



Budget Briefing: The Cost of Corrections

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The fiscal information in this background briefing is based on data through January 10, 2019 unless otherwise noted.

Briefing Topics

- Overview
- Funding
- Appropriation Areas
- Personnel
- Supervised Population
- Prison Operations
- Field Operations
- Offender Success

Overview

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

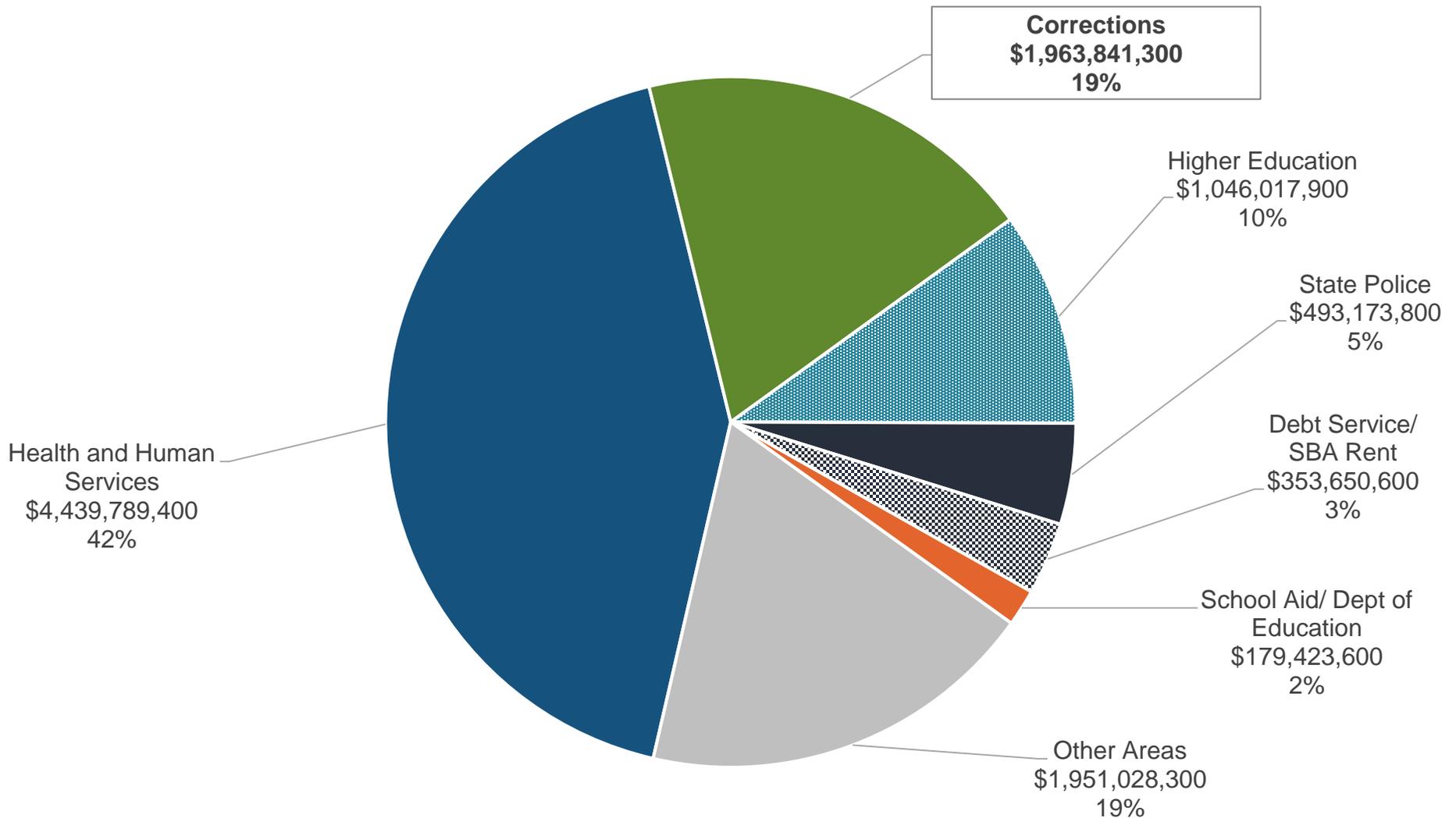
Corrections Budget: Challenges to State Legislators

- The Department of Corrections makes up about 19% of the state's total general fund/general purpose budget, the second largest share next to the Department of Health and Human Services.
- The Corrections budget is dominated by personnel costs. Salary and benefit levels of state employees are negotiated between the state employer and the five unions which represent department employees, and cannot be controlled by the legislature.
- Under the Constitution and federal court orders, the department is obligated to provide health care to prisoners in a manner that is not “deliberately indifferent”. The aging prison population and rising prisoner health care costs have been a key driver of budget growth.
- The public wants reduced spending on Corrections and a reduced burden on taxpayers; the public wants to shift the revenue spent on Corrections to other budget priorities; at the same time, the public wants offenders who pose risks to public safety to be locked up.

Funding

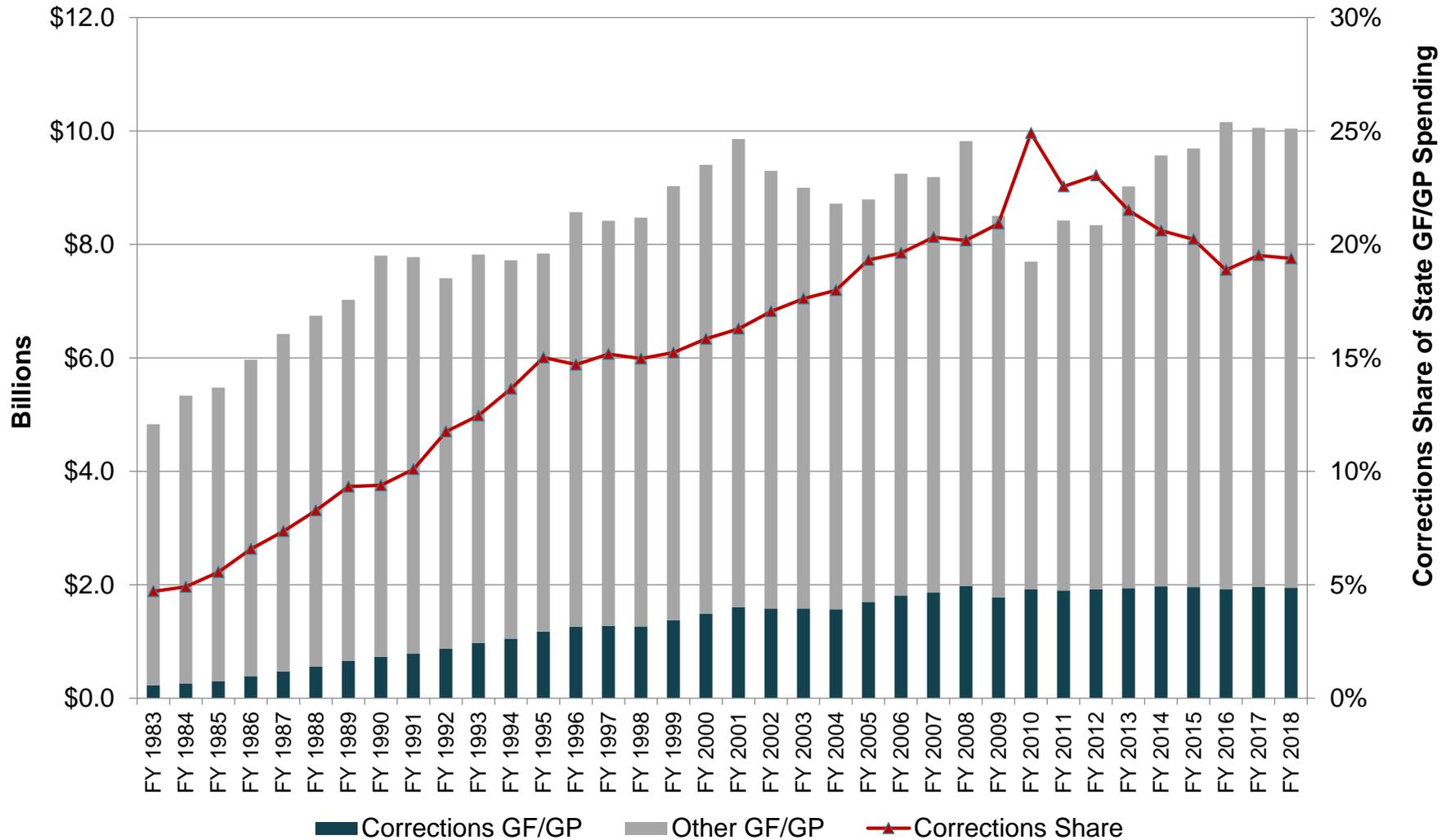
Corrections Share of State's Total GF/GP Budget

The Corrections budget represents **19%** of the state's **\$10.4 billion** GF/GP budget for FY 2018-19.



