



Background Briefing

CORRECTIONS

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December 2013

The fiscal information in this background briefing is based on data through December 31, 2013.

Department of Corrections

- **Mission of the department is “to create a safer Michigan through effective offender management and supervision in our facilities and communities while holding offenders accountable and promoting their rehabilitation.”**

- **Major departmental functions include:**
 - **Operation of all state correctional institutions under the department’s jurisdiction, including physical and mental health care, education, and other prisoner programs**

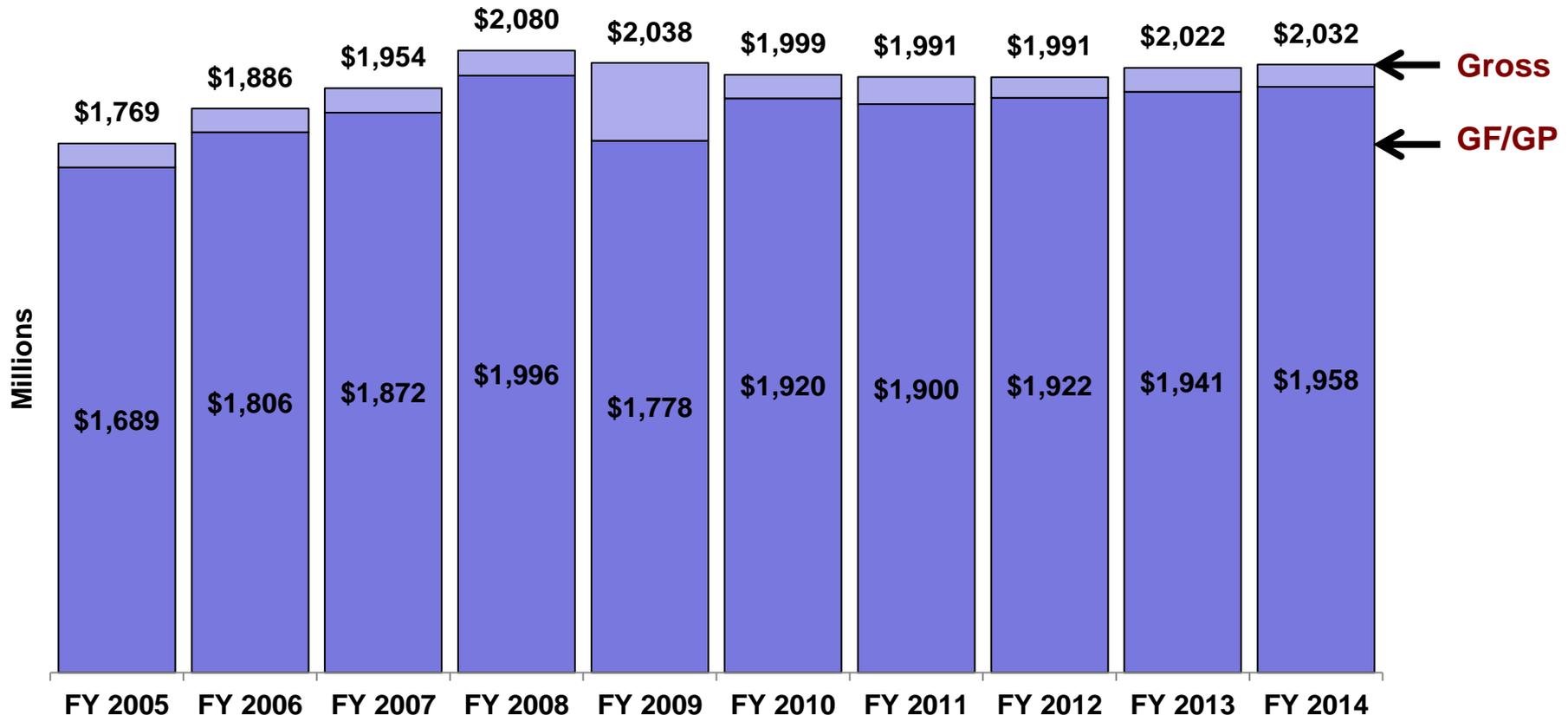
 - **Monitoring and supervision of all parolees and probationers under the department’s jurisdiction**

 - **Oversight over community corrections programs, prisoner re-entry programs, and grant programs designed to encourage alternatives to prison placement for appropriate offenders**

 - **Costs of prison construction are met through the Capital Outlay budget; State Building Authority debt service costs related to previous construction projects are funded through the Department of Technology, Management, and Budget**

Corrections: Gross Appropriations

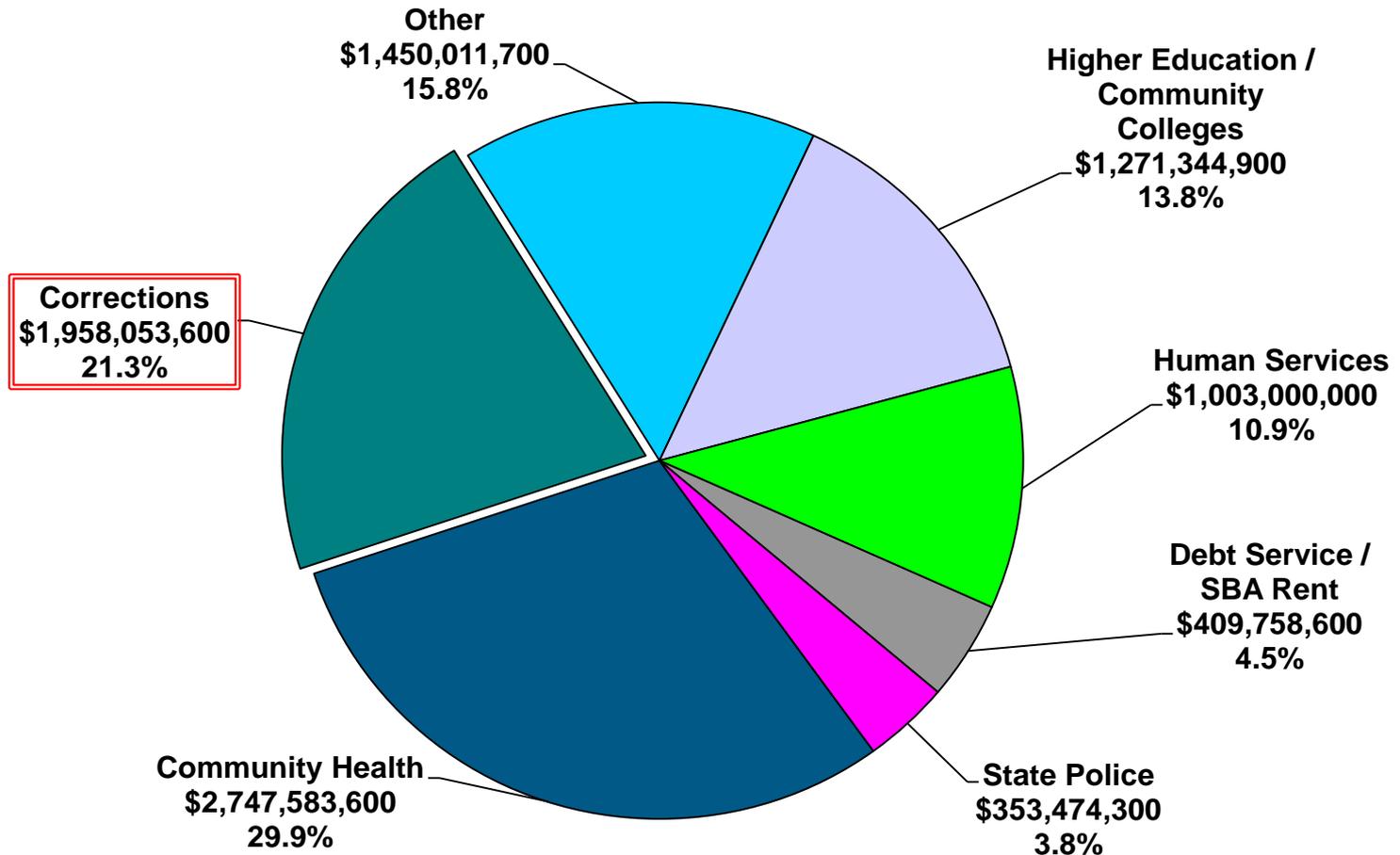
After almost two decades of strong growth largely due to prison population increases, recent Corrections increases have been relatively more modest. Starting with FY 2012, appropriations to pre-fund “Other Post-Employment Benefits” (OPEB) are included. One-time appropriations of \$14.4 million Gross (\$14.0 million GF/GP), for digitization of prisoner files and negotiated lump sum payments to employees, and \$9.0 million Gross (\$9.0 million GF/GP), for new custody staff training, are included in FY 2013 and FY 2014 respectively.



Corrections Share of State GF/GP

Corrections makes up 21.3% of the total state GF/GP budget, the second largest share.

FY 2013-14 GF/GP Total = \$9,193,226,700



SOURCES OF FUNDING

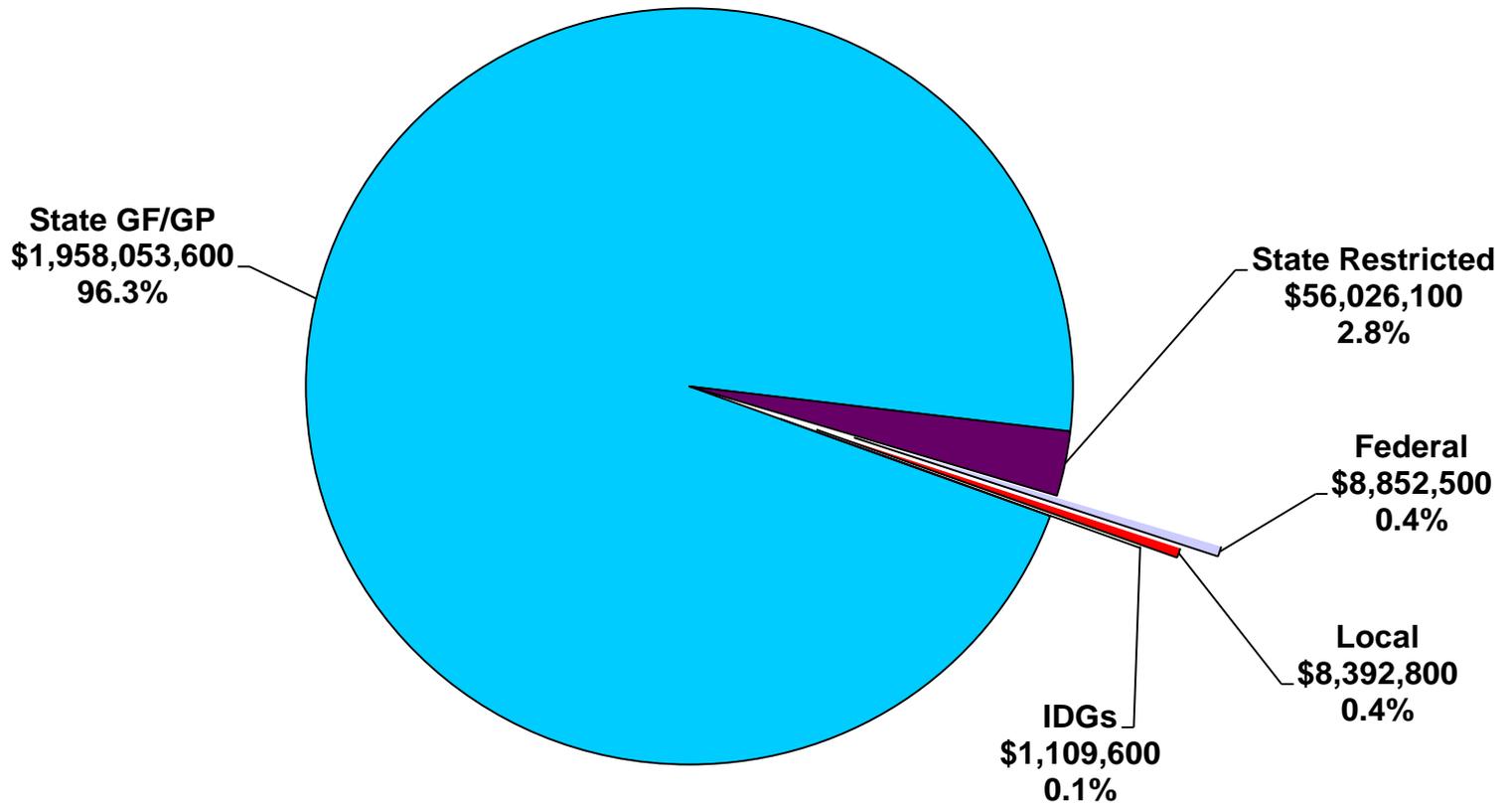
Corrections Funding Sources

- ***State general fund/general purpose:*** accounts for 96.3% of budget
- ***State restricted revenues:*** include Special Equipment Fund revenues generated from prisoner telephone surcharges, offender fees/reimbursements, prison industries and prison store revenues, public works user fees, and civil infraction fee revenue earmarked to the County Jail Reimbursement Program
- ***Federal revenues:*** include grants for education, substance abuse treatment, and prisoner re-integration programs; payments under the school breakfast and lunch programs; and reimbursements for housing criminal aliens and federal prisoners
- ***Local revenues:*** represent funding received from the City of Detroit to pay for MDOC staffing at the City of Detroit Detention Center and fees paid by local units of government for rental of electronic monitoring equipment

Corrections Funding Sources

The Corrections budget is primarily financed with state general fund/general purpose revenue.

