



# Cost Estimate for Implementing Structured Intervention Units as set out in Bill C-83 and Related Proposals



OFFICE OF THE PARLIAMENTARY BUDGET OFFICER  
BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

Ottawa, Canada  
25 April 2019  
[www.pbo-dpb.gc.ca](http://www.pbo-dpb.gc.ca)

The Parliamentary Budget Officer (PBO) supports Parliament by providing economic and financial analysis for the purposes of raising the quality of parliamentary debate and promoting greater budget transparency and accountability.

Senator Kim Pate asked the PBO to estimate the cost of implementing structured intervention units as set out in Bill C-83, as well as the cost of several related measures which had been discussed in the course of consideration of that bill.

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# Executive Summary

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Bill C-83 would replace segregation of inmates with structured intervention units (SIUs). SIUs would offer inmates a minimum of two more hours of time out of their cell per day and greater opportunities to participate in correctional interventions.

Correctional Service Canada (CSC) assumes it will need 27 SIUs for men's prisons and 5 for women's prisons. CSC assumes it will need 15 additional FTEs per men's SIU and 12 additional FTEs per women's SIU. This count is based on planning an SIU in every maximum and medium-security institution. Given these expectations and CSC's average pay and benefit costs, each men's SIU is expected to cost \$1.8 million per year and each women's SIU is expected to cost \$1.5 million per year. The total operating cost would be \$58 million per year. That cost will increase with inflation in CSC employee pay and benefits. CSC intends to implement SIUs in existing institutions with little to moderate renovations, so incremental capital costs are not expected to be significant.

Canada's 2018 Fall Economic Statement allocated \$300 million over six years (an average of \$60 million per year) and \$71.7 million ongoing, towards staffing and other resources required to run SIUs. We believe this is an appropriate level of funding for CSC's expected number of SIUs and associated staffing.

With respect to the related measures discussed in the course of parliamentary review of Bill C-83 for which cost estimates were requested:

- Implementing a pilot working group on alternatives to segregation for women is not expected to have a significant financial cost.
- Keeping inmates with disabling mental health issues in psychiatric hospitals costs approximately \$900/day per inmate.
- Keeping inmates in First Nations communities under s. 81 agreements costs approximately \$300/day per inmate.
- Implementing the BreakAway gang-disaffiliation program on a national basis would cost about \$200,000 per year in total.

These cost estimates do not include offsetting cost savings. For example, they do not include cost savings arising from reductions in long-term staffing levels for structured intervention units or from reductions in disciplinary incidents or recidivism.

# 1. Introduction

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Bill C-83 proposes a number of changes to Canada's correctional system, of which the most fiscally significant are changes to use of segregation to isolate inmates in federal penitentiaries.<sup>1</sup>

The [Legislative Summary](#) prepared by the Library of Parliament outlines context leading to the introduction of Bill C-83, describes its provisions, and analyses the legal effects of the bill. This report builds on that legislative summary by focusing on the operational impact of the legislation and associated financial costs.

Currently, Correctional Service of Canada (CSC) can isolate inmates from the general inmate population through disciplinary or administrative segregation. Disciplinary segregation can be imposed for inmates found guilty of a disciplinary offence. Administrative segregation can be imposed on three grounds:

- the inmate poses a threat to the security of the institution or the safety of any person;
- the inmate could interfere with an investigation that could lead to a criminal charge or a serious disciplinary offence; or,
- the inmate's safety would be at risk if the inmate were not segregated.<sup>2</sup>

Bill C-83 eliminates disciplinary segregation and replaces administrative segregation with structured intervention units (SIUs). SIUs are still intended to isolate inmates from the general inmate population and to do so on similar grounds. CSC also plans to implement SIUs in its existing facilities with little to moderate renovations.

However, in the proposed SIUs, an increased emphasis is placed on providing inmates with opportunities for meaningful human contact, to participate in programs and to access services.<sup>3</sup> More specifically, Bill C-83 would require CSC to provide inmates with a minimum of four hours out of their cell per day, including opportunities to interact with others through activities for a minimum of two hours per day.<sup>4</sup> Currently, only two hours out-of-cell per day are required by CSC policy.<sup>5</sup>

Senator Kim Pate asked the Parliamentary Budget Officer (PBO) to estimate the cost of implementing SIUs as set out in Bill C-83. Senator Pate also asked the PBO to estimate the cost of several related proposals intended to provide alternatives to segregation, which have been recommended or discussed by witnesses before parliamentary committees or in debates in Parliament, including:

