



Local Government Corrections Expenditures, FY 2005–2011

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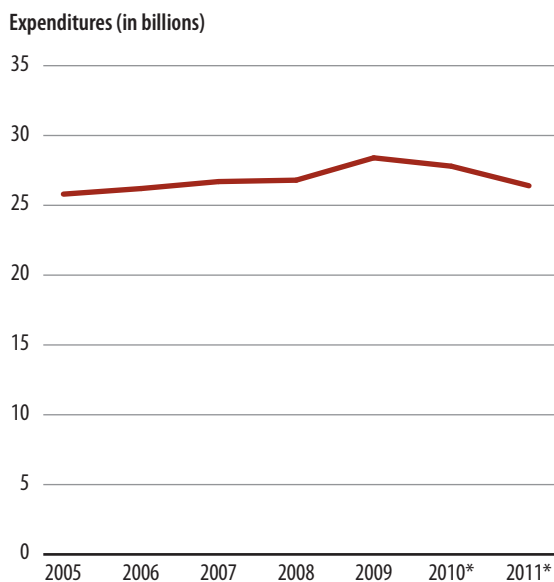
Preliminary data indicate that local governments spent \$26.4 billion on corrections in 2011. Local corrections expenditures fund jails and juvenile institutions that house both sentenced offenders and defendants awaiting trial. These expenditures also cover the community supervision of offenders.¹ Between 2005 and 2011, local government corrections expenditures fluctuated between \$25.8 billion and \$28.4 billion (figure 1). Data from the Census Bureau's Annual Survey of Government Finances provide further detail. Financial data for fiscal years 2005 to 2010 were inflation-adjusted to 2011 constant dollars (see *Methodology*).

Local governments spent 1.6% of total expenditures on corrections

Between 2005 and 2011, total spending by local governments fluctuated between \$1.6 trillion and \$1.7 trillion. From 2005 to 2011, local governments annually spent 1.6% of their total expenditures on corrections.

¹This report excludes intergovernmental transfers because most intergovernmental transfers by local governments are to other local governments. Excluding intergovernmental transfers avoids the artificial inflation that would result if the expenditure were tabulated and then counted again when the recipient governments spent the money.

FIGURE 1
Local corrections expenditures, FY 2005–2011



Note: Expenditures for fiscal years preceding 2011 were inflation-adjusted to 2011 dollars, as appropriate for local spending. See *Methodology*.

*Data for expenditures from 2010 and 2011 are preliminary.

Source: U.S. Census Bureau, Annual Survey of Government Finances, 2005–2011.

HIGHLIGHTS

- In fiscal year 2011, local governments spent \$26.4 billion on corrections. Between 2005 and 2011, the annual expenditures by local governments varied between \$25.8 billion and \$28.4 billion.
- Corrections expenditures represented 1.6% of total local government expenditures between 2005 and 2011.
- Education was the largest component of local government expenditures, varying between 36.0% and 38.4% from 2005 to 2011.
- Local governments spent more than 80% of total corrections expenditures on correctional institutions, such as jails, between 2005 and 2011.
- Between 2005 and 2011, local governments annually spent over a third (34.4% to 37.0%) of all funds spent by state and local governments on correctional institutions.

Between 2005 and 2011, local governments annually spent the largest percentage of funds on education (36.0% to 38.4%), followed by health care and hospitals (7.3% to 7.7%), police protection (4.9% to 5.0%), highways (3.7% to 4.0%), public

welfare (3.2% to 3.5%), and judicial-legal services (1.3% to 1.4%) (table 1). All other expenditures combined, including financial administration and utility costs, ranged from 40.5% to 42.9% of local government expenditures.