FY 2013-14 Corrections Budget = \$2,032,434,600



DEPARTMENT APPROPRIATIONS

Corrections Appropriations

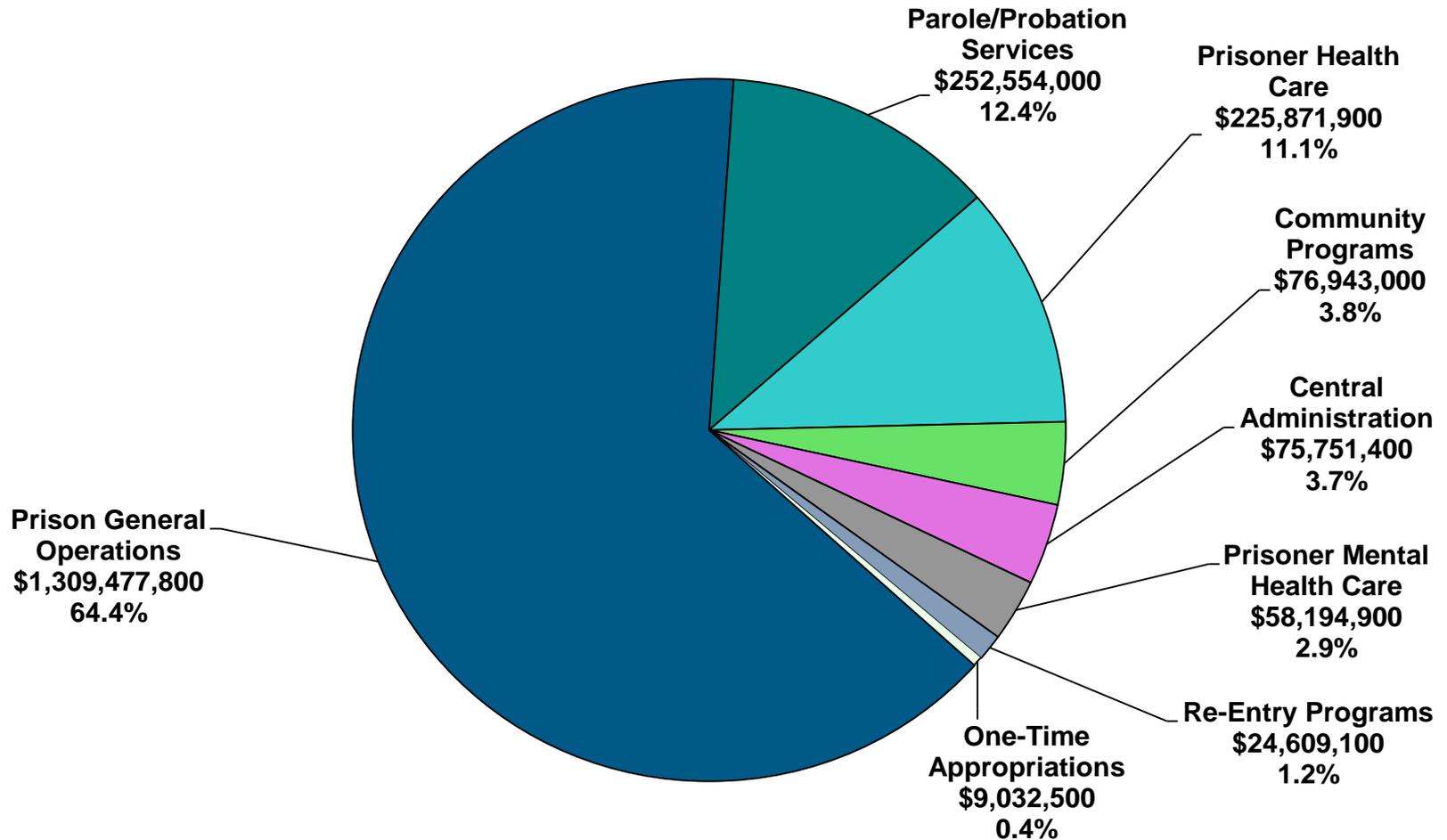
The Corrections budget is allocated into the following major spending areas:

- ***Prison Operations:*** operations of the state's correctional facilities, including physical and mental health care for prisoners, prison food service, prisoner programs (including education), and prisoner transportation
- ***Parole and Probation Services:*** supervision and monitoring of parolees and probationers
- ***Prisoner Re-Entry Programs:*** prisoner re-integration programs aimed at reducing recidivism through prisoner assessment, case management, and delivery of services
- ***Community Programs:*** programs to provide alternatives to prison incarceration including community corrections programs, 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)

Corrections Appropriations

Just over 78% of the Corrections budget is allocated to prison operations, including physical and mental health care for prisoners.

FY 2013-14 Corrections Budget = \$2,032,434,600



MAJOR BUDGET TOPICS

OFFENDER POPULATION AND GROWTH

The Offender Population

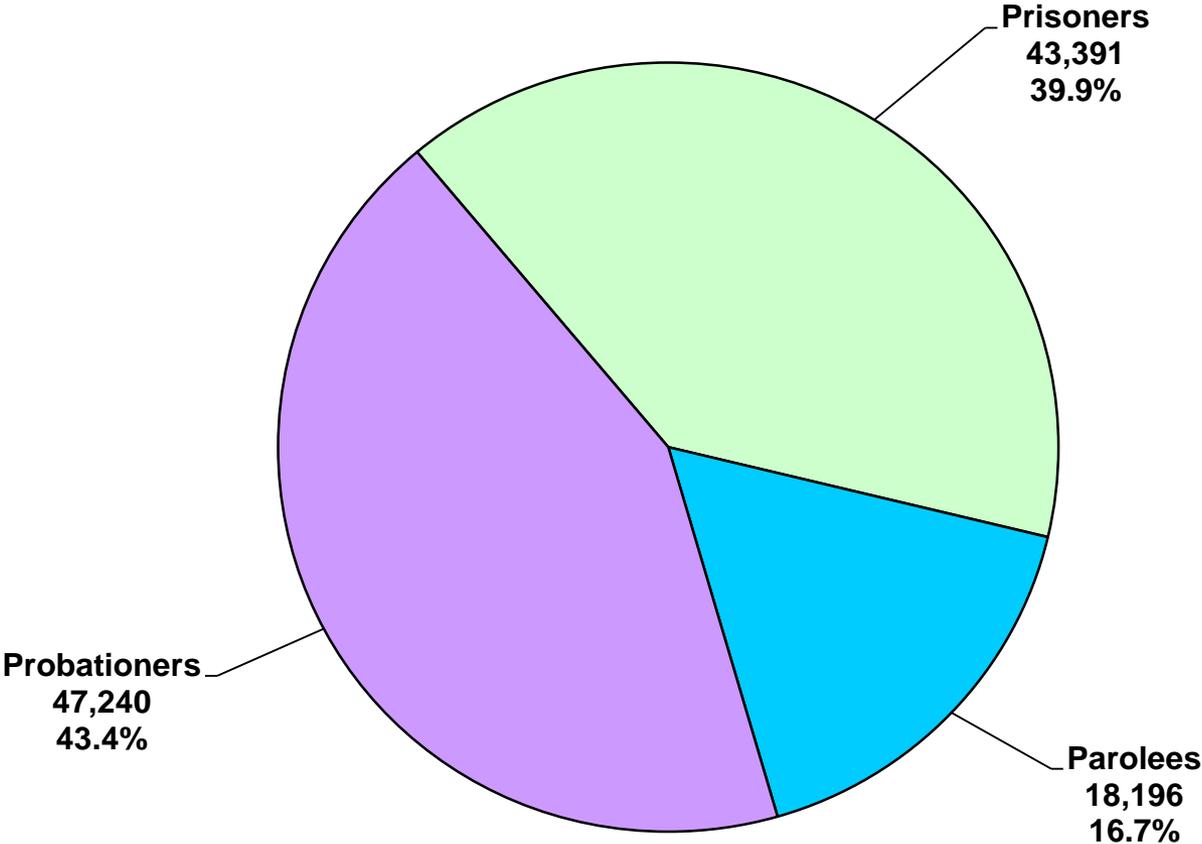
- ***Prisoners:***
 - Felony offenders committed to the jurisdiction of the MDOC
 - Housed in prisons and special alternative incarceration (previously, were also housed in camps and community placement programs)

- ***Probationers:***
 - Felony offenders sentenced to a probationary term of supervision in the community
 - Supervised by MDOC field agents

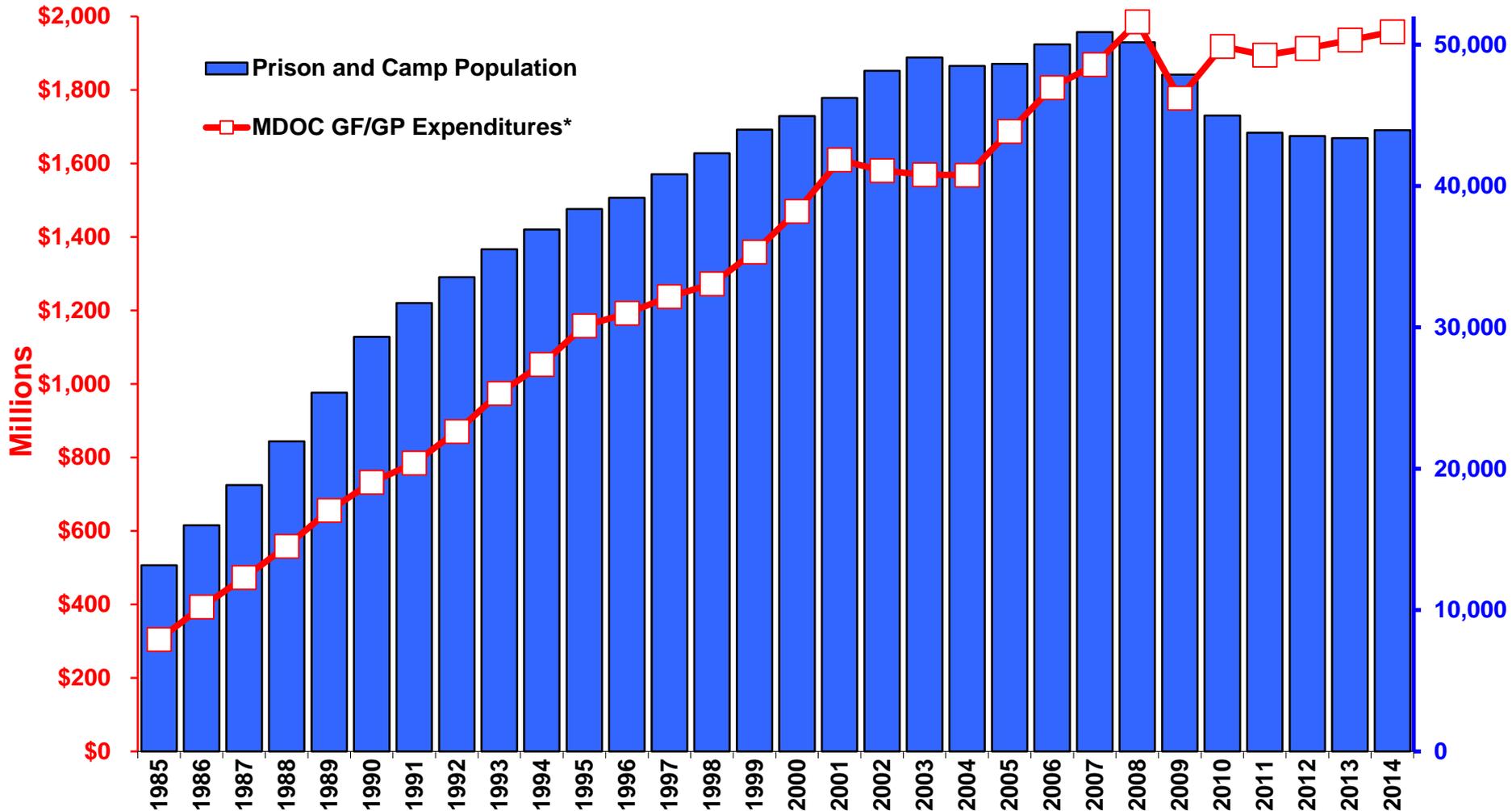
- ***Parolees:***
 - Prisoners who have served at least their minimum term (less any applicable disciplinary credits) and who have been released to a period of supervision in the community
 - Supervised by MDOC field agents

MDOC Supervised Population

October 31, 2013 Total = 108,827



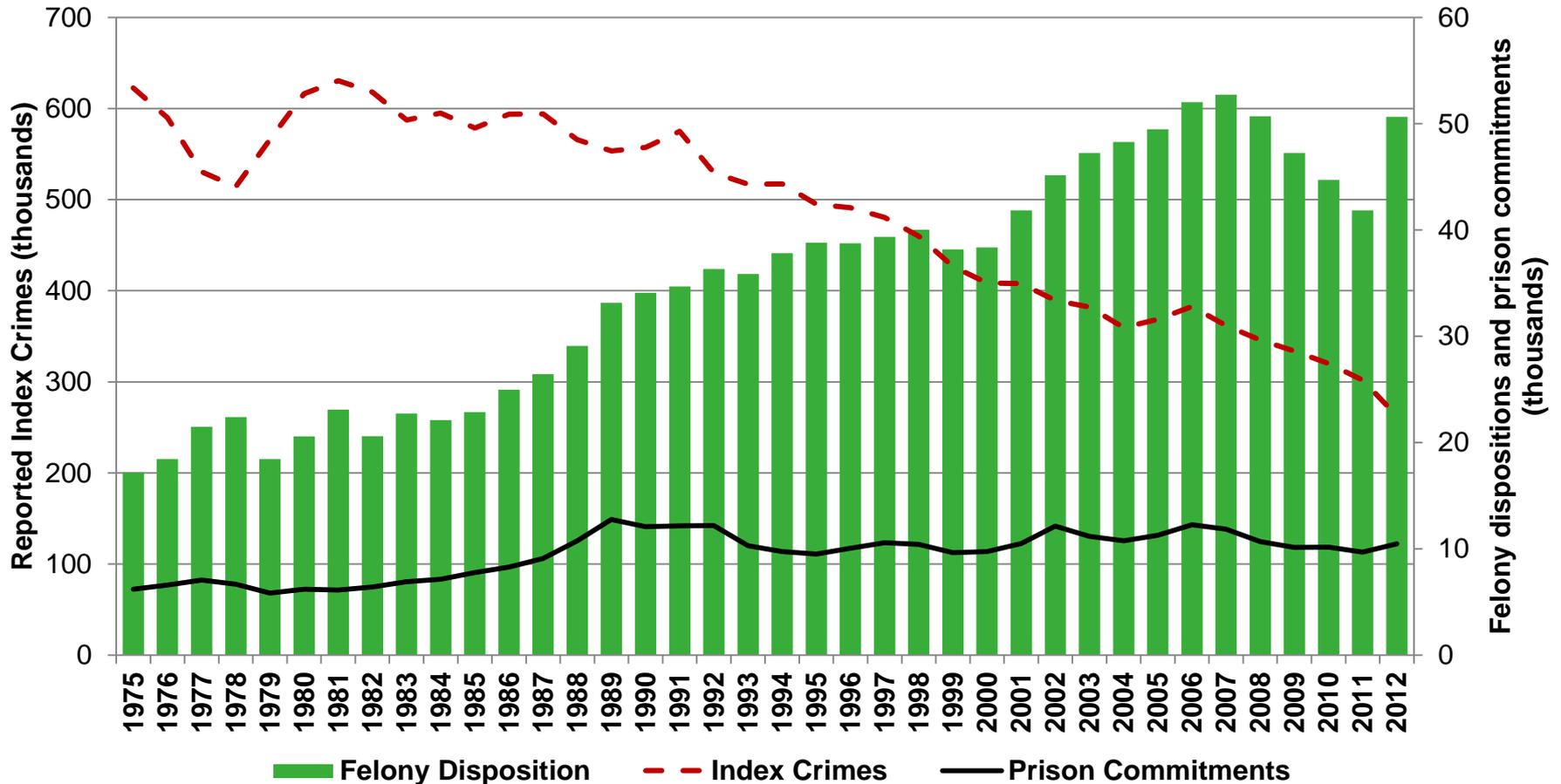
Growth in MDOC GF/GP Spending and the Prisoner Population