1. establishing a pilot working group to consider alternatives to segregation in women's institutions;<sup>6</sup>
2. transferring inmates to provincial psychiatric care as an alternative to segregation for inmates with mental health issues;<sup>7</sup>
3. entering into agreements with indigenous communities to provide correctional services as part of the general management of indigenous offenders;<sup>8</sup> and,
4. implementing a gang disaffiliation program, known as BreakAway, on a national basis.<sup>9</sup>

## 2. Cost of Structured Intervention Units

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To help the PBO understand the operational impact of Bill C-83, CSC provided the PBO with certain estimates and assumptions underlying CSC's implementation plans.<sup>10</sup>

In planning to implement Bill C-83, CSC assumed that up to 32 SIUs would be required (27 for men and 5 for women). The capacity of SIUs would vary. CSC indicated that of the men's sites planned for 2019-2020, the largest unit will have 59 cells and the smallest will have 30 cells.

While CSC does not publish the average number of inmates in segregation, it does periodically count the number of inmates in segregation on a particular data, which is known as a point-in-time count. Recent point-in-time counts of inmates in segregation have ranged from 360 to 434.<sup>11</sup> This suggests the proposed number of SIU cells will likely provide capacity to hold at least double the average number of inmates in those units, leaving substantial excess capacity to accommodate fluctuations in inmate numbers.

Some of the resources required to operate SIUs can be met by reallocating staff currently working in administrative segregation units at the institution, or at minimum-security institutions which will no longer have administrative segregation units. CSC estimates the additional resources required to offer the additional time out-of-cell and intervention-based activities to be 15 Full-Time Equivalents (FTEs) per men's institution SIU and 12 FTEs per women's institution SIU. This amounts to a total of 465 additional FTEs needed to staff the 32 SIUs, including both security-related staffing and intervention-related staffing. This provides 1.1 to 1.3 additional FTEs per inmate, assuming current counts of inmates in segregation are representative of those likely to be seen in SIUs. The PBO believes that the 1.1 to 1.3 additional FTEs per inmate should be more than sufficient to support two additional hours of out-of-cell activities per day.

CSC estimates the average salary rate for these employees to be \$95,000 per FTE per year (not including the cost of employee benefits or overtime). The PBO estimates the average total cost of salaries and employee benefits to be \$117,500 per employee per year, based on current CSC salary and employee benefit costs per FTE.<sup>12</sup> There will be one-time training and relocation costs associated with expanding CSC's staffing, which we assume to be \$10,000 per additional FTE for a total cost of training and relocation for the 465 additional staff of about \$5 million.<sup>13</sup>

CSC also expects to spend more under contracts for Elder and Chaplaincy services, with a cost of \$93,000 per SIU per year.

This suggests an incremental cost of \$1.8 million per year for each men's SIU, and \$1.5 million per year for each women's SIU for the additional staffing and services required. With 27 men's SIUs and 5 women's SIU, this suggests the incremental cost of implementing SIUs as set out in Bill C-83 would be \$58 million per year, increasing over time with inflation in CSC employee pay and benefit costs.

Interventions and increased interaction available in SIUs may lead to improved inmate outcomes, allowing offenders to be released from SIUs earlier, which would reduce the number of inmates in those units. CSC indicated that it will fully staff all SIUs regardless of the number of inmates in the SIU as inmate numbers may vary from day-to-day. This may contribute to better support for remaining inmates in SIUs, or staff allocated to SIUs performing other duties.

CSC indicated in correspondence that it intends to use existing infrastructure, with low to moderate renovations to accommodate the SIUs.<sup>14</sup> As such, capital costs are expected to be minimal.

In the 2018 Fall Economic Statement, as clarified through comments from the Minister, CSC was allocated \$300 million over six years, with \$71.7 million ongoing, towards staffing and other resources required to run the SIUs.<sup>15</sup> The above analysis suggests that this would exceed expected expenses for operating the SIUs based on the number of SIUs and proposed staffing levels assumed by CSC.

For women's SIUs, CSC is proposing 60 additional FTEs (12 FTEs for each of the 5 women's SIUs). The most recent published count of the number of women in segregation in April 2017 showed 3 women in administrative segregation, down from 6 in August 2016, and 12 in March 2016.<sup>16</sup> The number of additional staff may be high when compared to the segregated inmate counts throughout the year.