TABLE 1
Components of local government expenditures, FY 2005–2011 (real dollars)

	2005	2006	2007	2008	2009	2010 ^a	2011 ^a
Total (in billions)	\$1,603.8	\$1,613.2	\$1,652.0	\$1,655.2	\$1,739.4	\$1,707.0	\$1,664.5
Corrections							
Expenditures (in billions)	\$25.8	\$26.2	\$26.7	\$26.8	\$28.4	\$27.7	\$26.4
Percent of local expenditures	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
Police protection							
Expenditures (in billions)	\$79.3	\$79.5	\$80.8	\$81.3	\$87.0	\$85.8	\$83.5
Percent of local expenditures	4.9%	4.9%	4.9%	4.9%	5.0%	5.0%	5.0%
Judicial-legal							
Expenditures (in billions)	\$22.9	\$22.6	\$22.0	\$21.7	\$23.0	\$22.8	\$21.9
Percent of local expenditures	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%
Education							
Expenditures (in billions)	\$615.3	\$617.2	\$623.9	\$624.2	\$642.3	\$625.9	\$599.3
Percent of local expenditures	38.4%	38.3%	37.8%	37.7%	36.9%	36.7%	36.0%
Health care/hospitals							
Expenditures (in billions)	\$119.0	\$119.0	\$119.8	\$121.5	\$129.4	\$129.7	\$128.1
Percent of local expenditures	7.4%	7.4%	7.3%	7.3%	7.4%	7.6%	7.7%
Highways							
Expenditures (in billions)	\$59.4	\$60.1	\$62.7	\$66.1	\$66.9	\$64.8	\$60.9
Percent of local expenditures	3.7%	3.7%	3.8%	4.0%	3.8%	3.8%	3.7%
Public welfare							
Expenditures (in billions)	\$55.5	\$53.5	\$53.6	\$53.0	\$54.8	\$54.1	\$52.7
Percent of local expenditures	3.5%	3.3%	3.2%	3.5%	3.1%	3.2%	3.2%
Other^b							
Expenditures (in billions)	\$649.5	\$657.6	\$684.3	\$672.3	\$730.5	\$718.9	\$713.6
Percent of local expenditures	40.5%	40.8%	41.4%	40.6%	42.0%	42.1%	42.9%

Note: Expenditures for fiscal years preceding 2011 were inflation-adjusted to 2011 dollars, as appropriate for local spending. See *Methodology*.

^aData for expenditures from 2010 and 2011 are preliminary.

^bIncludes natural resources, parks and recreation, utilities, employment security administration, veterans' services, air transportation, parking facilities, sea and inland port facilities, fire protection, protective inspection and regulation, housing and community development, sewerage, solid waste management, financial administration, general public buildings, other governmental administration, liquor stores, insurance trust, interest on general debt, and other expenditures.

Source: U.S. Census Bureau, Annual Survey of Government Finances, 2005–2011.

Local governments spent more than 80% of total corrections expenditures on correctional institutions

Local governments spent 84.0% of their total corrections expenditures on correctional institutions (such as local jails) in 2011, up from 80% in 2005 (table 2). Local governments spent the remainder of their corrections budgets on other corrections functions, such as supervising offenders in the community and maintaining and operating nonresidential halfway houses.

To build and operate correctional institutions, local governments pay for capital outlay and current operations. Capital outlay expenditures include spending on construction, renovations, and major repair of institutions; purchase of

land, rights-of-way, and existing structures; title searches and related costs; and purchase of equipment having a useful life of more than 5 years. Current operations expenditures include officer and employee compensation, utilities, and any supplies, materials, or contractual services not covered by capital outlay.

Between 2005 and 2011, capital outlay expenditures for local correctional institutions ranged from a low of \$1.1 billion in 2006 to a high of \$1.7 billion in 2009 and 2010 (table 3). Current operations expenditures for local correctional institutions ranged from \$19.4 billion in 2005 to \$21.9 billion in 2009. Current operations ranged from 92.7% to 95.1% of institutional direct expenditures.