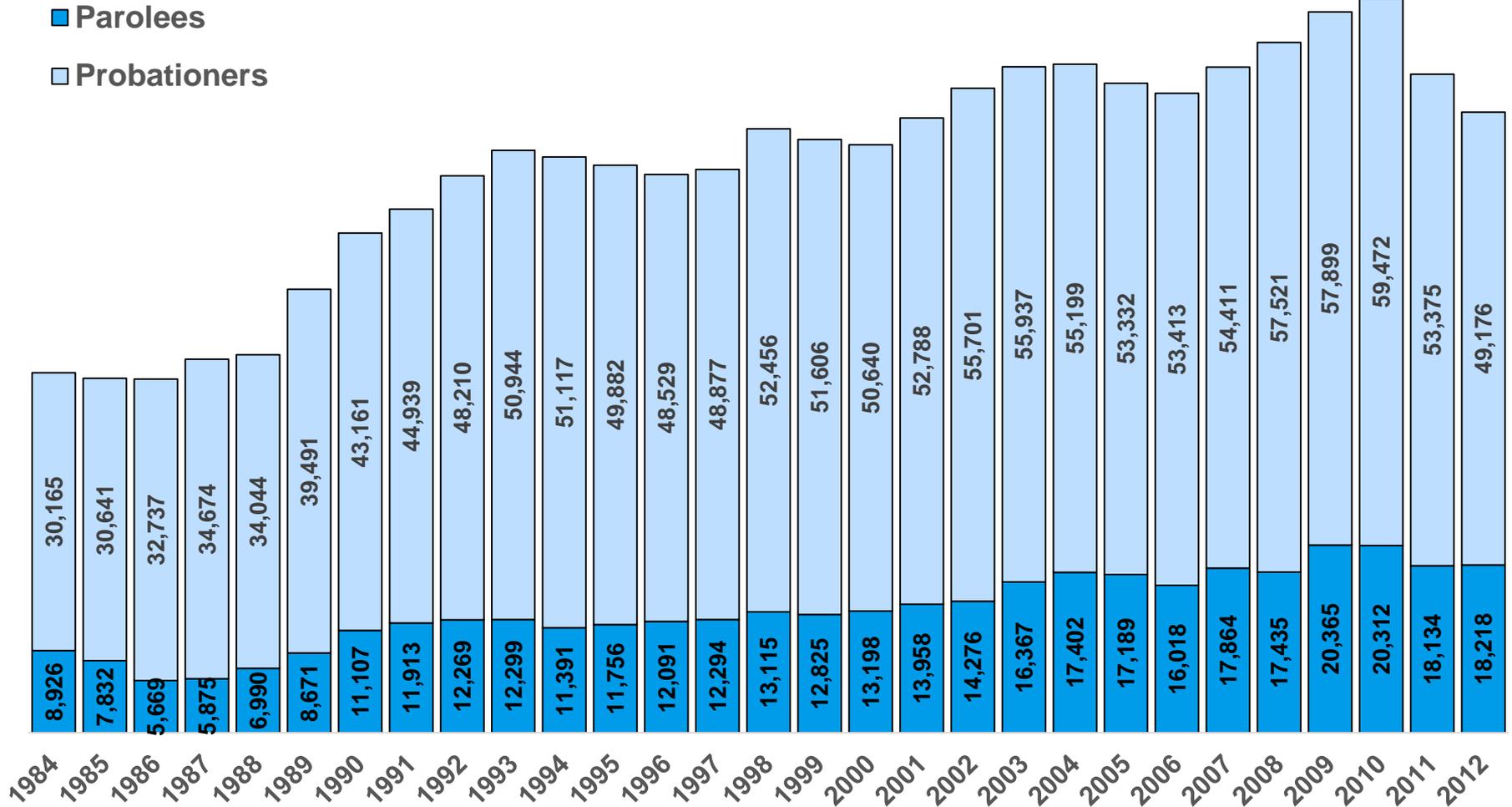
* FY 2014 based on year-to-date GF/GP appropriation and budgeted prisoner count.

Crime and Prison Commitments

While reported index crimes have decreased since around 1980, felony offender dispositions had increased steadily until 2007, at which time the trend reversed until an increase again in 2012. Prison commitments increased during the 1980s and have fluctuated around a slightly steadier trend level since the late 1980s.



Parole and Probation Populations



Source: MDOC Annual Statistical Reports.

Recent Prison Population Changes

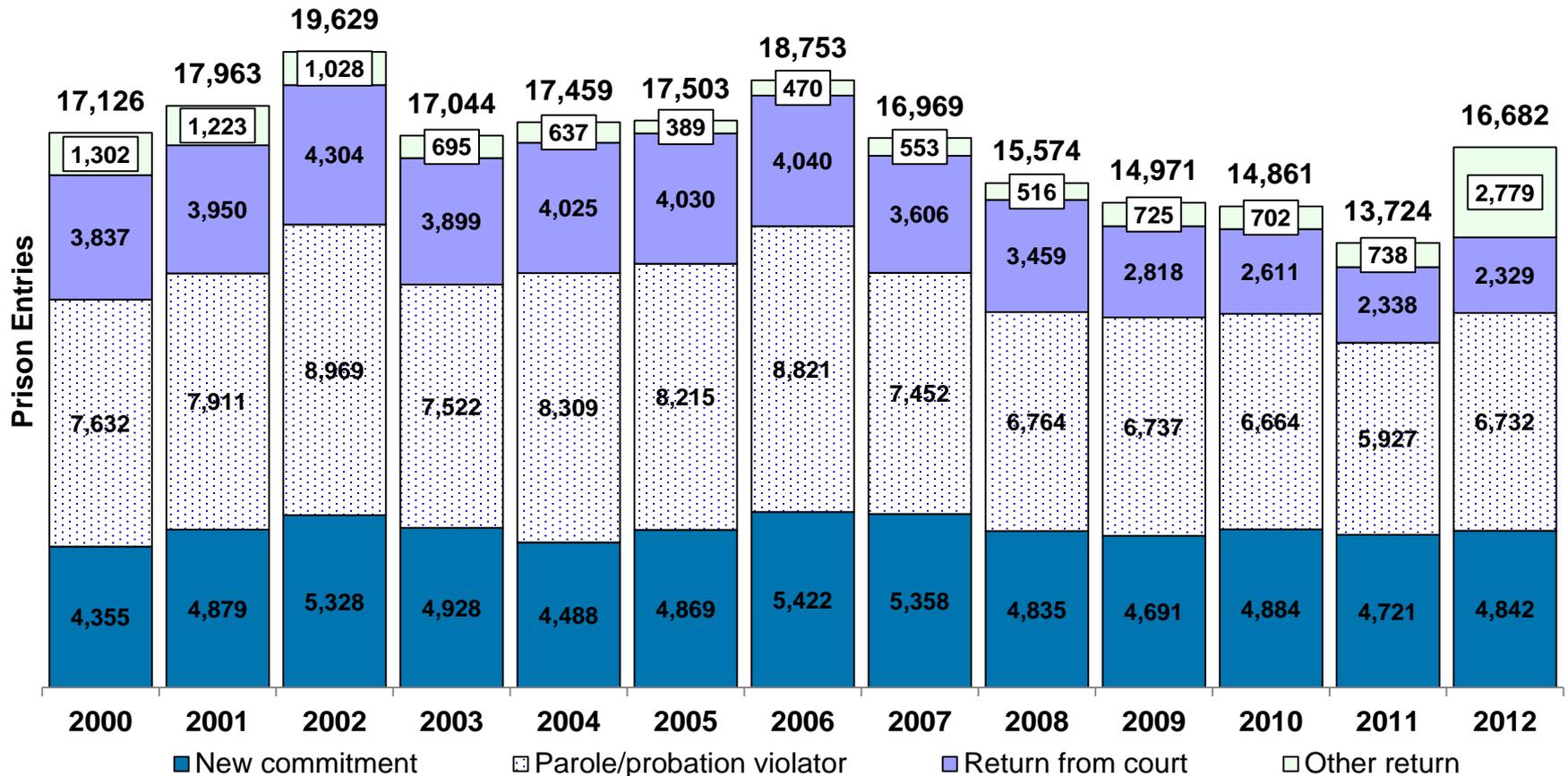
- **Changes in the prison population are a function of the movement of offenders into and out of the system**

- **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 new sentences)**
 - **Other returns: for example, from community placement**

- **Exiting the system:**
 - **Parolees: granted parole by 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, mental health hospital**

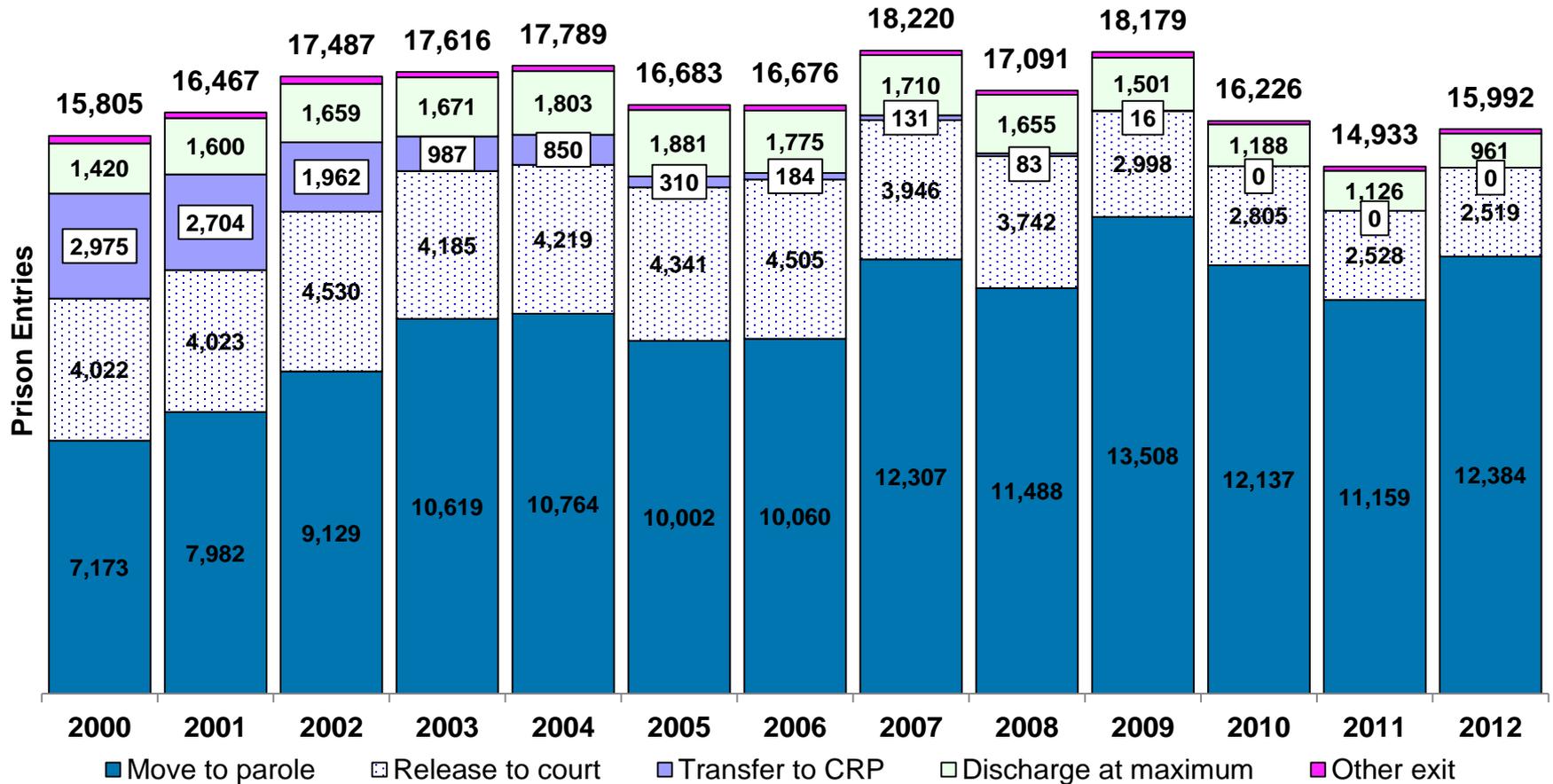
Entry into Prison System

Parole and probation violators continue to make up the largest group of people entering into the prison system. The numbers of people with new court commitments and those who are returned from court have fluctuated, but have held to trend.



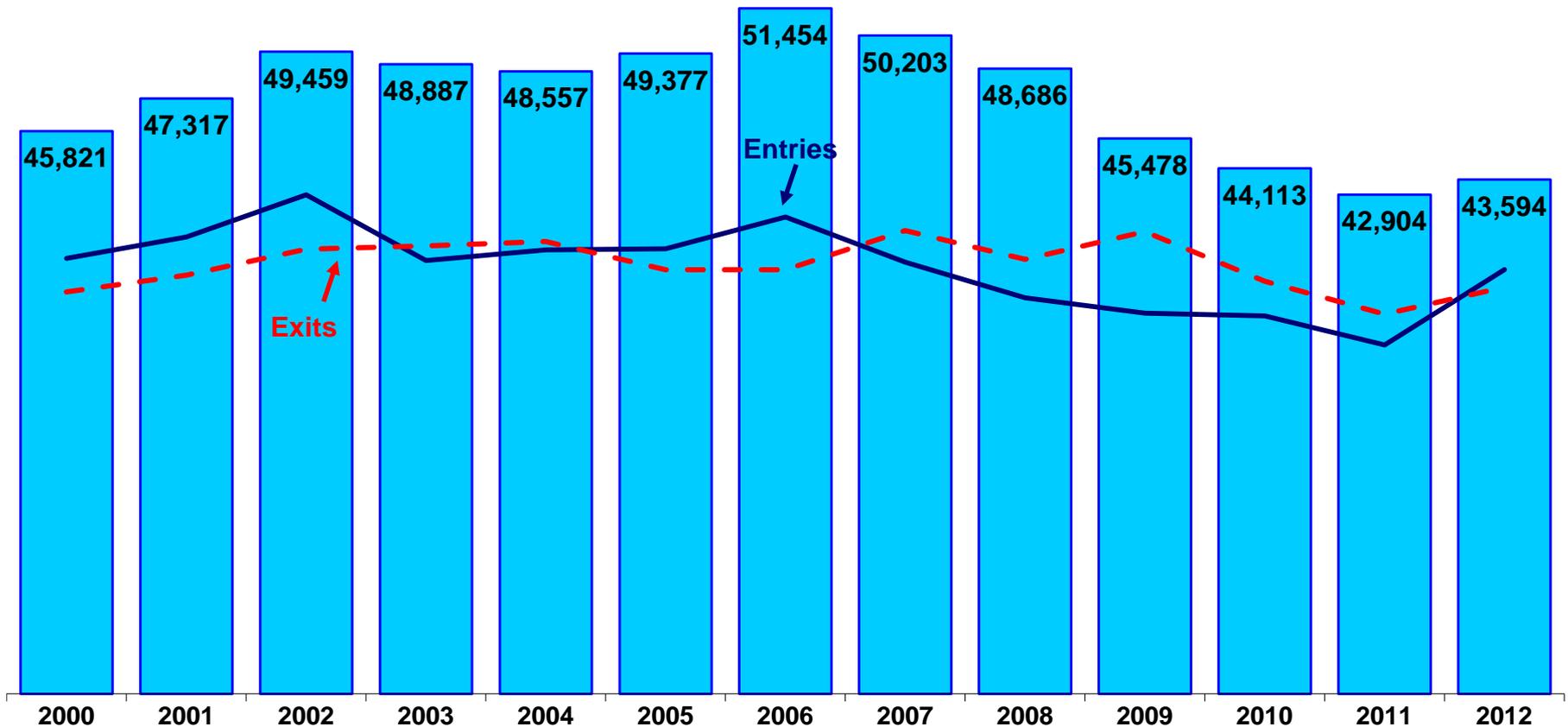
Exits from Prison System

The number of approved paroles has offset the reduction of transfers to community residential programs that have resulted from truth-in-sentencing.