Corrections vs. Other State GF/GP Spending

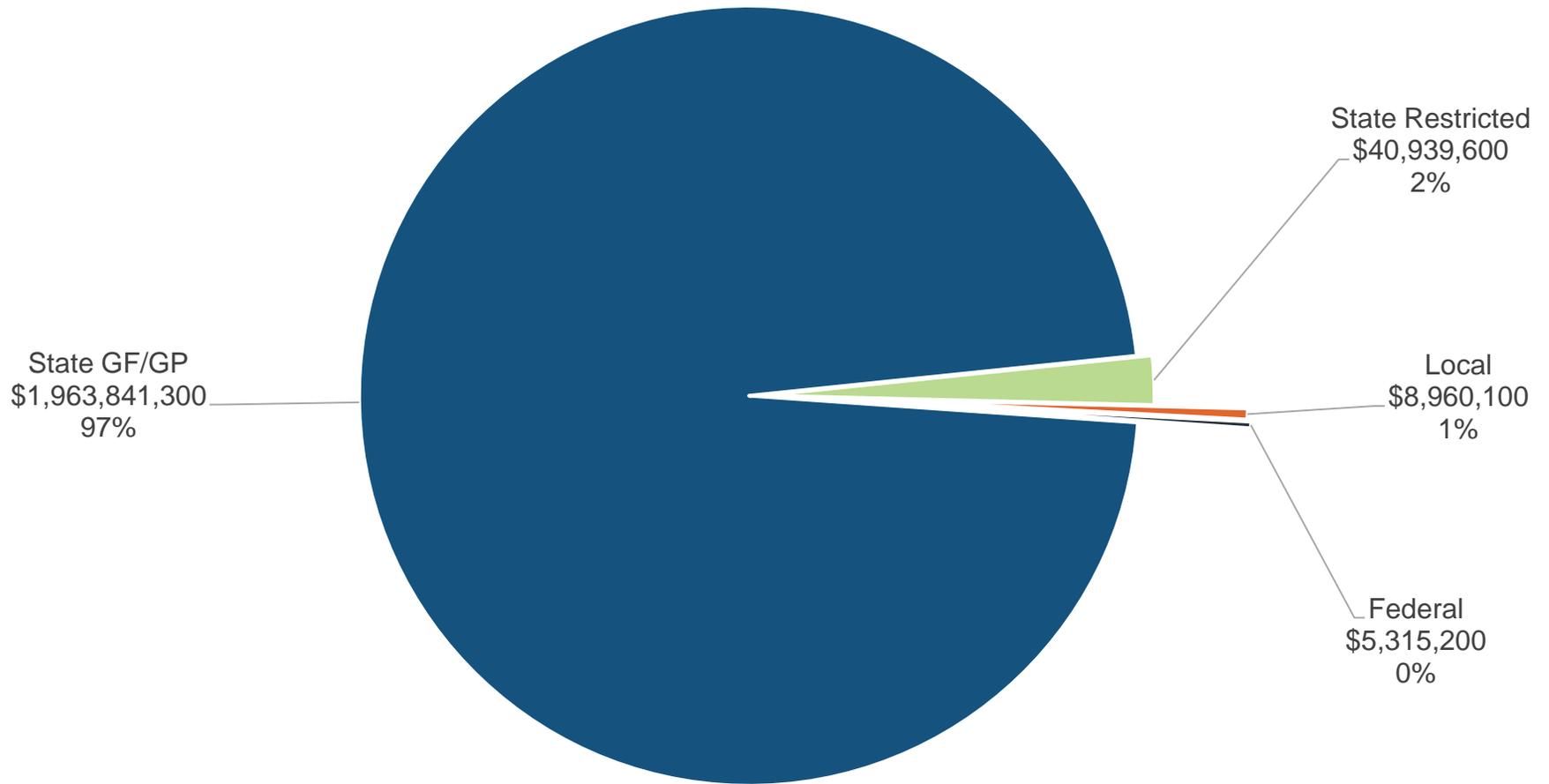
Corrections spending has grown as a share of all state general fund spending from well below 5% in the early 1980s to 19% today. This spending competes with other state priorities for state budget dollars, such as higher education, social services, and other public safety programs.



Source: State Budget Office

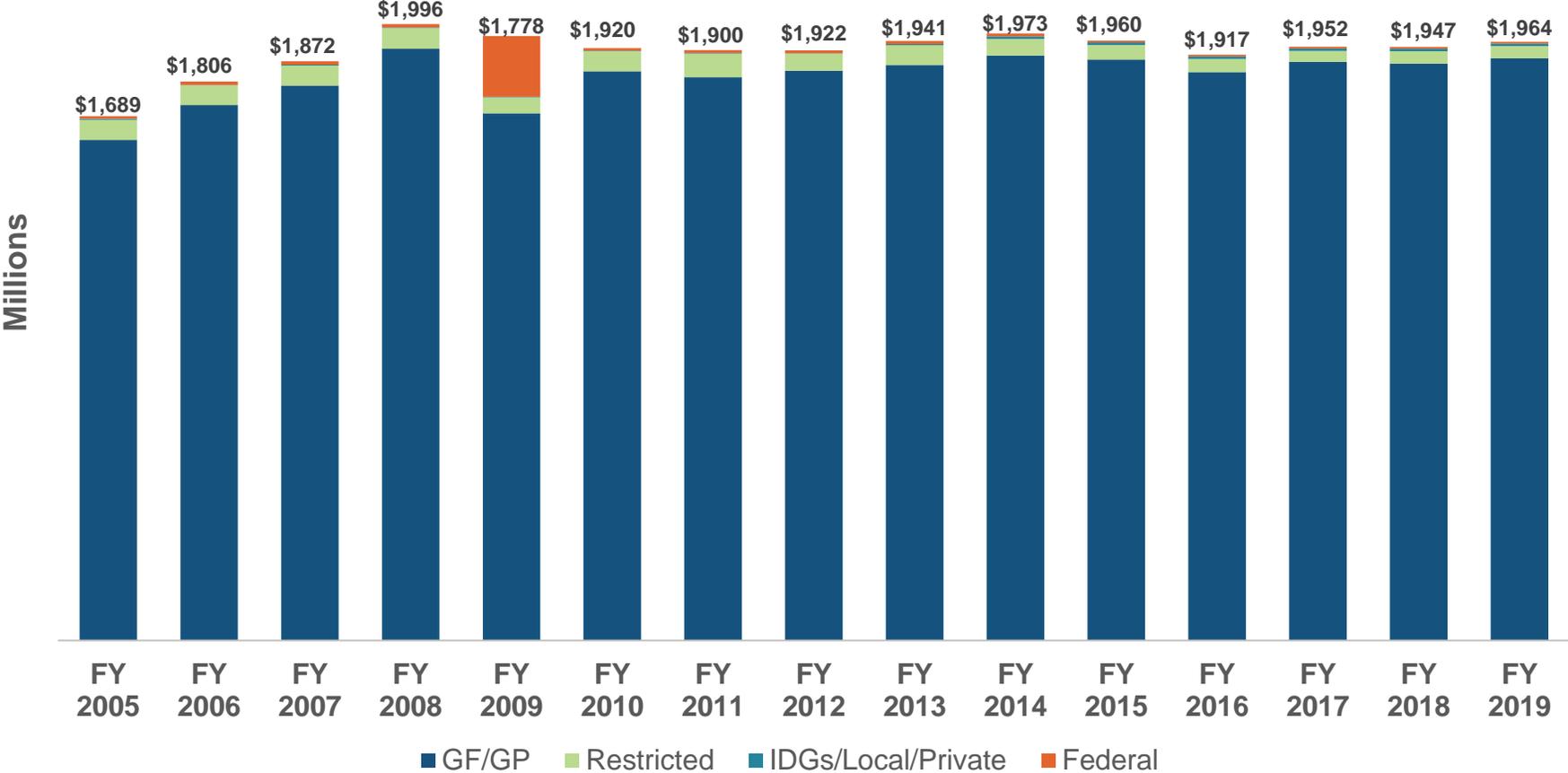
FY 2018-19 Funding Sources

The Corrections budget is financed with **97%** general fund/general purpose revenue.



Corrections Funding History

GF/GP appropriations for the Department of Corrections have increased by **16.3%** since FY 2004-05, driven mainly by increased costs for physical and mental health care for prisoners, and fringe benefit, retirement, and overtime costs for employees.



