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Redirecting Law Enforcement Revenues Toward Funding Local Nonprofits: A Design Proposal

Inkyu Kang* Suyoung Choi[†]

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CENTER FOR INTERNATIONAL TRADE AND SECURITY
University of Georgia
110 E. Clayton St, 6th Floor
Athens, GA 30602

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*Faculty Fellow, Center for International Trade and Security and Assistant Professor, Department of Public Administration and Policy, University of Georgia

[†] Doctoral Candidate, Department of Public Administration and Policy, University of Georgia

Abstract

Financial penalties in law enforcement, such as fines, fees, and forfeitures, are vulnerable to exploitation for profit-generating purposes, further eroding public trust in law enforcement agencies. A major challenge with this issue is that the profit-driven motive is difficult to disentangle from a genuine commitment to upholding law and order. Against this backdrop, this study introduces a novel policy proposal: redirecting revenues from law enforcement penalties to local nonprofits. This approach seeks to eliminate conflicts of interest and alleviate public suspicion without limiting the use of financial penalties as a law enforcement tool, while channeling the funds toward community benefits. A survey vignette experiment was conducted with a representative sample of U.S. adults (n=1,030), focusing on traffic fines—a common penalty impacting the general public. Findings reveal that redirecting fine revenues to local nonprofits, rather than police departments, significantly enhances public perceptions of police performance and trust in the police. The study concludes by discussing broader implications of this proposal for the political economy of law enforcement, as well as key considerations and potential challenges for its implementation.

Keywords: political economy of law enforcement, profit-driven law enforcement, nonprofit funding

Introduction

Law enforcement is a distinct government function that possesses the discretionary authority to employ financial penalties in the form of fines and fees. The consequences of this discretion for individuals can be substantial, although the complete extent of its consequences may not be fully recognized. Some high-profile civil rights lawsuits show how ordinary citizens may wind up bearing large financial burdens from police encounters. For example, in *Ingram, et al. v. Cnty. of Wayne*, Detroit police twice seized a vehicle from a city resident named Melisa Ingram and charged a \$900 redemption fee the first time and a \$1,800 fee the second time, along with extra towing and storage fees. Traffic citations represent a more commonly experienced financial burden from police encounters among average individuals. According to estimates based on car insurance applications, nearly 10% of drivers in the US had speeding tickets on their record as of 2022 (Insurify 2022). The cost of a speeding ticket includes not only the one-time charge but also a spike in insurance rates, which can be less visible (The Zebra 2022). When people fail to pay off the fines on time, especially people who are economically underprivileged, the financial burden may proliferate through late fees. For example, in California, police citations for minor offenses, like jaywalking, which initially incur a fine of as little as \$35, can add a “civil assessment fee” of up to \$300 if the person misses a payment deadline or fails to show up in court (Dinzeo 2022).

In many places, revenues from law enforcement are allowed to be used to supplement the budget of the law enforcement agencies or the state and local governments within which the agencies operate (Makowsky 2019). As an example, an equitable sharing program allows state and local police agencies to collaborate with the Department of Justice or the

Department of the Treasury for civil asset forfeiture and receive up to 80% of the proceeds (Knepper et al. 2020). One of the consequences of this collaboration is that agencies may be tempted to engage in so-called 'profit-driven law enforcement.' A problem is that the original mission to fight crime and maintain peace and safety may get disregarded by the demand for money. In a way, it can be viewed as a classic principal-agent problem: the agent chases budget interests and shirks from its responsibility to work for the people's best interests. The apparent conflict of interest is a major factor undermining public perceptions of, and attitudes toward, the agencies, which are critical bases for police-community relations and policing by consent. Not only do citizens who are levied fines and fees may experience frustration and even anger, but those who learn about the agencies' monetary benefits from these revenues may also react negatively.

The debates around profit-driven law enforcement have been around for quite a while. In the US during the 1980s, for instance, critics argued that the Drug War was a failed policy; yet it persisted mainly because of the lucrative rewards it offered to police and prosecutorial agencies (Blumenson and Nilsen 1998). Despite numerous reforms that have made progress, the issue remains unresolved to an extent. A major dilemma complicating the reform is the difficulty in disentangling profit-driven motives from legitimate law enforcement activities aimed at maintaining law and order. Attempts to impose constraints on the use of fines and fees might face counterarguments justifying their role as a less intrusive enforcement mechanism compared to physical detention. The view that financial penalties contribute to safety and order outcomes is not entirely without empirical grounding. For instance, studies have shown that traffic citations and penalty-point systems may, to an extent, have a deterrent effect on curbing dangerous driving behaviors and traffic

accidents (e.g., Luca 2015; Killias, Villettaz, and Nunweiler-Hardegger 2016; Rebollo-Sanz, Rodríguez-López, and Rodríguez-Planas 2021).

Against this backdrop, this study adopts a design-oriented approach (Barzelay 2019) and explores a new prescriptive proposal: *redirecting law enforcement revenues toward funding local nonprofits*. The main idea is to allocate these revenues to independent local nonprofits rather than to the law enforcement agencies themselves, or the government branches within which the agencies operate. This approach aims to address the conflict of interest that arises when agencies benefit directly from the revenues, without impinging on their discretion in administering financial penalties. In other words, it restructures the incentives for agencies in relation to financial penalties without compromising the inherent instrumental role of the financial penalties as an enforcement mechanism. Meanwhile, the redirected revenues can still contribute to the public interest through nonprofits, which are inherently mission-oriented and, in part, reliant on external funding to expand their operations. Ultimately, this approach is expected to improve public attitudes toward law enforcement agencies, as people will no longer perceive financial penalties as driven by the agencies' selfish incentives. Our proposal is particularly well-suited to countries where the nonprofit sector plays a significant role in public service delivery, as is the case in the US.¹

