



## Nine Facts about Monetary Sanctions in the Criminal Justice System

Patrick Liu, Ryan Nunn, and Jay Shambaugh





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## Introduction

The number of people caught up in the U.S. criminal justice system—under either supervision or adjudication—is unusually high in both historical and international terms. Furthermore, interacting with the criminal justice system is an expensive proposition. While people from all walks of life encounter the criminal justice system, its reliance on bail to encourage return after pretrial release, on fines to punish and provide restitution, and on fees to fund the system implies that an individual’s economic means may determine how burdensome any interaction is. Some people can easily post a \$5,000 bail, while others struggle or are unable to do so, resulting in incarceration. A \$500 fine could be a nuisance or a devastating financial blow.

The criminal justice system also incurs high expenses, with correctional, judicial, and law enforcement expenditures combined costing about \$900 per capita each year (see fact 1). Rising expenses, alongside other pressures on state and local budgets, have coincided with some jurisdictions relying heavily on courts and law enforcement for new revenues. These funding sources come in a variety of forms: fees and surcharges, fines, and asset forfeiture (see box 1 for more information).<sup>1</sup> One estimate puts fee and fine revenues collected by state and local governments at more than \$15 billion per year (U.S. Census Bureau 2012; authors’ calculations). Particularly in the jurisdictions that rely heavily on such collections, researchers have found that law enforcement activities are distorted by the

need to raise revenue, affecting the types of crimes that are policed and damaging the relationship between police and communities.

In an idealized criminal justice scenario, the court convicts an offender of a crime, the offender “repays their debt to society,” and then they reenter the community. Unfortunately, this is not how the process works for many individuals. Criminal justice debts often follow individuals after adjudication, in many instances bringing them back into the criminal justice system or limiting their employment options. These debts are considerable: in FY2017, outstanding federal criminal justice debt totaled \$124 billion (Executive Office for United States Attorneys 2017).

The criminal justice system has also dramatically expanded its use of monetary bail since the late 20<sup>th</sup> century, which has direct effects on who can avoid pretrial detention, as well as the financial burden experienced by defendants and their families. Through its effects on detention, the imposition of monetary bail tends to increase recidivism and impair subsequent labor market outcomes.

These are important costs in conjunction with the intended benefits of monetary sanctions: compelling appearance in court, deterring and punishing crime, and making restitution to victims. Policy discussions are beginning to acknowledge

BOX 1.

## An Overview of Monetary Sanctions

Monetary sanctions (also called legal financial obligations) as described in this facts document fall into the following categories:

1. **Fines** are imposed as a punishment upon a criminal conviction or admission of guilt.
2. **Fees**, or court costs, are levied in order to offset the costs of the services provided by the criminal justice system. For example, payments required to cover costs associated with incarceration or public defenders would classify as fees.
3. **Restitution** is a financial obligation that an individual is sentenced to pay in order to compensate the victims of the crime for their losses.

Though monetary bail and asset forfeitures are not traditionally included in measures of monetary sanctions, they impose similar financial burdens on individuals encountering the criminal justice system.

4. **Monetary bail**, or cash bail, is a deposit that judges can require defendants to pay in exchange for their pretrial release. In many cases, defendants must rely on bail bondsmen to help them post bail, which entails paying a nonrefundable premium in exchange.
5. **Asset forfeitures** are seizures of property and cash by law enforcement. Most forfeitures occur under civil asset forfeiture doctrine, which only necessitates that the asset be suspected of connection with a crime (Carpenter et al. 2015).

These components are all part of the overall picture of financial costs imposed by the criminal justice system.

the economic and social consequences of monetary sanctions, and a growing body of evidence indicates that sanctions could be realigned with their public purposes while minimizing their harmful consequences for those interacting with the

justice system. This Hamilton Project document aims to establish facts relevant to that policy discussion and thereby promote broadly shared economic growth and more-effective governance.

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# 1. Expenditures on police, corrections, and the judiciary have increased over time.

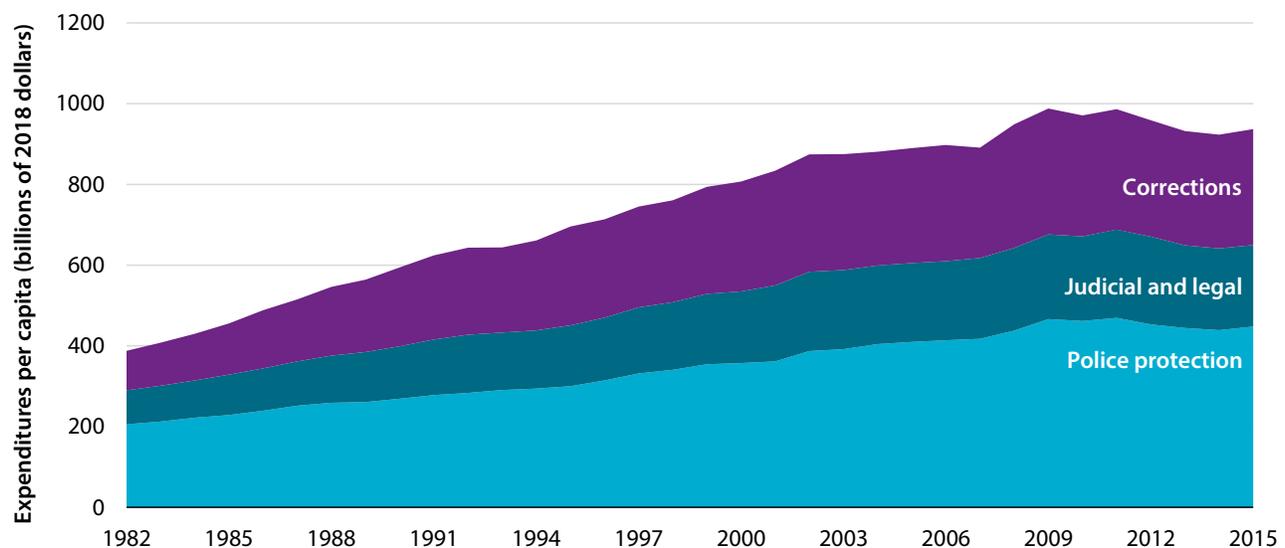
The United States spends large and growing sums on criminal justice. In 1982, real per capita spending on law enforcement was \$205; when added to spending of \$98 and \$84 on corrections and the judicial system, respectively, the United States spent roughly \$388 per capita on criminal justice in that year. Since then, all three of those expenditures have grown dramatically, with corrections expenditures growing especially quickly through the end of the 20th century, as shown in figure 1. Corrections spending has grown only 6 percent since 2000, when the incarceration rate leveled off and eventually began to decline, but total criminal justice spending rose 16 percent to its 2015 level of \$937 per capita.

Corrections spending—which includes not only incarceration but also parole, probation, and rehabilitation—cost the country fully \$92 billion in 2015. Incarceration is particularly expensive, constituting 85.7 percent of corrections spending at the state level (BJS 1982–2015).