Appropriation Areas

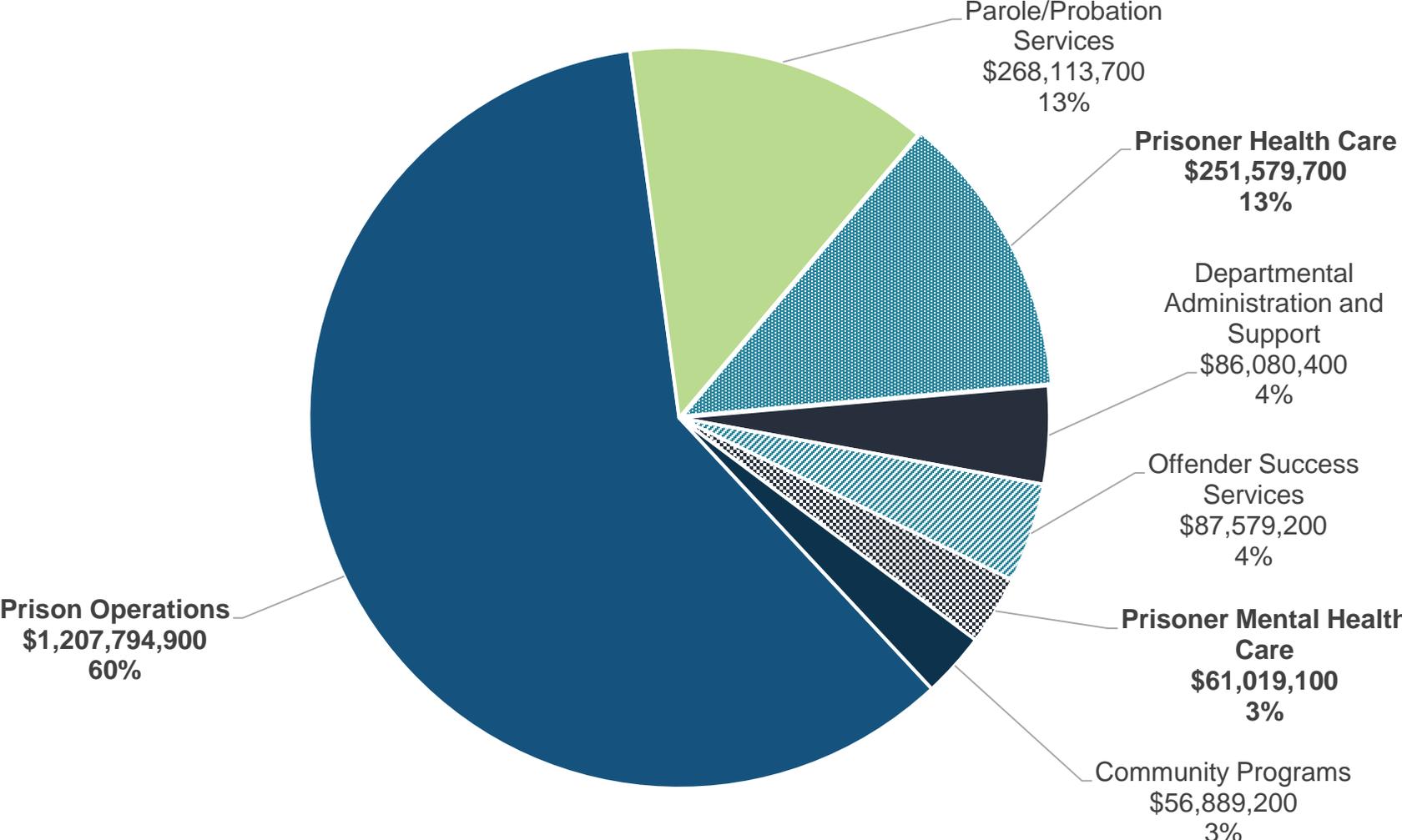
Corrections Appropriation Areas

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, prisoner food service, prisoner behavioral programming, prisoner transportation, and staff training
- ***Parole and Probation Services***: supervision and monitoring of parolees and probationers
- ***Offender Success Services***: prisoner reintegration programs aimed at reducing recidivism through prisoner assessment, case management, and delivery of services; programming includes education, job training, and career readiness programming for prisoners while they are incarcerated
- ***Community Programs***: programs to provide alternatives to incarceration including community corrections programs, residential services, residential probation diversions, Public Safety Initiative, Goodwill Flip the Script, and Felony Drunk Driver Jail Reduction program
- ***Departmental Administration and Support***: general administrative functions (e.g., Executive office, finance and accounting, information technology, legal affairs)

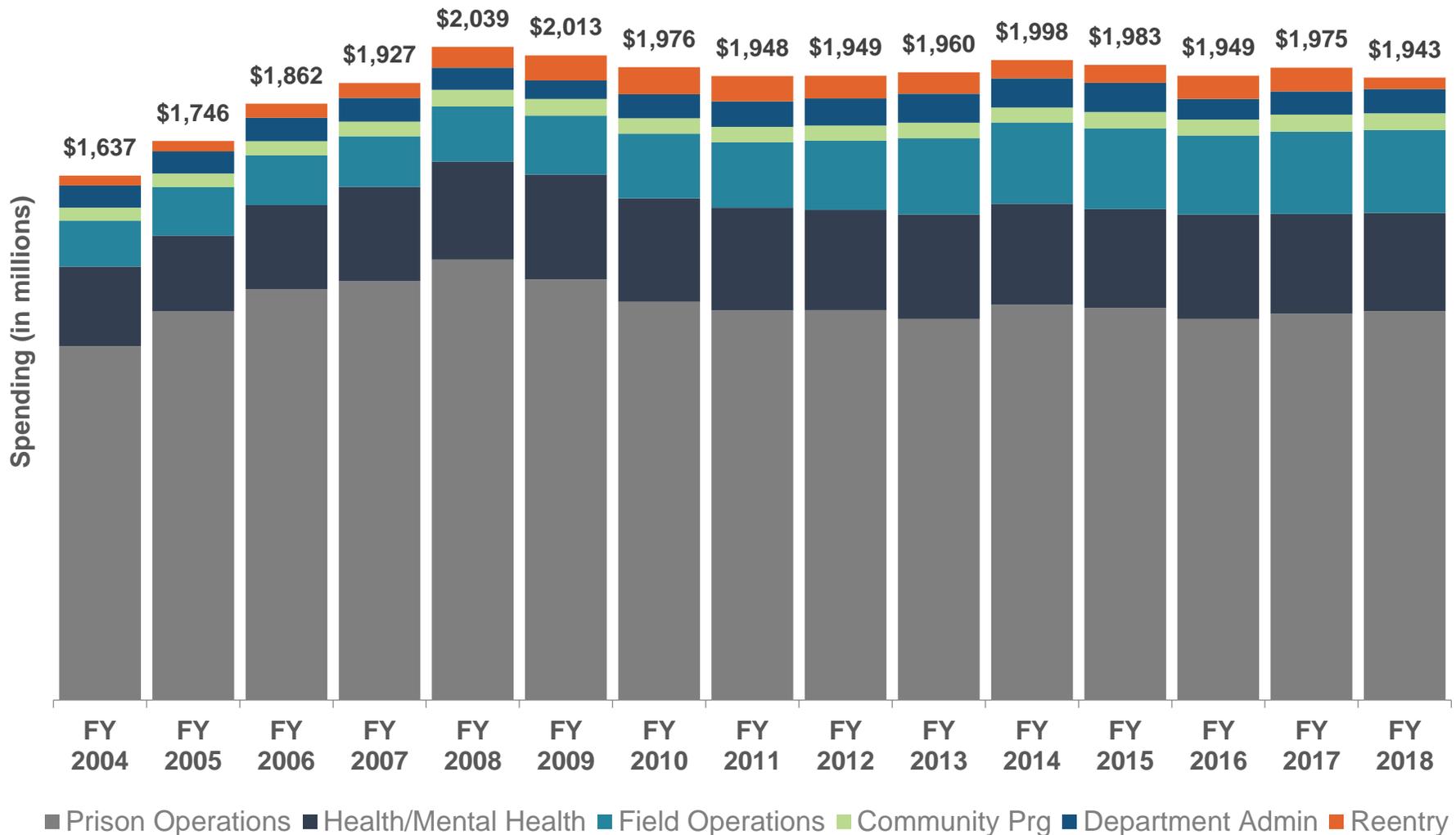
FY 2018-19 Gross Appropriations

Roughly **76%** of the Corrections **\$2 billion** budget is allocated to prison operations, including physical and mental health care for prisoners.



Corrections Spending Growth by Program

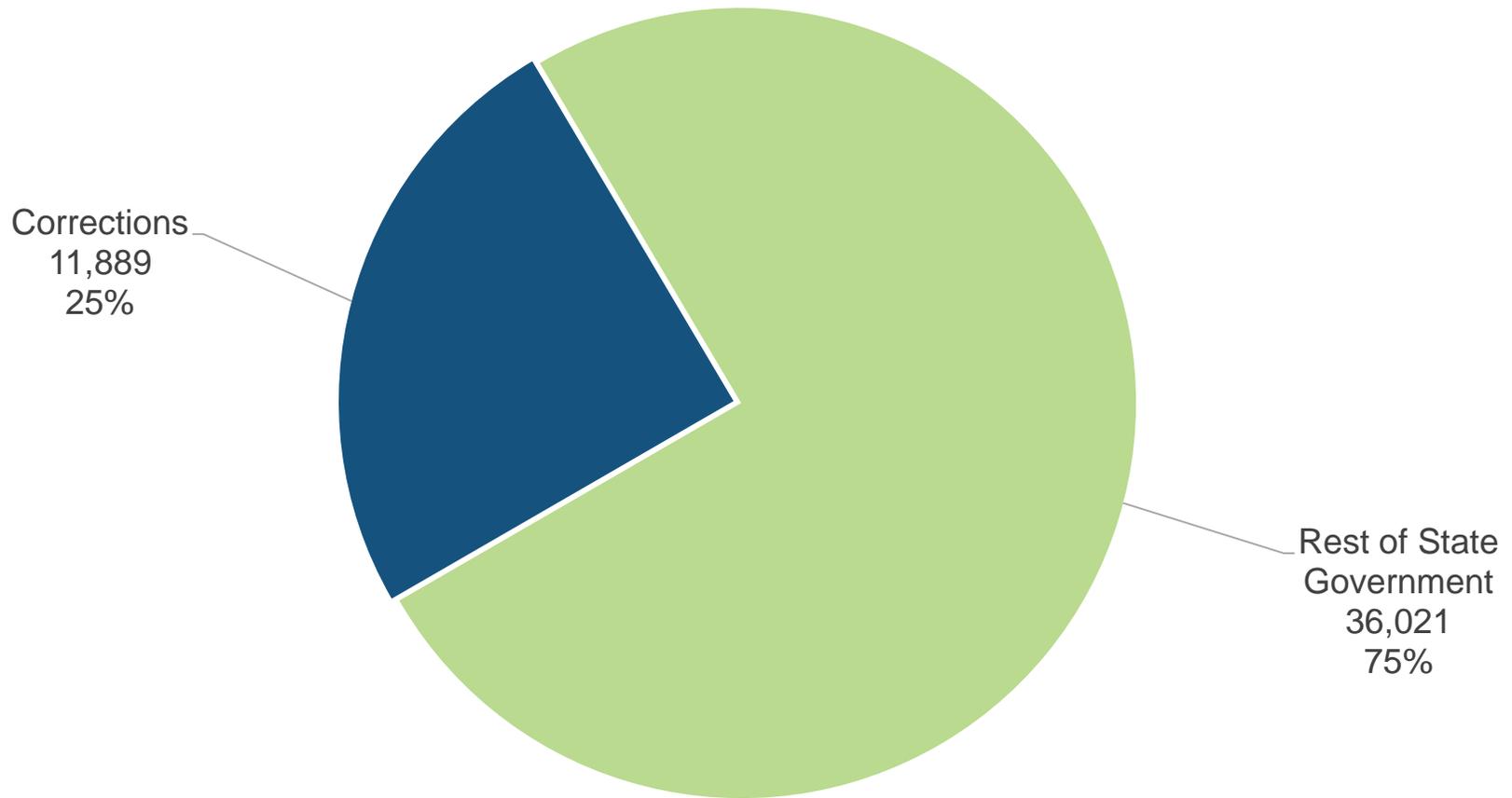
From FY 2003-04 to FY 2017-18, Corrections spending increased at an average annual rate of **1.2%**. Spending on prisoner reentry services (offender success services) increased at an average annual rate of **6.6%** and spending on field operations (parole and probation) increased at an average annual rate of **4.2%**.



