HOUSE FISCAL AGENCY

Budget Briefing: Corrections

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Briefing Topics

- Funding Sources
- Appropriation Areas
- Major Budget Topics
  - Department Employees
  - Offender Population
  - 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:

  - Operating all state correctional institutions that house individuals who are convicted of felonies and are sentenced to prison; operation includes provision of physical and mental health care, food service, behavioral 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

  - Overseeing 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 2026-27 is October 1, 2026 through September 30, 2027.

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.

Lapses: 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.

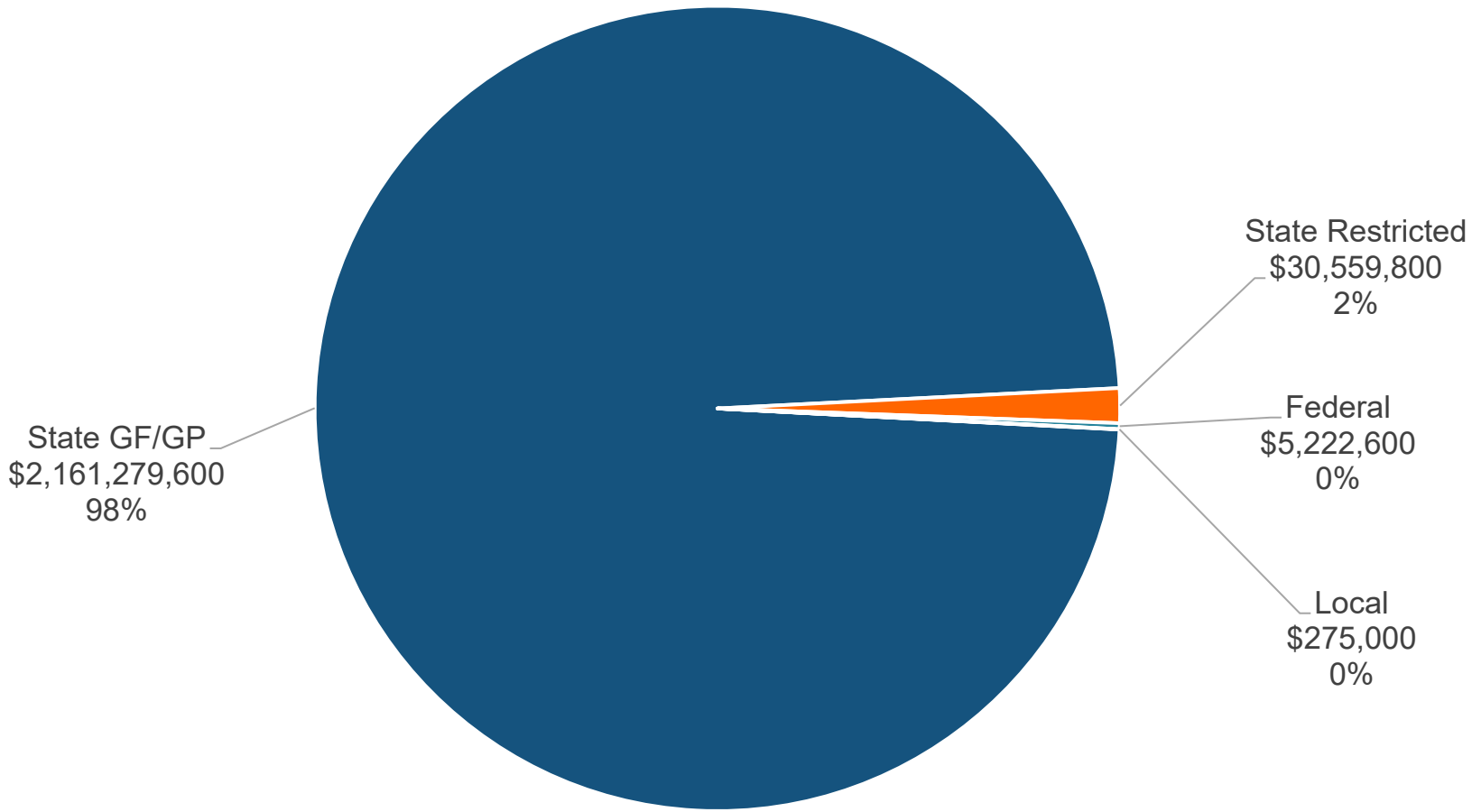
Funding Sources

FY 2026-27 MDOC Budget

Fund Source	Funding	Description
Gross Appropriations	$2,197,337,000	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	$2,197,337,000	Gross appropriations excluding IDGs; avoids double counting when adding appropriation amounts across budget areas
Federal Revenue	5, 222,600	Federal grant or matching revenue; generally dedicated to specific programs or purposes
Local Revenue	275,000	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	30,559,800	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	$2,161,279,600	Unrestricted revenue from taxes and other sources available to fund basic state programs and other purposes determined by the legislature

FY 2026-27 Fund Sources

The Corrections budget is financed with **$2.2 billion**, or **98%**, general fund/general purpose revenue.



FY 2026-27 Fund Sources

Other fund sources for the Corrections budget include state restricted, federal, and local revenues. There are no IDG funds or private revenues that support the budget.

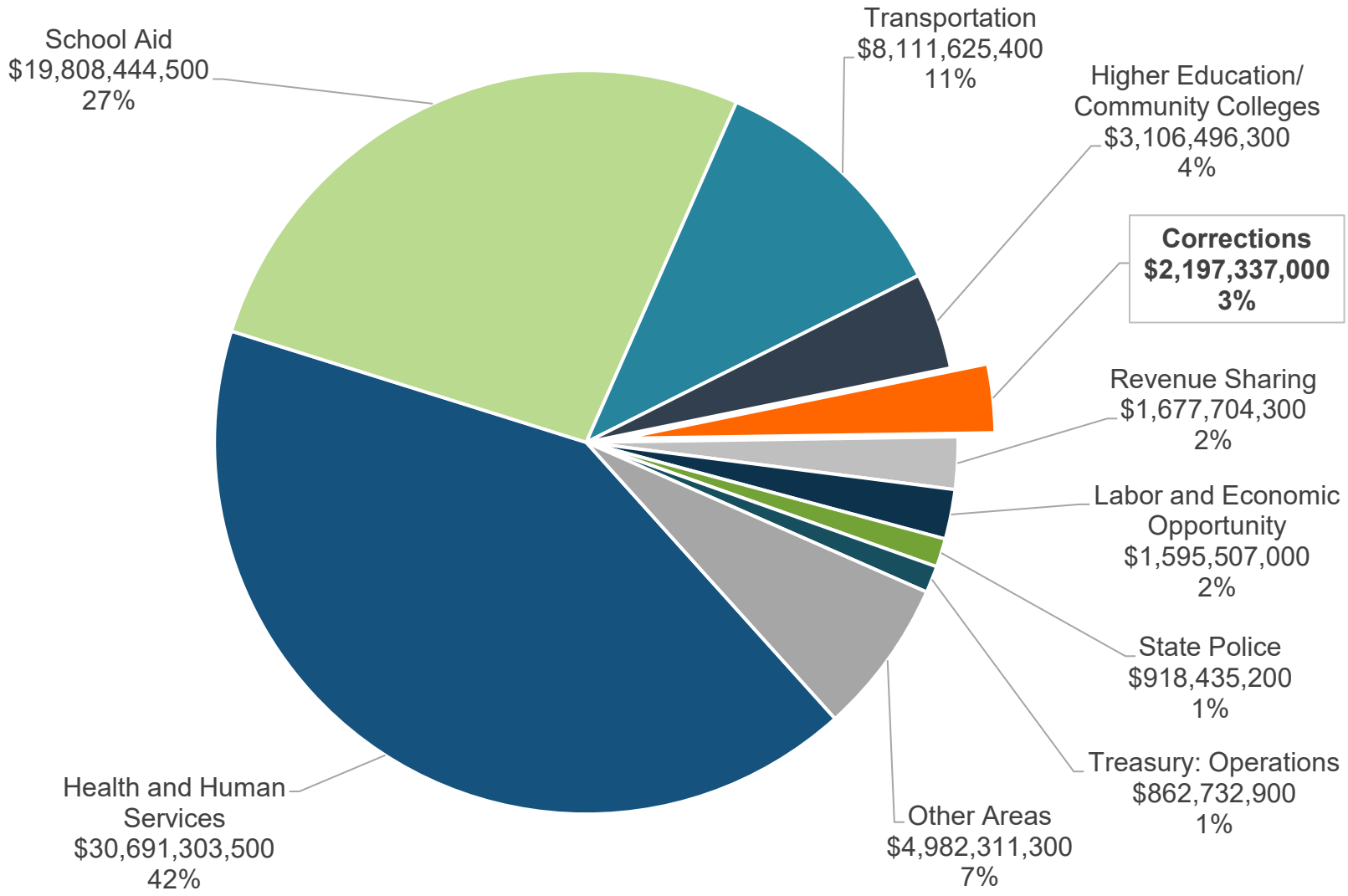
- ***State Restricted Revenues***
  - State restricted revenues total **$30.6 million**
  - Most state restricted revenue supports costs of programs that generate the revenue; examples include offender fees and reimbursements, revenues from prison industries and prison stores, and county jail reimbursement

- ***Federal Revenues***
  - Federal revenues total **$5.2 million**
  - Federal revenue includes grants for education, prison rape elimination, prisoner reintegration, incentive payments for identifying incarcerated recipients of supplemental security income, payments under the school breakfast and lunch programs for youth in prison, and reimbursements for housing foreign nationals and federal prisoners

- ***Local Revenues***
  - Local revenues total **$275,000**
  - Local revenue comes from fees paid by local units of government for renting electronic monitoring equipment (tethers)

