

# CASE STUDY:

## Ramsey County, Minnesota

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## INTRODUCTION

Ramsey County, Minnesota, home to over a half-million people and the state capital of St. Paul, has long prioritized efforts to promote shared prosperity, opportunity, equity and good government for its residents. Its most recent Strategic Plan articulates the County's goals of strengthening health, safety, and well-being; cultivating economic prosperity based on inclusion of all communities; enhancing opportunity and access for all; and modeling fiscal accountability and transparency (Ramsey County Board of Commissioners 2019). Further, the County's strategic priorities emphasize racial equity, inclusive community engagement, and a cross-departmental, multi-partnered approach to health, wellness, and criminal justice. These goals and priorities may sound somewhat abstract, but they shape the lived experiences of Ramsey County residents every day. In this case study, we examine one specific aspect of the County's efforts: reforming the role of fines, fees, and other penalties incurred by individuals in the County's criminal justice system.

Ramsey County is not alone in its reform efforts, as counties and other governments across the country have faced increasing scrutiny of their reliance on fine and fee revenue to fund public safety and criminal justice expenditures (Bastien 2017). Imposing excessive criminal fines and fees on individuals without regard for their ability to pay can have a variety of pernicious effects, including:

- creating undue economic hardships for low-income individuals and exacerbating the system's existing disparate impacts by race;
- trapping indebted individuals without a clear path to repayment or forgiveness;
- creating perverse incentives for public sector officials to emphasize revenues over public safety or social equity goals; and
- making local government financial practices less transparent than they would otherwise have been.

Recognizing the importance of these issues, in 2018 Ramsey County engaged with PFM's Center for Justice & Safety Finance (CJSF) to receive technical assistance to enhance and accelerate its efforts to reduce reliance on criminal fines and fees. PFM received a grant from Arnold Ventures (formerly the Laura and John Arnold Foundation) to provide this type of assistance to three counties nationally.

The County's commitment to reforms was facilitated by a strong commitment from its chief administrative officer, the County Manager; strong support from its elected Board of Commissioners; a growing consensus on how excessive fines and fees burden minority and high-poverty communities in the County; a culture of progressive government; and a willingness to review and, when necessary, change current policies and practices.

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This case study offers an assessment of Ramsey County’s efforts to date and future plans. With continued commitments from County leadership and engagement from all stakeholders, Ramsey County promises to provide a leading example of how to reform its fines and fees practices to better align with its mission and goals.

# ABOUT RAMSEY COUNTY

## Demographics

Ramsey County, with a population of 537,893, is home to Minnesota’s capital, St. Paul, which also serves as the county seat. Compared with the state as a whole, Ramsey County’s population is younger, more racially diverse, and better educated. Five-year estimates from the Census Bureau for 2013-2017 indicate that median household income in Ramsey was \$60,301, somewhat lower than the state’s \$65,699 — and with a higher percentage of individuals living in poor households (15.0%) than in the state as a whole (10.5%).

	UNITED STATES	MINNESOTA	RAMSEY COUNTY
Total population	321,004,407	5,490,726	537,893
% Male	50.8%	50.2%	51.3%
% Female	49.2%	49.8%	48.7%
Median age (years)	37.8	37.9	34.8
<b>Race</b>			
% Hispanic, any race	17.6%	5.2%	7.4%
% Non-Hispanic: white	61.5%	80.8%	63.1%
% Non-Hispanic: black	12.3%	5.9%	11.2%
% Non-Hispanic: other	8.7%		18.3%
% Population 25 & older with bachelor's degree or higher	30.9%	34.8%	41.5%
% Civilian noninstitutionalized population with a disability	12.6%	10.8%	11.5%
% Population that is foreign born	13.4%	8.2%	15.6%
% of population 16 years and older in labor force	63.4%	69.9%	69.3%
% of labor force that is unemployed	6.6%	4.3%	5.5%
Median household income (2017 \$)	\$57,652	\$65,699	\$60,301
% of individuals living in households with incomes below poverty line	14.6%	10.5%	15.0%

(Source notes: U.S. Census Bureau, American Community Survey, 5-year estimates 2013-2017). (U.S. Census Bureau n.d.)

