for the program. Average cost refers to the total costs divided by the outcomes, which allows a comparison of the cost effectiveness of different programs.
- Sensitivity analysis – A sensitivity analysis should be conducted to check the validity and test the effects of variations in the assumptions made in the economic analysis (Welsh, draft). For example, the assumption of how much of the outcome can be attributed to the program can be varied to provide a range of estimates of outcomes and benefits.
- Replicability – Economic analysis should include an assessment of the replicability of the program. This assessment should specify the conditions under which the program would be expected to be cost effective. It should also include an indication of whether an expanded program would be as cost effective as the original program.

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## 5.7. Aboriginal Justice Strategy (AJS) Evaluation – 2000<sup>10</sup>

### 5.7.1. Cost effectiveness

- Very little information is available on the cost effectiveness of Aboriginal community justice projects.
  - A sample of some cost-effectiveness of AJS community justice programs suggest that by diverting offenders and thus reducing incarceration, some cost savings can be realized.
  - Where attempts to measure cost effectiveness have been made, ***the results are promising.***
- One community justice project has developed a ***Magistrate’s Court*** to partially address the backlog in Provincial Court and to increase the community’s voice.
  - The Magistrate’s Court screens cases and adjudicates minor cases.
  - The case study revealed that since the implementation of the Magistrate’s Court, additional Provincial Court Judges have not had to be flown in to ***address the backlog of cases.***
  - Additionally, the Provincial Court Judges indicated that they are ***hearing more serious cases, cases are being heard in a more timely manner, and the community is more satisfied and empowered by this justice model.***
- As part of a project’s 1998/99 Year End Report, an urban diversion project provided a cost analysis of a “typical assault” post charge referral case, compared to the cost of proceeding with the same offence through trial with one adjournment ending with incarceration.
  - This example used a hypothetical case of an offender not referred to the community justice project, but instead sent to jail for one month.
  - After serving two thirds of the sentence he/she is place on regular probation for a period of one month.
  - The cost analysis concluded that there would be savings of \$2,393.50 by diverting the offender to the community justice project.
  - With 63 assault referrals in 1998 and using the above figures, the total savings realized by sending these offenders to this urban diversion project instead of to jail was estimated at \$150,790.50
  - It should be noted that this project currently receives an average of 100 referrals a month (1999-2000 fiscal year)
- ACCI, Solicitor General Canada commissioned ***a report on costs and financial benefits of circle healing project*** in July 2000.<sup>11</sup>
  - It is an Aboriginal community justice project designed for prevention, intervention and healing of victims, offenders, families and communities from the effects of sexual abuse and family violence.
  - The analysis compares the cost of circle healing versus the mainstream justice system to serve victimizers, victims and families, and provide community development services (includes presentations, workshops, participating in community recreational events, ceremonies and other activities.)
  - The estimate took into account the costs of running the project for the past 10 years, serving a total of 107 victimizers.
  - The author concluded that for each provincial dollar spent on this project, it would otherwise have to spend approximately \$3.00 for policing, court, institutional, probation and victim services.
    - For each dollar the federal government spends on this project, it would otherwise have to spend a minimum of \$2.00 for institutional and parole services.
    - Combined for each dollar spent by both governments to support circle healing, governments would otherwise have to spend about \$2.60.
    - Over ten years that the project has been operating, the savings to both governments have been at a minimum \$3 million (total government expenditure, less the project expenditure)
    - There are ***additional considerations*** that need to be noted, for example ***the process works to achieve wellness*** and these costs do not include ***costs that would otherwise be***

<sup>10</sup> Department of Justice Canada, Evaluation Division, Final Evaluation Aboriginal Justice Strategy, Technical Report, October 2000

<sup>11</sup> Unpublished report, Solicitor General Canada, used with permission

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*borne by governments to support the broader community development processes* that are undertaken by the project.

- Neither do these estimates take into consideration the higher costs associated with *victimizers re-offending and victims requiring additional assistance* as a result had the project not been in effect. In the past 10 years only two clients re-offended (approximately 7%) in this particular project, which is much lower than 30% generally attributed to sexual offenders.

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### 5.8. Effects Of Restorative Justice, Programming - 2000<sup>12</sup>

- The costs of restorative justice programming are predictably lower than the traditional system.
  - Volunteers typically mediate sessions, cases can often be dealt with in a few hours and most offenders do not require legal representation
- Umbreit, Coates and Kalan's (1994) research into mediation programs in the U.S. found that a referral to the program cost approximately \$230 and an actual mediation session cost less than \$700.
- In a survey of 116 mediation programs across the United States, program budgets ranged from \$1 to over \$400,000 with a mean cost of \$55,077 (Umbreit, Fercello & Umbreit, 1998).

#### Criminal Justice System Costs:<sup>13</sup>

- In total, the federal and provincial governments spend 10 billion dollars each year on police, courts, and corrections.
  - While a dollar figure cannot readily be placed on the personal costs of crime, we know that victims and their families pay heavily in too many ways. More broadly, crime, and the fear of crime, rob us of our freedom and diminish our quality of life.
  - By comparison, the *National Strategy* is a small, yet strategic, investment - it costs only 32 million dollars per year, or 1 dollar per Canadian.
- Recently, GPI Atlantic, a non-profit research organization (that is measuring the quality of life in this province and creating an index of sustainable development activities) published a study entitled *The Cost of Crime in Nova Scotia*, which found that crime costs Nova Scotians 1.2 million dollars per year (or \$3,500 per household).

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### 5.9. Federal-Provincial-Territorial Working Group on Restorative Justice - 2000<sup>14</sup>

- Although many advocates believe that restorative justice programs will eventually reduce the long-term costs of incarceration and re-offending, many other factors can influence program costs (such as unemployment rates, crime rates, and court backlog). Therefore, it is difficult to predict whether these programs will reduce re-offending or result in savings.
- Approximately \$2 billion is spent annually maintaining Canadian penitentiaries and prisons.
  - The annual costs for incarceration range from about \$44,000 per provincial inmate to \$55,000 per federal inmate, and prison populations continue to grow.
  - More troubling still, about 37% of federal inmates and 84% of provincial inmates are imprisoned for non-violent offences.
  - For more information, please see the Canadian Centre for Justice Statistics report, *Adult Correctional Services in Canada 1997-98*, and the Solicitor General of Canada report titled *Corrections Population Growth: Second Progress Report*, which are listed in the suggested readings section of this paper.

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<sup>12</sup> Latimer, Jeff and Steven Kleinknecht, The Effects Of Restorative Justice, Programming: A Review of the Empirical, Department of Justice Canada, Research and Statistics Canada, January 2000. <http://canada.justice.gc.ca/en/ps/rs/rep/rr00-16a-e.html>

<sup>13</sup> Report on the 28th Canadian Congress On Criminal Justice, June 20 - 23, 2001/20 Halifax, Nova Scotia Law, Justice, And The Community, hosted by the Canadian Criminal Justice Association: Mark Irving, Research & Evaluation Unit National Crime Prevention Centre, David Gates, Executive Director, National Crime Prevention Council <http://home.istar.ca/~ccja/angl/report.html>

<sup>14</sup> Federal-Provincial-Territorial Working Group on Restorative Justice Restorative Justice in Canada: A Consultation Paper,(May 2000 available from the Department of Justice Canada, <http://canada.justice.gc.ca/en/ps/voc/rjpap.html>.