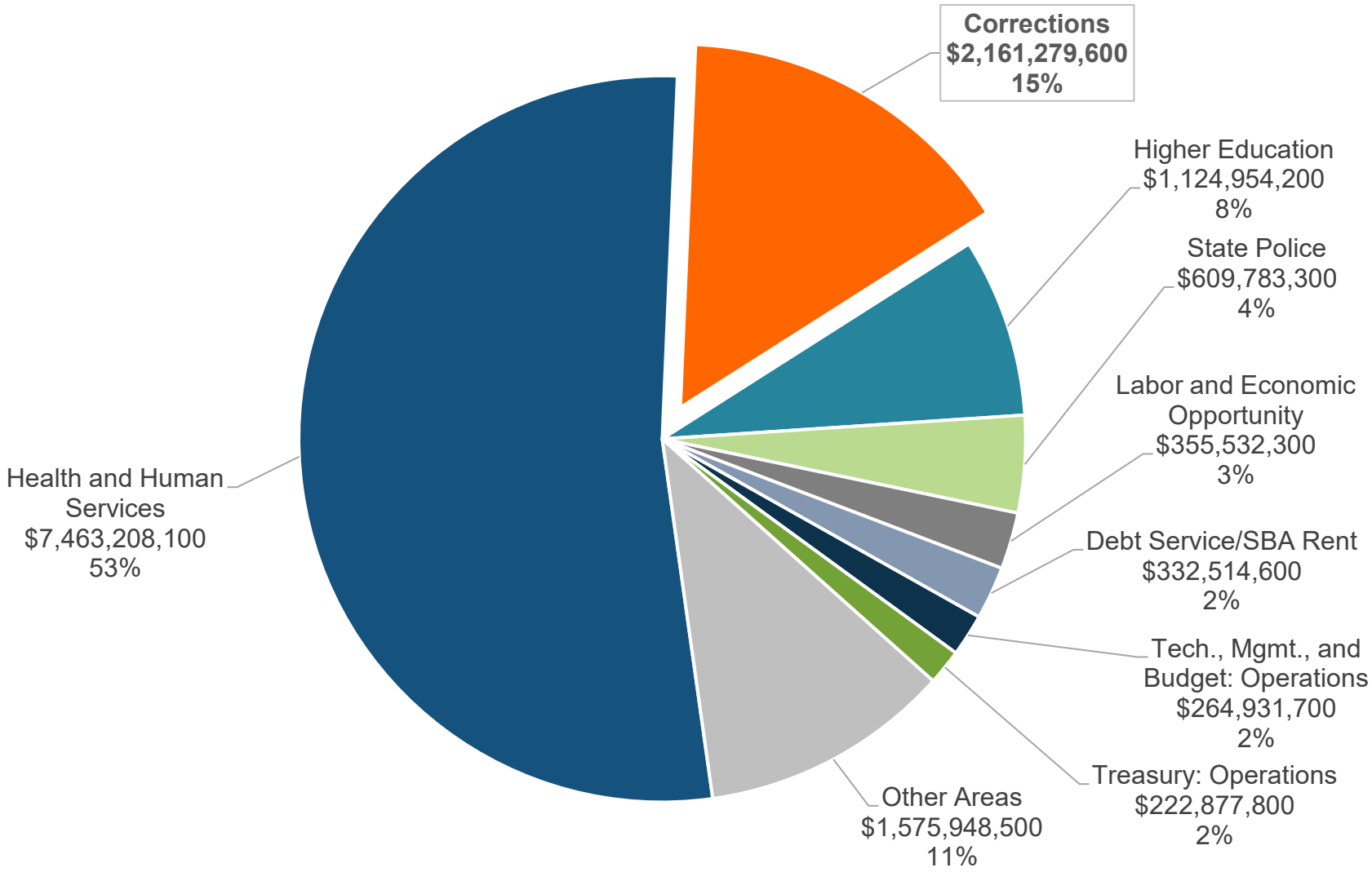
MDOC Share of Total State Budget

The MDOC budget represents **3%** of the state's **$74.0 billion** budget (adjusted gross) for FY 2026-27.



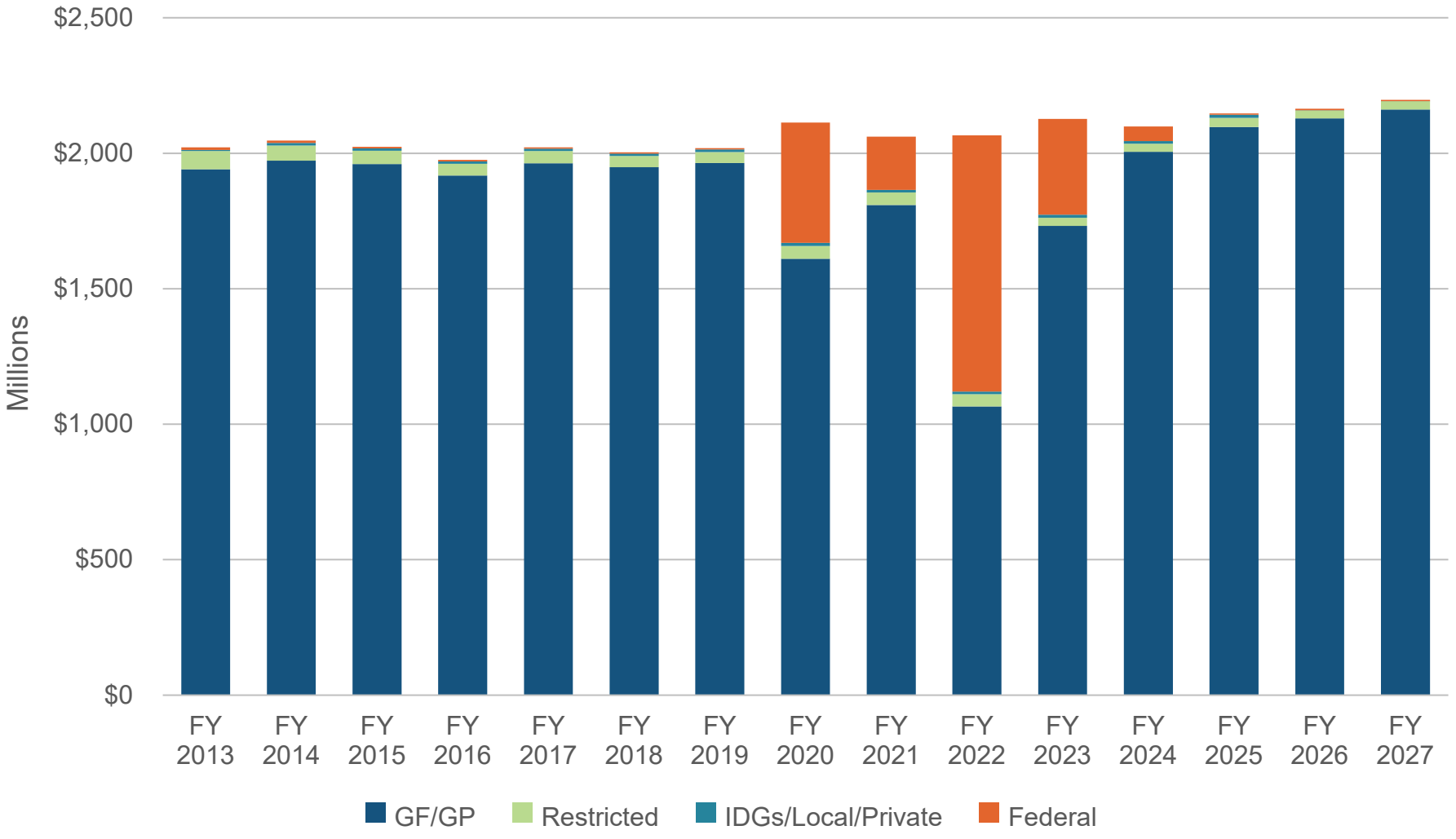
MDOC Share of Total GF/GP Budget

The MDOC budget represents about **15%** of the state's **$14.1 billion** GF/GP budget for FY 2026-27.



MDOC Funding History

Total appropriations for MDOC have increased by almost **9%** since FY 2012-13, driven mainly by employee costs and costs for programming and physical and mental health care for prisoners. In fiscal years 2020 through 2023, MDOC received federal disaster assistance and COVID relief funding, primarily to offset GF/GP allocations for payroll for frontline workers.



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; includes one-time appropriations for clinical complexes, contraband prevention, and facility count and callout process automation

- ***Parole and Probation Services*:** Supervision and monitoring of parolees and probationers; includes electronic monitoring programs and peer-led reentry services; includes one-time appropriation for peer-supported reentry

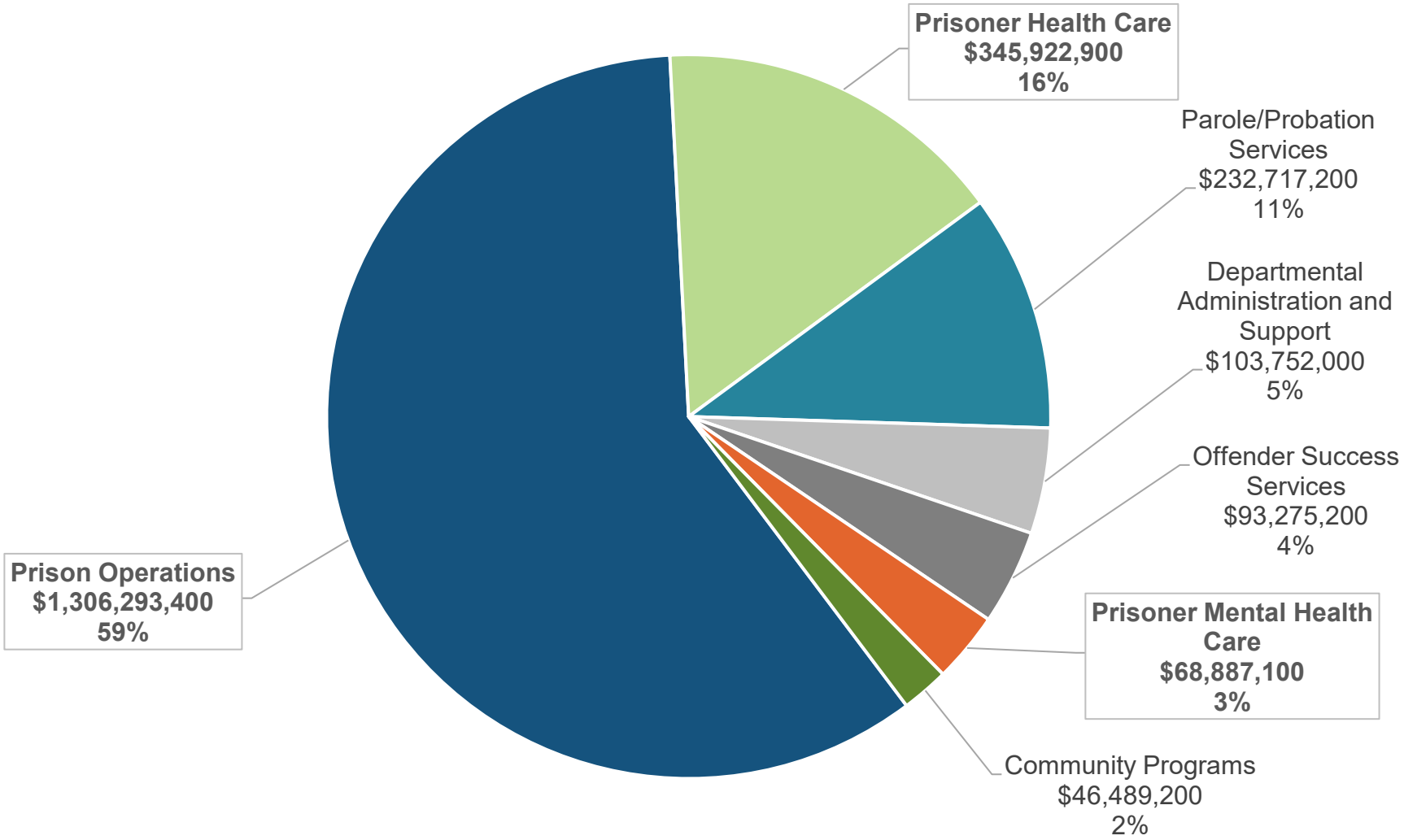
- ***Offender Success Services*:** Prisoner reintegration programs aimed at reducing recidivism through prisoner assessment, case management, and delivery of services; includes education, job training, and career readiness programming for prisoners while they are incarcerated; includes one-time appropriations for education/skilled trades/career readiness programs and higher education in prison

- ***Community Programs*:** Programs that provide alternatives to incarceration; includes community corrections programs, County Jail Reimbursement program, and probation residential services; includes one-time appropriation for 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 2026-27 Gross Appropriations