Michigan's Prison and Camp Population

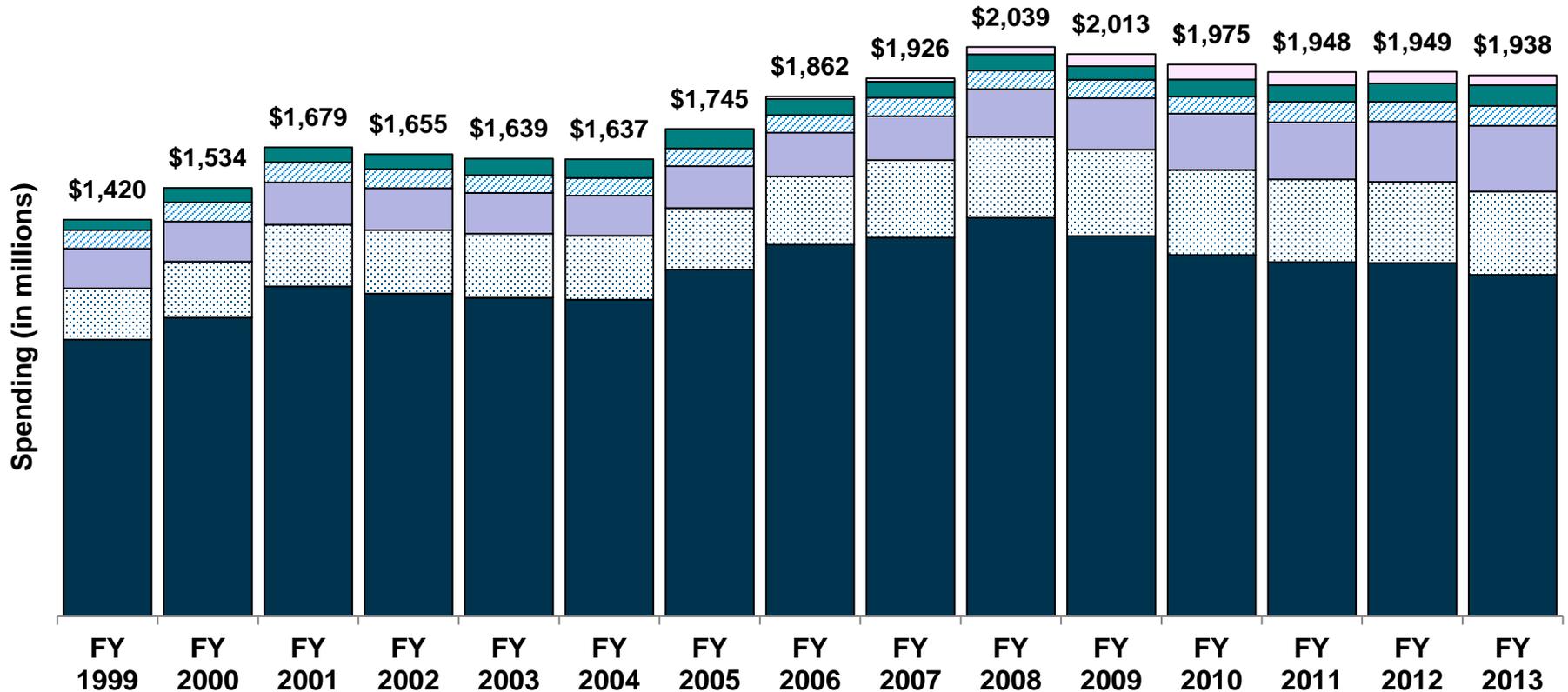
The drop in prisoner population from FY 2006 to FY 2011 was a result of a decline in prison entries, which largely resulted from the drop in returns due to parole/probation violations. Prison exits, however, also began to decline in 2010 with fewer moves to parole, which has slowed the population decline.



RECENT BUDGET GROWTH

Corrections Spending Growth by Program

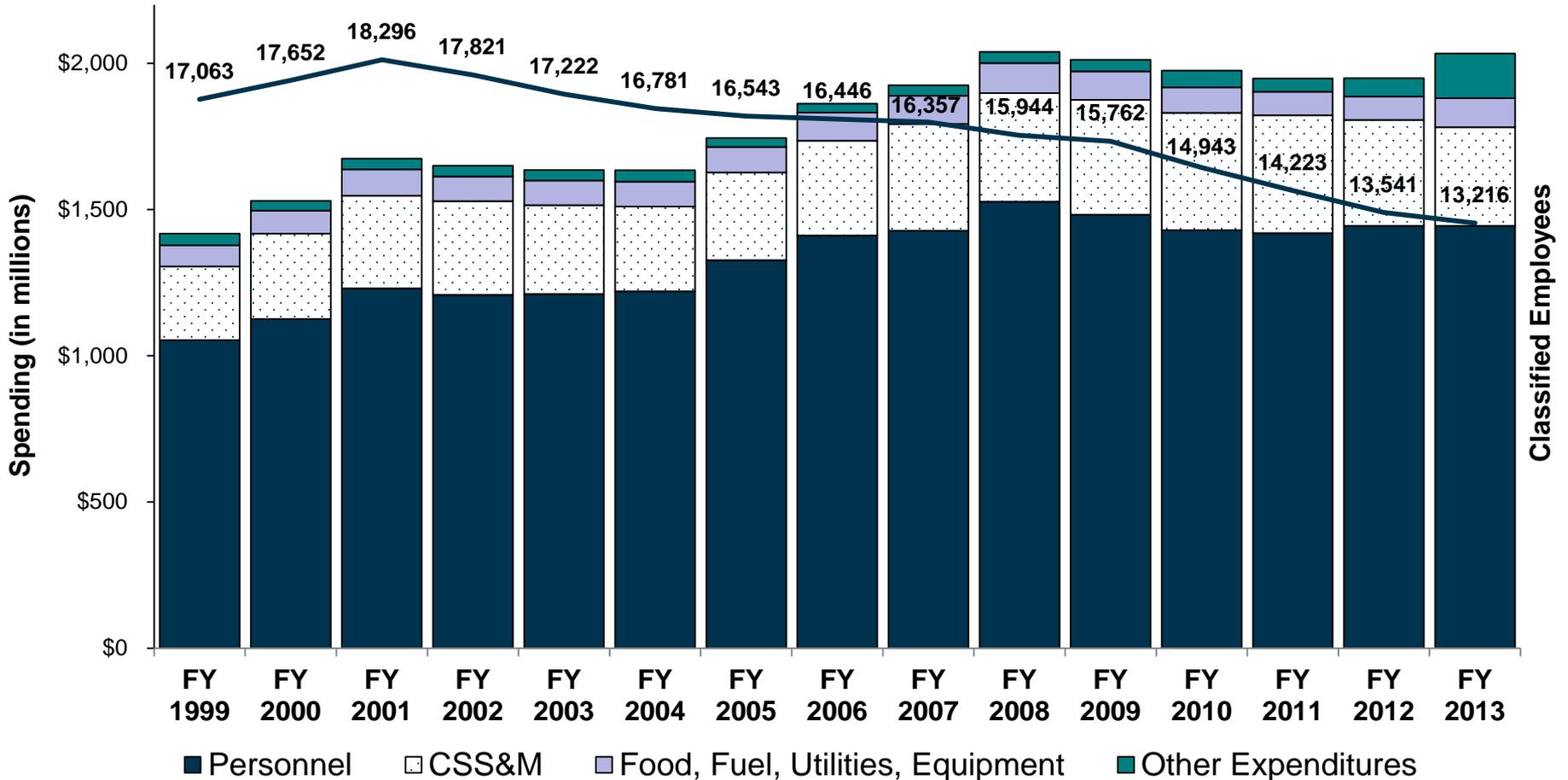
From FY 1999 to FY 2013, Corrections spending has grown at an average annual rate of 2.9%. Prisoner health and mental health care has grown at an average annual rate of 4.6% over this time. Spending on general prison operations has grown by 2.2% annually during this period.



Prison Operations
 Health/Mental Health
 Field Operations
 Community Prg
 Central Admin
 Re-Entry

Corrections Spending Growth by Purpose

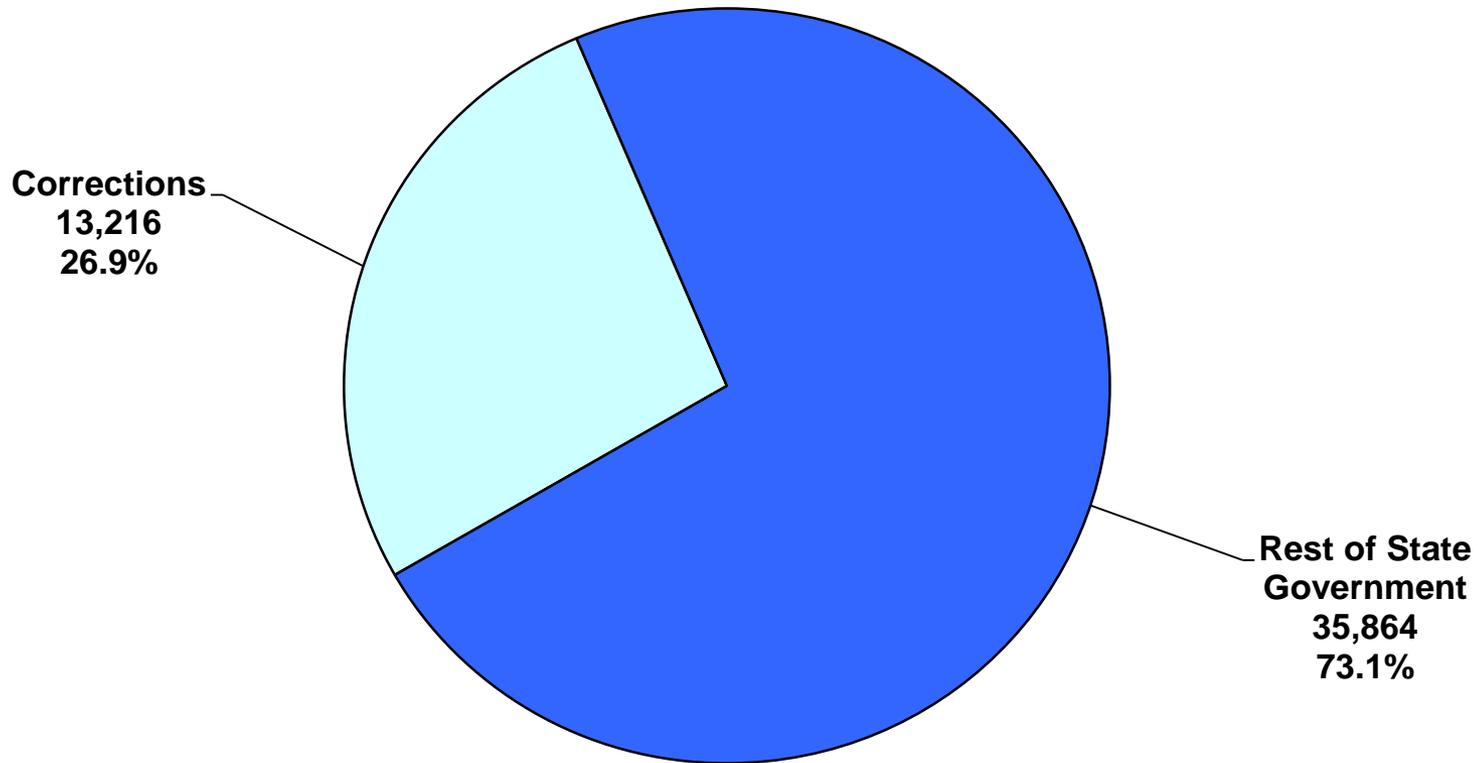
Personnel costs account for the majority of the budget and have risen at an average annual rate of 3.1% over the FY 1999 to FY 2013 period, consistent with overall budget growth. However, actual employment has fallen since FY 2001. Starting with FY 2012, increased spending occurred as a result of pre-funding OPEB, primarily retiree health care costs.



Data note: Employee counts based on average number of active classified employees across fiscal year. Source: Annual State Workforce Reports.