#### **5.10. Expanding Prison: The Crisis in Crime/Punishment/the Search for Alternatives – 1998** <sup>15</sup>

- " There is...no government willing to invest adequate resources in designing and developing the infrastructure and training necessary to reap the full potential of community justice.
    - This will change only if community justice comes to be seen as a true alternative to existing practice in many cases, not just as a marginal supplement to the established way of doing things.
    - This requires relevant comparisons that factor in both the full benefit of community justice in preventing crime and building social morale and the full cost that the formal crime control industry imposes through lengthy incarcerations, broken families, and the cycle of violence that prison perpetuates.
    - For these comparisons to be made, **Stuart** says, "vastly improved justice information is necessary. Otherwise, the public will remain unable to evaluate what formal justice systems and community based alternatives offer, and thereby what use each can serve."
- 

#### **5.11. Diversion Programs for Adults – 1997** <sup>16</sup>

- Expectations that diversion programs will reduce justice system costs and will be more cost-effective than traditional processing by the justice system are open to question.
    - In part, this is a product of the narrow reach of most diversion programs.
    - In the deferred prosecution area, most programs are able to deal with only two or three percent of cases charged.
    - Moreover, diversion programs often represent a greater intervention in clients' lives than does the justice system outcome that they replace, and evidence of diversion programs which permit real reductions in justice system expenditures is lacking.
    - The cost of operating diversion programs which will have a material impact on clients can be significant.
    - Most programs affect only a very small proportion of criminal cases, some studies have shown that diverted cases experience the same number of court appearances as their controls, and no instances were found of diversion programs which resulted in reductions of justice system expenditures. Indeed, some studies suggest that diversion can increase justice system workloads and that the diversion alternative is more expensive than the traditional alternative.
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#### **5.12. Restorative/Criminal Justice—Identifying Some Preliminary Questions, Issues/Concerns - 1998**<sup>17</sup>

- **Underestimating of Costs:** The government has consistently underestimated the cost of running these programs and managing volunteers.
  - Similarly, extra costs in providing support for victims throughout the system has been overlooked.
  - Over reliance on community resources will work to ensure the failure of these programs since the community has limited resources as well.

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<sup>15</sup> Cayley, D. (1998). *The Expanding Prison: The Crisis in Crime and Punishment and the Search for Alternatives*. House of Anansi Press: Toronto. x-405 pp *cited in* Native Counselling Services of Alberta. 2001. A cost-benefit analysis of Hollow Water's Community Holistic Circle Healing process. APC 20 CA (2001). Ottawa, Ontario: Solicitor General of Canada, Aboriginal Corrections Policy Unit.

<http://www.sgc.gc.ca/epub/abocor/eapc2001/eapc2001.htm>

<sup>16</sup> Nuffield, Joan, Ph. D., Written for Solicitor General of Canada, Diversion Programs for Adults, 1997, <http://www.sgc.gc.ca/EPub/corr/e199705/e199705.htm>

<sup>17</sup> Goundry, Sandra A., Legal Consulting and Research Services, Restorative Justice and Criminal Justice, Reform in British Columbia – Identifying Some Preliminary Questions, Issues and Concerns, Prepared for: BC Association of Specialized Victim Assistance & Counseling Programs, 30 April, 1998

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- Caution is also warranted until the extent to which interest in implementing criminal justice reforms is driven by a **cost-reduction formula** can be ascertained.
    - These reforms will likely require significant additional resources which do not appear to be forthcoming.
    - The strategy cannot be simply download responsibility for some offenses to the community without also providing sufficient resources to meet additional demands on present service-providers.
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### 5.13. Dollars/Sense of a Comprehensive Crime Prevention Strategy for Canada- 1996 <sup>18</sup>

#### Direct Costs of the Current System

- In Canada, it costs \$40,000-\$80,000 each year to keep one adult in a correctional institution.<sup>19</sup> <sup>2</sup>
- It costs up to \$100,000 a year to incarcerate a juvenile offender.
- In Canada, spending on police services, the courts, legal aid and corrections was \$9.7 billion in 1994/95.

#### Indirect Costs of the Current System

Speakers emphasized that it is not enough to look at the costs of running the current justice system and to compare these costs to the costs of a social development approach. It is important to include the indirect costs of an approach to crime which does *not* target the causes of crime. For example,

- In the U.S. at least half the violent crimes are committed when the offender is under the influence of alcohol, drugs or both. In fact, presenter Dr. Ted Miller reported 40% of alcohol sales are linked to violence and drunk driving. This means that the overall costs of *each* drink of alcohol consumed in the U.S., *to people other than the drinker* is \$2.20 U.S.
- Violence against women in British Columbia costs about \$385 million each year for costs incurred through the justice system, through income assistance and loss of work time, mental health care and counselling, and through the cost of transition houses and sexual assault centres (Kerr and McLean, 1996).
- Another study on the health related costs of violence against women in Canada calculates a total of more than \$1.5 billion in health costs alone (Day, 1995).
- The National Crime Prevention Council estimates that costs and expenditures associated with crime in Canada is about \$46 billion annually when both system costs and costs of the results of crime are taken into account. This estimate does not include the cost of white-collar crime.
- In the U.S., crime costs \$464 billion U.S. a year. The category of crime with the largest cost is assault, followed by rape, drunk driving and violence against children (Miller, Cohen, and Wiersma, 1996).
- In the U.S., according to Mr. Miller, the lifetime cost of injuries to children under the age of 15 is \$254 billion U.S.

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<sup>18</sup> The Dollars and Sense of a Comprehensive Crime Prevention Strategy for Canada, A Report of a Seminar on the Effectiveness of Crime Prevention through Social Development, 30 Sept – 1 Oct 1996, <http://www.crime-prevention.org/english/publications/economic/dollars/index.html#sub7>

<sup>19</sup> The Dollars and Sense of a Comprehensive Crime Prevention Strategy for Canada, A Report of a Seminar on the Effectiveness of Crime Prevention through Social Development, 30 Sept – 1 Oct 1996, <http://www.crime-prevention.org/english/publications/economic/dollars/sub1#sub1>

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### **Limited Successes of the Current System**

Dr. Miller pointed out that the high costs of the current system must be considered in the context of its limited successes. He indicated there is evidence that deterrence approaches, such as boot camps, zero tolerance programs, and other punitive exclusionary policies, may actually increase crime and marginalization. Excluding disruptive youngsters from schools may drive them towards crime, gangs and drugs.

Attempts to control crime require a measured response if they are to be successful. In fact, "despite small reductions in recent years, the crime rate in 1994 was 8% higher than a decade ago. The rate of violent crime increased by an average of 4% every year from 1978 to 1993, and is now 400% higher than in the 1960's. In 1993, approximately 24% of all adult Canadians had been the victims of at least one criminal act within the preceding 12 months."<sup>3</sup> A further decline of 1% in the crime rate in 1995 still left the rate 6.8% higher than ten years before.

### **Expenditures in the Current System: Misconceptions about Crime and its Prevention**

Because the current system emphasizes the control of crime, it focuses narrowly on people who commit crimes. It largely ignores the plight of the most vulnerable and the impact of poverty on our most disadvantaged communities.

Presenter Steven Donziger suggested that the trend toward ever-increasing imprisonment in the United States and Canada has coincided with a major reduction of social programs. In the United States there is now the highest rate of child poverty in the industrialized world. Given the evidence that high rates of child poverty contribute to crime, the cutting of social programs will not help reduce crime, and may make the problem worse.

Mr. Donziger said that saddling more people with criminal records by increasing arrest rates may reduce their future ability to get jobs. This creates a vicious cycle of marginalization, unemployment and crime. In fact, he suggested that prison itself is a vector for violence in three main ways.

- Prisons are very violent. To survive, inmates must learn survival skills which are themselves violent;
- Putting more men (and women ) in prisons separates parents from their families. Maintaining family links appears to reduce the likelihood of reoffending.
- If men or women spend a lot of time in prison, they are less likely (and less able) to establish a steady work pattern in the community.

Removing more people from the community may therefore actually help create some of the conditions that contribute to crime.

The current approach to crime tends to focus on young people as *a major problem* in crime control. The current approach emphasizes the high number of young people who commit crimes. This increases fear among adults of young people, and contributes to the alienation of youth. In fact, the biggest youth crime problem is the *victimization* of young people through crime. Seminar participants learned that violence *against* youth accounts for 43% of the costs of crime in the U.S. There is little reason to suggest things are much different in Canada.

### **The Costs and Savings of Social Development Approaches to Crime Prevention**

In contrast to the above figures, the few studies that have looked at the costs and benefits of social development programs have shown clear cost savings over the long term.

- The High/Scope Perry Preschool Study on the cost of having one child participate in a preschool program, compared to the savings over the life of a child involved in the program, found that it cost \$12,356 U.S. to have



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one child participate in a preschool program for two years, including the research costs. However, because of participation in the program over the life of each child:

- \$2,918 U.S. would *not* be paid in administrative costs of welfare (not including the actual welfare payments) because the child would be less likely to require social assistance;
- \$6,287 U.S., which would likely have been spent on special education programs if the child had not had the advantage of the early education program, would be saved;
- \$8,847 U.S. would be paid to the government in personal income taxes -- an amount which would probably have been foregone if the child had not taken part in the preschool program because his/her risk of chronic unemployment in adulthood would be much greater;
- \$12,696 U.S. would be saved on the administration of the justice system and \$57,585 U.S. would be saved on costs incurred by victims of crime, because children who take part in the preschool program are much less likely to commit crimes.