The body comprises four sections. First, we address issues pertaining to the political economy of law enforcement in conjunction with the growing fiscal strain on governments across nations. Next, we review existing reform proposals aimed at rectifying profit-driven law enforcement and highlight the distinctive contribution of our own prescriptive proposal by drawing on relevant theoretical insights. Third, we present supportive evidence from a randomized vignette experiment involving a sample representative of US adults in terms of

age, gender, race/ethnicity, and region (n=1,030). The findings suggest that reallocating revenues from police fines to local nonprofits, as opposed to the police themselves, positively affects people's perceptions of agency performance and trust in the agency. We discuss the broader implications of our proposal, as well as potential implementation challenges that should be considered when converting our proposal into a substantive policy design in practice. This study offers simple yet relevant implications for scholarship exploring the political economy of law enforcement in democratic states.

Fiscal Stress in Government and the Political Economy of Law

Enforcement

Since the Tax Revolt that swept across the US in late 1970s, especially in the wake of California's adoption of Proposition 13 in 1978, mass opinion has rarely been in favor of expansion of government taxation. A tax increase is understood as an extremely risky agenda for elected office holders who are sensitive to voter sentiments. Numerous studies have shown that reelection prospects drop significantly when politicians implement or publicly advocate for a tax increase (Sobel 1998; Niemi, Stanley, and Vogel 1995; Mikesell 1978; Besley and Case 1992). While cross-national comparisons of government taxation and expenditures are complicated, income taxes combined with mandatory social-insurance contributions for Americans are generally lower compared to most of the economically developed nations (Desilver 2017). The budget constraints have been more severely experienced by state and local governments that do not have the same access to deficit spending or other means to cope with fiscal distress that the federal government enjoys (Deller et al. 2013; Joyce and Mullins 1991).

This financial pressure has had a significant effect on the political economy of law enforcement. Fines, fees, and forfeitures that are used during law enforcement bring lucrative cash that complements the weakening tax bases of the government, especially at the local level. The dependency of municipalities on law enforcement revenues to keep up with service demands and secure operational continuity is getting stronger and more institutionalized (Colgan 2017; Shoub et al. 2021). In some cases, the money goes directly to the law enforcement agencies. For example, speeding ticket revenues are allowed to fund court or law enforcement operations in most US states (Boddupalli and Mucciolo 2022). In one out of every ten police forces, fine and forfeiture revenues cover approximately one-third of the operating expenses (Makowsky 2019). Equitable sharing is a particularly controversial example. According to the Comprehensive Crime Control Act of 1984, the federal government may partner with state and local police agencies for civil asset forfeiture and allocate up to 80% of the proceeds to the participating agencies as a kickback (Executive Office for Asset Forfeiture 1994). Blumenson and Nilsen (1998) made a relevant observation: "At a time when state and local government budgets are shrinking, equitable sharing offers a new source of income, limited only by the energy police and prosecutors are willing to commit to seizing assets." (p. 51)

The fact that law enforcement revenues may directly benefit the agencies creates a path towards profit-motivated law enforcement. A classic principal-agent problem emerges where the agencies are tempted to chase self-interest while abandoning their duty to work in the public's best interests. Profit motivation was also pointed out as the culprit in an array of recent high-profile incidents of police misconduct and unwarranted use of excessive force. Most notably, in the aftermath of the police killing of Michael Brown in Ferguson, Missouri,

the US Department of Justice investigated the case and concluded that the city police were under pressure to bring revenues from traffic tickets to help the local government cope with weakening tax bases (U.S. Department of Justice 2015).

“Ferguson’s law enforcement practices are shaped by the City’s focus on revenue rather than public need. This emphasis on revenue has comprised the institutional character of Ferguson’s police department, contributing to a pattern of unconstitutional policing, and has also shaped its municipal court, leading to procedures that raise due process concerns and inflict unnecessary harm on members of the Ferguson community (p. 2)

There is ample empirical evidence that the incentive to raise money does affect the agencies’ decisions to utilize financial penalties. Makowsky and Stratmann (2009) showed that when drivers are non-residents from out of town, they are more likely to get ticketed with a higher fine. This implies that the police are serving their local government’s preferences by exporting taxes to non-residents. In a similar vein, Makowsky, Stratmann, and Tabarrok (2019) found that police arrests of minorities increase with local deficits when retaining revenues from forfeited property is made easier. More recently, Su (2020) found that in California from 2004 to 2015, counties increased traffic fines per capita by more than 40 cents after a 10-percentage point decline in tax revenue in the previous year but did not reduce traffic fines when there was an increase in tax revenue. The study concluded that county governments are likely viewing traffic fines as an easy source of cash to offset tax revenue loss. Goldstein, Sances, and You (2020) further showed that police departments in municipalities that generate a greater proportion of their revenue from fees display significantly lower rates of solving violent and property crimes.

The shift in focus from public safety to public finance may undermine public attitudes toward law enforcement agencies. The apparent conflict of interest will likely lead people to question whether the agencies are acting like pirates in pursuit of money rather than as devoted servants of the community. Not only do the people who are directly subject to paying fines and fees experience a sense of frustration and even anger, but also those who encounter information about how financial penalties may benefit law enforcement agencies may feel that the agencies are abusing their authority for budgetary reasons. Over time, this rift may widen: low trust in the agencies hampers law enforcement by consent (Goldsmith 2005), further escalating tensions in officer-civilian encounters and attracting more aggression (Lea and Young 1984; Goldsmith 2002). This creates a vicious cycle that erodes the foundation of 'policing by consent', a modern approach to governing law and order in democratic societies.