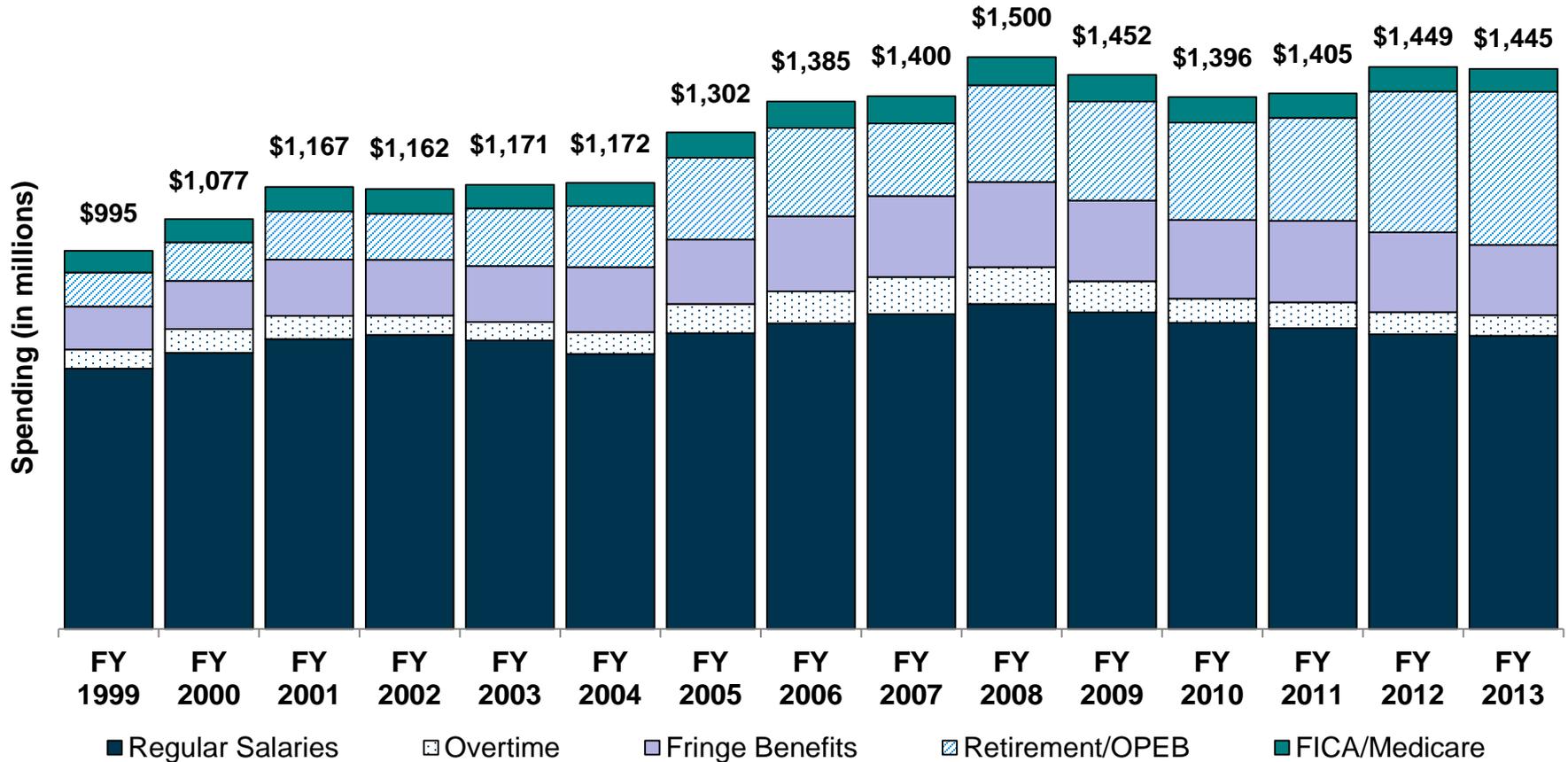
Corrections Share of Active State Classified Workforce

As of October 26, 2013 = 49,080 Total State Employees



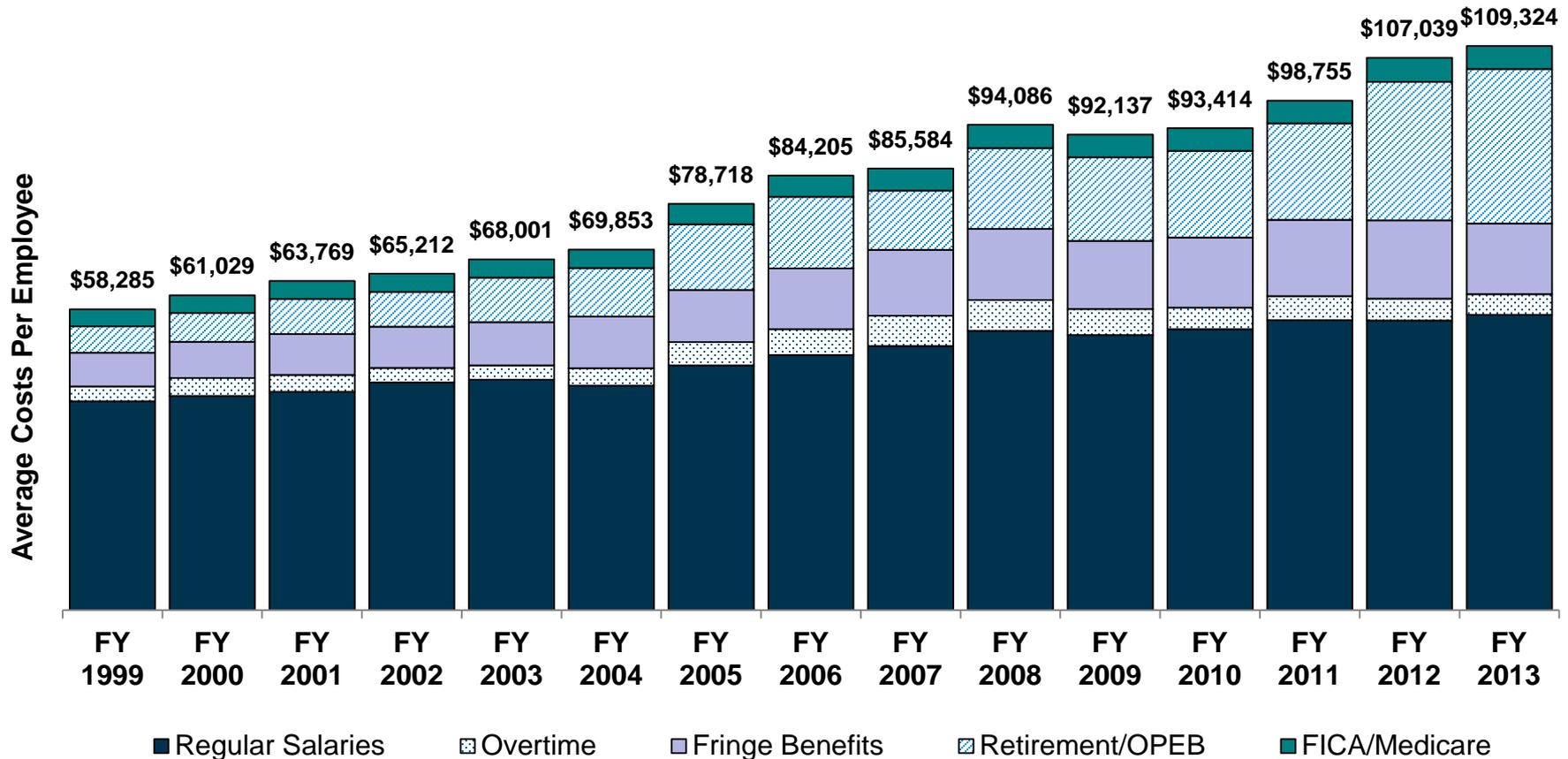
Corrections Personnel Costs

Since FY 1999, personnel costs for the MDOC have risen by an average of 3.3% annually. The largest drivers behind these cost increases have been fringe benefit and retirement costs. In FY 2013, these costs accounted for 39.9% of all personnel costs compared to 19.9% in FY 1999. Starting with FY 2012, costs also reflect the initiative to pre-fund OPEB.



Corrections Personnel Costs Per Employee

Personnel costs on a per employee basis for the department have risen by an average of 5.0% annually since FY 1999. Again, fringe benefit and retirement costs have played the largest role, with average annual per-employee increases of 11.4% across the period. Regular salary costs have increased by 2.8% annually. Most of the increase from FY 2011 to FY 2012 reflects the initiative to begin pre-funding OPEB costs.



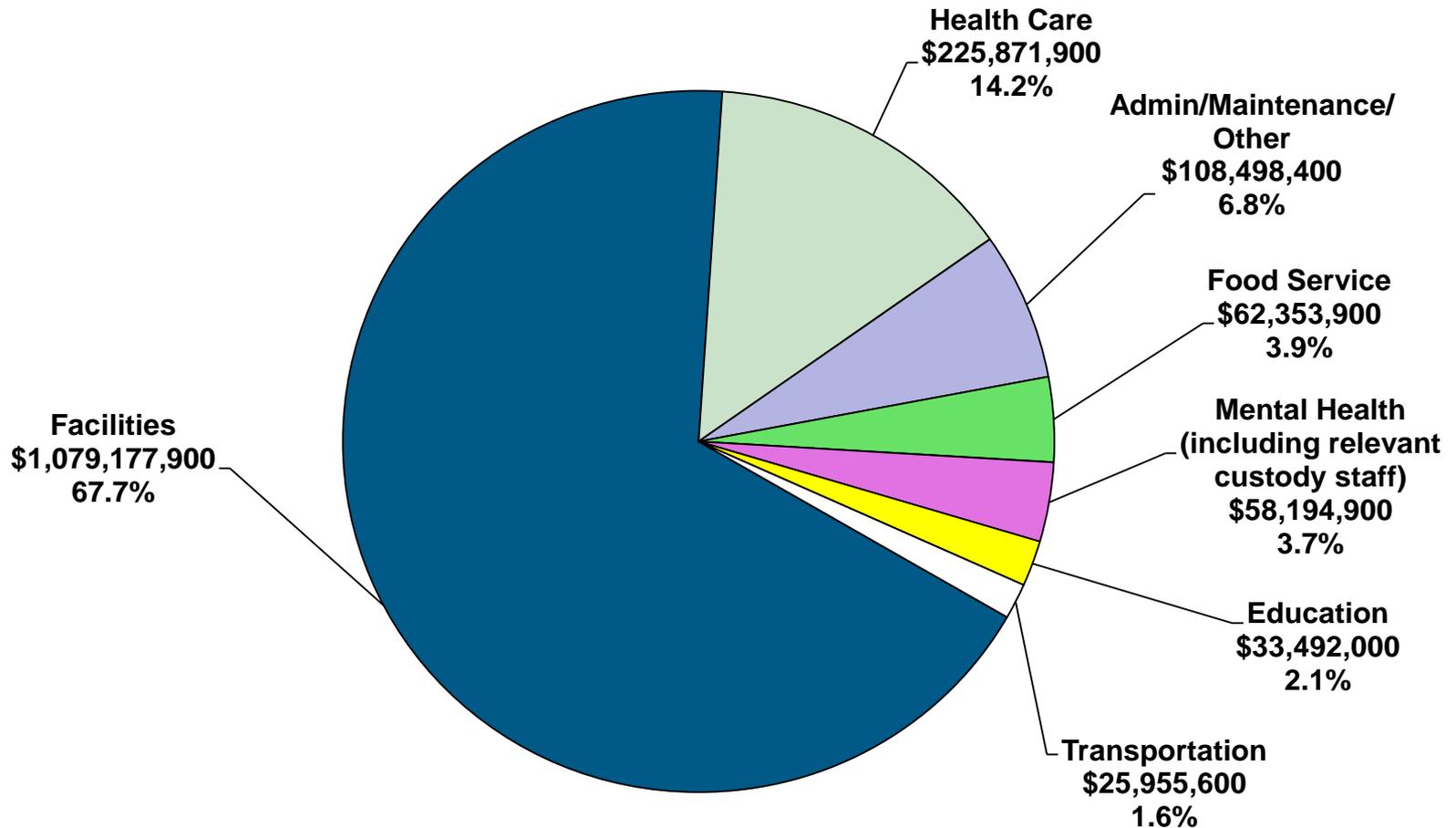
PRISON OPERATIONS: CORRECTIONAL FACILITIES

Prison Operations

- Michigan currently operates 31 correctional facilities located in 20 different counties
- About \$1.6 billion, or about 79%, of the Corrections budget is devoted to costs pertaining to prisoner custody and housing, health care, treatment programs, and academic and vocational programs
- 2011 and 2012 prison closures and conversions:
 - Muskegon Correctional Facility: closed due to cancellation of contract to house Pennsylvania prisoners in May 2011
 - Crane Correctional Facility: closed in May 2011
 - Mound Correctional Facility: closed in December 2011
 - Ryan Correctional Facility: converted to re-entry center in October 2012
 - Muskegon Correctional Facility: re-opened in October 2012 as part of Ryan conversion plan
- As of December 1, 2013, 344 prisoners (primarily serving flat sentences) are housed in county jails under contracts with eleven counties that have available bed space (Clinton, Midland, Ottawa, Clare, Ingham, Iron, Jackson, Lenawee, Osceola, Roscommon, and Van Buren)