Personnel

Corrections Share of Active Classified Employees

As of January 12, 2019, the total number of active classified employees in the state's workforce was 47,910. Of those, **25%** were employed by the Department of Corrections.



FY 2019 Base Budget for Salaries and Wages

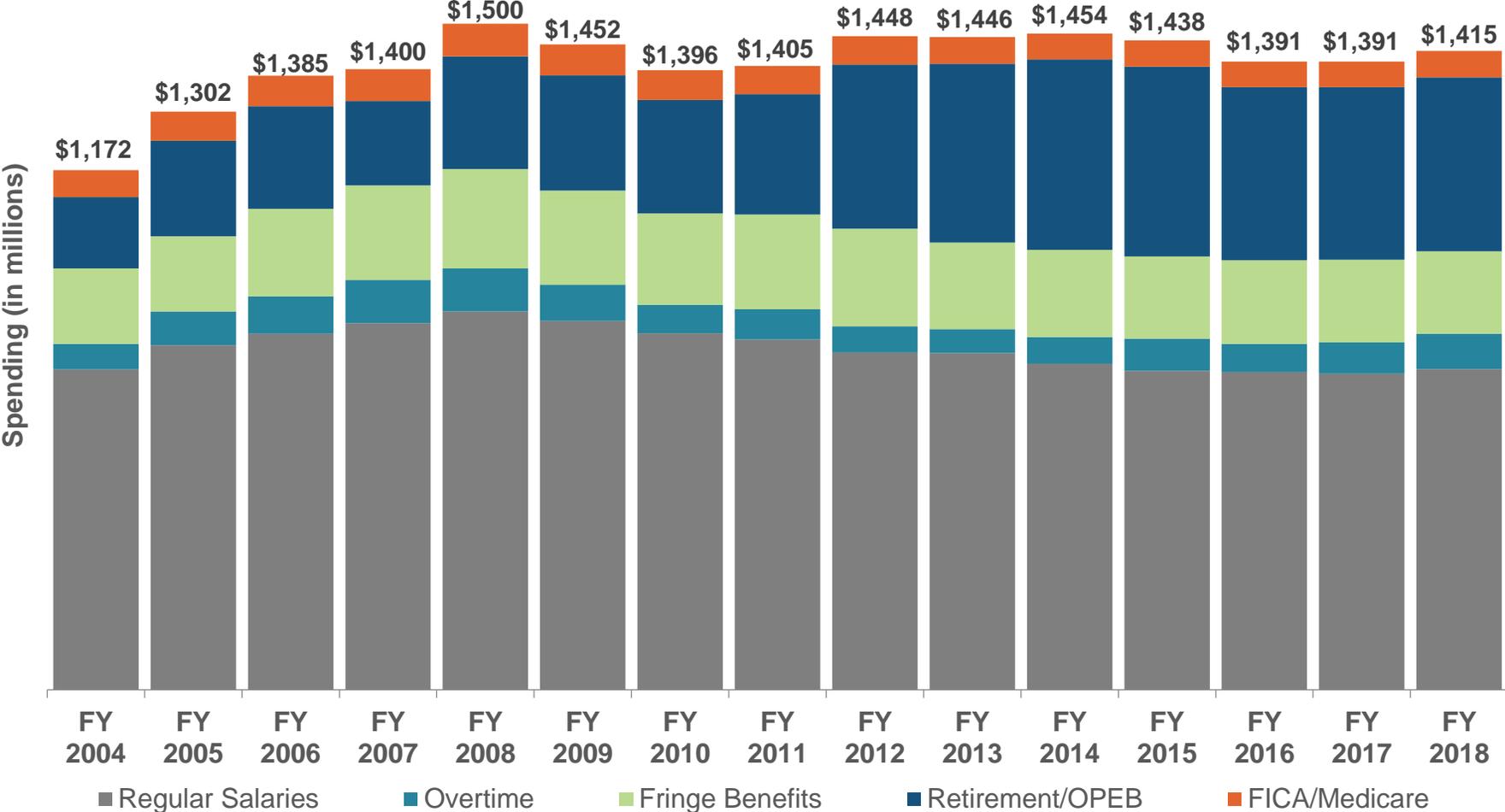
The Department of Corrections has the greatest reliance of any other department/agency on state GF/GP revenue to finance its personnel costs.

Result: Almost 50% of statewide GF/GP-financed personnel costs are paid by the MDOC.

Department	Gross	GF/GP	% GF/GP
Human Services	\$948,162,100	\$423,133,400	44.6%
Corrections	\$826,818,800	\$817,305,200	98.8%
State Police	\$242,110,200	\$184,609,800	76.3%
Technology, Management & Budget	\$214,797,800	\$38,707,000	18.0%
Transportation	\$175,469,400	\$0	0.0%
Licensing and Regulatory Affairs	\$148,312,100	\$16,774,100	11.3%
Judiciary	\$124,473,500	\$115,174,100	92.5%
Natural Resources	\$123,652,900	\$15,734,300	12.7%
Treasury	\$114,247,000	\$18,853,600	16.5%
All Other Departments/Agencies	\$457,518,300	\$113,802,200	24.9%
STATEWIDE TOTAL	\$3,375,562,100	\$1,744,093,700	51.7%

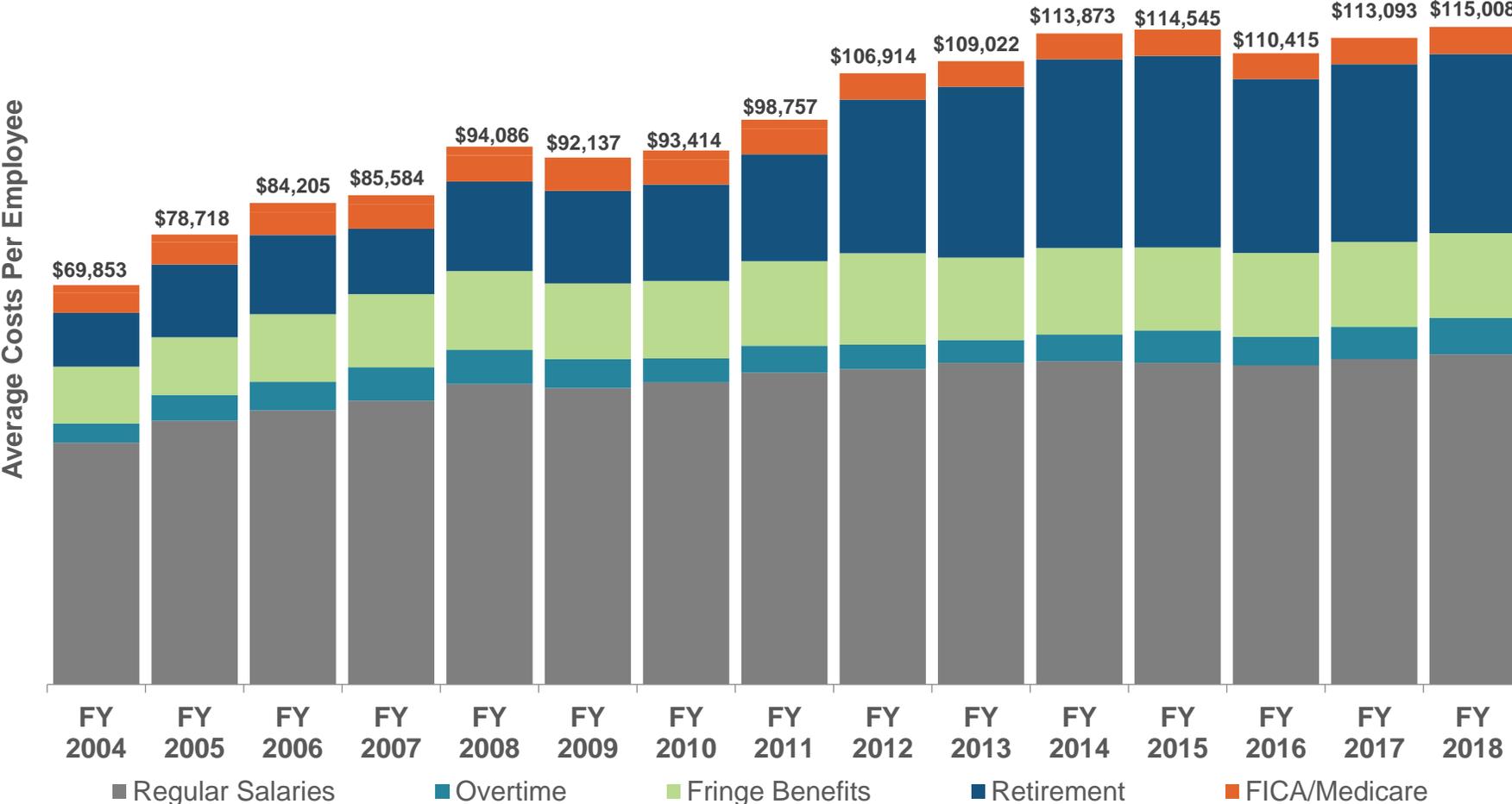
Corrections Personnel Costs

Since FY 2003-04, personnel costs for the Department of Corrections have risen by an average of **1.2%** annually. The largest drivers behind these cost increases have been retirement and overtime costs. In FY 2017-18, these costs accounted for **32.7%** of all personnel costs compared to **18.3%** in FY 2003-04.