Redirecting Law Enforcement Revenues toward Funding Local

Nonprofits: A Design Proposal

Extensive studies have examined various reform initiatives pertaining to profit-driven law enforcement. For instance, many argue that the courts should perform more thorough examinations of the due process behind financial penalties (e.g., Reynolds and White 2020). Others claim that abolishing the controversial aspects of police discretion, such as civil forfeiture that does not require prior conviction, is the most urgent (e.g., Chigbrow 2021). Some economists and criminologists suggest that law enforcement revenues may be deposited in the state's general fund and redistributed to municipalities strictly based on the population size, which is referred to as "per capita municipal block grants" (Makowsky 2019, p. 15).

These proposals promote positive changes and have their own strengths. However, a key dilemma that complicates the issue is the fact that it is inherently difficult to untangle the agencies' pursuit of profits from their genuine dedication to legitimate operations. Are the revenues generated from fines merely incidental outcomes of lawful enforcement efforts? Or are they intentional results driven by a money-seeking motivation that agencies are not fully transparent about? Worrall and Kovandzic (2008) recognized the dilemma and made the following statement: "Our study lends a measure of support to the arguments espoused by forfeiture's critics, namely that forfeiture may be pursued for financial reasons. *We cannot, however, ... assert that forfeiture supersedes other criminal justice goals, such as enforcement of antidrug laws* (p. 219). Indeed, financial penalties are often justified and supported as an indispensable, less-intrusive alternative to physical detention, arguing that these cannot be eliminated in the profession of law enforcement.

One way to overcome this dilemma is to redirect law enforcement revenues to an independent external entity. By severing the link between the law enforcement revenues and the agencies or their affiliated government entities, potential conflicts of interest are alleviated. As such, it becomes less likely that fines and fees will be exploited due to the agencies' selfish incentive to maximize their budgets, without any constraints over the agencies' use of financial penalties. The idea builds upon the core assertions in the bureaucratic control literature (McCubbins and Schwartz 1984; Weingast 1984; Weingast and Moran 1983; Miller and Whitford 2007), highlighting the importance of a proper incentive structure for bureaucrats to promote their responsiveness to public interest. As Moe (1984, p.756) stated, "The agent has his own interests at heart, and is induced to pursue the principal's objectives only to the extent that the incentive structure imposed in their

contract renders such behavior advantageous.” Having the right incentive structure addresses the limitations of a purely accountability-based approach, which can inadvertently undermine agency morale (Marvel and McGrath 2016).

Local nonprofit organizations emerge as potential candidates to serve as the external, independent entities to which law enforcement revenues can be redirected. Nonprofit organizations occupy a crucial role in public service delivery, operating with the primary goal of addressing various social, environmental, and cultural issues. They are uniquely characterized by their distinct mission-driven nature (Salamon 2012). As tax-exempt organizations serving public purposes, nonprofits benefit from tax-deductible donations, thereby further recognizing their contribution to public welfare and encouraging increased private donations. In exchange for these fiscal advantages, nonprofits are required to maintain stringent financial transparency and accountability. They are bound by non-distributional constraints, ensuring that residual incomes must not be distributed among any stakeholders, and their involvement in political and lobbying activities is limited. Failure to comply with these legal obligations may lead to the revocation of their tax-exempt status. These defining attributes, including being mission-driven, adhering to non-distributional constraints, and maintaining a non-political nature, partly explain why members of society tend to hold higher trust in the nonprofit sector compared to their public and for-profit counterparts (Chapman et al. 2021; Hansmann 1980; Young 1998; Van Slyke 2007; Herzlinger 1996).

Nonprofits that operate at a local level tend to represent community values more closely (Shier et al. 2014). They address specific community issues, including homelessness, education, health care, and environmental conservation, which are directly related to

community welfare but are either overlooked or inadequately served by other sectors. Their activities are often specifically tailored to the distinct contexts and needs of the communities they serve. Additionally, local nonprofits demonstrate active engagement within their communities by soliciting input, encouraging participation and volunteerism, and nurturing a communal purpose. This extensive level of community interaction not only democratizes their operational approach but also bolsters public trust (Becker et al. 2021; Chapman et al. 2021). Such facets – a shared sense of purpose and active public engagement – mean that support for these nonprofits is viewed not just as backing the organizations themselves, but as a more effective and targeted investment in community needs and priorities.

Benefits for Public Attitudes toward the Agencies: Empirical Hypotheses

Based on the outlined theoretical discussions, we hypothesized that allocating law enforcement revenues to local nonprofits as opposed to the law enforcement agencies themselves will enhance people’s judgment of agency performance and trust in the agencies.

The body of research on causal attribution and the folk concept of intentionality provides micro-level theoretical support for our hypothesis. In many areas of everyday life, such as reading newspapers or socializing with colleagues at work, people make attributions about “why” certain events occurred, looking for salient causes of social reality (Wegener and Petty 1998; Heider 1958; Kelley 1973). Causal attribution is rooted in a fundamental human desire to be in control of the surrounding environment (Regan 1978). When the event to be explained is an “intentional” human behavior, the intention in itself seldom has any explanatory value (D’Andrade 1987). For example, “Why are the police ticketing drivers on the road?” – “Because they intend to ticket drivers.” Instead, people make sense of the

behavioral intention by referring to the “reasons behind the intention” (Heider 1958, p. 110; see also pp. 125–129) which cites the actor’s beliefs and desires. This is called a *reason explanation* (Malle 1999): “Why are the police ticketing drivers on the road?” – “Because they intend to ticket drivers in order to collect cash.” When there are salient background factors that enable reasonable speculations about the actor’s beliefs and desires, such as culture or a situational context, a reason explanation extends to a *causal history explanation* (O’Laughlin and Malle 2002; Malle and Knobe 1997; Malle 1999; Malle et al. 2000): “Why are the police ticketing drivers on the road?” – “Because they intend to ticket drivers in order to make some cash, given that traffic ticket fines are sent to the police themselves.”

