



## **Background Briefing**

# **CORRECTIONS**

**Robin R. Risko, Senior Fiscal Analyst**

**December 2014**

# Department of Corrections

- Mission of the department is “to create a safer Michigan by holding offenders accountable while promoting their success.”
- Major departmental functions include:
  - Operation of all state correctional institutions under the department’s jurisdiction, including physical and mental health care, education, job training, 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

# Corrections: Gross Appropriations

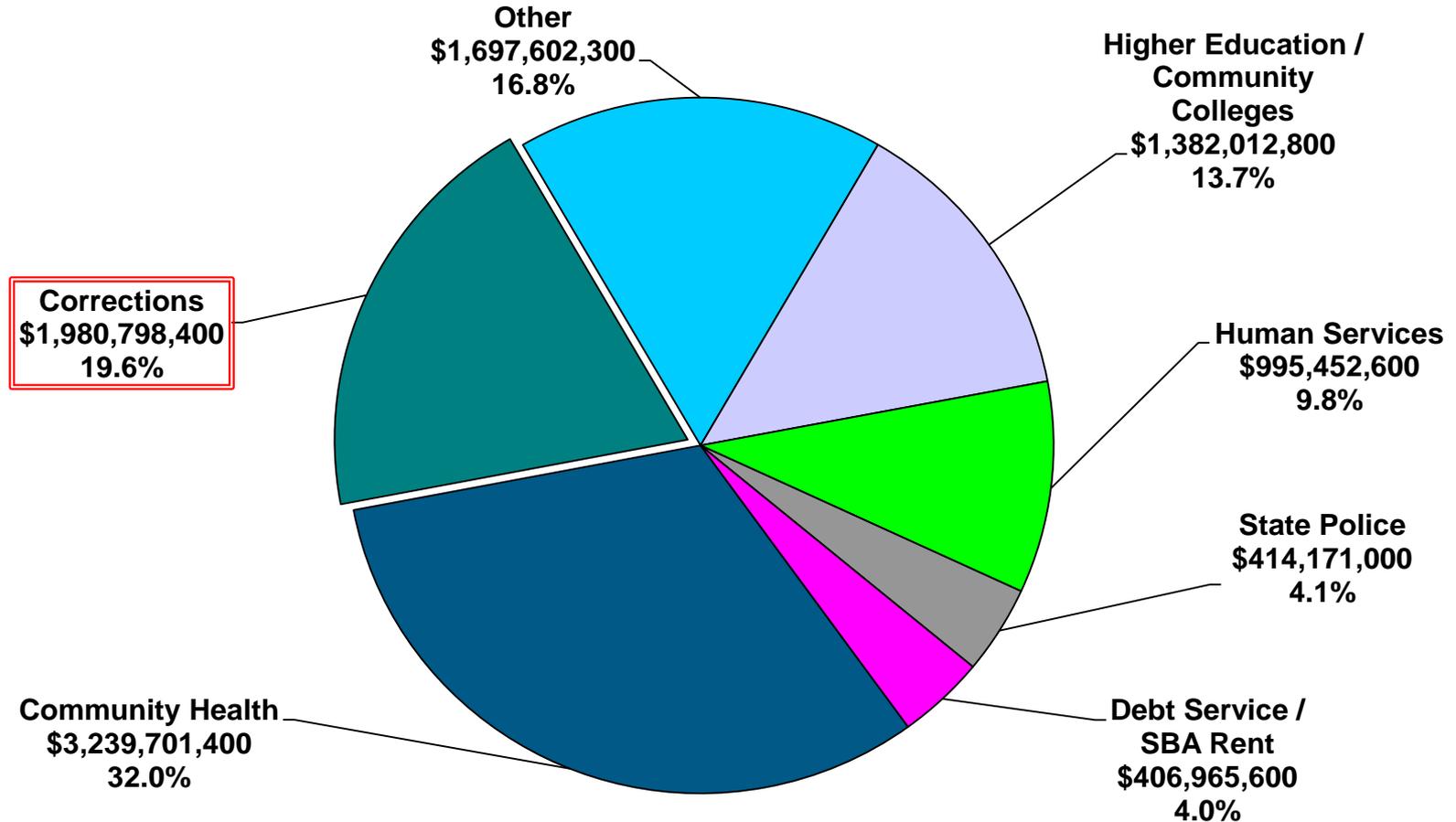
After almost two decades of strong growth largely due to prison population increases, recent Corrections increases have been relatively more modest. Starting with FY 2012, appropriations to pre-fund “Other Post-Employment Benefits” (OPEB) are included. One-time appropriations of \$14.4 million Gross (\$14.0 million GF/GP), \$9.0 million Gross (\$9.0 million GF/GP), and \$27.1 million Gross (\$27.1 million GF/GP) are included in FY 2013, FY 2014, and FY 2015 respectively.



# Corrections Share of State GF/GP

Corrections makes up 19.6% of the total state GF/GP budget, the second largest share.

**FY 2014-15 GF/GP Total = \$10,116,704,100**



# **SOURCES OF FUNDING**

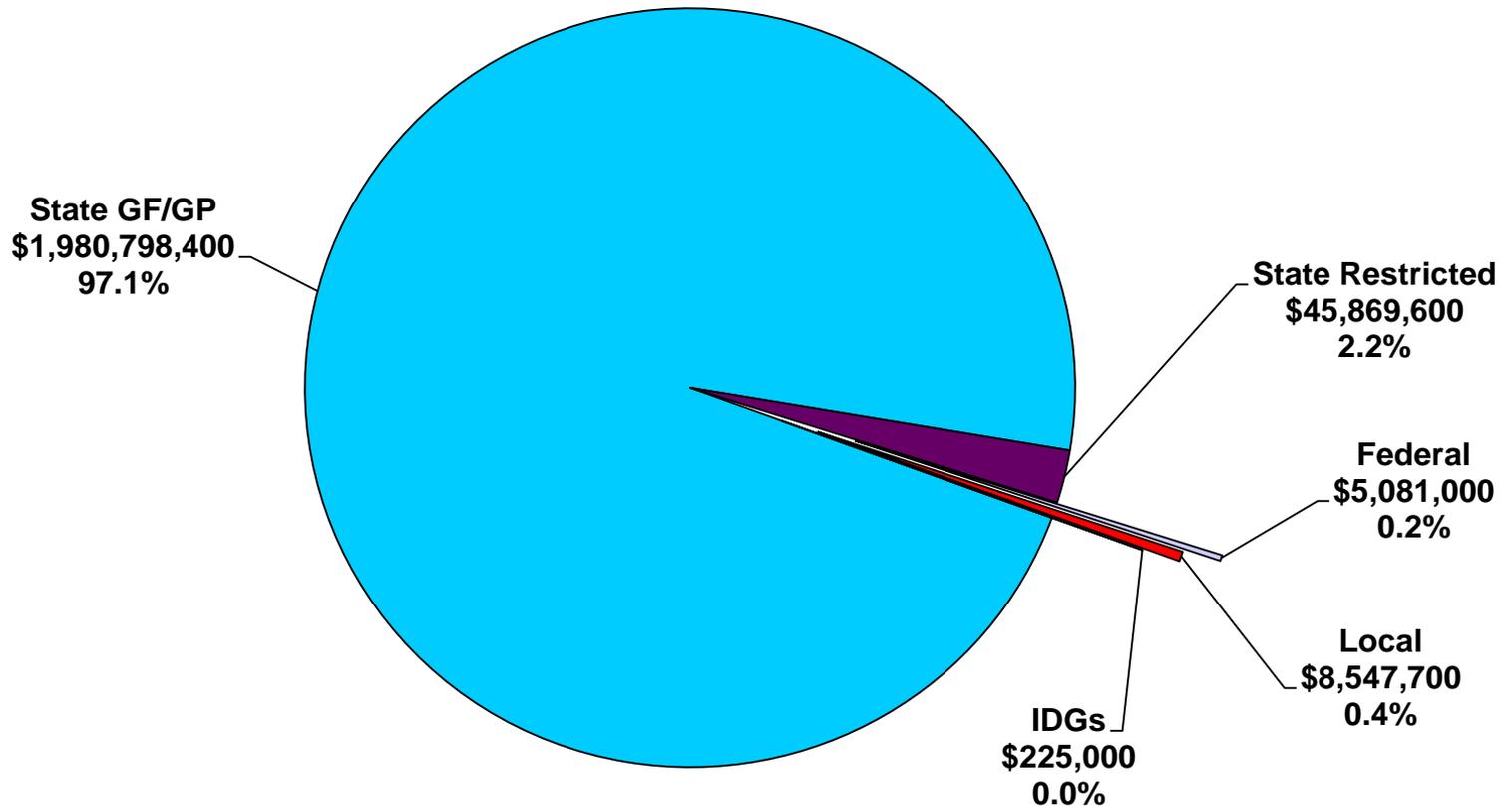
# Corrections Funding Sources

- ***State general fund/general purpose:*** accounts for 97.1% 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 2014-15 Corrections Budget = \$2,040,521,700**



# **DEPARTMENT APPROPRIATIONS**

# Corrections Appropriations

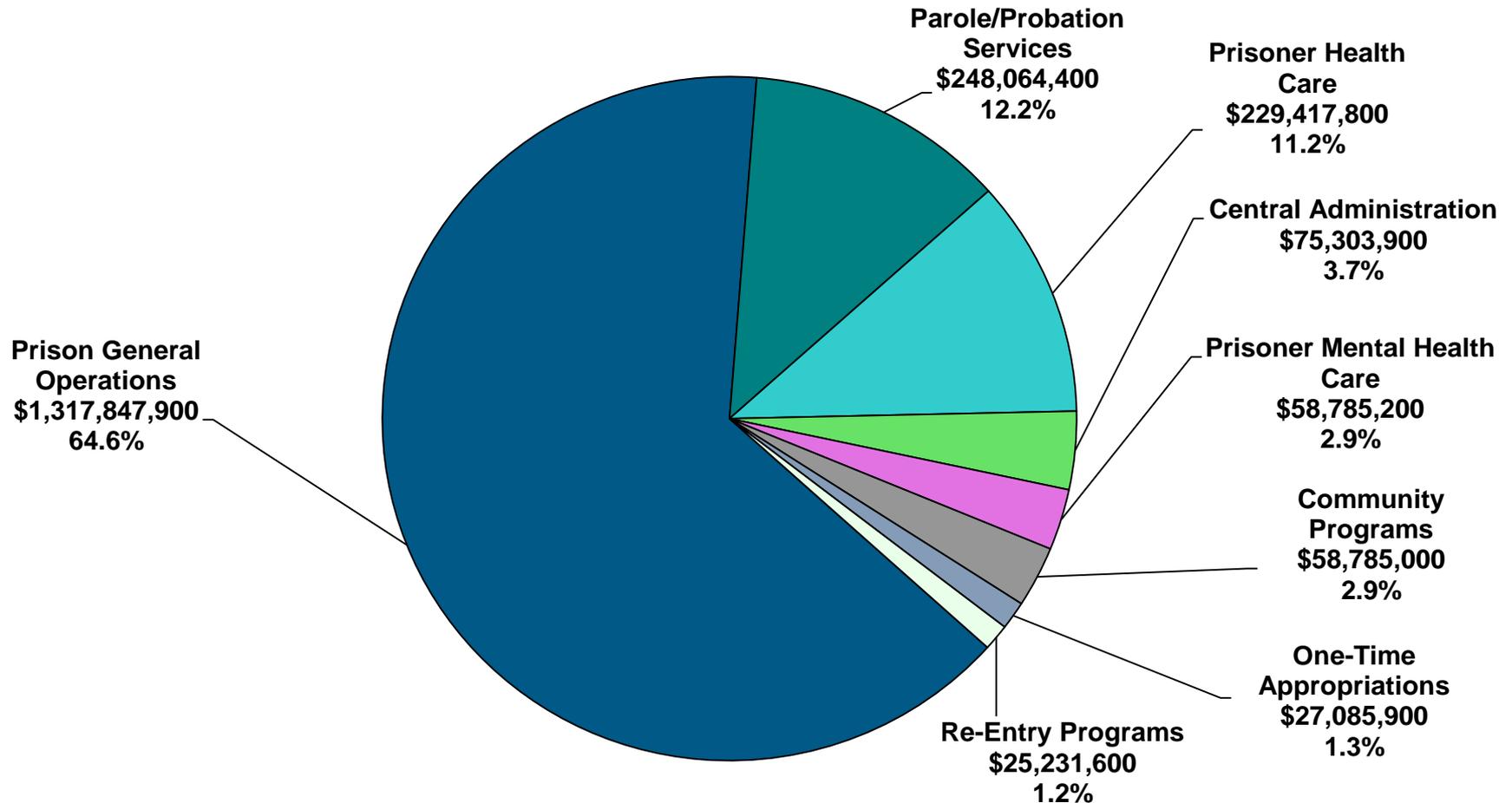
The Corrections budget is allocated into the following major spending areas:

- ***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 job training), 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

About 79% of the Corrections budget is allocated to prison operations, including physical and mental health care for prisoners.