Corrections Personnel Costs Per Employee

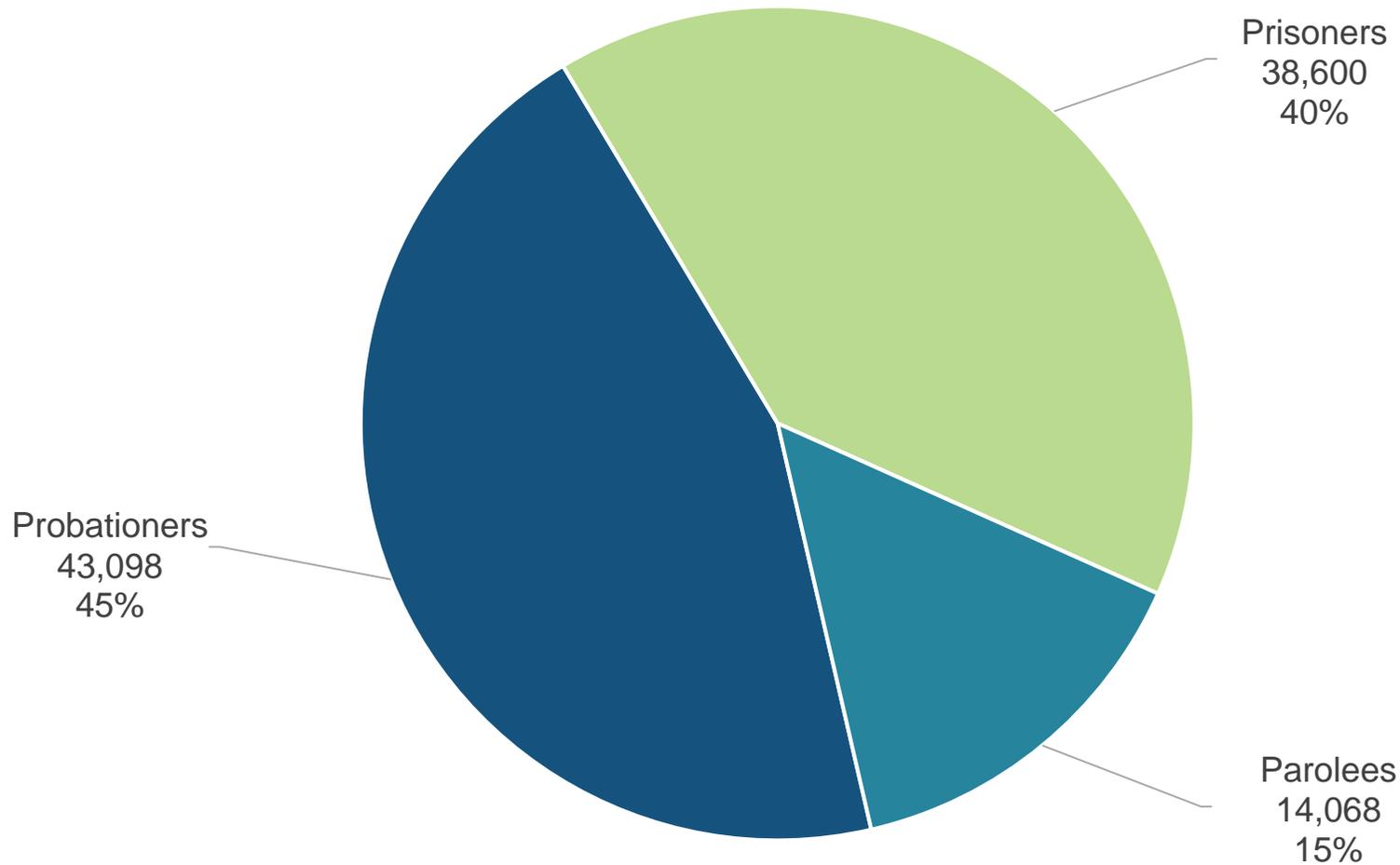
Personnel costs on a per employee basis for the department have risen by an average of **3.8%** annually since FY 2003-04. Again, retirement and overtime costs have played the largest role, with average annual per-employee increases of **8.0%** across the period. Regular salary costs increased by an average of **2.2%** annually.



Supervised Population

MDOC Supervised Population

As of January 24, 2019, the total offender population under MDOC supervision was 95,766.



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 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

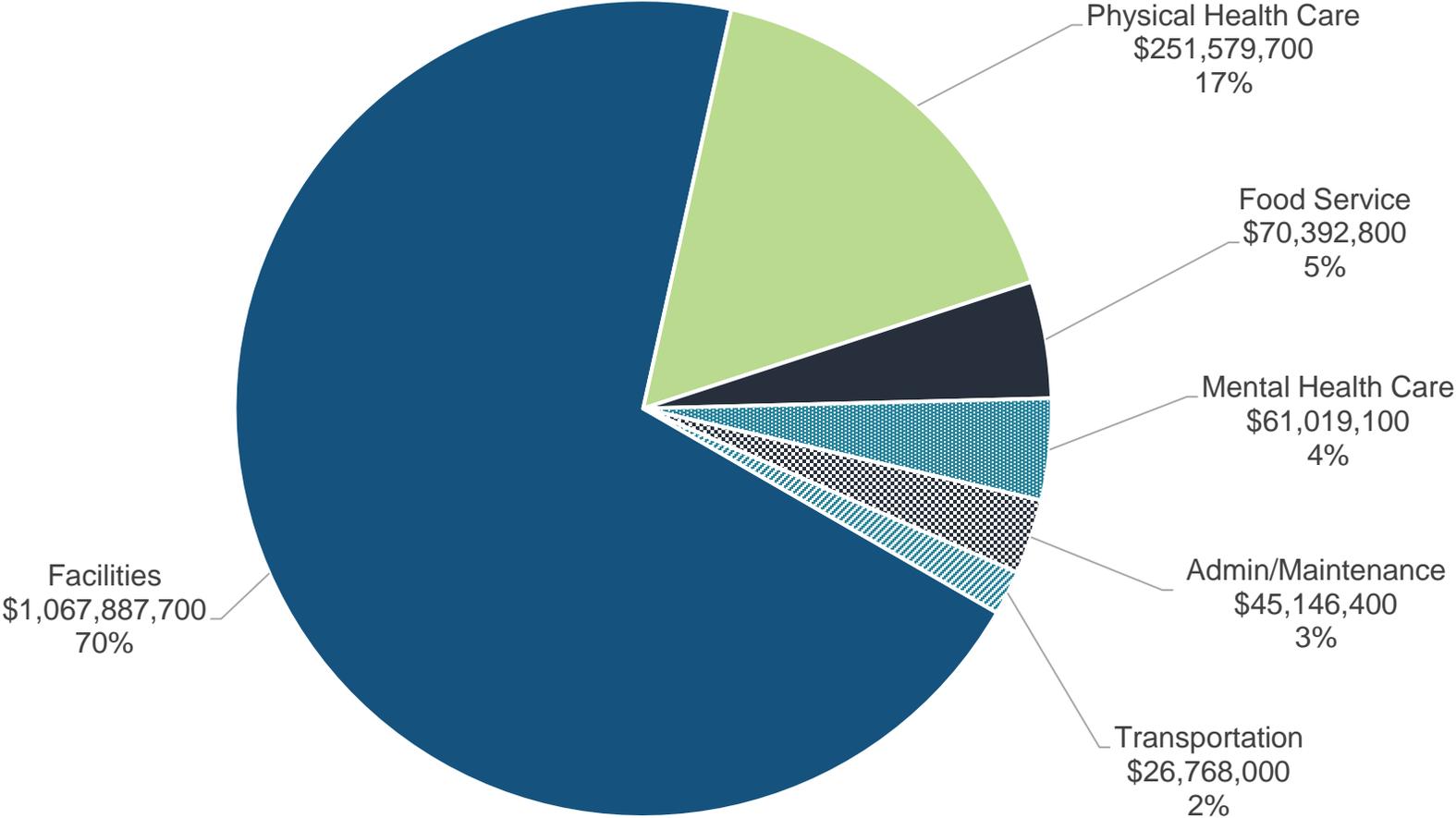
Prison Operations

Prison Operations

- The department currently operates 29 correctional facilities located in 19 counties across the state, including the Detroit Reentry Center and Special Alternative Incarceration Program (appropriation for Detroit Reentry Center is included in Field Operations)
- In addition, the department 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 included in Field Operations, and is paid for by the City of Detroit)
- About **\$1.5** billion, or roughly **76%**, of the FY 2018-19 Corrections budget is devoted to costs pertaining to prisoner custody (e.g., housing, physical and mental health care, food, transportation, and treatment programs)
- Academic and vocation programming costs, **\$41.5** million in FY 2017-18, are included in costs for offender success services, instead of in costs for prisoner custody

