



Budget Briefing: Corrections

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Briefing Topics

- Funding Sources
- Appropriation Areas
- Major Budget Topics
 - Offender Population and Growth
 - Recent Budget Growth
 - Prison Operations: Correctional Facilities
 - Field Operation: Parole and Probation
 - Prisoner Reentry Services

Department of Corrections

- The Department of Corrections (MDOC) administers the state's adult prison, parole, and probation systems
- Major departmental functions include:
 - Operation of state correctional institutions, which house adults who are convicted of felonies and sentenced to prison; operation includes physical and mental health care, education, job training, and other programming for prisoners
 - Monitoring and supervision of all parolees and probationers under the department's jurisdiction; convicted felons who are not sentenced to prison are either sentenced to county jail or are supervised in the community through the probation system
 - Oversight over community corrections programs, prisoner reentry programs, and grant programs designed to encourage alternatives to prison placement for appropriate offenders

Key Budget Terms

Fiscal Year: The state's fiscal year (FY) runs from October to September. FY 2016-17 is October 1, 2016 through September 30, 2017.

Appropriation: Authority to expend funds. An appropriation is not a mandate to spend. Constitutionally, state funds cannot be expended without an appropriation by the Legislature.

Line Item: Specific appropriation amount in a budget bill which establishes spending authorization for a particular program or function.

Boilerplate: Specific language sections in a budget bill which direct, limit, or restrict line item expenditures, express legislative intent, and/or require reports.

Lapse: Appropriated amounts that are unspent or unobligated at the end of a fiscal year. Appropriations are automatically terminated at the end of a fiscal year unless designated as a multi-year work project under a statutory process. Lapsed funds are available for expenditure in the subsequent fiscal year.

Note: Unless otherwise indicated, historical budget figures in this presentation have not been adjusted for inflation.

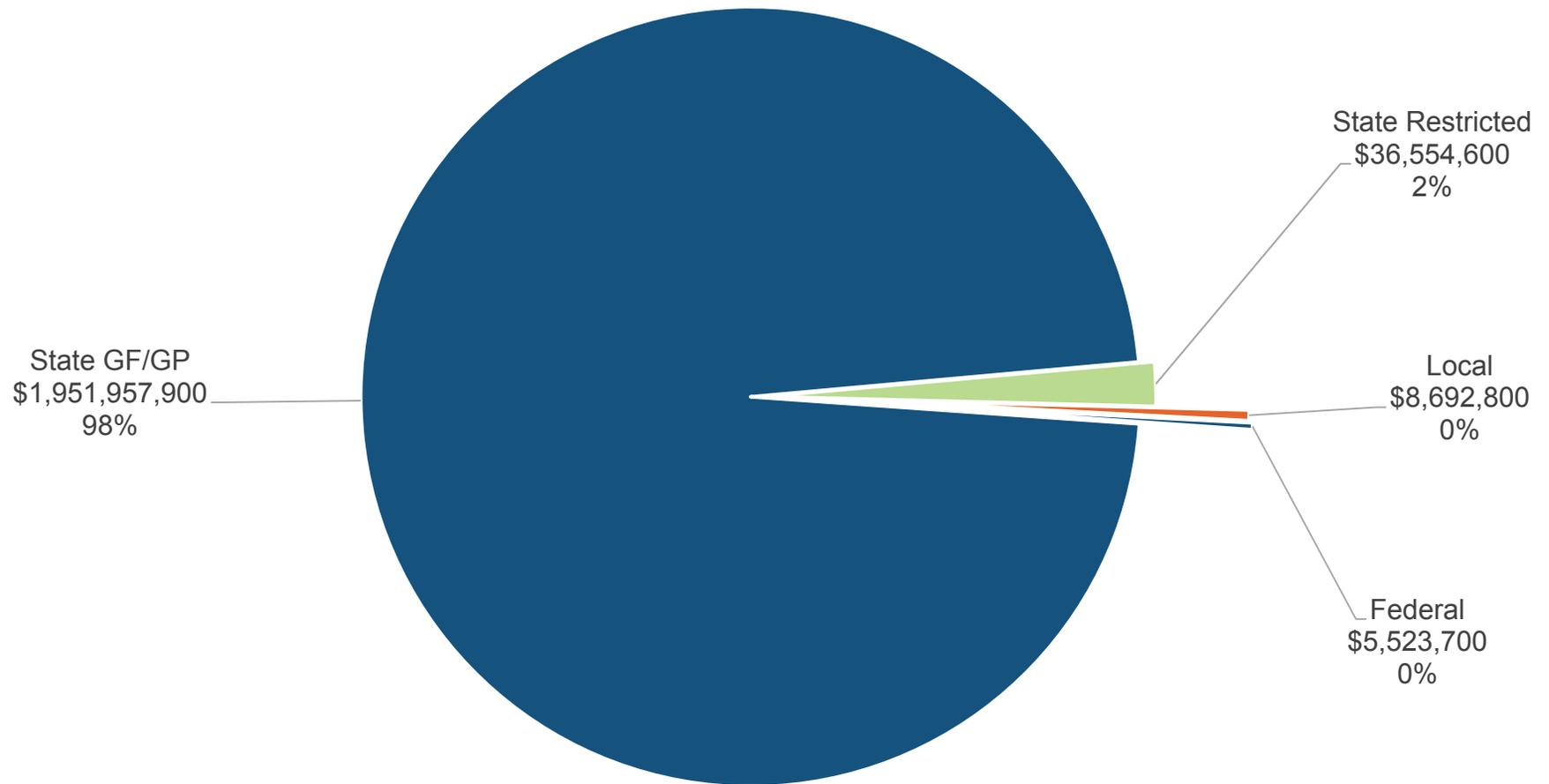
Funding Sources

FY 2016-17 MDOC Budget

Fund Source	Funding	Description
Gross Appropriations	\$2,002,729,000	Total spending authority from all revenue sources
Interdepartmental Grants (IDG) Revenue	0	Funds received by one state department from another state department, usually for services provided
Adjusted Gross Appropriations	\$2,002,729,000	Gross appropriations excluding IDGs; avoids double counting when adding appropriation amounts across budget areas
Federal Revenue	5,523,700	Federal grant or matching revenue; generally dedicated to specific programs or purposes
Local Revenue	8,692,800	Revenue received from local units of government for state services
Private Revenue	0	Revenue from individuals and private entities, including payments for services, grants, and other contributions
State Restricted Revenue	36,554,600	State revenue restricted by the State Constitution, state statute, or outside restriction that is available only for specified purposes; includes most fee revenue
State General Fund/General Purpose (GF/GP) Revenue	\$1,951,957,900	Unrestricted revenue from taxes and other sources available to fund basic state programs and other purposes determined by the Legislature

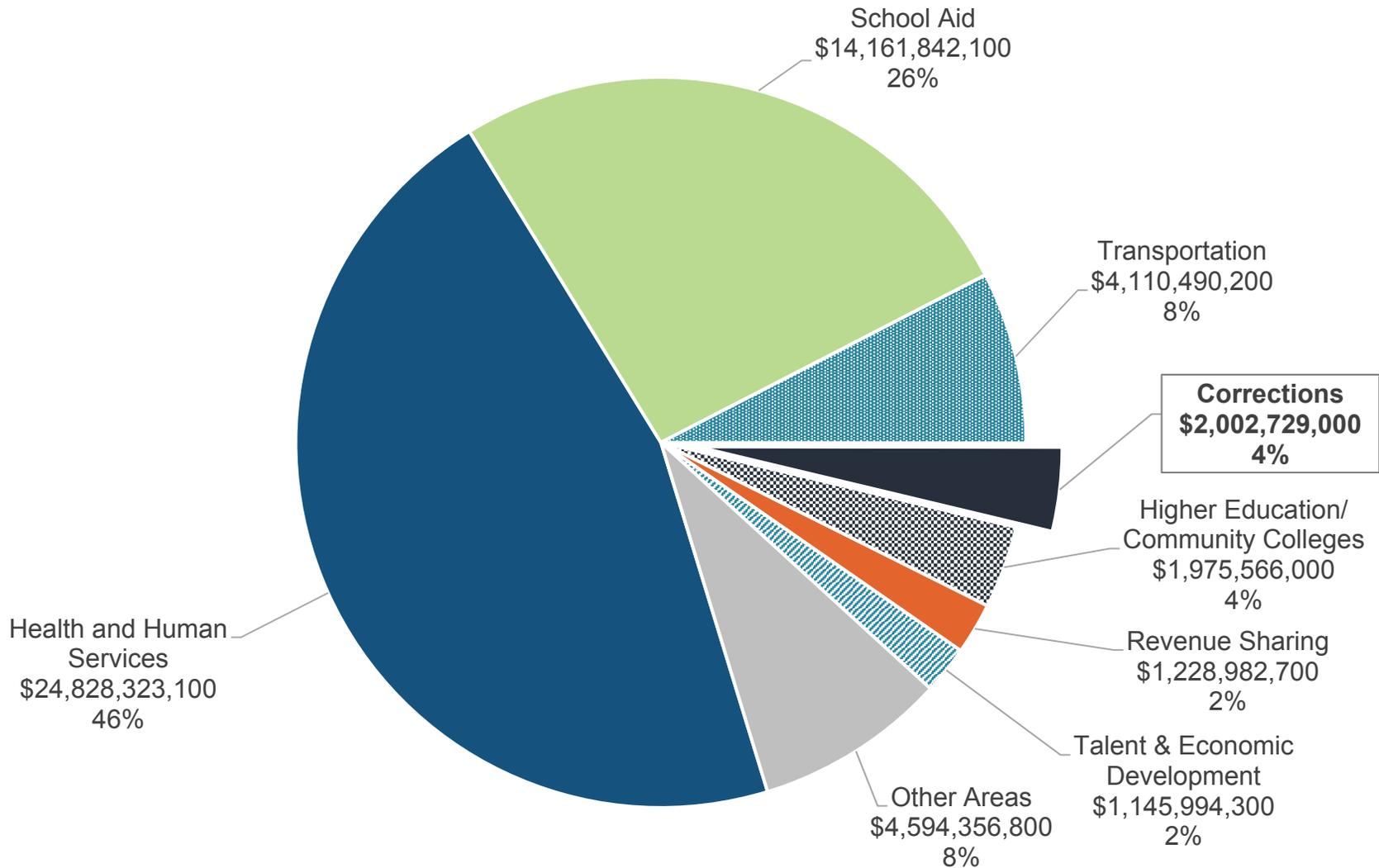
FY 2016-17 Fund Sources

The Corrections budget is financed with **98%** general fund/general purpose revenue.