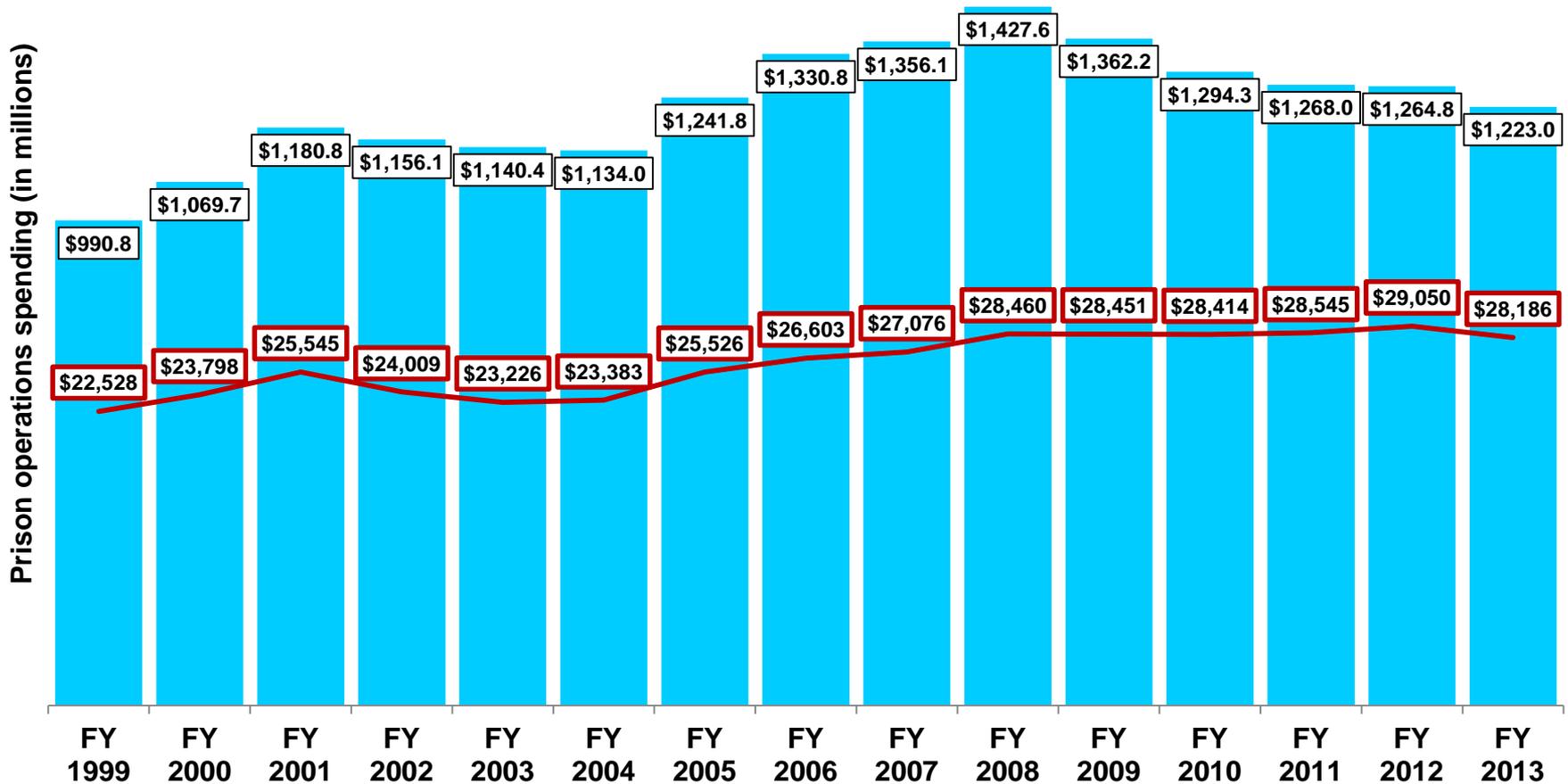
Prisoner Custody, Care, and Programs

FY 2013-14 Appropriation Total = \$1,593,544,600



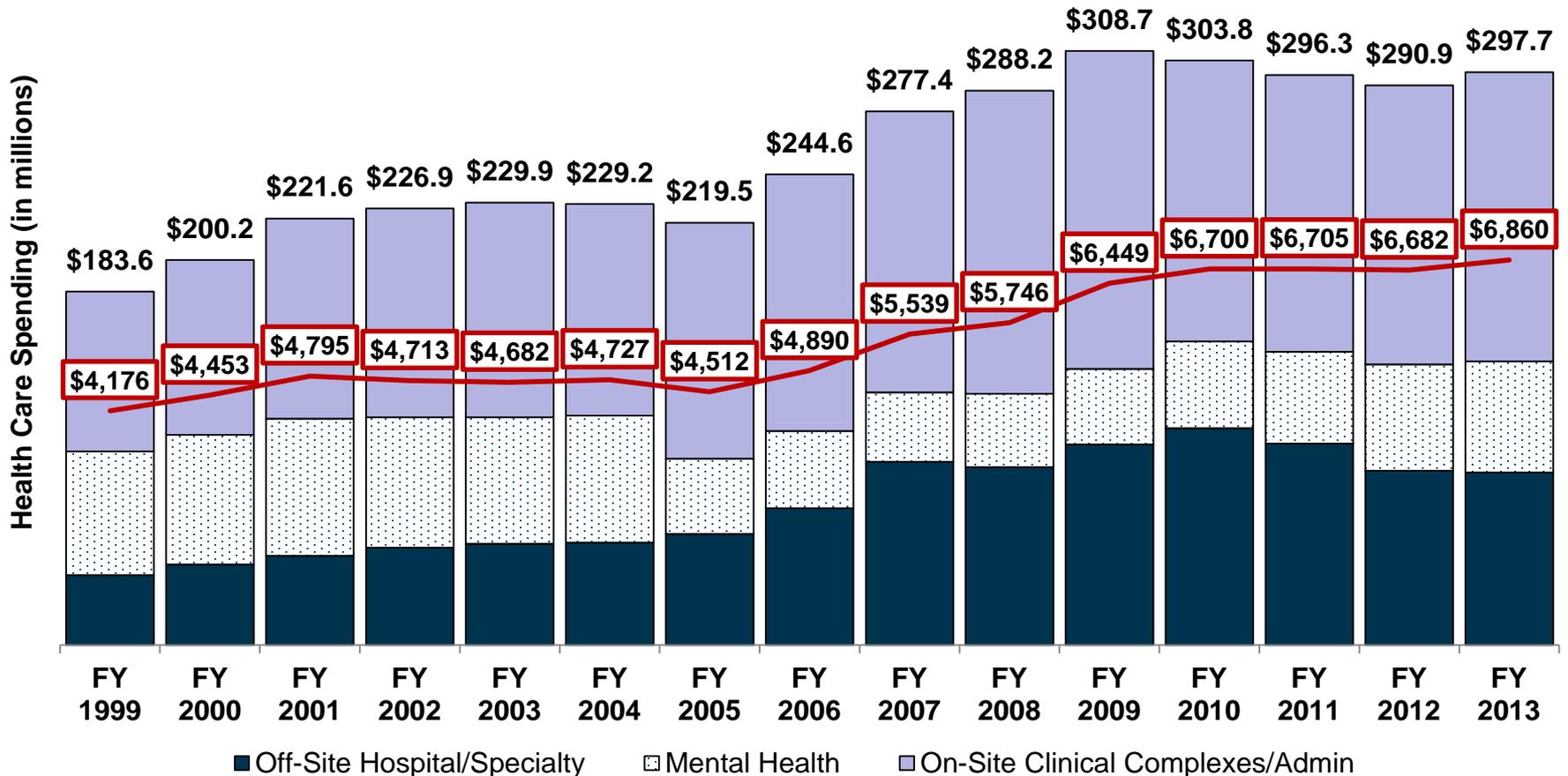
Prison Operations and Average Cost Per Prisoner

This chart reviews total prison operations spending excluding health care and direct mental health costs. The red line outlines average cost per prisoner for each fiscal year. Per-prisoner costs grew by an average of around 1.8% per year over this period.



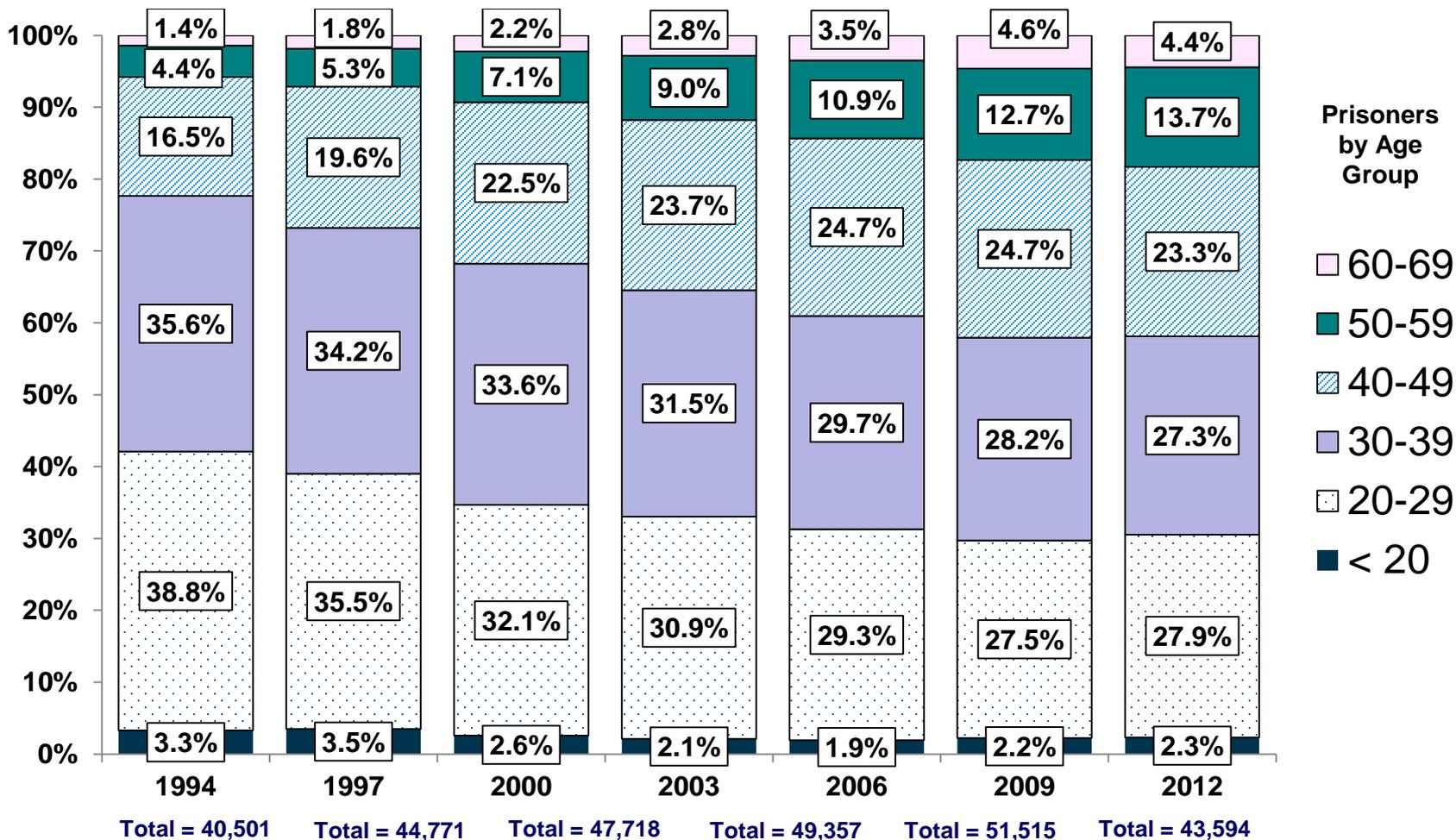
Prisoner Health Care and Mental Health and Average Cost Per Prisoner

Spending for prisoner health care and mental health services increased significantly over the FY 1999 to FY 2013 time period. Per-prisoner costs, shown on the red line, increased by an average of 3.6% annually over the whole period. However, the rapid annual growth of 8.2% seen between FY 2005 and FY 2010 has stopped with little growth since that time.



Prisoner Age Distribution and Health Care

One probable factor in the rise of per-prisoner health care costs is the aging of Michigan's prison population. In 1994, only 22.3% of prisoners were over 40 years of age. By 2012, that percentage had increased to 42.5%, with 19.2% of the population over age 50.



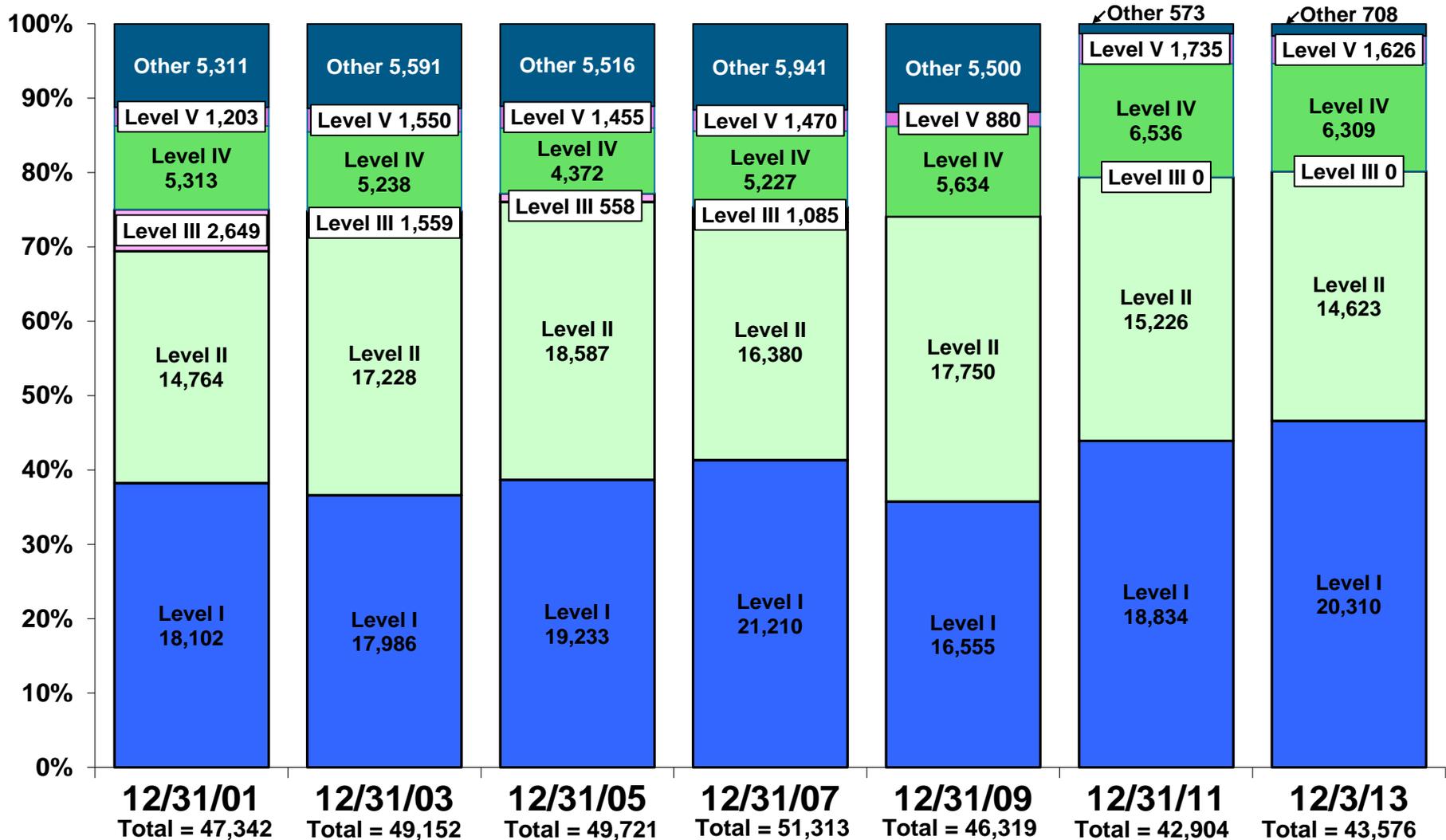
Facility Closures Since 2007

- **Camp Manistique (Manistique) – March 2007**
- **Camp Brighton (Brighton) – April 2007**
- **Southern Michigan Correctional Facility (Jackson) – November 2007**
- **Riverside Correctional Facility (Ionia) – November 2007**
- **Camp Branch (Coldwater) – February 2009**
- **Deerfield Correctional Facility (Ionia) – March 2009**
- **Scott Correctional Facility (Plymouth) – May 2009**
- **Camp Cusino (Shingleton) – July 2009**
- **Camp Kitwen (Painesdale) – July 2009**
- **Camp Ottawa (Iron River) – July 2009**
- **Hiawatha Correctional Facility (Kincheloe) – August 2009**
- **Camp White Lake (White Lake) – September 2009**
- **Standish Correctional Facility (Standish) – October 2009**
- **Camp Lehman (Grayling) – October 2009**
- **Muskegon Correctional Facility (Muskegon) – January 2010**
- **Crane Correctional Facility (Coldwater) – May 2011**
- **Mound Correctional Facility (Detroit) – December 2011**
- **Ryan Correctional Facility (Detroit) – converted to re-entry center in October 2012**

Openings: Michigan Reformatory in Ionia (reopened November 2007), Maxey/Woodland Center in Whitmore Lake (opened April 2009), and Muskegon Correctional Facility (reopened October 2012)

Net Operating Capacity by Security Level

The percentage of Level I prisoners has increased from 35.7% at the end of 2009 to 46.6% at the end of 2013. The percentage of Level IV and Level V prisoners also increased in that same time period. There was a decrease in the percentage of Level II prisoners.



