



Budget Briefing: Corrections

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Briefing Topics

- Funding Sources
- Appropriation Areas
- Major Budget Topics
 - Offender Population
 - Recent Budget Growth
 - Prison Operations: Correctional Facilities
 - Field Operations: Parole and Probation
 - Offender Success: Programs and 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 all state correctional institutions housing adults who are convicted of felonies and are sentenced to prison; operation includes provision of physical and mental health care, food service, programming, and transportation
 - Monitoring and supervising all parolees and probationers who are 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, offender success programs (including education, job training, and career readiness programming for prisoners while they are incarcerated), 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 2020-21 is October 1, 2020 through September 30, 2021.

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 that establishes spending authorization for a particular program or function in a budget bill.

Boilerplate: Specific language sections in a budget bill that 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.

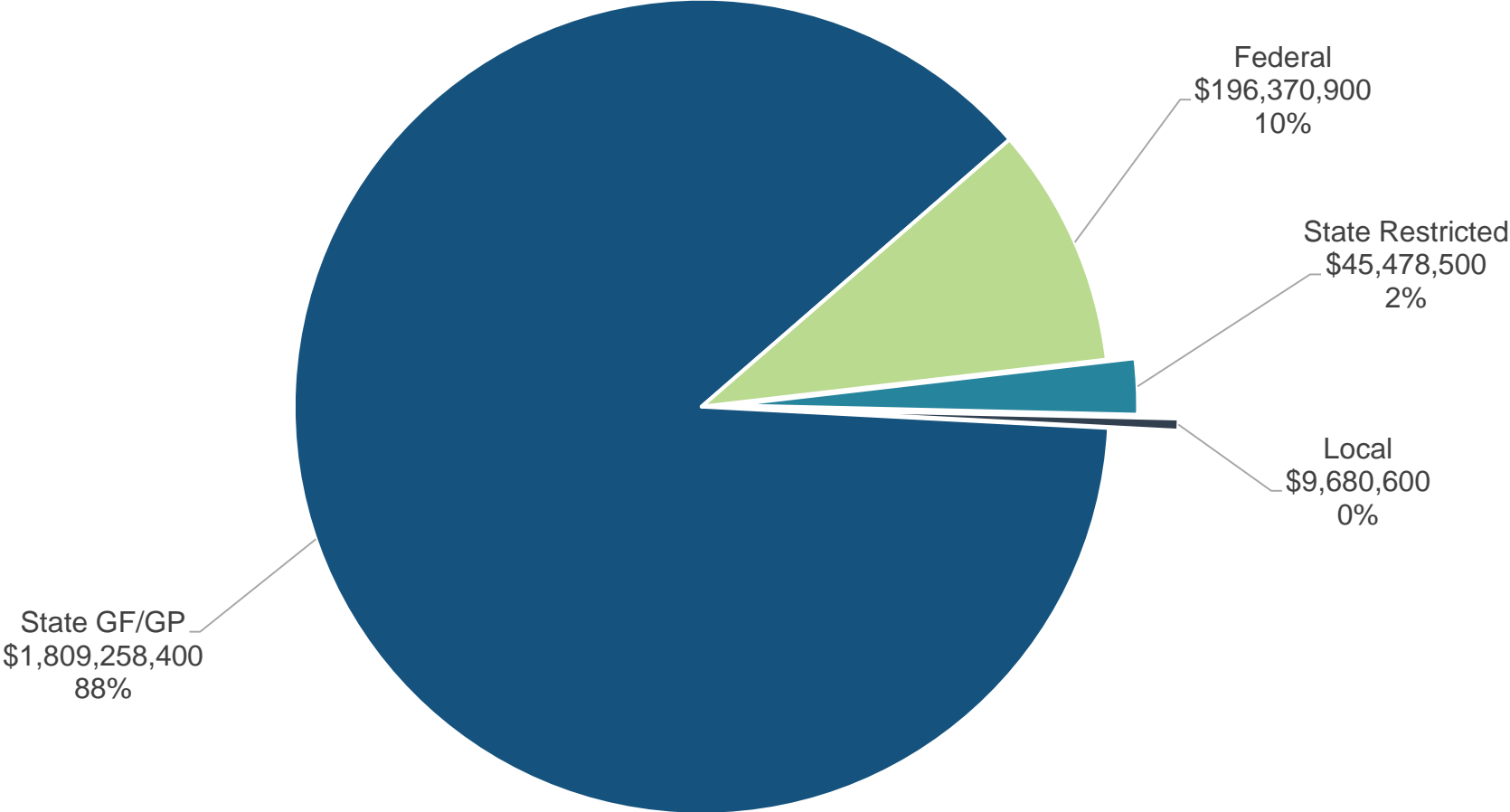
Funding Sources

FY 2020-21 MDOC Budget

Fund Source	Funding	Description
Gross Appropriations	\$2,060,788,400	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	\$2,060,788,400	Gross appropriations excluding IDGs; avoids double counting when adding appropriation amounts across budget areas
Federal Revenue	196,370,900	Federal grant or matching revenue; generally dedicated to specific programs or purposes
Local Revenue	9,680,600	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	45,478,500	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	\$1,809,258,400	Unrestricted revenue from taxes and other sources available to fund basic state programs and other purposes determined by the legislature

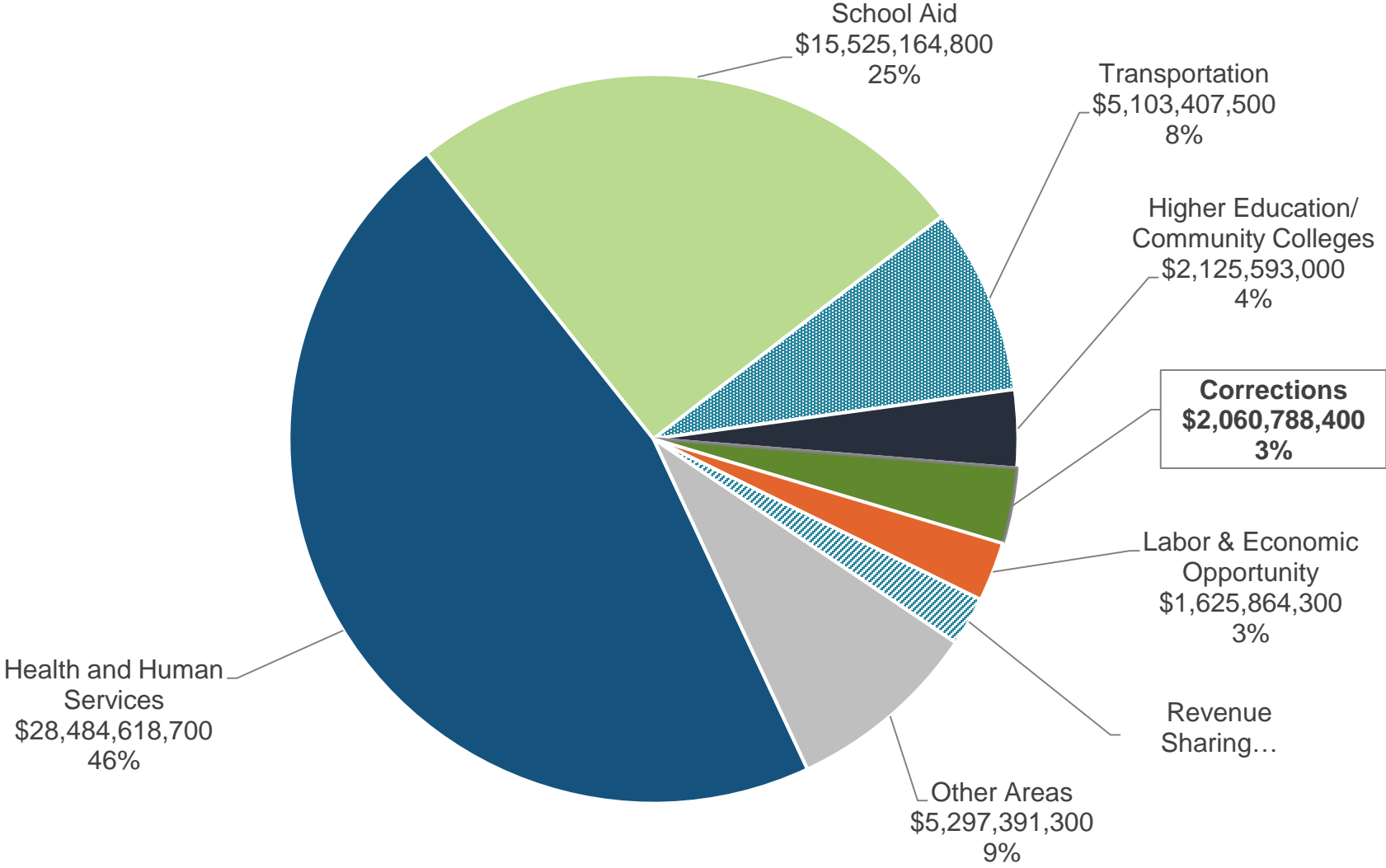
FY 2020-21 Fund Sources

The Corrections budget is financed with **88%** general fund/general purpose revenue in FY 2020-21, but, in a typical year, the budget is financed with roughly 98% general fund/general purpose revenue. The FY 2020-21 budget includes **\$191.0 million** of federal Coronavirus Relief Fund revenue to assist the department with COVID-related costs.