These growing expenditures have put pressure on state and local budgets. Unsurprisingly, they coincide with an increasing tendency to use monetary sanctions to fund the criminal justice system (Bannon, Nagrecha, and Diller 2010).

FIGURE 1.

## U.S. Criminal Justice Expenditures by Government Function, 1982–2015



Source: Survey of Criminal Justice Expenditure and Employment, Bureau of Justice Statistics (BJS) 1982–2015; authors' calculations.

Note: We interpolate values for 2005 due to missing data. The local portion of the sample excludes small jurisdictions. "Police protection" expenditures cover law enforcement activities by police departments, sheriffs' departments, and specialized police forces (not including private security police). "Judicial and legal" services cover all civil and criminal activities associated with courts, including prosecution and public defense. "Corrections" expenditures cover the confinement and rehabilitation of adults and juveniles accused of or convicted of a crime, as well as expenditures related to parole and probation.

## 2. The ratio of sanction revenues to police and judicial expenditures is substantial in many jurisdictions.

Fines and fees, including local and state collections, amounted to \$15.3 billion in 2012 (U.S. Census Bureau 2012; authors' calculations). In figure 2, we focus on jurisdictions at the county level and below, showing fine and fee revenues as a fraction of total police and judicial expenditures within a county. The typical county collects fine and fee revenues equal to roughly 7 percent of these expenditures; the 20 percent of counties with the smallest shares recoup only 2 percent of their police and judicial expenditures in the form of fines and fees. But there are some counties that are highly dependent on this revenue: the highest quintile collects over a fifth of their expenditures, while the top 5 percent offset about half of their expenditures with fine and fee revenues.<sup>2</sup>

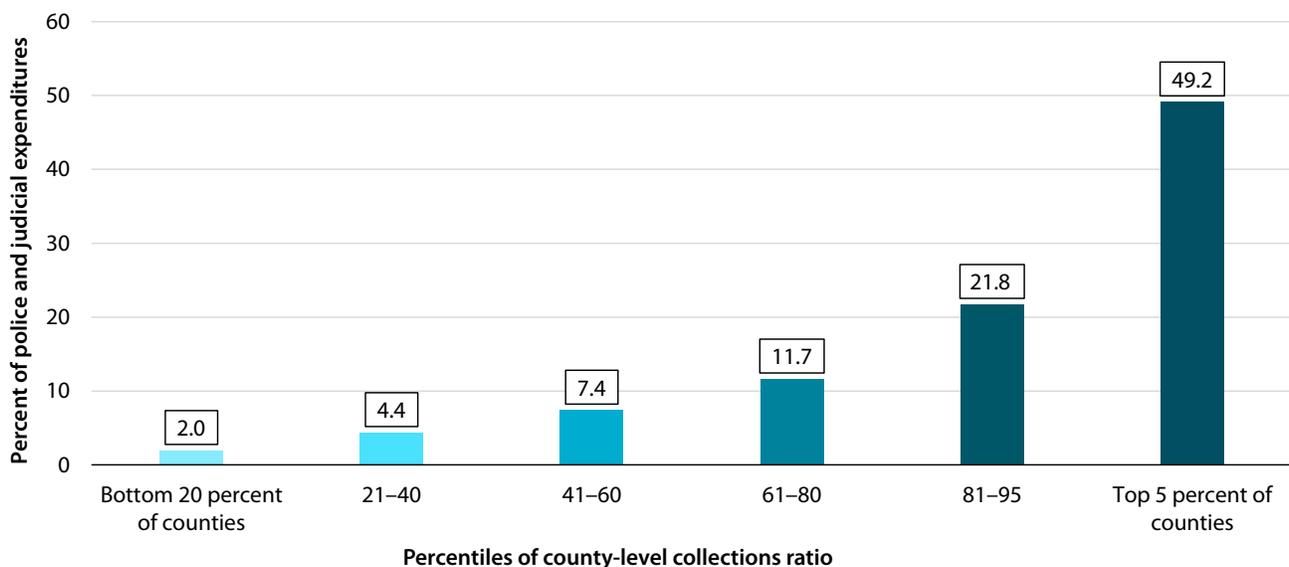
The collections calculated in figure 2 include restitution to crime victims, which are not available to fund law enforcement or judicial expenditures. However, figure 2 also excludes important sources of criminal justice revenues like those from the sale of confiscated property or court fees (e.g., booking or

supervision fees), which suggests that this is an underestimate of criminal justice revenues.

A core problem with such a high share of revenue coming from fines and fees is that it can generate incentives that distort criminal justice policy or behavior. For example, towns with budget problems may increase enforcement of traffic violations, or they may generate and enforce new laws specifically to generate revenue (Makowsky and Stratmann 2009). One study suggests that police departments that focus on revenue generation do so at the expense of their public safety duties, finding that a 1 percent increase in the share of revenues from fees, fines, and forfeitures is associated with a 3.7 percentage point decrease in the violent crime clearance rate (Goldstein, Sances, and You 2018). In a Hamilton Project proposal, Michael Makowsky (2019) describes research that links fines, fees, and other monetary sanctions to law enforcement activities, and proposes reforms that would realign law enforcement with its traditional public safety objectives.

FIGURE 2.

### Ratio of Criminal Justice Debt Collections to Police and Judicial Expenditures, by Percentile



Source: Census of Governments, U.S. Census Bureau 2012; authors' calculations.

Note: Bars represent the total revenue from criminal justice debt collections divided by the total police and judicial expenditures within each percentile grouping. Revenue from criminal justice debt collections refers to the fines and forfeits variable provided in the Census of Governments; this variable includes penalties imposed for violations of law, civil penalties, court fees if levied upon conviction, court-ordered restitutions to crime victims, and forfeits of deposits held (such as forfeited bail and collateral), but does not include the sale of confiscated property. Police and judicial expenditures cover current operations, construction, and land and existing structures, all for police protection and judicial and legal functions. Data include observations at the town, city, and county levels, aggregated to the county level. We drop observations that do not report fine and forfeit revenues, police expenditures, or judicial and legal expenditures.

# 3. Courts assessed monetary sanctions for two-thirds of prison inmates.

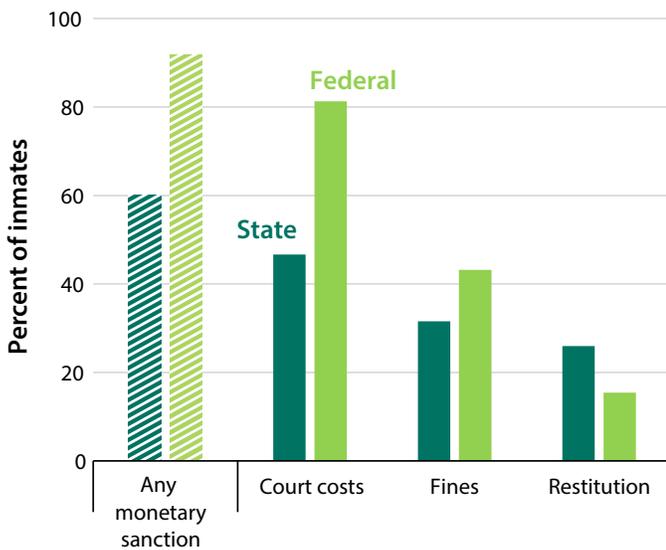
Criminal justice debt typically comprises several types of monetary sanctions that accumulate on top of one another. In addition to fines and court costs, individuals who come into contact with the criminal justice system might also need to pay surcharges, penalties for late payments, and interest (Harris et al. 2017).<sup>3</sup> Criminal justice debt is persistent: a formerly incarcerated man who pays \$100 a month toward his debt is likely to have substantial legal debt even after 10 years (Harris, Evans, and Beckett 2010).

