

CITY OF PHILADELPHIA PENNSYLVANIA

OFFICE OF THE CONTROLLER

Economic Impacts of Cash Bail on the City of Philadelphia

An analysis of the Direct and Indirect Impacts of Cash Bail
City of Philadelphia

October 2017

City Controller
Alan Butkovitz



Promoting honest, efficient & fully accountable government

Economic Impacts of Cash Bail on the City of Philadelphia

An Analysis of the Direct and Indirect Impacts of Cash Bail

EXECUTIVE SUMMARY.

Why should the City of Philadelphia be concerned about this issue?

The City of Philadelphia, by eliminating the cash bail system, could save the city over \$75 million annually and provide a viable alternative to jail for a significant number of those arrested in Philadelphia in a given year. Since 2015, Philadelphia jail populations have declined almost 20 percent, from 8,301 in January 2015 to 6,820 in June 2017.¹ This is the lowest population since 1999.² Much of this decline can be attributed to the implementation of various MacArthur Initiatives launched by the City since 2015. Notwithstanding, of the nearly 6,700 men and women still incarcerated in Philadelphia, three in every ten are held pre-trial because they cannot afford the cash bail. Of those, one in three are held on less than \$5,000, of which the City will ultimately retain only \$1,500. According to Pew Charitable Trust's Philadelphia Research Initiative, more than half remain for longer than 30 days. Sometimes exceeding 180 days, the direct costs of incarceration can exceed \$20,700 for a single bed.

Findings.

Cash bail can be reduced or eliminated at a substantial cost savings to the City of Philadelphia. Major cities across the U.S. are looking at innovative ways to manage pretrial defendants, balancing the need to ensure justice is served and maintaining public safety, while evaluating the long-term impacts of incarceration and correction of the offender. Research has found current systems can cause more damage on the incarcerated and their families than benefit, whereas alternatives may be just as effective, yet provide better futures for those in the criminal justice system.

This report examines the economic implications of the cash bail system by comparing both the direct and indirect costs of incarceration against cash bail alternatives. This report examines cost implications, underscoring the problem's severity and need for reform. This report has found:

- The population of Philadelphia jails has declined nearly 20 percent since January 2015 from 8,200 to 6,820.
- Of the 6,820 inmates in Philadelphia jails, 64 percent are held pretrial.

¹ Philadelphia Department of Prisons, "Daily Census Report," Retrieved 19Jun2017 and updated from records of County Sheriff's Office; Anna Orso, "Philly Slashes Its Jail Population by Almost 20 Percent in Just 2 Years," *bilypenn.com*. June 12, 2017.

² *Ibid.*

- Of the 4,359 total offenders held pretrial in Philadelphia jails, nearly 33 percent are held because they cannot afford cash bail. One in three could be released on less than \$5,000.
- The direct operational cost of Philadelphia jails for one bed-day is estimated at \$115; lost opportunity costs near \$159 per day; including larger secondary economic costs, one bed-day can equal between \$221 and \$531.
- The average Philadelphia defendant spends 25 days in jail pretrial before posting bail.³
- One in every two defendants remains incarcerated pretrial.⁴
- Average posted cash bail in 2016 is nearly three times the average bail posted in 2010.⁵
- Over \$20 million in direct costs can be saved each year by eliminating cash bail for those who cannot otherwise afford to pay.
- The net economic benefit of being released pre-trial has been estimated between \$37,031 and \$40,048 per inmate.⁶

Recommendations.

- The City of Philadelphia should move via the District Attorney's Office to dismantle the current cash bail system and migrate to programs similar to those employed by New Jersey and Washington D.C.
- For low-risk offenders, employ measures of monitoring ranging from low oversight and reminders to higher supervision including electronic monitoring.
- Citations should be employed in lieu of arrests, where achievable.
- As the inmate population of Philadelphia continues to decrease, it is recommended the City develop strategies for closing the oldest correctional facilities in an effort to reduce overall operational costs.

³ Analysis of 20,909 arrest records from 2015 arrests in Philadelphia. Data provided by the Administration of Pennsylvania Courts.

⁴ Ibid.

⁵ Analysis of 89,139 arrest records from 2009- 2010 and 2015 in Philadelphia. Data provided by the Administration of Pennsylvania Courts; mean 2015 is \$2,350 compared to an average of \$838.66 in 2010.

⁶ Will Dobbie, J. Goldin, and C. Yang, "The Effects of Pre-trial Detention on Conviction, Future Crime, and Employment," Princeton University, (2016): 3-11.

INTRODUCTION.

Philadelphia jails are consistently cited as some of the most overcrowded in the country, at one point exceeding 119% of capacity. Pretrial incarceration makes up approximately 64 percent of the Philadelphia jail population; one in every five offenders held pretrial remain incarcerated because they cannot afford the cash bail required for release.⁷ Keeping offenders who would otherwise gain release incarcerated costs the City of Philadelphia approximately \$115 per day, per inmate. Councilman Curtis Jones of City Council's Special Committee on Criminal Justice Reform has cited direct costs as high as \$135 per day when considering ancillary costs, i.e., costs to sheriffs and others. Aggregated across all inmates unable to afford bail, direct costs can exceed \$10.4 million every 180 days.⁸

From 1999 to 2008, Philadelphia jail populations increased by nearly 43 percent, cresting at 9,399. At its apex, the issue had drawn significant concern from across the highest levels of government. At this point, inmates were being triple-celled, a practice that brought significant ire from the American Civil Liberties Union (ACLU) and others.

Prison populations continued to fluctuate until 2015, when Philadelphia was awarded a grant of \$3.5 million from the MacArthur Foundation, which is being applied across 19 separate initiatives aimed at decreasing the overall population of Philadelphia jails by 34 percent in three years. Of the initiatives, 12 have been implemented to date. Since 2015 the jail population has declined by nearly 20 percent from just over 8,000 to 6,820 in June 2017.

This report will examine both direct costs as well as indirect costs of jails in Philadelphia. Further, this report will compare the costs of incarceration pre-trial to alternative courses of action, such as being released on recognizance, release under supervision, and monitoring. Finally, this report will examine other major cities and states that have successfully dismantled the cash bail system in favor of more contemporary and economically promising alternatives.

WHAT IS CASH BAIL?

The use of cash bail remains a significant barrier for many non-violent offenders held pre-trial and results in staggering primary and secondary economic consequences. A cash bail bond is the most straightforward means of obtaining release following an arrest. Cash bail is set by the presiding judge at arraignment and is paid directly to the courts to secure release of a pre-trial defendant.

⁷ Anna Orso, "Philly Slashes Its Jail Population by Almost 20 Percent in Just 2 Years," *bilypenn.com*. June 12, 2017.

⁸ This calculation is based on the number of defendants held pretrial and duration of incarceration multiplied by the per diem operational cost. This total does not include fixed and variable costs of the Philadelphia Department of Prisons. Fixed and variable costs of Philadelphia prisons are discussed on page 14-15.

The bail is typically posted by a family member or friend of the accused and can vary in amount substantially depending on the nature of the crime.

Of the cash bail ordered by the overseeing magistrate, only 10 percent is required to secure release. Upon appearance at trial, the City returns the bail amount to the payee, minus 30 percent. For example, if a defendant's family pays \$1,000 on a \$10,000 bail amount (10 percent) to secure the release of a defendant, \$700 will be returned to the family following the defendant's appearance at trial. The City will retain the remaining \$300 (30 percent) to cover administrative costs and court fees.

THE DIRECT COSTS OF CASH BAIL ON INDIVIDUALS & FAMILIES.

Cost of cash bail on the individual. Recent academic studies agree that the assignment of bail increases the likelihood of conviction by as much as 12 percent and future recidivism of defendants by as much as nine percent.⁹ Simply, the system of cash bail as a means of obtaining release is a function of liquidity and household income. Those who are able to pay their bail bond do so in an effort to gain their freedom. Others who cannot afford to pay bail remain incarcerated sometimes being held on as little as \$200. The length of one's incarceration pretrial increases the likelihood they will plead guilty in order to avoid additional time behind bars.¹⁰ But the decision is a poor one economically because conviction leads to a substantial loss of public and social service benefits, including:

- The right to vote
- Educational benefits
- Right to federal and state grants
- Public housing benefits
- Social security and other federal moneys
- Lost employment opportunities

This is particularly important because research suggests 47 percent of Americans cannot pay for a sudden \$400 emergency and one in every four families cannot cover a \$2,000 emergency within 30 days without taking a loan or selling something.¹¹ This poses a significant economic impediment to freedom for many incarcerated Philadelphians and forces individuals and families into the untenable position of either seeking a bail bondsman; taking a loan from predatory lenders to cover bail and fees; or in many cases, sacrificing freedom due to the inability to pay bail.

