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Preventing Law Enforcement Layoffs with Federal Funding

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ABSTRACT

Regardless of where one lives in the United States, one thing that remains clear across the entire country is the economic downturn during the last few years. Federal, state, and local governments all across the nation are dealing with shrinking revenue streams. Development has slowed; home values have plummeted; taxing entities have been forced to adjust values of homes; and all of this leads to less tax revenue. This coupled with the fact that many Americans are spending more money on necessities and less on non-essential items has added to a decreasing tax revenue.

Although the nation's population continues to grow, several cities are now taking a step backwards in the fight against crime. Instead of putting more officers on the street, many are being laid off. Not because crime has decreased, or because officers are no longer needed, but because the revenue that pays the salaries of these officers has slowly decreased due to a downturn in the national economy. The federal government has assisted some cities, but this has not been enough to prevent layoffs of police officers.

Changing the current law to permit cities to carry a reasonable and temporary deficit to prevent these layoffs might be an option. Another option might be to provide federal funds to prevent laying off large numbers of police officers. Regardless of the position taken on this topic, one thing that remains the same and is proving to be clear: a reduction in police equals an increase in crime.

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INTRODUCTION

This research paper will examine the use of federal funds to prevent the elimination of law enforcement jobs in states, counties, and cities across the nation. The national budget crisis is being felt by government entities everywhere. One out of every four police departments across the nation are facing cuts (Joseph & Sinderbrand, 2003). The effects of eliminating law enforcement jobs will have direct effects that are immediately discernible; additionally, there may be many indirect effects that may not been seen for some time to come. The most obvious effect will be the elimination of law enforcement jobs. The loss of jobs will mean an increase in the number of individuals applying for unemployment benefits, which places further demand on unemployment programs. The increase in unemployment also directly relates to a decrease in tax revenue for local economies.

Reducing the number of officers on patrol is expected to cause an increase in crime rates. In Newark, New Jersey, where many officers have been laid off, crime rates have already risen significantly (Keefe, 2011). With more crime comes an increase in caseload on departments and their criminal investigation divisions. The elimination of positions means fewer investigators to properly investigate crimes leading to a lower clearance and conviction rate. In areas that have seen an increase in property crimes, there have also been increases in property claims with insurance companies. Some believe that insurance rates will rise as well, further impacting the economic recovery (Beaver, 2011).

This study will show the benefits of retaining law enforcement positions with the utilization of federal funds and show that negative assertions are unwarranted. The federal government should approve emergency funding to avoid eliminating these positions to preserve the safety of communities across the nation.

POSITION

In July of 2010, Oakland, California was forced to cut 80 officers from its force, which was a more than a 10% reduction in the force (Brock, 2010). Oakland Police Department's public relations officer, Holly Joshi, stated that the department would not be responding to a list of lower priority crimes, including burglaries, vandalism, and noise complaints. She said, "If you come home and find your house burglarized and you call, we're not coming" (as cited in Johnson, 2010, para. 10). Instead, the department has asked citizens to report these crimes online. However, the idea of getting on the computer to complete an online report for a home burglary, fraud, or while someone is breaking into a vehicle is unrealistic. The public has become accustomed to a certain level of service from its police department, and anything less will not be well received. The Oakland Police Officers Association claimed that crime has already increased 9% since the laying off of officers (Brock, 2010). In an attempt to keep as many officers on the street as possible, the Oakland Police Department transferred officers from specialized units to help cover calls on the street. The effects of reducing or dissolving these specialized units may not be seen for months or years to come. In many cases, these specialized units worked years to build data, intelligence, and rapport with other agencies or communities, which will all be lost due to lack of manpower. Additionally, the decision to not respond to calls may lead to a negative perception of law enforcement agencies, further straining relationships within the community.

Camden, New Jersey is one of the most crime ridden cities in the nation; unfortunately, things have gotten worse. On January 18, 2011, nearly half the police department's entire force was laid off. With the city facing a $26.5 million deficit for fiscal year 2010-2011, the city laid off 163 officers, taking a 373 member police department and slashing it to a meager 202 officers (Katz & Simon, 2011). Officers with less than 13 years' experience were fired; additionally, several superior officers were demoted to fill open patrol positions (Boyer & Simon, 2011).

It is unrealistic to take that many officers off the streets of Camden and not expect to see an increase in crime. Most experts say it takes a year or two to accurately identify any new crime trends or to get data on crime rates. However, short term violent crime in the first three months of 2011 compared to the first three months of 2010 is already up 17% (Boyer & Simon, 2011). In the same article, the Camden County Prosecutors office released a report showing that aggravated assaults in the first two months of 2011 rose 259% from 2010. Nonviolent crime increased 14%, with burglaries seeing an astounding 60% increase from 130 in 2010 to 208 in 2011 (Boyer & Simon, 2011).

The dramatic increase in crime rates may be only the tip of the iceberg as, historically, the winter months are a period when crime is lower. The summer months tend to be the busiest part of the year for the Camden Police Department. Although 55 officers were reinstated on the first day of April, law enforcement officials argue that the City of Camden is vulnerable (Boyer, 2011). U.S. Representative Robert Andrews (D., N.J.) said after a meeting with city and state officials, “The Federal Government has done its part in helping Camden police, and now the state has to help out" (as cited in Katz, 2010, p. B01).