Fees, fines, and restitution have all become more common over time. From 1991 to 2004, the fraction of inmates with any monetary sanction rose from 25 to 66 percent. This escalation was driven in large measure by the increase in the fraction of inmates subject to fees (“Court costs” in figure 3a), which rose from roughly one in ten inmates to more than half of inmates (Harris, Evans, and Beckett 2010).

The incidence of monetary sanctions (though not necessarily the average amounts) is roughly similar for people of varying prearrest income levels (BJS 2004; authors’ calculations). But, as shown in figure 3b, courts are substantially more likely to assess a fee, fine, or restitution requirement for inmates convicted of property and drug offenses than they are for those convicted of violent offenses.<sup>4</sup>

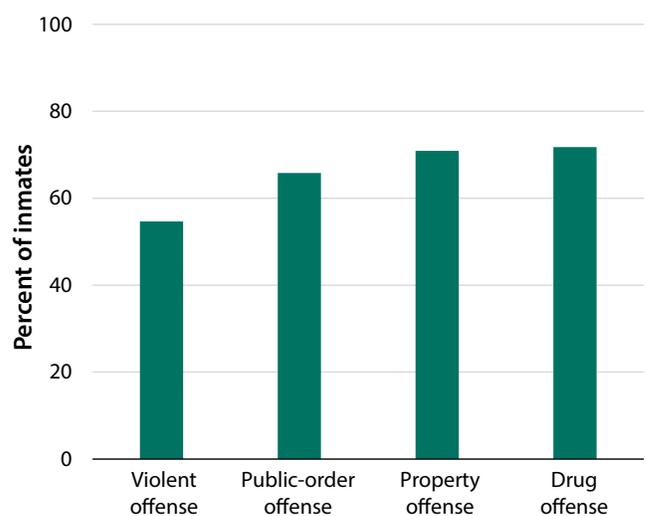
Court fees have been an important driver of the increase over time. As criminal administrative costs increased, 48 states have increased civil and/or criminal fees since 2010 (NPR 2014). With the growth of fees has come additional burdens for individuals. For example, 43 states and the District of Columbia allow courts to charge for the use of a public defender, 44 states allow courts to charge supervision fees for probation, and 9 states allow courts to charge fees for English translators and interpreters (Appleman 2016; NPR 2014).

**FIGURE 3A.**  
Percent of Prison Inmates with a Court-Imposed Monetary Sanction, by Sanction Type and Government Level



Source: Survey of Inmates in State and Federal Correctional Facilities, BJS 2004; authors’ calculations.  
Note: Data are restricted to inmates sentenced to serve time. See Harris, Evans, and Beckett (2010) for additional information.

**FIGURE 3B.**  
Share of Prison Inmates with a Court-Imposed Monetary Sanction, by Offense Type



Source: Survey of Inmates in State and Federal Correctional Facilities, BJS 2004; authors’ calculations.  
Note: Data are restricted to inmates sentenced to serve time. See technical appendix for offense details.

## 4. More than half of all individuals with a felony conviction in Alabama owe more than \$5,000 each in criminal justice debt.

Among those convicted of felonies in Alabama, only a quarter were assessed sanctions lower than \$2,500; more than half of inmates were assessed roughly \$5,000 or more in sanctions.<sup>5</sup> Given that the typical household has just \$4,000 in liquid savings and the poorest quintile of households have less than \$1,200 in total financial assets, these figures represent a substantial burden for many households (Liu, Nunn, and Shambaugh 2018).

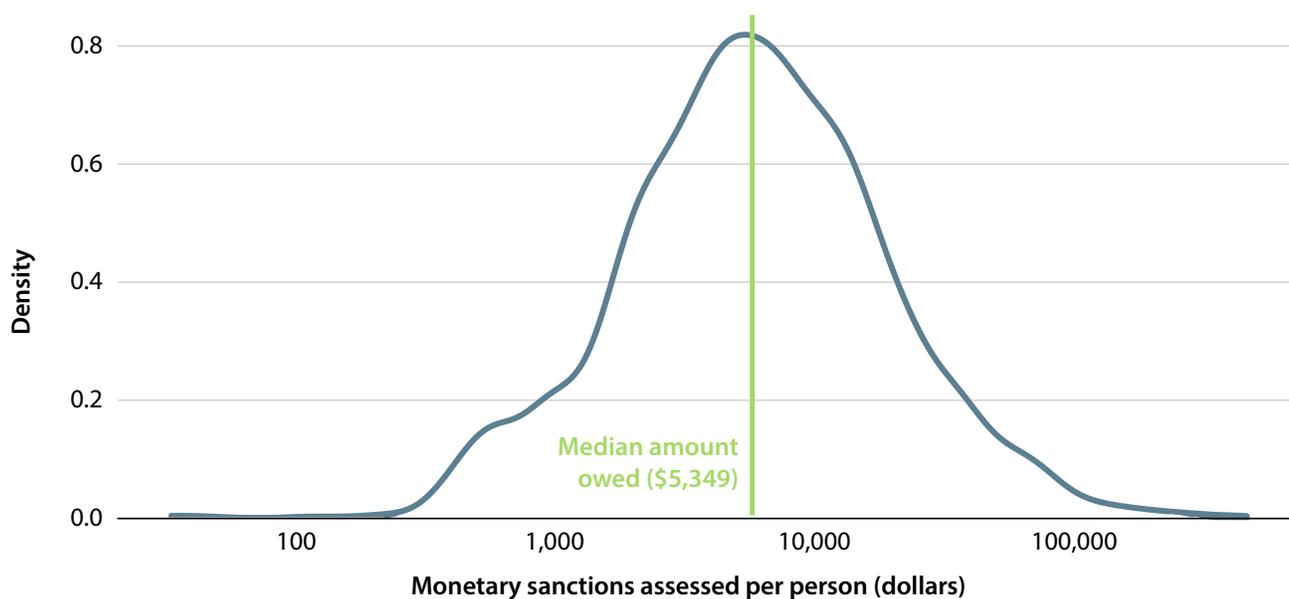
State policies often amplify the economic effects of these burdens. Unpaid criminal justice debt can result in revocation of a driver's license, which in turn limits labor market opportunities (Salas and Cioffi 2017) and risks further criminal charges for these individuals—75 percent of whom continue to drive on a suspended license (Marsh 2017). Similarly, occupational licenses—required for employment in many professions from cosmetology to architecture—can be revoked or withheld because of criminal convictions (Avery, Emsellem, and Hernandez 2018) or unpaid debt (Criminal Justice Policy Program 2016). There is also evidence that

assessing monetary sanctions on juvenile offenders and their families increases the likelihood of recidivism (Piquero and Jennings 2016).