Generally, those released prior to trial have a higher probability of higher formal earnings and employment following their hearing. Statistically, those released pre-trial rather than detained have a 15 percent decreased probability of recidivism post-trial, and within one to four years following trial earn \$1,104 more than those who were detained prior to trial.¹²

⁹ Arpit Gupta, C. Hansman, and E. Frenchman, "The Heavy Cost of High Bail: Evidence from Judge Randomization," Columbia University (2016): 33.

¹⁰ Gupta, Hansman, and Frenchman, "The Heavy Cost of High Bail," (2016): 10.

¹¹ Annamaria Lusardi, D. Schneider, P. Tufano, "Financially Fragile Households: Evidence and Implications," *Brookings Institution*, (2011): 93. https://www.brookings.edu/wp-content/uploads/2011/03/2011a_bpea_lusardi.pdf

¹² J. Dobbie, "The Effects of Pre-trial Detention," (2010): 20.

Those incarcerated that were employed in the labor market reported earnings of approximately \$19,185 according to a national review of pre incarceration incomes conducted by the Prison Policy Initiative.¹³ Research shows between 38 and 48 percent of inmates engage in the labor economy following release.¹⁴ Remaining incarcerated pre-trial destroys net earnings potential, decreases the likelihood of contributing to the labor economy in the future, and inhibits their ability to apply for services such as Earned Income Tax Credit (EITC) via their IRS claims.

Cost of cash bail on the family. Cash bail is often prohibitive for many families, especially those at or close to national poverty levels. Philadelphia has the highest poverty rate among the nation's ten largest cities at 26 percent.¹⁵ Aside from the direct costs of bail, families are suddenly forced to pay the second and third order effects of incarceration. Attorney fees, court fees, bond and restitution can average close to \$13,607.¹⁶ When families cannot afford the costs associated with a cash bail system, the result is longer jail time. Longer jail times often equate to the loss of jobs, benefits, housing, and in some cases children to the foster care system. Whereas those who can afford to pay cash bail are released nearly immediately, those who cannot can spend upwards of 90 to 120 days in jail waiting for trial.¹⁷

Contemporary research has found when a parent is incarcerated, 65 percent—nearly two-in-three— families become unable to pay for basic needs such as food and housing.¹⁸ Nearly 70 percent of those families care for children and teens under the age of 18.¹⁹ These families then become consumers of EITC, Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), and other social service programs to remain afloat.

¹³ Bernadette Rabuy and Daniel Kopf. Prisons of Poverty: Uncovering the pre-incarceration incomes of the imprisoned. Prison Policy Initiative (2015)

¹⁴ 37.9 percent of detained defendants and 48.2 percent of defendants released pretrial earn approximately \$5,873 and \$8,354 respectively within three years of their release. The estimates reflect 2006-2014 IRS data for Miami and Philadelphia inmates; Dobbie, J. The Effects of Pre-trial Detention. (2010): 11, 31.

¹⁵ U.S. Census Bureau, American Community Survey, 2014, One-Year Estimates

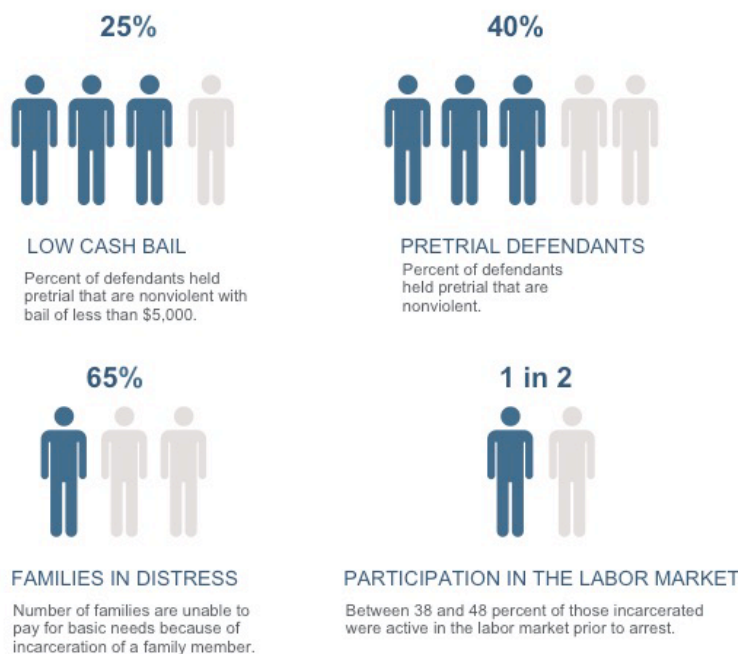
¹⁶ Alana Semuels, "What Incarceration Costs American Families," *The Atlantic*, Sept. 2015. <https://www.theatlantic.com/business/archive/2015/09/the-true-costs-of-mass-incarceration/405412/>

¹⁷ Pew Center on the States, "Philadelphia's Crowded, Costly Jails: The Search for Safe Solutions," Washington, DC: The Pew Charitable Trusts (2010): 16.

¹⁸ Saneta deVuono-powell, Chris Schweidler, Alicia Walters, and Azadeh Zohrabi, "Who pays? The True Cost of Incarceration on Families," Oakland, CA, *Ella Baker Center, Forward Together, Research Action Design* (2015): 13.

¹⁹ Ibid.

IMPACTS OF CASH BAIL ON FAMILIES



Nearly two-thirds of Philadelphia males were employed prior to incarceration; nearly half of those were the primary source of income for their family.²⁰ Research suggests that prior-incarcerates earn less money, work fewer hours each year, and experience a statistically significant decrease in future socioeconomic growth. The Harvard Kennedy School has found that those incarcerated for at least one year suffer an irreparable lifetime wage depression of nine percent following their release.²¹ This wage loss prevents families from achieving socioeconomic mobility and is often transferred to the family's children.²²

The latent economic effects are generational. Notwithstanding the direct economic loss of a primary family provider—estimated at between \$23,000 and \$32,000—intangible value impacts to families can rise to more than \$103,000 annually.²³ Children of families where one or both parents have been incarcerated have a one in four probability of being expelled from school; the probability for children without incarcerated parents is one in 25.²⁴ Studies repeatedly suggest children become unintended victims of the crimes of their parents.

COSTS OF CASH BAIL ON THE CITY.

²⁰ Pew Charitable Trusts, "Collateral Costs: Incarceration's Effect on Economic Mobility," Washington, DC: The Pew Charitable Trusts, (2010): 21.

²¹ Pew Charitable Trusts, "Collateral Costs," (2010): 11-12.

²² Pew study suggests lifetime wage loss for inmates by age 48 is estimated at \$179,000. Pew Charitable Trusts, "Collateral Costs," (2010): 12.

²³ D.G. Blanchflower, A.J. Oswald, "Well-being Over Time in Britain and the USA," *Journal of Public Economics* 88 (2004): 1373.

²⁴ Pew Charitable Trusts, "Collateral Costs," (2010): 21.

Direct Costs. The costs typically extrapolated when discussing cash bail are the direct costs of incarceration, taken by averaging overhead and operational costs by the number of incarcerated. Nationally, these costs can range anywhere from \$70 per day to upwards of \$175 daily per inmate.²⁵ Maryland's calculated average total cost per inmate was \$64,508 annually, approximately \$176 per day.²⁶ Pennsylvania's average total cost is \$50,098 per inmate, closer to \$127 per day.²⁷ These costs include prisons, small county jails, and all detention centers under the purview of the Department of Corrections.

The average daily cost of incarcerating one inmate is calculated by taking the Philadelphia Department of Prisons' operating budget for fiscal year 2017 (FY17) and dividing by the number of inmates within the system. This method was selected in an effort to ensure consistency with the Commonwealth of Pennsylvania's performance measurement report for the Department of Corrections (DOC) compiled by the Independent Fiscal Office (IFO). *The daily cost per day in Philadelphia jails is estimated at approximately \$115 per day*, although recently, public officials have included additional administrative costs of the prison system that brings the daily value closer to \$135.

