

JANUARY 2010

# Right-Sizing Prisons:

## Business Leaders Make the Case for Corrections Reform

*You don't normally see the business community leading efforts to reform state policies on public safety issues, yet in several states around the country business leaders are doing just that. With states facing the worst fiscal crisis in a generation and spending one in every 15 state discretionary dollars on corrections,<sup>1</sup> business leaders are adding their voices to calls for more cost-effective ways to protect public safety and hold offenders accountable, while also providing the education and infrastructure they need for a thriving economy.*

*Pew's Public Safety Performance Project recently spoke with business leaders from five states who have been at the forefront of these efforts. They discussed why and how they are working with policy makers to develop strategies that can yield less crime at a lower cost.*

<b>LEADERS</b>	<b>KENTUCKY</b>	<b>FLORIDA</b>	<b>ILLINOIS</b>	<b>MICHIGAN</b>	<b>OREGON</b>
					
	<b>Dave Adkisson</b> President & CEO, <i>Kentucky Chamber of Commerce</i>	<b>Barney T. Bishop III</b> President and Chief Executive Officer, <i>Associated Industries of Florida</i>	<b>Frank H. Beal</b> Executive Director, <i>Chicago Metropolis 2020</i>	<b>James R. Holcomb</b> Vice President for Business Advocacy and Associate General Counsel, <i>Michigan Chamber of Commerce</i>	<b>Erin Hubert</b> Vice President and General Manager, <i>Entercom Radio</i>
	Chairman of the Board, <i>American Chamber of Commerce Executives</i>		Board member, <i>Business and Professional People for the Public Interest</i>		Board Chair, <i>Citizens Crime Commission</i>

**Q Business organizations traditionally have not been involved in sentencing and corrections issues. How did you get involved and why are these issues important to the business community?**

**A BISHOP:** I got involved in this issue about two-and-a-half years ago when I began talking with other business leaders about whether we were spending our corrections dollars effectively.

We found that even after the economy tanked the Florida Department of Corrections requested to build three new private prisons at a cost of \$300 million to build and \$81 million a year to operate. The Governor was talking about bonding it, so instead of \$300 million, you're talking about \$1 billion by the time you pay off the bonds.

3. What policy changes are you advancing?
4. How are you advancing reform?
5. What challenges have you encountered?

We don't have an income tax in Florida, so the business community is going to be the ones that pay for this investment. To the extent that we change the way that we're doing business, spend less money with a better outcome, that's in the business community's interest.

In addition to the extraordinary costs, the business community knows this is an important issue because we're going to need these kids and adults coming out of the juvenile justice system and adult prison system in order to create a thriving economy in this state.

**A HOLCOMB:** Michigan faces severe economic challenges and the Michigan Chamber strongly believes that meaningful reforms impacting the size and scope of state government are necessary to revitalize our great state. There is little doubt that the Michigan Department of Corrections stands out as a state department which is ripe for reform. Spending on corrections has exploded and now accounts for approximately 20 percent of the total General Fund/General Purpose dollars expended. In fact, Michigan is now one of only five states that spend more on corrections than it does on higher education.

This has made it essential for the business community to become involved in the corrections policy debate because every dollar spent on incarceration is a dollar that is unavailable for tax relief or other economic revitalization efforts. Job providers have a vested interest in making sure that Michigan's expensive correctional system is cost effective and efficiently run.

**A ADKISSON:** In Kentucky, we conducted a major analysis of our state budget and found that certain areas of the budget were growing faster than the overall budget and faster than the growth of our state's economy. The corrections budget was one of those areas that had experienced significant growth in the past decade—growth that is unsustainable as state budgets continue to tighten up.

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— Dave Adkisson

We also found that the growth in corrections was taking money that would have otherwise been spent on public education. Because public education is the business community's top priority for state investments, we were alarmed that money was being siphoned off from education and channeled into the growing cost of corrections, and we knew we needed to address this issue.

**A HUBERT:** I primarily got involved in these issues through a board on which I serve called the Citizens Crime Commission, a coalition of local business leaders who focus on public safety issues in Portland, Oregon. At the time

the commission was formed, there was a fear that our city had become too lax with sentencing issues and crime rates were quickly on the rise. Society's level of faith in the public safety system is in direct correlation to a healthy, vibrant, and economically sound city, which is the reason for interest from the business community.

