After decades of a stable rate of incarceration, the U.S. prison population experienced unprecedented growth from the early 1970s into the new millennium—with the number of people confined to state prisons increasing by more than 600 percent, reaching just over 1.4 million people by the end of 2009. The engine driving this growth was the enactment and implementation over time of a broad array of tough-on-crime policies, including the rapid and continuous expansion of the criminal code; the adoption of zero-tolerance policing tactics, particularly around minor street-level drug and quality-of-life offenses; and the proliferation of harsh sentencing and release policies aimed at keeping people in prison for longer periods of time (such as mandatory minimum sentences, truth-in-sentencing statutes, and habitual offender laws).

Unsurprisingly, creating and sustaining such a sprawling penal system has been expensive, and has had a direct influence on state budgets. With more people under their care, state prison systems were compelled to build new prison facilities and expand existing ones. To staff these new and expanded facilities, they also had to hire, train, and retain ever more employees. In addition to expanding the state-operated prison system, some states also began to board out increasing numbers of people to county jails, privately-run facilities, and other states’ prison systems.

However, lawmakers in nearly every state and from across the political spectrum—some prompted by the 2008 recession—have enacted new laws to reduce prison populations and spending, often guided by a now-large body of research supporting alternative, more effective responses to crime. In addition to fiscal pressures, the push for reform has been further bolstered by other factors, including low crime rates; shifting public opinion that now favors less incarceration and more rehabilitation; and dissatisfaction with past punitive policies that have failed to moderate persistently high recidivism rates among those sent to prison.

With these various political, institutional, and economic forces at play, most states have adopted a variety of different policies, including those that increase opportunities to divert people away from the traditional criminal justice process; expand the use of community-based sanctions; reduce the length and severity of prison sentences for certain offenses, including the rollback of mandatory penalties; increase opportunities for people to gain early release; and better provide enhanced reentry support for those leaving prison or jail.

In light of nearly a decade of broad-based criminal justice reform, this report builds upon the information found in Vera’s 2012 publication The Price of Prisons: What Incarceration Costs Taxpayers. It seeks to determine where state prison spending stands today and how it has changed in recent years. In particular, Vera researchers sought to determine if states who have witnessed a downward shift in prison size have also witnessed it in prison spending.

What is clear is that increased spending is not inevitable, since nearly half of states have cut their spending on prisons between 2010 and 2015. Thirteen states have fewer people in state prisons, fewer state resources dedicated to incarceration, and can even boast lower crime rates than five years ago. But while one might expect that states with shrinking prison populations are uniformly spending less on prisons, or conversely that states with growing populations are spending more, Vera’s findings paint a more complicated picture. Indeed, often there is no single reason that explains a rise or fall in spending, but a multitude of factors that push and pull expenditures in different directions.
In 13 states where prison population has declined since 2010, total prison costs declined by **$1.6B.**

In 7 states where the prison population has increased since 2010, total prison costs declined by **$254M.**

In 10 states where the prison population has declined since 2010, total prison costs increased by **$1.1B.**

In 15 states where prison population has declined since 2010, total prisons costs increased by **$508M.**