In addition, there are costs associated with those who choose not to appear for their trial date once released from jail. These failures to appear (FTA) are sometimes intentional and sometimes not, but both result in city expenditures. Currently, 65,000 bench warrants exist on the books in Philadelphia. To administer and serve a bench warrant consumes time from the local magistrates, administrative judge, law and court clerks, and police officers serving and making the arrest. In total, each service of a bench or arrest warrant costs approximately \$87.28.²⁸ The current rate of FTA in Philadelphia is approximately 30 to 35 percent.²⁹ Of the approximately 9,600 individuals that posted bail, approximately 3,360 will FTA. The cost incurred by the City then becomes \$293,260. This cost should be considered as a loss to the City. It is a current objective of the MacArthur Foundation Safety and Justice Challenge to reduce the number of FTAs through use of predictive analytics and risk-analysis instruments to determine probability of successful pretrial release and trial appearance. Please see note 62.

INDIRECT COSTS OF CASH BAIL.

Comparing Direct and Indirect Costs. Calculated direct costs are costs incurred directly by the inmate and their families. These costs include forfeiture of income, loss of housing, stolen property and personal injury, strain on intimate relationships, and childcare costs. Indirect costs are the costs

²⁵ VERA Institute, "The Price of Prisons: What Incarceration Costs Taxpayers," (2012): 11; figure is consistent with median income of zip codes corresponding to defendants arrested in 2015 of \$26,420.

²⁶ Ibid.

²⁷ Ibid.

²⁸ Estimated cost based time accrued, calculated against mean earnings; baseline time accrual data retrieved from: Tomkins, Alan; Bornstein, Brian H.; Herian, Mitchel Norman; Rosenbaum, David I.; and Neeley, Elizabeth, "An Experiment in the Law: Studying a Technique to Reduce Failure to Appear in Court" (2012). Court Review: The Journal of the American Judges Association. 395.

²⁹ Holly Otterbein. This Ex-Republican Running for D.A. Wants Cash Bail to Be Abolished. Phillymag.com. (2017). Retrieved from <http://www.phillymag.com/news/2017/02/24/michael-untermeyer-district-attorney-race/>; Pew, "Philadelphia's Crowded, Costly Jails," (2010): 25.

incurred by the taxpayer of incarceration including loss of federal and state wage taxes, prison operation costs (cost per bed-day), and social services for families.

Table 1, Direct & Indirect Costs of Incarceration to Inmate and Inmate Families ³⁰

Description	Key Figures	Per Day Expense	Calculation
Loss of Income ³¹	Mean U.S. per capita income: \$31,028	\$85 per day	$\frac{\$31,028}{365}$
Loss of Housing ³²	Defendants forfeit \$1,565 in lost deposits	\$2,748 if detained 60+ days; \$45.80 per day.	$\frac{\$2,748}{60}$
Childcare Costs ³³	Families earning under \$56,670 spend \$2,080 annually	\$6 per day	$\frac{\$2,080}{365}$
Stolen or Lost Property ³⁴	33% of inmates have property stolen, \$580 per incident	\$193 per incident (if detained 60+ days)	$\frac{\$580}{3}$
Strain on Intimate Relationships ³⁵	Marriage value: \$103,670 annually; 17% of inmates are married	\$48 per day	$\frac{\$103,670(0.17)}{365}$
Prison Costs ³⁶	Mean annual U.S. cost of incarceration is \$31,406	\$115 per day	$\frac{\$41,975}{365}$
Loss of Tax Revenue ³⁷	Annual tax revenue is reduced by \$5,142 per incarceration	\$12.75 per day	$\frac{\$4,654}{365}$
Loss of State Tax ³⁸	Annual tax revenue reduced by \$1,249 per incarceration	\$2.61 per day	$\frac{\$952}{365}$
Social Services ³⁹	Annual social service benefits: \$8,293	\$22.60 per day	$\frac{\$8,249}{365}$
Direct +Indirect Cost Per Day	Per Day Expense Figures Added Up	Total = \$531 per day	

³⁰ Shima Baradaran Baughman, Cost of Pretrial Detention. Boston University Law Review. 97:1. (2017). 16,17.

³¹ Mean income of Philadelphia, 2014 census data; represents lost opportunity cost.

³² Mark Pogrebin, Mary Dodge & Paul Katsampes, The Collateral Costs of Short-Term Jail Incarceration: The Long-Term Social and Economic Disruptions, CORR. MGMT. Q., Fall 2001, at 64, 64-65.

³³ Mark Lino, U.S. Dept of Agris., Expenditures on Children by families (2015), pp30.; Cost is estimated at \$5.70 (rounded to \$6) per day (\$2,080/365 days).

³⁴ Roy D. King & Kathleen McDermott, The State of Our Prisons 119 (1995) / Miller Et Al., supra note 16, at 9 tbl.2.

³⁵ David G. Blanchflower & Andrew J. Oswald, Well-being Over Time in Britain and the USA, 88 J. Pub. Econ. 1359, 1381 (2004).

³⁶ See page 16; based on an annual per inmate cost of \$42,115. Data provided by Philadelphia Department of Prisons.

³⁷ Annual tax rate for filing single with income between \$9,276 to \$37,650 is 15%, or \$4,654.

³⁸ State tax for Commonwealth of Pennsylvania is 3.07 percent.

³⁹ Loren A.N. Buddress, Federal Probation and Pretrial Services—A Cost- Effective and Successful Community Corrections System, 61 FED. PROB. 5, 10 (1997) (reporting data on lost tax revenue due to incarceration).

The costs incurred by the taxpayer of incarceration as well as the direct costs to the jailed and their family total approximately \$531 per day, most of which are direct costs absorbed by the family (See Table 1). Figure 1 below compares the direct cost of the inmate per bed day to the true costs of incarceration, which include indirect costs such as the items listed in the above table. Comparatively, the cost per bed day represents only 20 percent of the true cost of incarceration incurred by the defendant and their families.

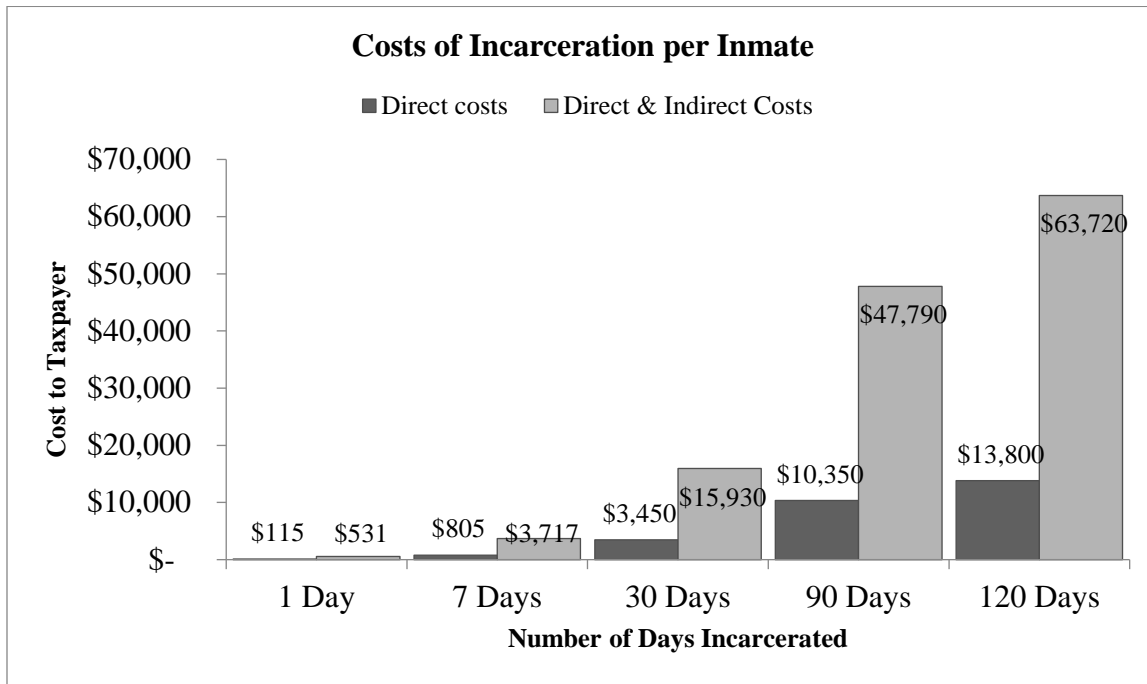


Figure 1, Cost of Incarceration per Inmate

Cash Bail's Influence on the Cost of Criminal Justice. In the City of Philadelphia each year, approximately 44 percent of all offenders arrested are arrested for non-violent offences. In Philadelphia County in FY17, this accounted for 49,146 arrests according to data collected from Philadelphia Department of Prisons. For the purposes of this study, we did not include violent offenders and sex offenders in pretrial calculations. It is a core assumption these defendants would likely remain incarcerated if no cash bail system existed rather than be released. In evaluating cash bail, one of the primary goals is to ensure the highest degree of public safety is maintained. The most common non-violent arrests include vandalism, driving under the influence, drug possession, and fraud.