## Governance

Ramsey County was organized on October 27, 1849, and has operated with home rule authority since 1992 (Ramsey County 2018, 8). The County is governed by an elected, seven-member Board of Commissioners, who in turn appoint the County Manager, who is the County’s Chief Administrative Officer. The County provides a full range of services, including “public safety,

recreation, public works, health services, cultural, human services, vital statistics, and tax assessment and collection” (Ramsey County 2018, 9) Particularly relevant in the present context, the County Manager is responsible for the management of county-wide strategic efforts and departments, including both Finance and Community Corrections. Two independently elected officials, the Sheriff and the County Attorney, are responsible for a variety of public safety and justice operations as discussed more fully below (Ramsey County 2018, 14).

It is worth noting that the County’s commitment to policies promoting equity and community engagement led to a significant restructuring in 2015, when it established its current structure of service teams to include the (1) Health and Wellness and (2) Safety and Justice teams. By placing Community Corrections, which runs the County’s probation services as well as its correctional facility for sentences less than one year, under the County’s Health and Wellness service team, the County emphasized its commitment to pursuing its goals of advancing equity and inclusion at the “intersection of the health and justice systems” (Ramsey County 2018, 12).

## Court System

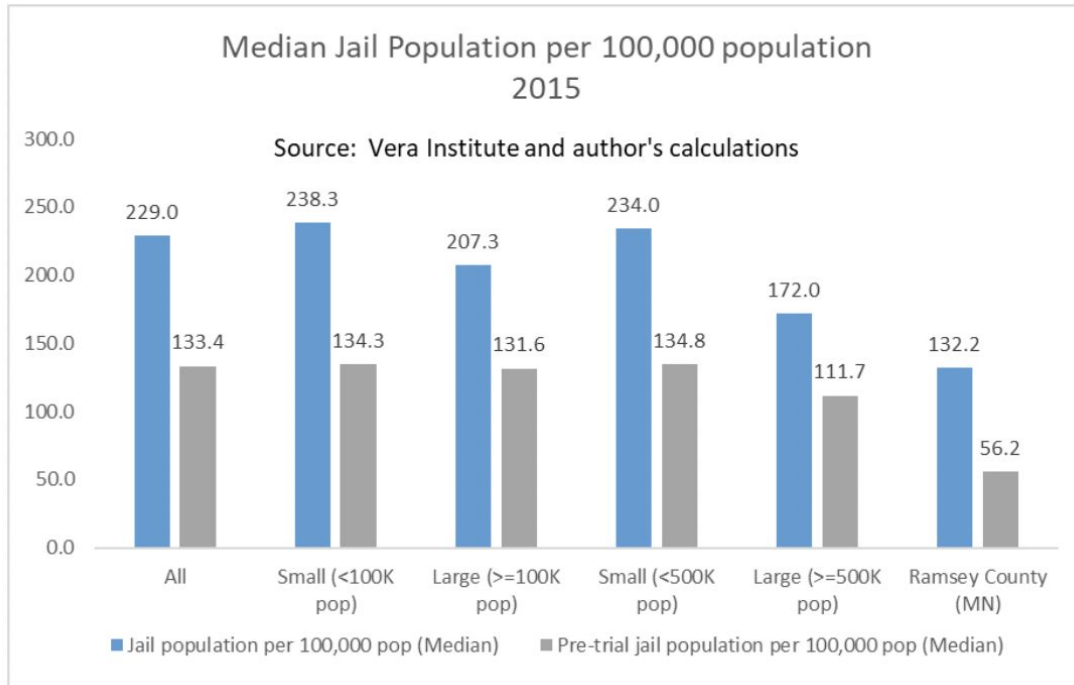
The criminal justice system in Minnesota consists of three main elements: the state’s Supreme Court; the state’s courts of appeals; and the state’s trial courts, which are distributed throughout the state into ten district courts. The state’s Second District Court is located in Ramsey County, and it is administered by the chief judge and district administrator. District Court hears civil and criminal cases, the latter of which include felonies, gross misdemeanors, misdemeanors, petty misdemeanors, ordinance violations, and traffic citations (Johnson 2019).

