



Penn-Northwest

DEVELOPMENT CORPORATION

Affordable Solutions For Corporate Expansion

Penn-Northwest Development Corporation, Mercer County's lead economic development agency, respectfully joins our elected officials, community leaders, and residents in requesting the removal of SCI Mercer from the list of potential State Correctional Institution (SCI) facility closures scheduled to occur in the Commonwealth in 2017. Closure of SCI Mercer would mean the state would be eliminating its lowest cost-per-inmate facility, abandon one of its newer facilities in which the Commonwealth has recently invested in significant capital improvements, and ultimately render a decision that has one of the highest impacts on staff and inmates in a community with a historically higher-than-average unemployment rate that has struggled since the crash of the steel industry.

In fact, in its own outline of pros and cons, the Pennsylvania Department of Corrections (DOC) only notes six reasons to consider closure with regard to SCI Mercer, while each of the other identified facilities maintains at least seven, with the exception of only SCI Pittsburgh (which happens to be the oldest facility with the second highest costs). Nonetheless, the DOC's points of interest relating to SCI Mercer are inaccurate and skewed for the reasons stated below.

Closure of SCI Mercer would yield one of the lowest estimated annual savings.

According to the DOC, closing SCI Mercer would yield the Commonwealth an annual savings of \$46 million. This figure is within \$2 million of the lowest estimated annual savings, within \$1 million of the second lowest, and does not take into consideration the potential inflating of costs of maintaining SCI Mercer that has been identified by our elected officials. Specifically, certain work the DOC's report identifies as needing to be completed has, in fact, already been completed or is presently underway. It is also unclear as to whether the DOC's analysis takes into consideration the lower cost of overtime at SCI Mercer. Perhaps the most compelling cost savings factor lies in the fact that SCI Mercer maintains the lowest average daily cost per inmate (\$106.83).

SCI Mercer's minimum security population cannot be easily absorbed by other facilities in close proximity; merely transferring staff and inmates to other facilities is not a reasonable, effective solution.

SCI Mercer is, at best, 65 miles from other proximate facilities (of which there are only three). Northwestern Pennsylvania does not have public transportation options that would offer transportation to the closest facility, an hour or more from Mercer. Incurring the maintenance cost of a vehicle capable to conduct a two-hour commute per day would be imposing on workers. It is simply not reasonable to assume any relocated staff would travel, via rideshare, carpool, or otherwise, from Mercer County to another facility 65 miles away. Moreover, the Commonwealth would incur additional costs to shuttle inmates between their new facility and the Mercer County Courthouse for arraignments, hearings, and trials. An undue burden would also be placed on the Mercer County Jail, which would be forced to

absorb the additional cost of temporarily housing parolees that would no longer be able to be taken directly to SCI Mercer.

SCI Mercer maintains value-added programs that benefit the community; SCI Mercer can easily absorb additional specialized programs.

SCI Mercer offers educational classes that are integral to rehabilitating inmates, including:

- *Academic Education through GED level*
- *Vocational Education: Building Trades, Business Education, Auto Mechanics,*
- *Maintenance and a Barber Manager Program*
- *All vocational programs at SCI Mercer offer official trade-based certifications, i.e., NCCER certifications for the Building Trades and Custodial Maintenance; ICDL computer certification for the Business Education Program; and the Automotive Repair Program offers the PA Auto Inspection certificate.*

SCI Mercer maintains a Community Work Program (CWP) that provides significant value-added service to the community above and beyond financial considerations:

- *The CWP program involves taking selected inmates with outside clearance who are near completion of their sentence into the community to perform voluntary, unskilled labor for governmental and non-profit public service agencies. The goals of this program are to enhance community relations and for the inmates to accomplish useful work, to make a contribution to society, and to develop a strong work ethic and a feeling of self-worth. In 2012, the CWP program performed a total of 9,376 hours of community work for an estimated savings to the community of \$67,976, utilizing the current minimum wage of \$7.25/hour. Some of the projects completed by the CWP crew include:*
- *Painting (interior and/or exterior) at local churches and at the New Castle Armory, New Castle Cathedral, Scottish Rite Cathedral; as well as yard work at the churches and local camp grounds*
- *Painted the pool and walls at the Buhl Community Recreation Center in Sharon, PA, saving the Center \$17,000 in labor costs.*
- *Cleanup at local fairgrounds, including Lawrence County, Mercer Grange, Jefferson Township, and Stoneboro*
- *Local Interstate and Highway litter cleanup*
- *Washing/waxing fire trucks for the Farrell and Hermitage Fire Departments*
- *Loading/unloading food at local food banks*