Quantifying the number of incarcerated who remain in jail due to cash bail is a dynamic measure. First, the number of arrests as a result of recidivism is approximately 20 percent. Interestingly, a recent study by Princeton, Harvard and Stanford suggests in its findings that the recidivism rate of those released pre-trial decreases by 15 percent in the years following trial.⁴⁰ Further, a number of

⁴⁰ Will Dobbie, J. Goldin, and C. Yang. "The Effects of Pre-Trial Detention," (2016): 20.

pretrial rearrests result in detainers (those who are on parole and are re-arrested prior to their trial date). Detainers prevent re-release despite cash bail previously ordered by the magistrate.

The total population of Philadelphia jails as of July 2017 is 6,820, of which 64 percent (4,359) were being held pretrial.⁴¹ Violent offenders held pretrial comprised 35 percent of all pretrial detainees (1,532). The remaining 65 percent of pretrial detainees were nonviolent. Nonviolent offenders on detainer (having been rearrested following pretrial release) comprised 31 percent of the total pretrial detainees (1,383). Those who find themselves re-incarcerated would be less likely to be reconsidered for release pretrial. Nonviolent offenders not being held on detainer were 33 percent of the pretrial population (1,444), approximately 20 percent of the entire incarcerated population.⁴² Please reference Figure 2.

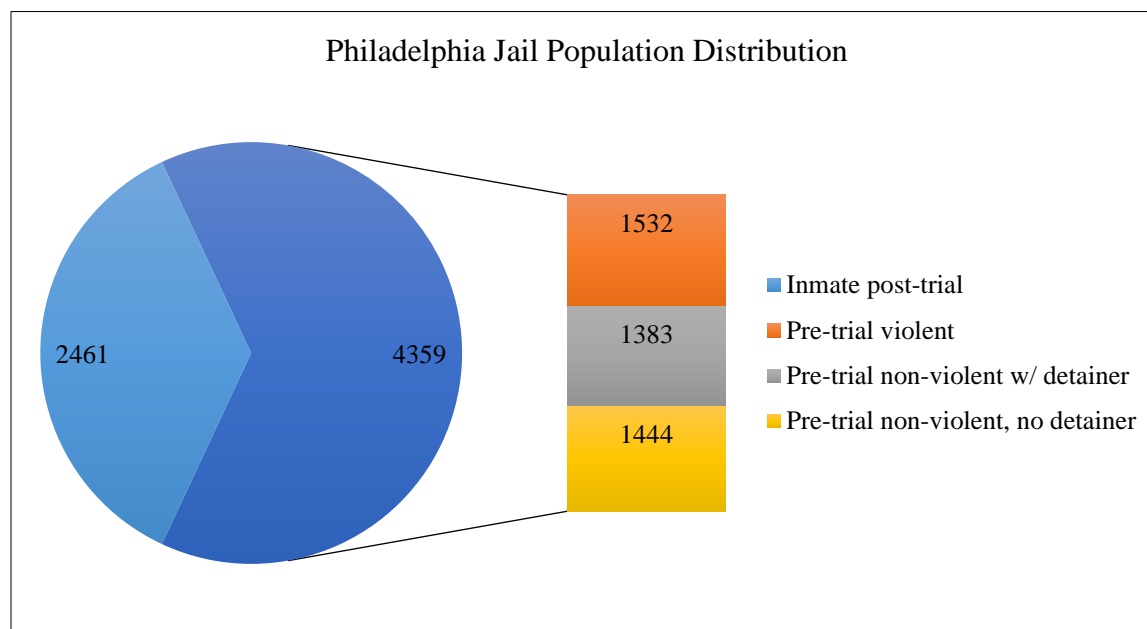


Figure 2, Philadelphia Jail Population Distribution

The most common non-violent offences include vandalism and fraud, followed by drug abuse. These categories alone comprise 72 percent of non-violent offences (2,128).⁴³ Notwithstanding the nonviolent nature of the offences, one in every four will remain incarcerated until their trial, some waiting as long as 180 days—and all at a significant economic and personal cost. To prevent any defendant from being held indefinitely, in accordance with Rule 600 of the Pennsylvania Rules of Criminal Procedure, in any case whereby the defendant is not denied bail, the state is barred from holding the arrestee in jail for more than 180 days.⁴⁴

⁴¹ Philadelphia Department of Prisons, open source data.

⁴² This assumes the distribution of non-violent offenders arrested is the same distribution as those incarcerated, approximately 44 percent of the total number. However, we are aware this number is likely to be much lower given the nature of the offense, number of prior offenses, and probability of appearance for court dates.

⁴³ Philadelphia Department of Prisons, open source data.

⁴⁴ 234 Pa. Code Rule 600. Prompt Trial. Retrieved from www.pacode.com/secure/data/234/chapter6/s600.html

Consistent with other large cities such as New York City, only 30 percent of pretrial inmates are released in less than three days. However, three to 30 bed-days makes up approximately 40 percent of pretrial stays in Philadelphia; in New York City it is approximately 50 percent. This means in Philadelphia, pretrial inmates are held longer before trial. Incarcerations lasting up to 120 days make up approximately 30 percent of Philadelphia’s pretrial inmates, 10 percent higher than New York City. Incarcerations greater than 120 days make up nearly 15 percent of pretrial jail time in Philadelphia, nearly three times New York City.⁴⁵ These longer stays of inmates serve to drive up costs of incarceration per inmate.

When defendants represent an overall low risk to society, pretrial incarceration becomes a costly and inefficient means of administering justice. Just over 40 percent of nonviolent offenders are held for seven days at an approximate cost of nearly \$500,000. Just over 20 percent are held for up to 30 days at a cost of just over \$1 million. The greatest costs come from those staying between 120 and 180 days, which combined comprise 37 percent of the inmates and \$8.9 million of the cost. The total for the 180-day distribution of 1,444 inmates is approximately \$10.4 million. Annually, the aggregate cost is \$20.8 million. The total costs, considering economic costs incurred by the taxpayer of incarceration as well as the direct costs to the jailed and their family, exceed \$50 million.⁴⁶

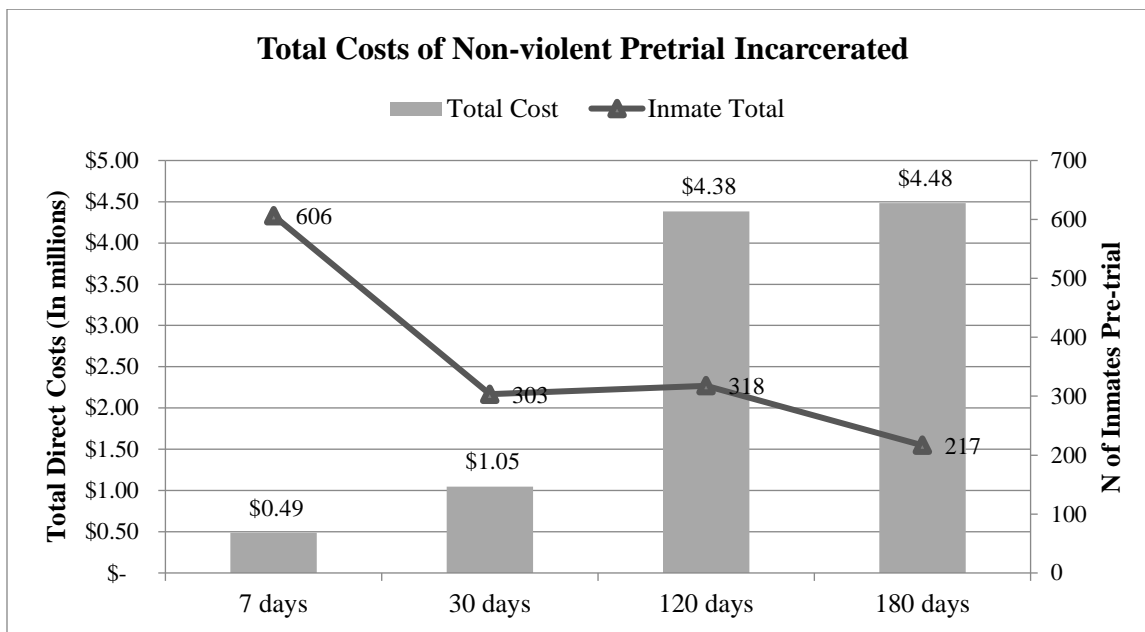


Figure 3, Total Costs of Non-violent Pretrial Incarcerated

Monetary bail proves a significant challenge for those incarcerated, their families, and for the City of Philadelphia. The monetary loss to the City, including the direct costs of incarceration in addition to the costs of tax revenue lost through federal and state wage tax and social services, is