The criminal justice system includes multiple public sector organizations at the municipal, county, and state level. While we focus here on the county level, we note that the fines and fees that individuals may incur are levied, collected, and/or spent by various public entities, not just the county. For example, a recent summary prepared for Minnesota state legislators reports that the County’s criminal fines are allocated in shares to the state’s general fund and to political subdivisions in which they occur and that 99.6 percent of the \$75 criminal and traffic surcharge on all criminal offenses and petty misdemeanor goes to the state’s general fund (Johnson 2019, 23–24). Ramsey County does receive revenues from Second District Court fees that are authorized by the state and adopted by the County, including a \$1 surcharge used to fund a hearing officer in Second District Court’s Suburban Court (Johnson 2019, 24) and a \$10 fee used to fund the County Law Library (PFM’s Center for Justice and Safety Finance 2019, 10).

# CRIMINAL JUSTICE IN RAMSEY COUNTY: PEOPLE & DOLLARS

## Incarceration and Detention

The County reports that in 2018, it housed an average daily population of 274 individuals at its Correctional Facility and 393 at its Adult Detention Center (PFM's Center for Justice and Safety Finance 2019, 10-11). Less recent data from the Vera Institute show that Ramsey County's incarceration and detention rates per 100,000 population are far lower than those of other large counties.



## Finances

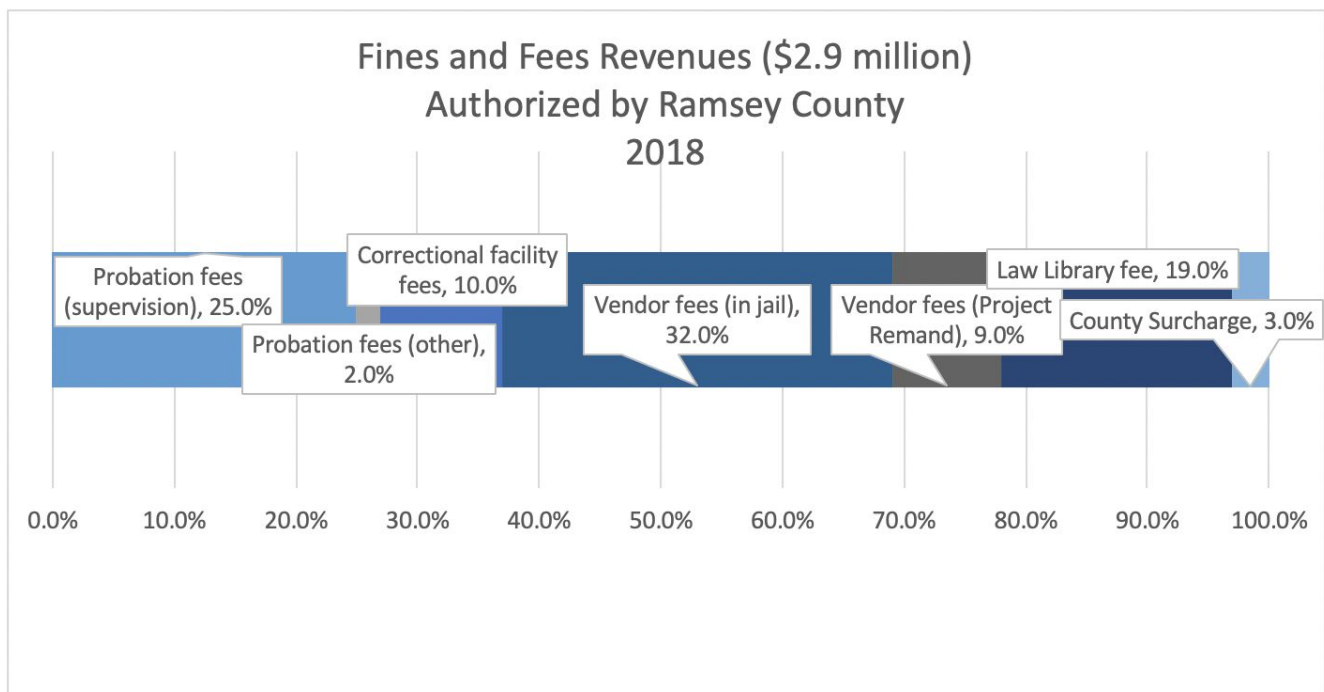
States, local governments, governmental agencies, and the private or nonprofit contractors or vendors that provide specific services on their behalf may levy fees and fines for a variety of reasons. Fees are often used to defray public expenditures incurred when providing a particular service or providing a significant individual benefit, and fines have historically been used to deter or punish undesirable behavior. Going back 40 years or more, public officials increasingly turned to fees and fines revenues from the criminal justice system to fund ever-expanding public safety budgets in an era of anti-tax and “tough-on-crime” sentiment (Eichenthal 2020). Here, we consider the overall importance of fines and fees revenues to Ramsey County before turning to a detailed assessment of specific revenues from the criminal justice system.