TABLE 2
Components of local corrections expenditures, FY 2005–2011

	2005	2006	2007	2008	2009	2010*	2011*
Total corrections expenditures (in billions)	\$25.8	\$26.2	\$26.7	\$26.8	\$28.4	\$27.7	\$26.4
Corrections institutions							
Expenditures (in billions)	\$20.6	\$21.6	\$21.9	\$22.1	\$23.6	\$23.4	\$22.2
Percent of corrections expenditures	80.0%	82.4%	81.9%	82.2%	83.1%	84.2%	84.0%
Other corrections							
Expenditures (in billions)	\$5.2	\$4.6	\$4.8	\$4.8	\$4.8	\$4.4	\$4.2
Percent of corrections expenditures	20.0%	17.6%	18.1%	17.8%	17.0%	15.9%	16.0%

Note: Expenditures for fiscal years preceding 2011 were inflation-adjusted to 2011 dollars, as appropriate for local spending. See *Methodology*.

*Data for expenditures from 2010 and 2011 are preliminary.

Source: U.S. Census Bureau, Annual Survey of Government Finances, 2005–2011.

TABLE 3
Capital outlay and current operations expenditures by local governments for correctional institutions, FY 2005–2011

	2005	2006	2007	2008	2009	2010*	2011*
Total for corrections institutions (in billions)	\$20.6	\$21.6	\$21.9	\$22.1	\$23.6	\$23.4	\$22.2
Current operations							
Expenditures (in billions)	\$19.4	\$20.5	\$20.5	\$20.5	\$21.9	\$21.7	\$21.0
Percent of expenditures for institutions	94.4%	95.1%	93.9%	93.1%	92.8%	92.7%	94.3%
Capital outlay							
Expenditures (in billions)	\$1.2	\$1.1	\$1.3	\$1.5	\$1.7	\$1.7	\$1.3
Percent of expenditures for institutions	5.6%	4.9%	6.1%	6.9%	7.2%	7.3%	5.7%

Note: Expenditures for fiscal years preceding 2011 were inflation-adjusted to 2011 dollars, as appropriate for local spending. See *Methodology*.

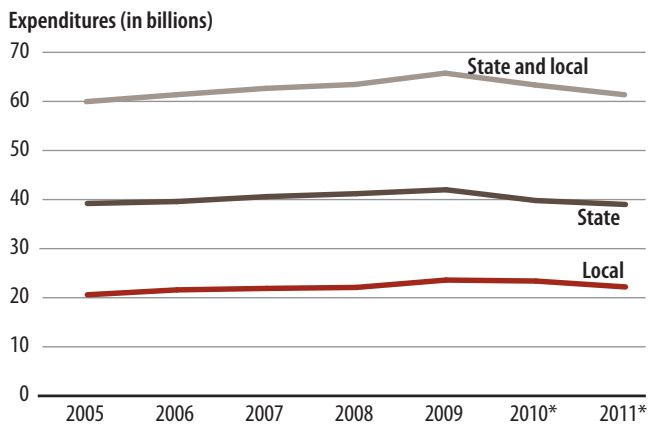
*Data for expenditures from 2010 and 2011 are preliminary.

Source: U.S. Census Bureau, Annual Survey of Government Finances, 2005–2011.

Comparing state and local government corrections expenditures

Between 2005 and 2011, local governments annually spent just over a third (34.4% to 37.0%) of all funds spent by state and local governments on correctional institutions (figure 2). Similarly, local governments spent 34.3% to 36.0% of total state and local current operations expenditures for institutions (figure 3). However, local governments spent a greater share of state and local institutional capital outlay expenditures, ranging from a low of 34.1% in 2005 to a high of 56.4% in 2010 (figure 4).