**A BEAL:** An organization such as Chicago Metropolitan 2020 could choose a million issues to address, but this is one where we felt that we could make a significant contribution. The voices for reform have been quite limited and we thought that we could bring a new voice on the fiscal and economic side of the issue that wasn't being articulated effectively.

We got involved for two reasons. The first is a purely fiscal argument—that government is spending too much money without seeing a good return on that investment. The second reason is that if you're incarcerating people, you are incarcerating part of our workforce instead of educating them, and you're taking away too many people from a productive economy. In the current system, we're wasting human capital that could be put to productive uses. Improving the system will improve our economy and in the long run improve our financial situation because they end up paying taxes rather than costing taxpayers money.

**Q What specific policy changes are you and other business leaders in your state advancing?**

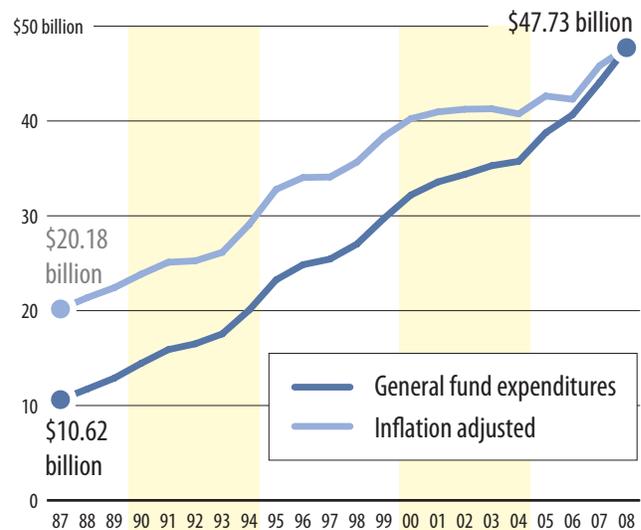
**A HOLCOMB:** At the Michigan Chamber, we are well aware that we are not experts in all aspects of corrections policy; however, we do champion the interests of our members and

work aggressively to ensure that their tax dollars are not being wasted. We know there are no silver bullets. We are dedicated to participating for the long haul in this battle because it will take numerous systemic modifications to improve Michigan's correctional system and stabilize needed funding.

The Michigan Chamber of Commerce Board of Directors adopted a formal policy to support comprehensive corrections reform based on the following principles: reduction of crime rates and recidivism; appropriated dollars should be spent in the most effective and efficient manner possible and all cost saving options must be considered; annual costs must be brought into line with national and regional averages; and policy and programmatic changes should be data-driven and based on results.

**THE RISING COST OF STATE CORRECTIONS**

Between 1987 and 2008, total state general fund expenditures on corrections rose 349 percent.



SOURCE: National Association of State Budget Officers, "State Expenditure Report" series; Inflation adjusted figures are based on a reanalysis of data in this series.

NOTE: These figures represent state general funds. They do not include federal or local government corrections expenditures and typically do not include state funding from other sources.

**A BEAL:** We have advanced several policy changes, including creating the Illinois Department of Juvenile Justice and creating an incentive system, called Redeploy Illinois, to keep juveniles out of state detention—an idea we borrowed from Ohio. Right now it’s cheap for a county to send a kid to the state corrections system because that ends up being a state cost. So we changed the incentive so that if juveniles are dealt with in their home community, then we give some state resources back to the county to provide services for that juvenile as opposed to sending him off to prison. This is now expanding state-wide because the evidence has overwhelmingly shown that it reduces costs and creates better results.

We were also very active in creating a drug prison that is showing dramatic results in reducing recidivism. We completely rewrote the Illinois Criminal Code to be more rehabilitative than punitive, which is now being considered

by the General Assembly. And, we worked to pass the Crime Reduction Act of 2009, based on a framework created by Pew, which transfers the successful juvenile model of fiscal incentives to the adult system and creates a unified information system so that we have accurate information about what offenders’ risks and needs are so we can make sure to target resources effectively and they have a better chance of turning their lives around.

