



Economic Impact Analysis Virginia Department of Planning and Budget

6 VAC 35-190 – Regulations Governing Juvenile Work Release Programs
Department of Juvenile Justice
August 11, 2006

Summary of the Proposed Regulation

Pursuant to Chapter 648 (2005 Acts of the Assembly), the Board of Juvenile Justice (board) proposes to promulgate permanent regulations which will allow continuation of work release programs for juveniles committed to the Department of Juvenile Justice (DJJ). These regulations were put in place by emergency regulatory action (December, 2005).

Result of Analysis

The benefits likely exceed the costs for this proposed regulatory change.

Estimated Economic Impact

Before passage of Chapter 648, and implementation of a pilot work release program in 2005, juveniles (and adults between the ages of 18 and 21) incarcerated in Virginia's juvenile correctional facilities were only able to work and gain an education on-site. This limited the types of job training and educational opportunities of which these individuals could avail themselves and had the potential to impede their ability to function in the larger society to which they would eventually be released.

The proposed regulations set rules under which incarcerated juveniles may engage in outside employment and education. Criteria for participation in this work release program include:

- Juveniles must be at least 17 years old.
- They must have been in the custody of the DJJ for at least 90 days.
- They must have no major infractions of facility rules on their records (they may have very limited numbers of minor or moderate rules infractions).

- They may have only have been in one of the two least serious security levels of custody.
- They may not have any gang affiliations.

Juveniles who have been convicted of a violent felony may only participate in the program with the permission of the director of the correctional facility to which they have been committed.

DJJ has received funding for this program from the US Department of Labor; this funding covers staff to operate the program, vehicles to transport program participants to and from their places of employment or education and electronic monitoring equipment worn by program participants.

So far under DJJ's pilot program, approximately 10-12 juveniles have either worked at one of four participating businesses or attended classes at the one participating community college. DJJ estimates that five of the eight correctional facilities statewide would be appropriate venues for expansion of this pilot program.

Although this program will likely increase the possibility that convicted juveniles will have the opportunity to re-offend when they are on the job or on an educational campus, selection criteria and monitoring should ensure that increase is minimized. In any case, this risk is one that communities would face eventually, and probably at an even greater level, as incarcerated juveniles age out of the system without the benefits that this program offers.

Weighed against this risk are the benefits from this program that will accrue to juvenile participants and the businesses that employ them.

Juveniles who participate in a work release program are likely to be able to learn a more varied job skills set than can be taught inside a correctional facility. They will also have the opportunity to learn coping skills and practice forming interpersonal relationships in an environment that is both less restrictive than the correctional facility where they are incarcerated and more reflective of the wider communities in which they must eventually function. Additionally, juvenile participants will benefit from their wages which will allow them to pay off any court imposed fines and restitution monies and, after those obligations are fulfilled, will allow them to provide money to their families (if they choose) or have spending money at the correctional facility store.

Businesses that choose to participate in juvenile work release may benefit in several ways. Juvenile inmate labor is likely to be allocated in ways that do not fully reflect market pressures so businesses may be able to offer lower wages to juveniles who enter their employ through work release programs. Work release participants will be transported to and from their employment by correctional facility personnel, and may have less freedom to quit than they would have under other circumstances, so businesses who participate in this program may incur fewer costs associated with searching for, and training, new employees. Both of these effects will tend to lower employee costs for participating businesses. These cost saving are likely to be small given that only a handful (4-6) of juveniles have been eligible to participate in the program at any given time.

Businesses and Entities Affected

The proposed regulation will affect approximately 1000 incarcerated juveniles; approximately 300 of these are between the ages of 18 and 21. Participating businesses, as well as the communities where these juveniles are incarcerated and will work, will also be affected.

Localities Particularly Affected

The proposed regulation will affect all localities in the Commonwealth.

Projected Impact on Employment

Total employment within the Commonwealth is very unlikely to be affected by the proposed regulation. To the extent that they are able to gain work experience outside of the correctional facilities where they are incarcerated, juveniles in this program will likely be more employable once they are released.

Effects on the Use and Value of Private Property

Because juvenile inmate labor is likely to be allocated in ways that do not fully reflect market pressures, businesses may be able to offer lower wages to juveniles who enter their employ through work release programs. Because work release participants will be transported to and from their employment by correctional facility personnel and may have less freedom to quit than they would have under other circumstances, businesses who participate in this program may incur fewer costs associated with searching for, and training, new employees. To the extent that

some combination of these two affects occur, participating businesses may experience a (small) increase in profits.

Small Businesses: Costs and Other Effects

Participating small businesses will likely see no cost increases because of this proposed regulation.

Small Businesses: Alternative Method that Minimizes Adverse Impact

Participating small businesses will likely see no cost increases because of this proposed regulation.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.