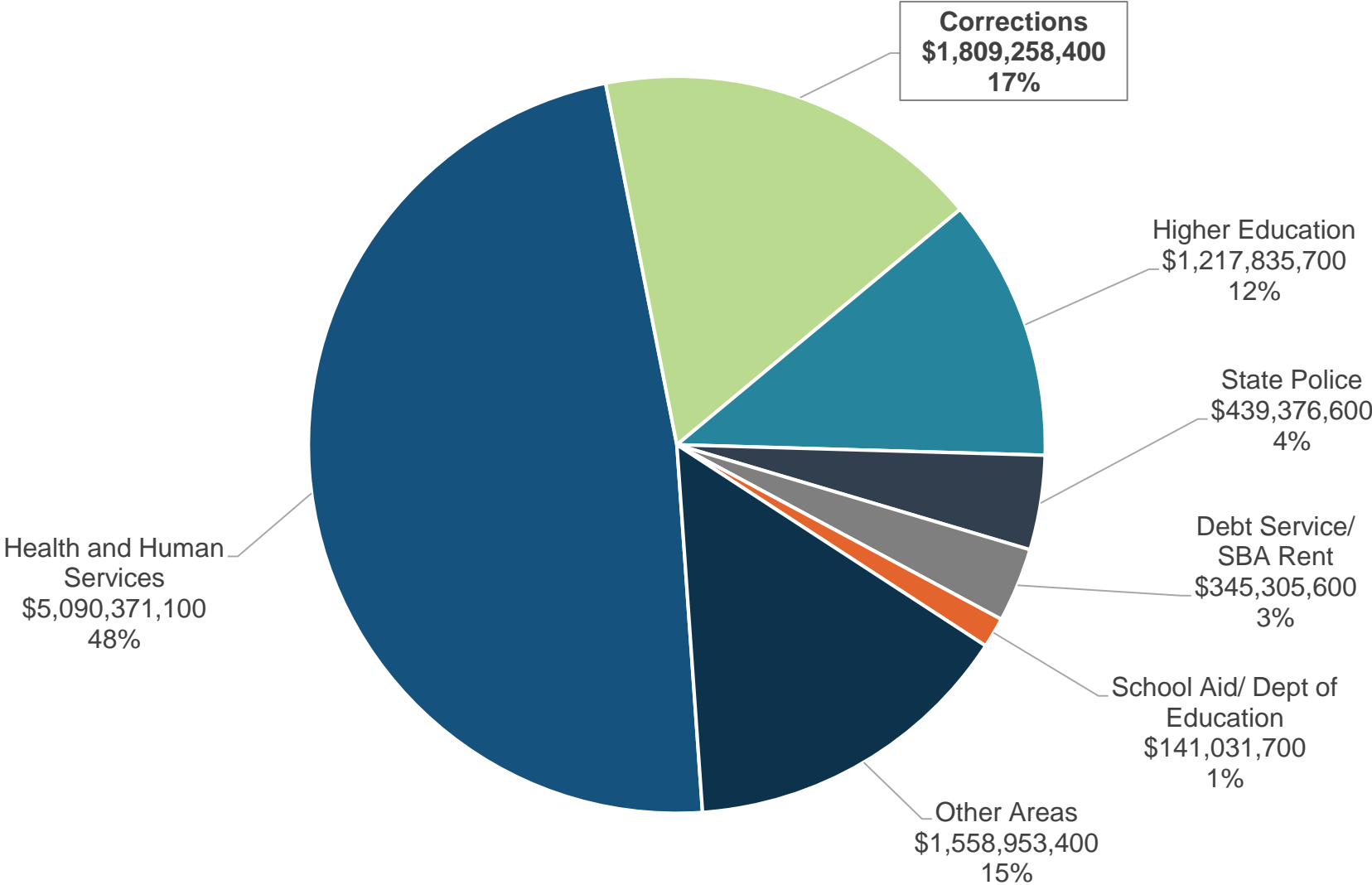
MDOC Share of Total State Budget

The MDOC budget represents **3%** of the state's **\$61.6 billion** budget (adjusted gross) for FY 2020-21.



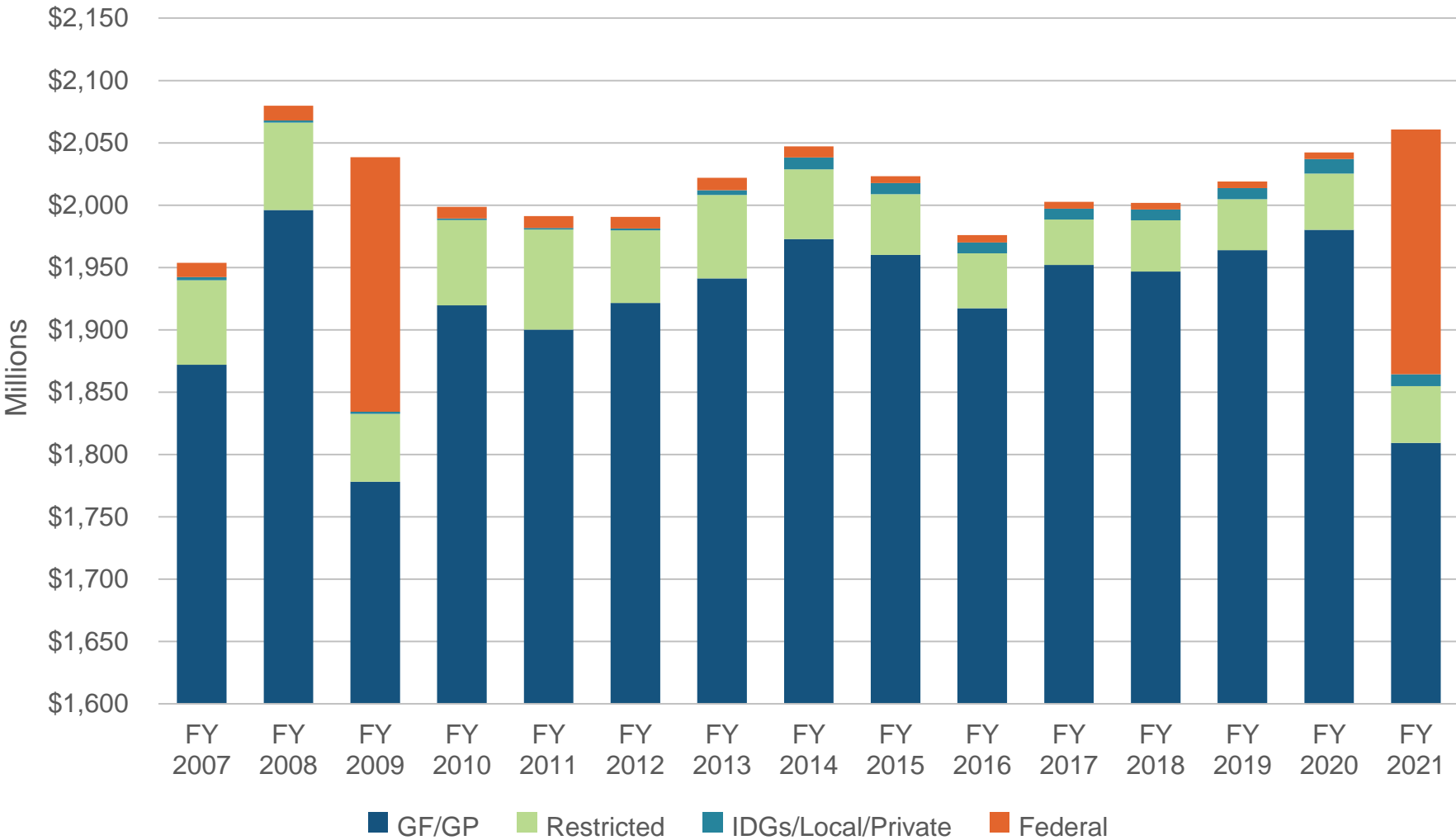
MDOC Share of Total GF/GP Budget

The MDOC budget represents **17%** of the state's **\$10.6 billion** GF/GP budget for FY 2020-21.



MDOC Funding History

Funding for the MDOC has increased roughly **5.5%** since FY 2006-07, driven mainly by increased costs for physical and mental health care for prisoners, and retirement and overtime costs for employees of the department.



Appropriation Areas

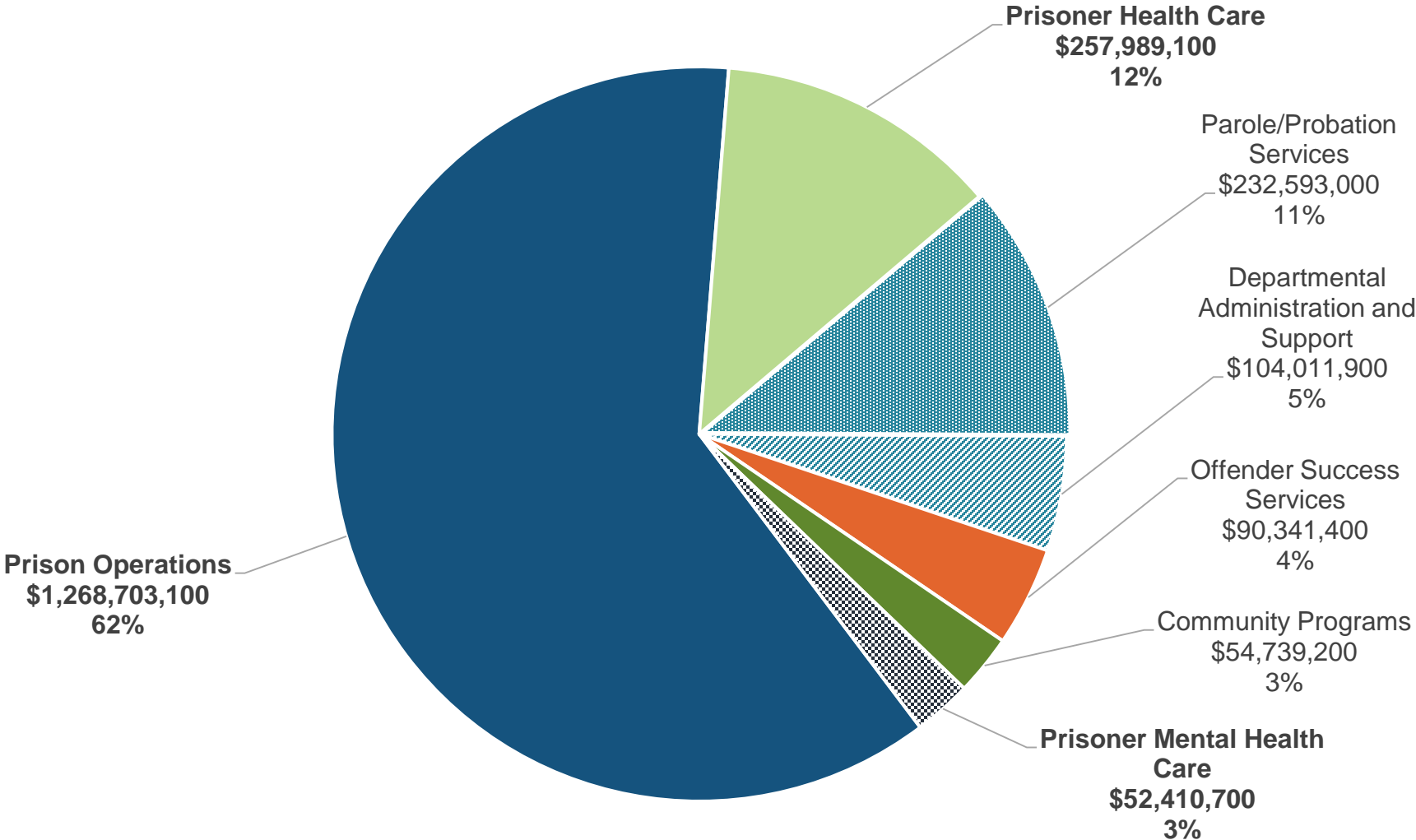
MDOC Appropriation Areas

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

- **Prison Operations:** operation of the state's correctional facilities; includes physical and mental health care for prisoners, prisoner food service, prisoner behavioral programming, prisoner transportation, and staff training
- **Parole and Probation Services:** supervision and monitoring of parolees and probationers; includes residential alternative to prison program and electronic monitoring
- **Offender Success Services:** prisoner reintegration programs aimed at reducing recidivism through prisoner assessment, case management, and delivery of services; includes education, job training, and career readiness programming for prisoners while they are incarcerated
- **Community Programs:** programs to provide alternatives to incarceration; includes community corrections programs, County Jail Reimbursement program, residential probation diversions, and Goodwill Flip the Script
- **Departmental Administration and Support:** general administrative functions of the department; includes executive office, finance and accounting, information technology, legal affairs, and property management

FY 2020-21 Gross Appropriations

Roughly **\$1.6 billion**, or **77%**, of the Corrections **\$2.1 billion** budget is allocated to prison operations, including physical and mental health care for prisoners.



