

SUSTAINABLY FINANCING LOCAL PUBLIC SAFETY

We propose to lead a research-driven national conversation about the fiscal sustainability of local public safety. We will host a public forum that highlights the systemic problems in traditional public funding models, discusses best practices, and engages critical decision-makers and the media. Surrounding that event, we will release several policy briefs and op-eds for media outlets. Our work will demonstrate the unsustainability of local public safety financing, identify root causes in its political economy, and outline new and more effective approaches to financing public safety. Our project will elevate the national dialogue over the true cost of local public safety and how to promote effectiveness, liberty, and fiscal sustainability.

BACKGROUND

Local public safety expenditures occupy an increasing share of local government budgets as the cost of police services grows faster than stagnant revenues. The City of Indianapolis, for instance, spends 85% of its annual budget on the Department of Public Safety alone. These high shares are rising across America's cities and towns. This puts the fiscal viability of American's cities at risk and demands new approaches to financing public safety. The reasons for unsustainably escalating local public safety costs are manifold. Conventional public policy here is replete with outmoded models of staffing and funding public safety – ill-equipped for efficient or effective operation in today's world. Moreover, misguided policies favoring criminalization over fostering opportunity dramatically raise expenses, buttressed by the political expediency of hiring more police officers, the influence of unions, and the lure of temporary federal and state aid that sticks localities with new, permanent expenses.

SCOPE AND VISION FOR THE PROJECT

Improving cost-effectiveness is core challenge for good governance. The true cost of local public safety is generally poorly understood. It operates on at least two levels: (i) the direct expenditures and (ii) the indirect social costs of how we finance public safety. Directly, spending ever-increasing amounts on public safety encumbers local government's ability to offer other public services and ratchets up the pressure to increase tax revenues. Costs throughout the criminal justice system consume greater shares of the "public budget commons" in service of special interests, perverse incentives, and costly and ineffective strategies. Indirectly, the true cost of public safety includes the economic distortions and lost opportunities from escalating spending and criminalization, mass incarceration, and unwise policies.

We propose a dual approach to informing better policy on these topics. First, we will host a national public safety forum, led by Troy Riggs (former director of public outreach for the IU Public Policy Institute, current Chief of Police for the City of Indianapolis), and disseminate policy briefs to elevate the discussion to a national audience. Second, our novel research will complement the conversation with evidence of interest to practitioners, policymakers, and academics. This project will start to fill a gap and a pressing need in elevating the research-driven national conversation about the future of public safety in America.

1. The public forum

A public safety forum targeting national leadership on pressing topics will be hosted in Indianapolis in summer or early fall, 2016. This forum would add to the successful series of forums on other public safety topics (e.g., data-driven government, terrorism). A recognized national expert in the field, Troy Riggs, is organizing these and is excited to include a forum on the True Cost of Public Safety. We expect to invite leaders from other cities and national experts to the stage while engaging community members, nonprofits,

lected officials, and a robust media presence (the *Indianapolis Star* has already agreed to cover the event). The conversation will focus on about rethinking sustainably funding local public safety and minimizing the indirect costs (e.g., mass incarceration). Our goal for the forum is consensus-building, resulting in actionable items for communities across Indiana and the nation. We see this as a keystone event in a series of national, public forums that we would offer in conjunction with IU's School of Public and Environmental Affairs and the Indy Public Safety Foundation.

2. The research

The research will also yield a white paper on best practices around the country for addressing the fiscal crisis and produce at least one scholarly manuscript on a method for identifying the cost of local public safety. Our "cost function" approach, which Prof. Wen Wang has successfully applied to public school funding in Nevada, will identify which localities are relatively inefficient in delivering public safety services and can give concrete estimates of the "true" cost of specific local public safety improvements. The analytical method is cutting-edge public finance scholarship, and the application to local public safety will be the first of its kind (that we know of). The results will be both academically interesting and extremely policy relevant. As feasible, we will build on the IU Public Policy Institute's Fiscal Benchmarking Project's rich data on hundreds of cities and towns in Indiana. The approach will be generalizable to other states to measure the cost of incremental improvements in public safety metrics (e.g., reduced property crime rates).

A "cost index" of public safety for local governments could attract a great deal of attention and catalyze policy change – whether it's reforming the funding system or reevaluating local policies. Our research team will produce two policy briefs and two op-eds in support of the national forum and derived from the research. In concert with the national forum, we will also document how cities in crisis have responded and identify best practices. We will also summarize the evidence on the indirect, social cost of conventional public safety policies in the U.S. These findings will be reported in a white paper on the future of policing in the U.S.

DELIVERABLES

Several deliverables will be associated with the project (in addition to a report to the funder):

- Host a national forum (2016)
- Policy briefs (2) and op-eds (2) released in support of the forum
- 1 or more scholarly journal articles
- White paper on best practices
- Info-graphics and other media outreach

The policy briefs and working papers produced will be published online in multiple locations (e.g., the PI's "center" website, the IUPUI ScholarWorks working paper repository). Both will freely preserve and distribute the digital material. Several partners and media contacts have already expressed interest in publishing this material.

TIMELINE:

The project timetable is roughly one year, although we expect most work to be done in the summer of 2016. We plan to host the national forum in the second half of 2016. We will release the policy briefs, op-eds, and the white paper around the event or as soon as possible thereafter. The more intense scholarly research component will be conducted in summer and fall 2016, with preliminary results and a working paper available by early 2017.

BUDGET:

The estimated cost for this project is \$112,102, which will cover the costs for the public forum and time for Doug Noonan (2 months), Wen Wang (2 months), and one graduate assistant (2 semesters):

National public forum (travel, venue & hospitality, staff)	\$15,260
Noonan's time and fringe (2 months at \$17,377 per month)	34,754
Wang's time and fringe (2 months at \$12,924 per month)	25,848
SPEA graduate student assistant (2 semesters stipend, tuition)	<u>36,240</u>
	\$112,102

PROJECT PERSONNEL:

Doug Noonan (principal investigator), professor at SPEA and director of research at the IU Public Policy Institute.

Wen Wang, assistant professor at SPEA, and internationally recognized public finance scholar.

One graduate research assistant from SPEA (likely from its Masters in Criminal Justice-Public Safety program) will be dedicated to this project. They will primarily provide research support for the white paper and the policy briefs.



INDIANA UNIVERSITY

OFFICE OF THE VICE PRESIDENT FOR RESEARCH
Office of Research Administration

March 11, 2016

Charles Koch Foundation
1320 North Courthouse Road
Suite 500
Arlington, VA 22201

Dear Charles Koch Foundation:

The Office of Research Administration, which is part of Indiana University – Purdue University Indianapolis (IUPUI), respectfully requests a grant in the amount of \$112,102 to be used to support “True Cost of Public Safety” research project during the 2016-2017 academic year.

The proposed activities will take place between May 11, 2016 and June 30, 2017.

The above project, which will be under the control and supervision of IUPUI’s Office of Research Administration, will be conducted by Professor Douglas Noonan, who was selected by the Office of Research Administration.

Should a grant be awarded by the Charles Koch Foundation, a check made payable to IUPUI’s Office of Research should be sent to:

Jim Becker
Executive Director of Grant Administration
Indiana University
Office of Research Administration
Dept 76687
PO Box 78000
Detroit, MI 48278-0867

Any grant awarded shall be expended exclusively for charitable purposes described in Code section 170(c)(2)(B) and no part of the grant will be used for a lobbying purpose or to engage in any political activity.

Please do not hesitate to contact me if you have any questions about the above-mentioned grant request.

John W. Talbott
Assistant Vice President for Research Administration