FIGURE 2
State and local expenditures for correctional institutions, FY 2005–2011 (real dollars)

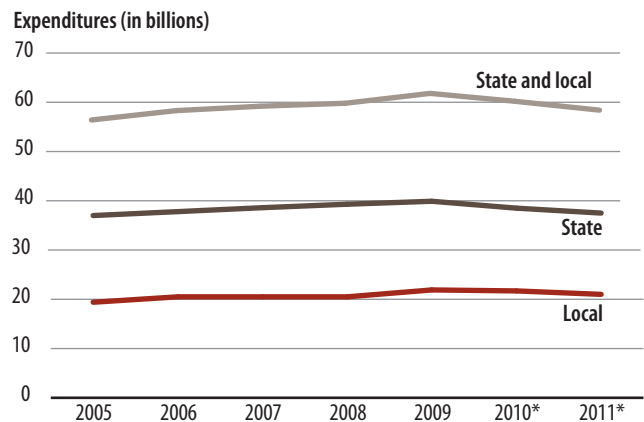


Note: Expenditures for fiscal years preceding 2011 were inflation-adjusted to 2011 dollars, as appropriate for local spending. See *Methodology*.

*Data for expenditures from 2010 and 2011 are preliminary.

Source: U.S. Census Bureau, Annual Survey of Government Finances, 2005–2011.

FIGURE 3
State and local expenditures for current operations of correctional institutions, FY 2005–2011 (real dollars)

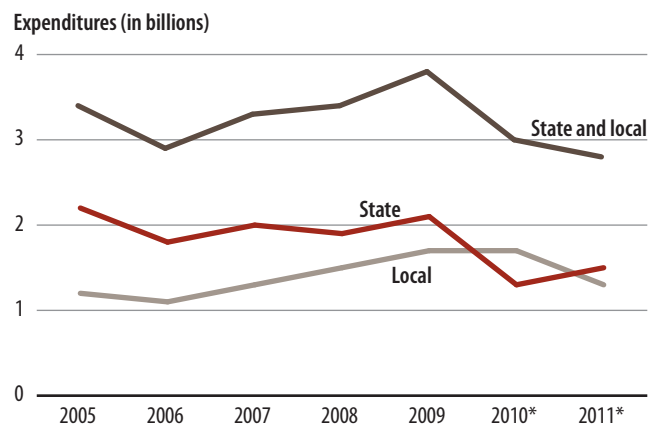


Note: Expenditures for fiscal years preceding 2011 were inflation-adjusted to 2011 dollars, as appropriate for local spending. See *Methodology*.

*Data for expenditures from 2010 and 2011 are preliminary.

Source: U.S. Census Bureau, Annual Survey of Government Finances, 2005–2011.

FIGURE 4
State and local expenditures for capital outlay of correctional institutions, FY 2005–2011 (real dollars)



Note: Expenditures for fiscal years preceding 2011 were inflation-adjusted to 2011 dollars, as appropriate for local spending. See *Methodology*.

*Data for expenditures from 2010 and 2011 are preliminary.

Source: U.S. Census Bureau, Annual Survey of Government Finances, 2005–2011.

Methodology

Expenditure data are from the U.S. Census Bureau's Annual Survey of Government Finances. The survey collects expenditure information for federal, state, and local governments. This report includes local government expenditures and components of those expenditures compiled by U.S. Census Bureau representatives. The Census Bureau collected data from government audits, budgets, and other financial reports with the advice of state officers and employees. It then placed information from these reports into expenditure categories using its classification system. The data were verified with state and local government officials before release. The Annual Survey of Government Finances is available on the U.S. Census Bureau's website at <http://www.census.gov/govs/>.

Preliminary data

This report uses preliminary data for fiscal years 2010 and 2011. Preliminary data are subject to change and will be superseded by data released approximately a year after their original publication. Although the Census Bureau makes every effort to obtain financial information from government entities, financial statements and completed questionnaires may not be available from all sampled governments at the time the Census Bureau closes the processing. The Census Bureau imputes missing data until complete data can be obtained. See the Census Bureau's website for updates on release information: <http://www.census.gov/govs/state/>.

Adjusting for inflation

BJS inflation-adjusted government expenditures for fiscal years 2005 through 2010 to 2011 constant dollars, as appropriate for local government spending. BJS used annual chain-type price indices for gross domestic product as divisors and unadjusted expenditures as dividends to produce inflation-adjusted expenditures in 2011 constant dollars.