Much of the assessed criminal justice debt is never collected. Of the nearly \$430 million in criminal fines and fees imposed by Florida counties in 2018, only 40 percent has been collected; in San Francisco, California, the collection rate for administrative fees has averaged 17 percent in recent years (Financial Justice Project 2018; Florida Court Clerks & Comptrollers 2018). The vast majority of collection offices cite “indigent defendants and high court costs” as reasons for the difficulty of collecting assessments (Murphy 2015).

In a Hamilton Project proposal, Beth Colgan (2019) presents the evidence on how the criminal justice system burdens people with fines and fees, describes evidence from experiments on graduated sanctions, and develops proposals to help the courts take into consideration an ability to pay when they impose monetary sanctions.

FIGURE 4.  
Distribution of Monetary Sanctions Assessed per Person



Source: Meredith and Morse 2017.

Note: Data consist of individuals in Alabama who were convicted of a felony between 2005 and 2011. Monetary sanctions refer to fines, court costs including surcharges and other fees, and restitution payments. Monetary sanctions assessed for traffic violations are excluded. Individual observations are weighted by the inverse probability of their selection into the sample.

## 5. Monetary sanctions are used disproportionately more in cities with a higher share of black Americans.

Criminal justice revenues are not collected uniformly across the country. As explained in fact 2, some jurisdictions make much more use of fees and fines than others. Moreover, the places that tend to collect higher revenues are those with higher shares of black residents. As shown in figure 5, cities in the highest quintile of black share of population collect roughly \$29 in criminal justice revenues per resident, whereas cities in the lowest quintile collect only \$9. This relationship between criminal justice revenues and the black share of population remains after controlling for a city's local finances and demographics as well as county-level characteristics: Sances and You (2017) estimate that cities with the largest black share of residents collect between \$12 and \$19 more per resident than those with the smallest black share of residents. Additionally, one study finds that the arrest rates of black and Hispanic residents for drugs and DUI violations increase

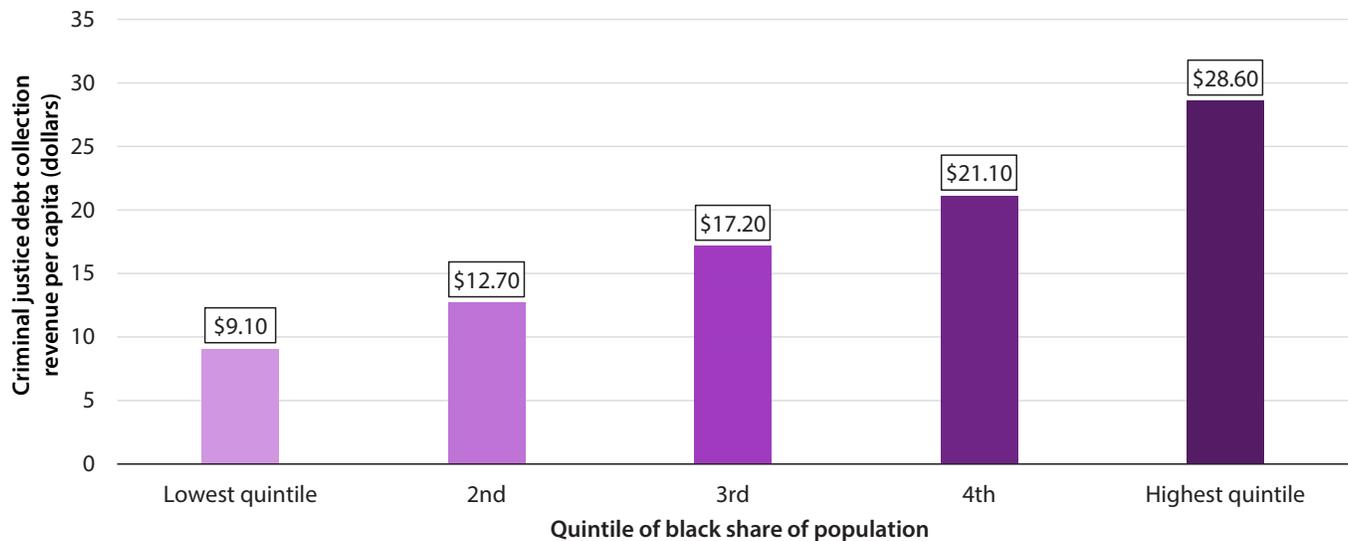
during periods of fiscal distress; the authors only observe these results in states where police departments are more easily able to retain revenue from seized property, and they do not find a similar relationship with respect to white arrests (Makowsky, Stratman, and Tabarrok, forthcoming).

These disparities are echoed in law enforcement activity; one well-known example is the city of Ferguson, Missouri. In 2015, black residents in Ferguson made up 67 percent of the city's population but accounted for 85 percent of its vehicle stops, 90 percent of its citations, and 93 percent of its arrests (U.S. Department of Justice 2015).

Given the lower average wealth of black households (Hamilton and Darity 2017), these criminal justice penalties can become an excessive burden for many, and as noted in fact 6, can result in reincarceration.

FIGURE 5.

### Criminal Justice Debt Collection Revenue per Capita, by Quintile of Black Share of Population



Source: Sances and You 2017; authors' calculations.

Note: Sances and You use data from the 2012 Census of Governments (U.S. Census Bureau 2012) and the 2010 Census (U.S. Census Bureau 2010). Data include only U.S. cities that have a 2010 population greater than 2,500, and exclude cities that do not report spending on either police or courts. Bars represent the average per capita fine and forfeit revenues within each quintile.

# 6. Criminal justice debt is a significant factor in reincarceration.

Correctional supervision often continues in the form of probation or parole after any sentence is served. As a condition of continued freedom, the probation and parole systems make a variety of demands on individuals: for example, they may require drug treatment, employment, continuous reporting to an officer, and/or repayment of criminal justice debt.

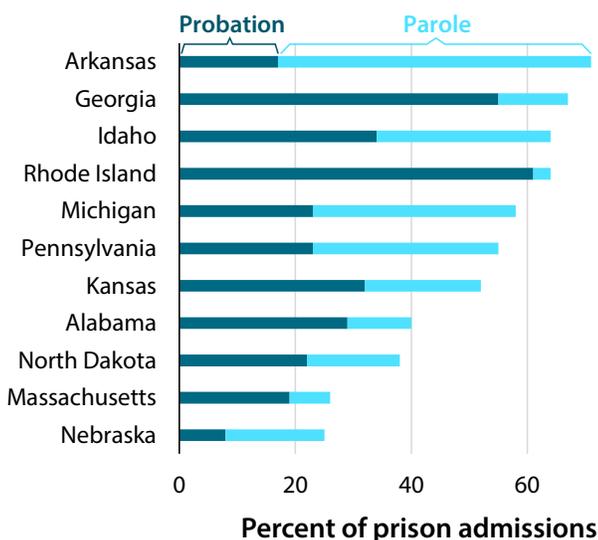
Failure to satisfy any of these conditions can lead to so-called technical violations and a subsequent revocation of parole or probation. In many states, technical violations result in a large fraction of prison admissions. Using estimates from the Justice Center of the Council of State Governments (2018), figure 6a shows the percent of new admissions that result from revocation of parole or probation for selected states. Of the states in the data set, Arkansas has the highest fraction, at 71 percent, while Nebraska has the lowest, at 25 percent.