SCI Mercer has implemented a CARE Canine Program:

- *In May of 2011, SCI Mercer, along with Stray Haven Animal Shelter in Greenville, implemented a dog training program with inmates as the dog handlers/trainers. The program was named CARE (Corrections Adoptive Rescue Endeavor). Having this training program at the prison not only frees up space at the shelter, but also provides the training and socialization needed to make the dogs more adoptable. It also provides the inmates a skill that could be utilized upon release back into the community.*

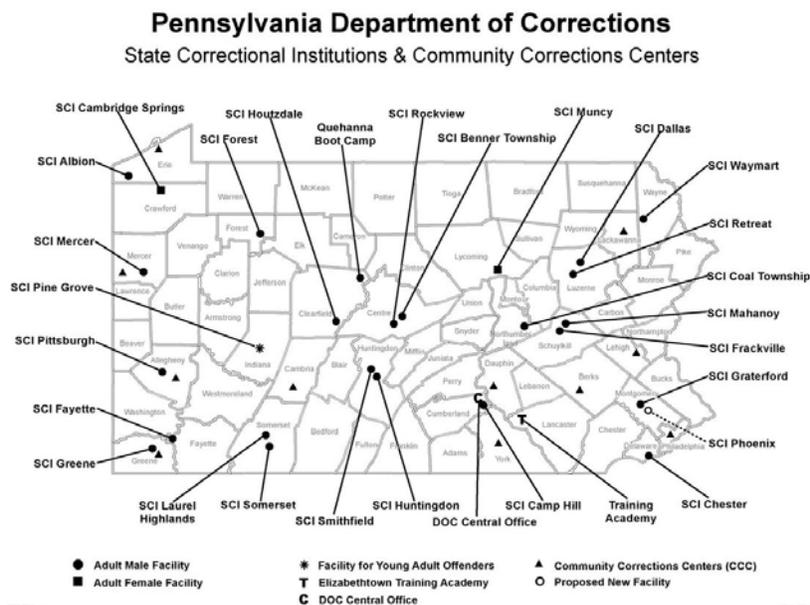
In addition to potential loss of humanitarian contributions, loss of these programs would shift costs onto the community. Moreover, SCI Mercer is an open, campus-like setting positioned on 304 acres of land that is ideal for expansion and flexibility of programs.

Closure of SCI Mercer will impose significant program disruption upon the Department, the Commonwealth, and the community.

Potential closure of SCI Mercer raises potential criminal justice issues. In order to truly provide the least program disruption to the Department and provide long term cost savings to the Commonwealth, we ultimately need to reduce recidivism. Because SCI Mercer is a minimum security prison, it houses those inmates most likely to successfully reenter society. Maintaining the facility and its programs will ensure inmates are provided the programs they need, while ultimately lowering burdens on the Department through successful rehabilitation. SCI Mercer is known for its high incidence of successfully reintroducing offenders into society, and keeping it operational will only further the Department's ultimate goals and objectives.