What this means in the High Scope/Perry Pre-School project is that for every \$1 U.S. spent on appropriate early education, which teaches the child responsibility, initiative, creativity and a feeling of being in charge, \$7.16 U.S. has been saved by the time the child, i.e., young adult, has reached 27 years of age, because the young person has been much more likely to do well in school, to live a life free from crime and free from the need for social assistance, to be employed and therefore to pay taxes.

The St. Lawrence Youth Association, a community-based program for high risk youth in Canada, found that for every dollar spent in the community, \$1.50 was saved in residential corrections costs.

The Los Angeles County Delinquency Prevention Program, which prevents recidivism through short-term crisis intervention and family support, produces savings of somewhere between six and thirty times the \$300 U.S. spent annually on behalf of each of the program's 10,000 participants.

"The Jobs Corps program in the U.S., which provides more than 62,000 youth each year with basic education, vocational skills and a range of supportive services, significantly increased earnings and educational attainment while reducing welfare dependency and the incidence of serious crime among graduates."<sup>4</sup> It has been estimated that for every \$1 U.S. of investment, a total of \$1.45 U.S. in long-term savings and tax contributions is reaped by society.

### **Is Crime Prevention through Social Development a Good Investment in Safety as Well as Savings?**

The conclusion of the seminar is "yes", and that it is a much better investment than approaches that work to control crime instead of preventing crime.

For example, the Rand Corporation estimates that if we took \$1 million and invested it in prison space for career criminals, this investment would prevent 60 crimes a year. If that same amount was used to monitor 12- and 13-year-old "delinquents", it would prevent 72 crimes a year. Further, if that million dollars was invested in incentives for young people to graduate from high school, 258 crimes a year would be prevented (Greenwood *et al.*,1996).

### **Is Crime Prevention Saleable? Are Policy Makers and the Public Ready to Support Crime Prevention through Social Development?**

Seminar presenters agreed that now is the time to build a comprehensive strategy of crime prevention through social development. Several speakers mentioned the high level of public discontent with the justice system. Policy makers are more open to change because they are dealing with growing criminal justice expenditures *and* growing victimization through crime *and* growing public dissatisfaction with current approaches to crime.

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Several presenters pointed out that the 1993 Horner Report provided a policy basis for a more preventive strategy, and recommended that 1% of the current federal expenditures on the criminal justice system should be spent on prevention (Canada, 1993). Within the justice system itself, police are moving increasingly to community policing models, which are compatible with a crime prevention through social development strategy.

Seminar participants recognized that high levels of discontent do not automatically translate into high levels of support for crime prevention through social development. Participants indicated that fear of crime is at high levels, and inadequate or inaccurate information may lead many people across Canada to believe that more police, more prisons and more punitive sentences are the answer to crime prevention.

Presenters agreed that selling the idea of crime prevention through social development to a fearful population requires:

- a comprehensive communication strategy to ensure that the information the public gets about crime is accurate;
- good evaluations, which show the costs and benefits of different programs, including both crime control programs and crime prevention programs;
- clear and accurate information about *how long* it will take to see the benefits, and *who* will see those benefits. For example, a mental health service may resist putting up the money for a new program if it is the justice system that will reap the benefits in terms of savings.

Selling the idea of crime prevention through social development to policy makers concerned with short-term balance-sheets requires -- in addition to providing accurate information and good evaluations -- rallying public support. A groundswell of support for crime prevention would enable politicians to make the fundamental changes needed in our current approach to crime.

We have to encourage governments to adopt a long-term, multifaceted strategy that cuts across departments and that goes beyond single, time-limited, political mandates. One presenter suggested the slogan "Making Canadians safer today and tomorrow" to encourage politicians and other Canadians to move toward a long-term strategy for crime prevention. In other words, some immediate benefits are needed in terms of crime prevention, as well as the larger, long-term benefits that research shows are possible.

Presenters recommended that individuals and organizations committed to crime prevention through social development should work with governments. As cost-cutting is a major concern of all governments, it is possible to suggest to governments that money saved in some areas may be used to pay for particular social development programs, which reap social and economic benefits.

Participants at the seminar also emphasized the importance of building community interest and identifying natural partners. Tony Doob, for example, the Director of the Centre of Criminology at the University of Toronto, suggested that a crime prevention through social development approach can attract many natural partners, not only from the justice system, but from other sectors such as: education, health, social services, child care, parenting support, and community development.

**Is Crime Prevention Do-able? Is a Crime Prevention through Social Development Strategy Practical?**

We need to develop a long-term and comprehensive vision of crime prevention. This vision should:

- focus on one or two clear action priorities at a time;
- combine programs that have short-term benefits with others that represent longer term investments;

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- develop manageable but comprehensive evaluation strategies that can be widely implemented so that the public and policy makers have strong evidence available on which to base decisions.

#### **What Should an Evaluation Strategy Include?**

There are several characteristics of a workable and effective evaluation approach that would provide cost/benefit and/or cost-effectiveness information.

- It is important to review our assumptions before beginning research. It is commonly assumed that crime is expensive, the operation of the criminal justice system is expensive and that prison, in particular, is expensive. While these assumptions may be correct, as Ann Netten pointed out, it does not necessarily follow that non-incarcerative programs or programs outside the justice system are less expensive. We have to count all the costs, and if possible all the benefits, of what we do in the criminal justice area.
- It is important to build evaluations on a sound theoretical footing to promote adequate collection of data, as well as meaningful and appropriate interpretations of findings.
- Costs should be comprehensively measured, including costs across services, indirect costs and direct costs over a specified time frame.
- Cost variations between users, facilities, locations or sectors should be explored. "Costs could be shaped by, among other things: the preferences and perspectives of professionals and agencies; the bureaucratic tendencies of organizations, the scale of operation of organizations and the characteristics of local areas."<sup>2</sup>
- When exploring cost variations, it is important to compare like with like. Often a study of variations reveals that these differences are created not because of differences in the programs but because the programs are dealing with very different clients. Therefore, one program may have lower costs because it is dealing with clients with fewer needs than another program with higher costs.
- Similarly, benefits must be comprehensively measured.
- Costs cannot be studied in isolation. They should be related to outcomes.

#### **How Do We Know that a More Preventive Approach is Do-able?**

Perhaps the clearest answer to this question was provided by presenter Neal Yeates, the Associate Deputy Minister, Saskatchewan Social Services. He described how Saskatchewan has begun to implement such an approach. Mr. Yeates explained that Saskatchewan policy makers discovered that they were spending 80% of their resources earmarked for youth crime on 20% of the young people who came in contact with the justice system, and that most of this money was spent on custody. Therefore, to rebalance expenditures and to increase the benefits of the money spent, Saskatchewan developed the *Family and Youth Plan*. This plan was aimed at developing more community services to reduce reliance on private treatment and Young Offender custody, and ultimately to prevent youth from becoming more deeply involved in the youth justice system.

Youth who have been in conflict with the law were included in the study, as well as young people who are at risk of offending or who have just begun to offend. Three community-based programs were developed and are summarized briefly here:

1. family preservation programs in which family preservation workers help families of young people who have come into conflict with the law by providing conflict resolution, counselling and referrals to agencies and support systems;

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2. day programs to give youth at risk something productive to do;
3. youth support programs with a one-to-one basis of support for youth and members of their family.

It cost \$1.7 million to put these initiatives in place and to run and evaluate them. However, it was predicted that \$2.5 million in custody costs would be saved. In fact, over the fiscal year 1995/96, none of the group of first offenders or young people at risk of offending ended up in custody. The most successful programs were the Family Preservation programs.

**What are the Implications for Future Action?**

While participants at the seminar did not make formal recommendations, many ideas for action were included in presentations and through comments or questions from participants. These ideas provide some direction to help inform a comprehensive yet practical crime prevention strategy. Those suggested for future action by the Council are highlighted below, and other ideas raised which fall outside the mandate of the Council are also included to help inspire action in other organizations and communities.

**How can the National Crime Prevention Council (The Council) and Others Help Build a Comprehensive Crime Prevention Strategy?**

**Effectiveness**

**How Can the Council Increase Effectiveness?**

- The Council can develop an outline of a strategic research and action approach to crime prevention which builds on what works, which addresses the problems which contribute to crime and which transcends the priorities of single political terms of office.