### 3. Cost of Related Proposals

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#### Cost of working group on alternatives to segregation

The PBO was also asked to estimate the cost of implementing a Canadian Association of Elizabeth Fry's Societies' proposal to establish a working group to find alternatives to segregation in women's institutions, starting as a trial project in Grand Valley Institution for Women and Fraser Valley Institution for Women. The working group would consist of the Warden of the Institution, the Canadian Association of Elizabeth Fry's Societies and the Canadian Human Rights Tribunal. CSC would cover the participation costs (including travel) of other members. In 2016-17, women were placed in segregation about 290 times, although only three were actually in segregation at the end of 2016-17.<sup>17</sup>

When prison wardens participate in similar committees and working groups, their position is not back-filled so no additional costs are incurred. Travel expenses would likely be modest given there are Elizabeth Fry's Societies near the Grand Valley Institution for Women and the Fraser Valley Institution for Women. Overall, there are no significant incremental costs associated with implementing the pilot project.

While the pilot project might help to reduce the number of inmates in SIUs, CSC does not believe this will reduce costs because the units will nonetheless remain fully staffed to deal with any possible influx of inmates in SIUs. Furthermore, with only 3 women in segregation at the end of 2016-17, most of the remaining costs are likely fixed costs of maintaining minimum staffing, rather than variable costs driven by the number of inmates. Closing some women's SIUs would be difficult because of the need to have regional coverage. As noted above, decreases in the number of offenders in SIUs are more likely to contribute to better support for remaining inmates in SIUs, or staff allocated to SIUs performing other duties.

CSC is budgeting an additional 12 FTEs for each of the five SIUs in women's institutions, at a total cost of \$7.5 million. This cost is just the additional cost of SIUs, over and above the cost of existing segregation. In the short term, diverting some or all women inmates from SIUs would free up SIU staff for other functions or allow more intensive support for remaining inmates. However, in the long-term, if SIUs were shown to be unnecessary, CSC could save both the additional costs associated with SIUs and existing costs associated with segregation units, totalling around \$10 million per year in costs.

The pilot project may reduce litigation costs associated with inmates in segregation. Conversely, there may be costs associated with implementing measures agreed to by the working group.

## **Cost to keep inmates with disabling mental health issues in provincial psychiatric care**

The PBO was also asked to identify the cost to keep inmates with disabling mental health issues in provincial psychiatric care.

A 2016 report of the Office of the Auditor General of Ontario reported that the average cost to care for a patient for one day at a specialty psychiatric hospital was about \$930.<sup>18</sup>

Based on the best publicly available data, the 2019 cost of psychiatric care in psychiatric hospitals is estimated to be about \$900 per inmate per day.<sup>19</sup> Because the federal government is responsible for the health care costs of inmates, these expenses are paid for by CSC through contracts with specific psychiatric hospitals.

## **Cost to keep inmates in First Nations Communities**

Under section 81 of the *Corrections and Conditional Release Act*, the Minister can enter into agreements with Aboriginal communities whereby the Aboriginal community provides correctional services to offenders in exchange for payment by the Minister. The PBO was also asked to identify the cost to keep inmates in First Nations Communities under section 81 agreements.

In 2016-17, Canada paid an average of \$108,097 per inmate-year (\$296 per day per offender) to keep inmates in First Nations communities under s. 81 agreements.<sup>20</sup>

The cost to keep inmates in First Nations communities under s. 81 agreements is estimated to be about \$300 per inmate per day or about \$110,000/year.

## **Cost to Implement BreakAway Anti-Gang programming**

The PBO was also asked to identify the cost to implementing a Rick Sauvé's BreakAway gang disaffiliation program on a national basis. The purpose of BreakAway is to help inmates reintegrate into society after release by helping them to disaffiliate from gangs.

The program is voluntary and takes place in groups of up to 10 participants. The program is offered over 50 hours of programming across seven sessions. The sessions focus on strategies for letting go of gang affiliations, building credibility through pro-social attitudes and behaviours, developing an immediate life plan, and planning for life after release.

BreakAway is offered by the St Leonard's House of Windsor. The St Leonard's House of Windsor prepared a proposed budget and strategy for implementing BreakAway on a national basis. The total estimated cost to

cover the Pacific, Prairie, and Ontario regions is \$174,829 for the first year. Adding coverage for Quebec and the Atlantic region in subsequent years would lead to a total cost of approximately \$200,000 per year. These figures assume that inmates would enrol in the program.