⁴⁵ Pew Charitable Trust, Philadelphia’s Crowded, “Costly Jails: The Search for Safe Solution,” (2010): 16. Retrieved from https://static.prisonpolicy.org/scans/Philadelphias_Crowded_Costly_Jails_rev.pdf

⁴⁶ Total indirect costs at \$567 daily can exceed \$51,286,374 annually.

approximately \$159 for each inmate. Given the current population of around 6,800, the loss is approximately \$1 million dollars each day in criminal justice operational costs and lost revenue to the City. Finding alternatives for holding those who cannot afford bail will save nearly 1.9 million bed-days annually and reduce jail populations an additional 21 percent.⁴⁷

Research conducted for the MacArthur Foundation Safety and Justice Challenge found that low bail amounts—those between \$0 and \$50,000—comprises approximately nine percent of the total population detained in Philadelphia prisons and 12 percent of the total pretrial population.⁴⁸ The number of inmates held pretrial on low cash bail has fallen by 23 percent from 2015 to 2017.⁴⁹ Pretrial defendants held on low cash bail have an average cash bail amount of \$6,367 distributed over 536 defendants, totaling approximately \$3.4 million in cash bail.

Given the above, of the \$3.4 million in bail ordered by the magistrate for defendants in Philadelphia jails held pretrial, approximately \$340,000 would secure release of all 536 defendants identified with low cash bail amounts. Of this amount, the City would retain only \$102,000 to cover administration costs of the case, while paying out nearly \$185,000 to hold these defendants for just three days, incurring an \$80,000 loss—about \$150 for each defendant. The longer these particular defendants are held on low bail, the larger the City's losses get.

Of those who posted bail in 2015—both violent and nonviolent—\$22.5 million was collected. In total revenue, the City of Philadelphia retained approximately \$11.5 million in cash bail in 2015.⁵⁰ This accounts for \$4.7 million obtained when defendants report for their scheduled hearing (equal to 30 percent of their bond payment) and the entire bail of those who fail to appear, approximately \$6.8 million.⁵¹

The total number of pretrial nonviolent defendants consume in total approximately 180,900 bed-days annually, costing the City of Philadelphia \$20.8 million in direct costs alone. Given these costs, the City could save over \$3.5 million every 180 days simply by paying the cash bail of these lower risk, low bail nonviolent defendants.⁵² See figure 4.

⁴⁷1,444 nonviolent pretrial detainees make up approximately 180,904 bed-days for all nonviolent offenders (90,452 each 180 days).

⁴⁸ 536 defendants of 4,359 total held pretrial; Rachel Eisenberg, *MacArthur Foundation Safety + Justice Challenge Briefing*, Philadelphia City Council. 9 June 2017.

⁴⁹ *Ibid.*

⁵⁰ The average bail in 2015 was \$2,350 for the approximately 9,592 defendants released on bail, according to analysis of arrest records provided by the Administration of Pennsylvania Courts.

⁵¹ The failure to appear rate in Philadelphia has been estimated at 30 percent; Pew Charitable Trust, *Philadelphia's Crowded*, "Costly Jails: The Search for Safe Solution," (2010): 25.

⁵² Using calculation of \$3,758,753 in loss to the city for 536 defendants held over 180 days.

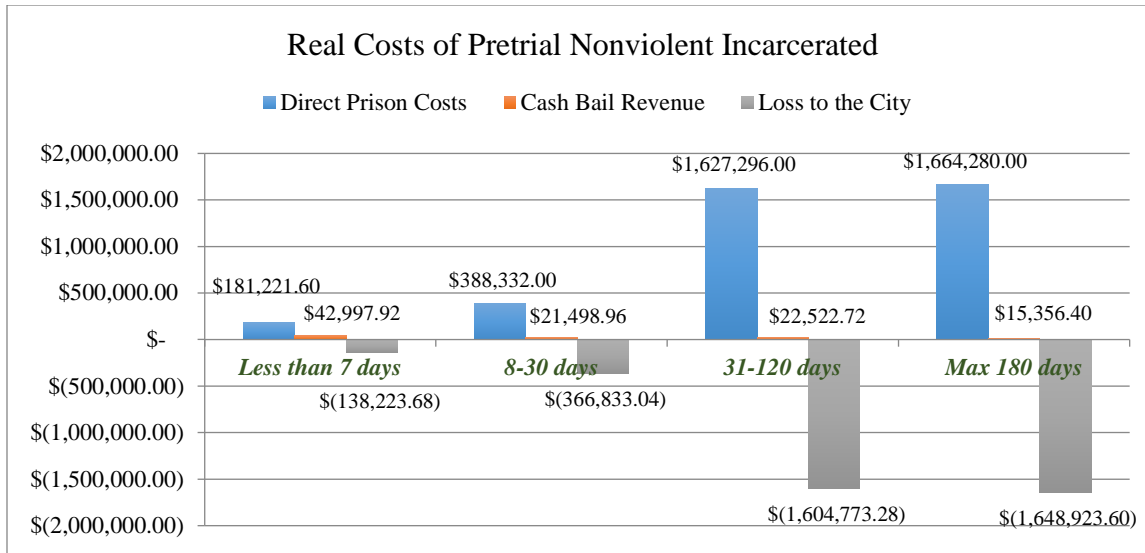


Figure 4, Cost Difference in Cash Bail Owed & Cost of Incarceration

Early bail review can be employed to review nonviolent offender cases with bail at or below \$50,000 within three days of arraignment. This measure alone could adjudicate the 536 low bail cases in Figure 4, saving over \$7 million annually. Currently, the earliest opportunity to have bail reviewed is two to three weeks. For a nonviolent defendant to remain incarcerated for 21 days costs the City over \$2,400, the cost balloons to nearly \$1.3 million for all 536 nonviolent offenders held pretrial.

Direct Effects on Wage and Labor. Every inmate employed in a new job in Philadelphia represents an opportunity in wages for the worker and for the City.⁵³ These include the wages of inmates in addition to a ripple effect in labor activity supported by each working inmate. Putting 1,444 inmates back to work in construction and service industries in Philadelphia supporting new City-build initiatives would support 900 additional jobs and produce nearly \$3.8 million in additional economic impact within the City of Philadelphia.⁵⁴

ALTERNATIVES TO CASH BAIL FOR NONVIOLENT OFFENDERS.

Alternatives to cash bail can include passive supervision, automated reminders, text and email reminders, and various levels of more direct supervision. Many of these provisions are already being put in place via Philadelphia's Committee on Criminal Justice Reform and the MacArthur Grant initiatives to increase the number of defendants that appear at scheduled court hearings. Many of the same initiatives being implemented under the Committee on Criminal Justice Reform in Philadelphia have either been implemented elsewhere with success or are being strongly considered in other jurisdictions.

What are Other Cities Doing? Bail reform is not a new conversation, yet its implementation remains somewhat novel. Notwithstanding, major cities across the country are beginning to reform

⁵³ Data is calculated using Bureau of Economic Analysis' RIMS II multipliers, Table 2.5 Total Multipliers for Output, Earnings, Employment, and Value Added by Industry Aggregation, Philadelphia 2010 (Type II); assumes employment in service industries and general construction industries.

⁵⁴ Figures are estimates of final direct earnings multiple calculations.

traditional bond programs such as cash bail in favor of policies that are equally as effective yet less costly. A study in Jefferson County, Colorado conducted a quasi-experiment analyzing 1,277 cases of varying bond requirements across a four-month period.⁵⁵ The study found conclusively that no difference exists in the impacts to public safety (re-arrests), court appearances, or compliance with supervision of those required to post bond compared to those not required. The findings suggest that magistrates who assign unsecured bond (no bail required) in lieu of cash bail are more cost effective and use substantially fewer pretrial criminal justice resources than those required to post bail or remain incarcerated. Further, the study found that those that remained incarcerated for the duration of their pretrial period were typically released following the disposition of their trial.

In 2009, 40 percent of arraignments in Philadelphia resulted in release, whereas the remainder were ordered to pay bail.⁵⁶ Comparatively, in New York City 65 percent of defendants released on their own recognizance with no bail set.⁵⁷ In nearly all states and cities where monetary bail has been eliminated, recidivism falls to approximately 10 percent, likely due to the supporting programs in place to ensure those released appear on their scheduled court dates. Washington D.C., which eliminated the use of cash bail system since the 1990s, has a better than 90 percent appearance rate for those released pre-trial.⁵⁸ Further, of those released into the community pre-trial, 98 percent are not re-arrested for violent crime while in the community pending trial.⁵⁹

New Jersey's recent reforms of pre-trial cash bail, rolled out in January 2017, show similar promise. In the reform policy's first six months, pre-trial jail populations have fallen by 20 percent. New Jersey has implemented many of the same measures Philadelphia is looking to implement via the MacArthur Grant initiative, including expedited hearings, actuarial risk assessment, improved monitoring techniques, and treatment programs for mental health and addiction. The success of New Jersey, New York, and Washington D.C. should be seen as a proof of concept to criminal justice reform efforts.