Council members can also make this strategy widely available to policy makers, to people working in the justice system, to educators, to health care workers, to the general public.

- The Council can study the criminal justice system to see whether prisons and other crime control approaches are working to reduce crime and victimization, and increase community safety

**What Else Can Be Done?**

- Governments, professionals and community members can help prevent child abuse and neglect as well as the future problems that many children who are abused may experience and create, through home visits and appropriate, sensitive treatment and support.
- Service providers can offer treatment and support as well for children and youths who witness violence in their homes and/or in the wider community.
- While governments at all levels and many communities have taken action to reduce drunk driving, more can be done to reduce alcohol use, by enforcing laws restricting drinking among youth and by targeting those who persistently drink and drive for treatment programs and loss of their licences.

**Cost Efficiency**

**How Can the Council Help Make Crime Prevention More Cost-Efficient?**

- The Council can help promote the benefits of intersectoral and interagency approaches where appropriate.

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- It can advocate against for-profit private prisons. As soon as prisons become for-profit there is an even stronger lobby to retain and expand prisons as a solution to crime. We must not let profit become a guiding motive in justice system decisions.

**What Else Can Be Done?**

- One can compare the costs, benefits and cost-effectiveness of various interventions such as parent training, incentives to go to university, zero tolerance policies, and "three-strikes and out" approaches to young people.
- Governments can retain provincial alcohol monopolies and choose not to privatize alcohol sales. Alcohol consumption and crime are strongly linked.

**"Saleability"**

**What Can the Council Do to Make a Social Development Approach More Saleable?**

- Council members can make the evaluation framework developed visible and available to a wide range of agencies so that they will come to support evaluation and see the benefits of such research for them, as well as for society as a whole.
- The Council can also take accurate information about crime and crime prevention measures that work to Canadians in every walk of life so that they can help influence politicians to make the needed changes.
- The Council can create a report card that rates Canada in terms of factors which are known to contribute to crime.
- Instead of working on something as hard to grasp as a broad social development approach to crime prevention, the Council was advised to identify two priorities within this broader aim, one short-term and one long-term, to help make the work of the Council more visible, identifiable and successful.
- The Council can help educate people working in a wide range of programs and agencies about the broad components of costs and benefits in relation to crime, and crime prevention. Too often in the past there has been a tendency to look at the costs and benefits of each program so narrowly that it has not been possible for ordinary Canadians to see how they can help influence the bigger picture, and how they can work with others to strengthen preventive efforts.
- The Council can develop a comprehensive communication strategy which repeats messages that build awareness about a social development approach to crime prevention on current affairs programs.

**"Do-ability"**

**What Can the Council Do to Make a Social Development Strategy Do-able?**

- Council members can include a community mobilization strategy and evaluation framework in their overall social development strategy, taking into account community needs, desires and concerns.
- The Council can also identify groups and individuals who share a commitment to crime prevention through social development, and/or who work to strengthen programs that help reduce crime (e.g., day care advocates), in order to make them part of the comprehensive strategy.

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- The Council can encourage professional schools to put crime prevention through social development on their curricula so that graduates will be sensitized to this strategic approach.

#### **What Else Can Be Done?**

- Governments can make jobs a priority in a crime prevention strategy to give people at risk of committing crimes the choices, opportunities and hope to build lives free from crime.
- Governments, private sector companies and community agencies can provide structured behavioural, or skills oriented, training.
- Policy makers and communities can strengthen families and communities.
- Decision makers can address poverty as one of the central factors that pushes people into crime.

Although speakers and participants at this seminar came from diverse sectors and disciplines, there was unanimous agreement that in order to prevent crime, a more comprehensive crime prevention strategy is essential.

#### **Conclusion**

As one Council member remarked, we must move beyond "flavour of the month" programs towards a well-thought-out, integrated and comprehensive approach. Crime prevention through social development is effective, efficient, saleable and do-able. What we need now is the will to build a comprehensive crime prevention strategy and to carry it through.

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<sup>1</sup> The Council has produced three related reports which can be ordered from the National Crime Prevention Council Secretariat. These reports are: "Safety and Savings: Crime Prevention Through Social Development"; "Money Well Spent: Investing in Preventing Crime and Victimization" and "Evaluating Community-based Crime Prevention Projects: a Checklist of Approaches and Options". To order these reports, write to: The National Crime Prevention Centre, 123 Slater Street, 8th floor, Ottawa, Ontario, K1A 0H8, phone the Secretariat at 613-941-9306, send a fax to 613-952-3515 or send an E-mail to the [npc@crime-prevention.org](mailto:npc@crime-prevention.org).

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<sup>2</sup> This, and other Canadian figures in this section, unless otherwise noted, are taken from the following National Crime Prevention Council publications: "Safety and Savings: Crime Prevention through Social Development", March, 1996, and "Money Well Spent: Investing in Preventing Crime", September 1996.

<sup>3</sup> This quote is taken from the National Crime Prevention Council Canada fact sheet "Safety and Savings: Crime Prevention Through Social Development". March 1996. These facts were alluded to by several speakers throughout the seminar.

<sup>4</sup> National Crime Prevention Council, "Safety and Savings: Crime Prevention through Social Development", Ottawa, Ontario, March, 1996.

<sup>5</sup> Ann Netten, "The Experience with Cost Effectiveness Analysis in the United Kingdom", a paper presented at the "Crime Prevention: Money Well Spent?" Seminar.

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#### 5.14. Nova Scotia – The Cost of Crime in Nova Scotia - 1999 <sup>20</sup>

Crime Costs Nova Scotians \$1.2 Billion A Year - Stop Counting Crime Costs as Contribution to Prosperity, Study Recommends

- GPI Atlantic, a non-profit research group, released the first comprehensive study of the economic costs of crime in Nova Scotia, and the first in Canada that examines changes in these costs over time.
  - The report challenges the current practice of counting crime costs as a contribution to economic prosperity and well being, as is done in measures of progress based on the Gross Domestic Product (GDP).
  - The study is the third release of data for the Nova Scotia Genuine Progress Index (GPI), which will integrate 20 social, economic and environmental indicators into a comprehensive measure of sustainable development for the province.
  - The work is seen as a step towards "full cost accounting" and has been designated by Statistics Canada as a pilot project for Canada. The first two components of the GPI, on the value of voluntary work and the value of unpaid household work and child care, were released late last year and measured social assets not counted in the GDP.
  - Higher crime rates make the GDP grow because they produce more spending on prisons, police, court trials, burglar alarms and security guards, all of which make the economy grow and are counted as contributions to economic prosperity. By contrast, the GPI sees crime costs as a loss rather than a gain. Unlike the GDP, higher crime rates make the GPI go down. Lower crime costs are seen in the GPI as cost savings which can be invested in more productive activities that contribute to well being.
  - While measures of progress based on the GDP assume that all economic growth contributes to prosperity, the GPI regards limits to growth in crime, pollution, sickness, road accidents, natural resource depletion, gambling and other potential liabilities as more indicative of progress than unlimited growth. This approach holds true for the fourth GPI data release next month, on the cost of greenhouse gas emissions in Nova Scotia. Like crime, lower emissions are seen as a sign of progress.

The GPI Atlantic study found that:

- Crime costs Nova Scotians an estimated \$550 million a year in economic losses to victims; public spending on police, courts and prisons; and private spending on burglar alarms, security guards, electronic surveillance and theft insurance. This amounted to \$600 per person, or \$1,650 per household in 1997.