Major Budget Topics

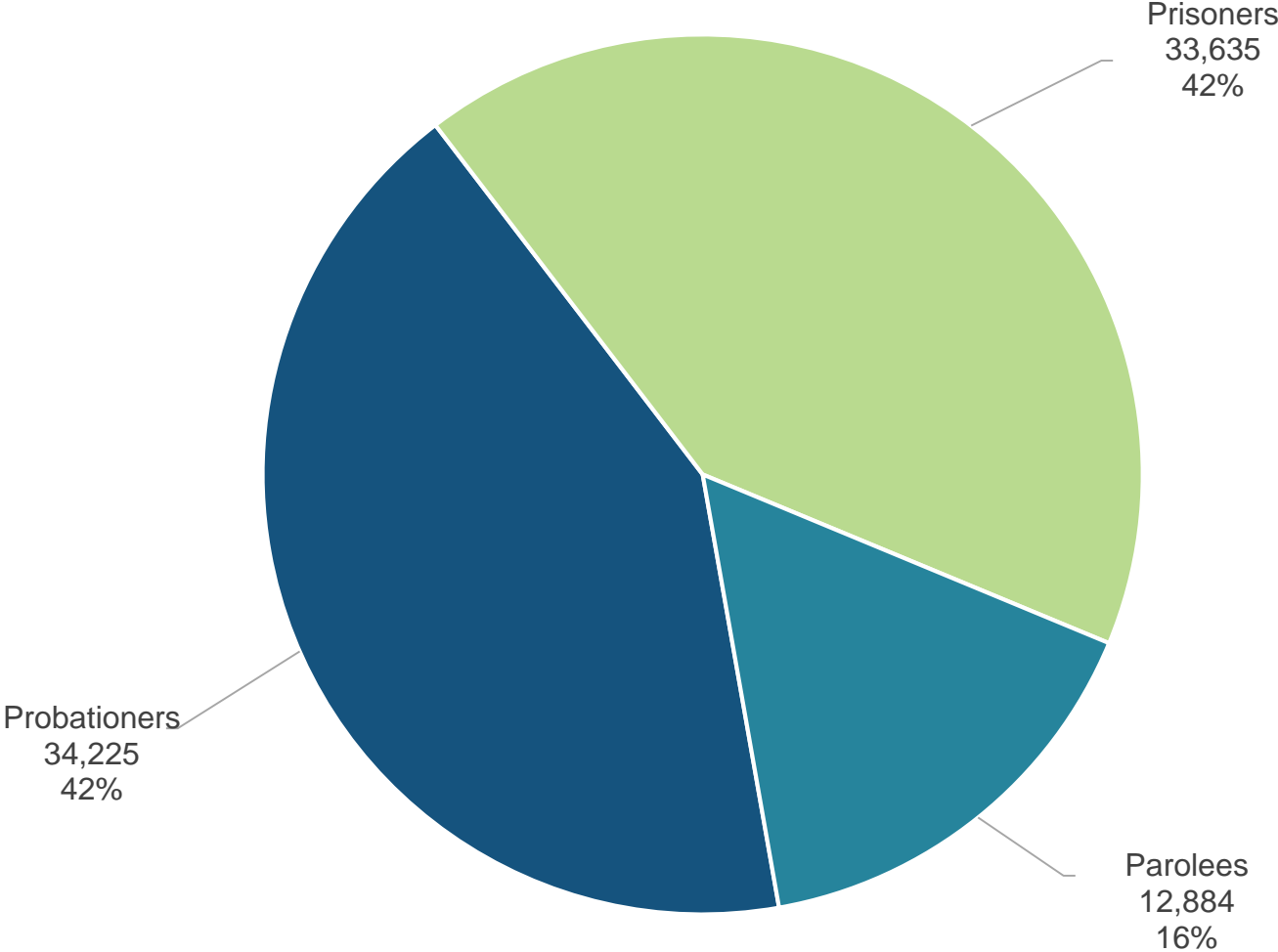
Offender Population

The Offender Population

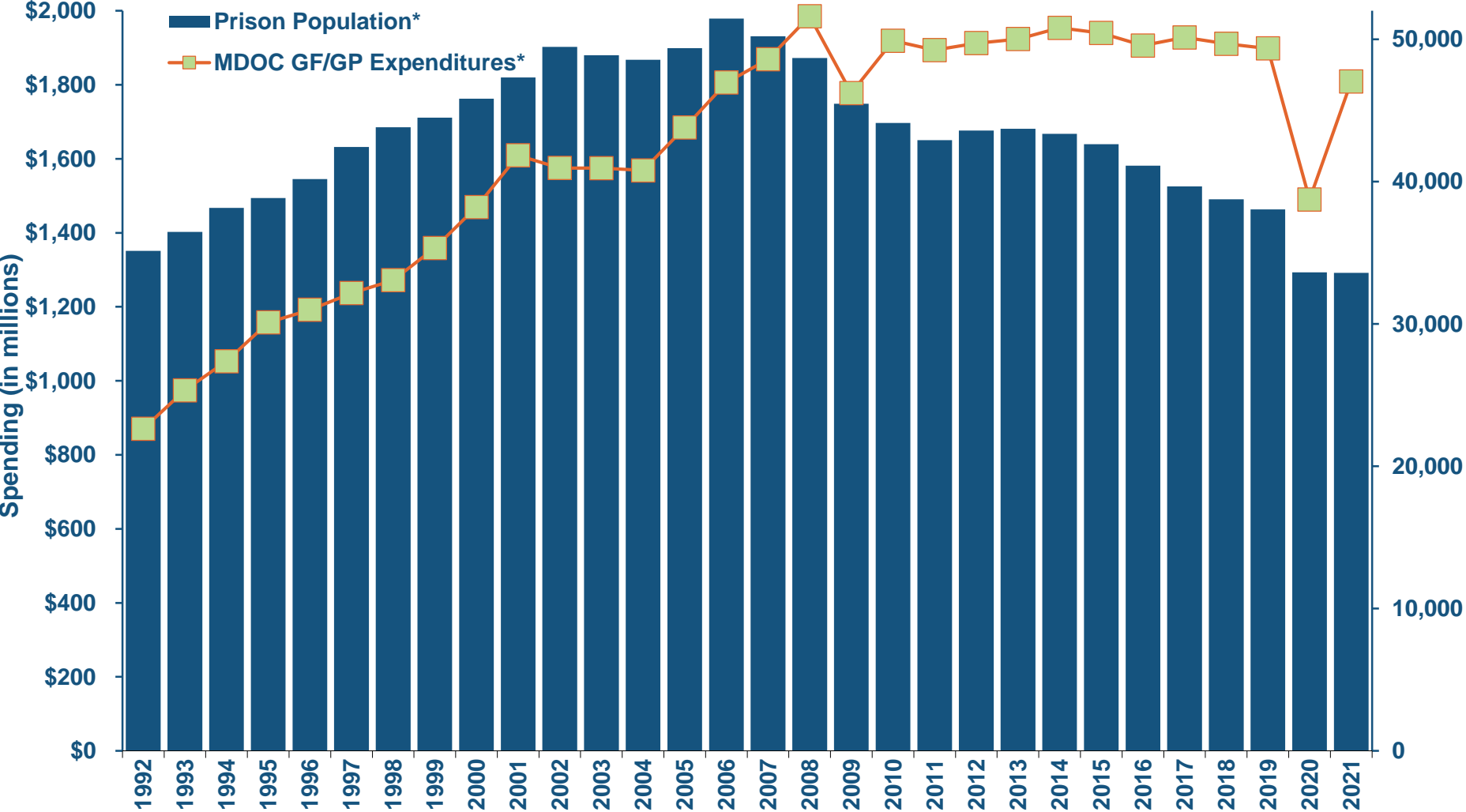
- **Prisoners:**
 - Felony offenders committed to the jurisdiction of the MDOC
 - Housed in prisons and special alternative incarceration program
- **Parolees:**
 - Prisoners who have served at least their minimum sentence and who have been released to a period of supervision in the community
 - Supervised 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 January 1, 2021, the total offender population under MDOC supervision was 80,744. This is a decrease of 12,069 offenders since a year ago, on January 1, 2020, when the total offender population was 92,813.