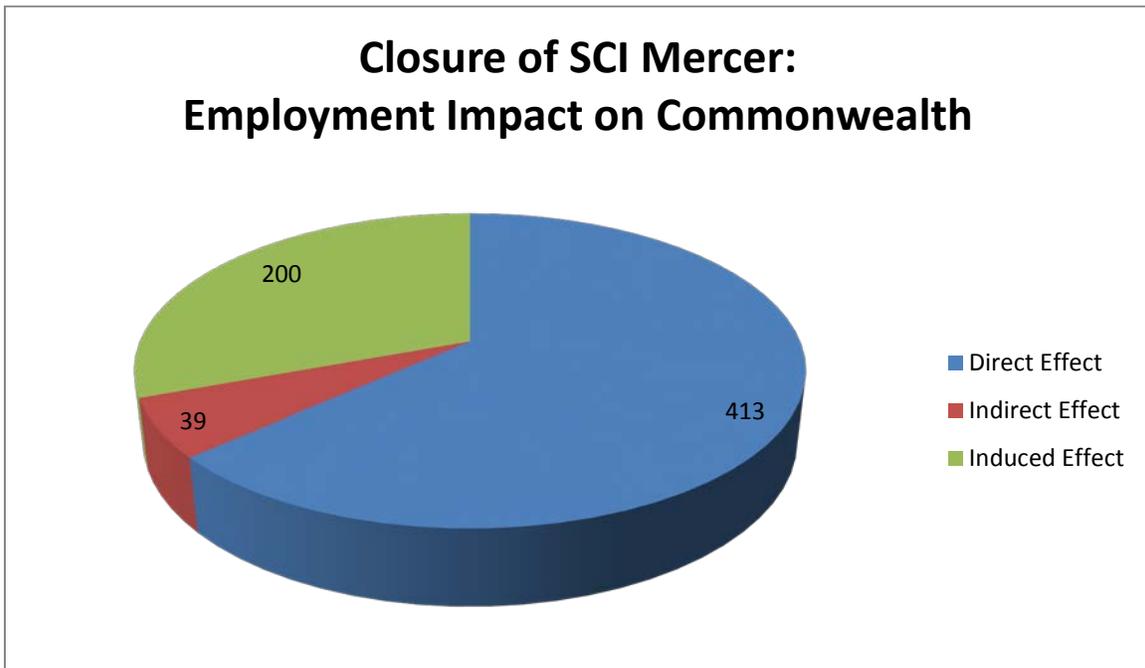
SCI Mercer is strategically positioned in the western region.

SCI Mercer is at 91% emergency capacity and at 94% operational capacity. The Department states current emergency capacity throughout the Commonwealth currently averages 86% and operational capacity currently averages 103%. Clearly SCI Mercer operates both efficiently and within bounds that evidence both its necessity and its ability to help meet future demand. This is especially true into the future, when absorption of inmates from closed facilities will further burden the system. SCI Mercer is a facility prepared to help offset this burden and can do so at the lowest possible cost. With its location at the junction of Interstates 79 & 80, the Commonwealth will be able to transport inmates to/from SCI Mercer easily and efficiently. Should SCI Mercer close, there would not be another facility in western Pennsylvania between Cambridge Springs and Pittsburgh (see map below). As it is, the surrounding counties of Venango, Clarion, Jefferson, Armstrong, Butler, Lawrence, and Beaver do not maintain facilities. Closure of SCI Mercer would leave demands in western Pennsylvania underserved and dictate the need for higher cost alternatives.



IMPLAN Analysis

Should the SCI Mercer facility close, the IMPLAN model of economic forecasting* reveals a total impact (direct, indirect & induced)** on at least 650 jobs, in excess of \$48 million in labor income, in excess of \$65 million in value added, and in excess of \$90 million in output. In addition, the model forecasts a total negative impact on state and local taxes (employee compensation, production & imports, households, and corporations) in excess of \$3.75 million.

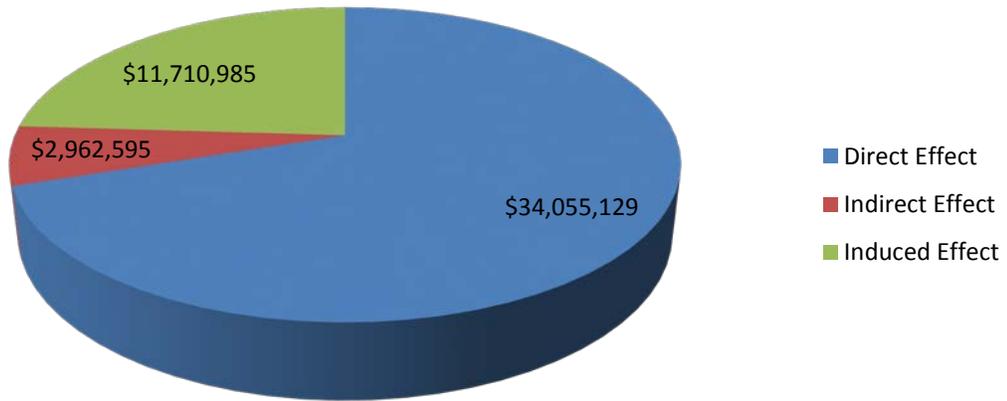


TOTAL EMPLOYMENT IMPACT: 650

*Model utilized: Government Institution Spending Pattern – Commonwealth of Pennsylvania