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<sup>20</sup> Press Release regarding study on The Cost of Crime in Nova Scotia, 14 April, 1999 [http://www.gpiatlantic.org/pr\\_crime.shtml](http://www.gpiatlantic.org/pr_crime.shtml)

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- When losses due to unreported crimes, insurance fraud and shoplifting are added, as well as the costs of shattered lives due to crime, as estimated from court awards, the loss was nearly \$1.2 billion a year, or \$1,250 per person (\$3,500 per household). These crime costs amount to 6.3% of the provincial GDP. These costs do not include deaths, injuries and property damage due to impaired driving; non-hospital medical costs; private spending on criminal lawyers; and a variety of other costs.
- The average Nova Scotia household pays \$800 more per year in higher prices, 2.6% of annual consumption expenditures, due to in-store retail theft and crime prevention equipment. Insurance fraud costs Nova Scotia households an additional \$200 a year in higher premiums.
- Nova Scotia crime costs are lower than the Canadian average due to a property crime rate that is 82% of the national average, a serious violent crime rate that is 63% of the national average, and a robbery and motor vehicle theft rate less than half the Canadian average. The province also has the lowest incarceration rate in Canada. Nova Scotia imprisons out of every 1,600 citizens, compared to one out of 900 in Canada, and one out of 150 in the U.S.A. Nova Scotia has one-sixth the crime rate for serious violent crimes as the U.S.
- Nova Scotia's comparative advantage in crime cost savings is gradually eroding. Nova Scotia's property crime rate has climbed from 60% of the Canadian rate in 1972 to 72% in 1982, to 82% in 1997. For all criminal code violations, Nova Scotia has jumped from less than two-thirds the national crime rate 25 years ago to 98% today, though most of the increase in violent crime has been for common assaults rather than serious crimes.
- According to the official crime statistics, Nova Scotians today are four times as likely to be victims of crime as their parents a generation ago. Crime rates have climbed steadily since 1962, peaking in 1991, and falling by 16% since then. According to the most recent victimization surveys, Nova Scotians have a one-in-ten chance of being a crime victim in 1999, compared to a one-in-six chance eight years ago. Higher crime translates into higher costs, higher prices and higher taxes. If crime were still at 1962 levels, Nova Scotians would be saving about \$750 million a year or \$2,200 per household, money that would be available for investment in more productive and welfare-enhancing activities.
- Across the country crime is highly correlated with unemployment rates. Crime rates peaked during the recessions of the early 1980s and early 1990s as unemployment rates hit all-time highs. Only 22% of Nova Scotia prison inmates had full-time jobs at the time of admission, and fully 58% were unemployed.

[http://www.gpiatlantic.org/ab\\_crime.shtml](http://www.gpiatlantic.org/ab_crime.shtml)

- Despite the suffering caused by crime, and despite its costs both to the economy and to our quality of life, higher rates of crime actually fuel economic growth. Because the Gross Domestic Product (GDP) simply adds up all economic activity and is currently used as our primary measure of progress, increased spending on prisons, police, courts, burglar alarms and security systems is perversely counted as a contribution to our well-being and prosperity.
- The same is true for gambling, toxic pollution, sickness, divorce, accidents, smoking, and natural resource depletion, all of which make the GDP grow. Because the GDP makes no distinction between economic activities that create benefit and those that cause harm, its misuse as a measure of progress means that "more" is always regarded as "better," thereby sending misleading signals to policy makers.
- One of the fastest growing sectors of the booming U.S. economy is imprisonment, growing at an annual rate of 6.2% throughout the 1990s. Two million Americans, one out of every 140 citizens, are now behind bars, more than any other country in the world. The security industry alone contributes \$50 billion a year to the U.S. economy, with schools now the biggest customers, after a growth spurt fuelled by the Oklahoma City explosion and the Columbine



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High School massacre. The O.J. Simpson trial alone added \$200 million to the U.S. GDP. Is this type of growth a sign of a healthy economy and society?

- Because Nova Scotia imprisons people at just one-twelfth the rate of the U.S.A., because it has just one-sixth the rate of serious violent crimes, and because it spends so much less on prisons and security systems, its GDP grows more slowly, -- an economic and social deficit according to our current measures of progress.
- By contrast, the Genuine Progress Index (GPI) counts the costs of crime as a loss and a liability.
  - It explicitly values a peaceful and secure society as a valuable social asset, and regards higher crime rates as signifying a deterioration or depreciation of that social capital.
  - Unlike the GDP, lower crime rates make the GPI go up.
  - Reduced crime costs are regarded as savings that can be invested in more productive and welfare-enhancing activities.
  - In the GPI, "less" is often "better," with limits to growth in crime, pollution and other liabilities more indicative of progress than blind unlimited growth.
- The GPI Cost of Crime study, the most comprehensive of its kind to date, finds that crime costs Nova Scotians \$1.2 billion a year, or \$3,500 per household, equal to 6.3% of provincial GDP.
  - This includes \$550 million a year in economic losses to victims; public spending on police, courts and prisons; and private spending on burglar alarms, security guards and theft insurance.
  - The average Nova Scotia household pays \$800 more per year in higher prices, 2.6% of annual consumption expenditures, due to in-store retail theft and crime prevention equipment.
  - Insurance fraud costs households an additional \$200 a year in higher premiums.

## 6. Relevant Documents, Studies and Practices - USA

### 6.1. The Comparative Costs and Benefits of Programs to Reduce Crime-2001<sup>21</sup>

- For a wide range of approaches—from prevention programs designed for young children to correctional interventions for juvenile and adult offenders—the researchers systematically analyzed over 400 evaluations produced in Canada and the United States over the last 25 years.
  - They then independently determine whether program benefits, as measured by the value to taxpayers and crime victims from a program’s expected effect on crime, are likely to outweigh costs.
  - The report estimates the costs and benefits of crime reduction programs from the perspective of taxpayers and crime victims in the State of Washington.
  - The degree to which the estimates presented here are applicable to other jurisdictions will depend on many factors, not the least of which are any differences among justice system costs and sentencing practices.
  - [Download the report \(180 pages\) from the Washington State Institute for Public Policy website](#)
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### 6.2. Community Justice: A Conceptual Framework -2000<sup>22</sup>

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<sup>21</sup> Aos, S., P. Phipps, R. Barnoski and R. Lieb (May 2001) *The Comparative Costs and Benefits of Programs to Reduce Crime*, Olympia, WA: Washington State Institute for Public Policy

<sup>22</sup> Karp, David and Todd Clear, “Community Justice: A Conceptual Framework” in *Boundary Changes in Criminal Justice Organizations*, Volume 2, p, 323-368, 2000 [http://www.ncjrs.org/criminal\\_justice2000/vol\\_2/02i2.pdf](http://www.ncjrs.org/criminal_justice2000/vol_2/02i2.pdf)

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With each newly established source of informal social controls, community capacity will grow. As we have argued, these forms of control tend to be self-regenerating: One strong community group can plant a seed that grows into greater levels of mobilization. As these stronger community controls grow, they will tend to supplant the official agencies and develop their own agendas for improving community quality of life. The downward spiral of devastation can be changed into an upward cycle of empowerment.

### **Funding new practices**

We have argued that communities struggling with crime problems are typically beset by crumbling institutional infrastructure. These are the same communities that are bereft of the resources that might be needed to undertake innovative community justice efforts. In the face of limited institutional strength, community justice strategies require a kind of bootstrapping of resources. Where can we look to find these resources?

There is, of course, sufficient money spent on traditional justice to fund the work of a community justice operation. A great deal of money is now spent on punishment—\$31 billion in 1992 (U.S. Department of Justice 1997). Moreover, a community justice initiative need not be costly compared with contemporary expenditures. A few professional community workers can galvanize community efforts toward safer communities by building on residents' strengths and focusing official agency efforts toward strategies that strengthen the communities in which their clients live. A community justice initiative can be paid for by diverting dollars from less effective, contemporary expenditures to more effective, community-oriented initiatives.

This can be stated in stark dollar terms. The average prison commitment (about 2 years) in the United States is also a \$40,000 commitment of public funds. Each year, roughly 650,000 convicted offenders are incarcerated (Maguire and Pastore 1998). Redirection of just a handful of these decisions can alter the calculus of public protection.

The mathematics are particularly compelling at the community level. In Washington, D.C., for example—an area much larger than a community—5,700 residents are sentenced to prison in a given year (District of Columbia Department of Corrections 1997). At an average cost of \$40,000 per sentence, a community that is willing to retain a mere five offenders in a given year has \$200,000 to use to improve its community safety. This is enough money to fully fund a small community development office. It is not radical to think there are five offenders who could safely remain in the community instead of spending the 2 years in prison they would ordinarily serve.

VOLUME 2



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### **6.3. New York State - The Economics of Restorative Justice – 1994**<sup>23</sup>

- It was estimated in Genesee County that it cost the county an average of \$350 per case that has been handled in the diversion program.
  - A majority of those cases otherwise would have resulted in incarceration, at a cost of between \$14,000 and \$25,000 per year.