When the revenues from fines and forfeitures go to the agencies or related government entities, people will easily become suspicious about the profit-generating motivation behind the financial penalties. This is a subjective inference that does not necessarily require verification from hard evidence. Even when the agencies use financial penalties for legitimate operation and collect revenues as an unintended byproduct, the apparent conflict of interest is sufficient for people to infer a corrupt, profit-chasing motive. Sending law enforcement revenues to local nonprofits that maintain no direct ties with the agencies precludes the emergence of a causal history explanation. This, in turn, should translate into more positive public perceptions about the agencies’ performance as well as public trust in the agencies.

Hypothesis 1-1: Allocating law enforcement revenues to local nonprofits rather than the enforcement agencies themselves will positively affect people’s judgment of the agencies’ performance.

Hypothesis 1-2: Allocating law enforcement revenues to local nonprofits rather than the enforcement agencies themselves will positively affect people's trust in the agencies.

We also examined the competing instrumental view that justifies financial penalties as a tool for law enforcement outcomes. Indeed, both the outcome and process of government operation are important pillars of public trust (Van Ryzin 2011). Agencies should also demonstrate competence in delivering substantive results (Sun et al. 2017; Tankebe 2013; Kochel, Parks, and Mastrofski 2013). The request for effectiveness in maintaining law and order is not as purely utilitarian as it may seem. It is in part a normative condition upon which the authority of law enforcement agencies is validated and justified (Bottoms and Tankebe 2012; Tankebe 2013). Na et al. (2023) conceptualizes police effectiveness as a public value, which refers to 'an appraisal of what is created by government on behalf of the public' (Nabatchi 2012, p S310). They argue that people's judgment and attitudes about the police hinge on their perceptions of police effectiveness because they believe it is a key public value "that should be pursued by the police as a publicly funded government institution" (p. 4). From this point of view, law enforcement agencies should try to use fines and fees in ways that display the strongest instrumental contribution possible. Strengthening the relationship between financial penalties and their intended outcomes will signal effectiveness, which will translate into greater public trust in the agencies.

Hypothesis 2-1: A positive association between financial penalties in law enforcement and their intended outcomes will positively affect people's judgment of the agency's performance.

Hypothesis 2-2: A positive association between financial penalties in law enforcement and their intended outcomes will positively affect people's trust in the agency.

In practice, outcome-based and process-based interpretations of agency operation are both at work. Neither one completely dominates the other. Assuming the coexistence of the two dimensions, we further hypothesized that the benefit of redirecting law enforcement revenues for nonprofit funding will be greater if the financial penalties are also demonstrating a decent instrumental effectiveness. People are more likely to accept information that confirms their prior perceptions and judgments, while ignoring information that is inconsistent with their prior perceptions and judgment —so-called “confirmation bias” (Klayman 1995; Evans 1989; Kappes et al. 2020). It occurs even when people have no personal material stakes and are not conscious of treating information in such a biased way (Nickerson 1998). To the extent that this confirmation bias holds, preventing the agencies from benefitting from the law enforcement revenues and instrumental effectiveness of financial penalties in law enforcement will reinforce each other and jointly enhance people's judgment and attitudes about the agencies.

Hypothesis 3-1: Allocating law enforcement revenues to local nonprofits rather than the enforcement agencies themselves will have a greater positive effect on people's judgment of the agencies' performance when the financial penalties are positively associated with their intended outcomes.

Hypothesis 3-2: Allocating law enforcement revenues to local nonprofits rather than the enforcement agencies themselves will have a greater positive effect on people's trust in the agencies when the financial penalties are positively associated with their intended outcomes.

Methods

Data

We conducted a randomized vignette experiment involving a sample representative of US adults in terms of age, gender, race/ethnicity, and region (n=1,030). The experiment was embedded in an online survey that consisted of multiple vignettes presented in random order. The online survey was distributed through Qualtrics in March 2022. Our sample was drawn by quota sampling. Convenience sampling was employed until the four pre-identified demographic characteristics of our sample resembled that of our theoretical population: US adults. By virtue of quota sampling, we gained an increased assurance that the results would be roughly generalizable despite the absence of perfect random sampling. As presented in Table 1, our study sample resembled the US adult population in terms of the four quota demographics.

(Insert Table 1 Here)

Experimental Vignette and Treatments

A caveat is that since survey vignettes are artificial, the results may not exactly hold the same in a real-world setting. This is a limitation of vignette experiments that was discussed in prior studies (e.g., Andersen and Jakobsen 2017). Nevertheless, a survey vignette experiment is the best-suited design for the current study. Our treatment—i.e., redirecting law enforcement revenues for local nonprofit funding—is practically impossible to investigate in a field or lab experiment. Observational data are also absent, which limits the application of alternative causal inference methods or correlational analysis with statistical adjustments.