Unfortunately, assessing the quantitative role of fines and fees revenues to the County is not an easy task, nor would it be so for many other jurisdictions. Complicated relationships between departments and programs within the County, not to mention interjurisdictional matters, make it difficult to accurately define, measure, and “count” the relevant dollars flowing onto and off of

the County's books. That said, the data and information that are available suggest that the County's reliance on these revenues is relatively light, yet meaningful opportunities remain to reduce it even further.

One perspective comes from the County's Comprehensive Annual Financial Reports (CAFRs), which indicate that the County has long relied quite lightly on the receipt of fines and fees revenues, collecting less than \$1.0 million in fines and forfeitures in FY 2018, about 0.1% of its annual budget (Ramsey County 2018). However, these CAFR figures include certain items we wish to exclude (e.g., forfeitures) and exclude certain items we wish to include (fees that are collected into special revenue funds). In fact, these limitations of the CAFR figures highlight the importance of careful and thorough tracking and reporting of fines and fees collections by counties and other jurisdictions: **without accurate, timely, and detailed data on the sources and types of fines and fees revenues, uncollected debts, and the costs of administering the overall system, public officials and local residents will lack the information needed to make appropriate decisions promoting public safety while pursuing equity goals in a fiscally responsible manner.**

Because CAFRs are of limited value when investigating the fines and fees finances of a specific jurisdiction, PFM's Center for Justice & Safety Finance used detailed data provided by the Second District Court, Community Corrections, and the Sheriff's Office to develop more accurate estimates, finding that in 2018, individuals in Ramsey County's criminal justice system paid an estimated minimum of \$12.8 million in fines and fees, of which approximately \$2.9 million, just over 23 percent, was under the control (direct or indirect) of the County itself (PFM's Center for Justice & Safety Finance 2019, 18). The graph below shows that probation fees and fees paid to vendors comprise the largest share of fines and fees revenues the County controls directly, by setting fee schedules, or indirectly, by contracting with vendors to provide selected services and charge fees for service.



## On the Ground: Where the Dollars Come From

Despite its status as a home rule jurisdiction, Ramsey County has little authority to affect many of the fines and fees paid by individuals moving through the criminal justice system. Nonetheless, a close look at the revenue streams the County does control highlights both the County's ongoing efforts to curtail the use of these revenues as well as the County's opportunities for future reforms.