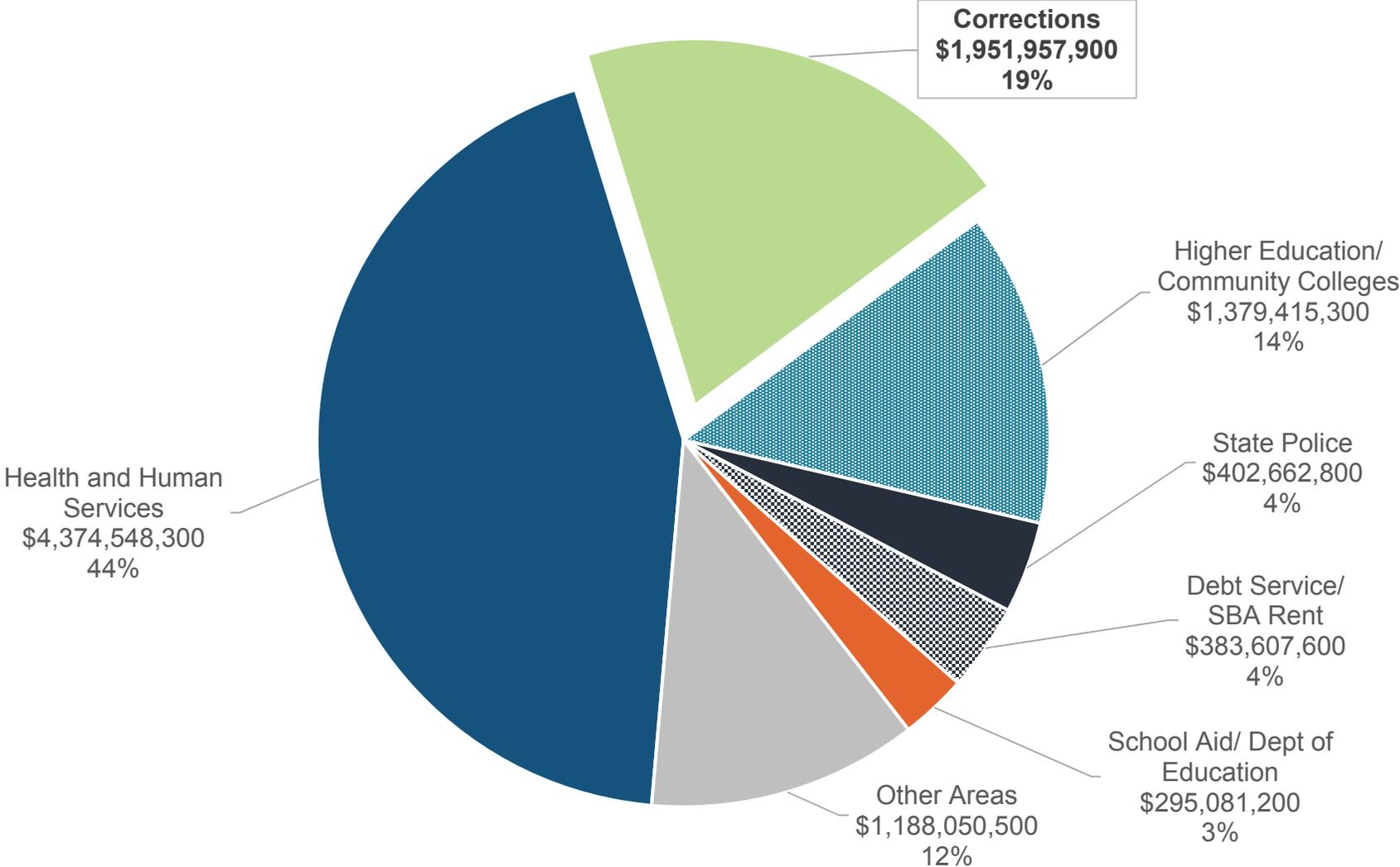
MDOC Share of Total State Budget

The MDOC budget represents **4%** of the **\$54.0 billion** state budget (adjusted gross) for FY 2016-17.



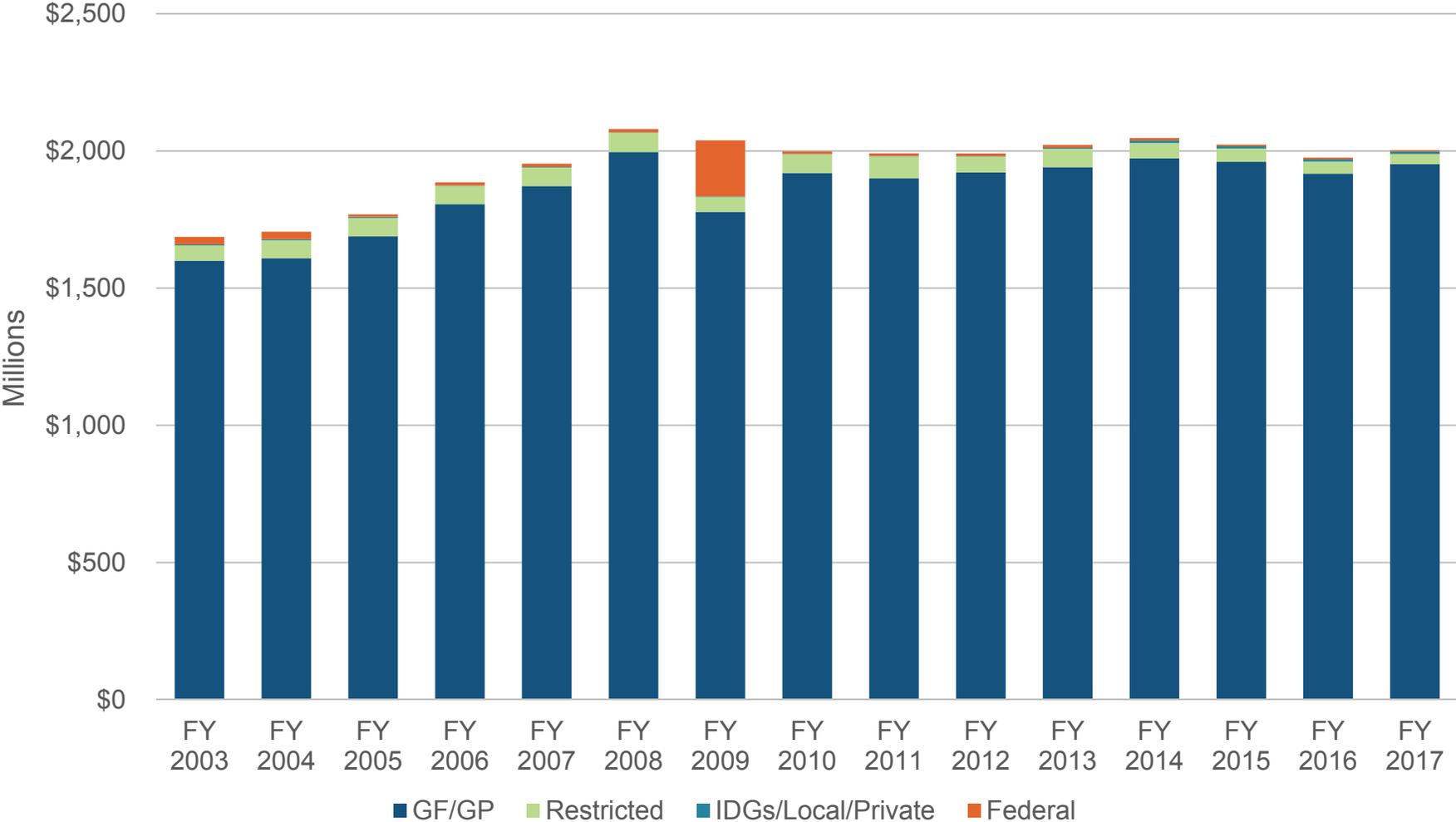
MDOC Share of Total GF/GP Budget

The MDOC budget represents **19%** of the state's **\$10.0 billion** GF/GP budget for FY 2016-17.



MDOC Funding History

Funding for the MDOC has grown by **18.7%** since FY 2002-03, driven mainly by increased costs for physical and mental health care for prisoners, and fringe benefit and retirement costs for employees.



Appropriation Areas

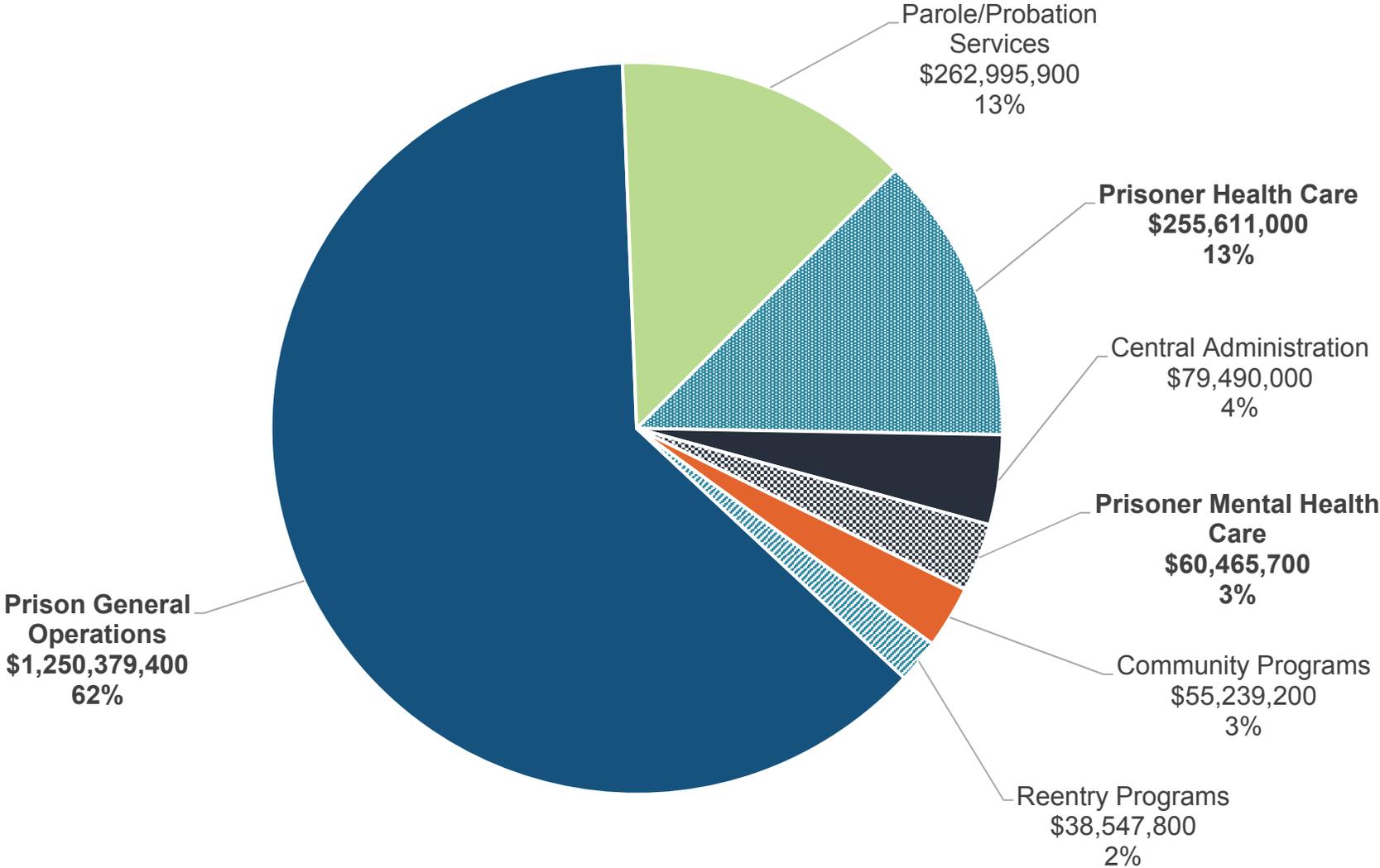
MDOC Appropriation Areas

The Corrections budget is allocated into the following major spending areas:

- ***Prison Operations***: operations of the state's correctional facilities, including physical and mental health care for prisoners, prison food service, prisoner programming (including education and job training), and prisoner transportation
- ***Parole and Probation Services***: supervision and monitoring of parolees and probationers
- ***Prisoner Reentry Programs***: prisoner reintegration programs aimed at reducing recidivism through prisoner assessment, case management, and delivery of services
- ***Community Programs***: programs to provide alternatives to incarceration including community corrections programs, residential services, County Jail Reimbursement Program, and Felony Drunk Driver Jail Reduction Program
- ***Central Administration***: general administrative functions (e.g., Executive office, finance and accounting, information technology, legal affairs)

FY 2016-17 Gross Appropriations

Almost **80%** of the Corrections **\$2 billion** budget is allocated to prison operations, including physical and mental health care for prisoners.



Major Budget Topics

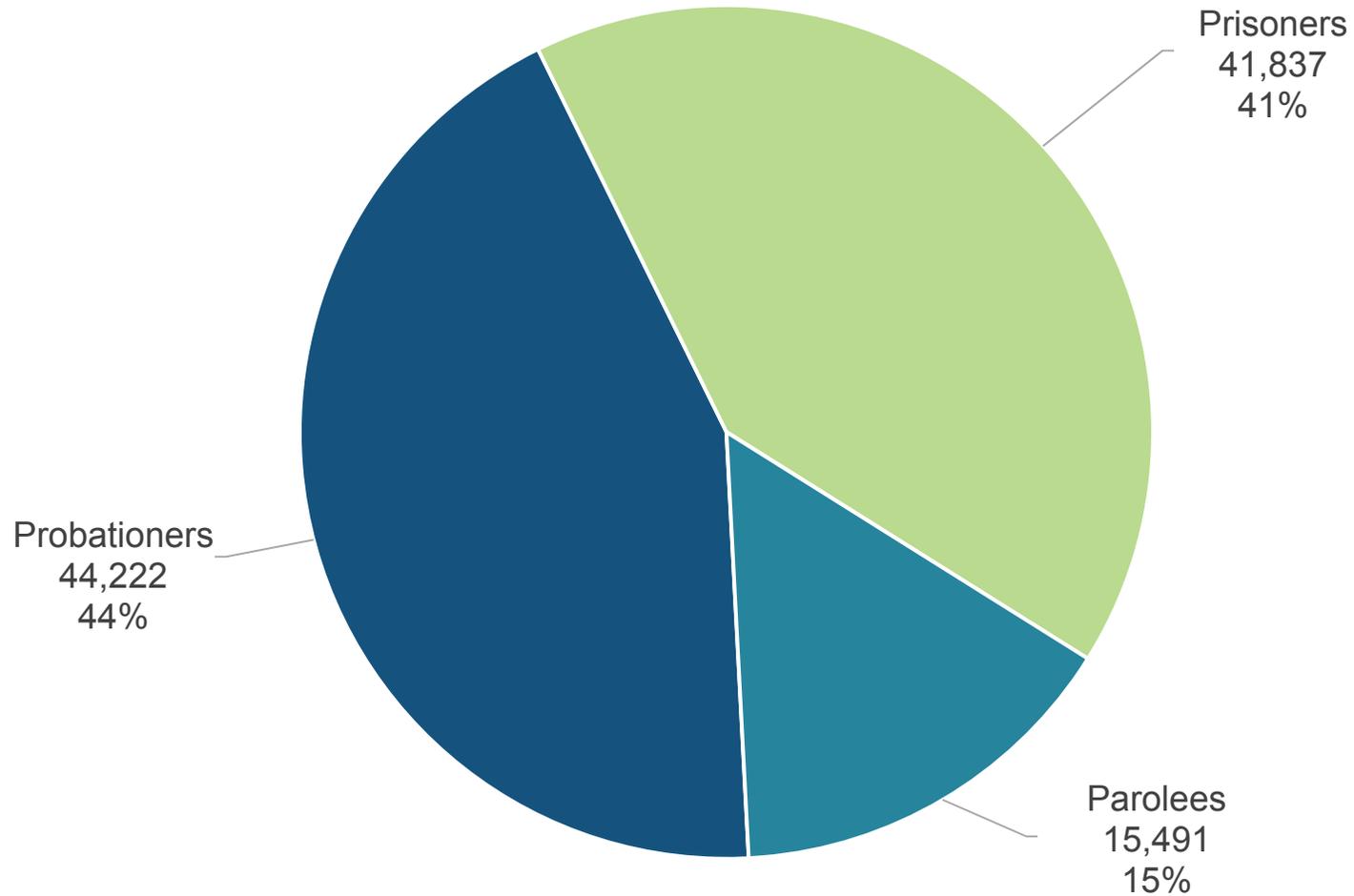
Offender Population and Growth

The Offender Population

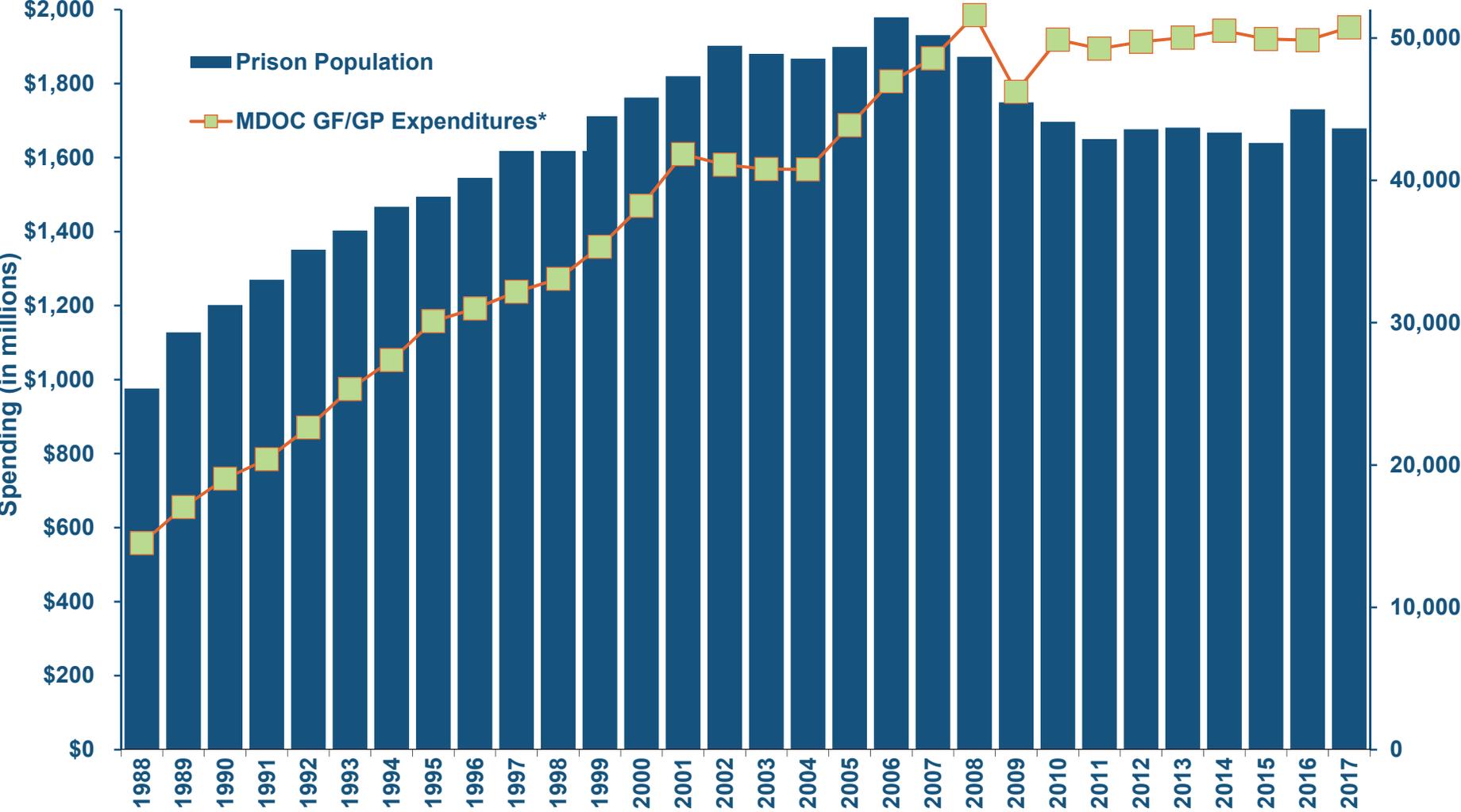
- **Prisoners:**
 - Felony offenders committed to the jurisdiction of the MDOC
 - Housed in prisons and special alternative incarceration
- **Parolees:**
 - Prisoners who have served at least their minimum term and who have been released to a period of supervision in the community
 - Supervised by MDOC field agents
- **Probationers:**
 - Felony offenders sentenced to a probationary term of supervision in the community
 - Supervised by MDOC field agents

MDOC Supervised Population

As of August 1, 2016, the total offender population under MDOC supervision was 101,550.