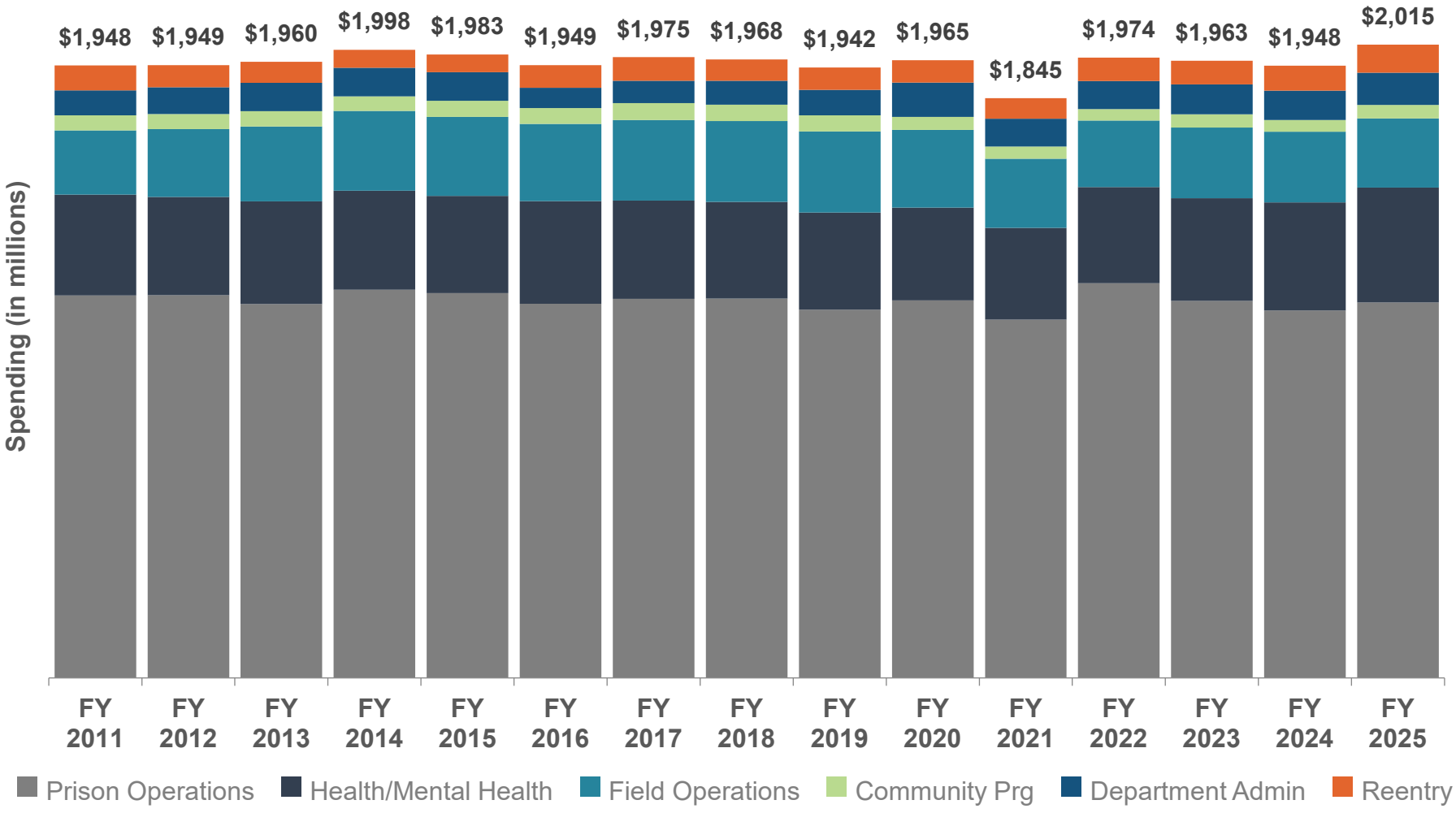
A little over **$1.7 billion**, or **78%**, of the Corrections **$2.2 billion** budget is allocated to prison operations, including physical and mental health care for prisoners.



Major Budget Topics

Corrections Spending Growth by Program

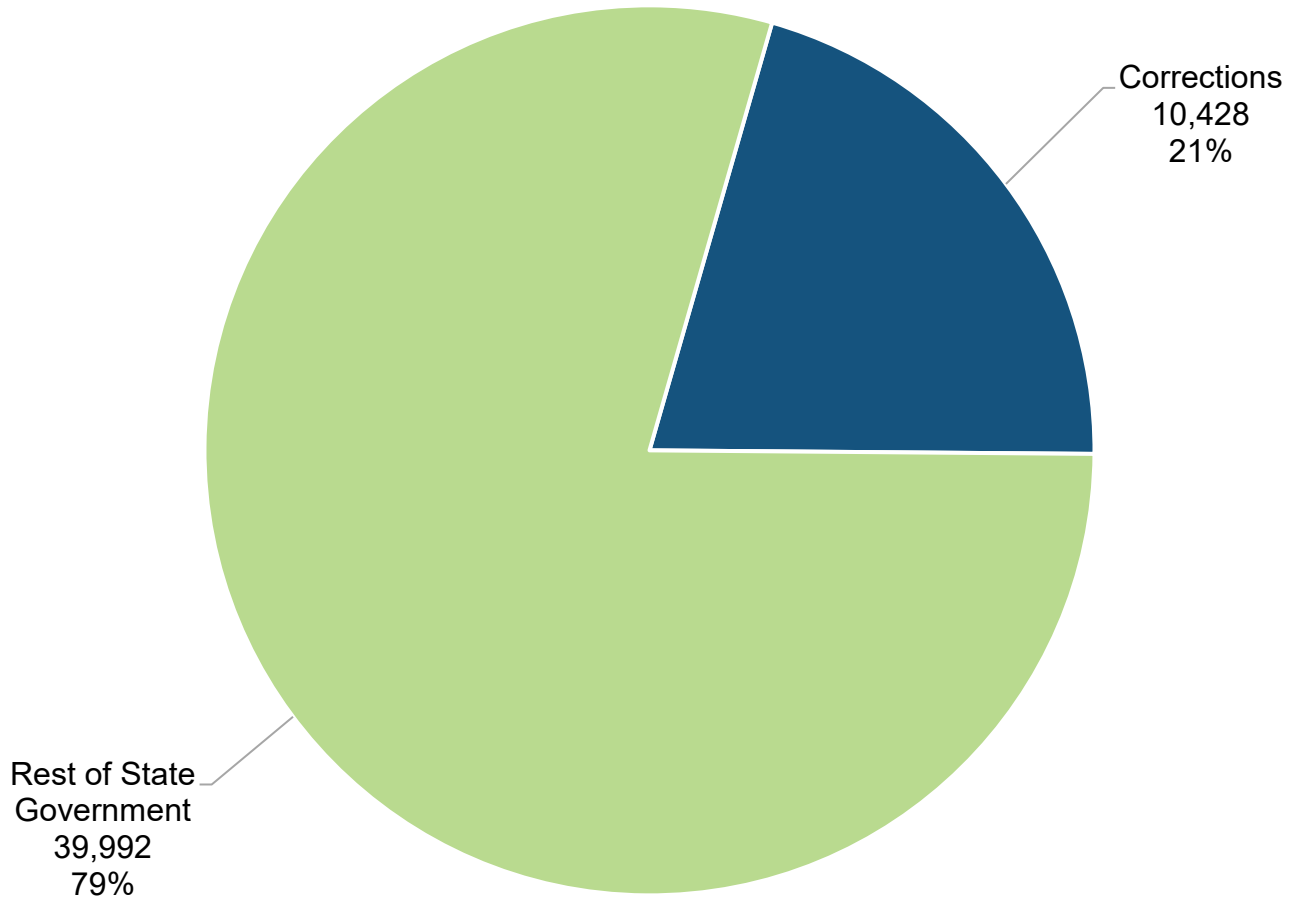
From FY 2010-11 to FY 2024-25, overall Corrections spending has remained flat, increasing at an average annual rate of less than **1%**. Spending on prisoner physical and mental health care increased at an average annual rate of **3.5%** and spending on prisoner reentry services increased at an average annual rate of **2.9%** over this time.



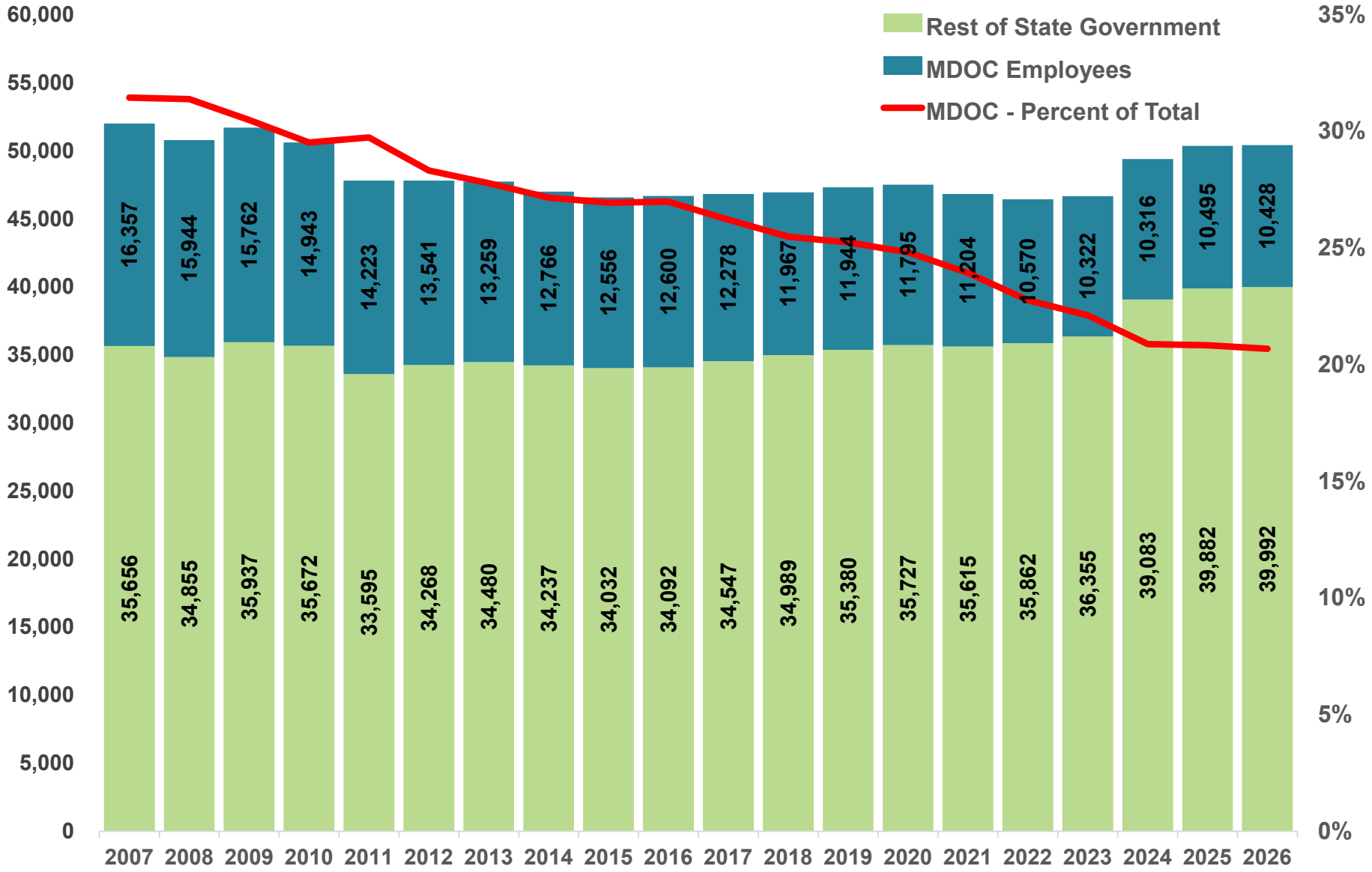
Department Employees

MDOC Share of Active Classified Employees

As of September 12, 2026, the total number of active classified employees in the state's workforce was 50,420. Of those, **10,428**, or **21%**, were employed by MDOC.