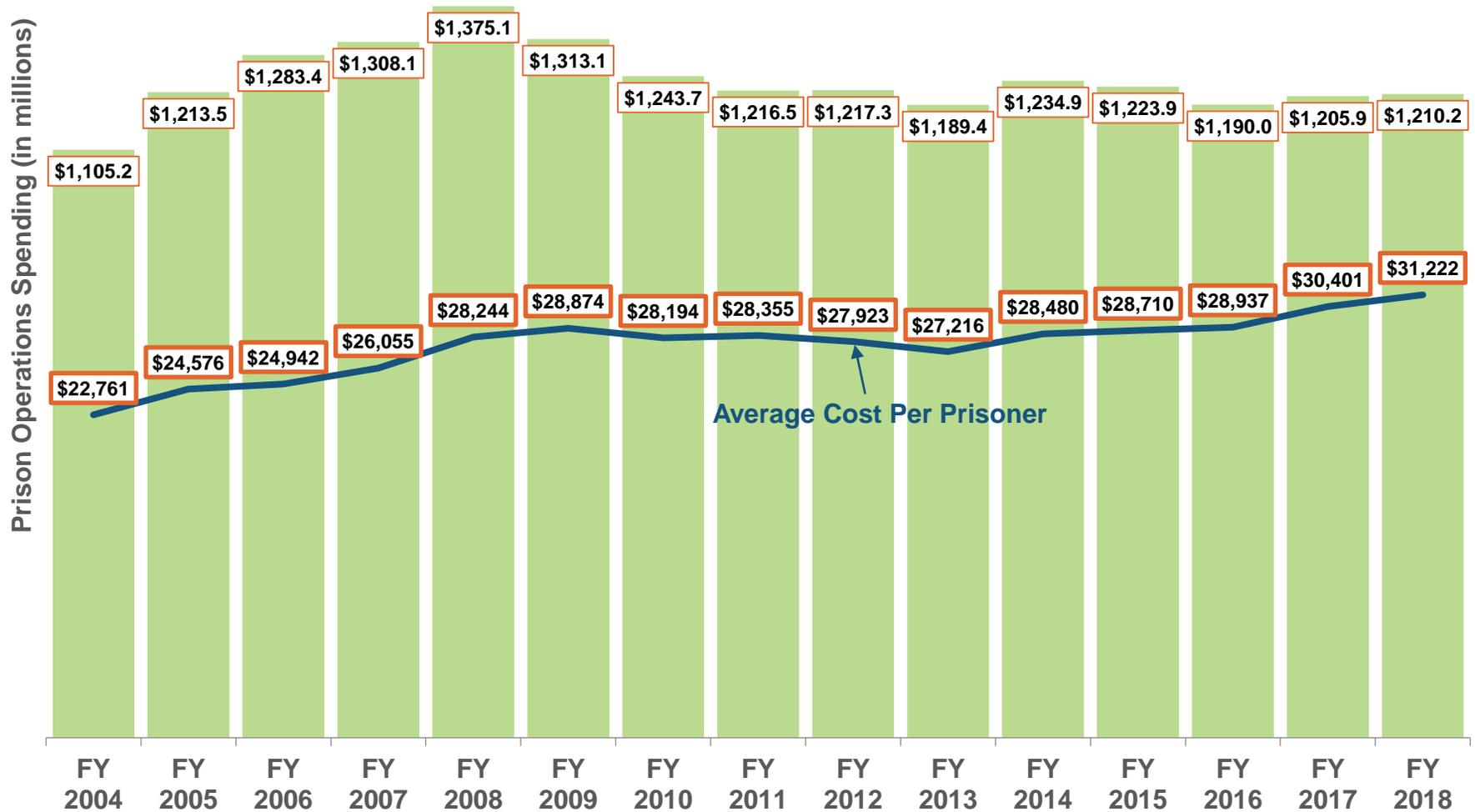
Prisoner Custody, Care, and Programs

FY 2018-19 appropriation for prisoner custody, care, and programs is **\$1,522,793,700**.



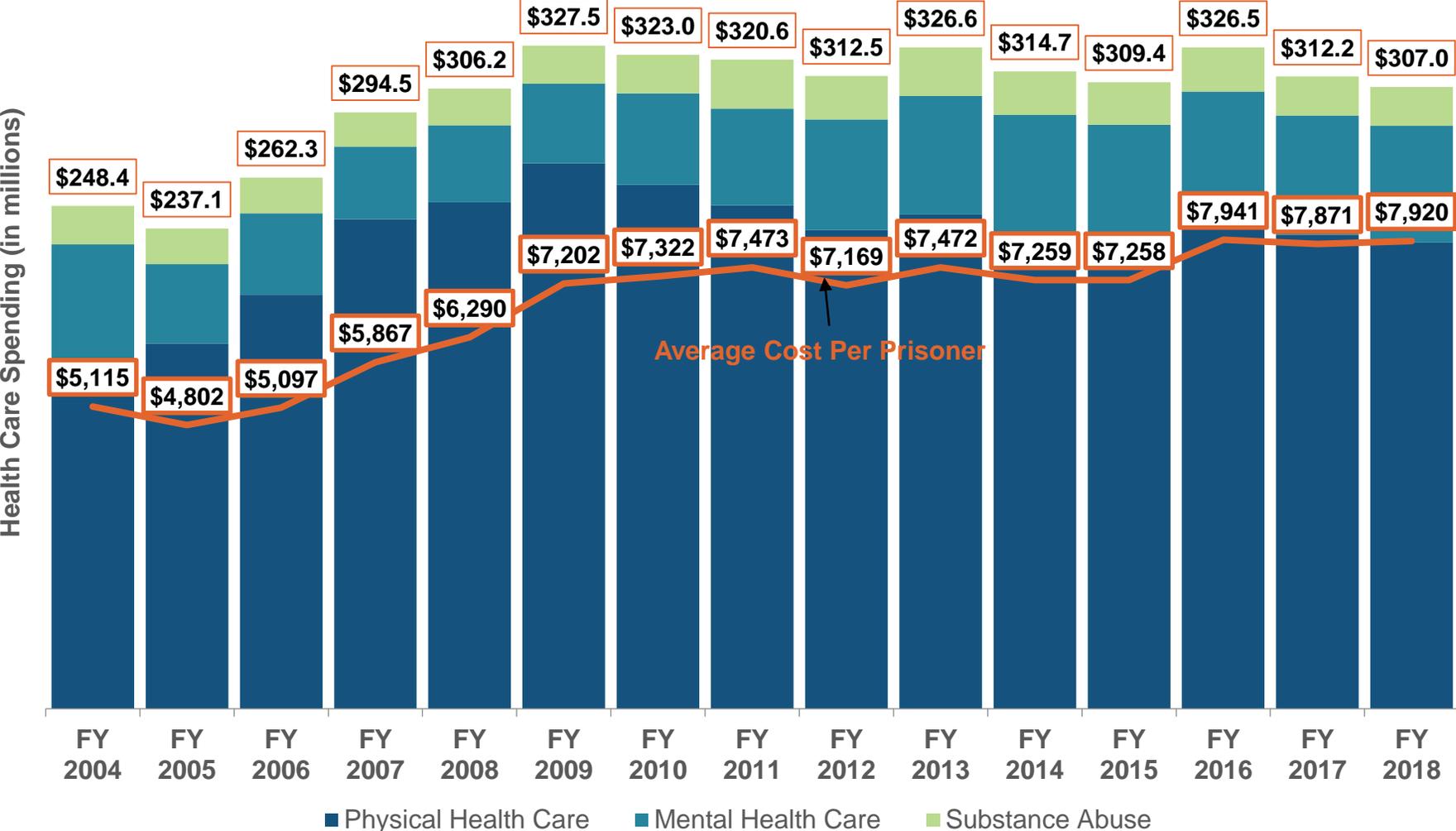
Prison Operations - Average Cost Per Prisoner

This chart reviews total prison operations spending **excluding** health care and direct mental health care costs. Per-prisoner costs grew by an average of **2.3%** per year over this period.