Effective Alternative Programs to Cash Bail. The cost of overseeing parolees and probationers is a fraction of the cost of holding non-violent offenders pretrial, costing taxpayers \$2,750 annually, 7 percent of the cost to hold a single defendant pretrial for 180 days.⁶⁰ Monitoring has been repeatedly found to be a far less costly and more efficient means of administering justice for nonviolent offenders.

The City of Philadelphia has begun to examine the merits of supervision in lieu of incarceration using a variety of methods, including technology and a more traditional human interface. Proposed systems include:

⁵⁵ Study examined secured bonds, cash-only, surety-bonds, and unsecured bonds from January to April 2010.

⁵⁶Pew Charitable Trust, "Costly Jails," 25.

⁵⁷ Ibid.

⁵⁸ Pretrial Services Agency for the District of Columbia, "Performance Measures," Retrieved from https://www.psa.gov/data/performance_measures.

⁵⁹ Ibid.

⁶⁰ John Schmitt, Kris Warner, and Sarika Gupta, "The high budgetary cost of incarceration," Center for Economic and Policy Research, (2010): 10-11. Retrieved from www.cepr.net.

- Use of pre-trial risk tools⁶¹
- A reminder system using wireless technology will notify defendants of upcoming court dates to help ensure appearance.
- Early bail review for cases with bail of less than \$50,000.

Under the proposed system, it is anticipated 84 percent of those incarcerated pretrial will gain release. Of the proposals currently implemented, nearly 91 percent of individuals released pre-trial appear on their scheduled date. This is important considering the high failure to appear rate in Philadelphia in past years. These programs have saved nearly 53,580 bed days since July 2016 at a savings of over \$6 million in direct operating costs and \$2 million in lost revenue to the city.⁶²

Examples of Cost Effective Measures for Monitoring Nonviolent Offenders. Modern electronic monitoring includes the use of geographic positioning system (GPS) incorporated into the traditional technology of monitoring. The monitoring system costs between \$8 and \$10 each day to operate.⁶³ Fitting every non-violent defendant held pretrial with GPS monitoring would cost between \$11,522 and \$14,444 per day. Distributed over 180,904 bed-days a year, electronic monitoring for non-violent offenders incarcerated in City jails would cost between \$1,447,232 and \$1,809,043. Implementing direct monitoring across all nonviolent offenders would save \$18,994,953, a 91 percent cost savings over the cost of incarceration, not including lost wages and tax revenue of incarceration.

Closing Correctional Facilities. The cornerstone to lowering the costs of incarceration is to lessen the number of inmates while also lessening the number of facilities managed by the Philadelphia Department of Prisons (PDP). As each prison facility continues to age, the maintenance and renovation costs begin to exceed replacement costs, at which point it may no longer be efficient to continue to maintain the facility.

Decreasing the number of inmates without also decreasing the number of prison facilities managed by the Department of Prisons will likely decrease only the number of overtime hours incurred by staff but not the major overhead costs of operating and maintaining the prison. Therefore, rather than a direct cost of \$115 per inmate, the cost per day would increase. This is because even though the population may decrease, fixed and administrative costs, utilities, and facility costs do not decrease but remain the same. Each of Philadelphia’s six correctional facilities will continue to

⁶¹ Predictive analytics has been the subject of debate due to inherent bias of the core algorithm underpinning the analytics. Opponents of algorithms in predictive analytics cite over-policing of minority communities as the source of higher arrests and therefore higher “risk” scoring of minorities via a biased algorithm accounting for race by proxy of locality and number of arrests. Proponents contend the risk analysis algorithm does not account for race, but rather removes the risk of inherent human bias from decision-making, thereby aiding the decision-maker in selecting more informed outcomes. The tool is not meant to replace human decision-making, but rather to aid it in making more accurate decisions. This is exceedingly important given the subjectivity of risk decision-making and the variability in outcomes of judges, where research finds “substantial variation among individual magistrates in setting money bail, suggesting that the imposition of money bail, and therefore pretrial detention, is a function of the judge one receives.” (Warner, 22) See Warner and Gupta, 2010; and Leslie and Pope, 2016. Also see The University of Pennsylvania Law School’s Quattrone Center symposium summary “*Risk Assessment Tools: Capabilities, Benefits and Risks;*” <https://tinyurl.com/ydydegmw>.

⁶² \$6.2 million in direct operating costs and \$2.3 million in lost revenue to the city.

⁶³ John K. Roman, Akiva M. Liberman, Samuel Taxy, and P. Mitchell Downey, “The Costs and Benefits of Electronic Monitoring for Washington, D.C.,” District of Columbia Crime Policy Institute, The Urban Institute (2012). 7. Retrieved from <https://tinyurl.com/ycrau2eg>

require staffing similar to current levels. Conversely, when the prison population declines and a facility is closed as a result, large savings in operating, maintenance, replacement costs, and associated overhead are achieved. This is a step-fixed cost. Each facility closed equals another incremental decrease or step-decrease in cost. The variable costs (food, laundry, etc.) of a lower prisoner count are also reduced. When multiple facilities are closed and prisoners consolidated to more efficient jails, another step-fixed cost reduction is achieved and the direct costs of incarceration are reduced dramatically.⁶⁴

One of the key initiatives New York City is examining is closing the Riker's Island complex. Closing the facility would allow New York to establish a more manageable jail population of approximately 5,000 beds across its eight boroughs. The Riker's facility has been fraught with challenges including deteriorating facilities, air conditioning, and rising maintenance costs.

Currently, Philadelphia's correctional facilities are in similar disrepair. In the oldest facilities, The Detention Center and the House of Corrections (47 and 81 years-old respectively), many of the same challenges are faced. The combined census between the two facilities is approximately 3,000 inmates. The Philadelphia Intergovernmental Cooperative Authority (PICA) estimated the facility repairs of the facilities at more than \$39 million.⁶⁵ This cost does not include the required replacement of air conditioning systems in either facility, a clear health-safety requirement. The replacement cost of both facilities would exceed \$100 million. In FY16, \$7.8 million was allocated toward land purchase and infrastructure system improvements.⁶⁶ Given the above, it may be worth considering shuttering the oldest facilities and reallocating the recovered operating and maintenance funds toward newer and more capable facilities and programs that keep prison populations low.

Downsizing the number of facilities is likely the only viable option in which any appreciable savings to the taxpayer will be realized. And even in this strategy, the cost savings are seen directly through reduced liabilities in the Department of Prison's annual budget. Calculating cost savings by the fiscal year's budget by the number of inmates produces a perception of only marginal advantage as seen in Table 2.

⁶⁴ Christian Henrichson, J. Rinaldi, R. Delaney, "The Price of Jails: Measuring the Taxpayer Cost of Local Incarceration," Vera Institute of Criminal Justice (2015): 18-22. Retrieved from <http://tinyurl.com/jwmb3ea>

⁶⁵ City of Philadelphia, "Philadelphia Prison System Strategic Plan, FY09-FY13," (2008). Retrieved from http://www.whyy.org/news/documents/prison_report.pdf.

⁶⁶ \$7.8 million to the Prisons Department to fund land acquisition (\$4.9 million) to eventually construct a new prison to replace the House of Corrections; and to fund system improvements, infrastructure and other renovations at Prison facilities (\$2.9 million); City of Philadelphia, "Five Year Financial and Strategic Plan for Fiscal Years 2016-2020," (2015). Retrieved from <http://www.phila.gov/Newsletters/FY16FY20FiveYearPlanFINAL.pdf>

Table 2, Fiscal Budget, Philadelphia Department of Prisons (PDP); Cost Evaluation of Shuttering Facilities⁶⁷

Current Inmate Total and Costs			
Cost Per Inmate (annually)	\$42,115		
Total Inmate Population *	6,097		
Total Costs/Budget **	\$256,776,455		

	Option 1: Shutter House of Corrections	Option 2: Shutter Detention Center	Total Reduction
Inmate Reduction	1,091	1,012	2,103
Budget/Cost Reduction	\$46,219,762	\$43,651,997	\$89,871,759
Budget/Cost = inmates x annual cost per inmate			

Results: Shuttering both facilities and implementing reform measures:

- Reduce total prison population from 6,820 to 4,717 (reduction of 2,103)
- Reduce total budget costs from \$256.8 million to \$166.9 million (savings of \$89.9 million)

* Population provided by PDP August 2017; thus population differs from other data found in this document.