Growth in MDOC GF/GP Spending and the Prisoner Population

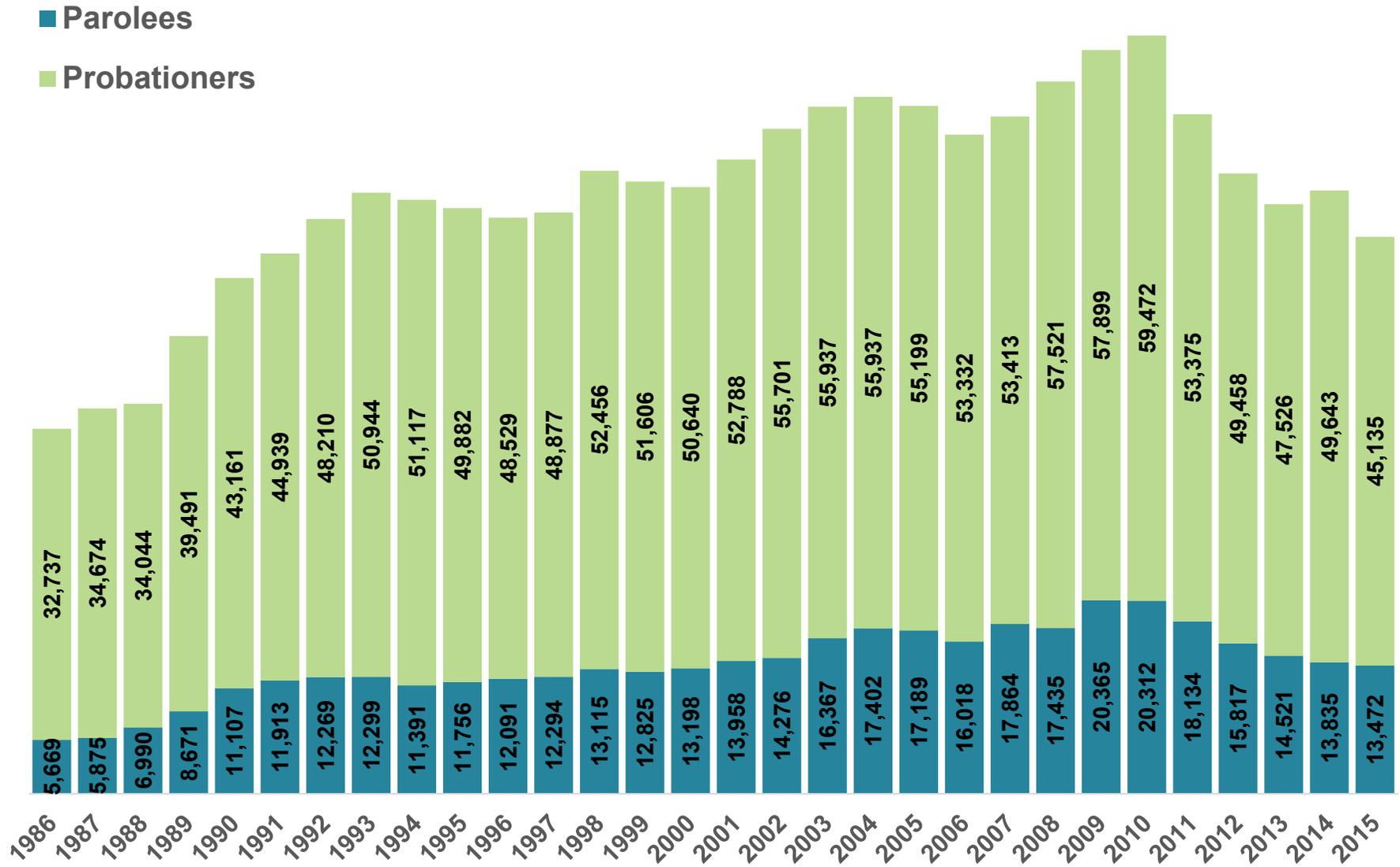


* FY 2016 and FY 2017 based on year-to-date GF/GP appropriations and budgeted prisoner counts

Prison Population Changes

- Changes in the prison population are a function of the movement of offenders into and out of the system
- Entering the system:
 - New court commitments: felony offenders sentenced to prison
 - Parole/probation violators: sent to prison due to new sentences or technical violations
 - Court returns: prisoner returns from court (sometimes with additional sentences imposed)
 - Other returns: from community placement, from county jail, from mental health hospital, from escape of MDOC custody
- Exiting the system:
 - Parolees: granted parole by the Michigan Parole Board
 - Released to court: for new trial or appeal
 - Community Residential Program: community supervision prior to truth-in-sentencing
 - Discharged at maximum sentence
 - Other exit: death, temporary county jail stay, release to mental health hospital, escape