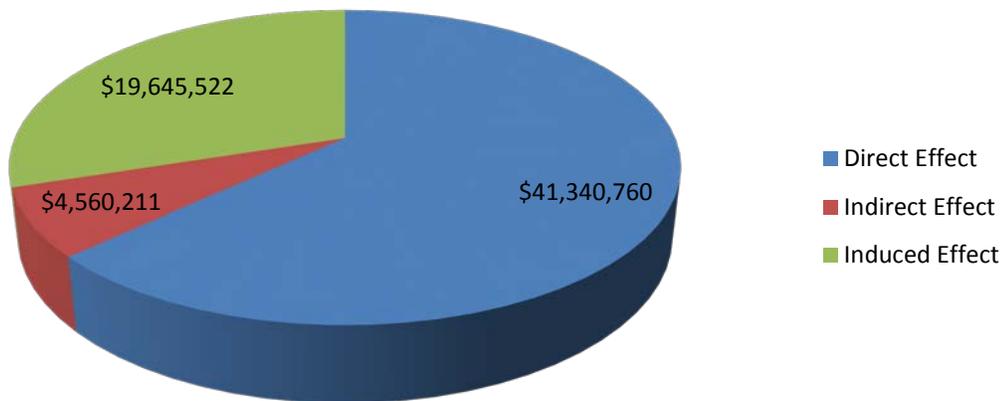
**Indirect jobs are those that support the prison (think: suppliers). Induced jobs are those that are a result of direct/indirect employee's spending money in the community (think: restaurants, retail).

Closure of SCI Mercer: Labor Income Impact on Commonwealth



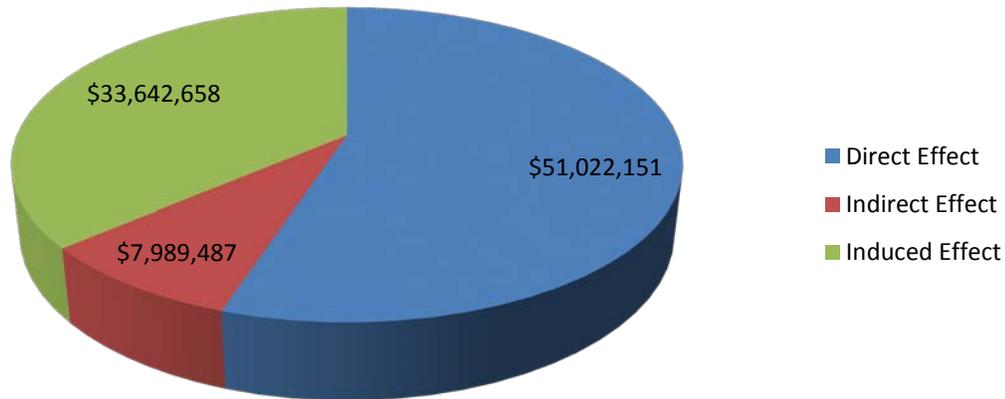
TOTAL LABOR INCOME IMPACT: \$48,728,709

Closure of SCI Mercer: Value Added Impact on Commonwealth



TOTAL VALUE ADDED IMPACT: \$65,546,493

Closure of SCI Mercer: Output Impact on Commonwealth



TOTAL OUTPUT IMPACT: \$92,654,296

Conclusion

Even in the face of a mounting deficit, operationally effective, fiscally sound, cost-effective methodologies, including maximum consideration of staff, community, legislative, and legal impacts, dictate that closure of SCI Mercer is the wrong decision. Unlike larger communities in Pennsylvania, Mercer County has never truly recovered from the decline of the steel industry; since the 1970s, the community has faced a declining population and has struggled to attract quality, family-sustaining jobs. Closure of SCI Mercer could drive Mercer County's unemployment rate up nearly a full percentage point. Resale or repurposing of the facility would be extremely difficult in a community with an already generous inventory of available properties. Our local economy would suffer immensely as a result of lost wages, diminished community services, and an increased demand on county resources.

With lowest operational costs, recent facility upgrades of nearly \$20 million (the most of any other facility under consideration), buildings and mechanical systems in excellent condition, and a potential negative impact on 400+ employees and 1,400+ inmates, it is clear from both cost-savings and impact standpoints that closure of SCI Mercer is the wrong decision. Closure of this facility simply will not yield the Department's or the Commonwealth's desired results. In addition to community and economic impact considerations, closure of SCI Mercer would carry potential negative impacts on security, staff, inmates, and parole processing. At the very least, before a decision is rendered, we respectfully request additional public hearings be held. The livelihood of our community depends upon it.