Growth in MDOC GF/GP Spending and the Prisoner Population



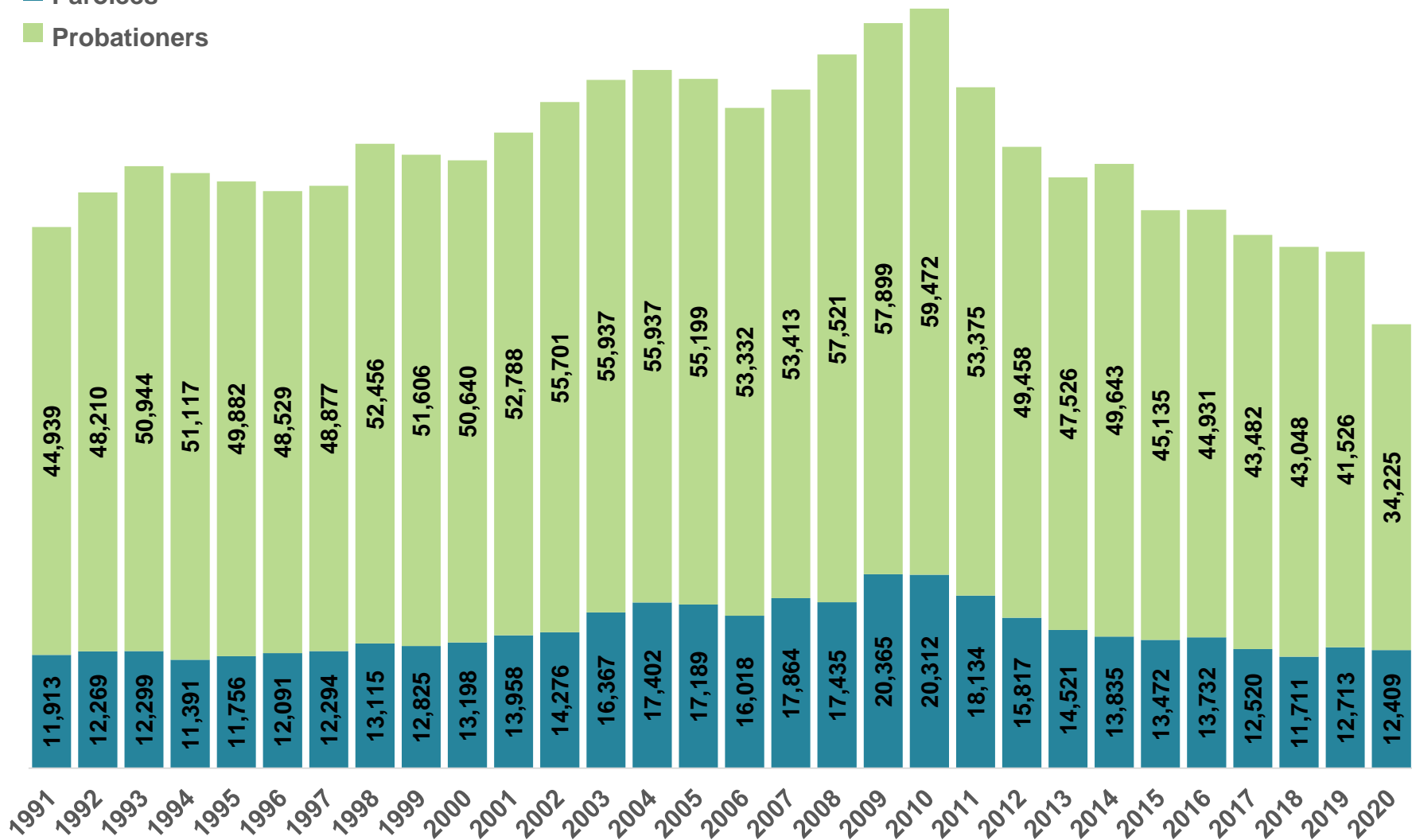
*2020 figures reflect reduced GF/GP due to receipt of federal Coronavirus Relief Funds and federal disaster assistance funding; 2020 figures reflect a reduced prison population related to COVID-19; 2021 figures are based on year-to-date GF/GP appropriations and an estimated prison population

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

Average Parole and Probation Populations

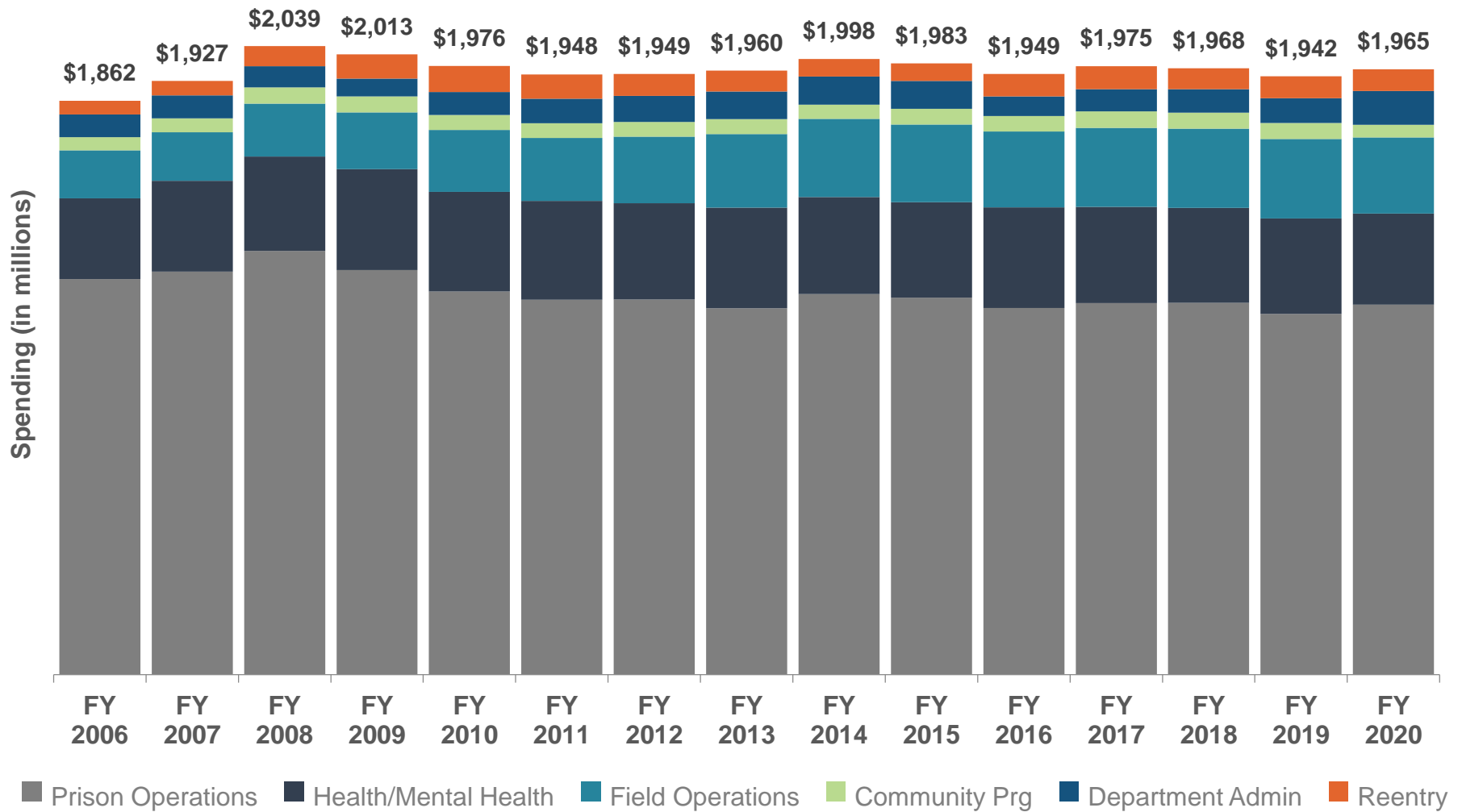
■ Parolees
■ Probationers



Recent Budget Growth

Corrections Spending Growth by Program

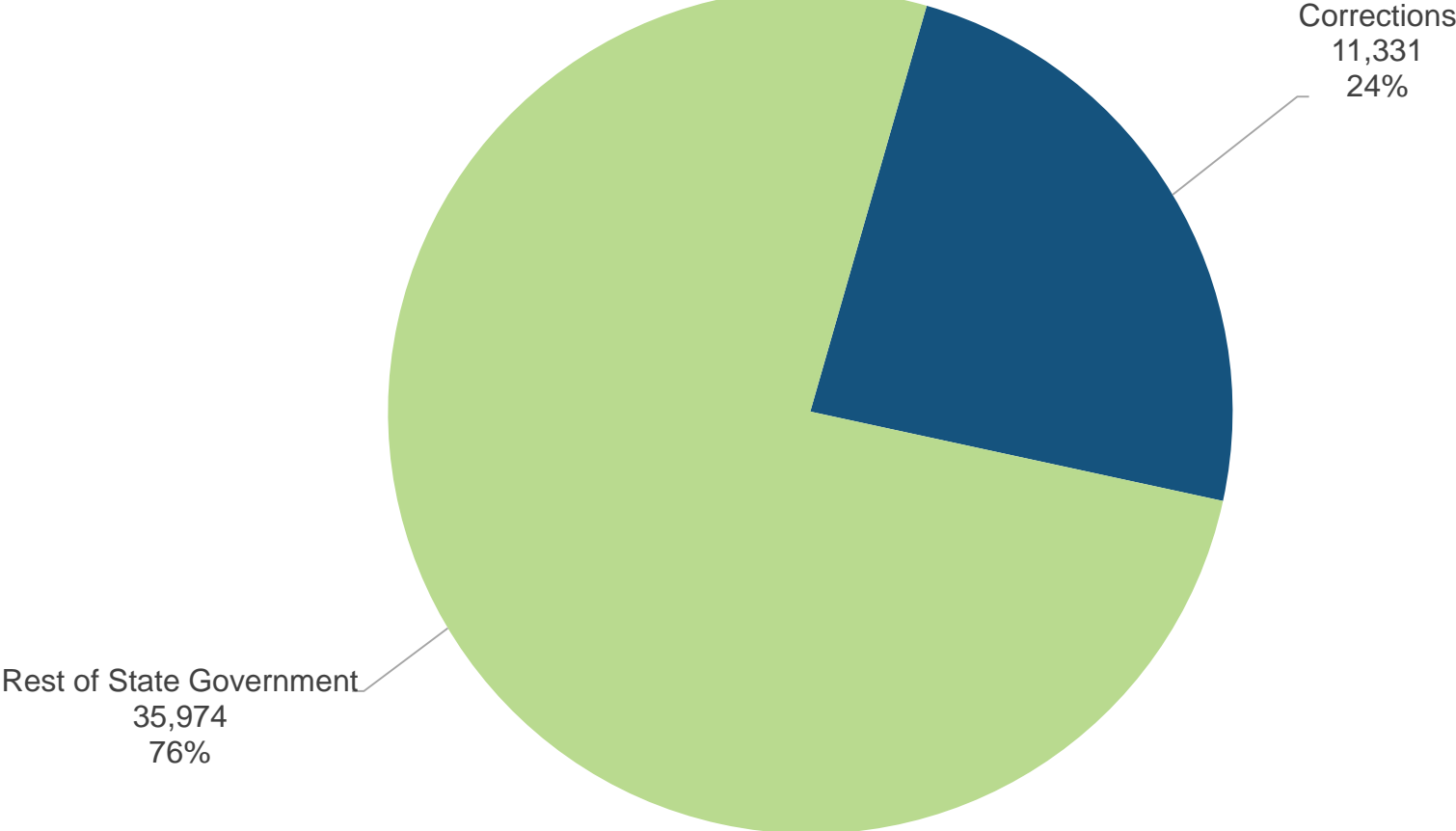
From FY 2005-06 to FY 2019-20, total Corrections spending increased at an average annual rate of about **1%**. Spending on prisoner reentry services increased at an average annual rate of a little more than **6%** and spending on field operations (probation and parole) increased at an average annual rate of a little more than **4%**.



