



House Bill 453 Printer's Number 2410

Public Safety

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(Note: This document will be updated as more information becomes available)

The House Republican budget proposal to take \$630.5 million from special funds to help balance the General Fund budget would target \$24 million in public safety programs that impact crime victims, local law enforcement, and the Department of Corrections.

The Republican raid includes a \$2.7 million transfer from the Justice Reinvestment Fund. Depleting JRI would impact grants to local police, probation, and victim services. It would also strip the "reinvestment" portion of justice reinvestment, increasing future costs for local criminal justice and state prisons. This comes on the heels of another \$10.2 million elimination of statutorily required fund transfers *into* the fund.

Another \$21 million transfer would come from the Department of Corrections' Manufacturing Fund. This manufacturing-and-job-training program is self-sustaining with no taxpayer support. Transfers from the fund could increase costs for the Department and negatively impact its ability to fulfill its mission to safely rehabilitate inmates.

The following analysis reflects the House Republican proposal as adopted by the House in HB453 PN2410. This proposal has changed since the Republican Press Conference on Sept. 5. Since then, Republicans walked back an additional \$65 million in cuts to first responders (911 Fund) and loans to local volunteer fire, ambulance and rescue companies (Volunteer Fire Companies Loan Fund) they initially sought.

This bill also reduces the proposed transfers from the Department of Corrections and Justice Reinvestment by \$3 million and \$2.1 million, respectively, compared to the Sept. 5 proposal. The last of these changes was necessary to bring the fund raid within the current balance of the Justice Reinvestment Fund.

Manufacturing Fund

- Amount identified: \$21.00 million.
- The raid is proposed as a one-time fund transfer.
- Description: The Manufacturing Fund, created in 1915, is a self-sustaining program that provides for the operation of Pennsylvania Correctional Industries. PCI is a bureau within Corrections that produces manufactured goods and services, and functions as a job training program at no cost to the general fund. PCI profits are deposited into the manufacturing fund, which then pays for program materials, equipment, staff compensation, and inmate pay. Goods produced by PCI are used by the department or sold to government and non-profit entities in Pennsylvania. They are not sold to for-profit businesses.

Program(s)

- Pennsylvania Correctional Industries

Impacts on the People

- PCI pays the salaries of 170 full-time corrections employees – about 100 of whom are corrections officers.
- Inmates who work in Correctional Industries gain job training and experience, which prepares them for a more successful return to the community. With fewer PCI programs the department would either lose valuable job training programming for inmates or it would have to operate and pay for those programs from General Fund appropriations.
 - **For example, at SCI-Cambridge Springs inmates work in the Correctional Industries Optical Lab. After they complete this vocational training program, they may take the American Board of Opticianry test to become certified opticians, a certification that helps them find employment with a livable wage after release.**
- The first recipient of goods produced by Correctional Industries is the Department of Corrections itself, which helps it save on laundry and manufactured goods expenses. After DOC, non-profits and government entities in Pennsylvania purchase products manufactured in Pennsylvania state prisons. These customers would also be affected if operations are scaled back.

Balances

- A positive balance at the fiscal year-end is necessary to pay bills in the first period of the next year. A balance is needed to purchase equipment and raw materials throughout the year regardless of when sales revenues are received.
- Less than half of the Manufacturing Fund balance, as of Aug. 31, 2017, is cash or cash-equivalent. Most of these funds are not readily available to be diverted.

Legal Consequences

State law, 61 P.C.S. Chapter 31, Subchapter B, §3123, requires manufacturing fund dollars to be used only for the purchase of new material, equipment, machinery, supplies, staff compensation and inmate pay.

Justice Reinvestment Fund

- Amount identified: \$2.74 million.
- The raid is proposed as a one-time fund transfer.
- Description: The Justice Reinvestment Fund, established by Act 196 of 2012, is a restricted account to hold corrections savings generated by the Justice Reinvestment Initiative. So far, \$13.6 million has been transferred into the fund and all of that money has been appropriated to Corrections, PCCD, Probation and Parole, and the Commission on Sentencing for initiatives to improve public safety and reduce recidivism.
 - Republican lawmakers already cut into this fund for the 2017/18 budget, eliminating a planned transfer of justice reinvestment savings into the fund of \$10.2 million.

Program(s)

- Justice Reinvestment Initiative grants for victim services, innovative policing, county probation, short-min diversion, and the commission on sentencing

Impacts on the People

- Money in the fund is being paid out in 2017/18 to 65 of 67 counties for Justice Reinvestment grants, the PA Chiefs of Police, PA District Attorneys, and other service providers.
- Every dollar taken from Justice Reinvestment is a dollar taken from victims, counties, and adds pressure on local criminal justice systems.
- Justice reinvestment is cyclical. By reinvesting in crime prevention and diversion programs that keep low-risk offenders out of prison, crime and recidivism are reduced. This reduces prison populations and improves public safety. These investments save money for counties and the commonwealth down the road. As a result, if the reinvestment funds are reduced by raiding the 2016/17 balance, future costs will be added for counties and state prisons due to higher prison populations and more victims of crime.

Cost Shifts to Communities

- The largest portion of JRI funding goes to counties for probation and policing. Reducing funds available for these purposes would mean a higher price tag for counties for these critical public safety services.

Balances

- The fund received annual transfers for four years and corresponding appropriations equal to the transfer amount were made in each of the same four years.
- An available balance on June 30, 2017, does not indicate unused funds, only that some expenditures and commitments had not yet been processed.
- PCCD receives the largest share of annual appropriations from the fund, which it uses to provide grants to counties and social service providers. PCCD says the full amount of its 2016/17 appropriation has been awarded in grants and will be distributed.
- Due to cuts in the General Appropriations Act and proposed Fiscal Code legislation, the Justice Reinvestment Fund will already be effectively zeroed out for 2017/18.
- Even after being zeroed out, if new legislation for the proposed Justice Reinvestment Initiative 2 is passed, the fund could be used again in future years as a clearinghouse for reinvestment of JRI savings.

Legal Consequences

- The Pennsylvania Commission on Crime and Delinquency Law (Act 274 of 1978), as amended by Act 196 of 2012 Section 8.1, created the Justice Reinvestment Fund and provides that monies in the fund shall be appropriated for activities related to sentencing, victim services, contracts for offender diversion, innovative policing, community reentry programs or probation and county parole improvement.
- Language inserted into HB 453 provides that Section 8.1(f) relating to the required transfer of JRI savings into the Justice Reinvestment Fund shall not apply for the 2017-2018 fiscal year.