If successful, gang disaffiliation could improve safety and lower overall costs for the justice system. Gang members are more likely to assault prison staff or other inmates, to be subject to violence, and to be re-arrested and convicted after release.<sup>21</sup> Substantial potential cost savings arise from inmates being released on parole earlier, successfully completing their parole, and not reoffending. The average annual operating cost per offender reported by CSC for 2015-16 is \$81,528 per inmate in minimum security, compared with \$31,052 per inmate supervised in the community.<sup>22</sup>

There is a potential for the program to have an incremental impact relative to existing CSC programming because it would offer a new form of programming in most institutions. A CSC survey of CSC front-line staff members found that staff were not aware of any programs at their institution that were specifically designed for gang members, although some more general programs were identified as assisting gang members.<sup>23</sup>

An evaluation of BreakAway conducted by the St Leonard's House of Windsor based on participant surveys found improvements in participant's self-reported knowledge, attitudes and abilities after completing the program. However, the methodology of that evaluation does not allow long-term outcomes to be estimated.<sup>24</sup> CSC research supports the effectiveness of correctional programs generally. For example, offenders who did not complete correctional interventions were nearly 4 times as likely to have their parole revoked than offenders who did complete a correctional intervention.<sup>25</sup>

While it appears likely that BreakAway will give rise to some offsetting cost savings, without a follow-up evaluation looking at long-term changes in outcomes among participants, it is not possible to quantify those cost savings.

# Notes

- 1 For a full summary, see [Library of Parliament, Legislative Summary of Bill C-83: An Act to amend the Corrections and Conditional Release Act and another Act](#).
- 2 [Corrections and Conditional Release Act](#), SC 1992, c 20, s 31(3); Library of Parliament, [Legislative Summary of Bill C-83: An Act to amend the Corrections and Conditional Release Act and another Act](#).
- 3 [Bill C-83](#), cl 10.
- 4 [Bill C-83](#), cl 10.
- 5 CSC, [Commissioner's Directive on Administrative Segregation](#) s 39c.
- 6 Standing Committee on Public Safety and National Security, 42nd Parliament, 1st Session, [Twenty-ninth Report: Bill C-83, An Act to amend the Corrections and Conditional Release Act and another Act](#).
- 7 Standing Senate Committee on Human Rights, 42nd Parliament, 1st Session, Interim Report – [Study of the Human Rights of Federal Sentences Persons](#).
- 8 Standing Senate Committee on Human Rights, 42nd Parliament, 1st Session, Interim Report – [Study of the Human Rights of Federal Sentences Persons](#).
- 9 42nd Parliament, 1st Session, Edited Hansard, Vol 148, No 340, 23 October 2018 (John Brassard (Barrie—Innisfil)).
- 10 CSC provided confidential information which has not been published. The estimates and assumption from that information used for this analysis are:
  - Approximately 15 additional FTEs per SIU in a men's institution and approx. 12 FTEs per SIU in a women's institution will be required. This includes a combination of security-related FTEs and intervention-based FTEs (ie parole officers, program officers, teachers, etc).
  - Average salary rate of \$95,000 per FTE
  - additional resources of approximately \$93,000 per SIU for increased access to Elders/Chaplaincy services
  - Implementation costs such as Recruitment and Training are in addition to those above, as are any additional infrastructure requirements.
  - There could be up to 32 SIUs (27 for men & 5 for women) based on the above model if one were placed in each men's maximum-security institution and all men's medium-security institutions. As SIUs are implemented, adjustments are likely and the above model would reflect such adjustments (potential increases or decreases in the number of security and/or intervention FTEs).

- The costs are incremental to those that already exist to manage the current inmate population, and to manage existing segregation units.
  - The number of inmates is not a cost driver, as the SIU must be fully functional whether there are 2 inmates in a SIU or 20. Fluctuation could vary on a day to day basis.
  - The size of each SIU will vary from site to site, based on existing infrastructure. For example, of the men's sites planned for 2019-2020 – the largest unit will have access of up to 59 cells and the smallest will have access to 30 cells. Some sites will require low to moderate infrastructure changes which could change the number of available cells. Further, the size of individual units may change over the implementation period/until "steady state", subject to operational considerations.
  - No new purpose-built units are planned. CSC will use existing infrastructure – based on information available at this point in time.
- 11 At the end of fiscal year 2016-17 there were 408 offenders in administrative segregation. CSC, [2017 Corrections and Conditional Release Statistical Overview](#).
- On 9 August 2016, there were 360 offenders in administrative segregation. CSC, [Status Report on Administrative Segregation](#).
- At the end of fiscal year 2015-16, there were 434 in offenders in administrative segregation. CSC, [2016 Corrections and Conditional Release Statistical Overview](#).
- 12 \$1,292,236,000 in Custody salary and employee benefit costs were reported for 2017-18 across 10,489 planned Custody FTEs.
- \$421,466,000 in Correctional Invention salary and employee benefit costs were reported for 2017-18 across 4,093 planned Correctional Invention FTEs.
- CSC [2018-19 Departmental Plan](#).
- CSC, [2017-18 Financial Statements](#).
- 13 CSC's Correctional Training Program consists of 4 weeks of online learning, 2-4 weeks of pre-session assignments, and 12-13 weeks of in-class training. CSC does not provide a salary or allowance to trainees but does provide travel and meal allowances for the in-class training. CSC must cover the cost of instructors, facilities, and learning materials. CSC, [Hiring process - Correctional officer - Training and appointment](#).
- A comparison to the tuition per class hour of police foundation programs for international students at an Ontario college suggests the cost of this in-person training might be around \$11,000/trainee. However, CSC operates its own Federal Training Center, so a substantial portion of this cost may be fixed and not affected by increased enrolment. Algonquin College, [Police Foundations Program information: Fees and Expenses](#).  
 $(1,512.54 \text{ tuition} + 4,577.00 \text{ international premium}) / 255 \text{ hours of study} * 12 \text{ weeks required for CSC program} * \text{assumed 35 hours per week} =$