Figure 6b focuses specifically on people who have had their parole or probation revoked, showing the percent of all revocations that are associated with each of several types of technical violation.<sup>6</sup> “Failure to report to officer” and “Failure

of drug test” were the most common types of violation, but “Failure to meet criminal justice financial obligations” was also a contributor in more than 4 percent of cases.<sup>7</sup> Overall, 21,000 (1.5 percent) prison inmates in 2004 were incarcerated due to their parole or probation being revoked for a failure to meet financial conditions (BJS 2004; authors’ calculations).<sup>8</sup> A failure to pay is more likely to result in incarceration in a local jail, not state or federal prison: several investigations conducted in different states and localities found that roughly 20 percent of jail incarcerations were for a failure to pay monetary obligations (American Civil Liberties Union of Ohio 2013; Rhode Island Family Life Center 2008; Shapiro 2014a; Smith and Aspinwall 2013).<sup>9</sup>

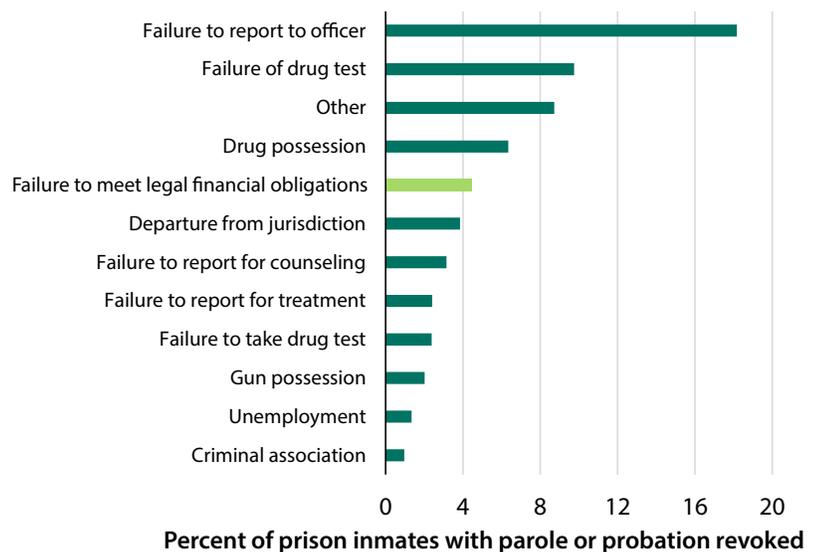
The fact that monetary sanctions from the criminal justice system result in a substantial number of reincarcerations suggests these penalties are generating important costs to society ranging from the most direct (increasing corrections costs) to those that are broader (e.g., interrupting careers and housing, disrupting families, and harming job prospects).

**FIGURE 6A.**  
Percent of Total Prison Admissions from Revocations of Probation or Parole, Selected Years and States



Source: The Justice Center 2018.  
Note: The analyses for Arkansas, Georgia, Massachusetts, Nebraska, and Rhode Island were conducted in 2015. The analyses for North Dakota and Pennsylvania were conducted in 2014, for Alabama in 2013, for Idaho and Michigan in 2012, and for Kansas in 2011.

**FIGURE 6B.**  
Percent of Inmates with Revoked Supervision Who Report Various Technical Violations



Source: Survey of Inmates in State and Federal Correctional Facilities, BJS 2004; authors’ calculations.  
Note: Respondents can list multiple reasons for their parole or probation revocation.



# 7. Substantial quantities of assets are seized without a criminal conviction.

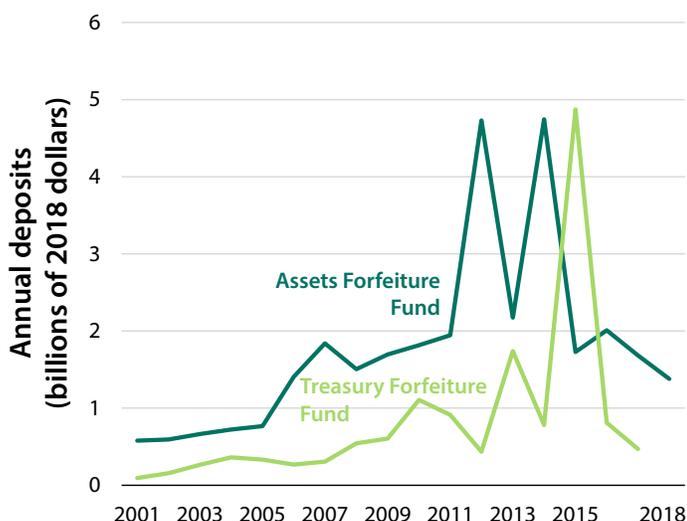
The criminal justice system generates revenues through the seizure of assets that are believed to have been used in connection with a crime, a practice often known as civil asset forfeiture.<sup>10</sup> This practice saw limited use early in U.S. history, but has dramatically expanded since Congress acted in 1984 to create the Department of Justice Assets Forfeiture Fund (Carpenter et al. 2015).<sup>11</sup> Along with the Department of the Treasury Forfeiture Fund (U.S. Department of the Treasury 2018), this Fund has been the recipient of growing deposits over the years (shown in figure 7a). From 2007–17, deposits to the two funds averaged a combined \$3.5 billion. Some of these funds are ultimately remitted to states: for the Assets Forfeiture Fund, payments to states (referred to as equitable sharing) were equivalent to 29 percent of total net deposits in 2018, or around \$400 million (U.S. Department of Justice 2018).

Although inflows to both funds have risen over time, annual deposits can be volatile due to large civil lawsuits (Carpenter

et al. 2015). However, most (89 percent) federal cash seizures by the Drug Enforcement Administration (DEA) are valued at less than \$100,000.<sup>12</sup> In turn, 77 percent of those seizures were accomplished through a process that does not require either an arrest or a conviction (Office of the Inspector General 2017). These estimates exclude much of state forfeiture activity, which is more difficult to observe. By one estimate, 26 states and the District of Columbia seized \$254 million in assets in 2012 (Carpenter et al. 2015).

Even at the state level, only a fraction of seizures are accompanied by a criminal conviction. In Michigan data, 43 percent of forfeitures were associated with a conviction, as shown in figure 7b. As described by Michael Makowsky (2019) in a Hamilton Project proposal, civil asset forfeiture affects how law enforcement resources are allocated, which has important economic effects on individuals as well as effects on public safety.<sup>13</sup>

FIGURE 7A.  
Annual Deposits to the Assets Forfeiture Fund and Treasury Forfeiture Fund, 2001–18.



