

The Fiscal Cost of Crime
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The most disturbing aspect of the Prisoner Reentry Hearings being conducted by the Public Safety Committee of City Council is the discernable lack of interest on the part of most members of City Council and the press in what the Committee is doing.

Over the next six weeks, Council will be debating whether the City can afford to cut business taxes more aggressively than the Mayor proposes, without jeopardizing City services. Having chaired the City's Tax Reform Commission, I remain convinced that this may be the most important issue facing the City of Philadelphia today.

But the answer to that question revolves entirely around what we must spend as a City to preserve our quality of life—and the area of spending that we should be examining most is crime. That is where most of the City budget goes. If we don't come to grips with this problem, we will face the difficult choice between reducing taxes and maintaining needed City services indefinitely.

The numbers speak for themselves.

The City raises roughly \$2.2 billion from local taxpayers to support the entire City budget. The rest comes from other governments.

Of this \$2.2 billion, \$1.1 billion goes to the Criminal Justice System—not even counting the benefits that the Police, Corrections Officers, and Court Employees also receive. That's 50% of our budget. The remaining \$1.1 billion goes to everything else.

How can we possibly cut the cost of government significantly without reducing the fiscal cost of crime? That's where we are now and the results speak for themselves.

Moreover, crime accounts for the major increases in City spending over the past eight years.

The combined Police and Prison budgets jumped from \$496 million in FY98 to \$667 million projected for the coming year. We are now spending \$171 million more to support the Police and Prisons than we did eight years ago.

The \$187 million we spend on the Prisons alone is greater than the budgets of Licenses and Inspections, the Libraries, the Recreation Department and Fairmount Park, the Streets Department, the GEAR Up Scholarships, Community College, the MOCS, the Art Museum, our Economic Stimulus Package, and—dare I say it—City Council—combined. That's what the

Philadelphia Prison costs us today.

To be sure, the crime rate has gone down in Philadelphia—and people recognize and appreciate this.

But is churning people in and out of our prisons the only effective way to insure that crime stays down? If it is, then we can count on staggering budgets for the criminal justice system for years to come.

What, then, would happen if we were to set a new goal—not merely to reduce the crime rate, but to reduce the number of people who commit crimes in Philadelphia? What if we were able to say five years from now that Philadelphia has found new ways to reduce recidivism so that we no longer need huge budgets for the police and the prisons in order to keep us safe?

This question is at the heart of the prison reentry debate—and it affects all of us, not just the people in prison.

Here's what we've learned about the Philadelphia Prison from these hearings and from the many other reports about the Prison that the Commissioner has released over the past year.

We've learned that the daily prison census has jumped by 70% over the past 10 years, from 4,800 in FY94 to 8,100 this year.

We've learned that approximately 60% of the people in prison are sit around for weeks waiting for trial—at our expense—and that the average length of stay in the prison is about 3 months—at our expense.

We've learned that nearly 40% of the people in the Philadelphia Prison are there for drug related offenses.

We've learned that what Prisoner Reentry means now is reentry back into the Philadelphia Prison. I quote from the City's Five Year Plan:

“58% percent of sentenced inmates return to PPS custody within two years with a new sentence or a probation/parole violation.”

And at this hearing Prison Commissioner Leon King tells us that out of approximately 35,000 admissions per year, “it is impossible for the Prison to provide adequate re-entry discharge services to at least 21,000 of those admissions.”

Imagine if this were a City run hospital that admitted 35,000 people with infectious diseases every year, only to have 20,000 of the these patients return in less than two years. Moreover, the hospital itself tells that it can't treat 21,000 of its patients adequately--just about the number who keep coming back. And the budget for this hospital keeps climbing, to the point where it becomes the third most expensive City Department—after the Police and the Department of Human Services, also charged with dealing with different forms of crime.

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Wouldn't we be demanding that the City find a way to treat these other 21,000 people who keep coming back—so that they could leave the hospital once and for all? I submit that this is precisely what we need to be demanding in relation to the Philadelphia Prison.

Moreover, since 40% of the people in prison are there for drug-related offenses, the hospital metaphor isn't even a stretch. These people are sick. They need to be cured. Then they need to be helped to find jobs that will pay them so that we don't have to take care of them anymore. Maybe if we put our collective wisdom and energy to work solving *this* problem, then we'd be able to reduce our business taxes over the next five to ten years without cutting city services. This is certainly what we would call a 'win-win,' if only we decided to play the game.

Is this an impossible dream?

It is not.

There were 5,200 people in our homeless shelters in 1987 . They cost us more than \$32 million. There are only 2,500 people in homeless shelters today. The budget is only \$18 million—even in the face of inflation. We've cut the caseload in half and the budget by more than 40%.

Here's another example:

There were 67,000 households on welfare in Philadelphia in 1997. There are only 26,000 households on welfare today. Instead of having to spend \$600 million just to keep TANF recipients alive, now the City receives \$600 million in TANF funds from the Pennsylvania Department of Welfare for after-school programs.

Now in each of these situations there were people who said that enabling thousands of people to achieve self-sufficiency was impossible—that we were doomed to take care of huge dependent populations forever.

They were wrong.

And the people who today who say that a serious, sustained commitment to helping people in the Philadelphia prison overcome their addictions and become constructive members of our community are wrong as well.

How, then, did we manage to reduce the homeless and welfare populations?