**FY 2014-15 Corrections Budget = \$2,040,521,700**



# **MAJOR BUDGET TOPICS**

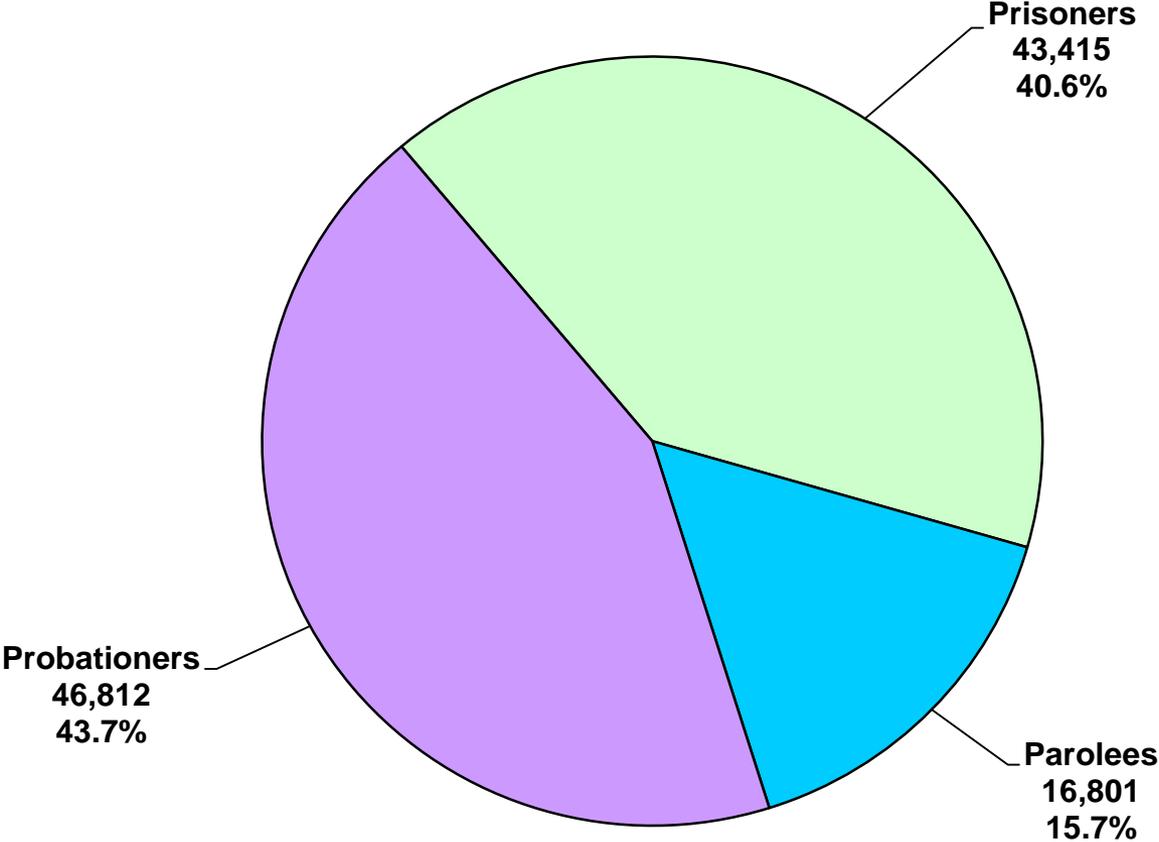
# **OFFENDER POPULATION AND GROWTH**

# The Offender Population

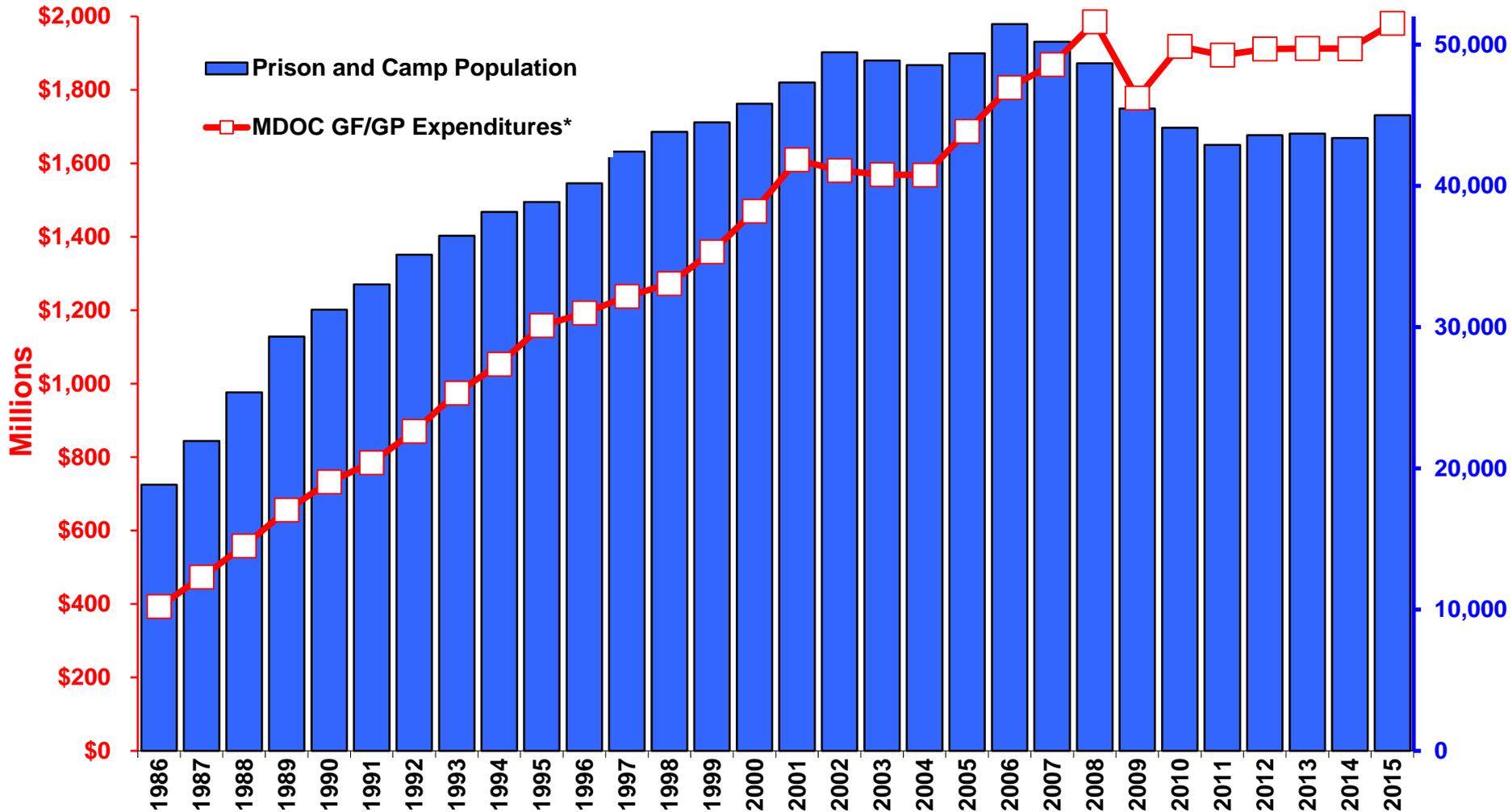
- ***Prisoners:***
  - Felony offenders committed to the jurisdiction of the MDOC
  - Housed in prisons and special alternative incarceration
  
- ***Probationers:***
  - Felony offenders sentenced to a probationary term of supervision in the community
  - Supervised by MDOC field agents
  
- ***Parolees:***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

# MDOC Supervised Population

November 1, 2014 Total = 107,028



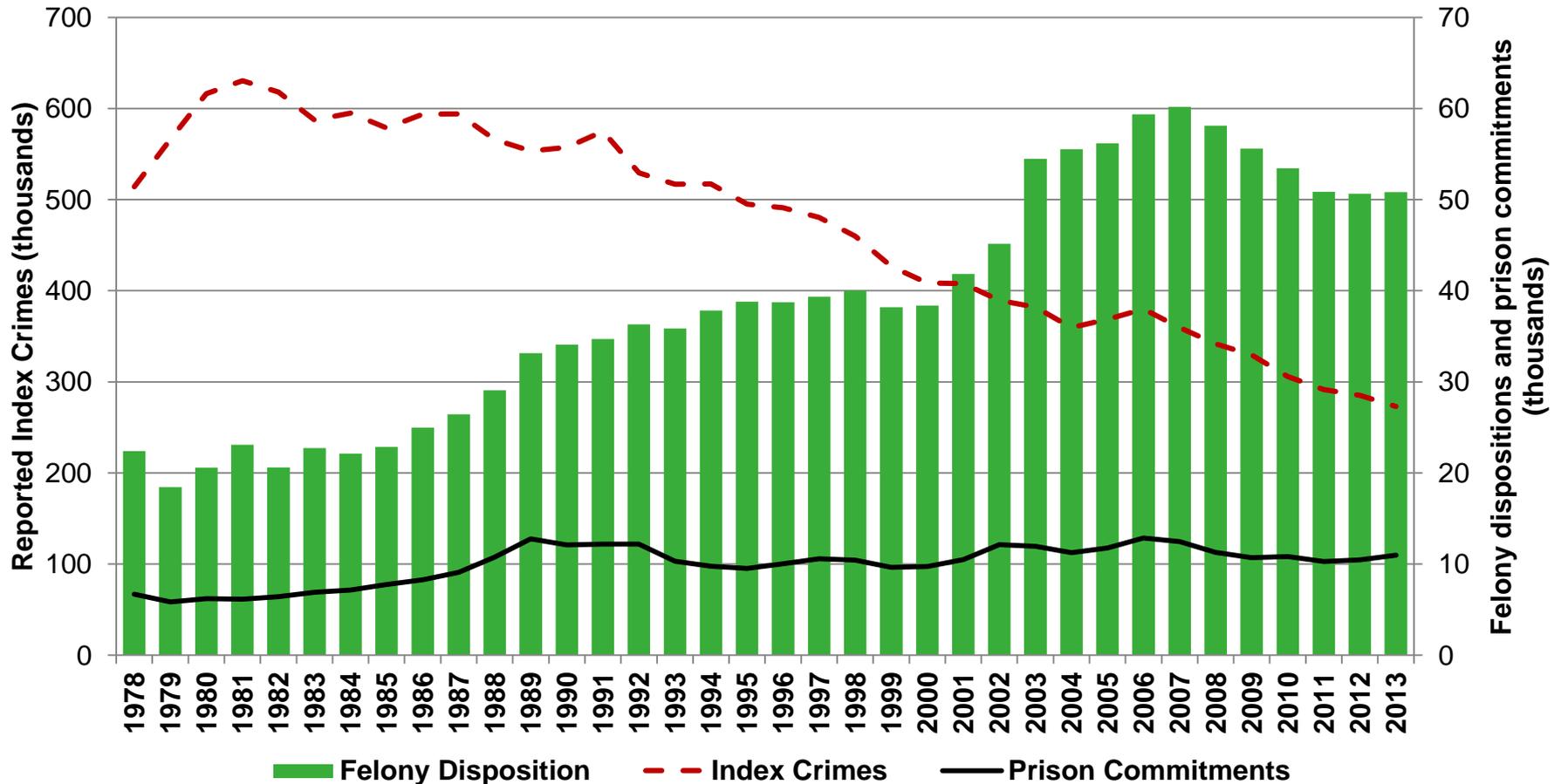
# Growth in MDOC GF/GP Spending and the Prisoner Population