Sources: Carpenter et al. 2015; U.S. Department of Justice 2001–18; U.S. Department of the Treasury 2001–17; authors' calculations.  
Note: For 2001–14, data are from Carpenter et al. (2015); for 2015–18, values are drawn from the respective fund's financial statements. Data are inflation adjusted using the CPI-U-RS price index. Deposits include funds that might end up flowing to states through equitable sharing.

FIGURE 7B.  
Asset Forfeitures in Michigan, by Charge and Conviction Status, 2001–18



Source: Michigan State Police 2018.  
Note: Data are for the 6,666 forfeitures in Michigan that occurred in the 2017 calendar year. "Other" includes those with ambiguous conviction statuses and those who cooperated with or assisted law enforcement to avoid criminal charges.

## 8. Nearly half a million U.S. inmates on any given day have not been convicted of a crime.

On a typical day in the United States, roughly 460,000 people are incarcerated but have not been convicted of any crime. In an overwhelming majority of cases, even though a judge has deemed those people to be eligible for release, they remain incarcerated because of their inability to pay the required bail (Reaves 2013).

Over the past 30 years, there has been an increased reliance on monetary bail, coupled with increases in typical bail requirements (described further in fact 9). Of felony defendants, the fraction required to post bail rose from 53 percent in 1990 to 72 percent in 2009. This increase occurred in every major offense category (Liu, Nunn, and Shambaugh 2018). There has been a coincident decline in the share of defendants released on their own recognizance. A very small share (roughly 4 percent) are held without bail due to safety or flight risks.

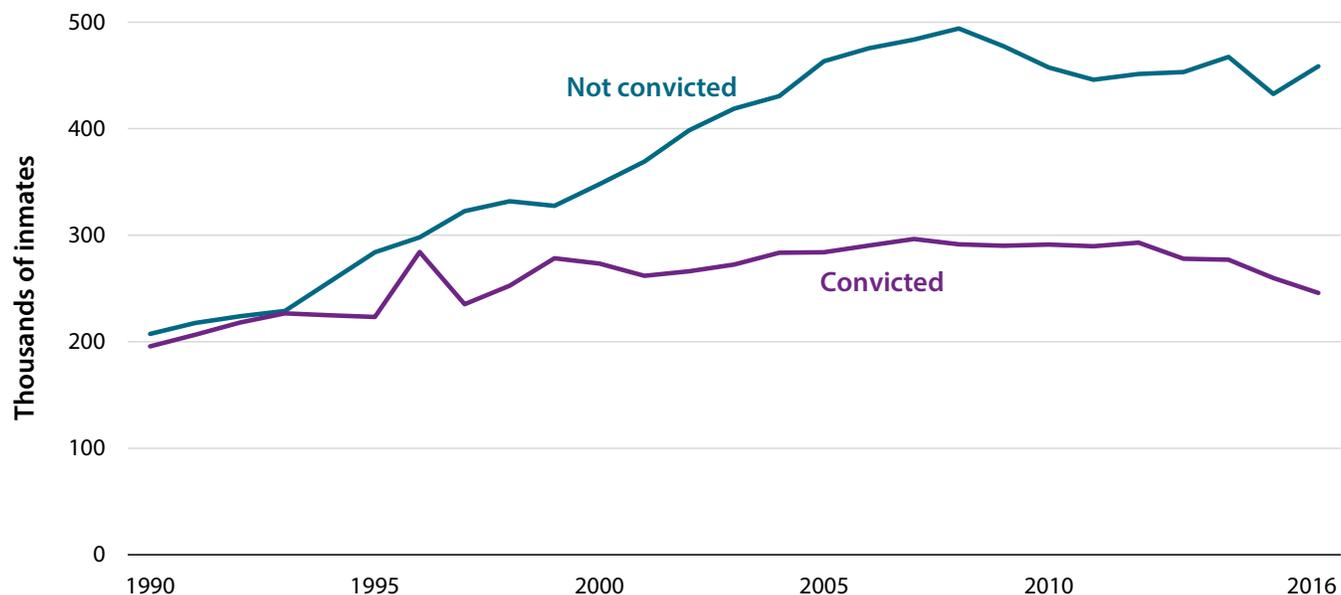
Pretrial detention—generally due to inability to pay bail—has sizable negative consequences to individuals and to society.

Those held before trial are far more likely to plead guilty—in many cases because it would allow them to shorten or end their time in jail—generating a criminal record and sizable negative impacts on employment over time (Dobbie, Goldin, and Yang 2018). In addition, there are direct costs of imprisonment, as well as negative impacts on families and businesses (Liu, Nunn, and Shambaugh 2018).

Some jurisdictions have moved to reduce or eliminate the use of monetary bail. One study examines Philadelphia’s No-Cash-Bail reform policy, which led to a 23 percent increase in release on recognizance and an analogous decrease in the fraction of defendants who spent at least one night in jail, and found that less-frequent use of cash bail did not significantly affect failure-to-appear rates or recidivism rates (Ouss and Stevenson 2019). In a Hamilton Project proposal, Will Dobbie and Crystal Yang (2019) explain how the current bail system generates costs to the economy and how reforms of the bail system could improve outcomes for detainees without compromising public safety.

FIGURE 8.

### Number of Jail Inmates by Conviction Status, 1990–2016



Source: BJS 1990–2016; authors’ calculations.

Note: The data show the jail inmate population confined on either the last weekday in June or on December 31. We define an inmate as “Not convicted” if they are awaiting court action on their current charge, and as “Convicted” if they are serving a sentence in jail, awaiting a sentence, or serving time for a probation or parole violation. We interpolate 1994 values due to missing data.