**A HUBERT:** We have a number of policy changes that have come through the Crime Commission or through the Portland Business Alliance (formerly the Chamber of Commerce), including lobbying successfully for a juvenile drug court in Multnomah County. We also published a children’s report after a year-long study on precursors that are most often found to lead to a life of crime. The study recommended a continuum of programs for at risk youth that research has shown to greatly reduce their likelihood of becoming juvenile offenders. This led to \$6 million being set aside to support the recommended youth programs.

**A BISHOP:** In 2008, we created the Coalition for Smart Justice to help advance reforms, which focused on two things initially. First, we wanted to put more dollars on the front end of the system in diverting people. If we can divert some of the people on the front end that don’t really need to be going to prison but need mental health, substance abuse, or other services, we could save money and produce better results. Unlike several decades ago, we actually know now what works, and if we implement programs that the research proves are effective, we can spend fewer dollars to get

## OF BOOKS AND BARS

Between 1987 and 2008, the amount states spent on corrections more than doubled while the increase in higher education spending has been moderate.



SOURCE: National Association of State Budget Officers, “State Expenditure Report” series; Inflation adjusted figures are based on a reanalysis of data in this series.

a better result. The people that we ought to be putting into prison are those that are the most dangerous to society. For those that are not a danger and their crime is not significant, we ought to divert them and address the issues that they have.

Second, we are looking to implement Senate Bill 2000, which created the Correctional Policy Advisory Council. We're hopeful that in this next legislative session, we will be able to work with the legislature and the governor's office to get this council up and running in order to make recommendations on further improvements that could be made in the system.

**Q How are you and your colleagues attempting to move your state toward reforms?**

**A ADKISSON:** We have documented the cost issues from an independent perspective that is not "soft on crime" or "tough on crime." We are approaching the issues from a financial perspective and pointing out that we simply can't afford to lock up every offender. In order to get this message across, we have provided testimony to our legislative committees, appeared in statewide television forums and traveled the state to share our message with local chambers and civic clubs. We've offered to partner with our legislators to make common-sense changes to our policies to ensure public safety and save millions being spent on corrections.

**A HUBERT:** We work as a bipartisan organization with no agenda other than to improve outcomes around public safety. Our efforts focus on finding an area in the public safety spectrum that is having challenges, or is politically log jammed,

undertake research to study the issue, find the proven outcomes, and then try to intercede with our findings.

**A BISHOP:** One thing we recently did was host a justice summit in Tampa. We had 280 people from across the state. We brought liberals, conservatives, Democrats, Republicans, legislators, judges, business people, people from think tanks and private providers together to talk about how we can move the system forward.

**A HOLCOMB:** We are doing it the old fashioned way: building coalitions, face-to-face visits with legislators and the executive branch, grassroots education, activation of our membership and aggressive outreach to the media and general public to foster public support for change. As a member of the business community, it has been very gratifying because several organizations have joined together to amplify our voices and to provide policy makers with clear direction regarding what job providers expect from them in terms of public policy.

**Q What political or other challenges have you encountered and how have you sought to address them?**

**A BEAL:** Any time you want to change the status quo, you're going to get resistance from those who have a stake in the status quo. In addition, there is the prevailing fear of being thought to be soft on crime and the notion that you're coddling criminals. But we argue that we're being smart on crime, not soft on crime. There is no debate that hardened criminals should be removed from society. But the bulk of the population are not dangerous offenders, which results in a wasteful, dysfunctional, socially destructive system and it's time to change it because it's hurting our

economy, our fiscal status as a state, and those people in the system.

As we addressed each of the policy reforms, we faced a number of specific hurdles, but we made sure to create a thoughtful process that would overcome them and lead to success. For example, in our rewrite of the criminal code, some legislators perceived the rewrite as being potentially soft on crime. But we made sure to get agreement from key stakeholders such as the prosecutors, defense attorneys, police, legislators and social workers. They worked together for three years and in the end became spokespeople for the reforms.

**A ADKISSON:** No one wants to be labeled “soft on crime,” so political leaders are naturally cautious about making changes to current criminal laws. In Kentucky, the business community has offered to partner with lawmakers to support them in making common-sense changes.