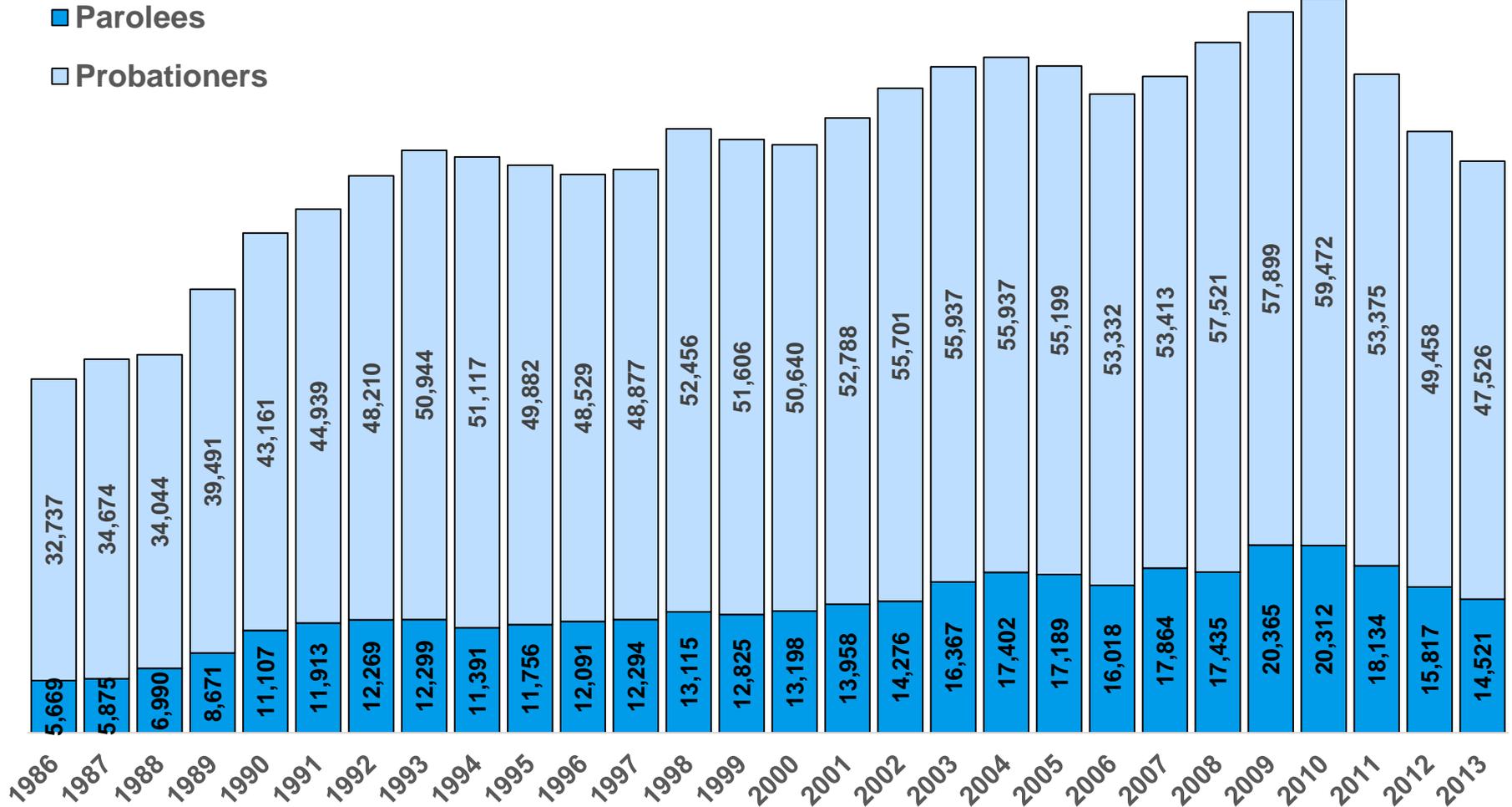
\* FY 2015 based on year-to-date GF/GP appropriation and budgeted prisoner count.

# 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. Prison commitments increased during the 1980s and have fluctuated around a slightly steadier trend level since the late 1980s.



# Parole and Probation Populations



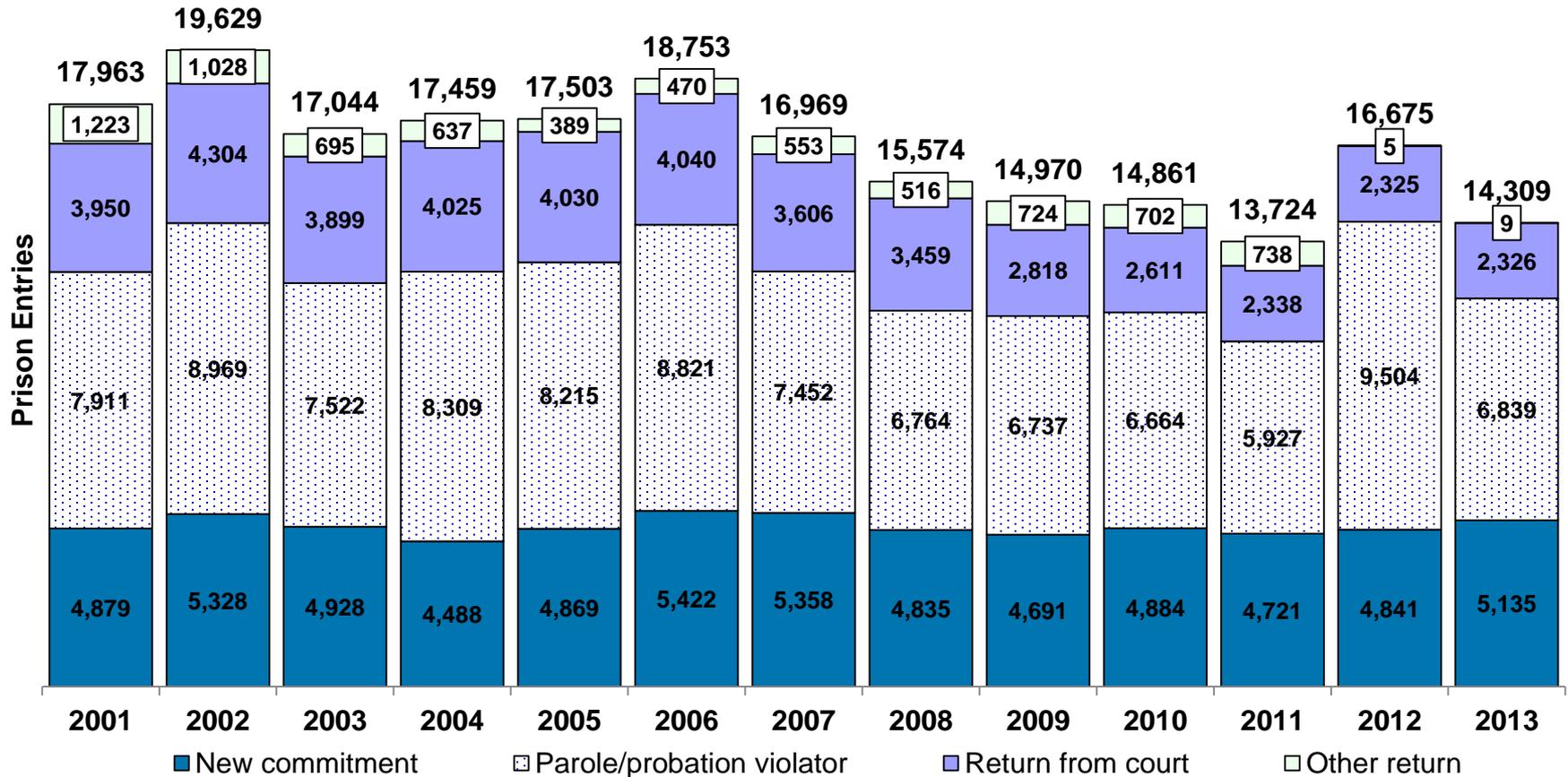
Source: MDOC Annual Statistical Reports

# 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 additional sentence 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 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

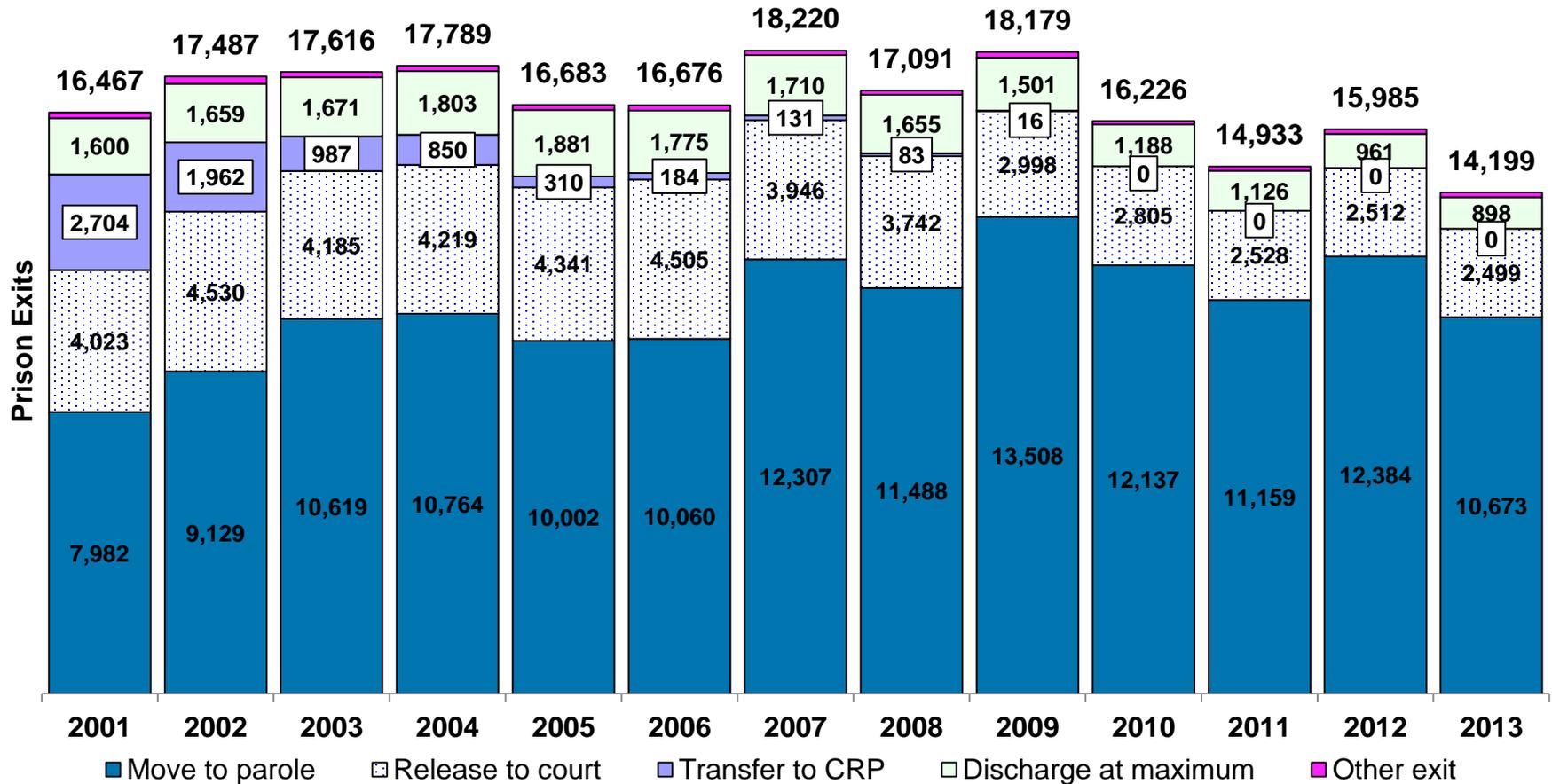
# Entry into Prison System

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.