Consider the County Sheriff, who is responsible for running the Adult Detention Center (ADC), the County's pre-trial detention facility. Prior to 2017, the ADC charged an inmate booking fee of \$25, raising \$139,399 in FY 2016 (Ramsey County, n.d.); eliminating this fee represented but one recent example of the County's efforts to reduce criminal fines and fees. More recently, the Ramsey County Board of Commissioners approved a fee schedule that eliminates three fees assessed by Community Corrections: the work release fee, the chemical health assessment fee, and the admissions fee for its correctional facility. These changes have opened up potential revenue gaps but have also allowed the County to pursue its goals of decreased reliance on these revenues. On the other hand, fees are still levied by vendors on individuals housed at the ADC for remote video visitation, voicemail, email, and commissary deposits. It is worth noting that the County does not know how much money vendors collect from these fees—illustrating a broader point about how detailed and thorough data are often not available for officials to use when considering policy adjustments. Furthermore, phone calls, other communication methods, and commissary services are vendor-provided, and the County does not independently set those fees and charges (PFM's Center for Justice & Safety Finance 2019, 8). This lack of transparency makes it difficult for officials to assess both the public finance and public safety aspects of the County's fee structures.

Similarly, a look at the County's Community Corrections department confirms both the diminished role of fee revenues over time as well as opportunities for more progress. In 2018, probation-related fees revenues totaled an estimated \$772,102, down from a reported \$904,681 in 2016, and now account for 25% of all fines and fees revenues under the County's control (see graph above) (PFM's Center for Justice & Safety Finance 2019, 16, 41). While the County's probation supervision fee was recently reduced from \$300 to \$150 in select cases, many individuals remain subject to the higher fee, in addition to extra fees for those who report by telephone or who participate in certain court-mandated programs and assessments (e.g., a chemical assessment fee of \$125) (PFM's Center for Justice & Safety Finance 2019, 11).

Community Corrections also runs the County's short stay correctional facility, generating revenues from admission fees (\$20/admission), work release fees (\$16/day), and electronic home monitoring fees (between \$6 and \$25/day). Further, similar to the ADC, vendors collect fees for providing medical care, phone calls, and goods in the commissary. While significant, these correctional facility fee revenues were less than half those collected from probation-related services. Even so, the County has expressly signaled its intention to reduce these fees further, as its proposed fee structure for 2020-2021 includes the elimination of admission fees and work release fees (Ramsey County 2019).

Finally, it is also worth noting three additional aspects of these fines and fees revenues. First, they are not costless to collect, and many individuals simply do not pay at all. Second District Court has more than \$60 million in uncollected fine and fee debt (PFM's Center for Justice & Safety Finance 2019, 2), with an estimated collections rate between 20 and 25% (PFM's Center for Justice & Safety Finance 2019, 19). The collections process is costly and complicated, with the Community

Corrections department devoting one full-time position to collections (PFM's Center for Justice & Safety Finance 2019, 20).

Second, by aligning policies in pre-trial detention, probation, and related services with best practices, the County can decrease the need to provide costly services in the first place. For example, decreasing the number of low-risk individuals detained pre-trial at the ADC or requiring probation supervision would decrease the need for revenues to “cover” those expenditures.

Third, following the trail of dollars through the budget is complicated, as certain revenue streams are directed particularly at specific programs and services, making overall budgeting and financial scrutiny more difficult. Furthermore, County officials do not always have access to timely and thorough records on who is charging what fees to whom, how many dollars are being collected and at what expense, or how those revenues are being allocated. Raising standards for reporting and sharing this information, along with limiting the potentially confusing use of special purpose revenues and expenditures could aid the County in achieving its goal of promoting accountability and transparency in government.

## **MOVING FORWARD & LESSONS LEARNED**

Ramsey County’s determination to wean itself completely from fees assessed throughout its criminal justice system is significant, and with the continued support of its leadership, the County seems well on its way to success. Both the County Manager and Board of Commissioners have publicly expressed support for these efforts as reflective of the County’s core values, emphasizing that the “criminal justice system should focus on rehabilitating people, overcoming addiction, reconnecting with family and rejoining productive society,” not making money for the County or causing more harm to struggling individuals and communities (Prather 2019; Vezner 2019).