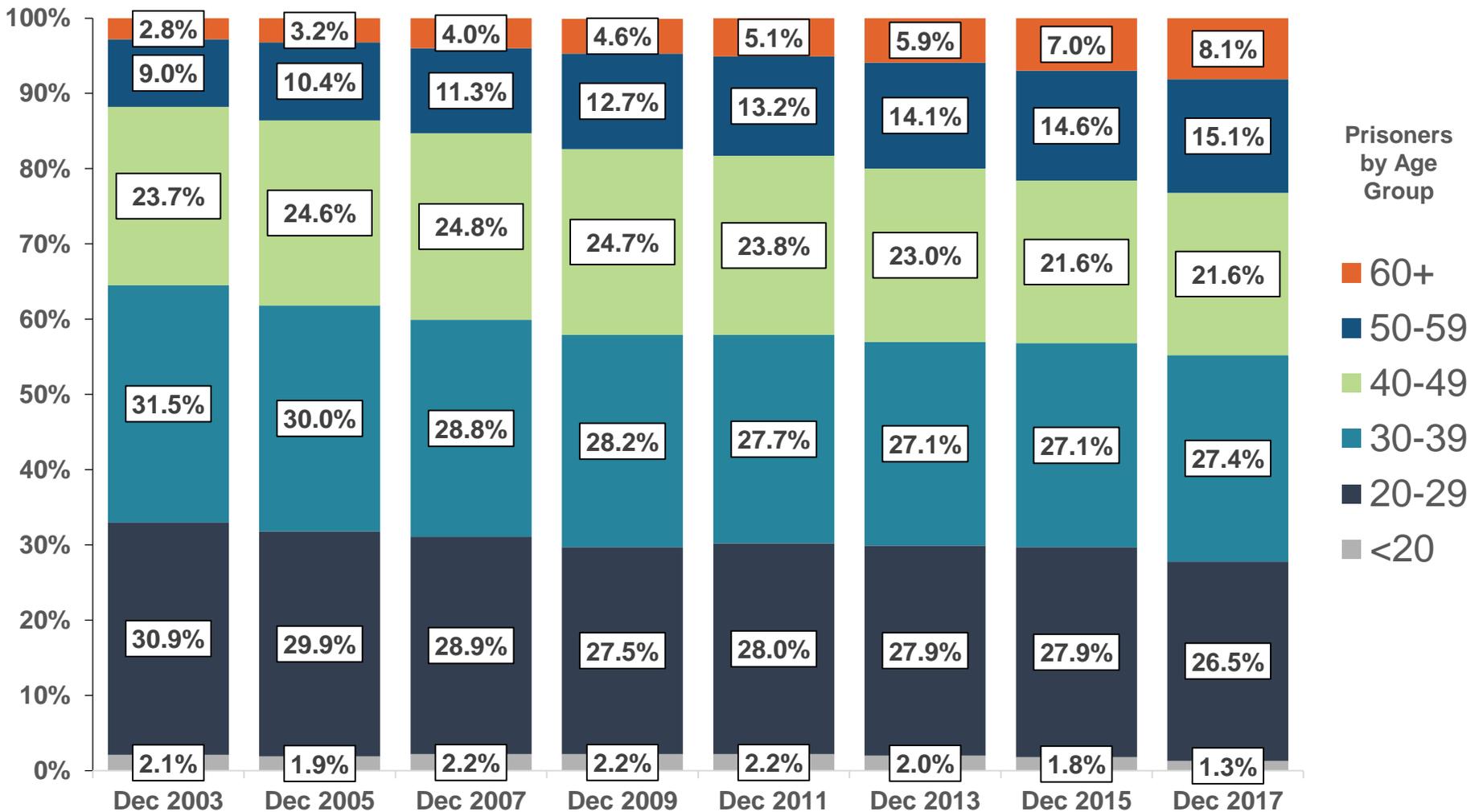
Health Care - Average Cost Per Prisoner

Spending for prisoner physical and mental health care services, including substance abuse treatment services, increased significantly over the FY 2003-04 to FY 2017-18 time period. Per-prisoner costs for health care increased by an average of 4.1% annually during this time.



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 2003, 35.5% of prisoners were over age 40 and 11.8% were over age 50. By 2017, those percentages increased to 44.8% over age 40 and 23.2% over age 50.



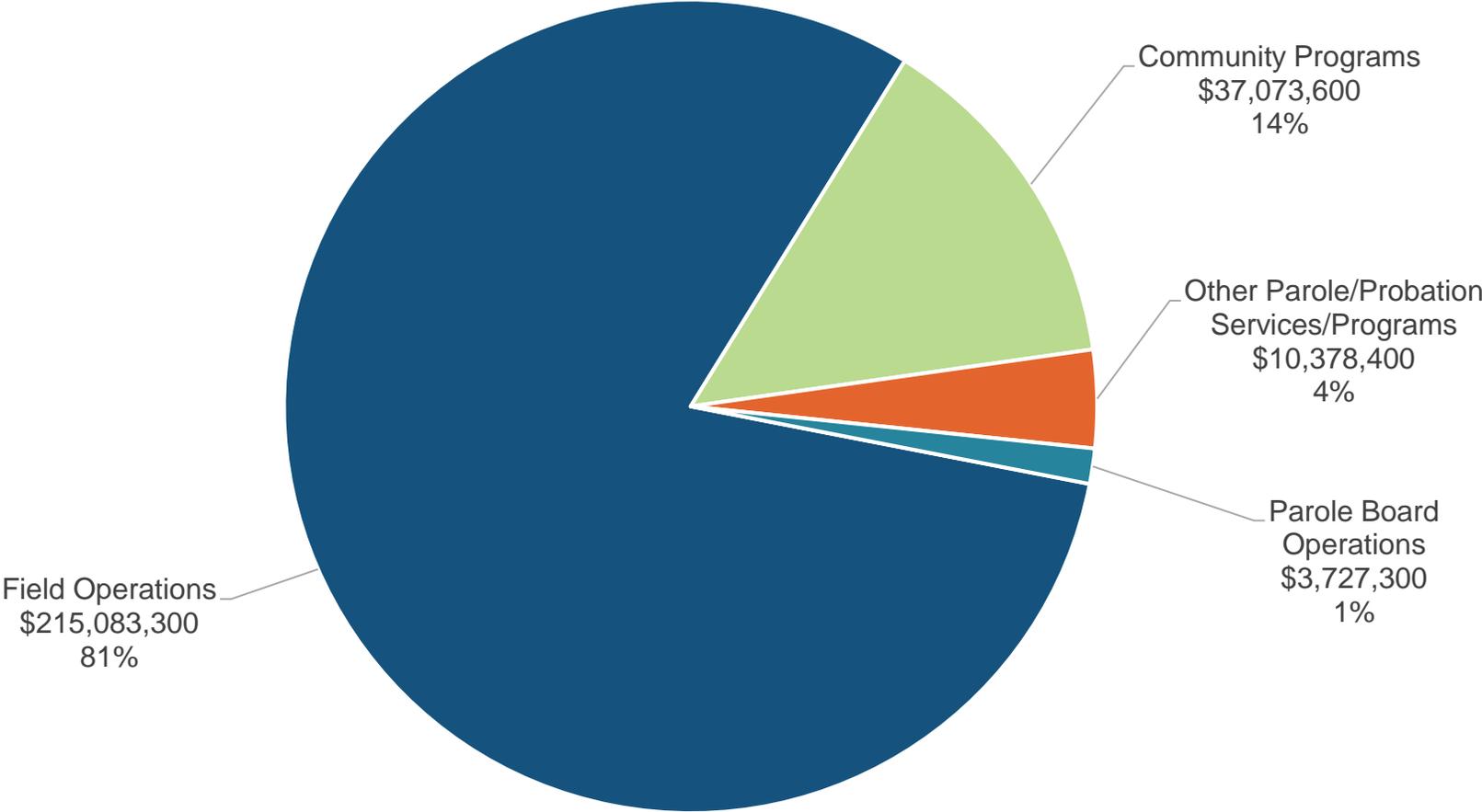
Field Operations

Field Operations

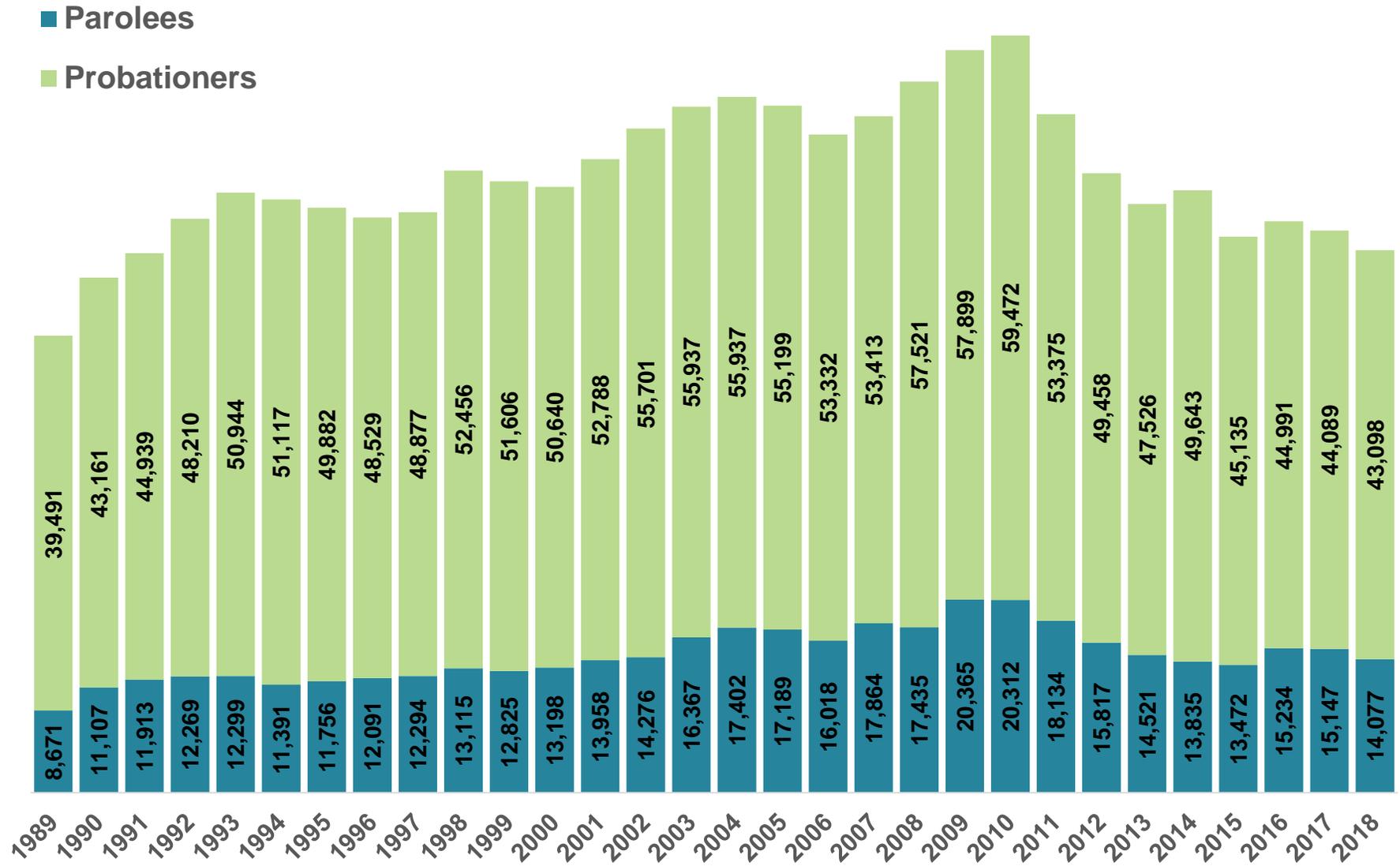
- Field Operations Administration is responsible for state parole and probation supervision, as well as for other methods of specialized supervision
- The largest component of Field Operations is parole and probation; as of January 1, 2019, the MDOC employed 1,136 active parole and probation agents responsible for supervising 57,175 offenders
- Appropriations for the City of Detroit Detention Center and the Detroit Reentry Center are included in the Field Operations unit
- 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 Residential Alternative to Prison and Felony Drunk Driver Jail Reduction and Community Treatment programs are all programs available to offenders who meet certain eligibility requirements as alternatives to incarceration

Field Operations

FY 2018-19 appropriation for Field Operations is **\$266,262,600**.