**2020 data is as of December 15, 2020*

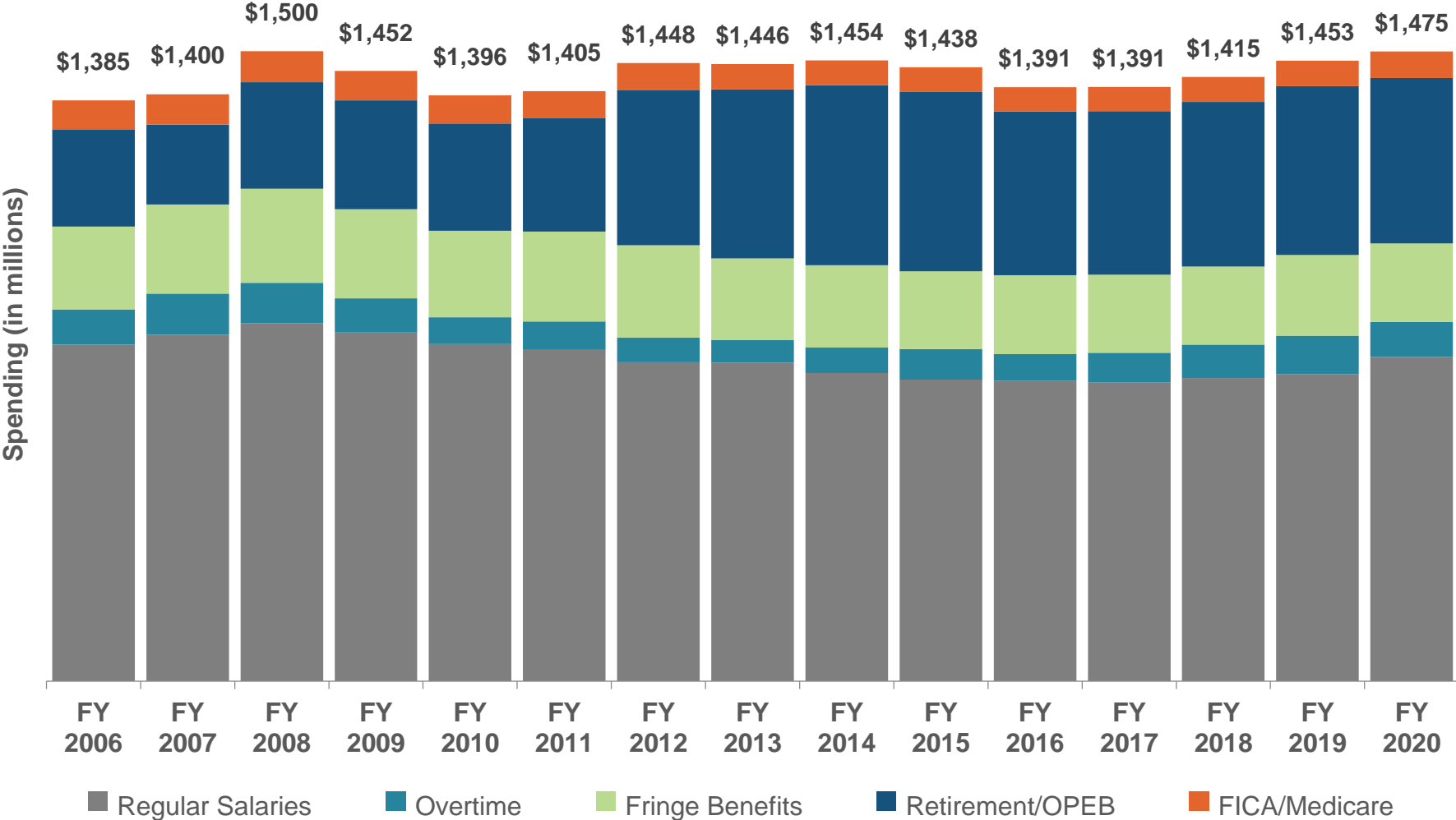
MDOC Share of Active Classified Employees

As of December 26, 2020, the total number of active classified employees in the state's workforce was 47,305. Of those, **11,331**, or **24%**, were employed by the MDOC.



Corrections Personnel Costs

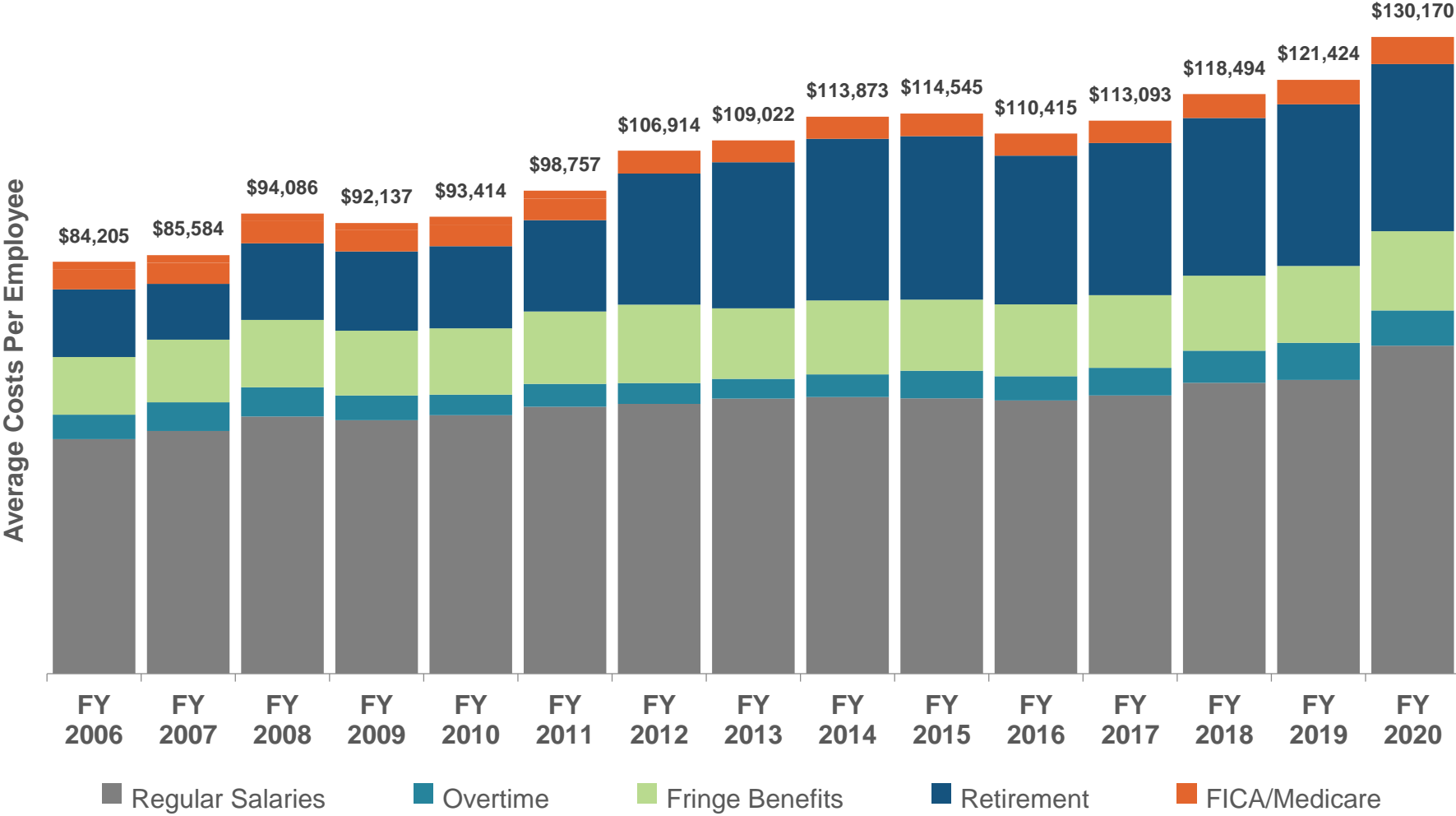
Since FY 2005-06, personnel costs for the MDOC have risen by almost **1%** annually. The largest drivers behind these cost increases have been retirement and overtime costs. In FY 2019-20, these costs accounted for roughly **32%** of all personnel costs compared to **22%** in FY 2005-06.



*2020 data is as of December 15, 2020

Corrections Personnel Costs Per Employee

Personnel costs on a per employee basis have risen by an average of almost **4%** annually since FY 2005-06. Again, retirement and overtime costs have played the largest role, with average annual per-employee increases of almost **6%** across the period. Regular salary costs increased by an average of almost **3%** annually.