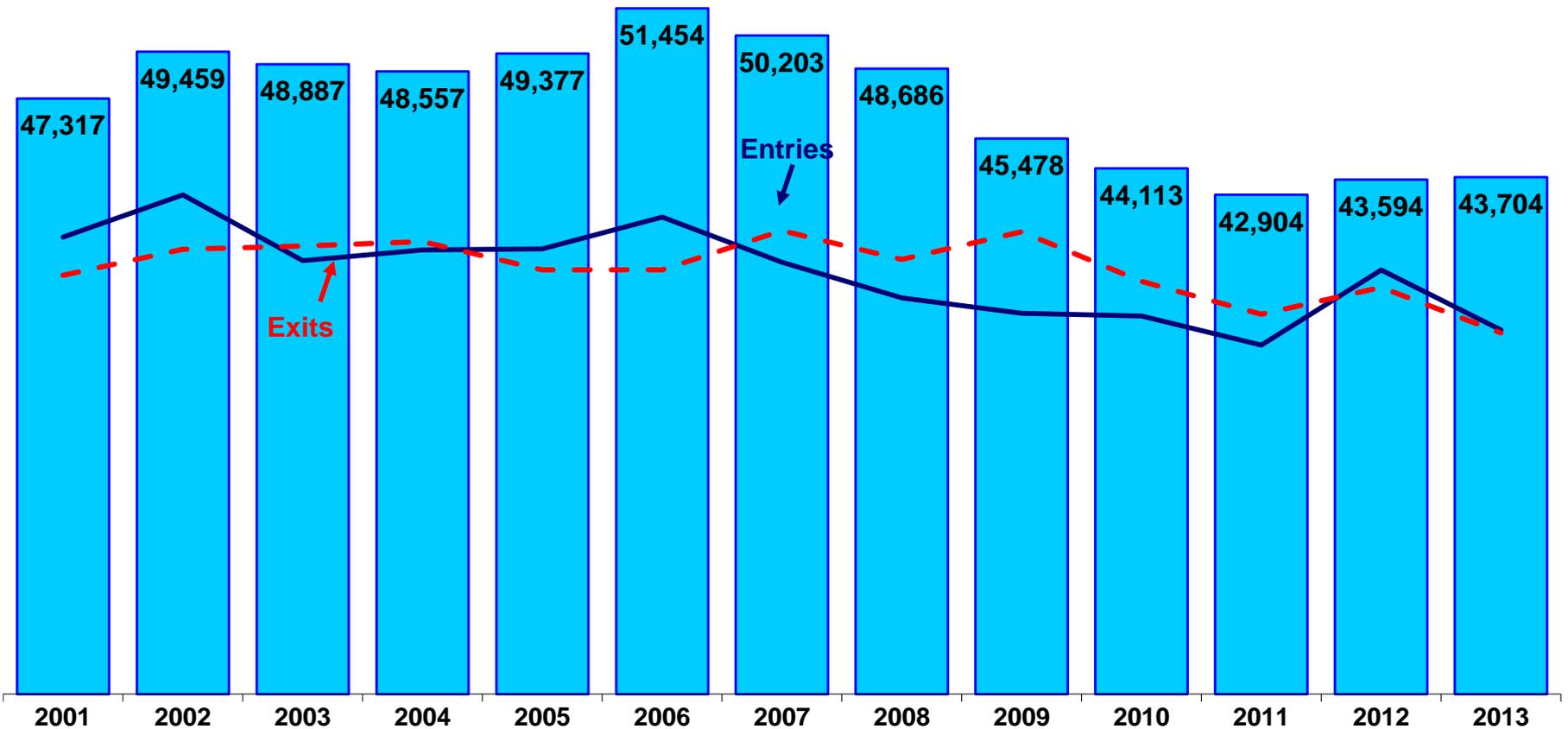
# Exits from Prison System

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

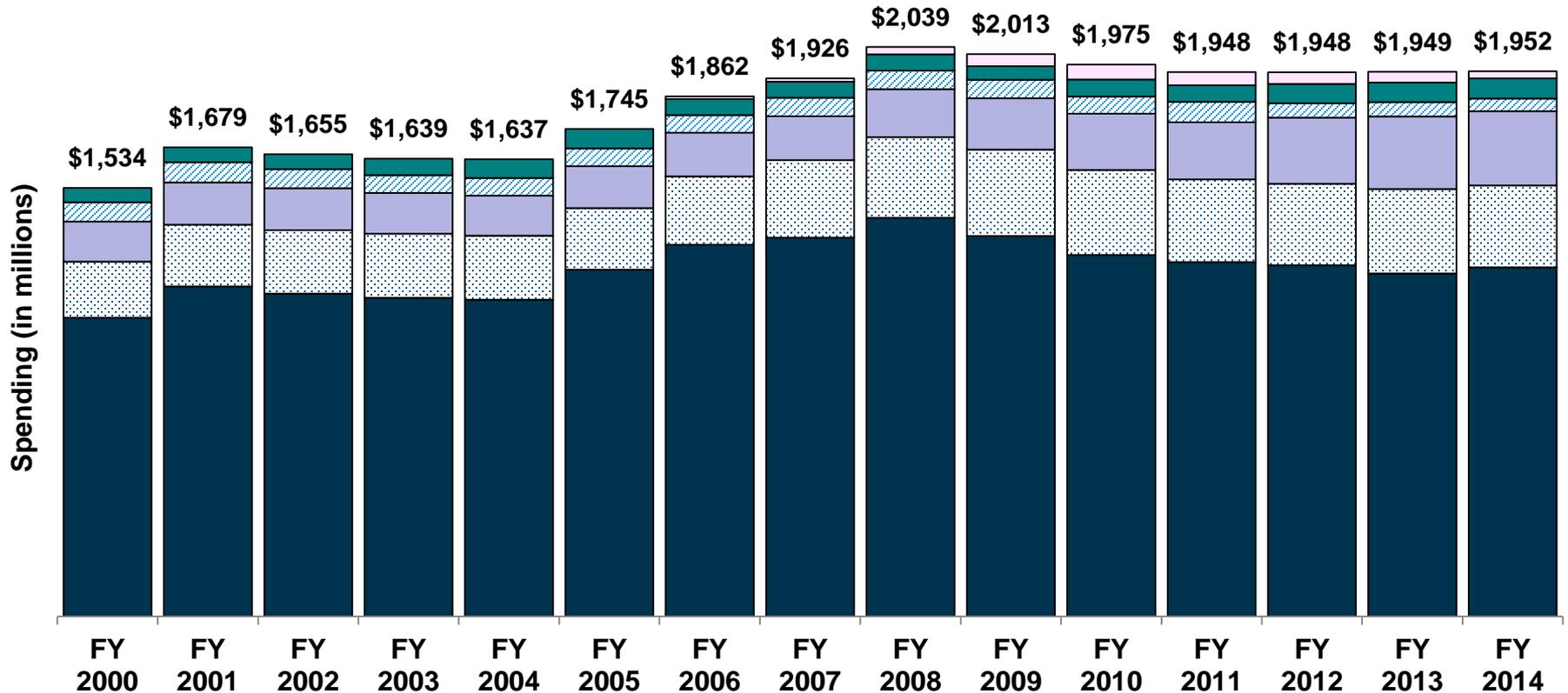
The drop in prisoner population from FY 2007 to FY 2011 was a result of a decline in prison entries, which largely resulted from the drop in returns due to parole/probation violations. Prison exits, however, also began to decline in 2010 with fewer moves to parole, which has slowed the population decline.



# **RECENT BUDGET GROWTH**

# Corrections Spending Growth by Program

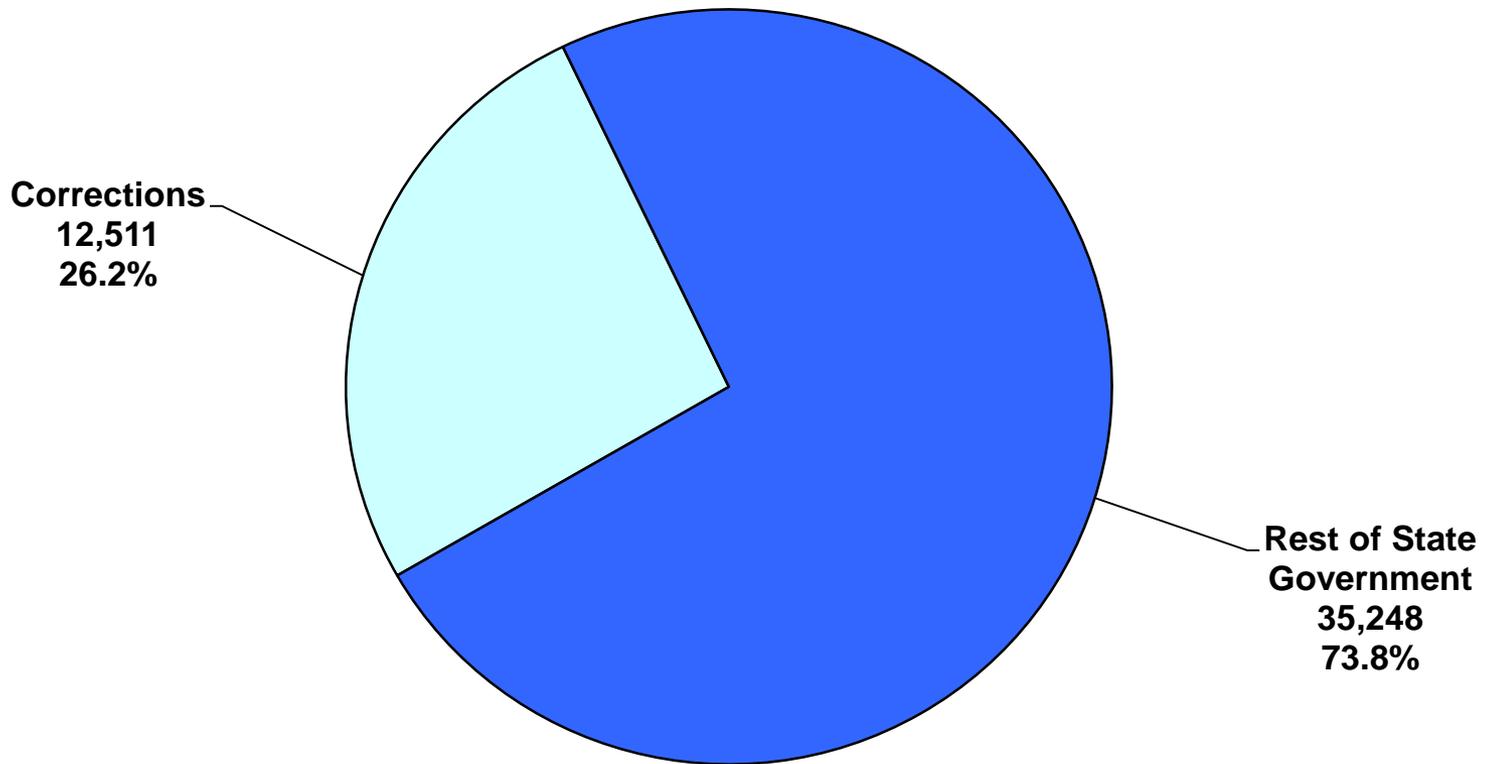
From FY 2000 to FY 2014, Corrections spending has grown at an average annual rate of 2.4%. Prisoner health and mental health care has grown at an average annual rate of 3.6% over this time. Spending on general prison operations has grown by 1.8% annually during this period.



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

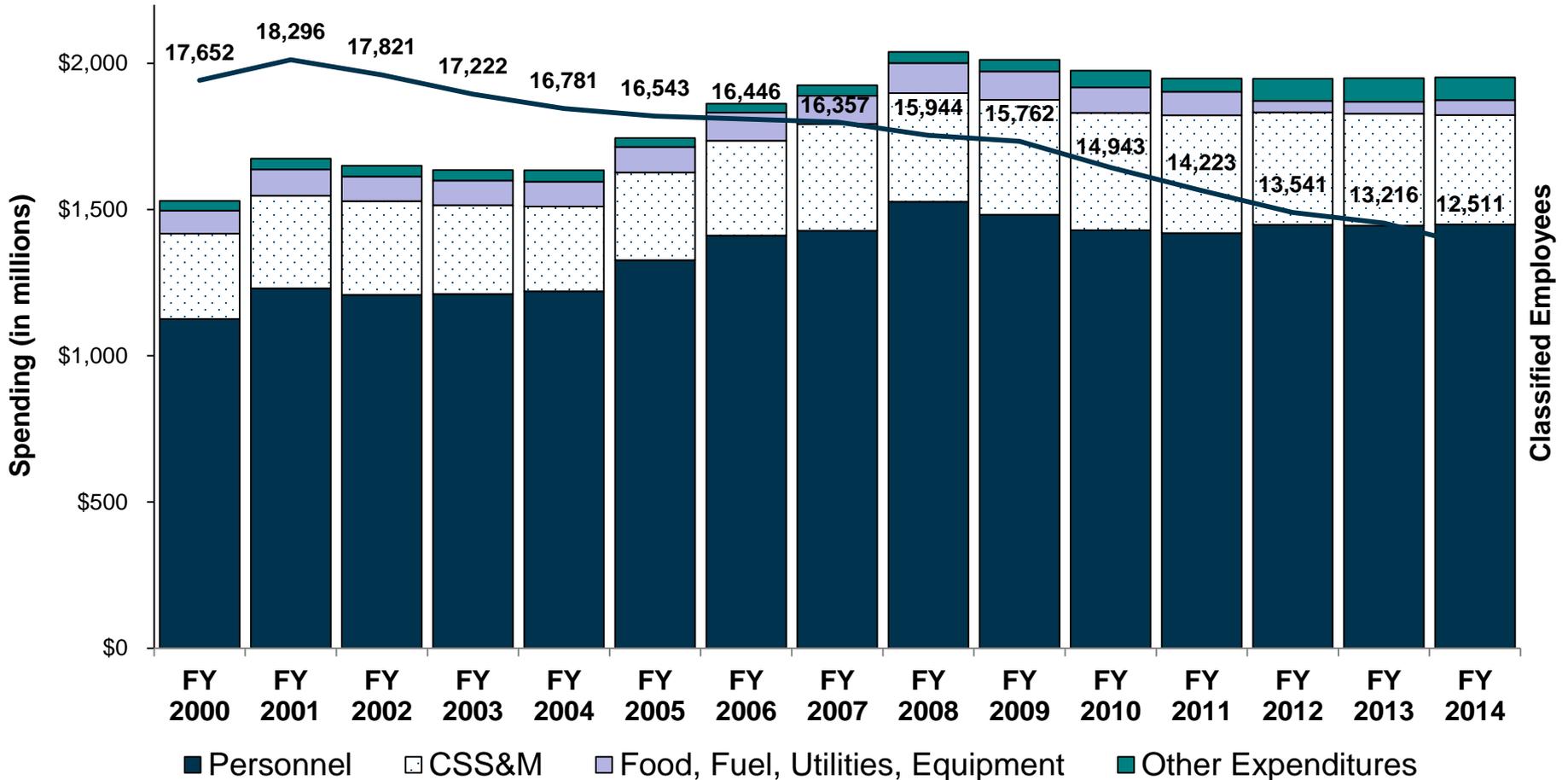
# Corrections Share of Active State Classified Workforce