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<sup>23</sup> van Gelder, Sarah, The Economics Of Restorative Justice, The Ecology Of Justice (IC#38) in Spring 1994  
<http://www.context.org/ICLIB/IC38/SvGldr2.htm>

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- Just one drug possession case, would likely have cost \$625,000 or more in prison costs, had his case not been diverted.
- Because it has been consistently diverting selected cases to community-based sentences, the Genesee County jail has had room to spare for the past 52 months.
  - New York state prisons, which are at 115 percent of capacity, and the federal corrections system are sending inmates to Genesee.
  - Housing these inmates brought \$630,000 into county coffers in 1993 alone.
- The state of New York is catching on to the potential cost savings.
  - The state is considering appropriating \$5 million in its 1994-1995 budget to provide financial incentives that would encourage counties to divert up to a total of 500 cases through programs similar to Genesee County's.
  - There are 62 counties in New York, so if each county diverted just eight or nine cases per year, New York state could save the \$100 million to \$200 million it would otherwise have to spend to build a new prison.
- Genesee Justice views crimes as damaging not just to the direct victim and the victim's family, but to the community as a whole. So community service and reparations play a central role in the Genesee Justice system. As part of his sentence, a DWI offender paid \$200 to Mothers Against Drunk Driving; a school burglar paid \$250 in reparations to a fifth grade class.<sup>24</sup>
  - Community service has the added benefit of helping an offender to restore his or her standing in the community. Offenders have built or repaired public facilities, prepared meals for homeless people, cut wood for a home energy assistance program, and done accounting for the YMCA.
  - Between 1981, when this new approach to the justice system was launched, and 1993, the community received 186,410 hours of work from 2,600 offenders. The county also saved \$50 for every day that an offender was *not* incarcerated. So the total benefit to the county during this period resulting from community service was equivalent to \$2.15 million.

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#### 6.4. National Centre on Institutions and Alternatives - 25

**Q: How should we punish somebody who committed a crime?**

**A: Reserve prison for serious offenders and place lesser offenders in community corrections.**

- There are effective non-custodial ways to punish marginal offenders. Intensive probation, drug rehabilitation and community service are just a few of the options. Many of these options are much less expensive than prison and more effective at reducing recidivism.

[Continuum of Options chart](#)

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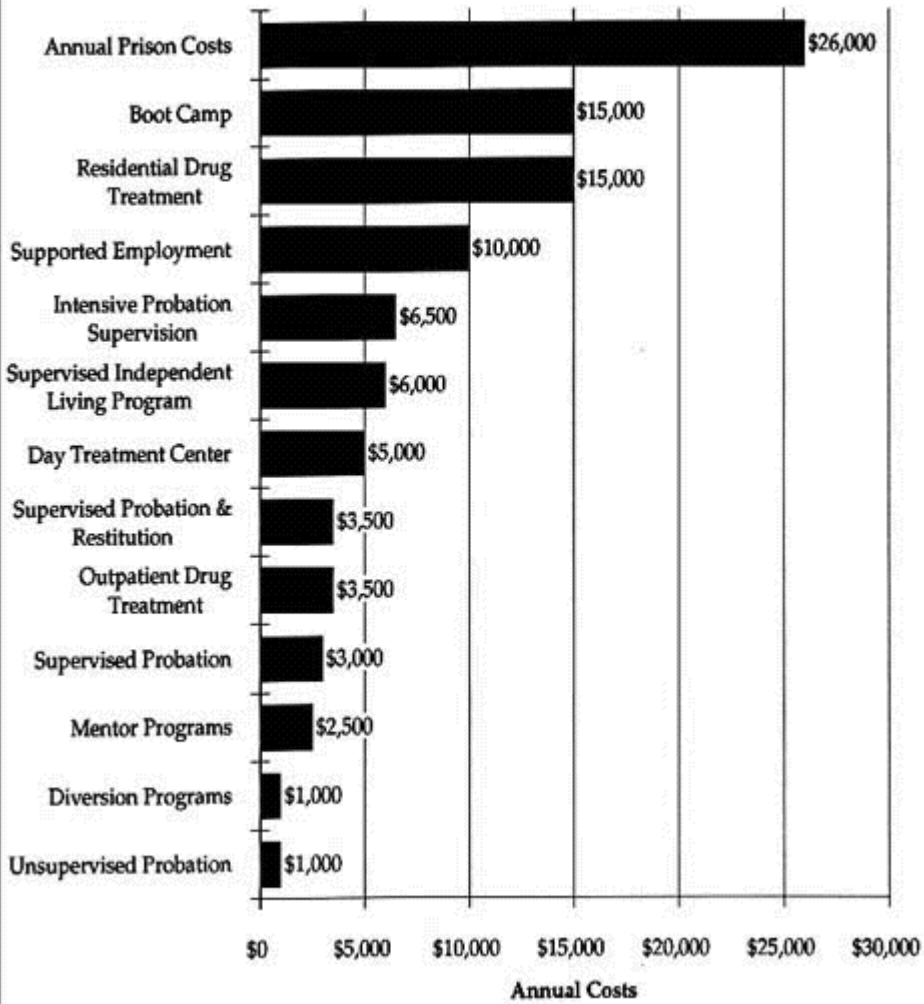
<sup>24</sup> van Gelder, Sarah, Genesee Peacemakers, The Ecology Of Justice (IC#38) in Spring 1994 <http://www.context.org/ICLIB/IC38/SvGldr2.htm>

<sup>25</sup> National Centre on Institutions and Alternatives <http://www.ncianet.org/ncia/facts.html>

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- If just half of the non-violent prisoners were not incarcerated, about \$8 billion would be saved annually on custodial operating costs alone. This money could be used to fund less expensive punishment and prevention programs that in the long run can prevent crime with fewer negative collateral effects on communities.
- Under this scenario, the savings generated each year for crime prevention significantly exceeds all the money the 1994 federal crime control act allocates to crime prevention over six years.
- If an addict or occasional drug user is convicted of simple possession of a small amount of a controlled substance and sentenced to a five year mandatory minimum sentence, the cost to the public of prison alone is \$110,000.
- For the same amount of money, society could: give the offender one year of prison (\$22,000), one year of residential drug treatment (\$15,000), and three years of supervised probation and outpatient drug treatment (\$3,500 per year), and still have \$62,500 left over for savings or other civic investment.
- Community corrections help transform people who commit crimes into productive members of society. People who live in the community must care for themselves and find work in the manner of ordinary citizens. People behind bars are less responsible for themselves.
- The small number of people who need to be locked up should be afforded every opportunity to improve themselves. The loss of liberty is the punishment. While incarcerated, they should work, get educated, undergo drug treatment, and everything else necessary so that society will not regret their release.

### Continuum of Options



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## 7. Relevant Documents, Studies and Practices - International

### 7.1. Benefit-Cost Analysis and Crime Prevention - 2000 <sup>26</sup>

- Cost-benefit analysis in crime prevention is a relatively new field-it has rarely been used even though crime costs the Australian community approximately \$18 billion per year; that is, 4 per cent of Gross Domestic Product (GDP).
- This paper outlines techniques of cost-benefit analysis and gives some evaluated examples in crime prevention.
- These are mostly overseas examples, as Australian analysis is in its infancy.
  - It may be the case that a dollar spent on early childhood development will yield a greater net benefit than the same dollar spent on an additional prison cell.
- Not all early intervention programs are necessarily cost effective.
  - This paper cites the (American) Perry Preschool Program which, for every dollar spent on the program, the community gained roughly \$7 worth of benefits in crime reduction and improvement of life opportunities.
  - It also cites the Hawaii Healthy Start Program which, for every dollar spent, yielded a benefit of only 38 cents.
- In situational crime prevention, the measurements are easier and more direct.
  - In the (British) Kirkholt housing estate, every £1 spent on a burglary reduction program yielded £5 in savings, while in an Australian study, every dollar spent by the Victorian Totalizer Agency Board (TAB) yielded a \$1.70 benefit in reduced robberies.
- As crime imposes considerable costs on society in terms of financial, emotional, and opportunities forgone, identifying and investing in effective programs is a winning strategy.