First—in each case we made achieving self sufficiency the goal of the program, not just nice work if we could get it..

Jane Malone, the City's first Homeless Czar, was mandated by Wilson Goode to reduce the number of people in City shelters by 300 per month. She had to do it and she did.

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The TANF law required Pennsylvania to make a significant reduction in our caseload or lose federal support. We did.

We succeeded by investing significant dollars into programs with proven track records in helping people achieve self-sufficiency—programs like Project HOME and the Peoples' Emergency Center serving the homeless and Arbor Education and Training in relation to welfare reform—and we held them accountable the performance standards needed to achieve our overall goal.

That is precisely what we need to do now to help people in the Philadelphia Prison achieve self-sufficiency.

We need to establish as a goal for the City to reduce the annual Prison census down to 25,000 to inmates over the next five years—to the point where the daily prison census is back to around 6,500. Fiscally, this could cut the Prison budget by \$50 million over the next five years, bringing it down to \$130 million—its budget in the year 2000.

If we could cut the budget for homeless shelters by 40% through investing in self-sufficiency, then we can cut the Prison budget by at least 25% through investing in self-sufficiency.

And it's clear that we *can* do this if we're willing to try.

The Options/FIR drug and alcohol treatment program, as an example, has cut the rate of recidivism by 66% for inmates who completed at least 6 months of the program.

Every year it has had to fight for its funding.

We should be *tripling* its funding—and then holding them accountable to a performance standard that the program says it can achieve.

And if we make it known that new funds are available for prison reentry programs, a host of social service agencies will show up at the door—just as has happened with the homeless and welfare reform. Groups like Project HOME and the Peoples' Emergency Center and Arbor, Education and Training and the Jewish Employment Vocational Services (JEVS) and the Transitional Work Corporation are not only helping thousands of people improve their condition every year, they are saving Philadelphia taxpayers millions of dollars every year by reducing the number of people who need public funds to survive.

That's what we need to do now for drug-dependent inmates in the Philadelphia prison.

Cut the prison caseload in half and we can save at least \$50 million a year.

Cut drug dependency by 35% in Philadelphia, and we start getting 'safe streets' without having

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to put dozens of patrol officers at every corner.

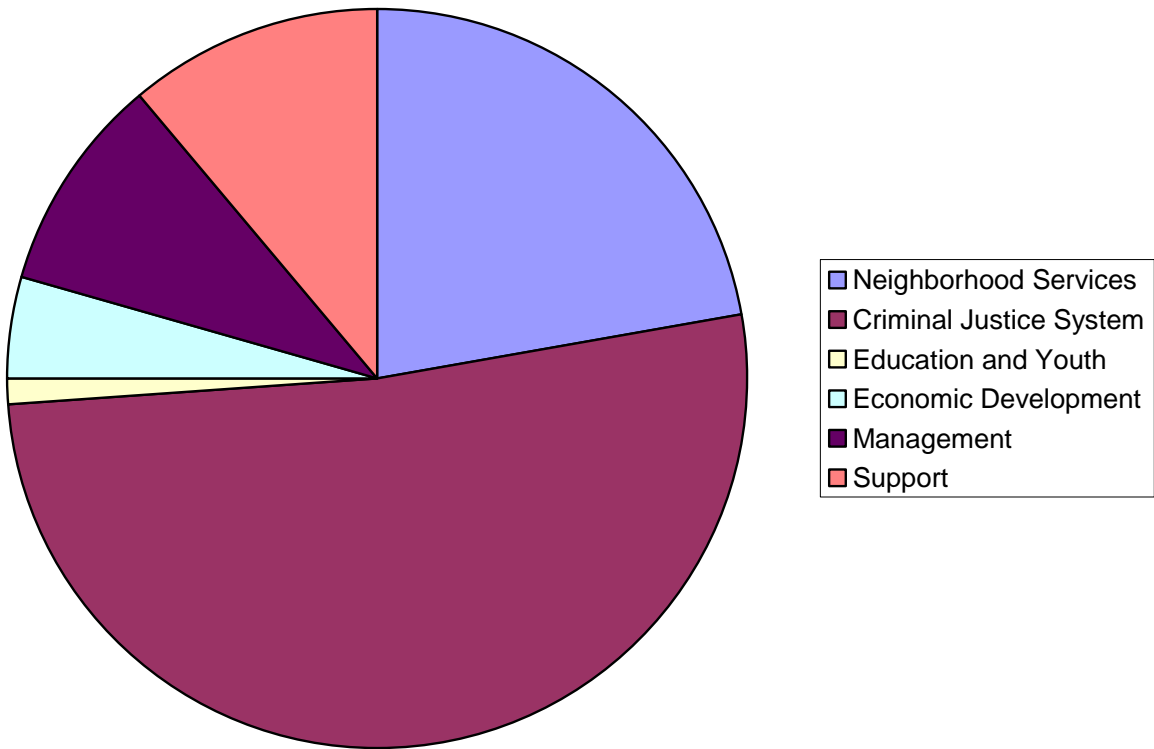
Reducing homelessness and ending welfare as we knew it were the challenges of the 90's. We met them.

Reducing drug addiction and incarceration are the challenges facing us now.

We can meet these challenges as well.

Are we willing to try?

Crime and the City Budget



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\$187 Million Prison Budget=12 City Services