November 8, 2014 = 47,759 Total State Employees



# Corrections Spending Growth by Purpose

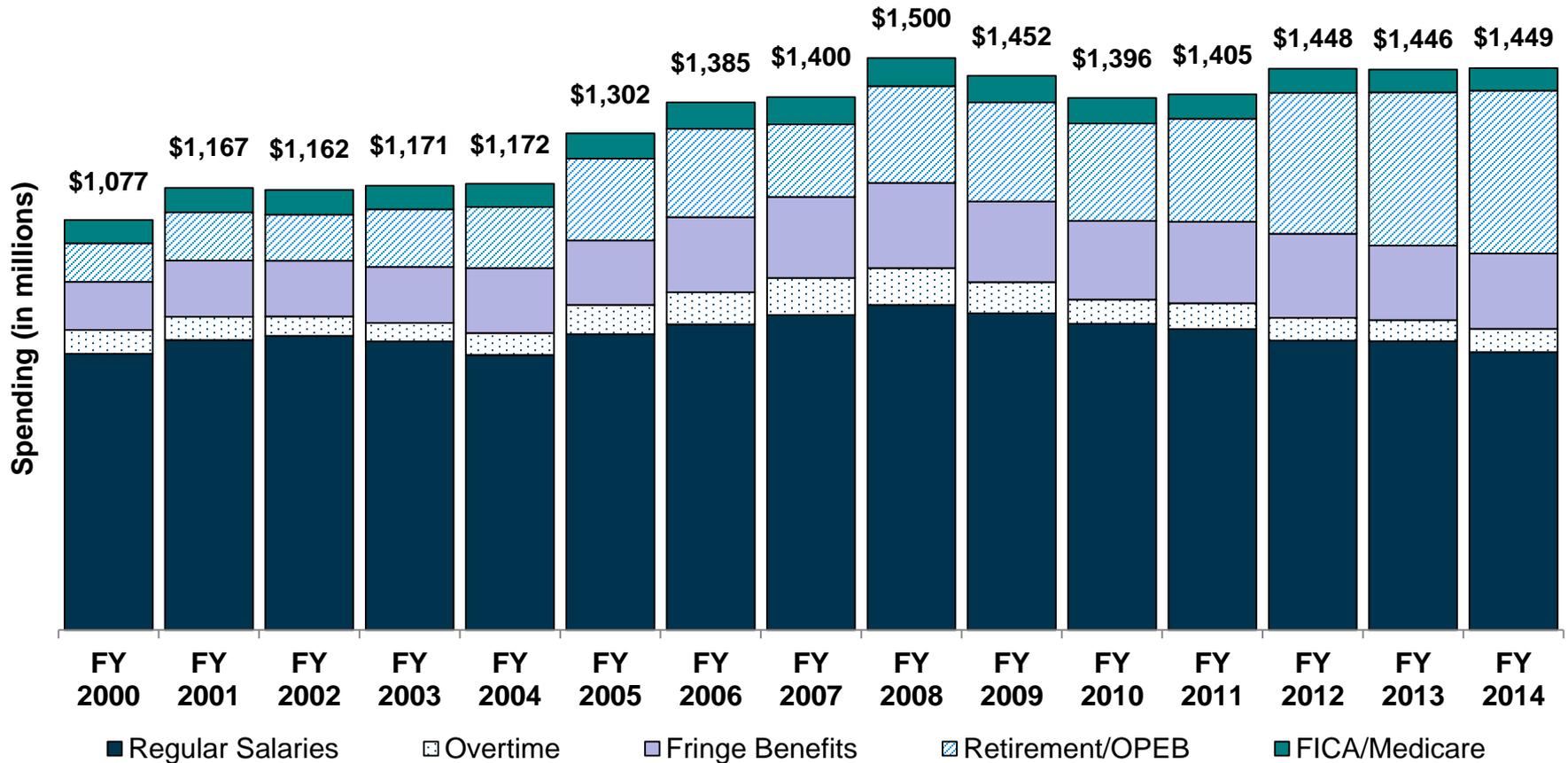
Personnel costs account for the majority of the budget and have risen at an average annual rate of 1.8% over the FY 2000 to FY 2014 period, consistent with overall budget growth. However, actual employment has fallen since FY 2001. Starting with FY 2012, increased spending occurred as a result of pre-funding 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

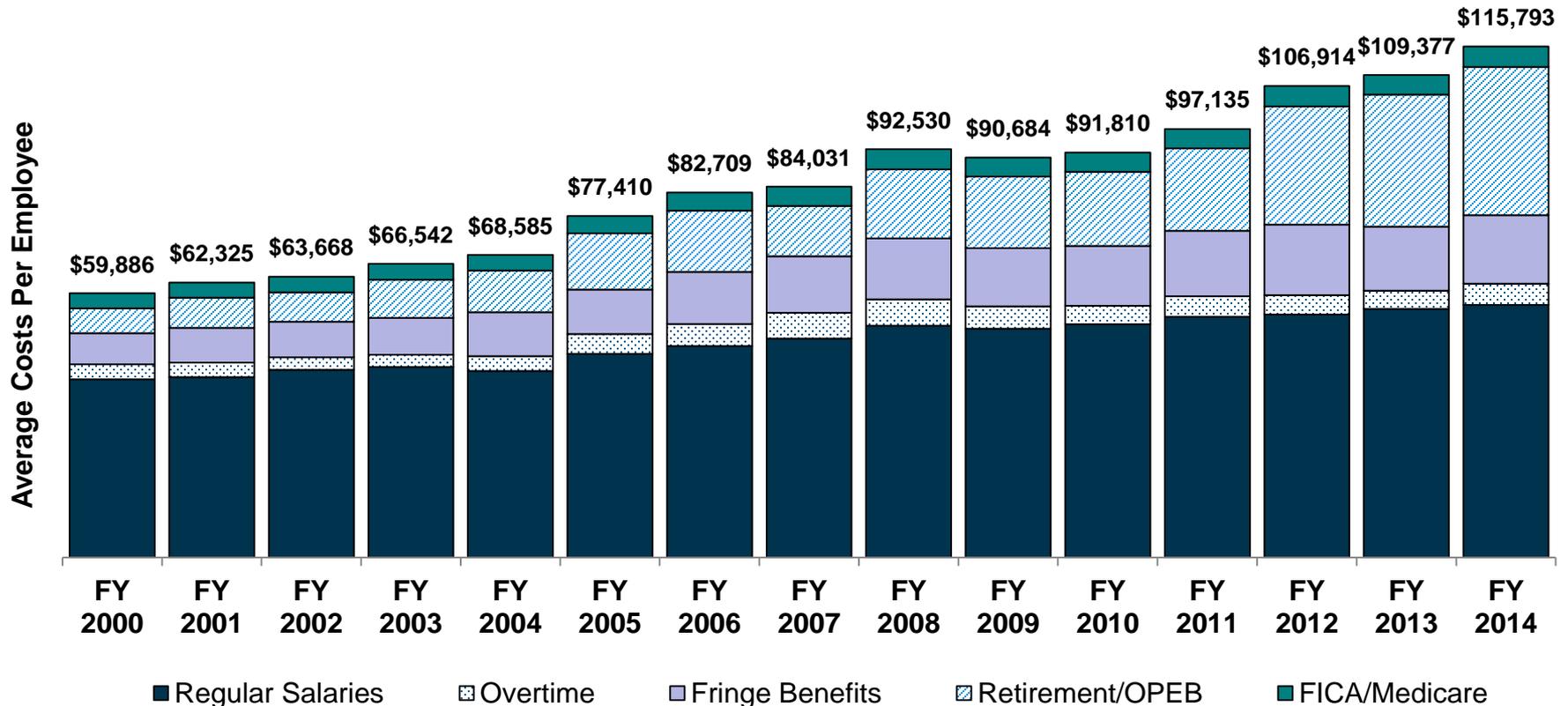
# Corrections Personnel Costs

Since FY 2000, personnel costs for the MDOC have risen by an average of 2.1% annually. The largest drivers behind these cost increases have been fringe benefit and retirement costs. In FY 2014, these costs accounted for 42.4% of all personnel costs compared to 20.7% in FY 2000. 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 4.8% annually since FY 2000. Again, fringe benefit and retirement costs have played the largest role, with average annual per-employee increases of 10.2% across the period. Regular salary costs have increased by 2.5% annually. Most of the increase from FY 2011 to FY 2012 reflects the initiative to begin pre-funding OPEB costs.