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### 7.2. Crime Reduction Programme, Analysis of Costs/Benefits – 1999 <sup>27</sup>

- The purpose of this series is to provide guidance on the monitoring and evaluation of Government-funded crime reduction initiatives.
  - The impetus for the series comes from the desire of HM Treasury and the Home Office to ensure adequate assessment of the effectiveness and cost-effectiveness of new initiatives funded from the 1998 Comprehensive Spending Review.
  - A major element of the newly funded initiatives is *the evidence-based Crime Reduction Programme*, for which the Government has committed £250 million over the period 1999-2002.
  - It should be of use to evaluators and those planning new initiatives.

For the remainder of the document see it online

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### 7.3. Restorative Justice - 1996<sup>28</sup>

- Most modern-day overseas restorative programmes in Western countries are small-scale, have been in existence less than thirty years and operate either as an adjunct to the formal criminal justice system or parallel with it.

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<sup>26</sup> John Chisholm, Australian Institute of Criminology, Benefit-Cost Analysis and Crime Prevention, February 2000, <http://www.aic.gov.au/publications/tandi/tandi147.html>

<sup>27</sup> United Kingdom, Home Office, Research, Development and Statistics Directorate, Crime Reduction Programme, Analysis of Costs and Benefits: Guidance for Evaluators, 1999, <http://www.homeoffice.gov.uk/rds/pdfs/cdp1costeff.pdf>

<sup>28</sup> New Zealand, Ministry of Justice, Restorative Justice, A Discussion Paper, 1996, <http://www.justice.govt.nz/pubs/reports/1996/restorative/index.html>

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- Acceptance by the offender of responsibility for the offence or harm caused is the necessary precursor to involvement, and programmes do not have procedures for determining guilt where responsibility is denied by the accused.
- Many programmes operate only with juveniles or particular categories of offenders (for example property offenders).
- Even where they deal with cases across the spectrum of offending, some screening is undertaken and they seldom involve serious recidivists and dangerous offenders.
- Programmes universally recognise the right of the victim to decline to participate. Howard Zehr (1990: 5) has noted that :
  - Victim offender reconciliation is not a solution to all problems. It does not solve many of the basic problems of injustice that are inherent in our society and our criminal justice process. In fact, unless coupled with efforts to reduce reliance upon prisons VORP may only "widen the net," simply allowing the criminal justice process to take in more people. It may not be appropriate in all cases, at least in its present form. Nor can it be guaranteed to always work.
- As a result of all of these factors, it is unlikely that restorative processes would replace the current justice system.
  - There needs to be the alternative avenue of pursuing criminal proceedings through the court system.
- Even the New Zealand youth justice system which places significant reliance on family group conferences retains the alternative of the youth court, and the district and high court for more serious cases.
- The extension of restorative programmes for adults would involve new expenditure on the administration of the justice system.
  - The extent of the cost and the source of funding would depend on the nature of any schemes which are developed.

### Savings

- Those who support restorative justice frequently claim that the widespread use of restorative programmes is likely to lead to broad savings for Government.
  - These would involve both short-term systems savings and longer-term savings through crime reduction derived from enhanced community involvement with, and responsibility for, offenders and victims, and as a result greater social cohesion.
  - Savings are also claimed from fewer demands on the court system because of the diversion of offenders, the less frequent use of custodial sanctions, and a reduction in offending rates.
- McElrea (1994)<sup>29</sup> suggested that an adult system similar to the New Zealand youth justice system was likely to result in fewer courts and fewer prisons.
- *Juvenile System:* It is instructive to consider the experience of the juvenile jurisdiction in this regard, before considering the potential implications for the adult system.
  - Direct savings will be achieved if reductions in court sitting time that derive from youth court volume reductions can be translated into court closures and/or fewer judges and court staff.
  - Where court closures do not occur and there is no reduction in the number of judges or court staff, then any savings accrue to the court system rather than to the Government and resources are not freed up for re-allocation.
  - Although there is no readily available data on trends in youth court sitting times, the significant reduction in cases referred to the youth court must have resulted in the use of less court time.
  - However, direct savings to the court system have not been realised through court closures or fewer youth court judges<sup>30 31</sup>.

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<sup>29</sup> McElrea F (1994) Restorative Justice. The New Zealand Youth Court: A Model for Development in Other Courts? National Conference of District Court Judges, April 1994, Rotorua cited in New Zealand, Ministry of Justice, Restorative Justice, A Discussion Paper, 1996, <http://www.justice.govt.nz/pubs/reports/1996/restorative/index.html>



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- In smaller court districts, both judges and court facilities are generally shared among the district court divisions, although there are some dedicated youth court facilities in larger districts. It therefore seems probable that the reduction in demand in the youth court has increased the availability of judges and court-rooms for other district court business.
- In the case of dedicated youth court facilities, it may possibly have resulted in under-utilised assets.
- It is not known to what extent the additional capacity created might have been used to offset the costs associated with volume increases or jurisdictional changes elsewhere in the system. Unless this has occurred, no savings to Government will have been realised.

#### Family Group Conferencing<sup>32</sup>

- The implementation and operation of the family group conference process incurs substantial costs for the Government.
- The Department of Social Welfare delivered youth justice services at a cost of \$30.8 million in 1993/94<sup>33</sup> (Department of Social Welfare, 1994). As the preceding discussion on the juvenile court system indicates, resources from any savings in the court system are not necessarily freed up for reallocation as a result of court work volume reductions. If such reductions are associated with new activities elsewhere, the net result may be increased expenditure for the Government.

#### New Zealand Adult Court System<sup>34</sup>

- Some savings in some aspects of the court system, as a result of the introduction of restorative processes for adults, might counterbalance some of the potential costs.
- First, if the outcome of mediation meetings was considered to sufficiently inform sentencing decisions, there might be a reduced demand for pre-sentence probation reports that would otherwise have been prepared.
- Additionally, if the offenders' active involvement in the process results in a greater level of commitment to the outcome, in comparison to a sentence imposed in the usual way by the court. Higher rates of compliance with court orders would result in a reduction in enforcement costs. The size of savings in these two areas would depend on the nature and coverage of any schemes introduced and the extent to which volume reductions could be translated into savings of the fixed and variable costs of the criminal justice system.

Paragraph 5.5 described the findings in respect of altered sentence patterns for offenders in restorative programmes. The New Zealand experience with juveniles has been a much reduced reliance on institutional sanctions. This is seen in the smaller numbers both being held in Department of Social Welfare residences and sentenced to custodial penalties. The extent to which this was influenced by the introduction of the family group conference approach or an earlier policy decision to minimise interventions with young people and to reduce the number of residential places available is a moot point.

#### Sentencing<sup>35</sup>

- The international studies found that restorative programmes had only marginal effects on sentencing.
  - The English programmes found some chance of imprisonment being avoided while the American experience was a reduction in imprisonment length rather than reduced probability of custody.

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<sup>30</sup> Brooker's (1995) Brooker's Law Directory 1995. The Law Book Publishing Company Ltd., Sydney cited in New Zealand, Ministry of Justice, Restorative Justice, A Discussion Paper, 1996, <http://www.justice.govt.nz/pubs/reports/1996/restorative/index.html>.

<sup>31</sup> The New Zealand Law Register 1992, The Law Book Company Ltd., Sydney cited in New Zealand, Ministry of Justice, Restorative Justice, A Discussion Paper, 1996, <http://www.justice.govt.nz/pubs/reports/1996/restorative/index.html>

<sup>32</sup> New Zealand, Ministry of Justice, Restorative Justice, A Discussion Paper, 1996, <http://www.justice.govt.nz/pubs/reports/1996/restorative/index.html>

<sup>33</sup> Department of Social Welfare (1994) Fiscal 1994 Annual Report. Department of Social Welfare, Wellington cited in New Zealand, Ministry of Justice, Restorative Justice, A Discussion Paper, 1996, <http://www.justice.govt.nz/pubs/reports/1996/restorative/index.html>

<sup>35</sup> New Zealand, Ministry of Justice, Restorative Justice, A Discussion Paper, 1996,

<sup>34</sup> Ibid.

<sup>35</sup> Ibid. <http://www.justice.govt.nz/pubs/reports/1996/restorative/index.html>

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- The impact on New Zealand imprisonment rates is likely to be influenced by the approach taken to violent offenders. In any event, many of the costs of the prison system are fixed and unable to be markedly affected by minor variations in the numbers of prisoners held.
- Sizeable savings cannot be realised until prison numbers reduce sufficiently to allow prisons to be closed and fixed costs to be eliminated or through reducing the rate of growth in the prison population and thereby reducing the rate and extent to which the system needs to be expanded.