MDOC Share of Employees



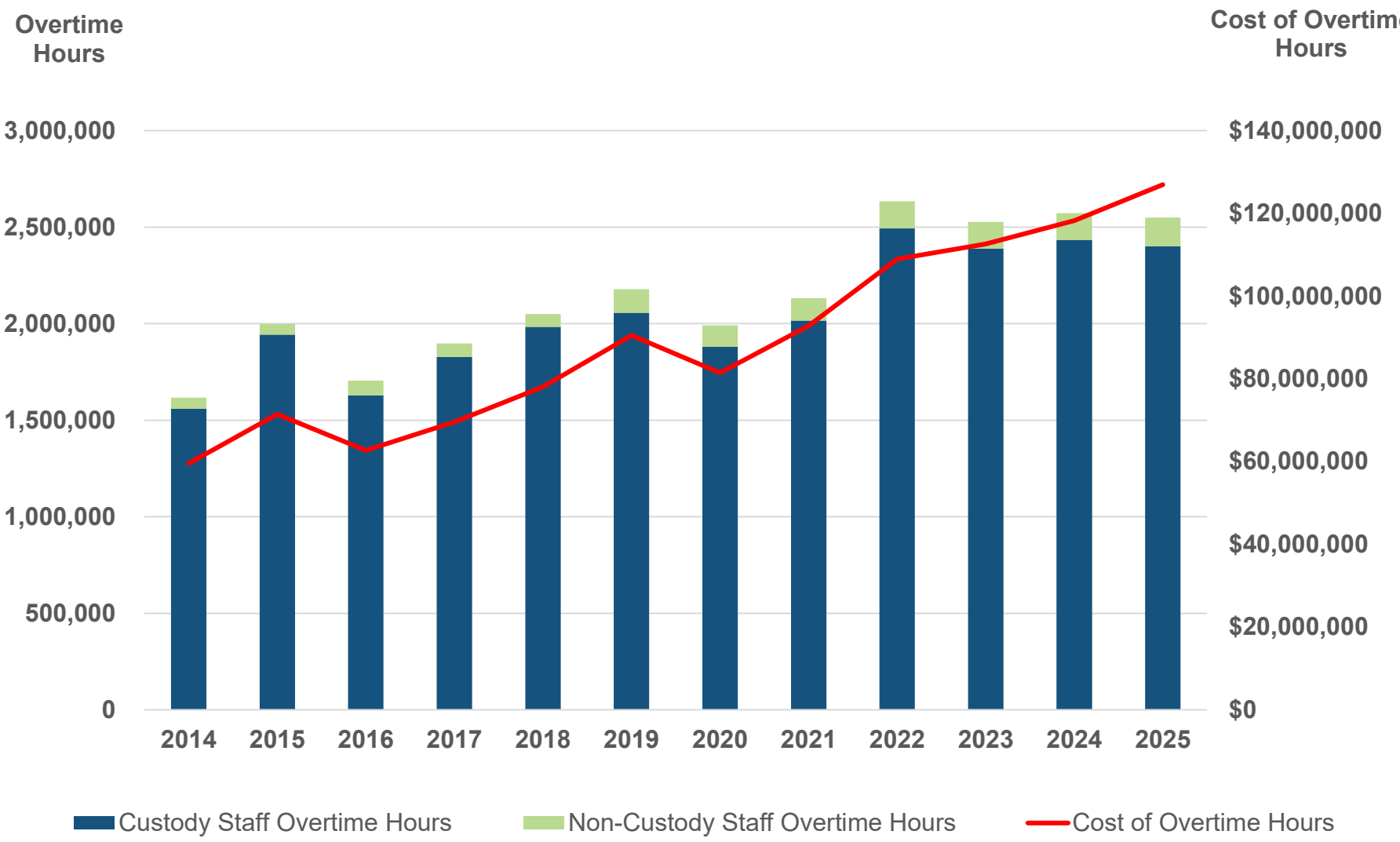
MDOC Employee Challenges

- Though MDOC employees make up 21% of the state's workforce, the department struggles to fill vacant positions and continues to be short staffed
- Vacancies occur throughout the department, but vacancies occur primarily with corrections officer positions
- As of September 1, 2026, there were 897 corrections officer vacancies, 370 healthcare staff vacancies, and 168 central office staff vacancies
- Overtime costs are significant due to understaffing issues; overtime costs were **$126.9 million** in FY 2024-25
- Historically, custody staff (corrections officers) overtime hours account for anywhere between 93% and 100% of total overtime hours; (94% in FY 2024-25)
- MDOC continues to commit resources to recruitment; efforts include advertising by means of the internet, television, and billboards; facility-specific recruitment teams and hiring events; satellite academies for some sites; hiring additional recruiting staff, including a social media recruiter and a recruiter focused on the Upper Peninsula
- Staff retention is another big challenge facing the department

MDOC Employee Overtime Hours

**Data for each fiscal year is as of the last full pay period in that fiscal year*

Cost of Employee Overtime



MDOC Response to Employee Challenges

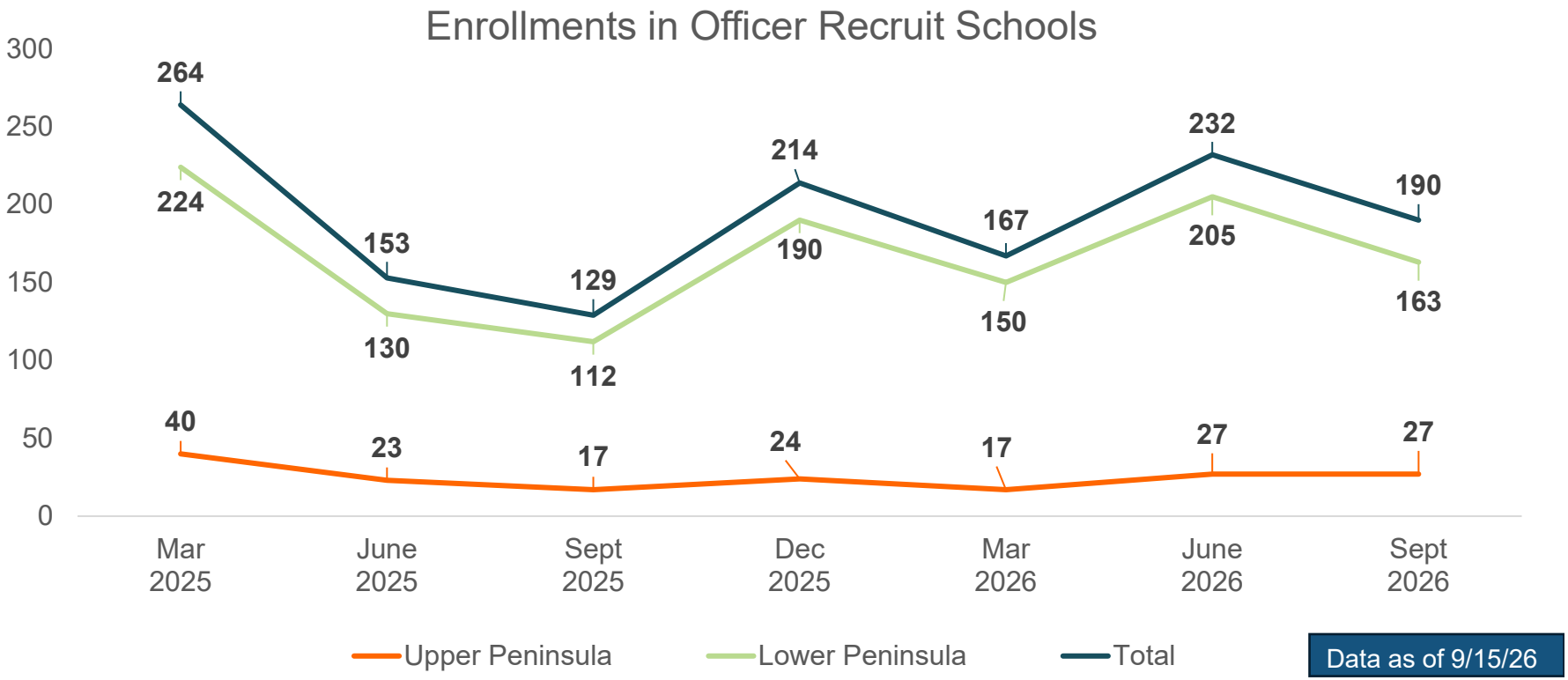
- The department has been working to improve staffing levels and reduce overtime
- Key initiatives include:
  - Researching viability of traveling units of staff that can be deployed to the most understaffed facilities, providing relief to staff and reducing mandatory overtime
  - Identifying and working to remove recruitment barriers such as housing availability, childcare affordability, and economic opportunity
  - Targeted recruitment efforts including reaching out to past applicants who were unsuccessful to fill other positions, such as parole and probation officers, and reaching out to potential candidates that have recently been laid off at other companies
  - Providing recruitment and retention bonuses and allowing employees to reach a higher level of pay in a shorter amount of time

MDOC Officer Recruitment Efforts

- The department has been working to reduce the number of corrections officer vacancies at facilities across the state
- The MDOC recruitment team hosts open houses and attends recruitment events year-round to get prospective recruits interested in careers in corrections

MDOC Officer Recruit Schools

- New officers are required to go through an 8-week Officer Recruit Training Academy
- At the training academy, recruits learn the fundamentals of working as a corrections officer including safety procedures, de-escalation techniques, and legal compliance
- After attending the academy, recruits complete two months of on-the-job training at an assigned correctional facility