\$11,367/trainee. Adding travel and meal allowances and some costs for the online course components would raise that cost.

Relocation is often necessary as “new correctional officers [are] often assigned to institutions outside of their hometown area and were therefore entitled to the reimbursement of relocation costs in accordance with the NJC Directive.” CSC paid an average of \$11,228 per relocation between the 2011-12 FY and 2013-14 FY, but relocation costs for initial appointments are capped at \$5,000. CSC, [Audit of the Management of Relocation of Staff](#).

- 14 E-mail from CSC dated 3 March 2019.
- 15 [Debates \(Hansard\) 42nd Parliament, 1st Session, No 390 \(1 March 2019\)](#) at 1010 (Hon. Ralph Goodale, Minister of Public Safety and Emergency Preparedness). Fall Economic Statement, Table A1.7 “Policy Actions Taken Since Budget 2018” under “Strengthening Federal Corrections and Keeping Communities Safe.”
- 16 CSC, [2017 Corrections and Conditional Release Statistical Overview](#).  
CSC, [Status Report on Administrative Segregation](#).  
CSC, [2016 Corrections and Conditional Release Statistical Overview](#).
- 17 CSC, [2017 Corrections and Conditional Release Statistical Overview](#). 6,037 admissions \*(1-0.952) percent women.
- 18 Auditor General For Ontario, [2016 Annual Report, Chapter 3, Section S.12 Specialty Psychiatric Hospital Services](#).
- 19 While CSC provided the actual cost under CSC’s current contract, it indicated that negotiations for additional psychiatric capacity are ongoing. As a result, current costs may not be representative of future costs, and disclosing current costs would prejudice ongoing negotiations. As a result, the current actual cost is not factored into this estimate.  
  
A 2011 evaluation of the Intensive Intervention Strategy for Women Offenders put the cost of maintaining an offender in a regional treatment centre at \$198,893 per year, or \$544 per inmate per day. CSC, [Evaluation Report: Intensive Intervention Strategy for Women Offenders](#).  
  
As points of confirmation, a 2010 report on the cost of mental health services in Canada estimated the cost per patient per day to be \$681 for psychiatric hospitals, and \$600 for psychiatric cases in general hospitals. See: Institute of Health Economics, The Cost of Mental Health Services in Canada (June 2010) at p 23.  
  
As another point of confirmation, the CSC Prairie Region Regional Psychiatric Centre had an average cost of \$670 per inmate per day between 2012 and 2016.
- 20 CSC, Cost of Maintaining an Offender (Publication Pending). Note that this cost is not directly comparable to other costs of maintaining an offender because all costs (including the providers’ capital costs) are captured in

the cost of maintaining an offender, and the profile of offenders in provincial psychiatric care differs from those in the general population.

- 21 CSC, Research Report – Criminal Organizations: An Examination of Gang Management Practices Inside Canadian Institutions 2015 No R-347.
- 22 CSC, [2017 Corrections and Conditional Release Statistical Overview](#).
- 23 CSC, Research Report – Criminal Organizations: An Examination of Gang Management Practices Inside Canadian Institutions 2015 No R-347.
- 24 Specifically, participants indicated that they had greater knowledge: of how to leave a gang, of pitfalls and challenges upon release, and of resources, services and options available to them after release. Participants indicated greater commitment to permanently leaving the gang lifestyle in the near future, a greater focus on the future, and a greater confidence about their possibilities after release. Participants also indicated a greater ability to identify good influences, to meet new people who would be good influences, to problem solve, to develop life plans, to self-reflect, and to talk about their life in a positive way.
- 25 CSC, [The Additive Effects of Participation in Multiple Correctional Interventions and Services for Federally Sentenced Men](#) at 20.