The U.S. Department of Commerce, Bureau of Economic Analysis, developed the price indices used in all inflation adjustments, as published in the *Economic Report of the President*. [For more information on price indices, see the *Economic Report of the President* (2013), Table B-7. Chain-type price indexes for gross domestic product, 1964-2012, U.S. Government Printing Office, retrieved from <http://www.gpo.gov/fdsys/pkg/ERP-2013/pdf/ERP-2013-table7.pdf>.]

Terms and Definitions

Correctional institutions include facilities such as local jails, residential work release units, and detention centers, in addition to correctional farms, industrial and training schools, and the related educational, training, and health care programs for inmates. It also includes hospitals for the criminally insane if operated by a corrections agency.

Corrections involve the community supervision, confinement, and rehabilitation of convicted adults and adjudicated juveniles and the confinement of persons awaiting trial or adjudication.

Corrections expenditures finance the community supervision, confinement, and rehabilitation of adults and juveniles convicted of offenses and the confinement of persons awaiting trial or adjudication. Local corrections expenditures also include the costs of operation and employment for local jail and juvenile institutions, probation and parole offices, pardon proceedings, correctional administration, and intergovernmental transfers.

Education expenditures include the financing of schools, colleges, and other educational institutions (e.g., for blind, deaf, and other handicapped individuals), and educational programs for adults, veterans, and other special classes.

Expenditures include only external cash payments made from any source of funds, including any payments financed from borrowing, fund balances, intergovernmental revenue, and other current revenue.

Intergovernmental transfers are the sum of payments made from one government entity to another, including grants-in-aid, shared revenues, payments in lieu of taxes, and amounts for services performed by one government for another on a reimbursable or cost-sharing basis (e.g., payments by one government to another for boarding prisoners). It excludes amounts paid to other governments for purchase of commodities, property, or utility services. Intergovernmental expenditures are not included in this report.

Direct expenditures include all expenditures except those classified as intergovernmental. It includes direct current expenditures (e.g., salaries, wages, fees, and commissions and purchases of supplies, materials, and contractual services) and capital outlays (e.g., construction and purchase of equipment, land, and existing structures). Capital outlays are included for the year in which the direct expenditure is made, regardless of how the funds are raised (e.g., bond issue) or when they are paid back.

Highway expenditures include construction, maintenance, and operation of highways, streets, and related structures, including toll highways, bridges, tunnels, ferries, street lighting, and snow and ice removal.

Health expenditures include outpatient health services; public health administration; research and education; categorical health programs; treatment and immunization clinics; nursing; environmental health activities (such as air and water pollution control); ambulance service if provided separately from fire protection services; school health services, if provided by health agencies rather than school agencies; and other general public health activities, such as mosquito abatement.

Hospital expenditures include the financing, construction, acquisition, maintenance, or operation of hospital facilities, provision of hospital care, and support of public and private hospitals. Financing of nursing homes is included if they are directly associated with a government hospital.

Judicial-legal expenditures include the financing of criminal and civil courts, including court reporters, witness fees, and court law libraries; medical and social service activities of courts (aside from probation); court activities of sheriff offices, such as bailiffs, registers of wills, and other probate activities; prosecuting and district attorneys; child support enforcement; and indigent defense.

Police protection expenditures include all law enforcement activities of regular police departments, sheriff and constable offices, and state highway patrols, including the following: criminal investigation, forensic services, crime labs and testifying in court; buildings, including training academies, that are used exclusively for police purposes; coroners and

medical examiners; payments for transporting criminals; police communications and radio services; criminal justice planning and general support activities, if handled by law enforcement; and motor vehicle inspection and regulation, liquor law enforcement, and traffic control, if handled by a police agency.

Public welfare expenditures include support of and assistance to persons contingent upon their need. Expenditures under this heading include cash assistance paid directly to needy persons under the categorical programs (Old Age Assistance, Temporary Assistance for Needy Families) and under any other welfare programs; vendor payments made directly to private purveyors for medical care, burials, and other commodities and services provided under welfare programs; and government provision and operation of welfare institutions. Other public welfare includes payments to other governments for welfare purposes, administration, and support of private welfare agencies.