The vignettes contained two independent treatments which resulted in a two-by-two between-subject design (the wordings of the vignette and the logic of random assignment are presented in Figure 1). The vignette was contextualized in traffic fines, which is a common financial penalty that average Americans experience from police encounters. It started with a brief statement: 'Revenues from traffic fines are on the rise in US cities.' This reflects the reality that several major US cities, such as Chicago and Washington D.C., are experiencing increased revenues from law enforcement fines (Fines and Fees Justice Center, 2024). The first treatment manipulated whether there was a decent positive association between the police's use of traffic fines and the city's traffic safety (Yes vs. No). The second treatment manipulated whether the traffic fine revenues were allocated to local nonprofit organizations as opposed to the police themselves (Yes vs. No). It must be noted that the second treatment manipulates the mechanism of revenue allocation rather than the sectoral identity of the agency (e.g., public versus nonprofit), which is relevant to another body of literature that explores sectoral perceptions and biases (e.g., Meier et al., 2002). Furthermore, the treatment focuses on reallocating law enforcement revenues to local nonprofits without further specifying the specific sub-sectors in which the nonprofits operate (e.g., education, health, or religion), the size of their clientele, or the extent of their commercial activities. While these may serve as important contextual factors, exploring effect heterogeneity falls outside the scope of this study and is reserved for future research.

(Insert Figure 1 Here)

As shown in Figure 1, the two treatments were designed in such a way that the text variations across different experimental conditions were kept to a minimum. This ensures that our treatments manipulated precisely what we intended to manipulate while not causing other

unintended changes at the same time. After the participants read their assigned vignette, they were asked to answer two questions about police traffic performance and trust in police, respectively (see Figure 1), which served as the dependent variables. Single-item measures are known to have psychometric shortcomings (e.g., Kruijven, Emons, and Sijtsma 2013), but they are often used for pragmatic reasons in applied settings, such as preventing respondents' fatigue which may affect the quality of their responses (Credé, Harms, Niehorster, and Gaye-Valentine 2012). First, the judgment of police traffic performance measure directly asked the respondents to rate the performance of the police in enforcing traffic laws, which is widely used to measure perceived government performance in various policy domains (e.g., Riccucci et al. 2014). Trust in police measure was constructed based on the conceptual definition of benevolence as a key dimension of trust, "assessment of a trustee's willingness to act in the best interest of the trustor" (Jones and Shah 2016, p. 394), which has been commonly adopted as a single-item measure of trust in government agencies in public policy and administration research (e.g., Grimmelikhuijsen and Knies 2017).

Results

Full results are summarized in Table 2 and visualized in Figure 2. The main analyses² assumed that the dependent variables were measured on a continuous scale. Even when they were treated as ordinal variables in a follow-up analysis, the results were consistent (see Table A1 in the appendix to find the results).

First, when the traffic fine revenues were allocated to local nonprofits as opposed to the police themselves, there was a positive effect on people's judgment of police performance (Coef. = 0.152, p -value = 0.018) as well as trust in police (Coef. = 0.136, p -value = 0.049).

Therefore, both Hypothesis 1-1 and Hypothesis 1-2 are supported. Next, when the police issued significantly more fines and the city traffic safety improved accordingly—namely, the traffic fines displayed a decent instrumental effectiveness, there was also a positive effect on people’s judgment of police performance (Coef. = 0.913, p -value = 0.000) as well as trust in police (Coef. = 0.541, p -value = 0.000). Therefore, both Hypothesis 2-1 and Hypothesis 2-2 are supported. These results indicate the importance of ensuring and demonstrating the effectiveness of financial penalties for public perception. Lastly, the interaction effect between the two treatments was not significant for people’s judgment of police traffic performance (Coef. = 0.103, p -value = 0.423) and trust in police (Coef. = 0.028, p -value = 0.840). Thus, neither Hypothesis 3-1 nor Hypothesis 3-2 is supported, implying that the two treatments played out independently to affect the outcome variables.

It is worth noting that the effect size of the second treatment was relatively small for both people’s judgment of police performance (Cohen’s D = 0.124) and trust in police (Cohen’s D = 0.116). In comparison, the effect size of the first treatment was larger for people’s judgment of police traffic performance (Cohen’s D = 0.873) and for trust in police (Cohen’s D = 0.490). The disparities in practical significance between the two treatments might have resulted from a treatment order effect. It could have been the case that the first treatment took up most of the participants’ attention. Another possibility arises from the design of our first vignette treatment. The first treatment – i.e., whether there was a positive association between the police’s use of traffic fines and the city’s traffic safety – was represented by the phrases 'better than average' and 'worse than average' in our vignette. These wordings are somewhat stronger than alternative contrasts such as 'above average' and 'below average,' thereby amplifying the treatment effect. Finally, it could have been

simply the case that people are less sensitive to where the traffic fine revenues go than they are concerned with the instrumental values of traffic citations. These are unverified speculations that should be considered in future research.

(Insert Table 2 Here)

(Insert Figure 2 Here)

Discussion and Conclusion

Under tightening budget constraints, revenues from fines and fees in law enforcement are a significant temptation for the states to make up for their crumbling tax bases and meet the increasing service demands. Alongside this political economy of law enforcement, reasonable criticism for profit-driven law enforcement has emerged, namely, that law enforcement ends up being exploited as a lucrative business. Prioritization of money over legitimate safety and order outcomes is a threat to government responsiveness, which is a pivotal normative principle in a democratic state (Waterman and Meier 1998; Saltzstein 1992; Cook and Wood 1989; Gailmard 2012; Bovens, Goodin, and Schillemans 2014). This further undermines public attitudes toward law enforcement agencies³, as people attribute the fines and fees to the agencies' selfish budgetary motives and consequently lose faith in the integrity of financial penalties in law enforcement.