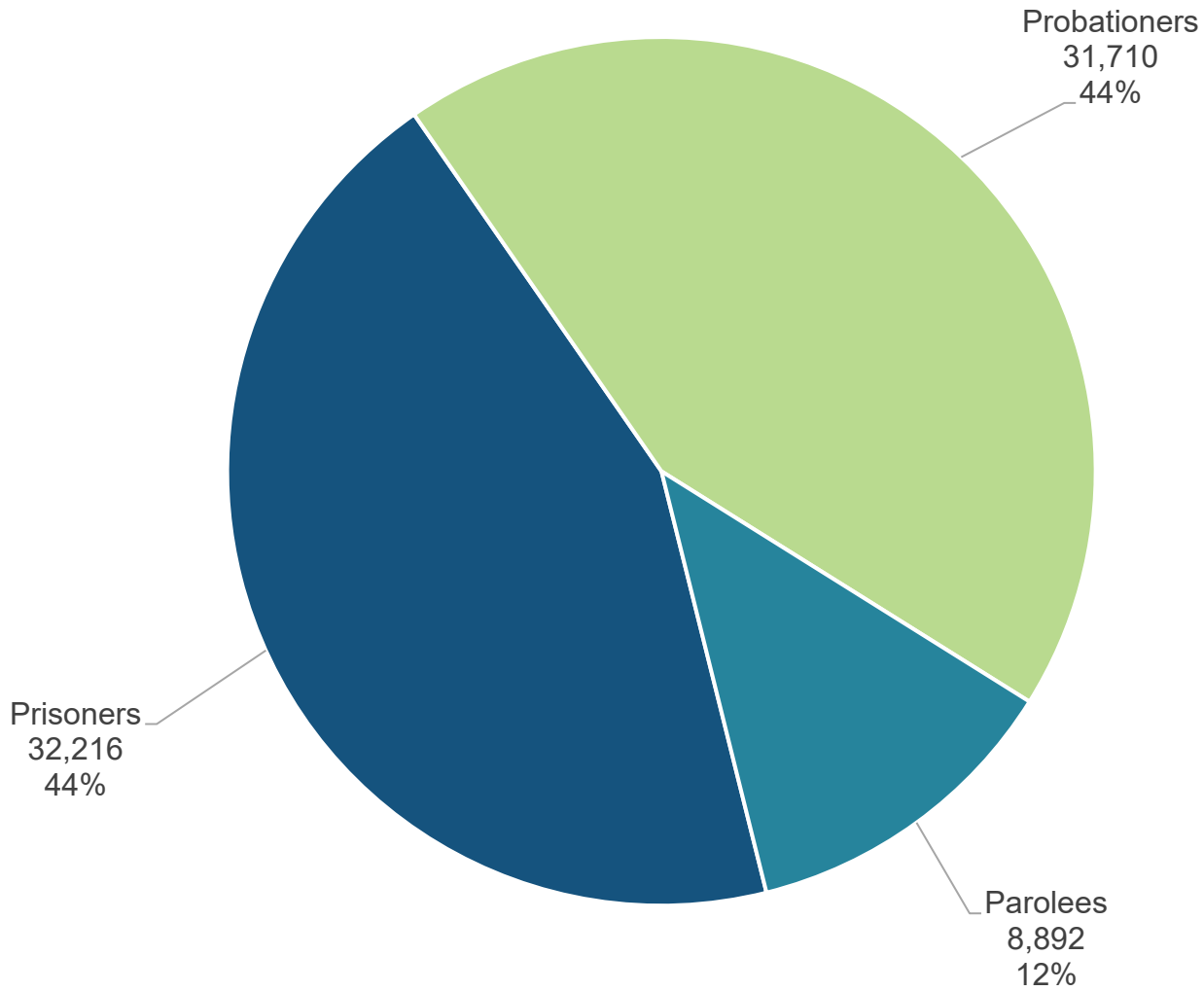
Offender Population

The Offender Population

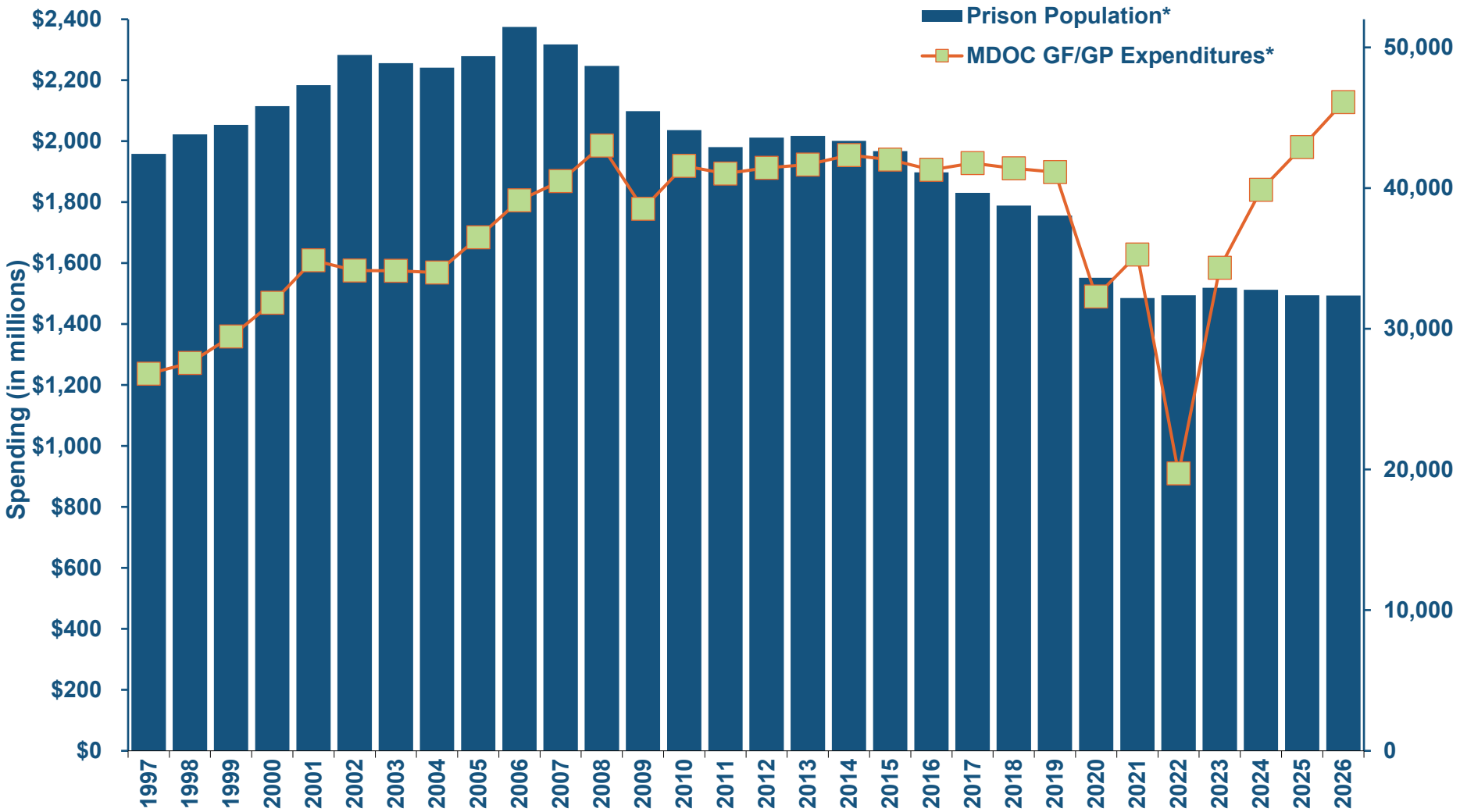
- ***Prisoners***:
  - Felony offenders committed to the jurisdiction of MDOC
  - Housed in prisons and special alternative incarceration program
- ***Parolees***:
  - Prisoners who have served at least their minimum sentence and who have been released to a period of supervision in the community
  - 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 September 1, 2026, the total offender population under MDOC supervision was 72,818. This is a decrease of 407 offenders since September 1, 2025, when the total offender population was 73,225.



History of MDOC GF/GP Spending and the Prisoner Population



**2020 through 2024 figures reflect reduced GF/GP due to receipt of federal disaster assistance and Coronavirus relief funding, and a reduced prison population related to COVID-19; 2026 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

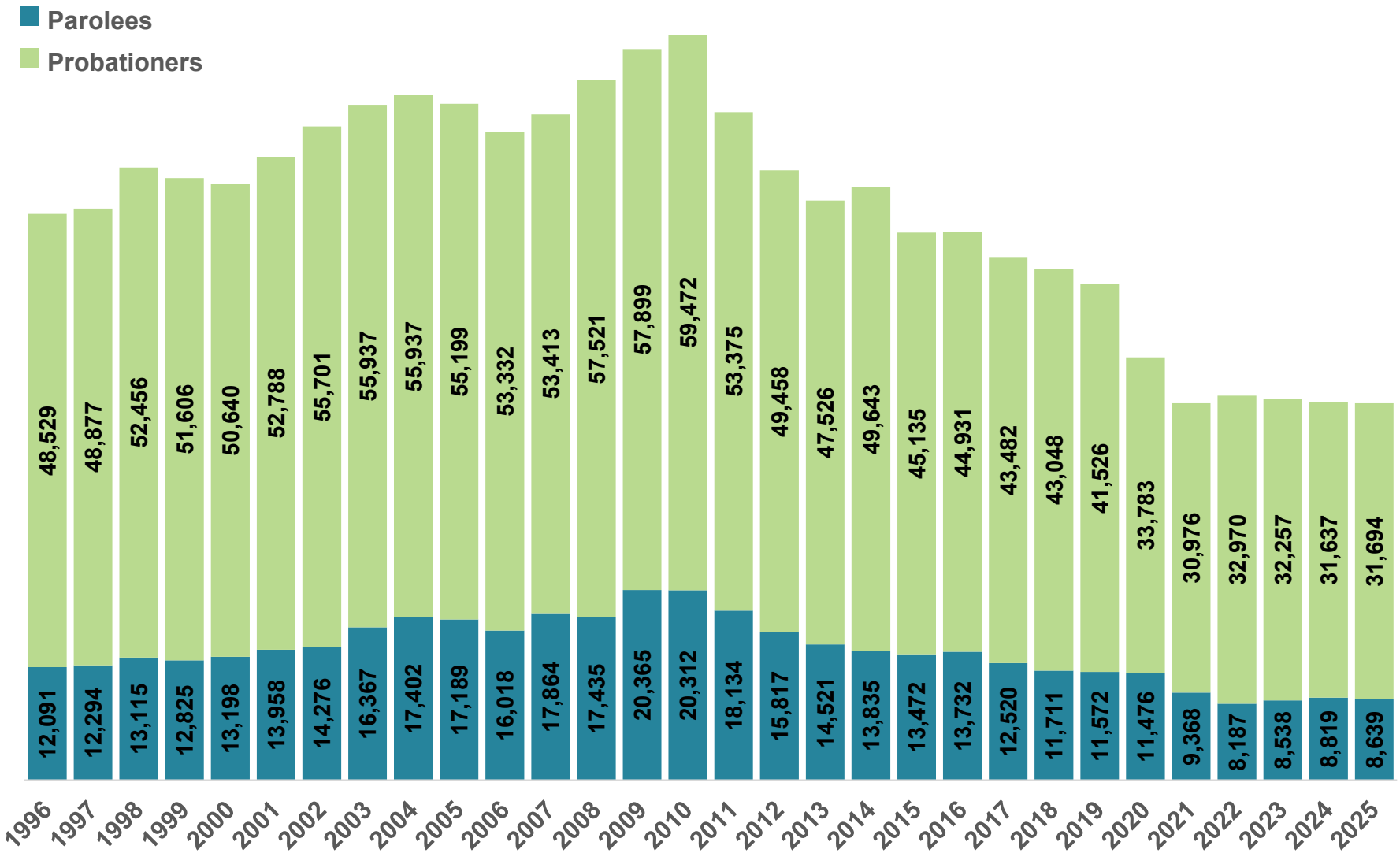
- Entering the system:
  - New court commitments – felony offenders sentenced to prison
  - Parole and probation violators – sent to prison due to new sentences or technical violations
  - Court returns – prisoner returns from court (sometimes with additional sentences imposed)
  - Other returns – from 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
  - Discharged at maximum sentence
  - Other exit – death, temporary county jail stay, release to mental health hospital, escape

Prison Population Growth and Projections

- Increases in prisoner intakes, including increases in parole violator technical returns and increases in parole violators returned to prison with new sentences, affect prison population growth
- Decreases in parole grant rates also affect prison population growth
- In 2025, the year-end prison population was 32,387 which was 37.2% smaller than the record high of 51,554 prisoners reached in March 2007
- The two biggest contributors to the prison population decline in 2025 were a decrease in the number of prison intakes (fewer new court commitments) and an increase in movements to parole
- According to the most recent Prison Population Projection Report released by the department, it is assumed that annual prison admissions will increase 1.7% in 2026 and 5.9% in 2027; it is also assumed they will decrease by 0.9% in 2028 and will be stable after that