The story is pretty much the same in many cities in New Jersey: Newark, Trenton, Atlantic City, and many others are all facing huge deficits within their city budgets. It has been many years since law enforcement agencies have seen cuts in manpower, and they have all been in an attempt to cut crime. With many agencies already experiencing cuts, additional agencies will see cuts in the future as declining tax revenues continue to affect the way cities balance their budgets.

Klamath County, Oregon has experienced budget issues as well. The Klamath County jail reduced its capacity to house inmates, from 152 beds to 64. Since this reduction, crime rates have been on the rise for the last several months, especially for theft, burglary, and other property related crimes (Beaver, 2011). Sharleen Hutchinson, an agent with Farmers Insurance, said there has been an increase in the numbers of claims being filed, certainly a lot more than normal. Many insurance companies use a matrix system to access the amount of risk when insuring clients. This matrix system uses zip codes as a part of the analysis process (Beaver, 2011). More crime in a certain zip code increases the risk to insure property. Essentially, it comes down to how safe an area is. Zip codes that have a higher crime rate equates to more risk for the insurance company. As crime rates rise due to fewer law enforcement officers on the streets, it appears property claims with insurance companies are on the rise as well. Although some insurance agents claim it would take a significant rise in crime to affect the rate payers, others disagree. The insurance industry sets rates based on risk: the higher the risk, the higher the rates to insure the property (Beaver, 2010).

COUNTER POSITION

Many will refute that a government bailout is not a viable option to prevent the loss of law enforcement jobs in the United States. These people argue that the fiscal problems facing some state and a local government are severe but solvable. Most states are required by their constitutions to balance budgets and cannot operate with a deficit. According to liberal Center on Budget and Policy Priorities, the estimated shortfalls for all 50 states for this upcoming fiscal year total $125 billion (Fram & Freking, 2011). It is estimated that municipalities are currently carrying about $2.9 trillion of bond debt (Jahncke, 2011). The federal government is in no position to provide bailout funds to states as this year's federal deficit is estimated to be $1.6 trillion (Kemmett, 2011).

Of course, as with any government issue, politics play a role as well. The Tea Party influence has clearly demonstrated that any attempt to bail out any government entities will be immediately squashed (Mier, 2010). Some insist that congress should pass legislation that would allow states to file for bankruptcy as a last resort. The National Governors Association opposes such legislation fearing that this could negatively affect the bond market and possibly raise borrowing costs (Kemmett, 2011). Some political leaders are using the economic issue as a springboard for their political campaigns and are running on the census of balancing state and local budgets.

Many lawmakers have publicly stated that regardless of the hardships on local governments, a bailout is not coming from Washington. At a House hearing on the debt crisis facing many states and local government, Rep. Patrick McHenry, R-N.C., stated "The era of the bailout is over" (as cited in Fram & Freking, 2011 p. 1). House Majority

Leader Eric Cantor, R-Va., has also publicly stated that there will be no federal bailout for states facing financial crisis (Fram & Freking, 2011).

Bipartisan agreement is that the federal government is in no position to assist state and local governments, especially while facing a huge deficit themselves. The one thing they disagree on is why states and local governments are facing huge deficits. Republicans are pointing the finger at state workers' pension plans and health benefits, while democrats claim the economic crisis has led to a decrease in taxes collected, leaving the huge gaps in balancing budgets.

A bill introduced in the House would allow sanctions against those in charge of pension plans to refuse to disclose their plans' liabilities in a uniform fashion. This same bill would also prevent the federal government from bailing out insolvent pension plans. Several state and local government associations are opposing the bill, stating that pension plans are in overall good standing. They also believe that the majority of their state and local government future pension plans are already funded (Fram & Freking, 2011).

Currently, city and counties are able to file bankruptcy, but states are not. Some opponents of a federal bailout of states and local governments support the option for states to file bankruptcies to realign their debt in an attempt to decrease their overall debt. If states were allowed to file for federal bankruptcy, they would be allowed to restructure all their debt, giving them leverage to negotiate state pension plans and health benefits; these same benefits that have already been promised to millions of state workers across the nation. Many lawmakers of both parties oppose this idea, as well as public employee unions and liberal groups. House Majority Leader Eric Cantor, R-Va., has stated that he opposes allowing states to file for federal bankruptcy and feels that states have the abilities to cut expenses, raise taxes, and pressure public employee unions to renegotiate their pension and health benefit packages ("House GOP Leader Says No," 2011).

Those who do not support federal assistance for states and local governments argue that these entities have created the deficits with irresponsible spending and overwhelming debt created by huge pension plans and health benefits for retired state and local government employees. Some have actually stated, as a whole, that the non-federal public sector employees account for more than half of the state's and local government's spending (Jahnke, 2011). It is true that salaries and benefits make up a large portion of state and local government budgets but to say that all non-federal public sector employee salaries and benefits nationwide are excessive is an inaccurate and reckless statement.