Our study suggests that redirecting law enforcement revenues to local nonprofit organizations is a prescriptive design with potential merits. Most importantly, this approach helps correct the incentive structure for law enforcement agencies without necessarily reducing or even eliminating fines and fees. Thus, it avoids conflicts with counterarguments that fines and fees reflect the agencies' commitment to public safety and order, which is

inherently challenging to distinguish from a corrupt, cash-generating business model. The empirical evidence from this study shows that diverting fines to fund local nonprofits, rather than the law enforcement agencies themselves, improves people's perceptions of the agencies' performance and their trust in these agencies. Since the apparent conflict of interest is resolved, people no longer attribute the fines to profit-driven budgetary motives, enabling them to form more positive attitudes toward the agencies. In a way, these findings provide a reason for the agencies themselves to welcome the proposed design, as they would no longer need to be concerned about backlash and criticism whenever fines and fees are imposed as part of regular law enforcement activities.

Redirecting revenues to local nonprofits will enhance outcomes by enabling these organizations to expand their operations within communities, thereby meeting local needs and expectations (Salamon and Toepler 2015; Weisbrod 1975). While some studies have cautioned against the adverse consequences of nonprofits' reliance on government funding, such as loss of autonomy (Pfeffer and Salancik, 1978; Schmid, Bar, and Nirel 2008; Salamon 2002), goal displacement (Jung and Moon, 2007), crowding-out of private contributions (Andreoni and Payne 2003), and bureaucratization (Anheier et al. 1997), others have adopted a more optimistic view. They suggest that enhanced financial stability and capacity (Grønbjerg, 1993) enable nonprofits to scale up their programs and operations, support their political activities (Chaves et al. 2004), expand their clientele, and foster innovation (Steuerle et al. 2017; Young and Casey 2017). This is evidenced in the US, where the expansion of nonprofits was stimulated and promoted in part by the government's financial support (Lecy and van Slyk 2013; Smith and Lipsky 1993). Government endorsement may also increase the nonprofits' credibility and reputation (Austin 2003; Lee 2021), attracting

more private donors in what is referred to as 'crowd-in effects' (Heutel 2014; Thornton 2014). As noted by new governance theory, government support for nonprofits is “a logical and theoretically sensible compromise” (Salamon 1995, p.48-49). This concept underscores the role of nonprofits as vital partners in implementing public programs and promoting societal well-being (Smith and Lipsky 1993; Young and Casey 2017; Weisbrod 1975).

While our proposal demonstrates potential, it is important to acknowledge and discuss potential implementation challenges. First, law enforcement agencies heavily reliant on fine and forfeiture revenues may resist the proposed change. The new system may leave these agencies vulnerable to budget shortfalls, complicating their management and performance. As such, a smooth transition that accompanies ways to help agencies maintain managerial continuity and prevent resistance to change is recommended. Second, debates should be conducted regarding the optimal use of the allocated funds within the nonprofit sector. For example, directing law enforcement revenues to commercialized nonprofits that charge high fees to their users may raise concerns, particularly from a social equity perspective. Third, some law enforcement agencies collaborate with local nonprofits to jointly tackle public safety problems. Allocating law enforcement revenues to nonprofits in such cases could complicate the relationship and potentially create incentives for collusion. One approach to address this concern could be to prioritize domains that are distinct from policing and law enforcement, such as arts, religion, humanities, environment, or animals. Last but not least, the process of allocating revenue to nonprofit organizations must be equitable and transparent. Transparency and clear communication about the purpose and impact of the redirected funds are crucial for maintaining the primary goals and public trust. The funding source must not undermine the nonprofits' mission or public perception.

Additionally, determining which nonprofits should receive how much funding can become a complex task. Nonprofits, driven by their own interests in maximizing budgets, may engage in political conflicts or other unexpected problems arising from the new revenue source. To mitigate these issues, it is essential to establish a system of monitoring and evaluation. This system should assess the outcomes and impacts of the funding, ensuring that it aligns with the intended objectives and provides tangible benefits to the community. Such oversight not only fosters accountability but also guides future allocations, ensuring the effectiveness and fairness of the funding process. These challenges represent just a few of the many potential issues that may arise when our proposed design is translated into practical policy prescriptions.

Our study builds on the view of public administration as a design-oriented professional discipline (Barzelay 2019). Over the past few decades, the field of public administration has been increasingly filled with studies that are concentrated on descriptions of, or causations between, pre-existing theoretical constructs. Meanwhile, the number of case studies of outstanding successes or experimentation with new prescriptions have decreased. Arguably, this tendency has shrunk the role of research in crafting new arrangements that are oriented towards problem-solving. To convert existing conditions to preferred conditions and address pressing societal challenges, which is done in other comparable fields such as engineering or medicine, scholarly works should take part in building designs that did not exist before, or are not copied, under intellectual control (Barzelay 2019).

Notes

1. According to the National Center for Charitable Statistics (NCCS), there are more than 1.5 million registered nonprofit organizations in the US. The nonprofit sector contributes more than 5% of the country's Gross Domestic Product (Independent Sector 2021).
2. We conducted a balance test to confirm that the randomizations for the two vignette treatments were successful. The results indicate that the treatment groups and the control groups did not differ significantly at a significance level of 0.1 in terms of four basic demographic attributes: age, gender, race/ethnicity, and household income.
3. We acknowledge that there are potentially various mechanisms through which fines and fees affect a person's trust in the police and not all mechanisms are related to the final destination of the revenues. For instance, people who are levied fines and fees might lose trust in the police because they feel the process is unfair (e.g., "There are so many people who violate the same law, but why are they coming after just me?"), which relates to the procedural justice model of trust in police.