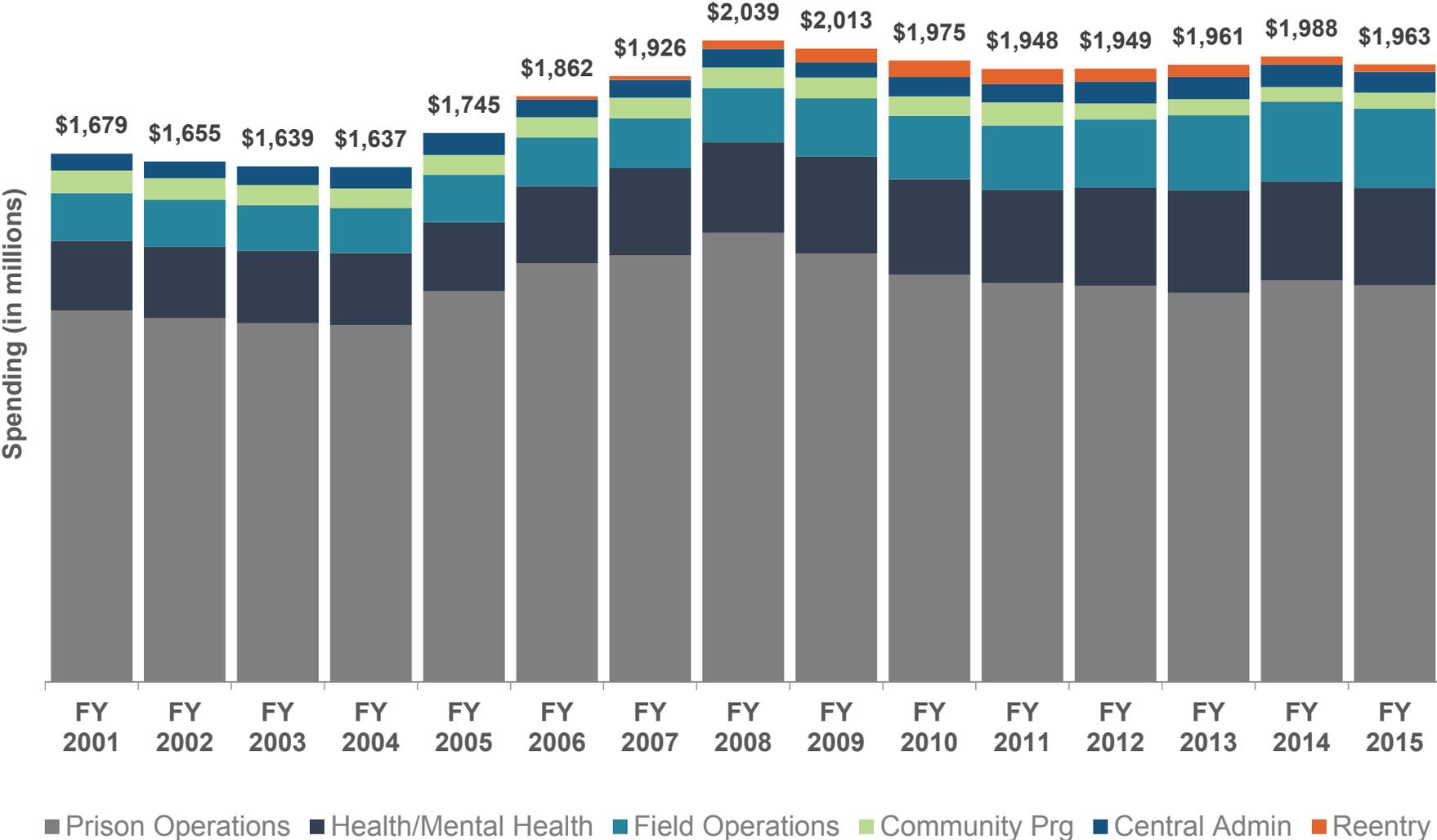
Parole and Probation Populations



Recent Budget Growth

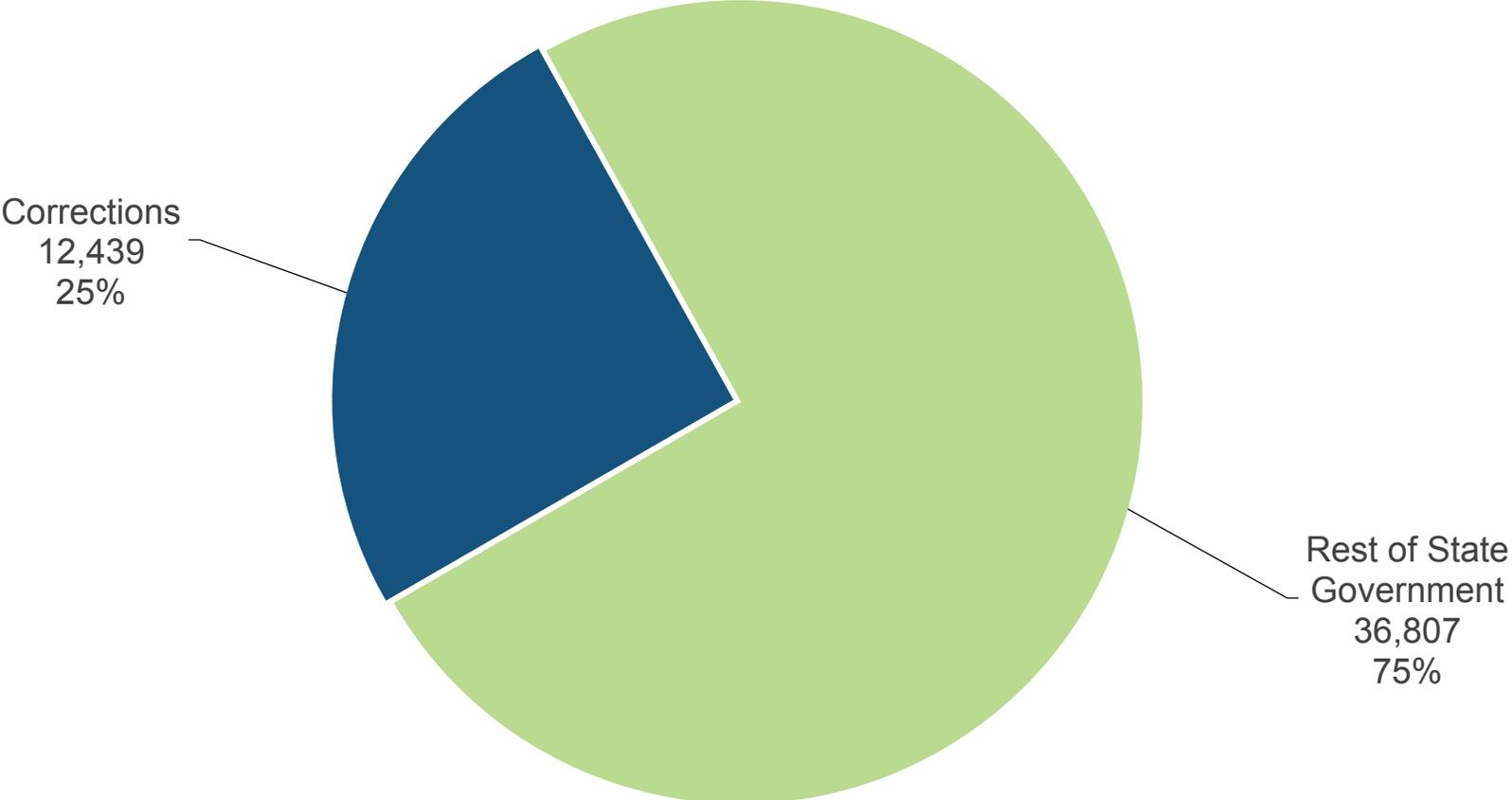
Corrections Spending Growth by Program

From FY 2001 to FY 2015, Corrections spending has grown at an average annual rate of **1.8%**. Prisoner health and mental health care has grown at an average annual rate of **3.3%** and spending on general prison operations has grown by **1.3%**.



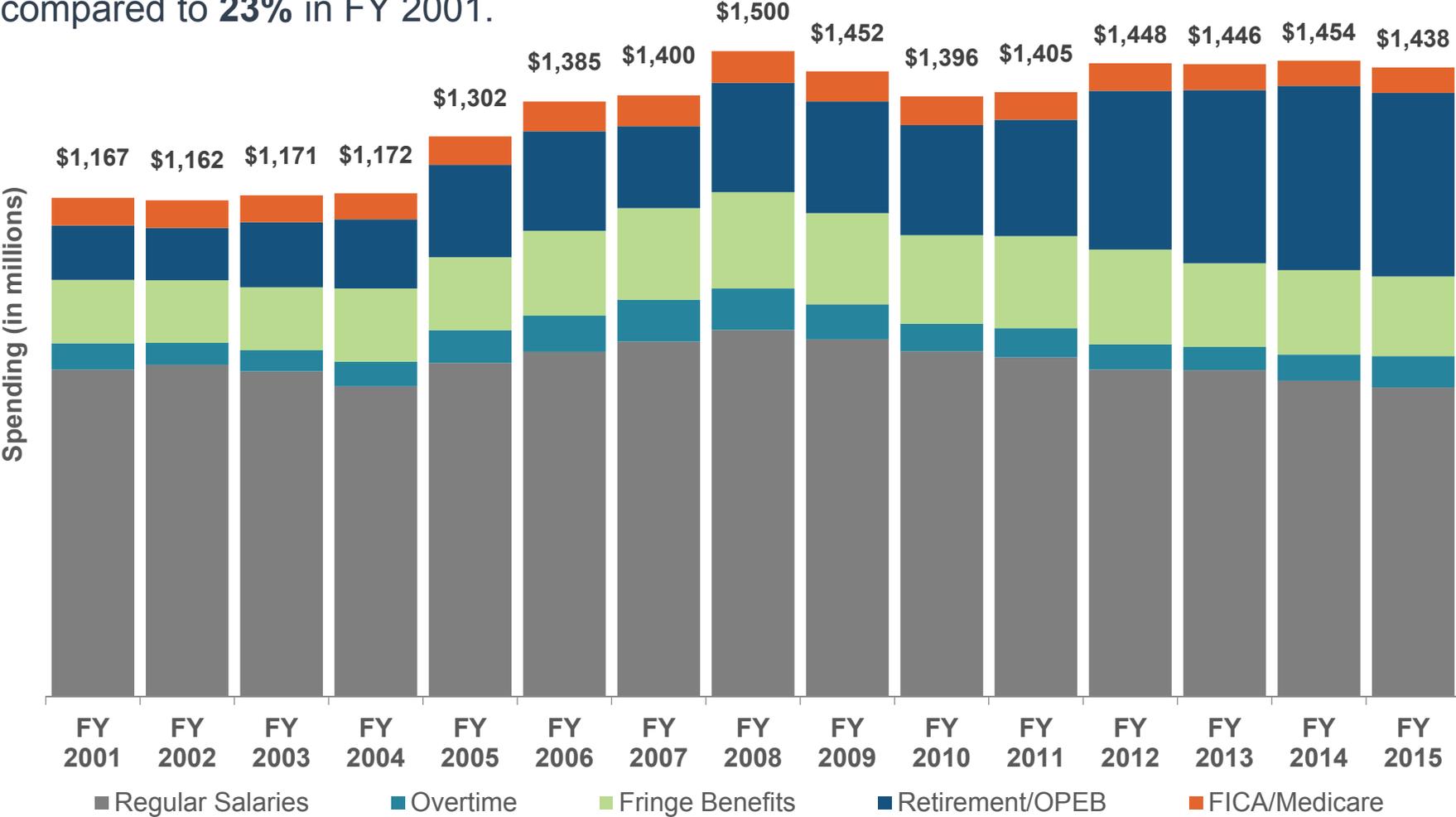
MDOC Share of Active Classified Employees

As of July 30, 2016, the total number of active classified employees in the state's workforce was 49,246. Of those, **25%** were employed by the MDOC.



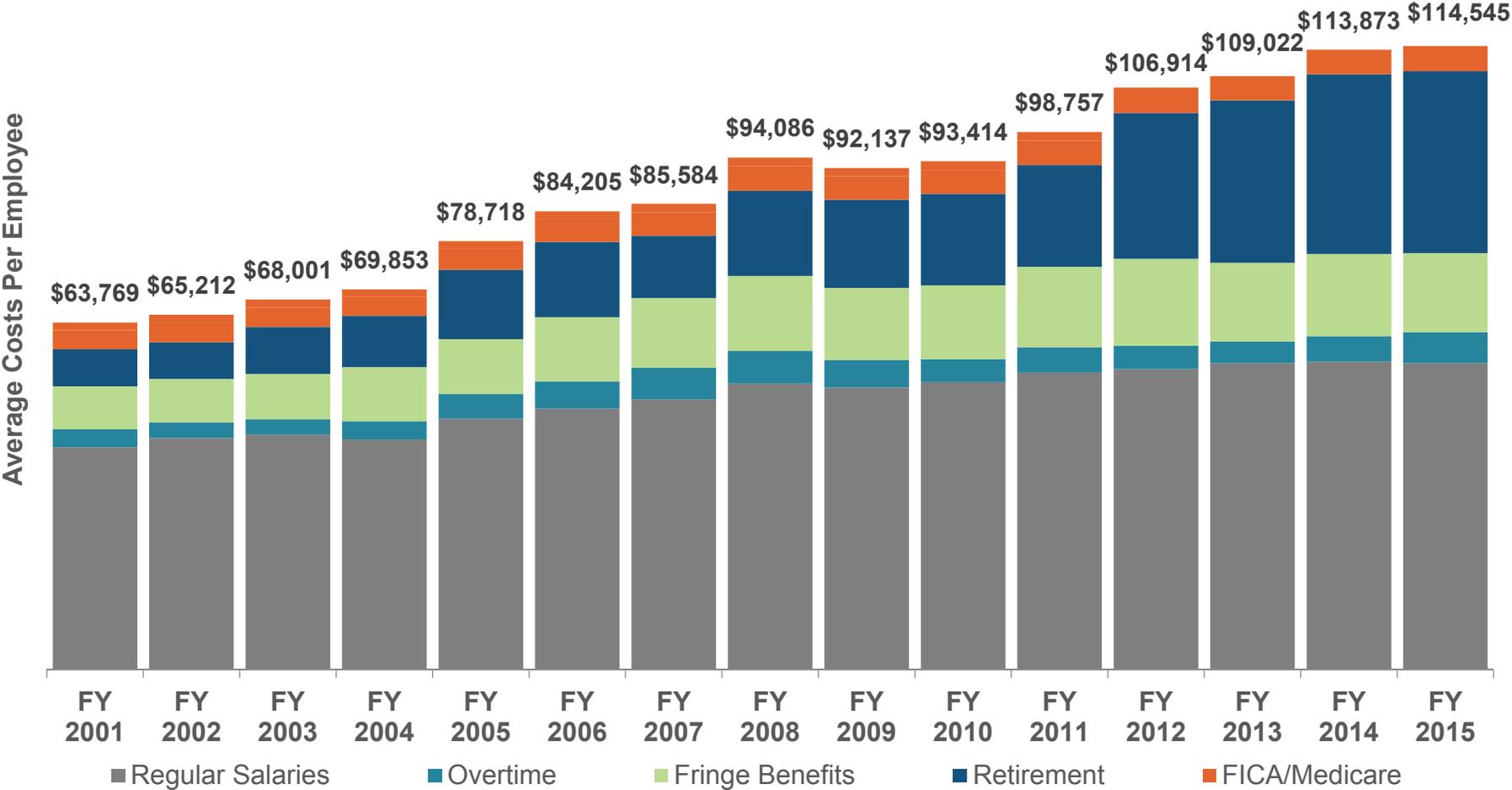
Corrections Personnel Costs

Since FY 2001, personnel costs for the MDOC have risen by an average of **2.2%** annually. The largest drivers behind these cost increases have been fringe benefit and retirement costs. In FY 2015, these costs accounted for **41.8%** of all personnel costs compared to **23%** in FY 2001.



Corrections Personnel Costs Per Employee

Personnel costs on a per employee basis for the department have risen by an average of **4.3%** annually since FY 2001. Again, fringe benefit and retirement costs have played the largest role, with average annual per-employee increases of **8.8%** across the period. Regular salary costs have increased by **2.3%** annually.