There are many different reasons why one would want to oppose a federal bailout of state and local governments, and only a few of these reasons have been discussed. One is that most state constitutions require a balanced budget and do not allow states to operate with a deficit. Lawmakers could present law changes and permit states and local government to operate with deficits, but this could create further debt.

Some lawmakers feel that states should be able to request protection under bankruptcy laws, giving them an opportunity to restructure their debts. Many disapprove of this, citing the negative affects on the abilities of state and local governments to acquire funds through the selling of bonds and ultimately increasing the borrowing costs to cities ("House GOP Leader Says No," 2011). Bankruptcy would also allow states to negotiate state pension and benefit plans, making it easier for states to cut government workers' pensions and benefits. This would certainly be an area that states would look to cut expenses even though those benefits are just a minor cause of states budget problems ("House GOP Leader Says No," 2011). Bankruptcy may allow states to restructure debt, but it would do nothing to further the economic recovery and, in fact, would increase costs for cities looking to borrow money in the future.

Others argue that overspending by state and local governments has created this problem and should not be addressed by an already cash strapped federal government. Although some states and local governments may have arguably spent recklessly, one cannot ignore the decrease in tax revenue across the nation. According to a December report from the National Conference of State Legislatures, 21 states expect expenses to exceed tax collections by more than 10% ("House GOP Leader Says No," 2011). To fault state and local governments by making a broad statement that they are completely responsible for their current economic crisis is unwarranted and inaccurate. States and local governments have seen a large decrease in taxes collected over the last few years. The reduction in tax revenue is directly related to the current national economic situation.

CONCLUSION

Washington has recognized that the national economy has remained slow to recover and is in need of assistance. Several different forms of economic stimulus have been presented by Washington over the last several years. Some past stimulus programs have been directed towards the financial giants on Wall Street and others towards the automobile industry. Additionally, Washington has pumped billions of dollars to state and local governments over the last two years as part of President Obama's $814 billion economic recovery stimulus program (Fram & Freking, 2011). Some of these funds have assisted with retaining law enforcement jobs, but it is currently not enough.

In August of 2010, the House of Representatives passed a measure that was intended to help states with their economic crisis. The measure was particularly aimed at preventing hundreds of thousands of teacher layoffs. It is estimated that as many as 900,000 public and private sector jobs, some of these law enforcement, could have been lost if this measure were not passed (Psaki, 2010).

The federal government has recognized the importance of a long term economic recovery. With budget deficits being confronted by state and local governments, a federal assistance program may be unavoidable if economic recovery is to be continued. If state and local governments are forced to make cuts to balance their budgets, hundreds of thousands of jobs will be lost, many of those in the law enforcement fields. If this occurs, not only will there be an immediate economic impact in the form of unemployment benefits being paid out, there will also be a reduction in taxes collected.

There will be many direct impacts on the law enforcement community as well. Less law enforcement on the street will lead to an increase in crimes and a decrease in enforcement efforts, further affecting state and local government coffers in the form of less revenue. This increases safety hazards to the law enforcement officers who are left patrolling the streets with less. The looming possibility of states and local governments filing for bankruptcy may weigh on the minds of those putting their lives on the line in the name of public safety, while government officials play with their pension and benefits package to balance their budgets.

Bankruptcy for any state or local government is not a viable option, as too much weighs on the outcome after restructure. Not only does this affect current employees, this could affect retirees and future employees as well. Currently, there is about $2.9 trillion in municipal debt across the nation, and a large portion of this is in the forms of municipal bonds (Jahncke, 2011). With bankruptcy an option for states and local governments, investors will stop buying municipal bonds, which have historically been considered a safe investment. This risk will cost cities in the form of interest rates, essentially making it more expensive for states and local governments to borrow money to fund projects and capital improvements.

As lawmakers in Washington ponder whether they should reach out and further assist state and local governments during this financial crisis, cities like Camden, New Jersey are literally facing crime in streets on a daily basis. Years of pushing forward in the fight against crime may be lost in a matter of months. Washington should take a close look at what is occurring and the consequences of no action. The fiscal impact of eliminating law enforcement jobs may not be immediately felt in Washington, but the citizens of Camden have already seen and felt the impact on the street. Shortly after the partial closure of the county jail, insurance rates have already increased in Klamath Falls, Oregon due to a dramatic increase in auto break-ins and thefts (Pidgeon, 2011).

Regardless of which position one takes, this is definitely not a step in the direction of economic recovery, nor does this extend the fight against crime. One reporter stated that in one neighborhood devastated by drugs and despair, young men on the corner laughed when they heard the news that 180 uniformed police officers may be laid off. "I ain't going to lie," one of them shouted, "It's good news for us" (as cited in Katz, Newall, & Simon, 2011, para. 41). Officers accept that they may have to give their life in the line of duty or possibly take a life to protect another. The significance of these commitments is immeasurable to the point that a dollar value cannot be assigned, yet many take that responsibility daily. Agencies should not be forced to balance a budget solely for the bottom line since one cannot put a price on human life.

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