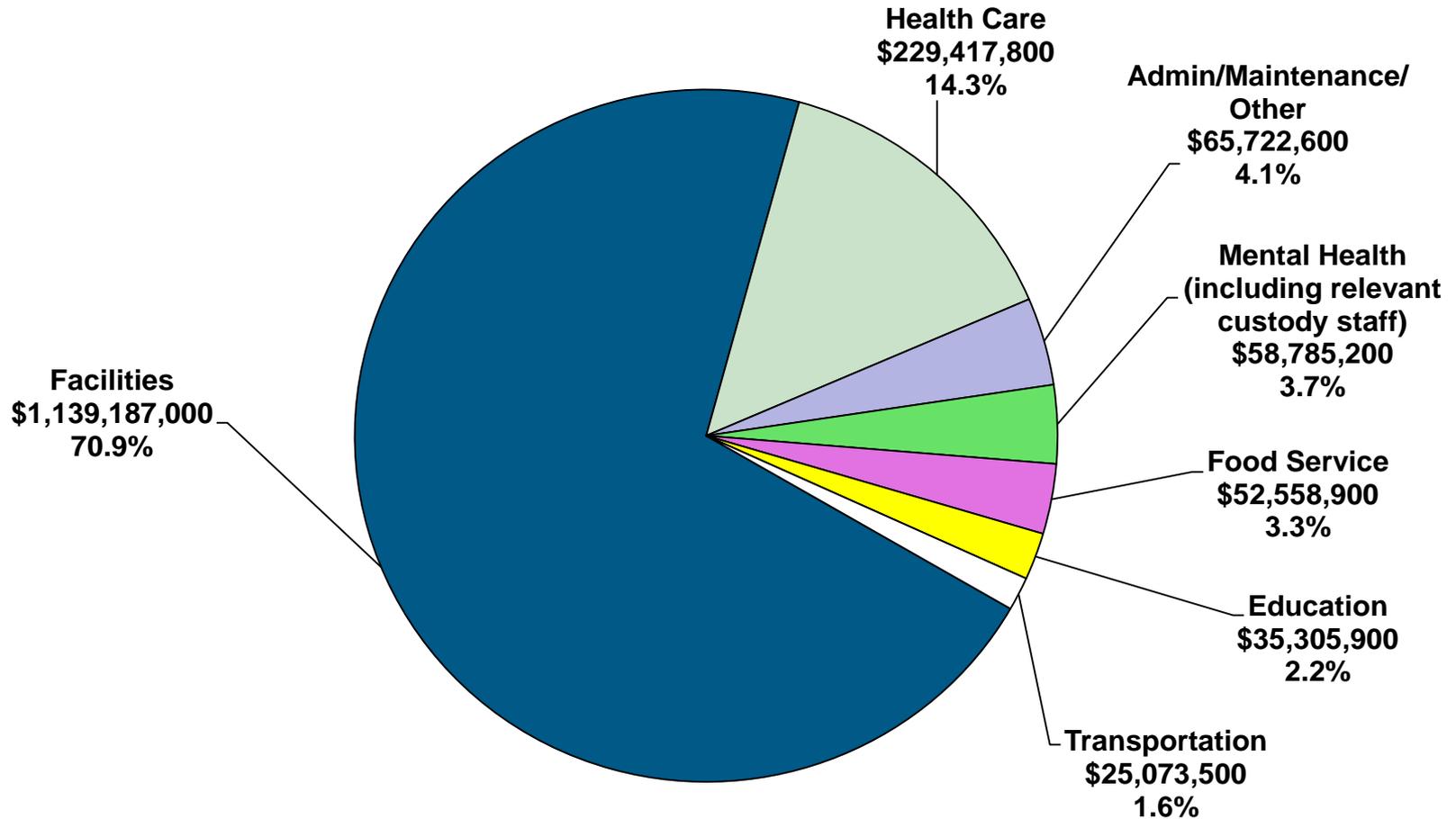
# **PRISON OPERATIONS: CORRECTIONAL FACILITIES**

# Prison Operations

- The Michigan Department of Corrections 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 November 1, 2014, 360 prisoners (primarily serving flat sentences) are housed in county jails under contracts with twelve counties that have available bed space (Clinton, Midland, Montmorency, Ottawa, Clare, Ingham, Iron, Jackson, Lenawee, Osceola, Roscommon, and Van Buren)

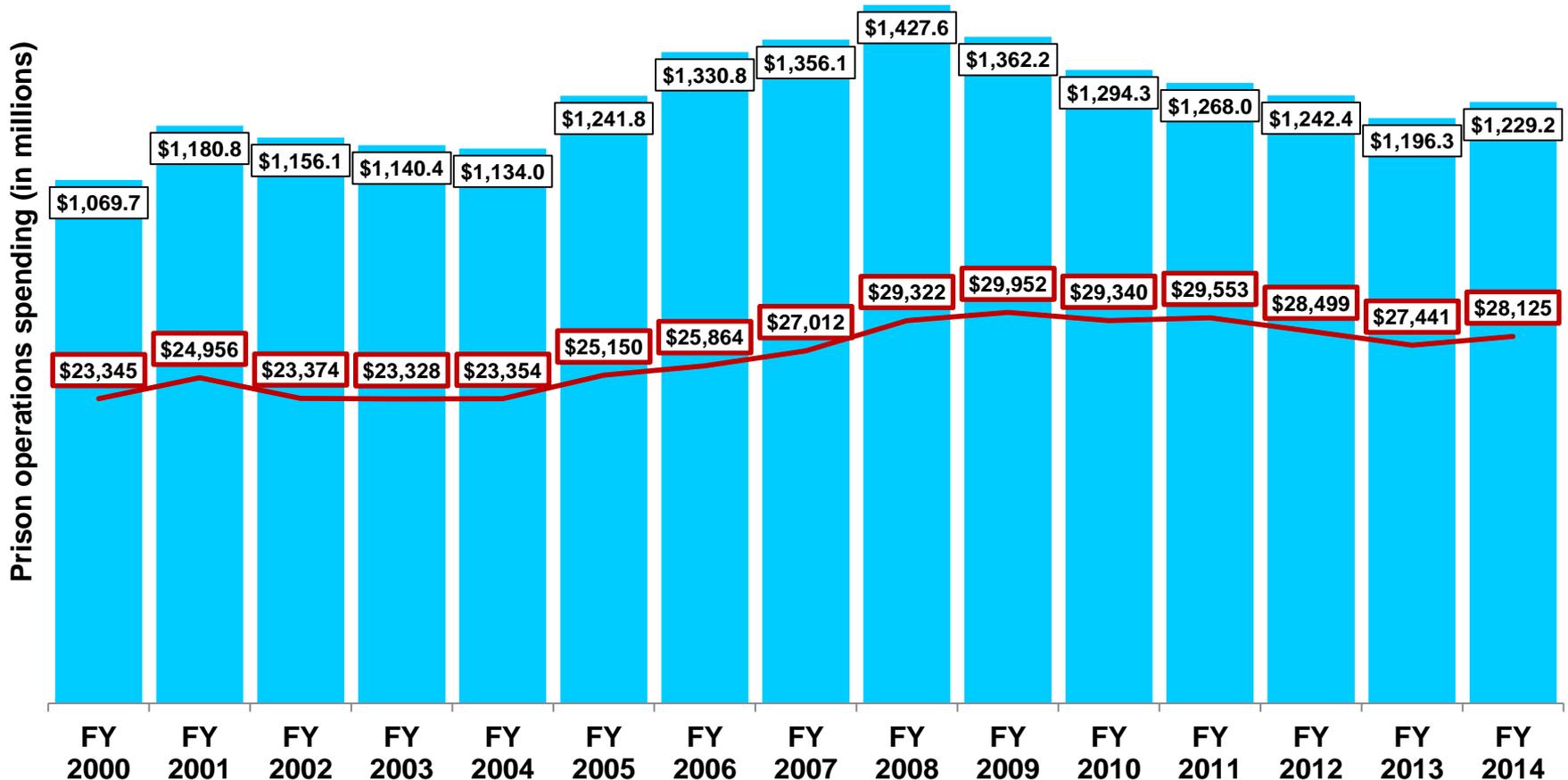
# Prisoner Custody, Care, and Programs

FY 2014-15 Appropriation Total = \$1,606,050,900



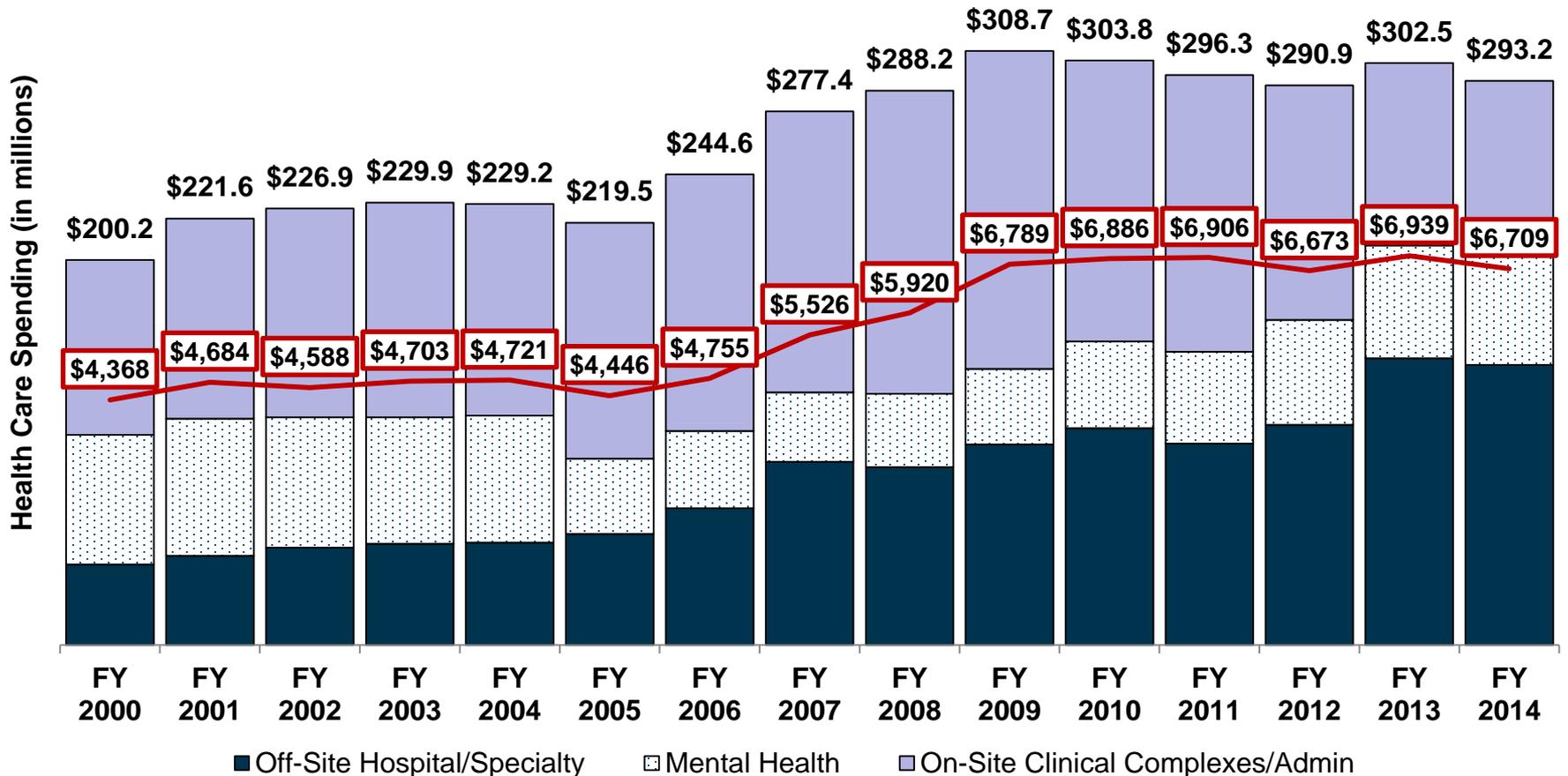
# Prison Operations and Average Cost Per Prisoner

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 1.7% per year over this period.



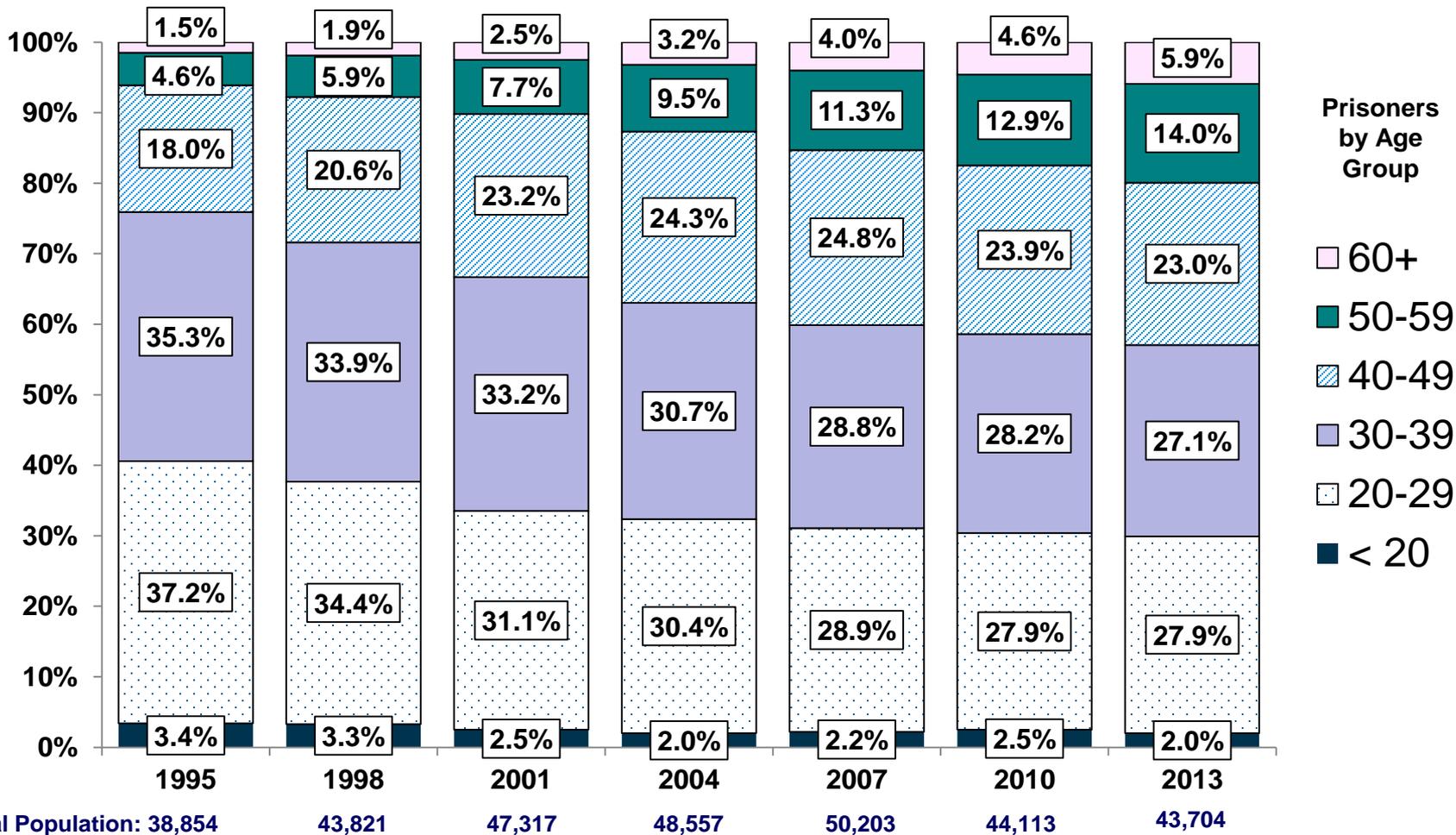
# Prisoner Health Care and Mental Health and Average Cost Per Prisoner

Spending for prisoner health care and mental health services increased significantly over the FY 2000 to FY 2014 time period. Per-prisoner costs, shown on the red line, increased by an average of 3.1% annually over the whole period. However, the rapid annual growth of 9.2% 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 1995, only 24.1% of prisoners were over 40 years of age. By 2013, that percentage had increased to 42.9%, with 19.9% of the population over age 50.