In its final report to the County, the PFM's CJSF praised the County’s efforts, recommended options to make additional progress, and reviewed potential budget adjustments to fill emerging revenue gaps as fines and fees were reduced:

- In recent months, the County has proposed to eliminate its Correctional Facility admission fee, the chemical assessment fee, and its work release fee; eliminated medical care fees in its Correctional Facility; and issued an RFP seeking a vendor to operate its pretrial supervision and diversion services without relying on fee income from participants (PFM's Center for Justice & Safety Finance 2019, 21). These concrete steps move the County closer to its goal of eliminating these revenues entirely.
- PFM’s CJSF recommended to the Board of Commissioners that it eliminate remaining fees in Community Corrections (probation supervision fees and electronic home monitoring fees); de-authorize its \$1 surcharge in the Second District Court; and eliminate the Criminal Law Library Fee (PFM's Center for Justice & Safety Finance 2019, 22).

- PFM's CJSF also proposed potential offsets to revenue losses, including cost savings (from consolidation of State and County Law Libraries and reduced probation caseloads); avoided costs (from eliminating one FTE in Community Corrections now devoted to fee collections); and new revenues (particularly via renegotiation of a contract to house female inmates from Dakota County in Ramsey County's Correctional Facility). The CJSF also suggested that the County explore the possibility of collecting voluntary payments in lieu of property taxes (PILOTs) from tax-exempt property owners.
- Finally, PFM's CJSF encouraged the County to advocate with the State for legislation that would allow Second District Court judges to waive mandatory surcharges, fines, and fees.

In a public meeting in October 2019, County leaders met these recommendations with enthusiasm, reflecting the County's commitment to improving the health, justice, and equity outcomes of its residents. The County's response was perhaps unsurprising, given how the County's leadership has consistently embraced the need to curtail reliance on fees and fines, both as a matter of fairness and sound fiscal management.

While Ramsey County may be somewhat exceptional in its efforts, the County's experience offers meaningful lessons for jurisdictions nationwide:

- Even jurisdictions with limited legal scope for action can, if creative and determined, identify opportunities to reduce the burdens of regressive fines and fees in the criminal justice system. Ramsey County can act to cut a significant share (23.1%) of fines and fees levied on individuals in its criminal justice system, making a visible difference in the lives of affected County residents.
- Furthermore, jurisdictions can reduce the financial burdens placed on individuals held in locally-controlled detention facilities as detainees seek to communicate with their families, access work release and education opportunities, and purchase basic goods. Counties enter into contracts with vendors and have the power to negotiate fees passed onto detainees; decline revenue sharing options; and/or require timely and detailed reporting on fees revenues. Alternatively, counties can choose to directly fund services and goods provided in the facilities.
- To make good decisions, public officials need detailed, timely, and thorough accounts of the dollars levied and collected in this realm, paying particular attention to the non-trivial administrative costs of collections and to unpaid items as well. CAFRs are insufficient tools in this regard, and to improve transparency and accountability, governments should devote some effort to collecting and scrutinizing the detailed gross and net flows of dollars in and out in this system of fines and fees.
- It is possible to adjust probation and related practices in ways that serve public safety goals while improving fiscal health. By granting early release from probation to more low-risk offenders, for example, the County can (1) contribute to better recidivism outcomes; (2) limit the frequency of technical parole violations that drive stays in the County's Correctional Facility; and (3) decrease staffing needs in its Community Corrections department.

On balance, government officials throughout the country have the opportunity to right-size the role of criminal justice system fines and fees in their jurisdictions, addressing long-standing inequities while improving the quality of their financial stewardship. With governments like Ramsey County at the forefront of these efforts, we are optimistic that we will see significant progress in the years ahead.



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