** PDP Operating budget per facility is an assumed rate calculated by taking the total FY17 operating budget provided by PDP and dividing based on the population at each facility.

By shuttering the House of Corrections and the Detention Center, the PDP would reduce its overall budget by almost \$90 million and reduce prison population by more than 2,000 inmates. Continued reduction in the Philadelphia prison population can be achieved through implementation of several recommendations that follow.

As illustrated in Table 2, if both the House of Corrections and the Detention Center were shuttered, the cost to operate the remaining facilities would be approximately \$166 million decreasing the FY budget by nearly 65 percent.⁶⁸ The population of prisons would also fall to approximately 3,994 to support the closing of facilities. Therefore, the average daily cost would calculate to \$114 rather than the current \$115, approximately \$1.4 million annually. However, the true savings when considering the decrease in annual operating costs is closer to \$90 million to \$100 million each fiscal year.

Further, fewer facilities requires less hours on Correctional Officers. Currently, the average Correctional Officer at a PDP facility puts in more hours rather than less despite a steadily declining prison populations. Currently, a 4:1 prisoner to Correction Officer ratio exists across all facilities. Notwithstanding, Corrections Officers are putting in more hours and accruing nearly \$2 million in unbudgeted overtime due to a personnel-to-workload mismatch, bringing the

⁶⁷ Operating costs of prisons is based on FY16 budget provided by PDP for all prisons. Numbers are based on assumed operating costs for individual prisons based on capacity.

⁶⁸ Fiscal operating budgets of each facility are approximated using the total FY17 budget allocated across the six facilities according to inmate population.

Department nearly 8 percent over projections for the fiscal year and consuming 57 percent of the annual fiscal year's operating budget. To compensate for the increase in overtime and to meet workload demands, Department of Prisons has committed 50 additional Corrections Officers costing an additional \$2.2 million annually. Neither the \$2.2 million in new workforce nor the nearly \$150 million in annual labor costs include long-term costs accrued by the city taxpayers in public pension obligations and other obfuscated liabilities.

RECOMMENDATIONS

Cash bail can be reduced or eliminated at a substantial cost savings to the City of Philadelphia. Research has found current systems can cause more damage on the incarcerated and their families than good, whereas alternatives may be just as effective, yet provide better futures for those in the criminal justice system. The Philadelphia Department of Prisons should focus on four areas: restructuring, reinvesting, removing barriers, and restoration.

Restructuring. As noted above, the largest obstacle to realizing substantial cost reduction is maintaining antiquated infrastructure designed for higher capacities. Like New York City, if the goal is to decrease prison populations, decrease holding capacities respectively. Without doing so, the cost of incarceration per prisoner will increase rather than decrease. Likewise, current employees of the correctional system can be reassigned to other facilities, lessening the prisoner to guard ratio and decreasing the Department of Prison's reliance on overtime. This workforce restructuring enables adequate future staffing, minimizes layoffs, and minimizes the need for future staffing and administrative growth.

Reinvesting. Capital investments earmarked for facility repairs (estimated at nearly \$100 million) can be reallocated to improve existing facilities and modernize monitoring systems as cash bail systems for pre-trial defendants are dismantled. This includes the implementation of automated reminder systems for pre-trial court appearance notifications and GPS monitoring for higher risk defendants and establishing community programs that deter risky behavior, preventing crime before it starts.

Removing barriers. Defendants should be detained only if there is substantial probability the defendant committed a crime and there is unreasonable risk to the public if they are released. The use of risk analysis as proposed in academic circles may provide the necessary elucidation. As noted, many cases are dismissed and the defendant released at the conclusion of the trial. The direct and indirect costs incurred by the defendant can never be regained, including lost wages, eviction, broken families, among others. The costs to the City are also substantial even for a single defendant and can be put to better use.

Restoration. Pre-trial initiatives such as those with local universities like The University of Pennsylvania to refine risk analysis tools create novel methods to solve old problems. In conjunction with the MacArthur Foundation, the City of Philadelphia should continue to investigate ways to preserve lower prison populations once achieved. Reinvestment of capital assets toward programs that develop youth, provide opportunities for challenged communities, and rehabilitation for those suffering from mental disabilities and physical addictions may go the furthest toward ensuring the long-term viability of Philadelphia's cash bail reform initiatives.

CONCLUSIONS.

The direct costs of cash bail to inmates can range from \$66 to \$446 daily, depending on the relationship and family construct of the defendant. Those who are incarcerated pre-trial tend to have depressed earning potentials in future years following trial. This depression has been consistently cited between 10 and 15 percent over the lifetime of the individual.⁶⁹ Collateral costs in some studies have been calculated between \$37,031 and \$40,048. Data used in this report calculates an annual collateral cost of between \$29,762.10 and \$37,960.⁷⁰ For families, collateral costs can be much higher and harder to quantify, as long-term data is more difficult to capture for children of incarcerated parents. But generally, research demonstrates a clear impact on children given the incarceration of their parents.

When cash bail is discussed, it is generally discussed in tandem with those who cannot afford bail. This is estimated as a small community of defendants in Philadelphia's population (approximately 8 percent or 536 of the total incarcerated). Writ large, all non-violent offenders not on detainer (approximately 20 percent of the total population) should be eligible for release within three days of arrest. Given the pre-trial release distribution of all eligible non-violent offenders, the cost of aggregate bed-days exceeds \$20.8 million annually.⁷¹

The per diem costs above are not savings the City will see if monetary bail is eradicated. Rather it is the fixed and variable costs that will offer the direct savings to the taxpayer. These costs, based on the above are estimated at nearly \$90 million annually. In addition while some offenders may choose to go back to school, it can be assumed that some percentage of those defendants released will go directly into the workforce, providing a wage tax to the City and Commonwealth.⁷² These taxes would garner more than \$1 million annually by putting nonviolent offenders back to work.⁷³ However, these reductions in fixed costs and added wage tax revenue must be considered in conjunction with the fiscal impacts to the city of defendants who fail to appear for trial as well as the loss in cash bail revenue, estimated at \$293,260 and \$11.5 million respectively.⁷⁴ Therefore, the real savings to the taxpayer is the fore mentioned losses of approximately \$11.7 subtracted from the taxpayer gain of approximately \$91 million, resulting in a total net gain of just over \$78 million annually.

Juxtaposed to the costs of monitoring pre-trial of \$8 per day, even if every defendant were monitored electronically every day for the full 180 days, the cost would still be only 10 percent of keeping defendants incarcerated.⁷⁵ Because not every defendant would require GPS monitoring

⁶⁹ Will Dobbie, J. Goldin, and C. Yang. "The Effects of Pre-Trial Detention," (2016): 20; The Pew Charitable Trusts, "Collateral Costs: Incarceration's Effect on Economic Mobility," Washington, D.C., The Pew Charitable Trusts (2010): 21.

⁷⁰ Assumes a combined cost of income (\$7,205), housing, social services, wage tax and state tax loss.

⁷¹ Distribution considers all 2,365 non-violent offenders distributed over 180 days; Pew Center on the States, "Philadelphia's Crowded, Costly Jails: The Search for Safe Solutions," Washington, D.C., The Pew Charitable Trusts (2010): 16.

⁷² Assumes a wage tax to the City of 3.8907 and Commonwealth wage tax of 3.07.

⁷³ Assuming 1,444 nonviolent offenders at an average income of \$19,185.

⁷⁴ Reference page 7 for service of FTA bench warrants and page 12 for cash bail revenue calculations.

⁷⁵ Cost would be approximately \$3.4 million over 180 days to monitor 2,365 defendants.

but would likely be assigned a case officer, the costs of monitoring would be much lower than 10 percent, costing taxpayers between \$6 and \$8 per parolee or probationer. Distributed over the entire population of defendants held pretrial, this leads to significant long-term savings.

Given the above recommendations, including shuttering aging prison facilities, the direct savings to the City of Philadelphia by dismantling the cash bail system could likely \$100 million annually. Additionally, costs of the Department of Prisons would decrease, as support infrastructure for six detention facilities would no longer be required. It would be possible to downsize to one women's facility, one juvenile facility, and two facilities for men. Direct impacts to the local economy from losing the bail bond industry would be marginal. From 2015 to 2017, Philadelphia has reduced the population of its prisons by 18 percent. Further reducing the number of prisoners would allow for the closure of individual facilities and rightsizing of the system's workforce. These modifications of the prison system and workforce would result in dramatic savings annually. In order to protect the reduction of Philadelphia's prison population, certain measures can be implemented including non-monetary and preventative strategies.