*2019 data is as of January 17, 2020

Federal Funding for COVID-19

- In FY 2019-20, the department was awarded **\$422.9 million** in federal COVID Relief Funds; there are **\$191.0 million** in the FY 2020-21 budget
- COVID Relief Funds are used to cover personnel costs for employees exempt from the Federal Families First Coronavirus Response Act
 - Premium pay of \$750 per pay period, prorated to hours worked, for custody staff and other public safety personnel
 - COVID-19 premium pay for other front line essential workers
- In FY 2019-20, the department was awarded **\$5.2 million** in federal disaster assistance funding
- Disaster assistance funding was used to cover the following costs:
 - Establishment and operation of a quarantine unit at the Green Oaks facility
 - Personal protection equipment
 - Cleaning agents and disinfection-related materials
 - Hospital supplies, including medical and surgical supplies
 - Ambulance reimbursement
 - Non-congregate employee sheltering

Prison Operations: Correctional Facilities

Prison Operations

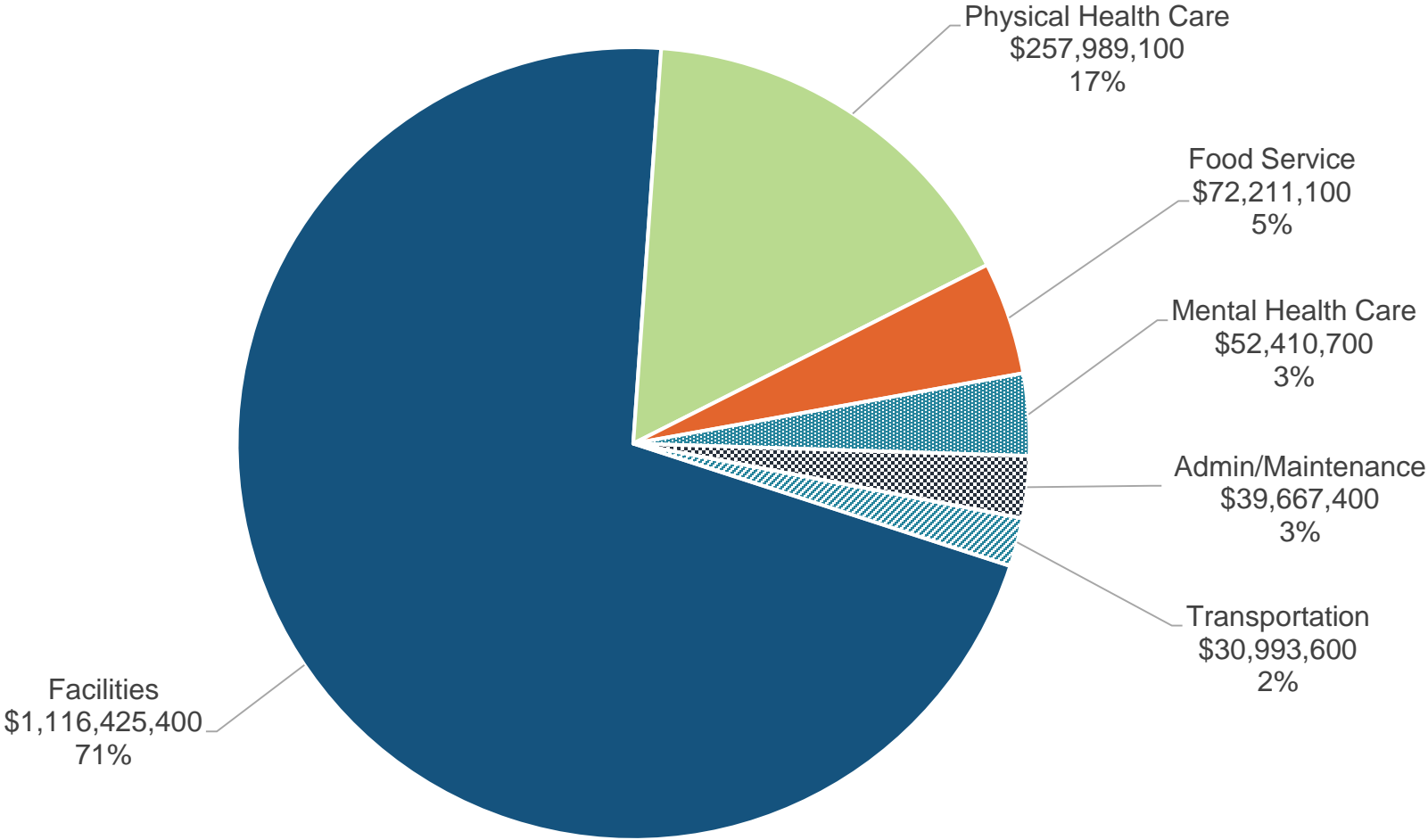
- The MDOC currently operates 29 correctional facilities located in 19 counties across the state, including the Detroit Reentry Center and Special Alternative Incarceration Program (Detroit Reentry Center will be closed in 2021)
- In addition, the MDOC operates the City of Detroit Detention Center at the site of the former Mound Correctional Facility, which closed in December 2011 (appropriation for the City of Detroit Detention Center is supported with local revenue received from the City of Detroit)
- About **\$1.6 billion**, or roughly **77%**, of the FY 2020-21 Corrections budget is devoted to costs pertaining to prisoner custody (e.g., housing, physical and mental health care, food, transportation, treatment programs)
- Academic and vocation programming costs, roughly **\$43.0 million** in FY 2019-20, are included in costs for offender success services, instead of in costs for prisoner custody

Prison Closures and Conversions

- The following correctional facility closures and conversions have occurred over the past 10 years:
 - Muskegon Correctional Facility (Muskegon) – closed May 2011 due to cancellation of contract to house prisoners from Pennsylvania; reopened October 2012 as part of Ryan Correctional Facility conversion plan
 - Florence Crane Correctional Facility (Coldwater) – closed May 2011
 - Mound Correctional Facility (Detroit) – closed December 2011
 - Ryan Correctional Facility (Detroit) – converted to Detroit Reentry Center October 2012
 - Camp Tuscola (Caro) – closed October 2012
 - Kinross Correctional Facility (Kincheloe) – closed November 2015; prisoners transferred to former Hiawatha facility, which was reopened and named Kinross Correctional Facility
 - Pugsley Correctional Facility (Kingsley) – closed September 2016
 - West Shoreline Correctional Facility (Muskegon) – closed March 2018
 - Ojibway Correctional Facility (Marenisco) – closed December 2018
 - Special Alternative Incarceration Program (Cassidy Lake) – downsized February 2020; moved to Cooper Street Correctional Facility
 - Detroit Reentry Center – closed January 2021

Prisoner Custody, Care, and Programs

Total FY 2020-21 appropriation for prisoner custody, care, and programming is **\$1,569,697,300**.

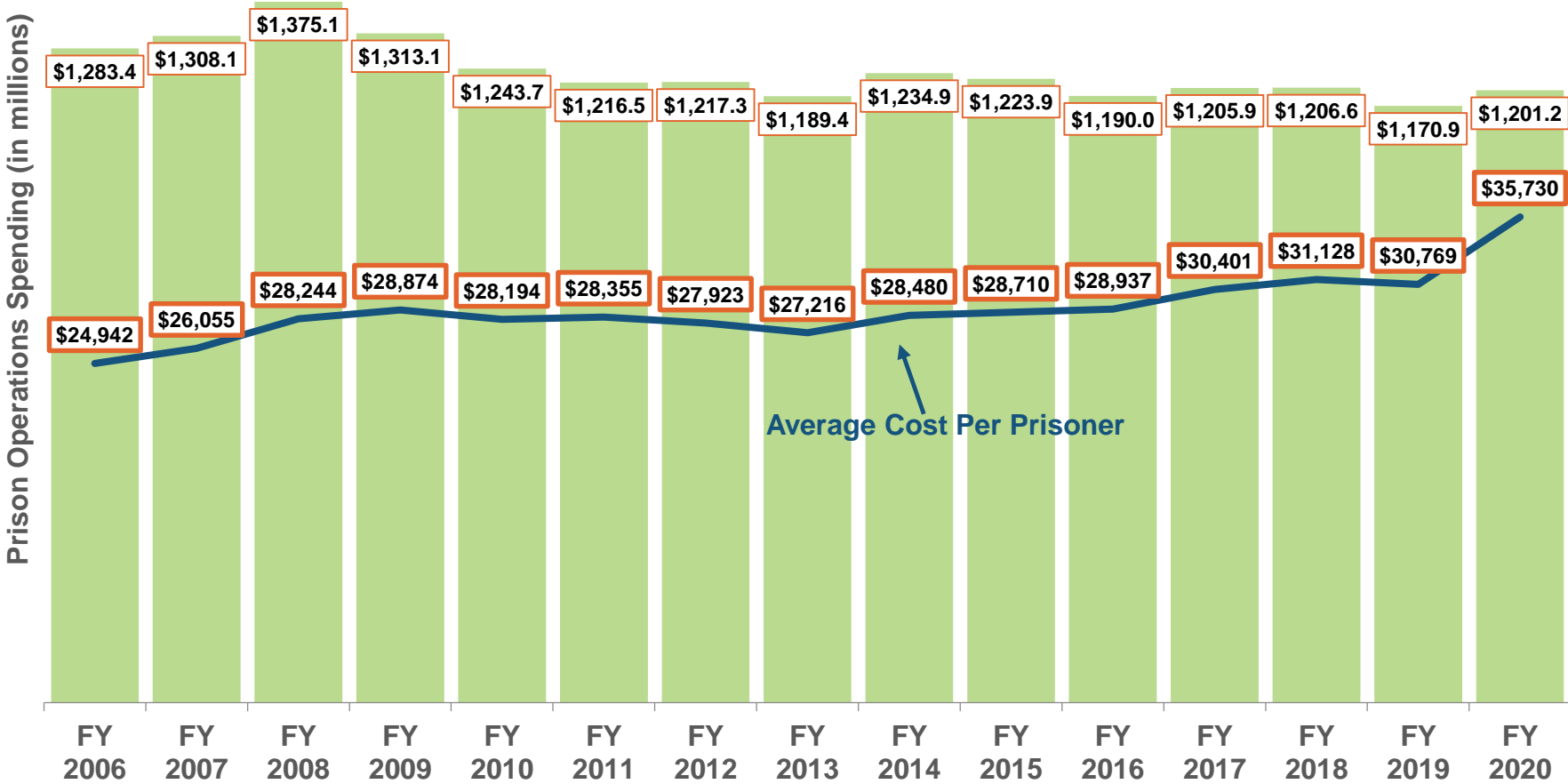


Costs Per Prisoner by Security Level

FY 2019 Actual	FY 2020 Actual	FY 2021 Appropriated
Level I \$31,912	Level I \$34,067	Level I \$32,642
Level II \$37,318	Level II \$40,575	Level II \$38,336
Level IV \$45,384	Level IV \$48,433	Level IV \$47,968
Multi-Level \$40,665	Multi-Level \$43,550	Multi-Level \$41,887
Reception \$53,626 SAI \$90,144	Reception \$56,240 SAI \$91,478	Reception \$44,139 SAI \$66,850
Average Per Capita \$39,391	Average Per Capita \$42,123	Average Per Capita \$40,139