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Table and Figure

Table 1 Descriptive Statistics

	Study Sample	US Adult Population*
<i>Age</i>		
18-24 years old	11.07%	12.0%
25-44 years old	37.48%	34.3%
45-64 years old	23.69%	33.0%
65 or older	27.77%	20.7%
<i>Gender</i>		
Male	49.13%	49.2%
Female	50.87%	50.8%
<i>Race/Ethnicity</i>		
White/Caucasian	62.91%	60.1%
Black/African American	12.23%	13.4%
Hispanic/Latino	17.48%	18.5%
Asian	5.44%	5.9%
Other	1.94%	2.1%
<i>Region</i>		
Northeast	17.38%	17.8%
Midwest	21.94%	20.7%
West	23.59%	23.6%
South	37.09%	37.9%
	n = 1,030	N = 253,272,570

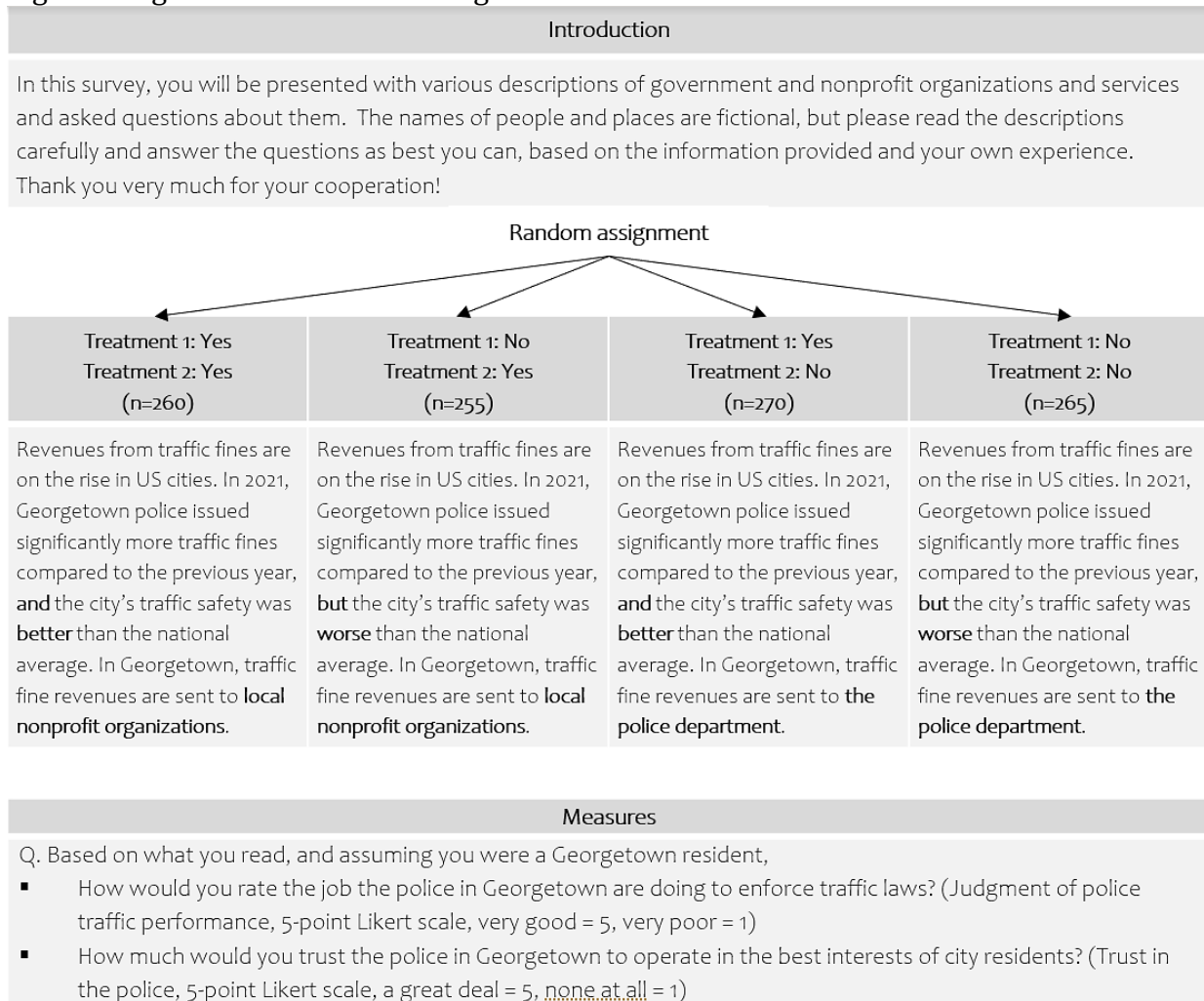
* The demographic information about the US adult population for 2020 is retrieved from the US Census Bureau 2020 ACS 5-year estimates.

Table 2 Linear Regression Results Summary (Main Findings)

	Baseline Model			Interaction Model	
	Coef. (S.E.)	$P > t $	Cohen's D	Coef. (S.E.)	$P > t $
<i>DV: Judgment of Police Performance</i>					
T1: Positive Traffic Fine-Traffic Safety Association	0.913 (0.064)	0.000***	0.873	0.964 (0.090)	0.000***
T2: Allocation of Traffic Fine Revenues to Nonprofits	0.152 (0.064)	0.018**	0.124	0.203 (0.091)	0.026**
T1 × T2				-0.103 (0.128)	0.423
N = 1,030	Adjusted R ² = 0.168			Adjusted R ² = 0.176	
<i>DV: Trust in the Police</i>					
T1: Positive Traffic Fine-Traffic Safety Association	0.541 (0.069)	0.000***	0.490	0.554 (0.096)	0.000***
T2: Allocation of Traffic Fine Revenues to Nonprofits	0.136 (0.069)	0.049**	0.116	0.150 (0.098)	0.127
T1 × T2				-0.028 (0.138)	0.840
N = 1,030	Adjusted R ² = 0.058			Adjusted R ² = 0.057	