Non-monetary conditions of release include required meetings with pretrial officers, drug testing, and electronic monitoring for defendants. These methods range given the risk posed by the defendant. Low risk defendants may be released on their own recognizance with little or no supervision, whereas those of moderate risk might require greater levels of post-release supervision. In cities that have dismantled cash bail, the alternative has proven far more effective and efficient.

Although most defendants are released within a matter of days following arrest, some remain incarcerated for 180 days or longer, costing taxpayers more than \$20,700 for a single inmate, 60 percent more than what Philadelphia spends per student per year.⁷⁶ Of particular concern, Philadelphia is one of the lowest funded of among peer cities for children's education, yet retains one of the highest poverty and incarceration rates among its peers. This dichotomy presents a genuine opportunity for reinvestment in Philadelphia's youth as a proactive initiative to reduce future prison populations, as increased education has been found to be an effective indicator of reduced crime.⁷⁷ It is a laudable goal to ensure Philadelphia invests more in their youth education than is spent maintaining its prison populations and infrastructure.

Dismantling Philadelphia's cash bail program will allow significant savings to the Philadelphia taxpayer, reallocation of funding to prevention programs for youth and young adults in high-risk situations, and will aid in quickly easing the financial strain on families struggling from the impacts of incarceration. The overwhelming costs to the city and the individual dramatically outweigh the risks posed to society by non-violent offenders.

It is the contention of the Office of the Controller that the immediate dismantling of cash bail is in the best economic interest of the City of Philadelphia. A partial implementation of the recommendations of this report may not result in the sustained decline in operational costs.

⁷⁶ Philadelphia spends approximately \$35 per day per child or approximately \$12,780 per child per year according to 2012 research.

⁷⁷ Lancer Lochner and Enrico Moretti, "The Effects of Education on Crime: Evidence From Prison Inmates, Arrests, and Self-Reports," University of California, Berkley (2003): 27.

Lessening prison populations without decreasing infrastructure will not realize the cost savings sought. Therefore, it is recommended the city seek not only to reduce populations of its prisons, but do so with an eye to the future, closing antiquated, unsafe and costly facilities, while developing preventative programs that deter youth from crime.

WORKS CITED

- Baradaran Baughman, Shima. "Cost of Pretrial Detention." *Boston University Law Review*. 97:1. (2017).
- Blanchflower, D.G., Oswald, A.J. "Well-being Over Time in Britain and the USA." *Journal of Public Economics* 88 (2004): 1359–1386
- Buddress, Loren A. "Federal Probation and Pretrial Services—A Cost- Effective and Successful Community Corrections System." 61 *FED. PROB.* 5, 10 (1997).
- City of Philadelphia. "Philadelphia Prison System Strategic Plan, FY09-FY13." (2008). Retrieved from http://www.whyy.org/news/documents/prison_report.pdf.
- City of Philadelphia. "Five Year Financial and Strategic Plan for Fiscal Years 2016-2020." (2015). Retrieved from <http://www.phila.gov/Newsletters/FY16FY20FiveYearPlanFINAL.pdf>
- DeVuono-Powell, Saneta, Schweidler, C., Walters, A., and Zohrabi, A. "Who Pays? The True Cost of Incarceration On Families." Ella Baker Center, Forward Together, Research Action Design. (2015).
- Dobbie, Will, Goldin, J., and Yang, C. "The Effects of Pre-Trial Detention." Princeton. (2016).
- Eisenberg, Rachel. "MacArthur Foundation Safety + Justice Challenge." Briefing to City Council, City Hall, Philadelphia, PA. June 9, 2017.
- Gupta, Arpit, Hansman, C. and Frenchman, E. "The Heavy Cost of High Bail: Evidence from Judge Randomization." Columbia University. (2016).
- Henrichson, C., Rinaldi, J., Delaney, R. "The Price of Jails: Measuring the Taxpayer Cost of Local Incarceration." Vera Institute of Criminal Justice. (2015). Retrieved from <http://tinyurl.com/jwmb3ea>
- Leslie, Emily and Pope, Nolan. "The Unintended Impact of Pretrial Detention on Case Outcomes: Evidence from NYC Arraignments." 13 (Univ. of Chi. Working Paper, 2016). http://home.uchicago.edu/~npope/pretrial_paper.pdf.
- Lino, Mark. U.S. Department of Agriculture. "Expenditures on Children by Families" (2015).
- Lochner, Lancer, Moretti, Enrico. "The Effects of Education On Crime: Evidence from Prison Inmates, Arrests, And Self-Reports." (2003). Retrieved from <https://eml.berkeley.edu/moretti/lm46.pdf>
- Lusardi, Annamaria, Schneider, D., Tufano, P. "Financially Fragile Households: Evidence and Implications." Brookings Institution. (2011). p93.https://www.brookings.edu/wp-content/uploads/2011/03/2011a_bpea_lusardi.pdf

- Orso, Anna. "Philly Slashes Its Jail Population by Almost 20 Percent in Just 2 Years." *billypenn.com*. June 12, 2017.
- Pa. Code Rule 600. Prompt Trial. Retrieved from www.pacode.com/secure/data/234/chapter6/s600.html
- Pew Charitable Trusts. "Collateral Costs: Incarceration's Effect on Economic Mobility." The Pew Charitable Trusts, Washington, D.C. (2010).
- Pew Center on the States. "Philadelphia's Crowded, Costly Jails: The Search for Safe Solutions." The Pew Charitable Trusts, Washington, D.C. (2010). Retrieved from https://static.prisonpolicy.org/scans/Philadelphias_Crowded_Costly_Jails_rev.pdf
- Philadelphia Department of Prisons. Daily Census Report. Retrieved June 19, 2017 and updated from records of County Sheriff's Office.
- Pogrebin, Mark, Dodge, Mary & Katsampes, Paul. "The Collateral Costs of Short-Term Jail Incarceration: The Long-Term Social and Economic Disruptions." *CORR. MGMT. Q.*, Fall 2001.
- Pretrial Services Agency for the District of Columbia. "Performance Measures." Retrieved from https://www.psa.gov/data/performance_measures.
- Rabuy, Bernadette and Kopf, Daniel. "Prisons of Poverty: Uncovering the pre-incarceration incomes of the imprisoned." Prison Policy Initiative (2015)
- Roman, John K., Liberman, Akiva M., Taxy, Samuel and Downey, P. Mitchell. "The Costs and Benefits of Electronic Monitoring for Washington, D.C." District of Columbia Crime Policy Institute, The Urban Institute (2012).
- Schmitt, John, Warner, K., and Gupta, S. "The High Budgetary Cost of Incarceration." Center for Economic and Policy Research. (2010). Retrieved from www.cepr.net.
- Samuels, Alana. "What Incarceration Costs American Families." *The Atlantic*. September 2015. <https://www.theatlantic.com/business/archive/2015/09/the-true-costs-of-mass-incarceration/405412/>
- Stevenson, Megan, Mayson, Sandra G. "Bail Reform: New Directions for Pretrial Detention and Release." *Faculty Scholarship*. (2017): 1745.
- Tomkins, Alan; Bornstein, Brian H.; Herian, Mitchel Norman; Rosenbaum, David I.; and Neeley, Elizabeth, "An Experiment in the Law: Studying a Technique to Reduce Failure to Appear in Court" (2012). *Court Review: The Journal of the American Judges Association*. 395.
- U.S. Census Bureau. "American Community Survey" (2014) One-Year Estimates.

ACKNOWLEDGEMENTS

City Controller's Office Contact

Bill Rubin, First Deputy Controller
Phone: 215-686-6696
Email: bill.rubin@phila.gov

Staff Acknowledgements

Jeff Hornstein, Ph.D., Director of Financial Policy Analysis was the project manager for this report. Tommie St. Hill, Policy Analyst at the City Controller's Office, researched and wrote the report. Christopher Krimey, University of Pennsylvania fellow with the City Controller's Office, assisted with the research and writing.

Additional Acknowledgements

In preparing this report, the City Controller's Policy Team benefited from the valuable insights from the Honorable Curtis Jones Jr., Councilman for the 4th District, and his lead on the Special Committee on Criminal Justice Reform along with Keir Bradford-Grey, Defenders Association of Philadelphia, and her strides to reducing cash bail. A special thanks to the MacArthur Foundation for providing grants that have already allowed the City of Philadelphia to reduce its prison population.