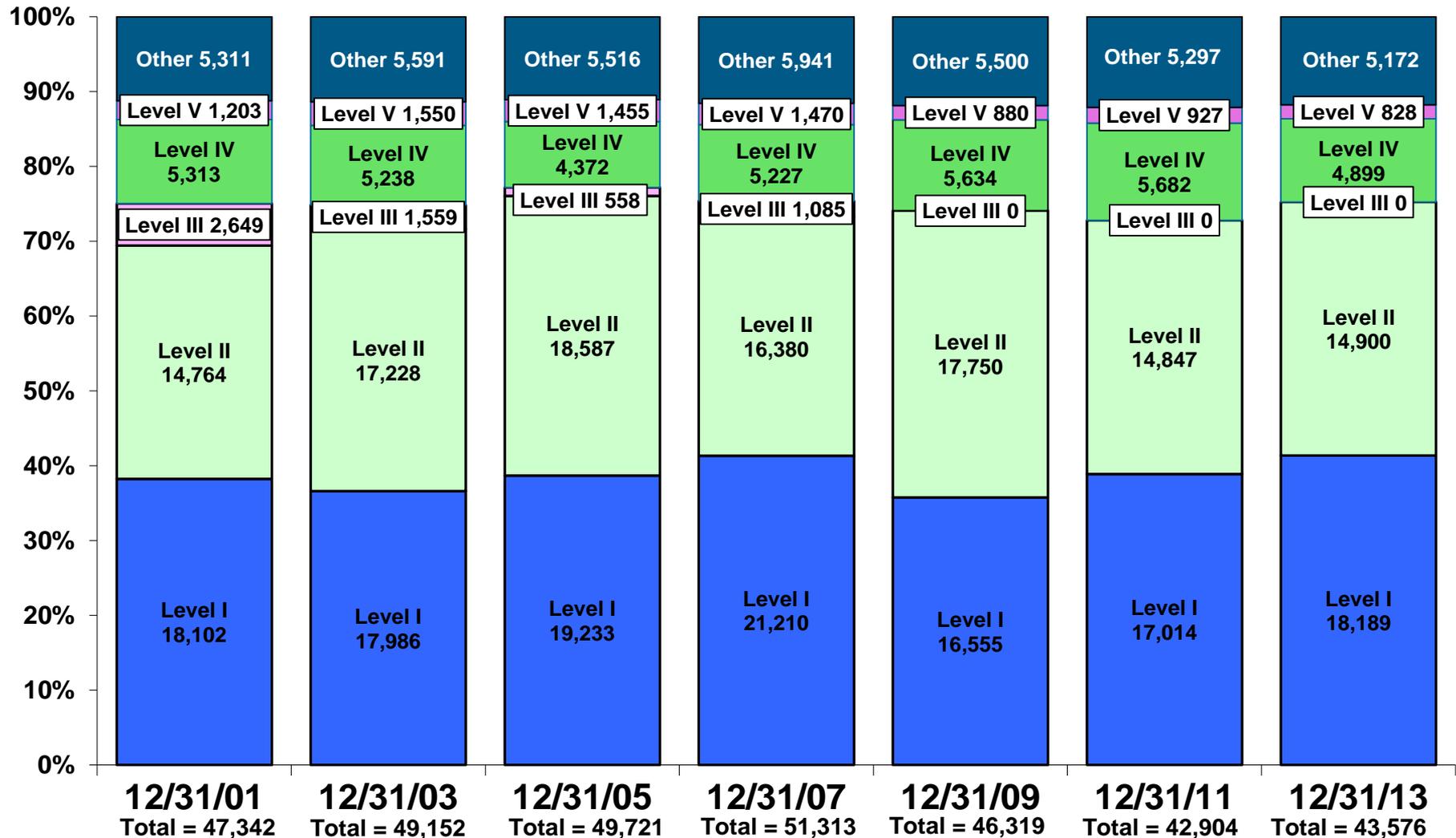
# Facility Closures Since 2007

- 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

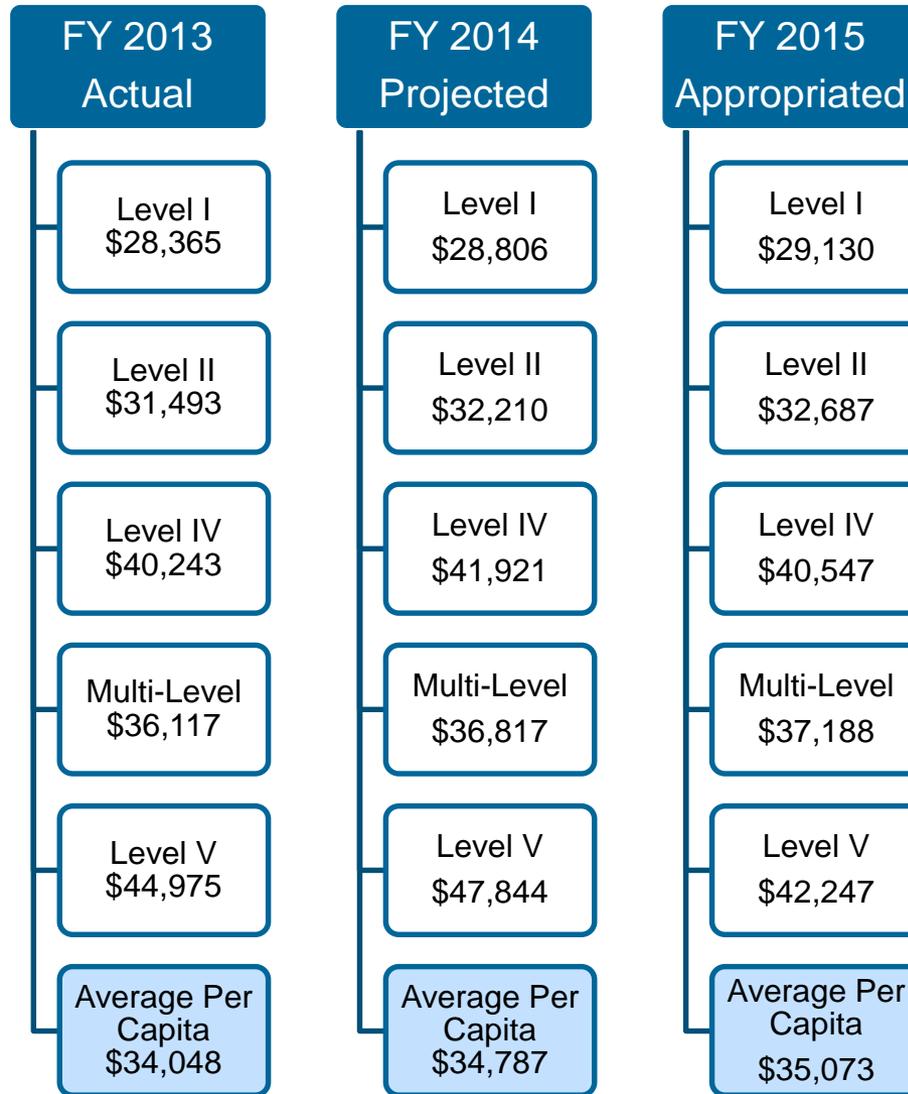
Openings: Michigan Reformatory in Ionia (reopened November 2007), Maxey/Woodland Center in Whitmore Lake (opened April 2009), and Muskegon Correctional Facility (reopened October 2012)

# Net Operating Capacity by Security Level

The percentage of Level I prisoners has increased from 35.7% at the end of 2009 to 41.3% at the end of 2013. In the same time period, there was a decrease in the percentage of Level II, Level IV, and Level V prisoners.

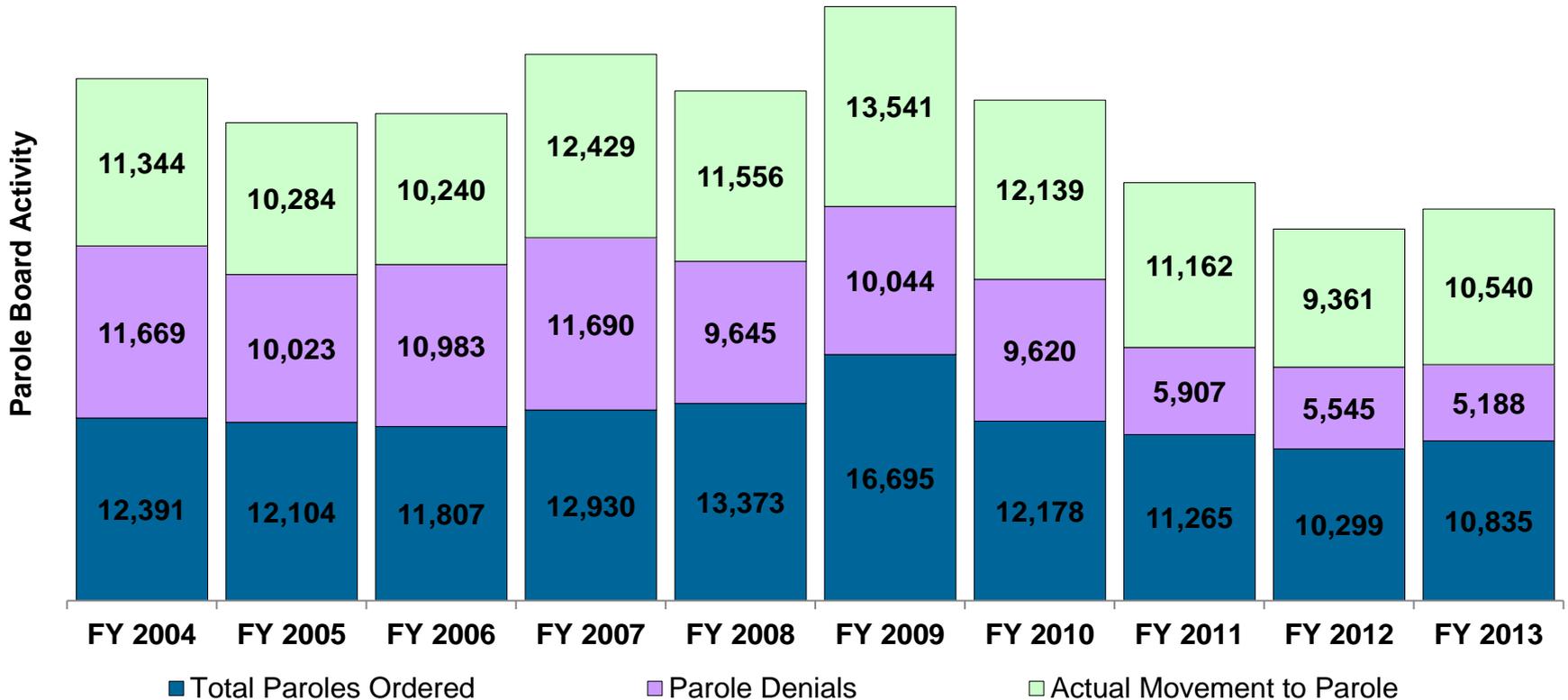


# Costs Per Prisoner by Security Level



# Parole Board Activity

Factors considered by the Parole Board in making parole decisions include nature of the current offense, prisoner's criminal history, behavior while in prison, program performance, age, parole guidelines score, risk as determined by various validated assessment instruments, and information obtained during prisoner's interview. The Parole Board also considers information from crime victims and other relevant sources.