Average Parole and Probation Populations



Prison Operations: Correctional Facilities

Prison Operations

- The MDOC operates 26 correctional facilities located in 18 counties across the state

- In addition, the MDOC operates the Special Alternative Incarceration (SAI) program, which is an alternative incarceration program for probationers and prisoners and an intensive reentry program for post release prisoners; judges determine participants
  - Phase I is 90 days of military-style boot camp; Phase II is up to 120 days of residential placement and is optional based on perceived need; Phase III is at least 120 days of intense supervision in the community
  - Program for men is located in the Cooper Street Correctional Facility and serves up to 100 men; a smaller scale program for women is located in Womens Huron Valley Correctional Complex and serves up to 42 women

- Over **$1.7 billion**, or **78%**, of the FY 2026-27 Corrections budget is devoted to costs pertaining to prisoner custody (e.g., housing, physical and mental health care, food, transportation, behavioral treatment programs)

- Academic and vocational programming appropriations, roughly **$79.4 million** in FY 2026-27, are included in appropriations for offender success, instead of in appropriations for prisoner custody

Location of Correctional Facilities

As of December 2025

Correctional Facilities

1. Baraga Correctional Facility
2. Marquette Branch Prison
3. Alger Correctional Facility
4. Newberry Correctional Facility
5. Chippewa Correctional Facility
5. Kinross Correctional Facility
6. Oaks Correctional Facility
7. Muskegon Correctional Facility
7. Earnest C. Brooks Correctional Facility
8. St. Louis Correctional Facility
8. Central Michigan Correctional Facility
9. Saginaw Correctional Facility
10. Carson City Correctional Facility
11. Ionia Correctional Facility
11. Bellamy Creek Correctional Facility
11. Richard A. Handlon Correctional Facility
12. Thumb Correctional Facility
13. Macomb Correctional Facility
14. Woodland Center Correctional Facility
15. Cooper Street Correctional Facility w/ SAI
15. Charles E. Egeler Reception and Guidance Center
15. G. Robert Cotton Correctional Facility
15. Parnall Correctional Facility
16. Women's Huron Valley Correctional Facility
17. Lakeland Correctional Facility
18. Gus Harrison Correctional Facility

Source: Correctional Facilities Administration

Prison Closures

- The following correctional facilities have closed over the past 10 years, primarily due to the declining prisoner population:
  - Pugsley Correctional Facility (Kingsley) – closed September 2016
  - West Shoreline Correctional Facility (Muskegon) – closed March 2018
  - Ojibway Correctional Facility (Marenisco) – closed December 2018
  - Detroit Reentry Center – closed January 2021
  - Michigan Reformatory – closed November 2022
  - Gus Harrison Correctional Facility (South side only) – closed November 2022

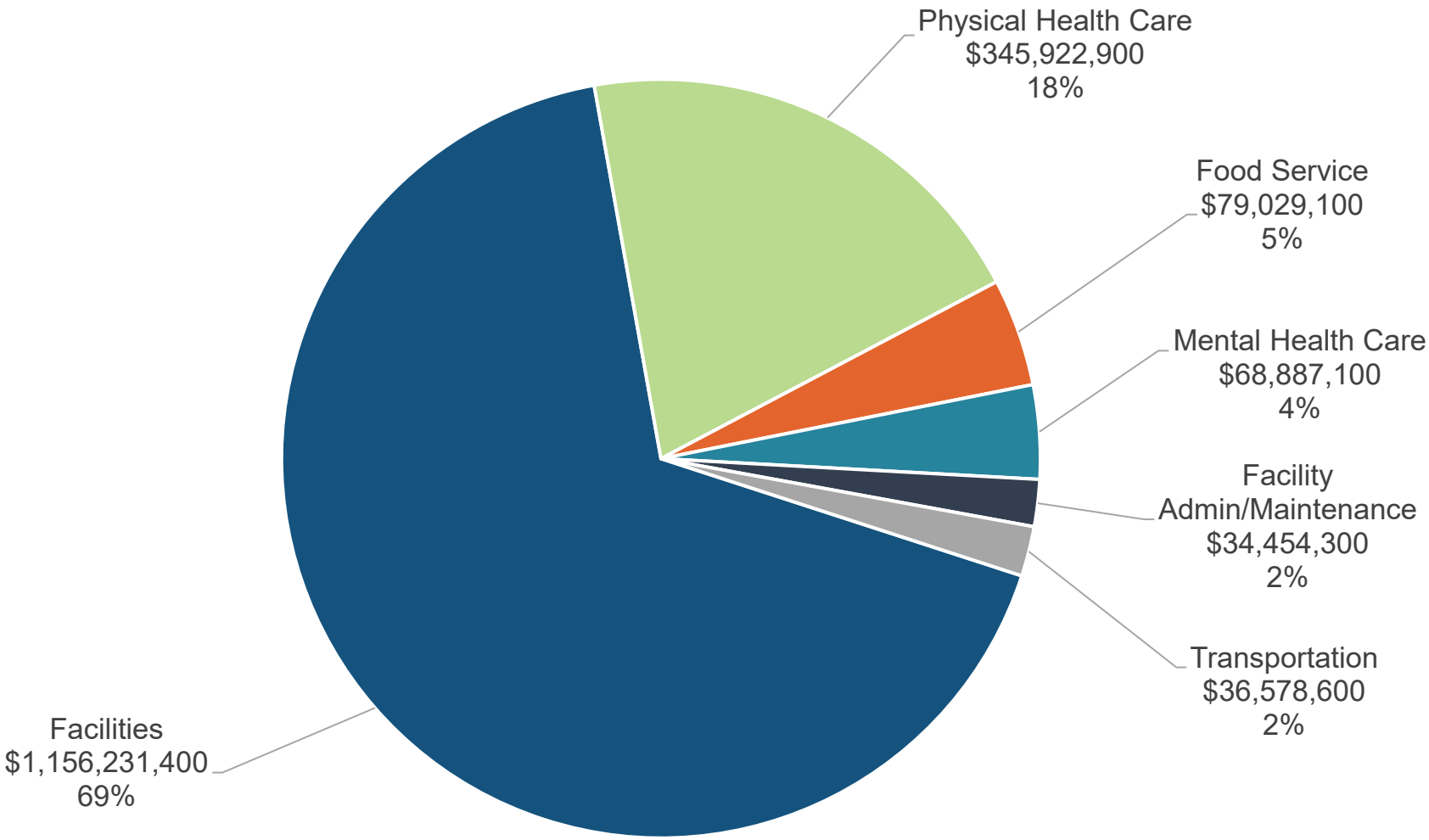
- The Special Alternative Incarceration Program downsized in February 2020 and moved from Cassidy Lake to the Cooper Street Correctional Facility in Jackson

FY 2026-27 Capital Outlay Projects

- The FY 2026-27 Capital Outlay budget includes authorization for construction of a new 66,525 sq. ft. Level IV housing facility at the St. Louis Correctional Facility and a new 65,235 sq. ft. Level IV housing facility at the Oaks Correctional Facility; this will add over 400 higher security level beds to the department's current capacity by 2030
- The department is currently in the process of converting 182 Level II beds to Level IV beds at the Macomb Correctional Facility; this will allow for closer supervision, more limited movement, and the ability to place more prisoners at the higher level of management
- By the end of the fall of 2026, a Level II General Population Unit will be converted to a Protective Housing Unit at the Richard A. Handlon Correctional Facility; this will allow for additional protective housing capacity
- By the end of the 2026 calendar year, multiple units will be converted at the Oaks Correctional Facility, resulting in the addition of 192 Level IV beds and 96 Level V beds
- In the beginning of 2027, 30 cells at the Bellamy Creek Correctional Facility will be upgraded to allow safe, appropriate, barrier-free housing of prisoners that have accessibility requirements

Prisoner Custody, Care, and Programs

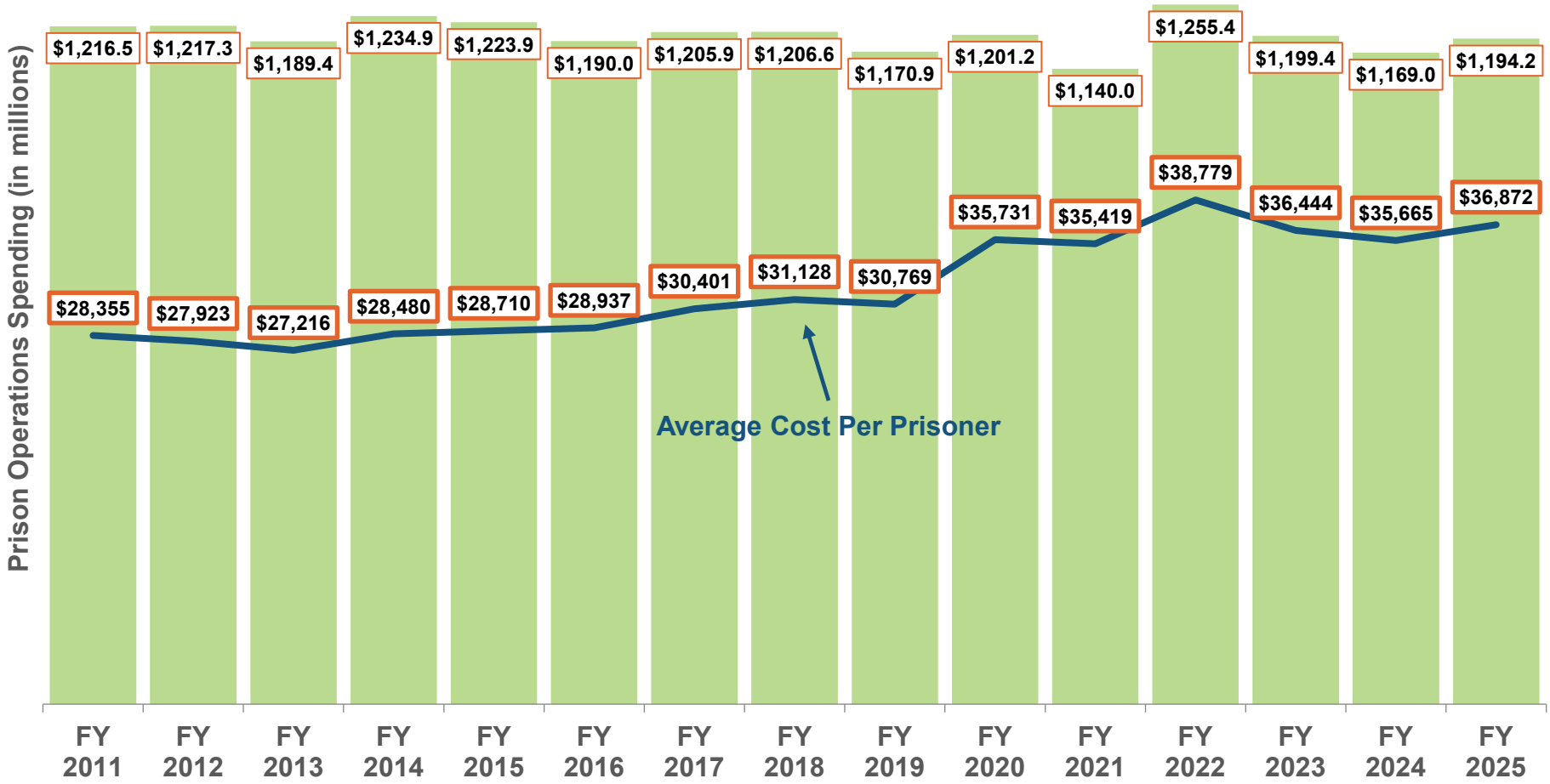
Total FY 2026-27 appropriation for prisoner custody, care, and programming is **$1,721,103,400**.