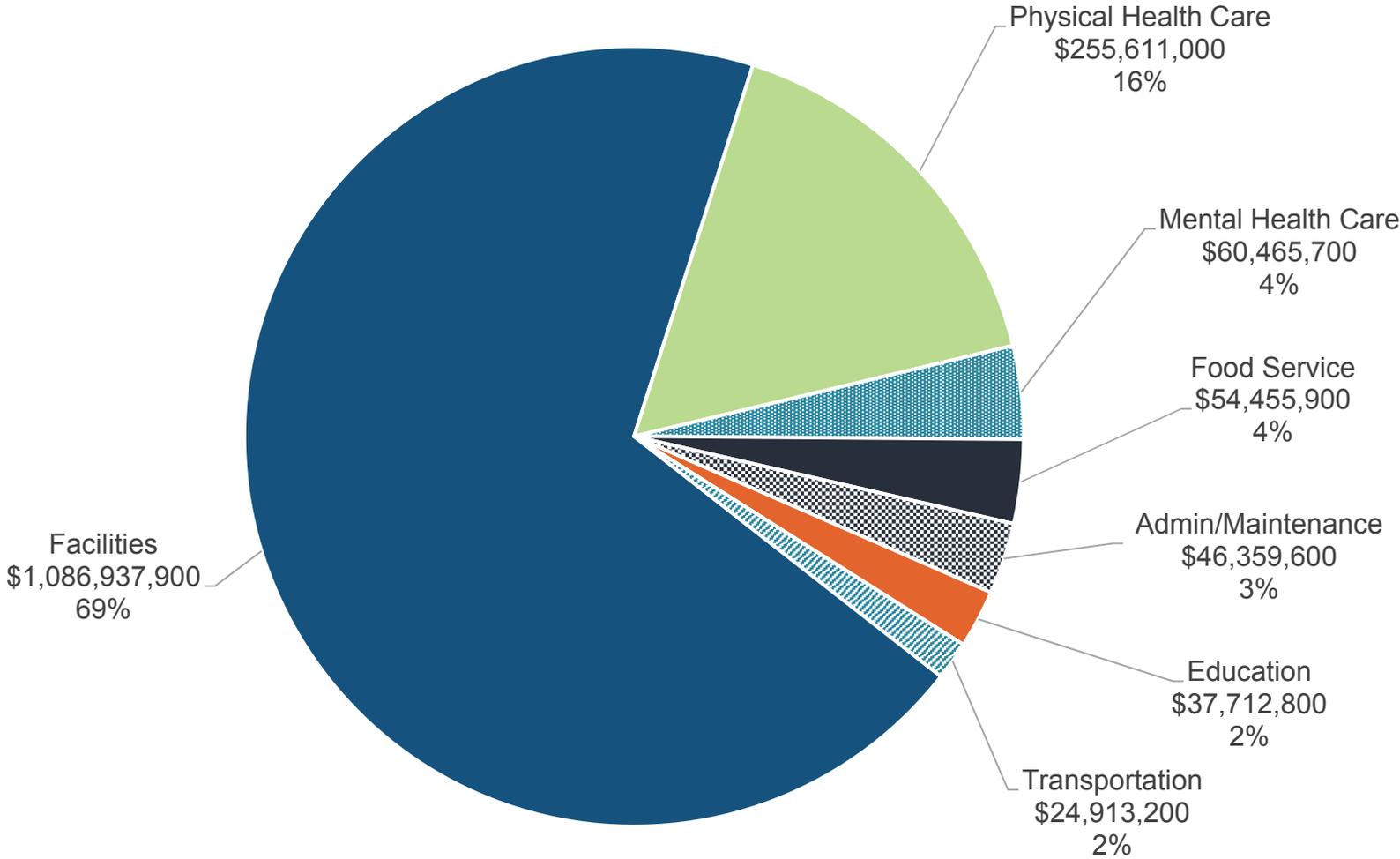
Prison Operations: Correctional Facilities

Prison Operations

- The MDOC currently operates 30 correctional facilities located in 20 counties across the state; however, by October 1, 2016, the Pugsley Correctional Facility will be closed, leaving 29 facilities
- In addition, the MDOC operates the City of Detroit Detention Center, which was the former Mound Correctional Facility (Mound closed in December 2011)
- About **\$1.6** billion, or almost **80%**, of the Corrections budget is devoted to costs pertaining to prisoner custody and housing, health care, treatment programs, and academic and vocational programming
- As of August 1, 2016, the MDOC had 155 prisoners, primarily serving flat sentences, participating in the Leased Beds program; these prisoners were housed in twelve county jails under contract with the MDOC; participating counties included Clinton, Montmorency, Alger, Benzie, Clare, Ingham, Iron, Jackson, Lenawee, Osceola, Roscommon, and Van Buren; by October 1, 2016, the Leased Beds program will be discontinued

Prisoner Custody, Care, and Programs

FY 2016-17 appropriation for prisoner custody, care, and programs is **\$1,566,456,100**.

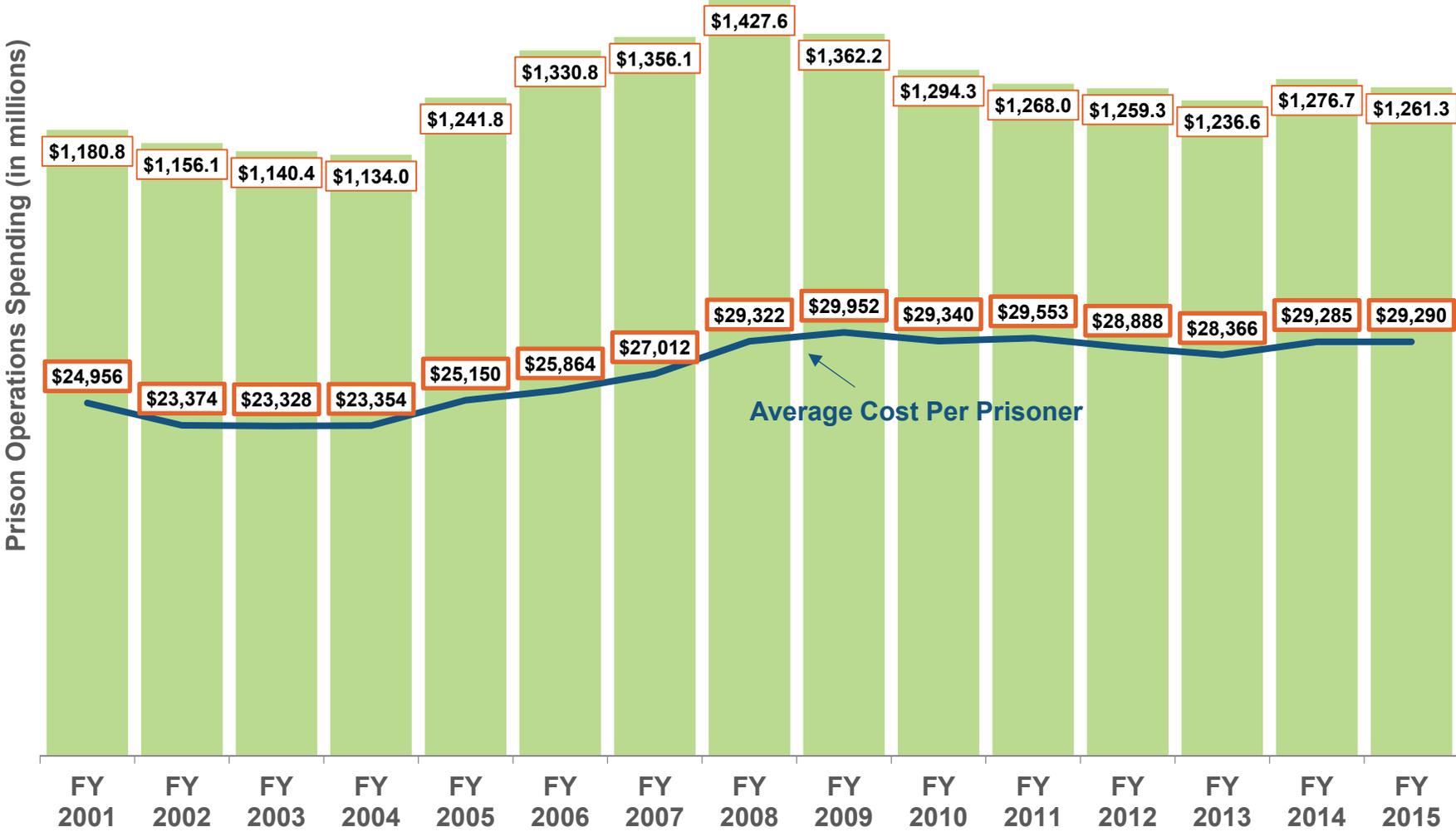


Costs Per Prisoner by Security Level

FY 2015 Actual	FY 2016 Projected	FY 2017 Appropriated
Level I \$28,886	Level I \$29,222	Level I \$29,350
Level II \$33,062	Level II \$33,478	Level II \$33,576
Level IV \$41,807	Level IV \$40,161	Level IV \$40,435
Multi-Level \$36,577	Multi-Level \$36,434	Multi-Level \$36,741
Reception \$46,983 SAI \$46,950	Reception \$42,336 SAI \$44,045	Reception \$42,796 SAI \$44,844
Average Per Capita \$34,982	Average Per Capita \$34,890	Average Per Capita \$35,321