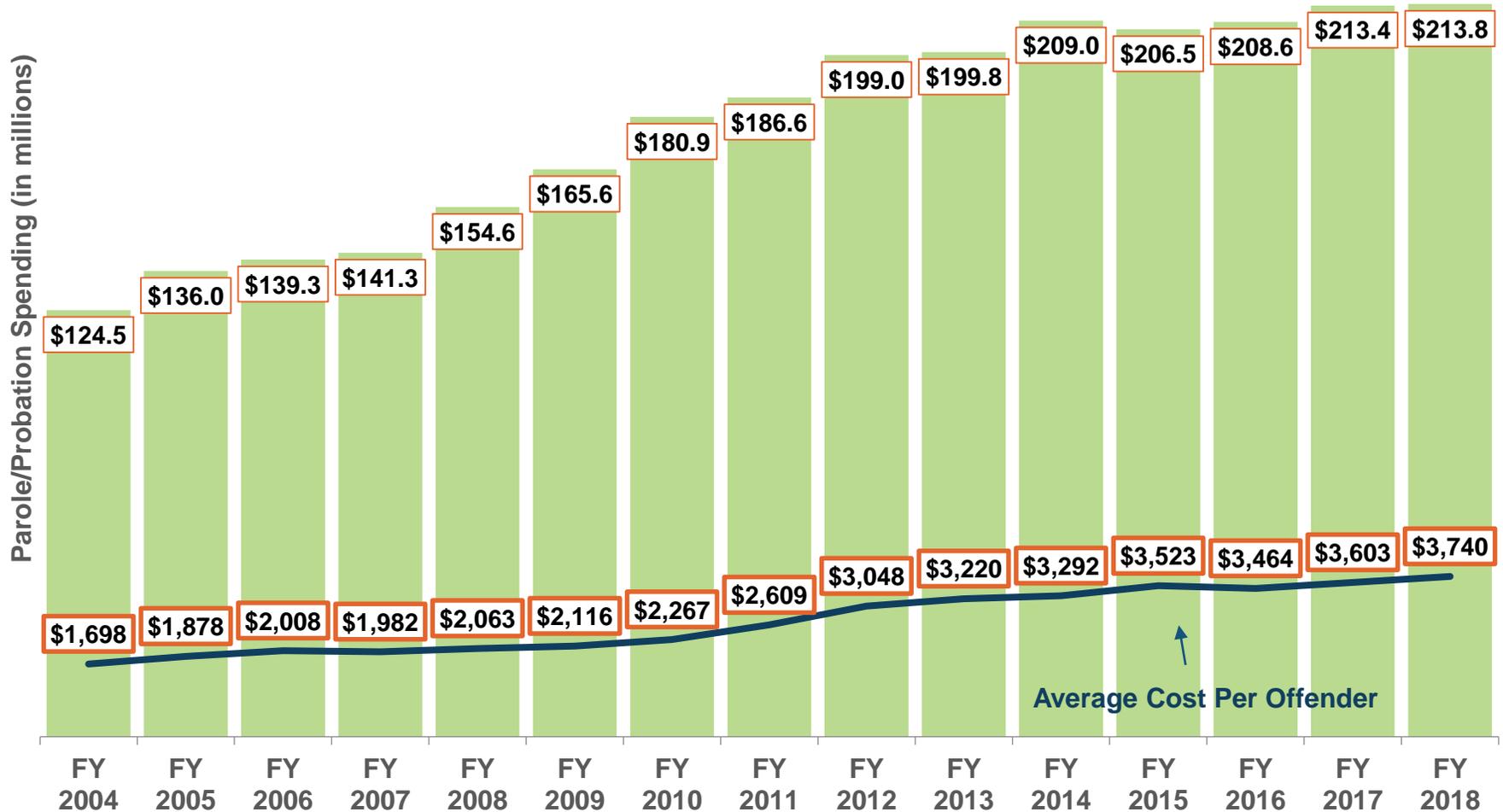


Parole and Probation Populations



Parole/Probation - Average Cost Per Offender

Spending for parole and probation has increased by an average of **3.9%** annually since FY 2003-04. The cost per offender increased by an average of **5.8%** per year over this period. The use of electronic monitoring techniques significantly increased starting in 2010.



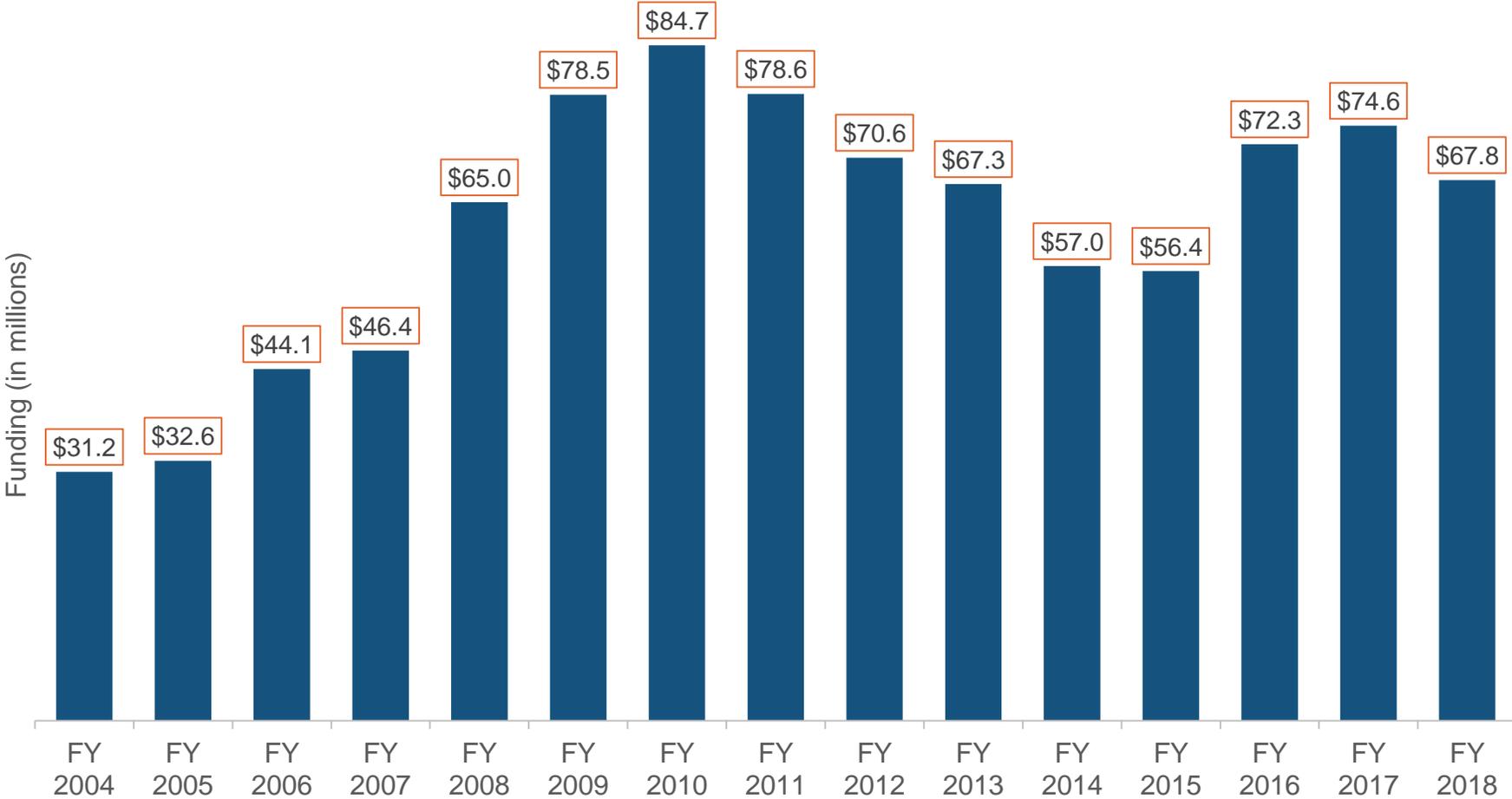
Offender Success

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
- **\$87.6** million appropriation in FY 2018-19, includes roughly **\$55.5** 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 was 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”.



For more information about the Corrections budget:

HFA Resources

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

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