Per Diem Costs Per Prisoner by Security Level

FY 2012 Actual	FY 2013 Projected	FY 2014 Appropriated
Level I \$27,944	Level I \$29,171	Level I \$29,583
Level II \$34,631	Level II \$33,065	Level II \$32,821
Level IV \$41,892	Level IV \$42,329	Level IV \$41,300
Multi-Level \$36,530	Multi-Level \$37,018	Multi-Level \$37,734
Level V \$40,780	Level V \$45,516	Level V \$43,837
Average Per Diem \$35,052	Average Per Diem \$35,073	Average Per Diem \$35,573

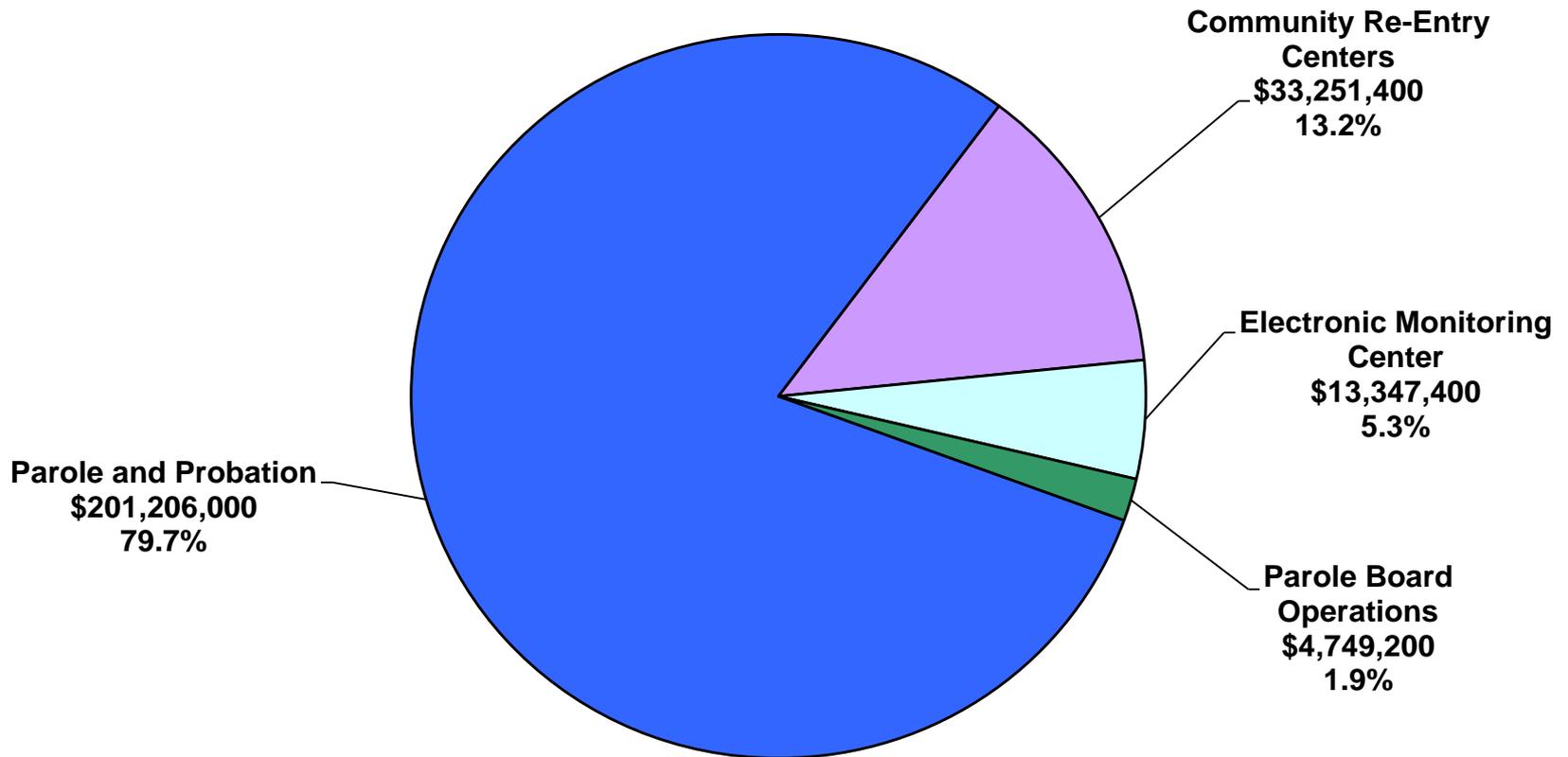
**FIELD OPERATIONS:
PAROLE AND PROBATION**

Field Operations

- **Field Operations Administration is responsible for supervising felony offenders outside of the prison, including probationers and parolees.**
- **The largest component of Field Operations is parole and probation; as of September 28, 2013, the MDOC employed over 1,400 active parole and probation agents charged with supervising around 65,000 offenders.**
- **Community re-entry centers, which provide structured housing for parolees, and the electronic tether program are also funded through field operations.**
- **Field Operations now incorporates the operations of the Detroit Re-Entry Center, which was converted into a re-entry center from the former Ryan Correctional Facility, to provide additional secure beds for parole violators and residential re-entry beds. (The Tuscola Residential Re-entry Program in Caro was closed as part of this reorganization.)**

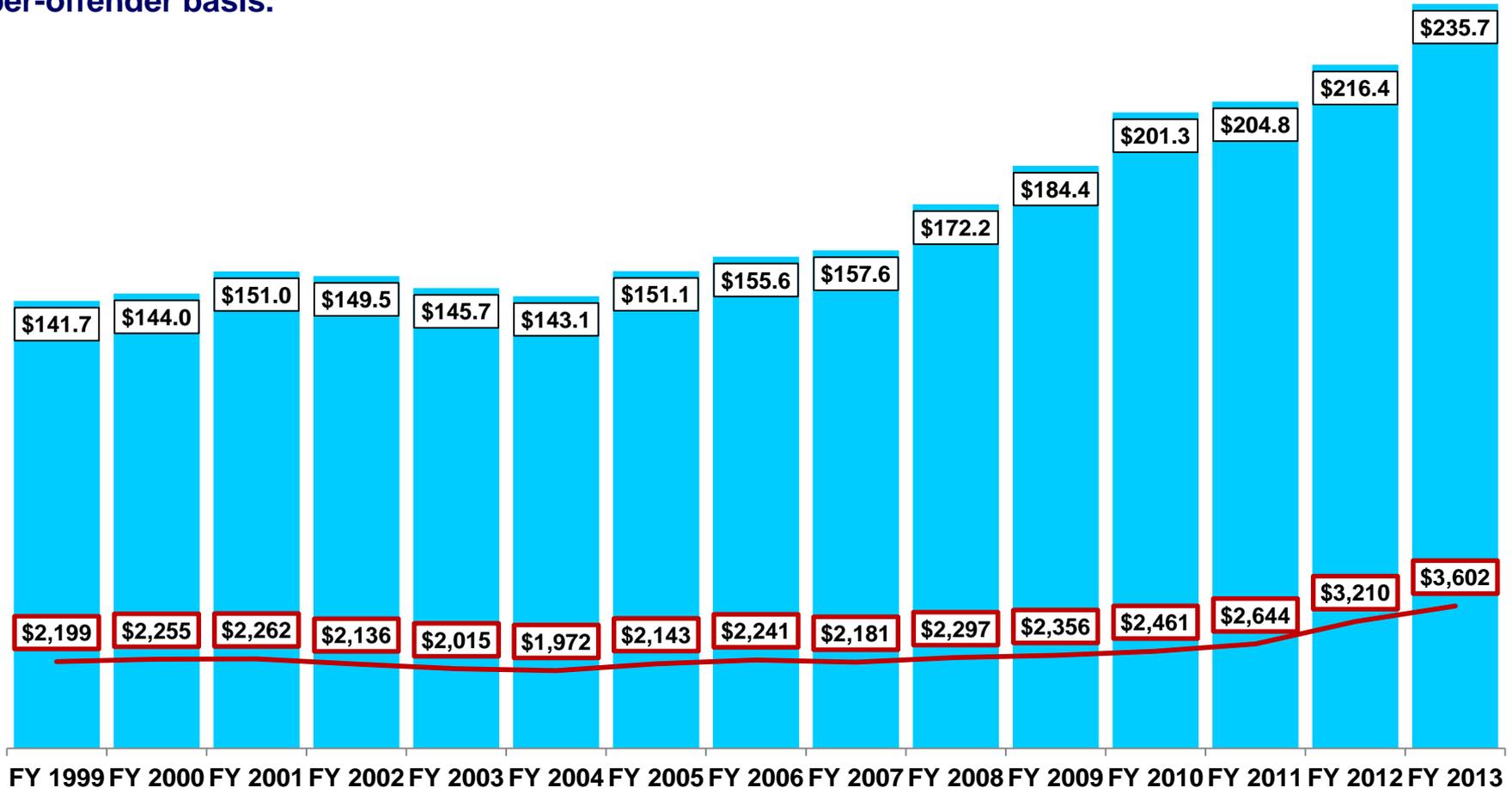
Field Operations

FY 2013-14 Total = \$252,554,000



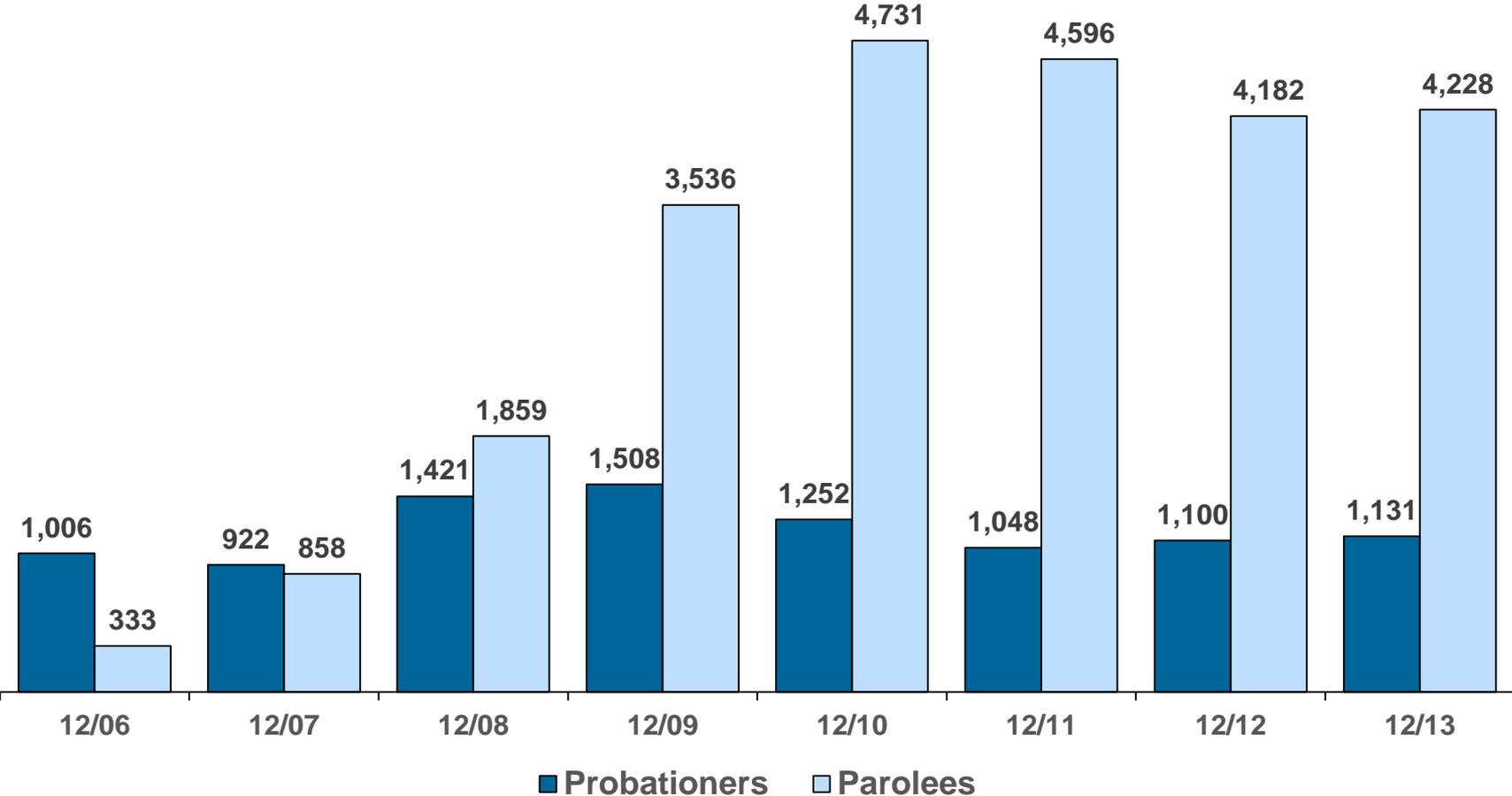
Parole/Probation Services & Average Cost Per Offender

Field Operations spending has increased by an average of 3.6% over the FY 1999 to FY 2013 time period. Recent growth since FY 2008 has been more significant (9.4% per year). This partially reflects the increased use of electronic monitoring techniques. The red line shows these costs on a per-offender basis.



Electronic Monitoring Population

Due to increased use of global positioning system (GPS) tethers for parolees, the number of parolees on tether has more than quadrupled since 2006, although usage has declined since 2010. The overall number of supervised offenders has declined by more than 10% since the population peaked during 2010.



**COMMUNITY PROGRAMS:
ALTERNATIVES TO
INCARCERATION**

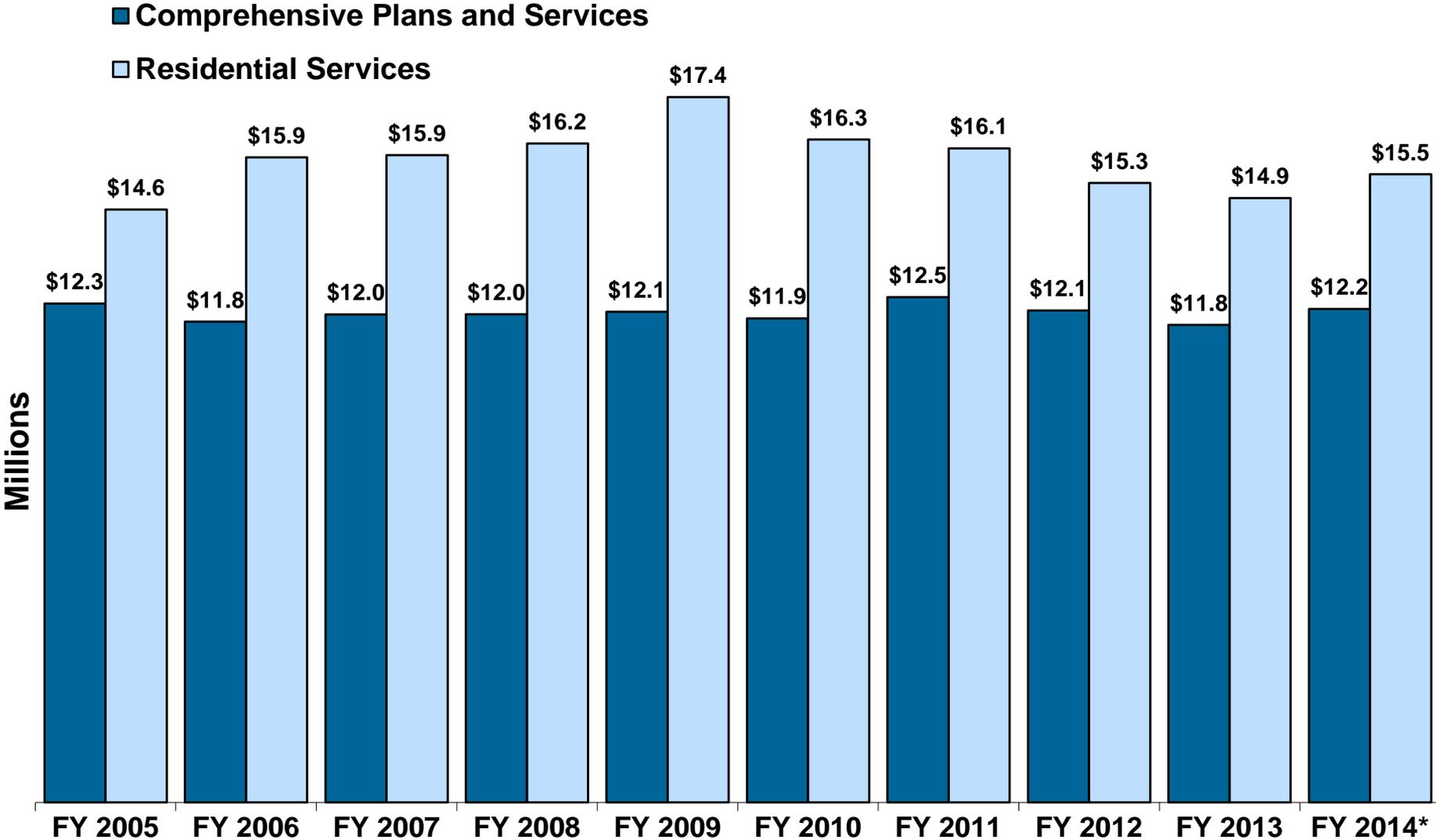
Community Corrections Program

- **Established by the Community Corrections Act, Public Act 511 of 1988, and aimed at minimizing the numbers of nonviolent offenders sentenced to prison**