# 9. Bail can be prohibitively expensive for the typical household.

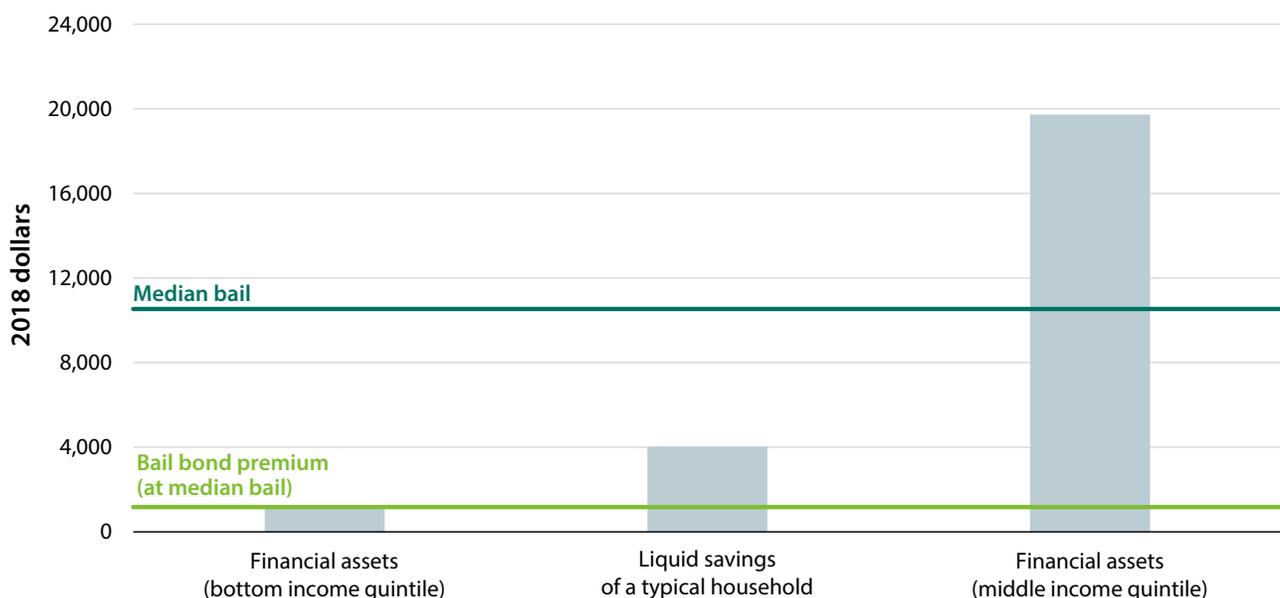
Bail is often set very high relative to the resources an arrestee can draw upon, as seen in figure 9. The median bail amount is more than \$10,000 for felony defendants (the dark green line). While a typical household has roughly \$20,000 in financial assets, much of this is not liquid, and it may be expensive to turn those assets into cash quickly. The median bail amount dwarfs the liquid savings of a typical household (middle column), meaning that many people would almost certainly have to borrow or use a commercial bail bonds firm to gain release from jail. Given the typical 10 percent premium charged by the commercial bond industry, this implies a cost of roughly \$1,200 to the typical felony defendant (the light green line). More importantly, bail bond premiums are nonrefundable, meaning that many people will functionally have to pay a large fee in order to avoid pretrial detention. Even \$1,200 is greater than the total financial assets of the poorest quintile, making it highly likely that poorer defendants would be unable to post bail.<sup>14</sup>

These figures may overestimate the ability of many households to generate cash quickly. Roughly a quarter of households do not have \$400 in liquid savings (Bhutta and Dettling 2018).

An even higher share of households (41 percent) would choose to borrow money, sell some of their assets, or would simply be unable to pay if faced with a \$400 emergency expense, highlighting the exceedingly thin financial buffers that many Americans experience (Federal Reserve System 2018). This economic reality suggests that a range of families may face hardship when attempting to attain pretrial release. Given that an individual might stay in jail for months until adjudication, there is a large value to being released on bail, which makes many willing to endure the necessary sacrifice (Liu, Nunn, and Shambaugh 2018).

The requirement that defendants post bail—and the inability of many to do so—has substantial negative effects on individuals’ economic outcomes. These effects generally take the form of an increased likelihood of conviction (Dobbie, Goldin, and Yang 2018; Leslie and Pope 2017; Lum, Ma, and Baiocchi 2017; Stevenson 2018), which then diminishes access to labor markets (The Pew Charitable Trusts 2010) and increases the probability of recidivism (Heaton, Mayson, and Stevenson 2017).

**FIGURE 9.**  
Indicators for Ability to Post Bail



Sources: Federal Reserve System 2018; Reaves 2013; The Pew Charitable Trusts 2015; authors’ calculations.  
 Note: “Median bail” is for felony defendants and comes from BJS (data from 2009); “Liquid savings of a typical household” come from Pew Charitable Trusts (data from 2015); and “Financial assets” come from the Federal Reserve System (data from 2016). We calculate the typical bail bond premium by taking 10 percent of the median bail. We adjust dollar amounts using the CPI-U-RS.

# Technical Appendix

## Fact 2. The ratio of sanction revenues to police and judicial expenditures is substantial in many jurisdictions.

Data come from the Census of Governments, U.S. Census Bureau (2012). To capture criminal justice debt collections, we rely on the “Fines and Forfeits” revenue variable (code U30). Police expenditures consist of direct expenditures on current operations (code E62), construction (code F62), and land and existing structures (code G62). Similarly, judicial expenditures consist of direct expenditures on current operations (code E25), construction (code F25), and land and existing structures (code G25). We exclude observations from state governments, school districts, and special districts (e.g., a housing or water authority). We drop observations that do not report fines and forfeits revenue, police expenditures, or judicial and legal expenditures.

To calculate the county-level collections ratio, we aggregate these items to the county level, calculate the ratio between criminal justice debt collections and police and judicial expenditures, and create percentile groupings based off of this ratio. Within each percentile grouping, we then divide the total revenue from fines and forfeits by total police and judicial expenditures.

## Fact 3. Courts assessed monetary sanctions for two-thirds of prison inmates.

Data come from the Survey of Inmates in State and Federal Correctional Facilities, Bureau of Justice (2004). We restrict the sample to respondents who are currently sentenced to serve time (v0083). Court-imposed monetary sanctions consist of court costs (v0719), fines (v0720), restitution (v0721), and other monetary conditions (v0722). The available documentation is not clear as to what constitutes these other monetary conditions.

### Offense descriptions

- **Violent offenses:** murder, manslaughter, kidnapping, rape, other sexual assault, robbery, assault, and other violent offenses.
- **Property offenses:** burglary, larceny, motor vehicle theft, arson, fraud, stolen property, and other property offenses.

- **Drug offenses:** drug possession, drug trafficking, and other drug offenses.
- **Public-order offenses:** weapons offenses, obstruction of justice, traffic violations, DWI, drunkenness/morals, violation of probation or parole, and other public-order offenses.

## Fact 5. Monetary sanctions are used disproportionately more in those cities with a higher share of black Americans.

We use data at the city and town level generously provided by Michael Sances and Hye Young You (2017). The fines and forfeits data stem from the Census of Governments, U.S. Census Bureau (2012) and the population data come from the 2010 Census, U.S. Census Bureau (2010). We split cities into quintiles based on their black share of population, and then calculate the average per capita fines and forfeits revenue within each quintile. Cities in the first quintile have a black population that is less than 0.57 percent of the overall population; cities in the second quintile have a rate between 0.58 percent and 1.26 percent; cities in the third quintile have a rate between 1.27 percent and 3.31 percent; cities in the fourth quartile have a rate between 3.31 and 11.38; and cities in the fifth quartile have a rate greater than 11.39.

## Fact 6. Criminal justice debt is a significant factor in reincarceration.

Data come from the Survey of Inmates in State and Federal Correctional Facilities, Bureau of Justice Statistics (2004). The population consists of inmates who responded “Yes” to questions that asked if their probation (v0267) or parole (v0151) were revoked. We rely on questions v0268–v0280 for reasons of revocation for probation, and v0152–v0164 for reasons of revocation for parole. A few inmates did not have their parole or probation revoked, but nonetheless provided a reason for revocation; we have excluded these observations from our results.

At the state and federal level, we tabulate the number of inmates by the reason they provided for the revocation of their parole or probation. We calculate state and federal totals for each reason, and then divide these totals by the total number of inmates with revocation or parole revoked. The most common reason for revocation of probation or parole is a new arrest or conviction; we define the remaining reasons as technical violations.