Prison Operations - Average Cost Per Prisoner

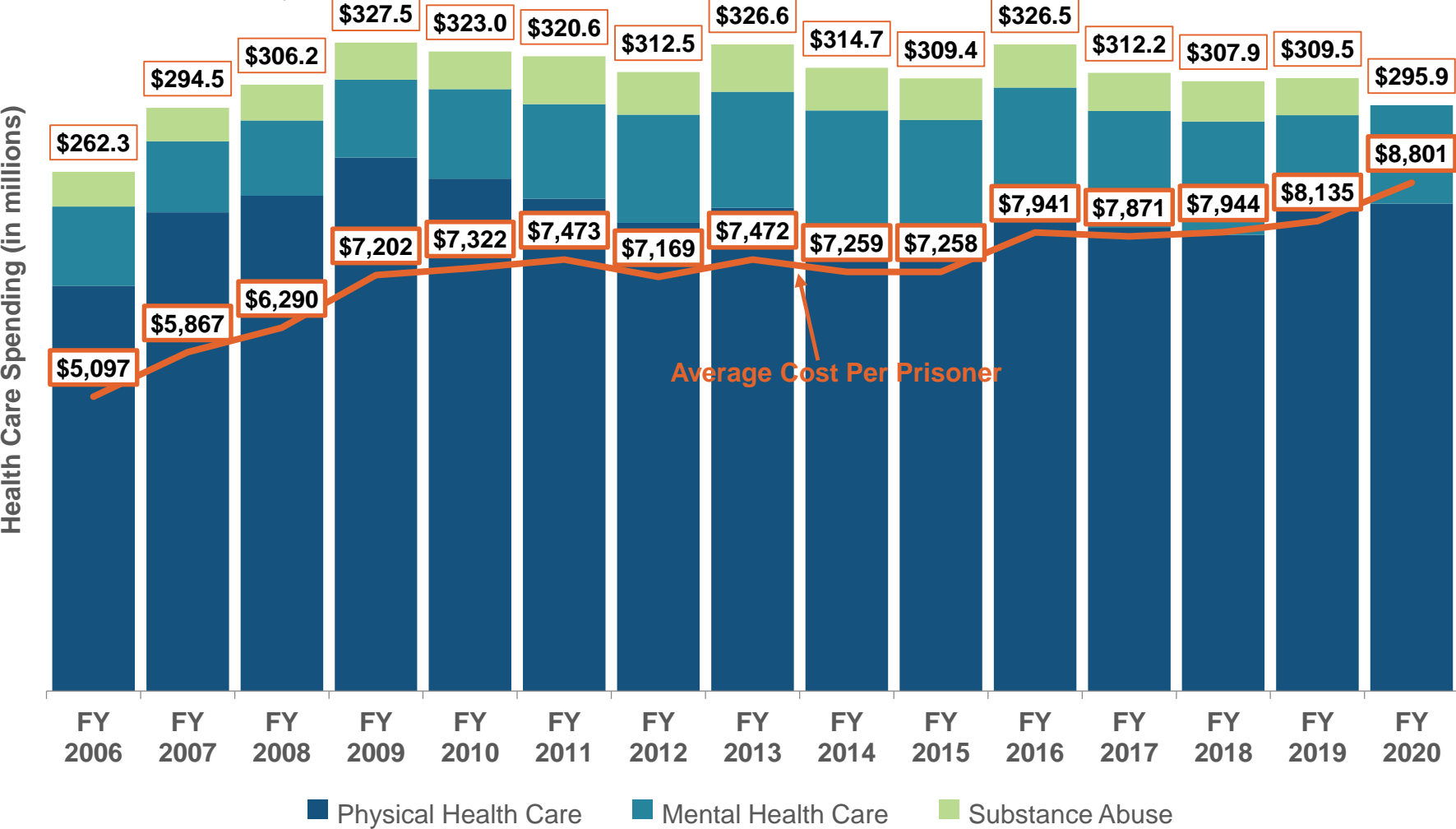
This chart reviews total prison operations spending **excluding** spending for physical and mental health care. Per-prisoner costs grew by an average of roughly **3%** per year over this period. The increase in FY 2019-20 can be attributed to the COVID-19 pandemic.



*2020 data is as of December 15, 2020

Health Care - Average Cost Per Prisoner

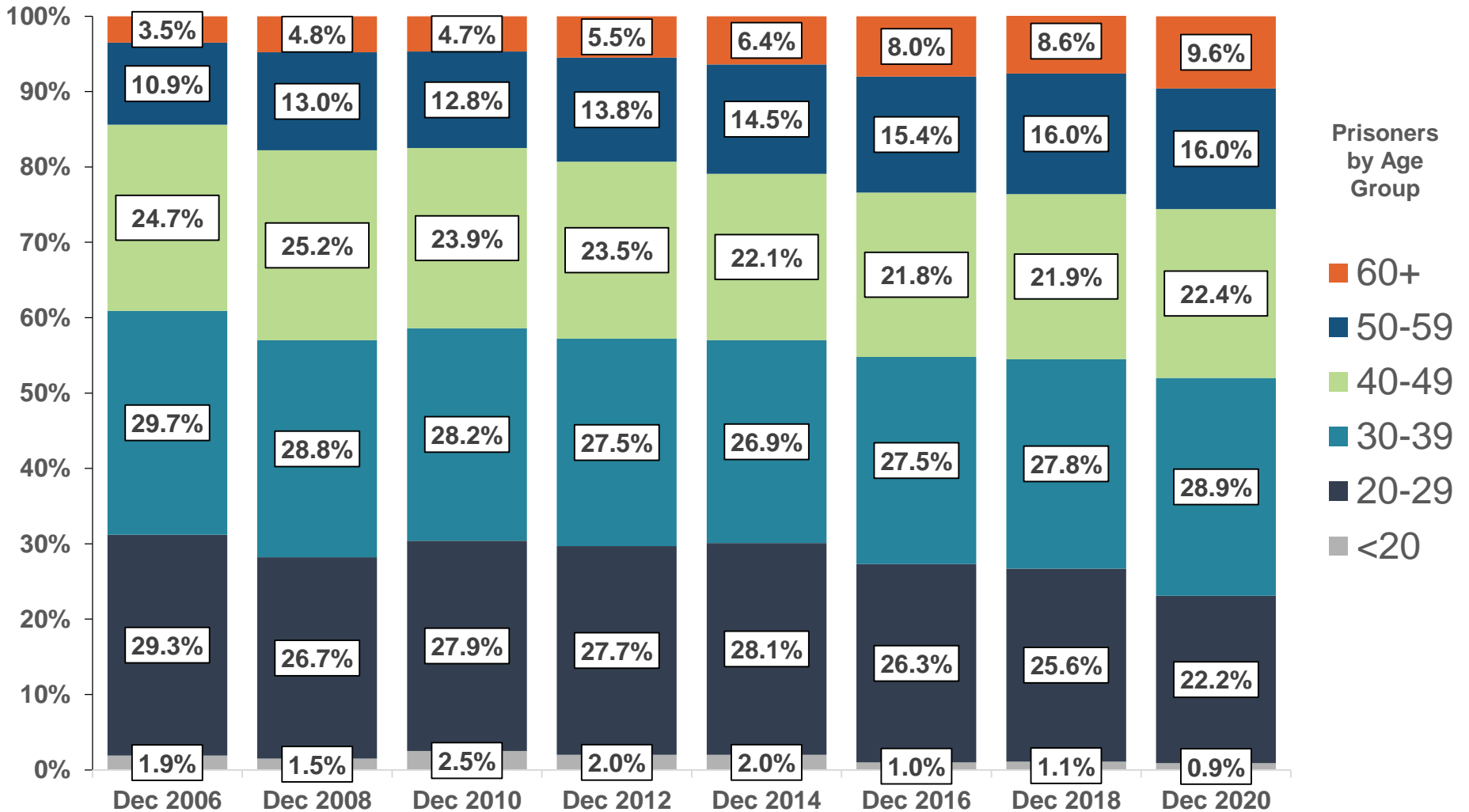
Spending for prisoner physical and mental health care services, including substance abuse treatment services inside facilities and in community programs, increased significantly over the FY 2005-06 to FY 2019-20 time period. Per-prisoner costs increased by an average of almost 7% annually during this time. (In FY 2019-20, costs for substance abuse were rolled in with costs for mental health care.)



*2020 data is as of December 15, 2020

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 2006, 39.1% of prisoners were over age 40 and 14.4% were over age 50. By 2020, those percentages increased significantly to 48.0% over age 40 and 25.6% over age 50.



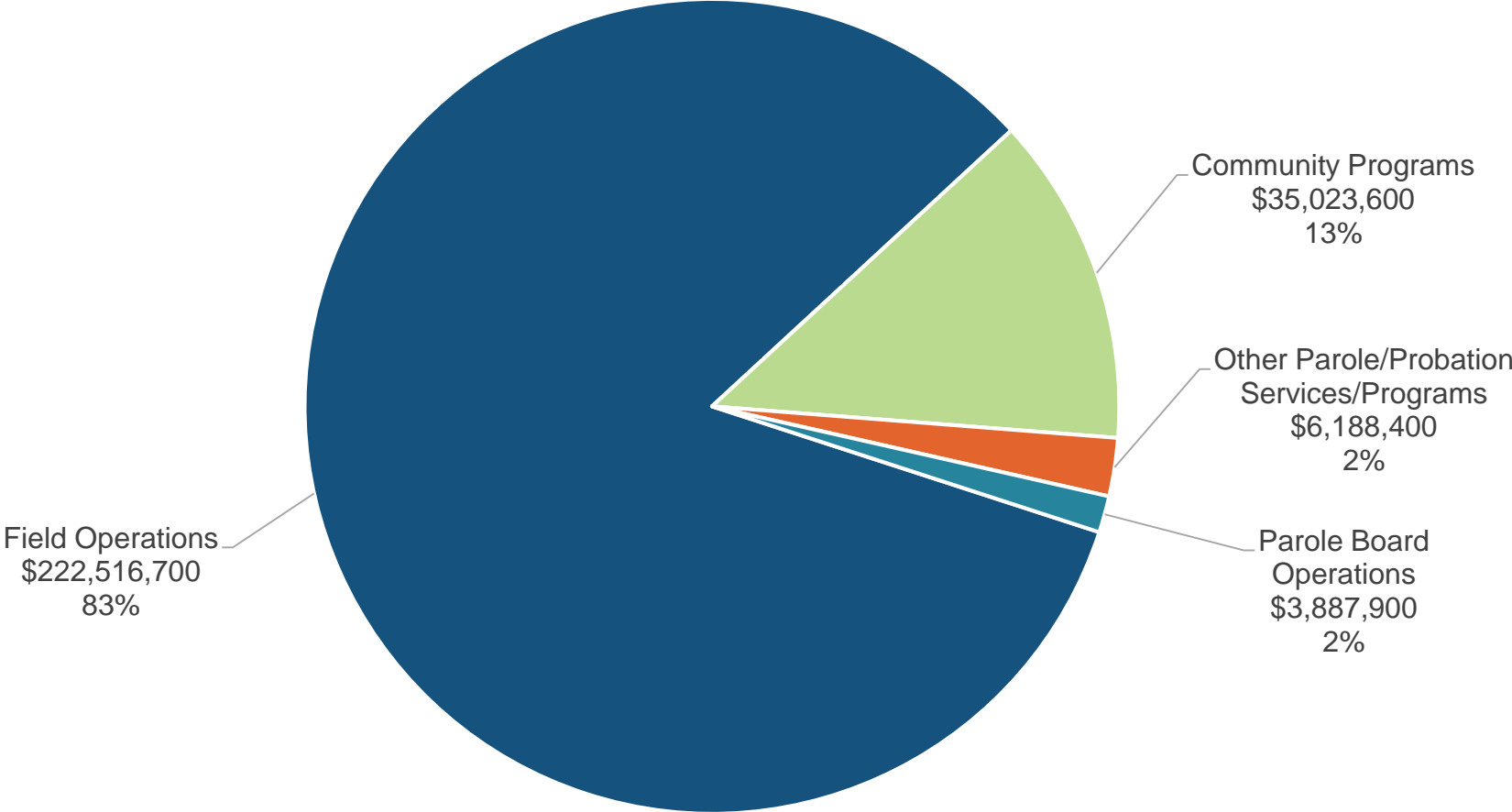
Field Operations: Parole and Probation

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 December 26, 2020, the MDOC employed 1,145 active parole and probation agents responsible for supervising 45,259 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, criminal justice reinvestment programs, and the Residential Alternative to Prison program are programs available to offenders who meet certain eligibility requirements and serve as alternatives to incarceration