- **Two main grant programs:**
 - **Comprehensive Grants and Services, assisting county and regional efforts to develop and implement local comprehensive corrections plans**

 - **Residential Services, providing per-diem payments for housing offenders identified in a local comprehensive corrections plan**

Community Corrections Grant Payments



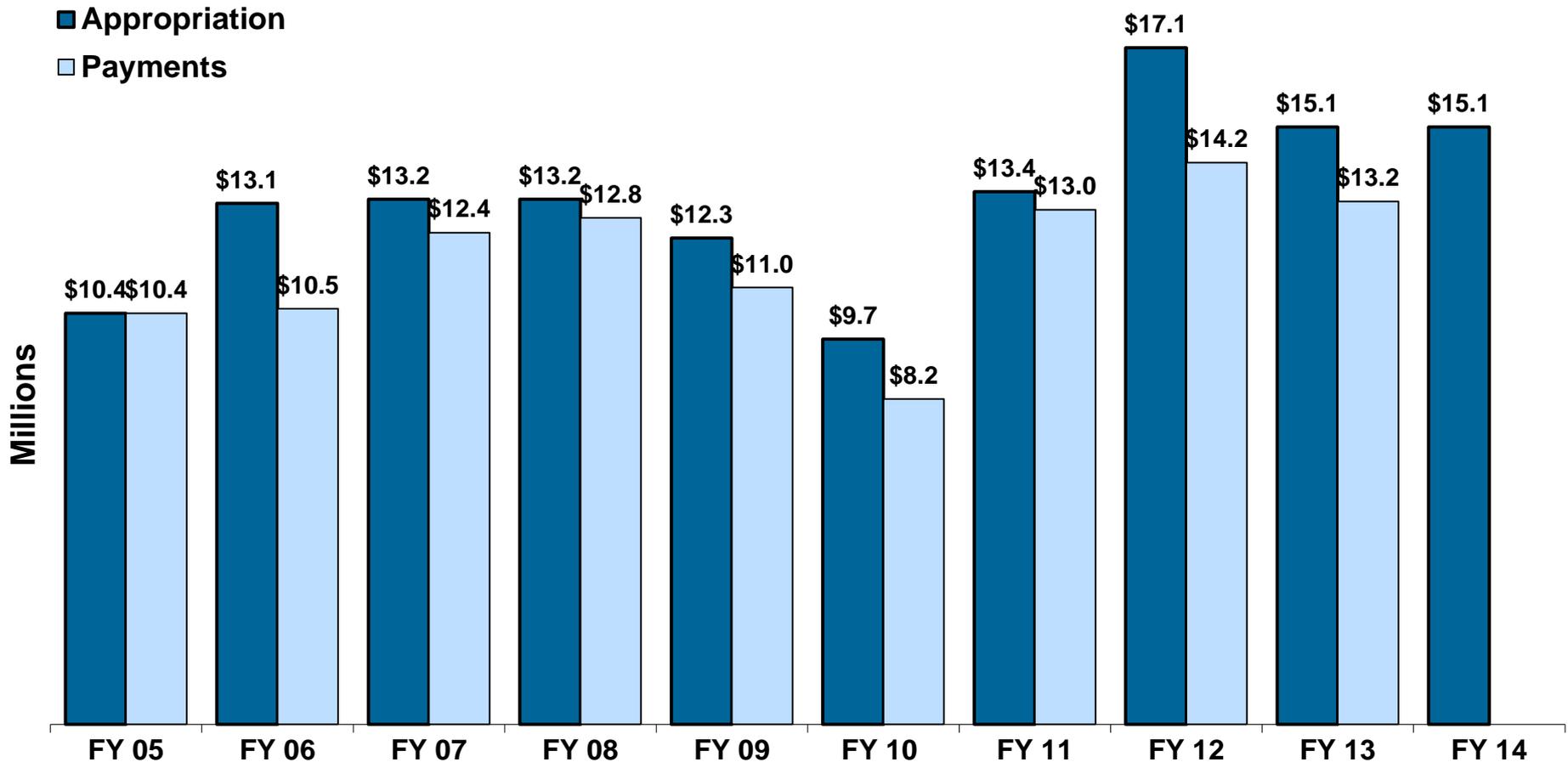
*FY 2014 reflects year-to-date appropriations.

County Jail Reimbursement Program (CJRP)

- Provides counties with per diem payments for housing felons in jails, who otherwise would have been sentenced to prison; instituted in FY 1989 budget act and established in statute by Public Act 317 of 1998
- Reimbursement criteria and per diem rates set by annual budget act
 - In FY 2004, criteria narrowed to condition reimbursement on sentencing guidelines scores, and a portion of CJRP funding was diverted to a new program for felony drunk drivers
 - Current boilerplate for FY 2014 provides counties with a 3-tiered reimbursement rate structure which is tied to the sentencing guidelines score of the housed offender; reimbursement varies from \$35 to \$60 per day
- Beginning with FY 2009, CJRP has been funded partially with civil infraction fee revenues dedicated to the program in statute; however, these revenues have been declining
- Distribution has traditionally been capped at the appropriation level, which caused some counties to have unreimbursed bed days during FY 2008 and FY 2009

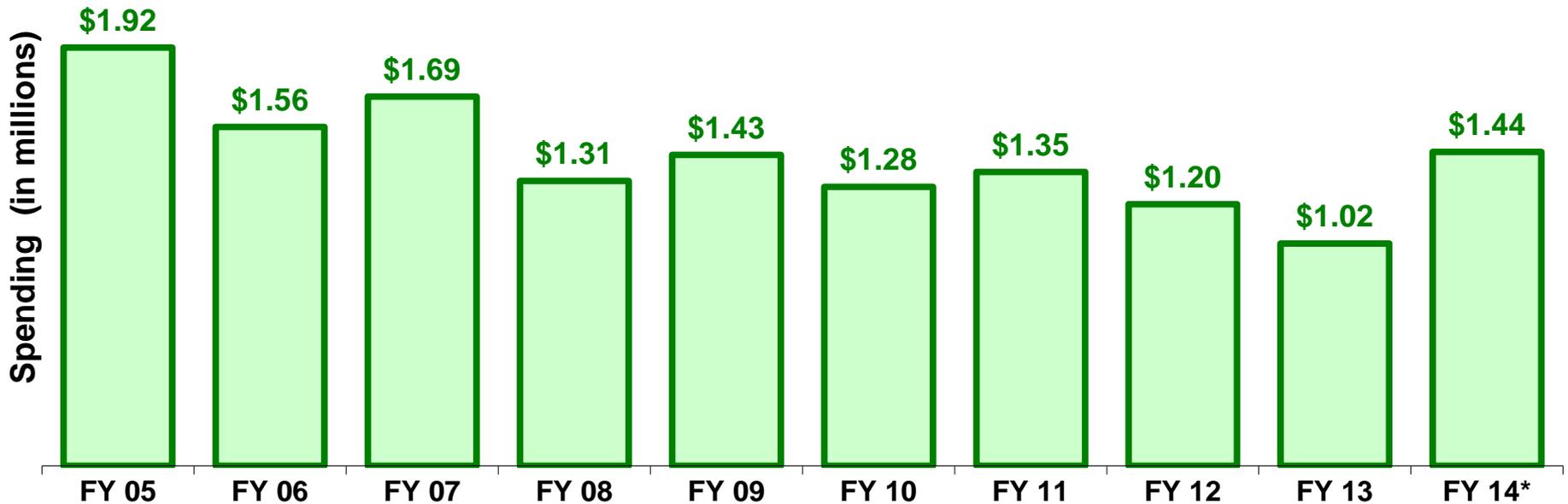
County Jail Reimbursement Program

The Legislature boosted funding for the program in FY 2012. However, claims from counties have come in below the appropriated level, so spending has not kept pace. The appropriation for the program was then adjusted in FY 2013. A veto in FY 2010 eliminated funding for the program during the first fiscal quarter.



Felony Drunk Driver Jail Reduction and Community Treatment Program

Established in FY 2004, the program provides grants for the assessments, treatment, and housing of persons convicted on felony drunk driving charges. Goal of the program is to free up local jail beds that could be used to house felons who otherwise may have gone to a state prison.



* FY 14 figure represents year-to-date appropriation for the program.

**PRISONER
RE-ENTRY INITIATIVE**

Prisoner Re-Entry

- **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**
- **Case management starts at prison entry:**
 - **Phase 1: Getting ready – prisoner assessment and classification; development of case management plan**
 - **Phase 2: Going home (starts 2 months prior to release) – creation of re-entry plan; prison in-reach by transition team members**
 - **Phase 3: Staying home – discharge plan and parole supervision**
- **Program originally implemented as Michigan Prisoner Re-entry Initiative:**
 - **First six community pilot sites developed in FY 2005 and funded in FY 2006**
 - **Additional seven sites developed in FY 2006 and funded in FY 2007**
 - **Statewide implementation commenced in FY 2008**

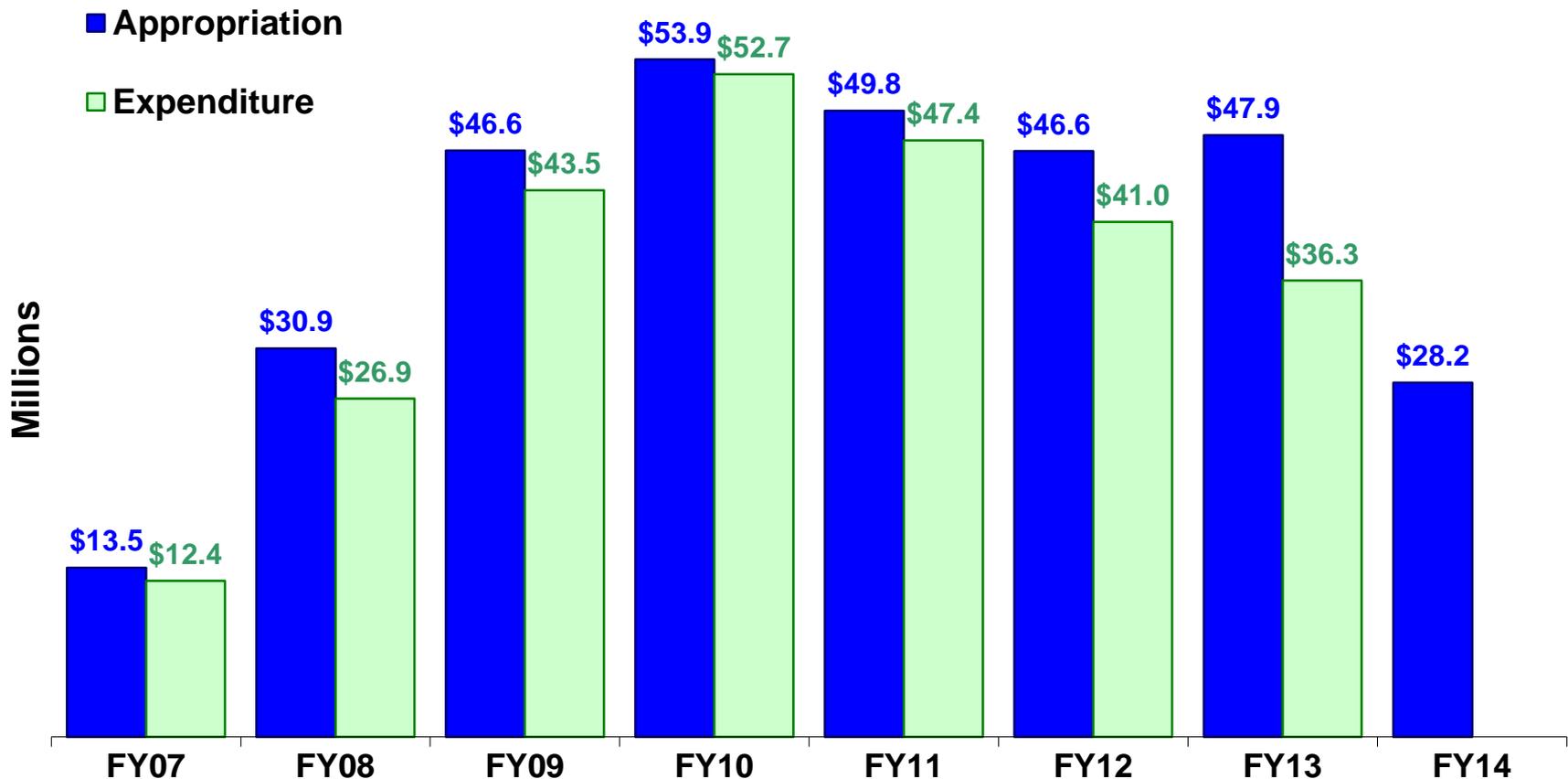
Prisoner Re-entry Funding

- **FY 2014 funding: \$28.2 million appropriation, plus utilization of other resources in field operations and correctional facilities administration**

- **The primary prisoner re-entry line items support:**
 - **Community-based and prison-based prisoner re-entry 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 project to develop strategies and improve success for parolees with mental illness**
 - **Local prisoner re-entry plan administrative costs and program evaluation**
 - **Specialized programming for prisoners with mental health issues and other special needs**

Prisoner Re-Entry Funding

Appropriations for community-based re-entry programs and services increased dramatically as implementation spread statewide. In FY 2014, appropriations for community-based re-entry programs were reduced and the funding reallocated to correctional facilities for more re-entry programming to occur before inmates are released from prison.



**For more information about the
Corrections budget, contact:**

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