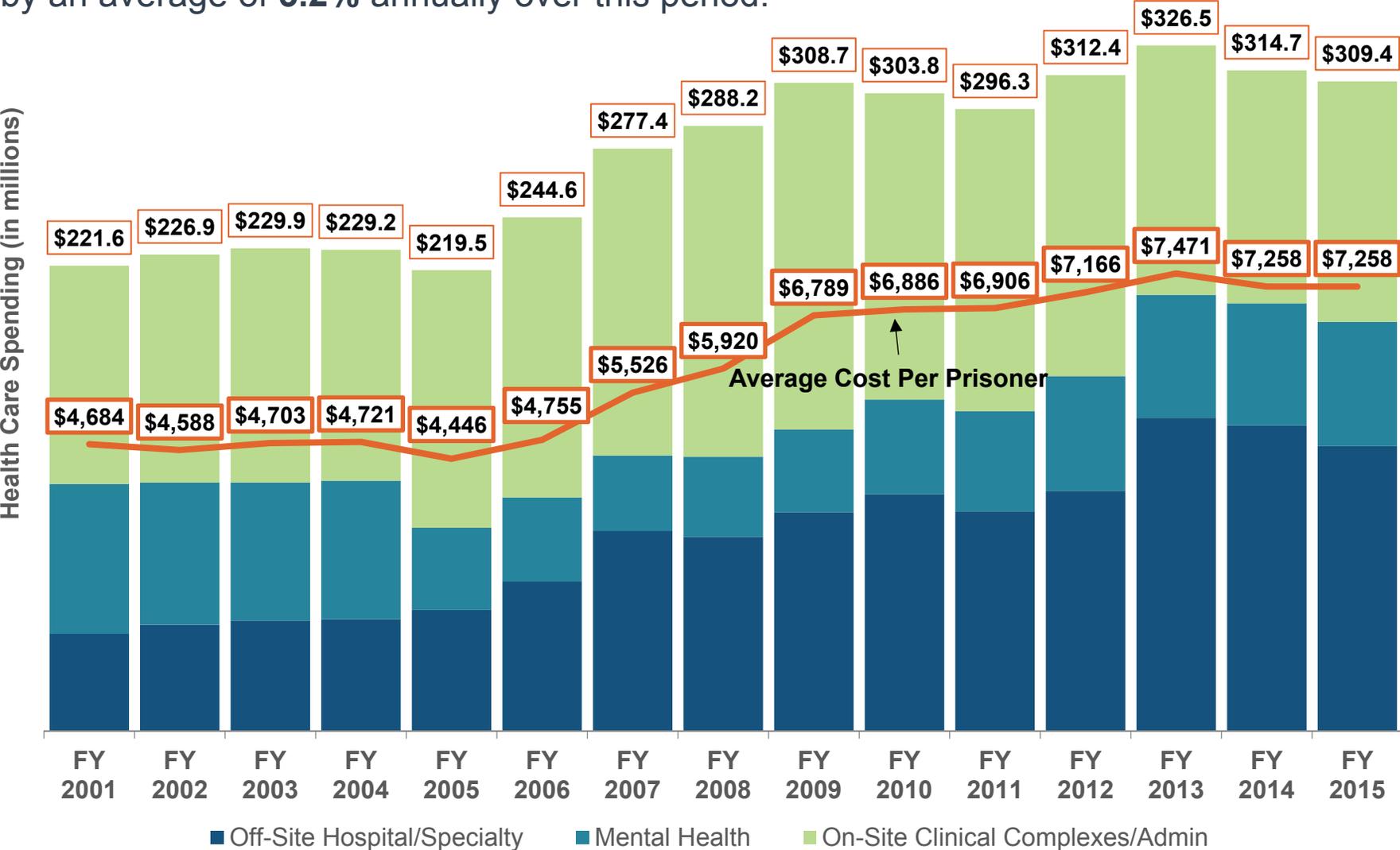
Prison Operations - Average Cost Per Prisoner

This chart reviews total prison operations spending **excluding** health care and direct mental health care costs. Per-prisoner costs grew by an average of 1.7% per year over this period.



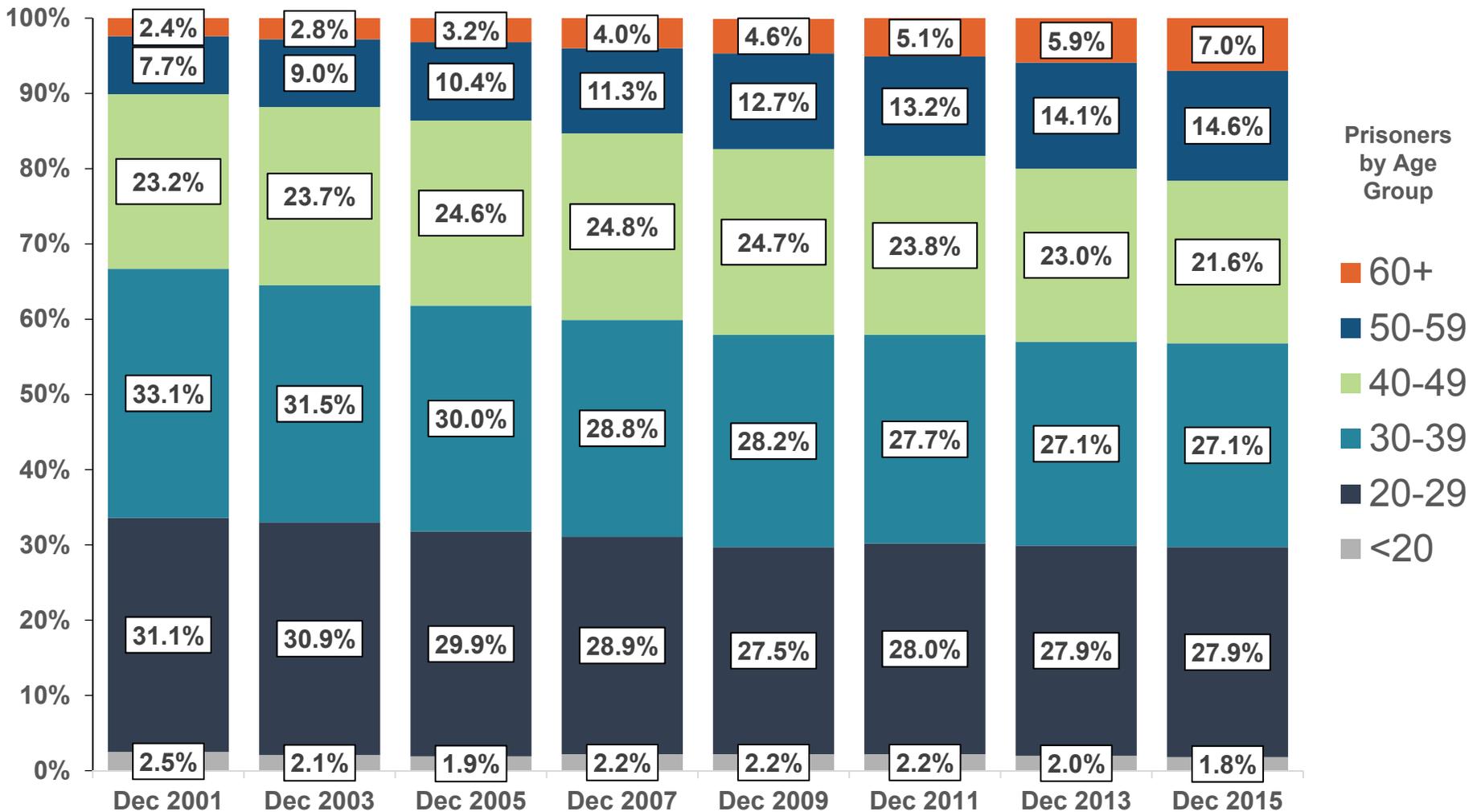
Health Care - Average Cost Per Prisoner

Spending for prisoner physical and mental health care services increased significantly over the FY 2001 to FY 2015 time period. Per-prisoner costs for health care increased by an average of **3.2%** annually over this period.



Prisoner Age Distribution and Health Care

One major factor in the rise of per-prisoner health care costs is the aging of the prison population. In 2001, 33% of prisoners were over age 40 and 10% were over age 50. By 2015, those percentages increased to 43% over age 40 and 22% over age 50.



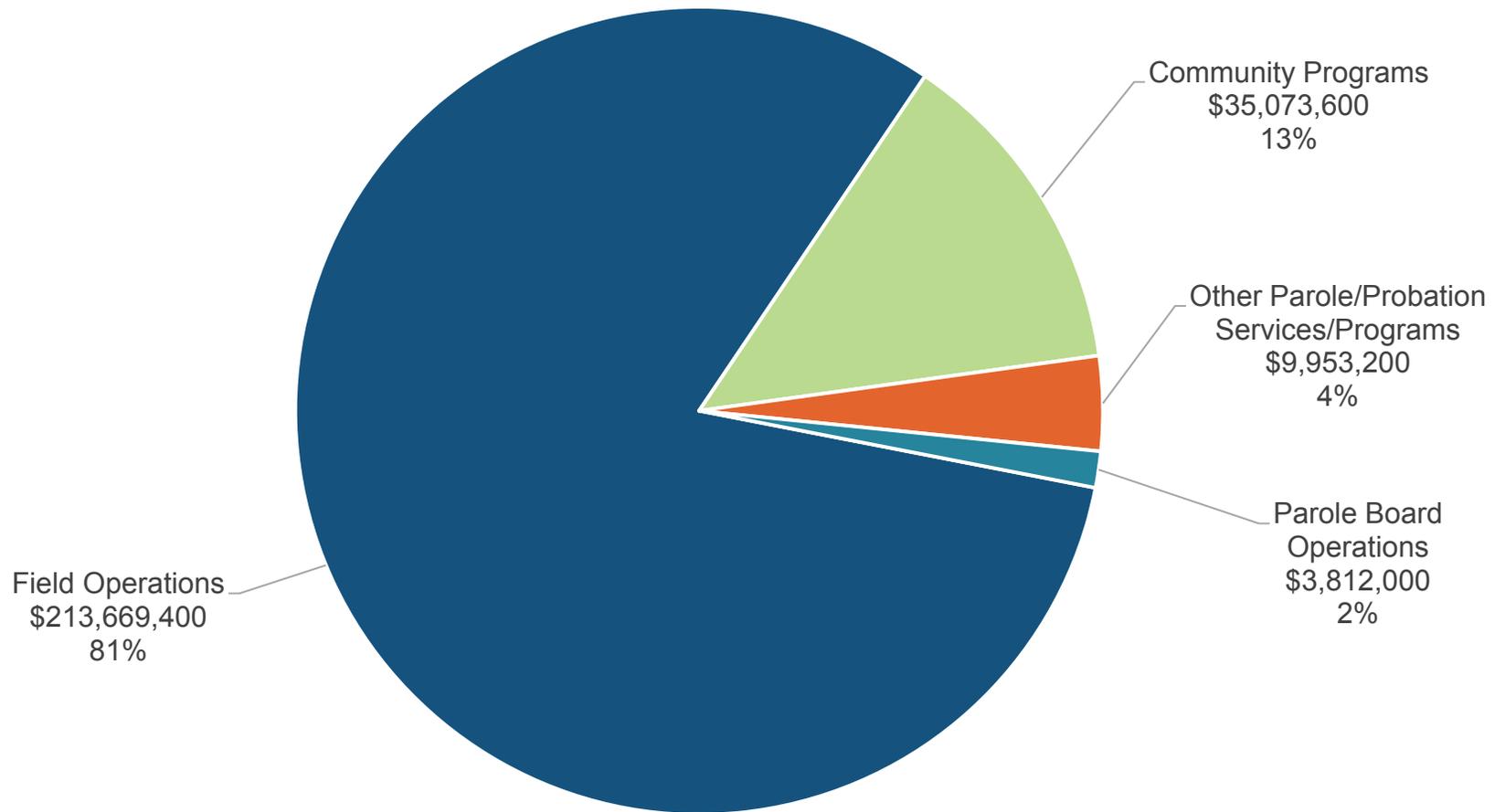
Field Operations: Parole and Probation

Field Operations

- Field Operations Administration is responsible for state parole and probation supervision, as well as for other methods of specialized supervision
- The largest component of Field Operations is parole and probation; as of August 1, 2016, the MDOC employed 1,204 active parole and probation agents responsible for supervising 59,713 offenders
- Community reentry centers provide structured housing for parolees placed in the program as a condition of their parole, or placed in the program as a sanction for violating their parole (non-compliance violations or new misdemeanor or non-assaultive felony charges)
- Electronic tether, substance abuse testing and treatment services, residential services, and the Felony Drunk Driver Jail Reduction and Community Treatment Program are all programs available to offenders who meet certain eligibility requirements, as alternatives to incarceration