**A BISHOP:** The biggest challenge is the fiscal circumstances of the state of Florida and of the country as a whole. We’re going to continue to see further revenue reductions, which is

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—Barney Bishop

going to make spending decisions even more important in the future. We believe that the business community coming to the forefront to help lead the charge changes the equation enough that legislators will listen. When you get down to it, it’s all about dollars and cents. We don’t have a lot of dollars, so we have to use our brains to do things in a better way if we want to get the correct outcomes.

**A HOLCOMB:** The biggest challenge to date is to convince legislators to undertake these politically charged issues and to really delve deeply into what fundamental change would look like. There are many talented policy makers working on corrections reform in Michigan and we are pleased to see some good leadership; however, many of those not integrally involved in the issue view it as too much of a hot potato and prefer to pursue temporary band-aids instead of the radical surgery that is required for true success.

One of our most effective tactics thus far is the unity with which the business community is speaking. When the majority of the job providers in the state are on the same page, they are a powerful advocacy group and we have seen in this instance that progress has been made due to our efforts. It is no longer “if” real change will occur, but rather “when” it will happen.

**A HUBERT:** Another key challenge is when new administrations come in with new agendas and ideas. In addition, sometimes, problems are so layered and complex, like Oregon’s foster care system, that it can be overwhelming to even find a place to start. We usually try to bring all parties

in to speak to us on a subject, hear all points of view, and bring opposing points of view together to resolve inherent discrepancies. The bottom line is that sustaining long-term change and success can be difficult given budgetary pressures and newly elected politicians and changing agendas.

At the end of the day, our biggest asset as business leaders is we don't have a political stake in the game. Our only interest is to

improve public safety in our community for a healthier and more vibrant city.

*Launched in 2006, The Public Safety Performance Project seeks to help states advance fiscally sound, data-driven policies and practices in sentencing and corrections that protect public safety, hold offenders accountable, and control corrections costs.*

<sup>1</sup> Pew Center on the States, One in 31: *The Long Reach of American Corrections* (Washington, D.C.: The Pew Charitable Trusts, March 2009).

MORE ON LEADERS

**Dave Adkisson**

■ KENTUCKY

**President & CEO, the Kentucky Chamber of Commerce**

**Chairman of the Board, American Chamber of Commerce Executives**

**PREVIOUS EXPERIENCE:**

**President, Birmingham, Alabama, Chamber of Commerce**

**President, Owensboro, Kentucky, Chamber of Commerce**

**Mayor, Owensboro, KY**

**Chairman, Kentucky Advocates for Higher Education**

**Co-founder, Leadership Kentucky**

**Chairman, Kentucky Center for Public Issues**

**Frank H. Beal**

■ ILLINOIS

**Executive Director, Chicago Metropolis 2020**

**Board member, Business and Professional People for the Public Interest**

**PREVIOUS EXPERIENCE:**

**President and chief executive officer, Ryerson/West, a metals distribution company owned by Inland Steel Industries.**

**Director, the Illinois Department of Energy and Natural Resources**

**Special assistant for energy and environmental affairs, Governor James Thompson**

**Erin Hubert**

■ OREGON

**Vice President and General Manager, Entercom Radio**

**Board Chair, Citizens Crime Commission**

**PREVIOUS EXPERIENCE:**

**Executive Vice President and Chief Operating Officer, Portland Trail Blazers**

**Board President, Oregon Partnership**

**Member, Governor's Alcohol and Drug Policy Commission**

**Barney T. Bishop III**

■ FLORIDA

**President and Chief Executive Officer, Associated Industries of Florida**

**PREVIOUS EXPERIENCE:**

**Founder, The Windsor Group**

**Executive Director, Florida Democratic Party**

**Trustee, Florida A&M University**

**Board of Directors, Gubernatorial Fellows Program**

**James R. Holcomb**

■ MICHIGAN

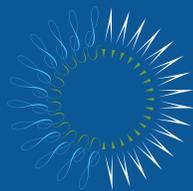
**Vice President for Business Advocacy and Associate General Counsel, Michigan Chamber of Commerce**

**PREVIOUS EXPERIENCE:**

**Chief of Staff, Representative Craig DeRoche during his tenure as Speaker of the House and Minority Leader**

**Majority Legal Counsel, Michigan House of Representatives**

**Director of Policy, Michigan House of Representatives**



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