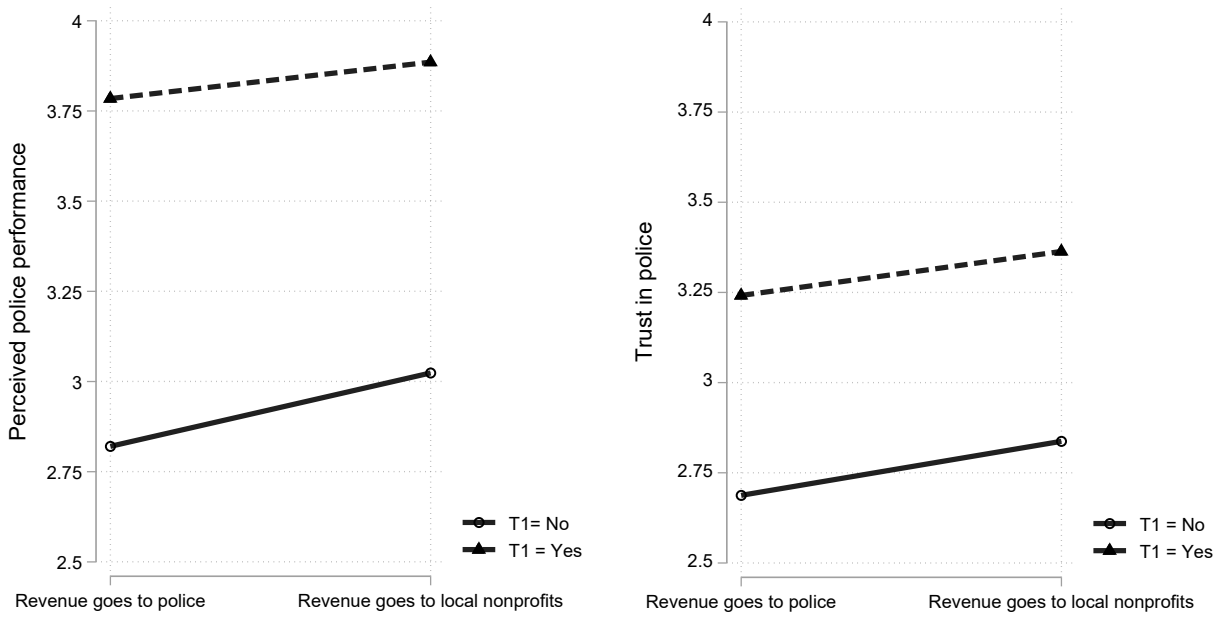
Note. $p < 0.05$: **, $p < 0.01$: ***, two-tailed test.

Figure 1 Vignette and Random Assignment



Note. Treatments that are highlighted in bold were not highlighted in the actual vignettes. The two survey questions were displayed in random order to prevent item-order bias in the measurements.

Figure 2 Visualization of Treatment Effects



Appendix

Table A1 Ordered Logistic Regression Summary

	Baseline Model			Interaction Model		
	Odds Ratio	Coef. (S.E.)	P > t	Odds Ratio	Coef. (S.E.)	P > t
<i>DV: Judgment of Police Performance</i>						
T1: Strong Traffic Fine-Traffic Safety Association	5.115	0.629	0.000***	5.517	0.912	0.000***
T2: Allocation of Traffic Fine Revenues to Nonprofits	1.318	0.149	0.015**	1.427	0.230	0.028**
T1 × T2				0.856	0.194	0.493
N = 1,030	Pseudo R-squared = 0.063			Pseudo R-squared = 0.064		
<i>DV: Trust in the Police</i>						
T1: Strong Traffic Fine-Traffic Safety Association	2.553	0.297	0.000***	2.614	0.420	0.000***
T2: Allocation of Traffic Fine Revenues to Nonprofits	1.265	0.142	0.036**	1.296	0.207	0.104
T1 × T2				0.954	0.214	0.832
N = 1,030	Pseudo R-squared = 0.023			Pseudo R-squared = 0.023		

Note. $p < 0.05$: **, $p < 0.01$: ***, two-tailed test.

Table A2 Analysis of Variance (ANOVA) Results Summary

	Baseline Model			Interaction Model		
	Partial SS	MS (df)	P > F	Partial SS	MS (df)	P > F
<i>DV: Judgment of Police Performance</i>						
Model	220.08	110.04 (2)	0.000***	220.76	73.59 (3)	0.000***
T1: Strong Traffic Fine-Traffic Safety Association	214.95	214.95 (1)	0.000***	214.41	214.41 (1)	0.000***
T2: Allocation of Traffic Fine Revenues to Nonprofits	5.91	5.91 (1)	0.018**	5.96	5.96 (1)	0.018**
T1 × T2				0.68	0.68 (1)	0.423
Residual	1081.44	1.05 (1,027)		1080.76	1.05 (1,026)	
N = 1,030	Adjusted R ² = 0.168			Adjusted R ² = 0.168		
<i>DV: Trust in the Police</i>						
Model	79.52	39.76 (2)	0.000***	79.57	26.52 (3)	0.000***
T1: Strong Traffic Fine-Traffic Safety Association	75.20	75.20 (1)	0.000***	75.10	75.10 (1)	0.000***
T2: Allocation of Traffic Fine Revenues to Nonprofits	4.74	4.74 (1)	0.049**	4.75	4.75 (1)	0.049**
T1 × T2				0.05	0.05 (1)	0.840
Residual	1253.22	1.22 (1,027)		1253.22	1.22 (1,027)	
N = 1,030	Adjusted R ² = 0.058			Adjusted R ² = 0.057		

Note. $p < 0.05$: **, $p < 0.01$: ***, two-tailed test.