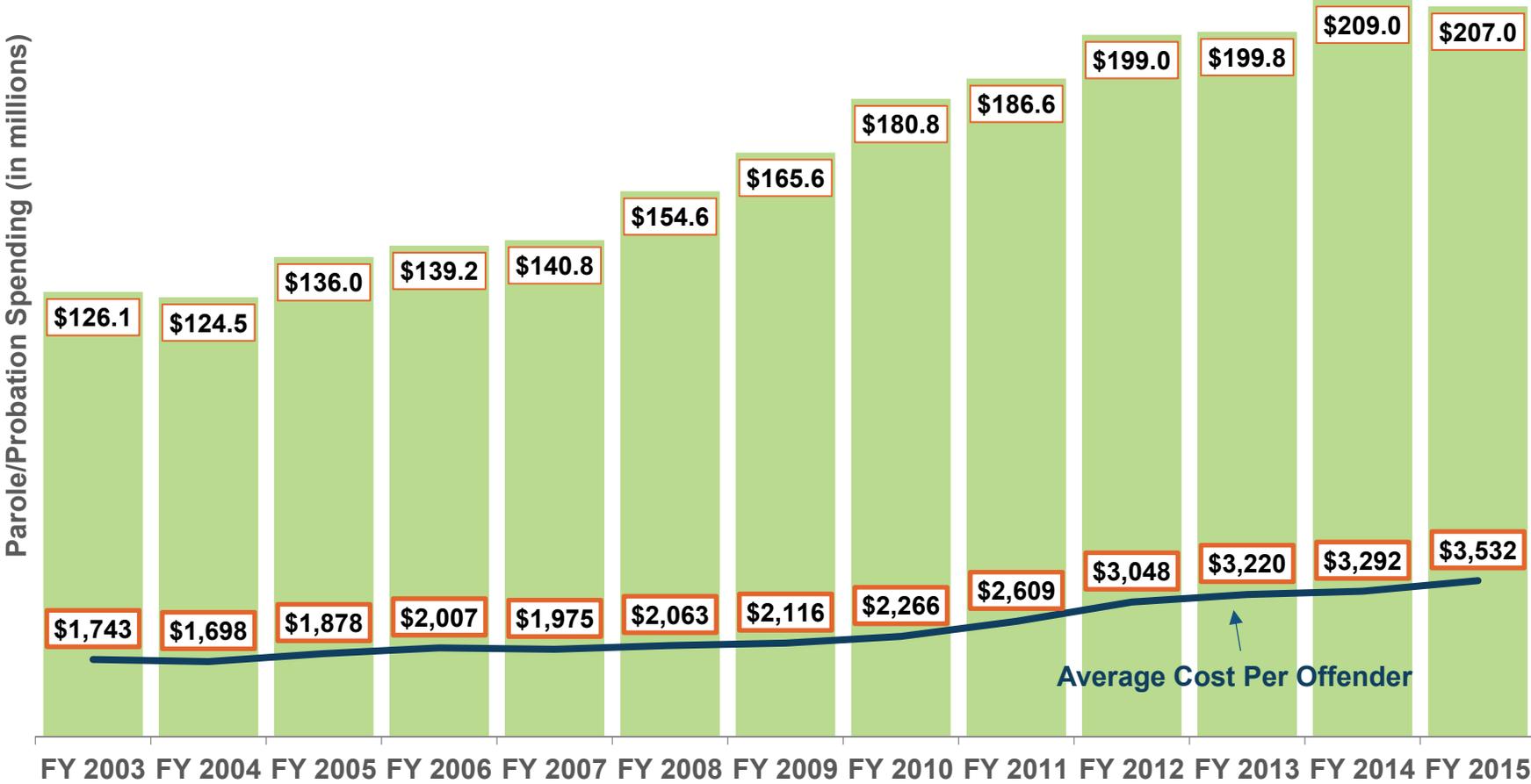
Field Operations

FY 2016-17 appropriation for Field Operations is **\$262,508,200**.



Parole/Probation - Average Cost Per Offender

Field Operations spending has increased by an average of **5.2%** over the FY 2003 to FY 2015 time period. Recent growth since FY 2010 has been more significant, **9.3%**. This partially reflects the increased use of electronic monitoring techniques.



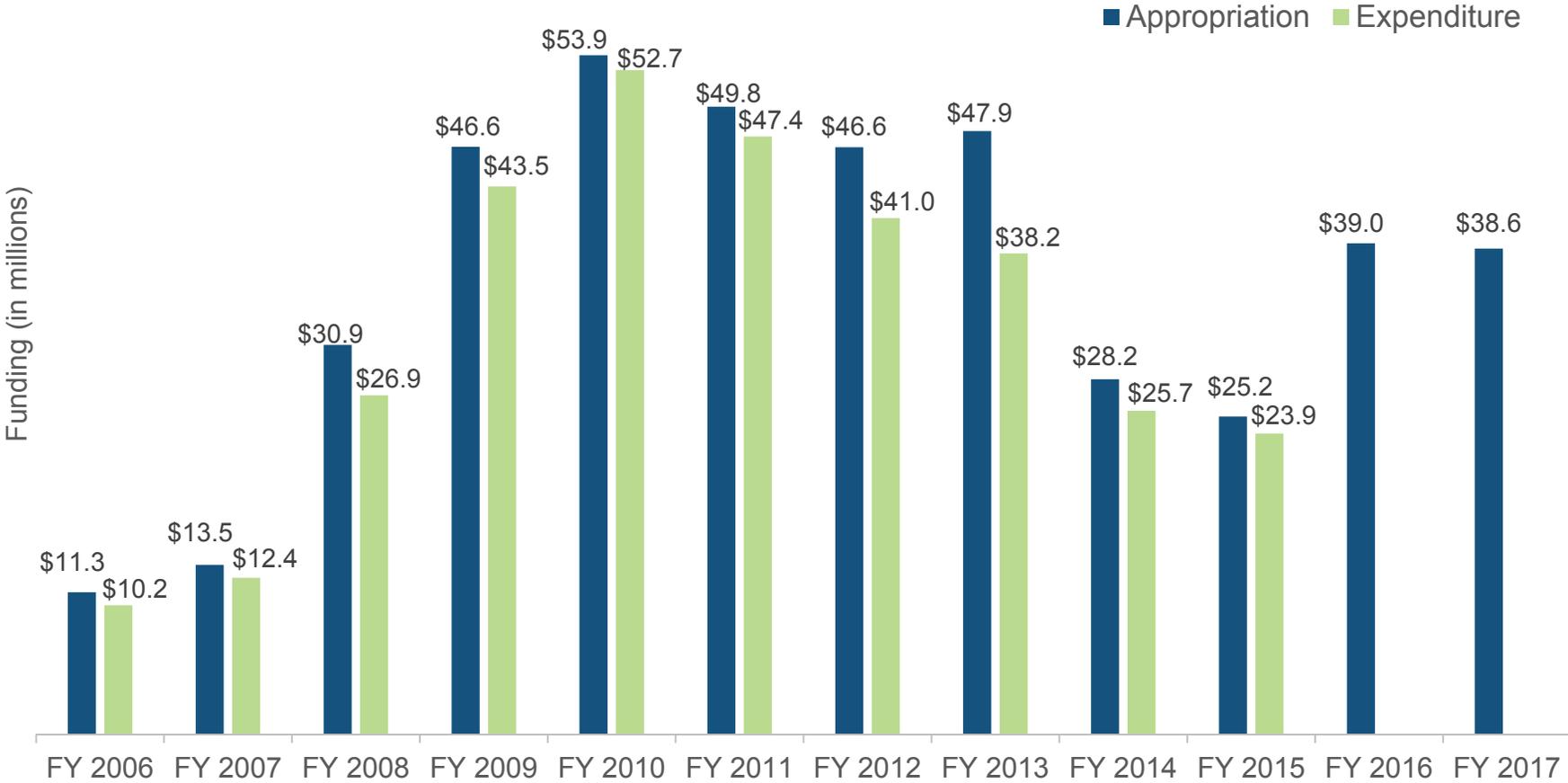
Prisoner Reentry Services

Prisoner Reentry

- Aims to reduce recidivism through prisoner assessment, case planning and management, and coordinated services from the time of entry into prison through aftercare in the community
- Involves interagency and state/local collaboration: state departments, local law enforcement, crime victims' advocates, faith-based organizations, community business partners
- FY 2017 funding: **\$38.5** million appropriation, plus utilization of prisoner education funding (\$37.7 million) while incarcerated
- Prisoner reentry funding supports:
 - Community-based and prison-based prisoner reentry planning, case management, and community in-reach to paroling prisoners
 - Employment services and job training, education programs, transitional housing, day reporting, other planning and support services for parolees
 - Demonstration projects to develop strategies for improving success of parolees with mental illness
 - Specialized programming for prisoners with mental health issues and other special needs
 - Local prisoner reentry planning administrative costs and program evaluation

Prisoner Reentry Funding

In FY 2014, appropriations for community-based reentry programs were reduced and the funding reallocated to correctional facilities for more reentry programming to occur before inmates are released from prison. In FY 2016, all reentry-related positions and funding throughout the budget were reorganized into one area, leading to the appearance of a major increase in reentry funding.



For more information about the Corrections budget:

HFA Resources

<http://www.house.mi.gov/hfa/Corrections.asp>

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