Reduction in Offending<sup>36</sup>

- There is insufficient information to sustain the argument that restorative justice practices lead to a reduction in offending (paragraph 5.6).
- The international data indicates some reductions in offending over the short-term, but such changes were not statistically significant.
  - Some studies of the reappearance rates of New Zealand juveniles have been undertaken but there is no ability to directly compare the results with rates under traditional court processes.
  - An analysis of non-traffic prosecutions for young adults up to the age of 25 has shown that the New Zealand juvenile justice system has produced no observable flow-on effect in this age-group in terms of reducing prosecutions.
  - It is possible however that the impact of the Children, Young Persons and Their Families Act is being masked by other factors.
- **Summary:** Based on the foregoing, there is insufficient information to support a conclusion that the introduction of restorative programmes could be expected to result in major savings for the criminal justice system.

**Costs:** There would also be costs associated with introducing restorative programmes and these are now considered.

- **Preparation Time:** If mediation is to involve voluntary participation and useful outcomes, then participants need to be well-briefed on what is involved and on what their role will be.
  - Thus, there needs to be an investment of time in preparing the parties and co-ordinating the arrangements for them to come together, even before the actual mediation encounter takes place, and time costs money. In the words of two authors:<sup>37</sup>
    - *To assume that victims and offenders can simply be brought together and reconciled without careful briefing of the parties first and without careful training of the co-ordinators to manage such emotional and, by their nature, unpredictable meetings is a mistake...*
    - The Volunteer Handbook for the VORP Programme<sup>38</sup> reinforces the need for both preparation and follow-up:
      - *But the VORP meeting is not all there is to it; like all constructive interactions, both advance preparation and follow-through are absolutely essential and make the difference between a successful discussion and a hostile encounter.*
  - In the United Kingdom, the Home Office projects operating at the post-conviction/pre-sentence stage spent between an **average of three and seven hours per case** in negotiation with the individual parties prior to mediation.
    - Most of the actual mediation meetings lasted about an hour and this was similar to the time taken in the North American programmes.<sup>39</sup>

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<sup>36</sup> New Zealand, Ministry of Justice, Restorative Justice, A Discussion Paper, 1996, <http://www.justice.govt.nz/pubs/reports/1996/restorative/index.html>

<sup>37</sup> Maxwell G & Morris A (1993:120) Family, Victims and Culture: Youth Justice in New Zealand. Social Policy Agency and Victoria University of Wellington New Zealand, Institute of Criminology, Wellington cited in New Zealand, Ministry of Justice, Restorative Justice, A Discussion Paper, 1996, <http://www.justice.govt.nz/pubs/reports/1996/restorative/index.html>

<sup>38</sup> Stutzman Amstutz L & Zehr H (1990: 7) VORP Volunteer Handbook. Mennonite Central Committee and MCC, Akron, Ohio, US cited in New Zealand, Ministry of Justice, Restorative Justice, A Discussion Paper, 1996, <http://www.justice.govt.nz/pubs/reports/1996/restorative/index.html>

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- The guidelines for volunteers in the latter programmes suggest that time in pre-meeting preparation would generally be around an hour, and this would be spent in separate pre-mediation meetings with victim and offender.
- The time taken to arrange each family group conference in New Zealand *varies according to factors such as the seriousness of the offence, family size and the number of victims*.
  - However, conferences can be expected to take an *average of ten hours each to set up* (including preliminary discussions with the various participants), and the *meetings themselves generally take two to three hours*, but on occasions may take longer.<sup>40</sup>
- **Restorative Outcomes > Gravity of the Offence AND Net-Widening:** The potential for restorative outcomes to outweigh the gravity of the offence and for net-widening to occur.
- This could increase costs in a number of ways.
  - First, offenders who would previously have been dealt with totally outside the formal criminal justice system could be drawn into it, thus increasing the overall volume of cases to be dealt with.
  - Secondly, cases which might have previously had an early exit might proceed further in the system thus attracting additional cost.
  - And finally, offenders might be subjected to more intrusive penalties as a result of restorative processes.
    - Given the business volumes in the district court, even a small trend towards more intrusive sentences in the community-based range could significantly increase the cost of the criminal justice system.
    - For instance, in each case where a sentence of periodic detention is imposed in addition to a supervision sentence when only the latter would have been imposed previously, on average an additional \$2,300 per offender is incurred in sentence administration costs.

If victim-offender meetings were incorporated into the police diversion scheme, they would add to the time and cost of processing the cases of offenders who generally do not have extensive criminal histories and whose offending is fairly minor. The trade-off for this extra cost would therefore need to be in increased benefits for the victims involved.

- **Sentence of Reparation:** A restorative system of justice could result in a more extensive use of the sentence of reparation (described in paragraph 3.3.3).
  - The greater use of this sentence could have cost implications for the Government in terms of a reduction in fines revenue, since legislative amendments in 1993 gave priority to the ordering and payment of reparation to individual victims over fines to the state.
  - Fines imposed in 1993/94 totaled \$77.6 million compared to reparation ordered of \$13 million (Department of Justice, 1994). It is noted that fines revenue could be similarly affected under the existing justice system if the legislative provisions for reparation were used more widely.

Many restorative schemes intervene at the point between conviction and sentence.

This accounts for 66% of the North American schemes and most of the English court-based schemes described by Marshall and Merry (1990).

In New Zealand, there are a number of statutory provisions which provide for pre-sentence enquiries to be undertaken (see paragraph 3.3.2).

These provide for a pause in criminal proceedings and the opportunity for restorative processes to occur. Although there is often an adjournment anyway, increased costs are incurred where disposition is delayed for these processes when

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<sup>39</sup> Marshall T & Merry S (1990) Crime and Accountability - Victim/Offender Mediation in Practice. Home Office, HMSO, London cited in New Zealand, Ministry of Justice, Restorative Justice, A Discussion Paper, 1996, <http://www.justice.govt.nz/pubs/reports/1996/restorative/index.html>

<sup>40</sup> Department of Social Welfare (1995) Statistical and cost information provided by New Zealand Children and Young Person's Service, Wellington cited in New Zealand, Ministry of Justice, Restorative Justice, A Discussion Paper, 1996, <http://www.justice.govt.nz/pubs/reports/1996/restorative/index.html>

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the case would otherwise have been dealt with immediately. Further costs are incurred if the offender has been remanded in custody and must be produced by the prison for any meeting with the victim.

The youth justice system is relatively small compared to the adult system. For instance, in 1993 there were 6,559 family group conferences, and 2,574 cases involving young people came before the courts (Department of Social Welfare, 1994; Spier, 1994). During the same year, there were 60,496 cases resulting in a conviction in the adult system for offences other than traffic matters. It should be noted that cases do not necessarily equate to offenders. In general terms, charges against an offender for which proceedings start or finish around the same time are combined to form a case. One case could therefore comprise multiple charges against one offender and some charges may have victims and others will not. Where more than one charge is involved in a case, the one which received the most serious penalty is the one used to represent the case (Spier, 1994).

- Costs for a post-conviction/pre-sentence scheme for adult offenders can be estimated and used to give an indication of likely costs.
  - If property offenders are used as the eligible offender group for example, the number of cases resulting in a conviction in 1993 was 21,458 (Spier, 1994).

In the United Kingdom court-based schemes reviewed by Marshall and Merry (1990), 34% of the cases referred for mediation resulted in direct victim-offender meetings.

- If a similar take-up rate was assumed for a New Zealand scheme, then mediation could be expected to occur in 7,296 of cases involving property offenders.
  - Using a unit cost per family group conference of \$1,133 (Department of Social Welfare, 1995), the cost of a scheme for property offenders alone is estimated at \$8.3 million.
  - Using the same methodology, a post-conviction scheme for offenders aged 17 to 20 would cost \$9 million while a scheme for all adult offenders (other than traffic offenders) would amount to new expenditure of around \$23.3 million.
  - The cost implications of introducing restorative processes for adults may therefore be significant.

**Summary:**

- It is unlikely that restorative programmes can totally replace the current criminal justice system.
  - The court system and other justice agencies will continue to be required.
  - This means that the expansion of restorative programmes will incur additional expenditure on the justice system, unless savings can be achieved by changes they promote.
  - At this stage the potential for savings appears limited.
  - At the same time, given the volume of cases in the adult system, the cost implications of expanding restorative processes for adult offenders are significant.