Costs Per Prisoner by Security Level

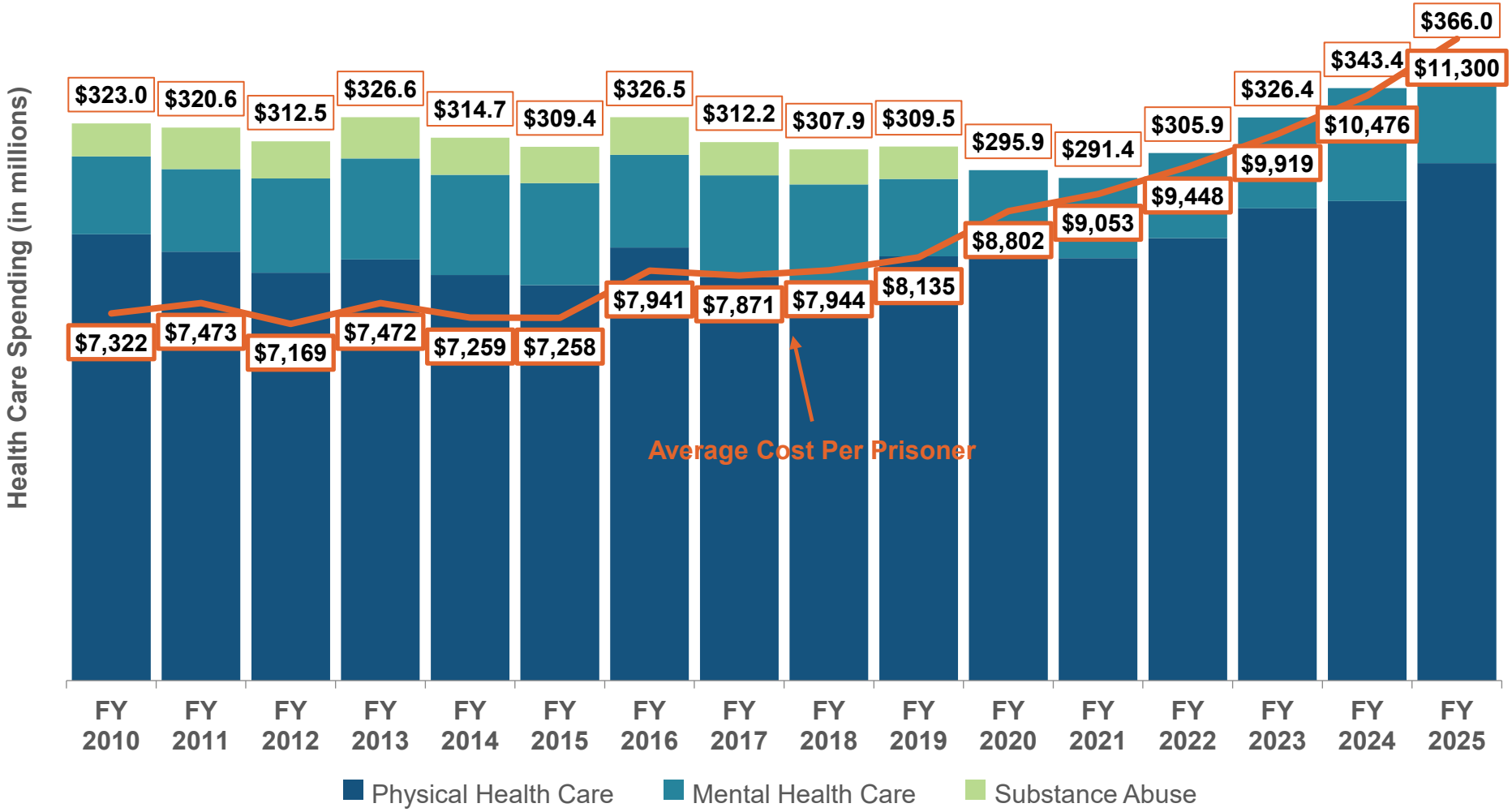
Prison Operations - Average Cost Per Prisoner

This chart reviews total prison operations spending **excluding** spending for physical and mental health care. Per-prisoner costs grew by an average of **2.0%** per year over this period. The decrease in spending in more recent years can be attributed to the COVID-19 pandemic and to the increasing number of staff vacancies.



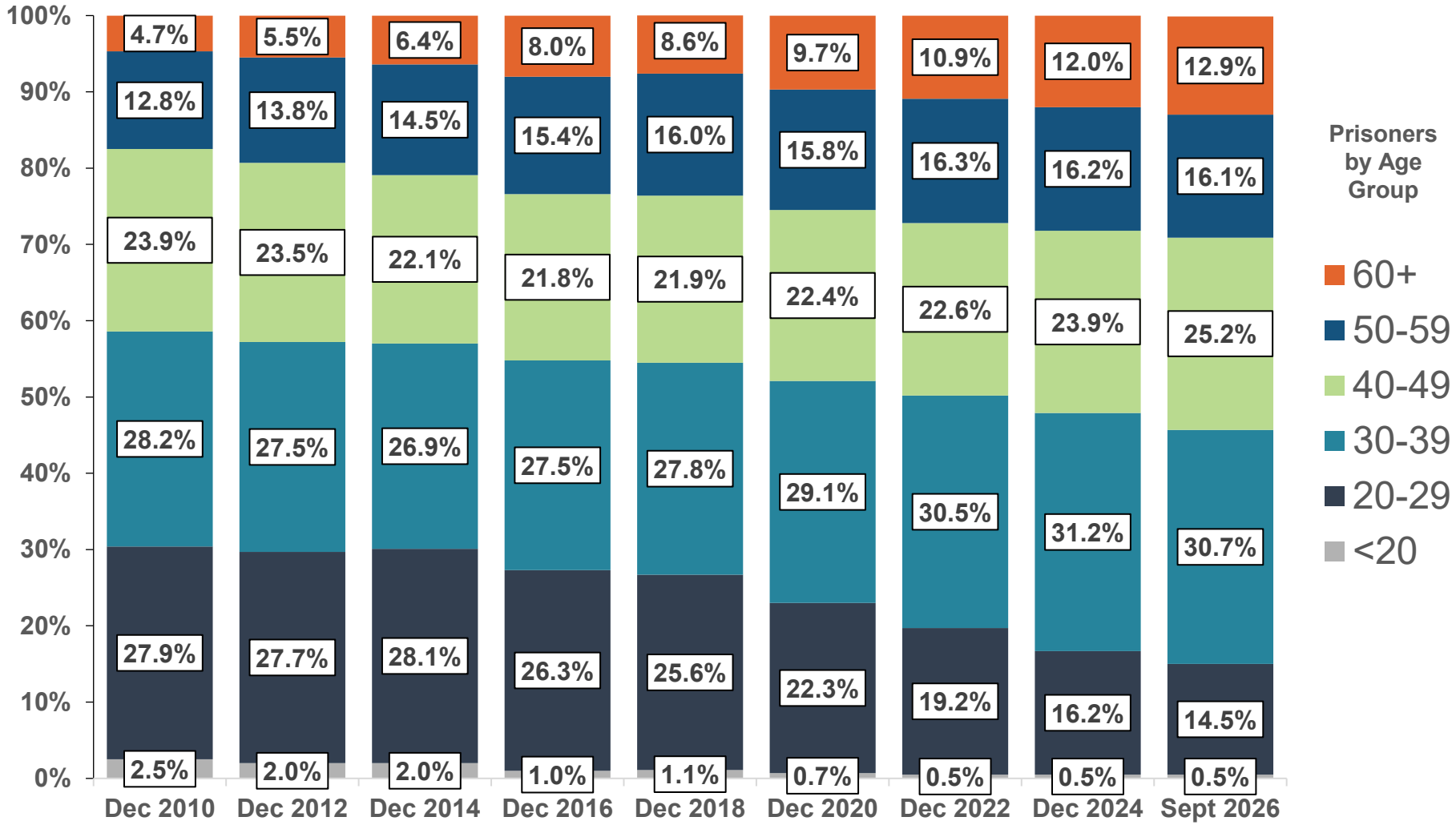
Health Care - Average Cost Per Prisoner

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 2010-11 to FY 2024-25 time period. Per-prisoner costs increased by an average of a little over **3%** annually during this time. (In FY 2019-20, costs for substance abuse were rolled in with costs for mental health care.)



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 2010, 41.4% of prisoners were over age 40 and 17.5% were over age 50. By 2026, those percentages increased significantly to 54.2% over age 40 and 29.0% 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

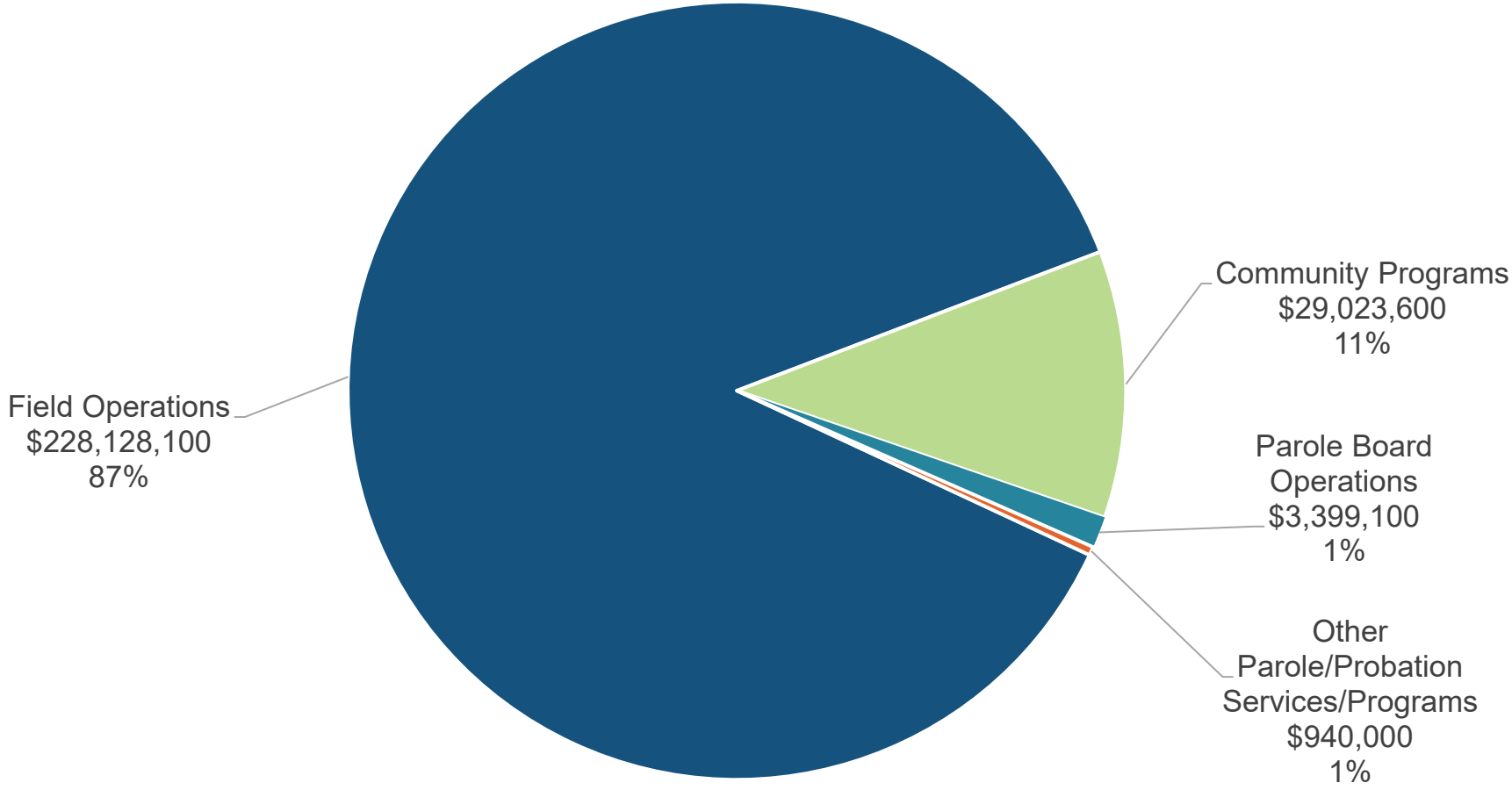
- The largest component of Field Operations is parole and probation; as of September 14, 2026, MDOC employed 947 active parole and probation agents responsible for supervising 40,300 offenders