APPENDIX TABLE 1

Standard errors for table 1: Components of local government expenditures, FY 2005–2011 (real dollars)

	2005	2006	2007	2008	2009	2010*	2011*
Total (in billions)	\$2.7	\$2.9	~	\$3.1	\$2.3	\$2.6	\$2.7
Corrections							
Expenditures (in billions)	\$0.1	\$0.1	~	\$0.2	\$0.2	\$0.2	\$0.2
Police protection							
Expenditures (in billions)	\$0.3	\$0.4	~	\$0.1	\$0.5	\$0.4	\$0.4
Judicial-legal							
Expenditures (in billions)	\$0.1	\$0.1	~	\$0.0	\$0.1	\$0.1	\$0.1
Education							
Expenditures (in billions)	\$0.2	\$0.2	~	\$0.2	\$0.4	\$0.5	\$0.4
Health care/hospitals							
Expenditures (in billions)	\$0.6	\$1.0	~	\$0.5	\$1.2	\$1.3	\$1.1
Highways							
Expenditures (in billions)	\$0.5	\$0.4	~	\$0.4	\$0.6	\$0.6	\$0.5
Public welfare							
Expenditures (in billions)	\$0.2	\$0.2	~	\$0.1	\$0.2	\$0.2	\$0.2
Other							
Expenditures (in billions)	\$3.6	\$3.5	~	\$2.3	\$2.0	\$2.3	\$2.4

*Data for expenditures from 2010 and 2011 are preliminary.

~ Not applicable. Data from 2007 are from a census rather than a survey so there are no standard errors.

Source: U.S. Census Bureau, Annual Survey of Government Finances, 2005–2011.

APPENDIX TABLE 2**Standard errors for table 2: Components of local corrections expenditures, FY 2005–2011**

	2005	2006	2007	2008	2009	2010*	2011*
Total corrections expenditures (in billions)	\$0.1	\$0.1	~	\$0.2	\$0.2	\$0.2	\$0.2
Corrections institutions							
Expenditures (in billions)	\$0.1	\$0.1	~	\$0.1	\$0.2	\$0.2	\$0.2
Other corrections							
Expenditures (in billions)	\$0.1	\$0.1	~	\$0.0	\$0.0	\$0.0	\$0.0

*Data for expenditures from 2010 and 2011 are preliminary.

~ Not applicable. Data from 2007 are from a census rather than a survey so there are no standard errors.

Source: U.S. Census Bureau, Annual Survey of Government Finances, 2005–2011.

APPENDIX TABLE 3**Standard error tables for table 3: Capital outlay and current operations expenditures by local governments for correctional institutions, FY 2005–2011**

	2005	2006	2007	2008	2009	2010*	2011*
Total for corrections institutions (in billions)	\$0.1	\$0.1	~	\$0.1	\$0.2	\$0.2	\$0.2
Current operations							
Expenditures (in billions)	\$0.1	\$0.1	~	\$0.1	\$0.2	\$0.2	\$0.2
Capital outlay							
Expenditures (in billions)	\$0.0	\$0.0	~	\$0.1	\$0.1	\$0.1	\$0.0

*Data for expenditures from 2010 and 2011 are preliminary.

~ Not applicable. Data from 2007 are from a census rather than a survey so there are no standard errors.

Source: U.S. Census Bureau, Annual Survey of Government Finances, 2005–2011.



The Bureau of Justice Statistics, located in the Office of Justice Programs, U.S. Department of Justice, collects, analyses, and disseminates statistical information on crime, criminal offenders, victims of crime, and the operation of justice systems at all levels of government. William J. Sabol is acting director.

This report was written by Tracey Kyckelhahn. Andrew Tiedt verified the report.

Vanessa Curto and Jill Thomas edited the report, and Barbara Quinn produced the report.

December 2013, NCJ 243527



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