# Endnotes

1. The recent Supreme Court ruling in *Timbs v. Indiana* (2019) limits “excessive” forfeitures by states, but this is not likely to end the practice of civil asset forfeiture.
2. Some subcounty governments do not report revenues and expenditures in the Census of Governments (U.S. Census Bureau 2012). We sum all non-missing values within a county. Consequently, we do not weight the calculations by county population, which would be inappropriate for counties with missing data. However, when we weight by jurisdiction population (e.g., cities and towns, and excluding county governments), we find a similar pattern.
3. In New York State, for example, individuals convicted of an offense must pay \$300 for felony convictions, \$175 for misdemeanors, and \$95 for violations as a mandatory surcharge (New York City Bar 2018).
4. As court-imposed monetary sanctions do not include fees that correctional institutions can levy on prisoners, these estimates are likely to underestimate the prevalence of criminal justice debt. See Eisen (2014) for more information.
5. The data exclude monetary sanctions for traffic cases. One important caveat is that a single individual can be assessed monetary sanctions for multiple cases. Whereas we report the total monetary sanctions levied on individuals (i.e., the total debt accrued due to their criminal history), the median monetary sanction for a single felony conviction in Alabama was about \$2,000 (Greenberg, Meredith, and Morse 2016). Similar research in Washington State found that the median monetary sanction was \$1,347 per felony conviction (Harris, Evans, and Beckett 2010).
6. The bars do not add up to 100 percent because we focus only on technical violations, which are not the only reasons that courts may revoke parole or probation. Moreover, respondents can give multiple responses.
7. Importantly, criminal justice debt could also be a factor in some of the other technical violations, such as unemployment or criminal association, to the extent that it impairs employment prospects (Appleman 2016).
8. Because we are limiting the calculation to prison inmates (who are incarcerated for longer spells than jail inmates), this is a conservative estimate of the contribution of monetary sanctions to incarceration. Many more people can end up in jail for failures to pay off court debt, in part due to arrest for repeated missed payments (Shapiro 2014b).
9. In 2012, over 20 percent of all jail bookings in Huron County, Ohio were related to a failure to pay fines (American Civil Liberties Union of Ohio 2013). In 2013, 29 percent of jail bookings in Tulsa County, Oklahoma were connected to warrants for failure to pay costs—up from 8 percent in 2004 (Smith and Aspinwall 2013). From 2005–07, incarcerations for court debt comprised 18 percent of all commitments in the state of Rhode Island (Rhode Island Family Life Center 2008). And in Benton County, Washington, about a quarter of people in jail for misdemeanor offenses were there due to a failure to pay court fines and fees (Shapiro 2014a).
10. By contrast, criminal asset forfeiture necessitates a criminal conviction before courts can seize assets.
11. A February 2019 Supreme Court decision in *Timbs v. Indiana* (2019) is expected to limit “excessive” forfeitures by states.
12. The DEA was responsible for about 80 percent of federal cash seizures by the Department of Justice from FY2007 to FY2016.
13. See also Holcomb et al. (2018).
14. It is important to note that this 10 percent fee is not part of the typical fees counted in prior facts because the revenue does not typically go to the state, but rather to private firms.

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# Selected Hamilton Project Papers on Criminal Justice

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Jennifer L. Doleac offers five key principles for helping individuals with criminal records successfully navigate the low-skill labor market. She also discusses the wider range of labor market challenges faced by low-skilled workers.

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### “Graduated Reintegration: Smoothing the Transition from Prison to Community”

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### “A New Approach to Reducing Incarceration while Maintaining Low Rates of Crime”

*By Stephen Raphael and Michael A. Stoll*

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### “From Prison to Work: A Proposal for a National Prisoner Reentry Program”

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## ECONOMIC FACTS AND ANALYSES

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*By Patrick Liu, Ryan Nunn, and Jay Shambaugh*

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### The Economics of Private Prisons

*By Megan Mumford, Diane Whitmore Schanzenbach, and Ryan Nunn*

Recently, private prisons have become the focus of considerable attention. This economic analysis explores the growth of the private prison industry and provides an economic framework for evaluating them.

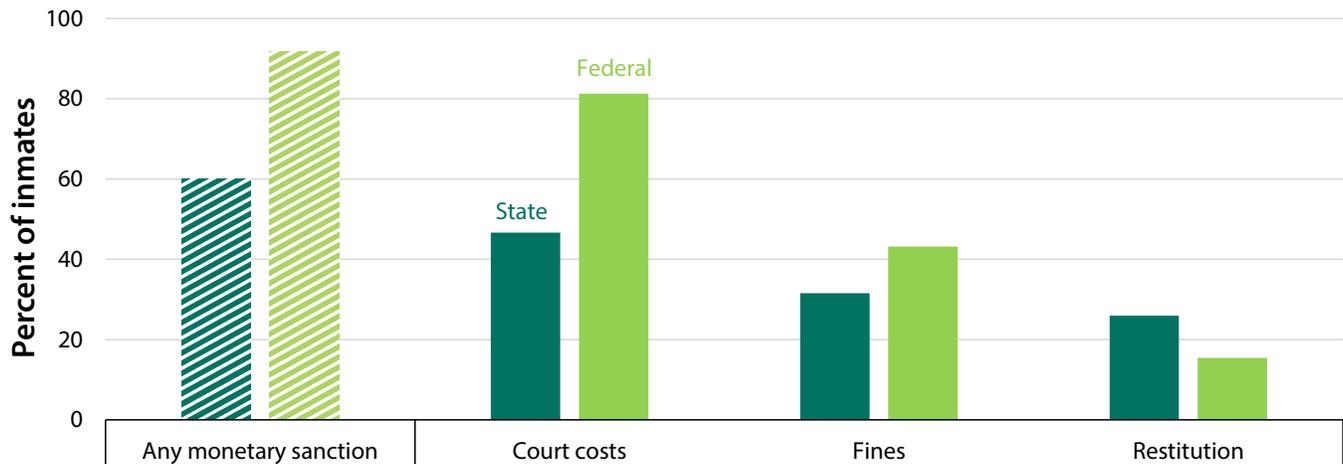






FIGURE 3A.

## Percent of Prison Inmates with a Court-Imposed Monetary Sanction, by Sanction Type and Government Level



Source: Survey of Inmates in State and Federal Correctional Facilities, BJS 2004.  
Note: Data are restricted to inmates sentenced to serve time. See Harris, Evans, and Beckett (2010) for additional information.

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## Nine Facts about Monetary Sanctions in the Criminal Justice System

1. Expenditures on police, corrections, and the judiciary have increased over time.
2. The ratio of sanction revenues to police and judicial expenditures is substantial in many jurisdictions.
3. Courts assessed monetary sanctions for two-thirds of prison inmates.
4. More than half of all individuals with a felony conviction in Alabama owe more than \$5,000 each in criminal justice debt.
5. Monetary sanctions are used disproportionately more in cities with a higher share of black Americans.
6. Criminal justice debt is a significant factor in reincarceration.
7. Substantial quantities of assets are seized without a criminal conviction.
8. Nearly half a million U.S. inmates on any given day have not been convicted of a crime.
9. Bail can be prohibitively expensive for the typical household.

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