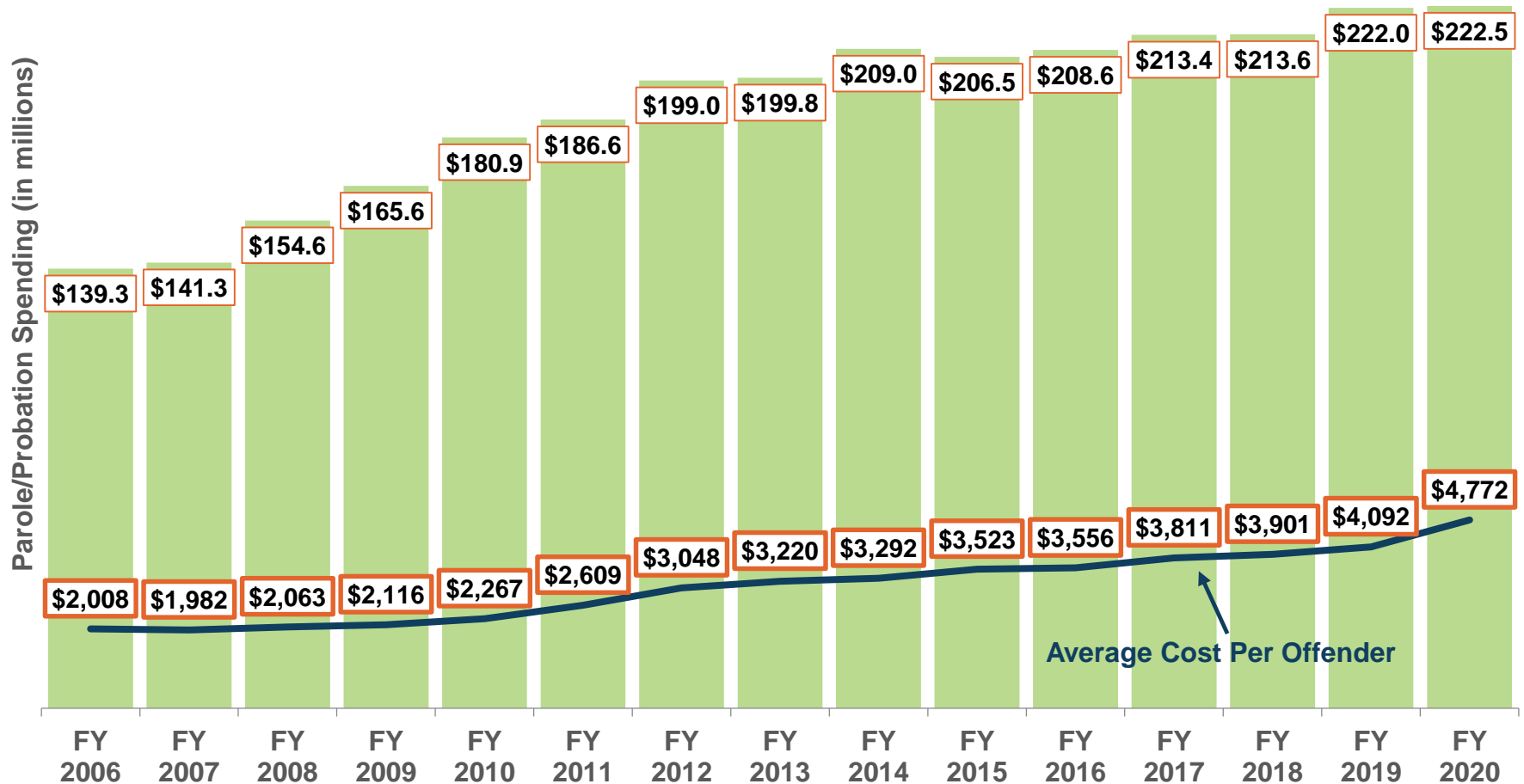
Field Operations

FY 2020-21 appropriation for Field Operations is **\$267,616,600**. Field Operations includes parole and probation services and programs, community programs, and parole board operations.



Parole/Probation - Average Cost Per Offender

Spending for parole and probation has increased by an average of a little over 3% annually since FY 2005-06. The cost per offender increased by an average of a little over 6% per year over this period. The use of electronic monitoring techniques significantly increased starting in 2010.



*2020 data is as of December 15, 2020

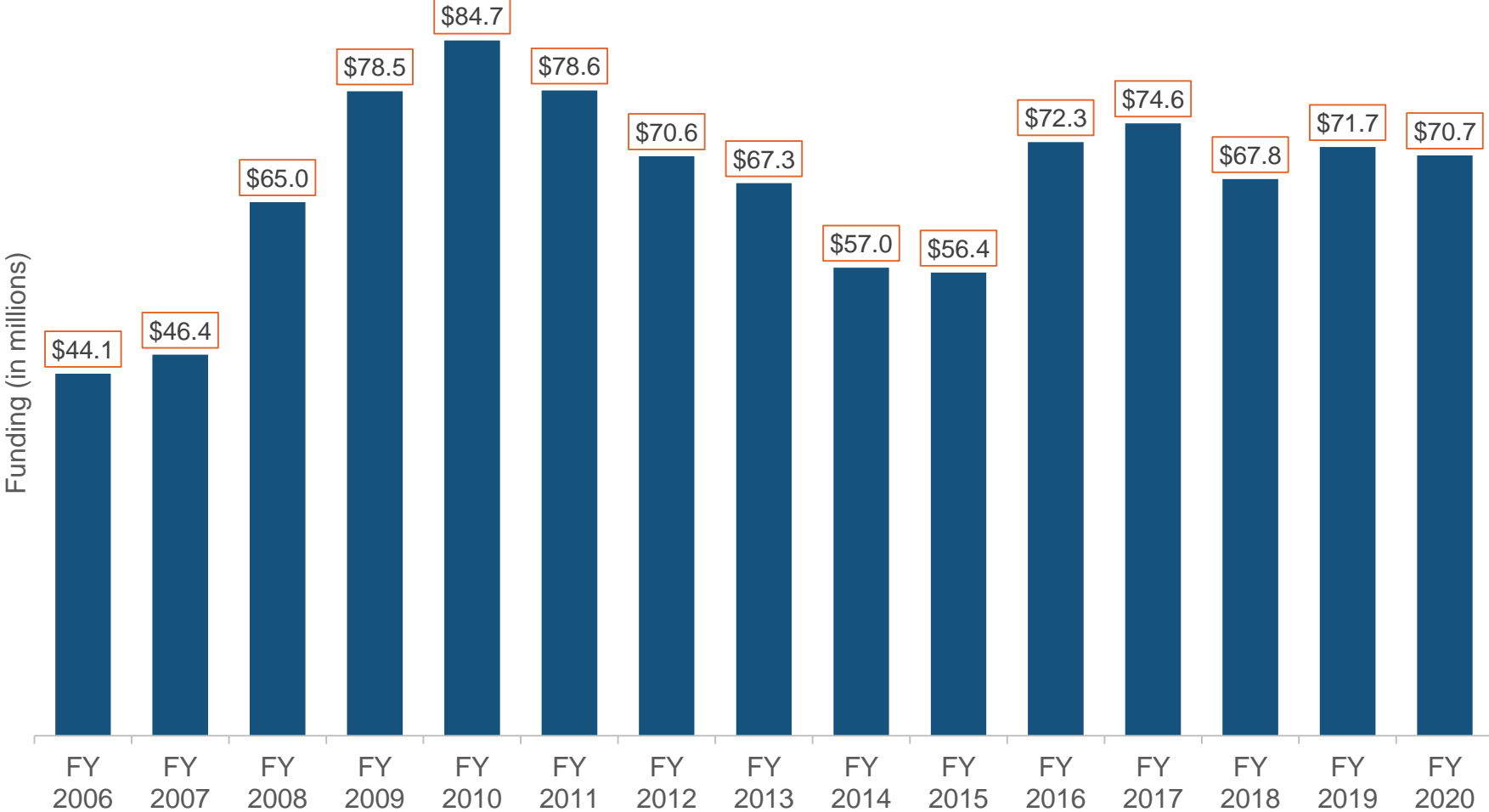
Offender Success: Programs and Services

Offender Success Programs and Services

- Aim 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
- Involve interagency and state/local collaboration: state departments, local law enforcement, crime victims' advocates, faith-based organizations, community business partners
- **\$90.3 million** appropriation in FY 2020-21, includes roughly **\$58.0 million** for education, job training, and career readiness programming for prisoners while they are incarcerated
- Offender Success funding supports:
 - Community-based and prison-based offender success 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
 - 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 offender success planning administrative costs and program evaluation

Offender Success Spending

The Michigan Prisoner Reentry Initiative was implemented statewide in FY 2007-08. In FY 2013-14, appropriations for community-based reentry programs were reduced and funding reallocated to correctional facilities for more reentry-related programming to occur before inmates were released from prison. In FY 2015-16, all reentry-related staff positions and funding throughout the budget were reorganized into one area, leading to the appearance of a major increase in reentry funding. In FY 2018-19, “prisoner reentry” was renamed “offender success”.



*2020 data is as of December 15, 2020

For more information about the Corrections budget:

HFA Resources

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

Contact Information

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