- 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, and probation residential services are programs that serve as alternatives to incarceration for offenders who meet certain eligibility requirements

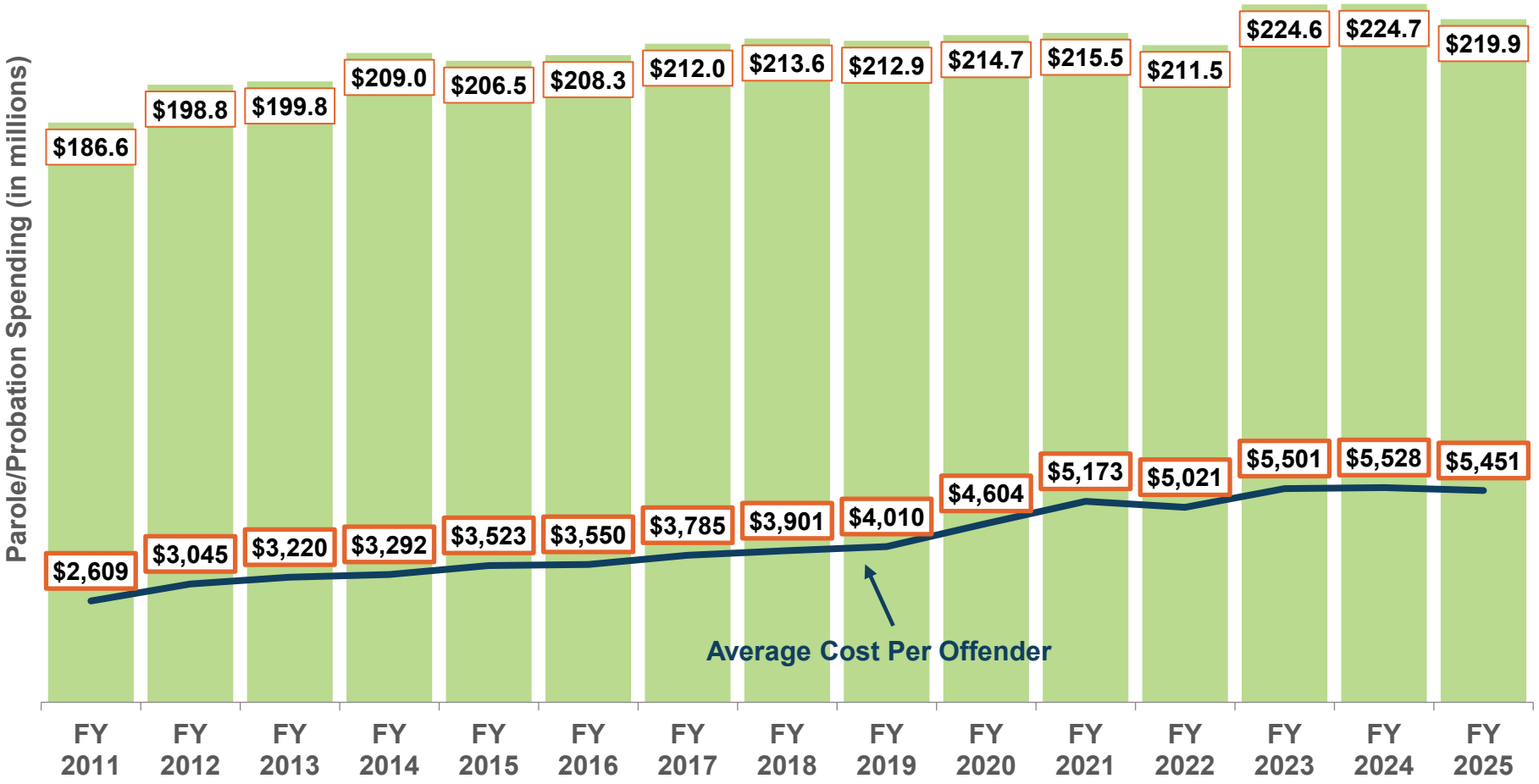
Field Operations

FY 2026-27 appropriation for Field Operations is **$261,490,800**. 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 **1.0%** annually since FY 2010-11. The cost per offender increased by an average of a little over **5.0%** per year over the same period.



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; goal is to foster change and success for offenders

- Involve interagency and state and local collaboration: state departments, local law enforcement, crime victims' advocates, faith-based organizations, community business partners

- **$93.3 million** appropriation in FY 2026-27, includes **$79.4 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 in-reach services 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 Programs and Services

- MDOC works with prisoners to complete high school equivalency, special education, adult basic education programs, digital and financial literacy, employment readiness programming, including soft and practical skills, resume writing, and mock interviews

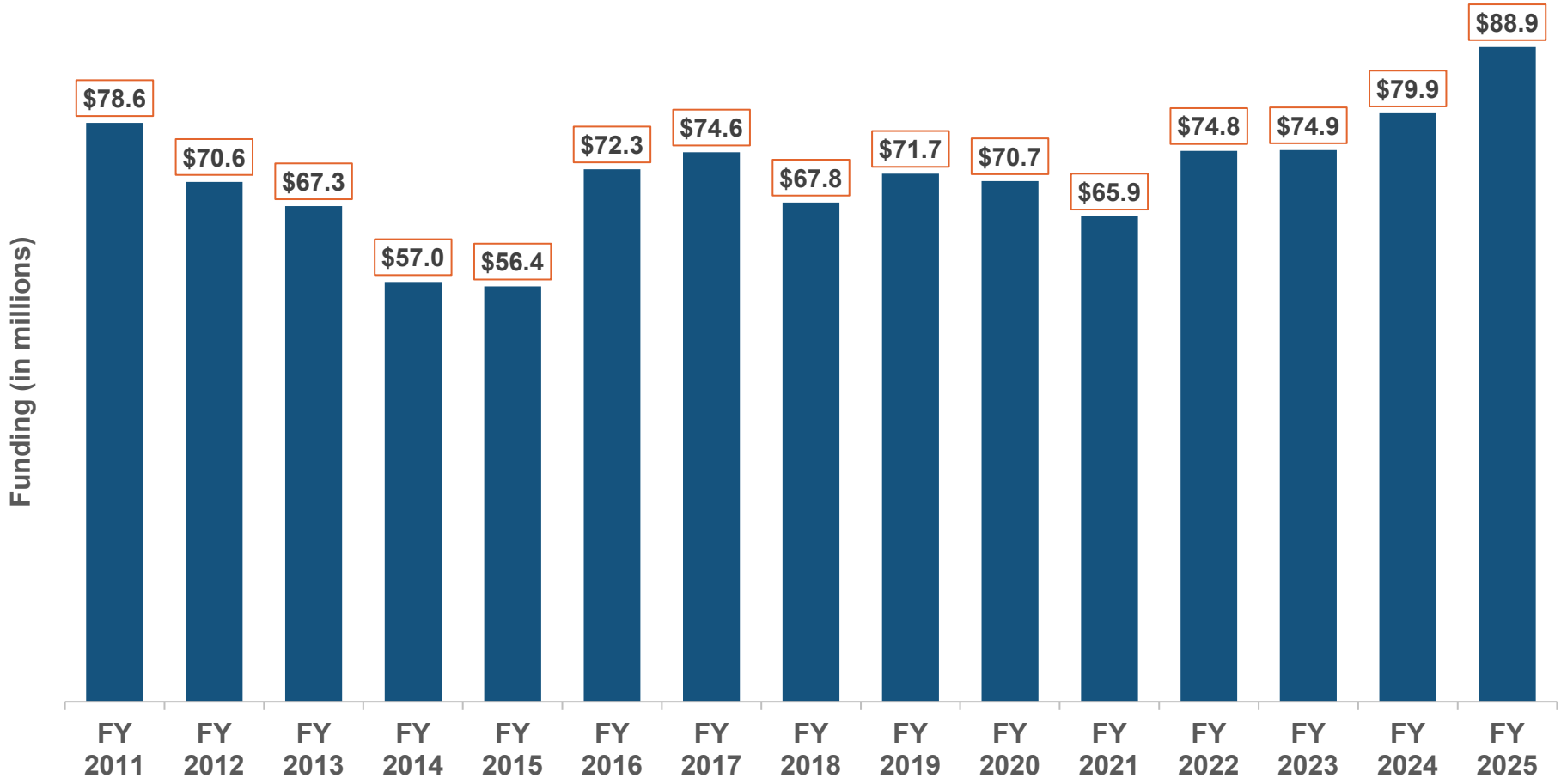
- MDOC offers career and technical education programs in roughly 50 vocational trade programs that lead to state and/or national certificates in 15 different trade disciplines including welding, carpentry, food tech/hospitality, cement and masonry, commercial drivers license, forklift, optical, and horticulture

- MDOC operates 3 Vocational Villages offering skilled trades programs
  - Vocational Villages are located at Richard A. Handlon in Ionia, Parnall in Jackson, and Womens Huron Valley in Ypsilanti
  - Programs include CNC machine tool and robotics, auto tech, diesel mechanics, welding, carpentry, masonry and concrete, electrical, plumbing, line clearing and tree trimming, computer coding, commercial drivers license and forklift operation, additive manufacturing (computer-aided design/3D printing), and cosmetology

- MDOC offers post-secondary programs and partners with post-secondary schools that offer classes to prisoners at correctional facilities; prisoners obtain post-secondary degrees upon successful completion of educational programming

Offender Success Spending

In FY 2013-14, appropriations for community-based reentry programs were reduced and funding was reallocated to correctional facilities for 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”. Decreased spending in fiscal years 2020 and 2021 can be attributed to reduced utilization during the COVID-19 pandemic. Recent increases in spending can be attributed to the department’s enhanced focus on evidence-based programming, education, in-reach services, and peer-led reentry services.



For more information about the Corrections budget:

HFA Resources

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

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