New Center Launched to Focus on Local Cost of Criminal Justice and Public Safety

Announces Grant to Support Objectives to Eliminate or Reduce County Government Reliance on Fine and Fee Revenue

Philadelphia, PA (JANUARY 8, 2019): With city and county governments typically spending more than half of their annual budgets on public safety and criminal justice operations and programs, PFM today announced the launch of the Center for Justice & Safety Finance (CJSF).

As part of its launch, CJSF announced it has been awarded a $1.2 million grant from the Laura and John Arnold Foundation to work with county governments seeking to reduce or eliminate their reliance on criminal fines and fees as a revenue source.

“We work to help local governments across the nation on finance and budget issues and we know from our clients that balancing the imperative of justice and safety with the cost is one of the most important challenges that they face,” said PFM CEO John Bonow.

Bonow continued: "Through this new initiative, CJSF will marry vast expertise in finance, criminal justice and public safety operations, and law enforcement to support local governments seeking to maximize efficiency and effectiveness in criminal justice systems and the delivery of police, fire and emergency management systems."

CJSF will be led by David Eichenthal, a managing director with PFM Group Consulting LLC., and former local government chief finance officer. Dr. Ronal Serpas, former police chief of Nashville, Tennessee, and New Orleans, Louisiana, will serve as CJSF’s senior advisor.

“Throughout my career in law enforcement, budget directors and police chiefs were almost always at odds over funding questions. The reality is that there are ways to make smart investments in police, prosecutors, courts and corrections that can both reduce cost and reduce crime,” said Chief Ronal Serpas, CJSF’s senior advisor.

CJSF will administer a technical assistance program designed to reduce local government reliance on criminal fines and fees. Under the grant, CJSF will work with five counties to develop plans to identify alternative revenue sources or cost saving offsets to fine and fee revenue.
“The Center for Justice & Safety Finance will work to overcome one of the biggest barriers to reforming criminal fines and fees in the United States—local governments’ reliance on fines and fees as a source of revenue. Because of PFM’s unique and nationally recognized leadership on local government finance issues, they are well positioned to guide governments in developing budgets that are fairer, more cost-effective, and do not overly burden poor people,” said Jeremy Travis, executive vice president of criminal justice at the Laura and John Arnold Foundation.

As demonstrated in the U.S. Department of Justice (DOJ) report on Ferguson, Missouri, released in March of 2015, fiscal limits currently placed on local governments are the principal driver of increased reliance on fines and fees in the criminal justice system. In Ferguson, federal investigators concluded that “law enforcement practices are shaped by the City’s focus on revenue rather than by public safety needs.”

Research shows that this problem is not unique to Ferguson, Missouri. Since 2010, 48 states have increased civil and/or criminal fees assessed on defendants. In Iowa, court debt has grown by more than 400 percent over 20 years – increasing to more than $730 million in 2017 – and more than half of the outstanding amount stems from fines and court costs. In California, unpaid court debt reached $11.2 billion in fiscal year 2014.

Under the Laura and John Arnold Foundation grant, CJSF will also partner with researchers at the National Association of Counties, the University of Chicago Center for Municipal Finance and the University of Washington.

About the Center for Justice & Safety Finance
The Center for Justice & Safety Finance (CJSF) brings together expertise in policy, operations, and finance to help build 21st Century criminal justice and public safety systems for cities, counties, and communities across the country.

One of the most significant challenges for city and county governments is the rising personnel, operational and legacy-related costs of keeping residents safe. Criminal justice systems, fire, police, EMS, and the liability and legal realities of providing these critical services represent the most significant budgetary drivers faced by local governments. CJSF professionals help tackle these issues simultaneously from the purview of operational practitioners in public safety and justice, as well as budget and finance.

Learn more about CJSF at cjsf.pfm.com.
About PFM

At PFM, asset managers, financial advisors and consultants partner with clients to transform their world. We combine superior financial advice, disciplined management and ingenuity to build, power, move and educate. PFM is the marketing name for a group of affiliated companies providing a range of services. All services are provided through separate agreements with each company. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation.

Financial advisory services are provided by PFM Financial Advisors LLC and Public Financial Management, Inc. Both are registered municipal advisors with the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB) under the Dodd-Frank Act of 2010. Investment advisory services are provided by PFM Asset Management LLC, which is registered with the SEC under the Investment Advisers Act of 1940.

PFM currently employs more than 600 individuals, serving a broad base of clients from locations in every region of the country.

About the Laura and John Arnold Foundation

The Laura and John Arnold Foundation’s core objective is to improve the lives of individuals by strengthening our nation’s social, governmental, and economic systems. Its investments are focused on criminal justice, education, health care, and several other key areas. The Foundation has offices in Houston, New York City, and Washington, D.C.

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