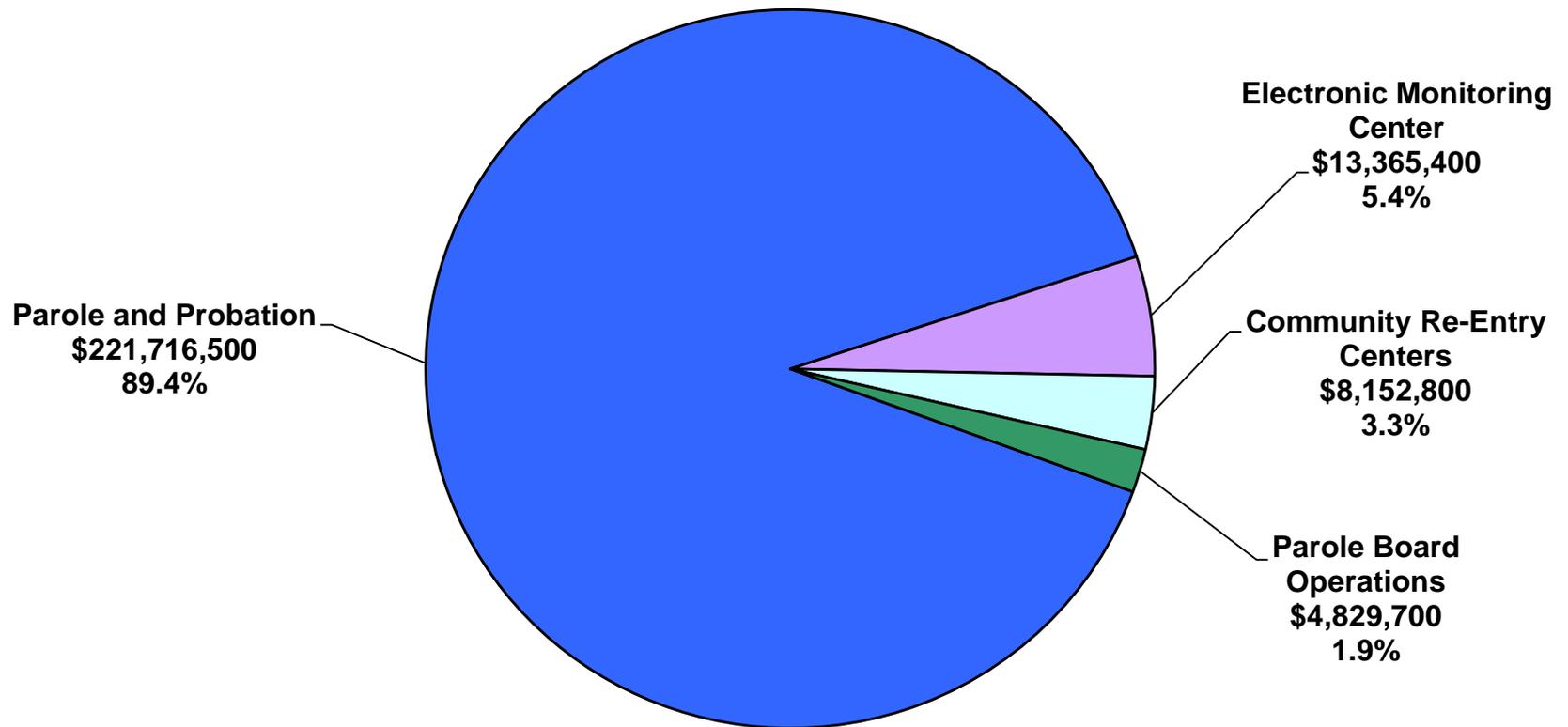
# **FIELD OPERATIONS: PAROLE AND PROBATION**

# 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 November 1, 2014, the MDOC employed 1,278 active parole and probation agents charged with supervising 63,613 offenders.
- Community re-entry 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 felony drunk driver jail reduction and community treatment program are all programs available to offenders who meet certain eligibility requirements, as alternatives to prison incarceration.

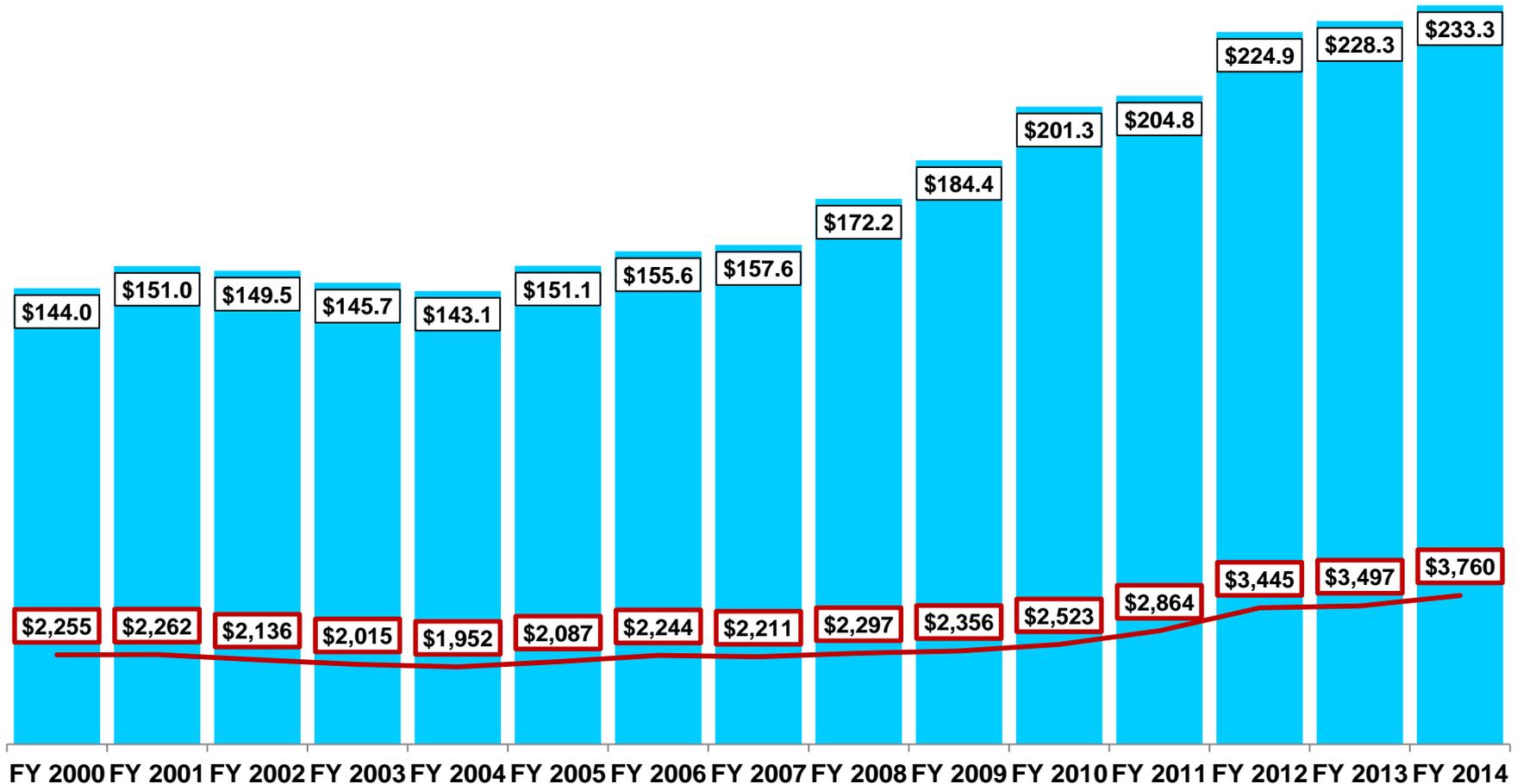
# Field Operations

FY 2014-15 Total = \$248,064,400



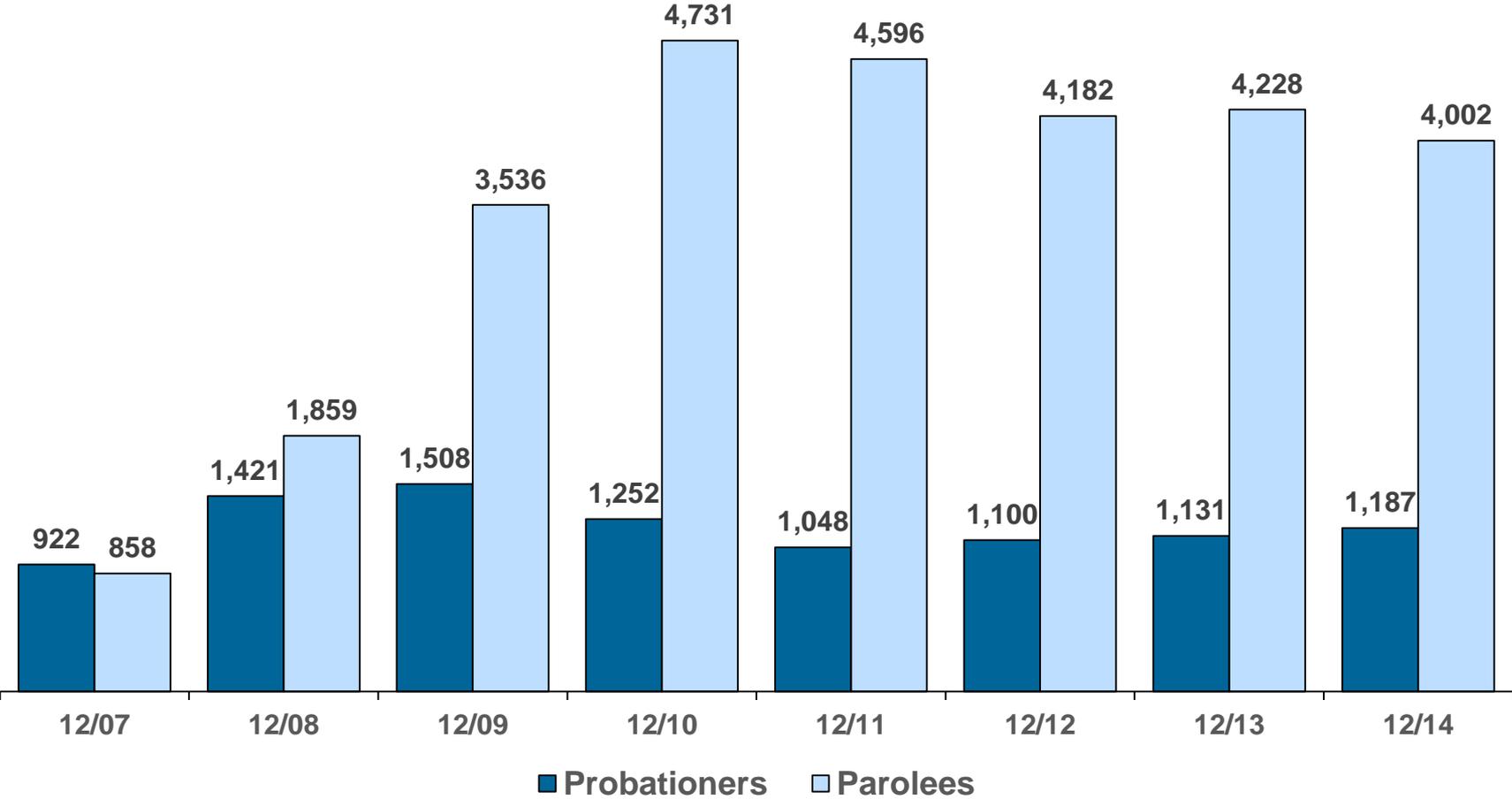
# Parole/Probation Services & Average Cost Per Offender

Field Operations spending has increased by an average of 3.7% over the FY 2000 to FY 2014 time period. Recent growth since FY 2009 has been more significant (9.8% 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 2007, although usage has declined since 2010. The overall number of supervised offenders has declined by more than 3.5% since the population peaked during 2010.

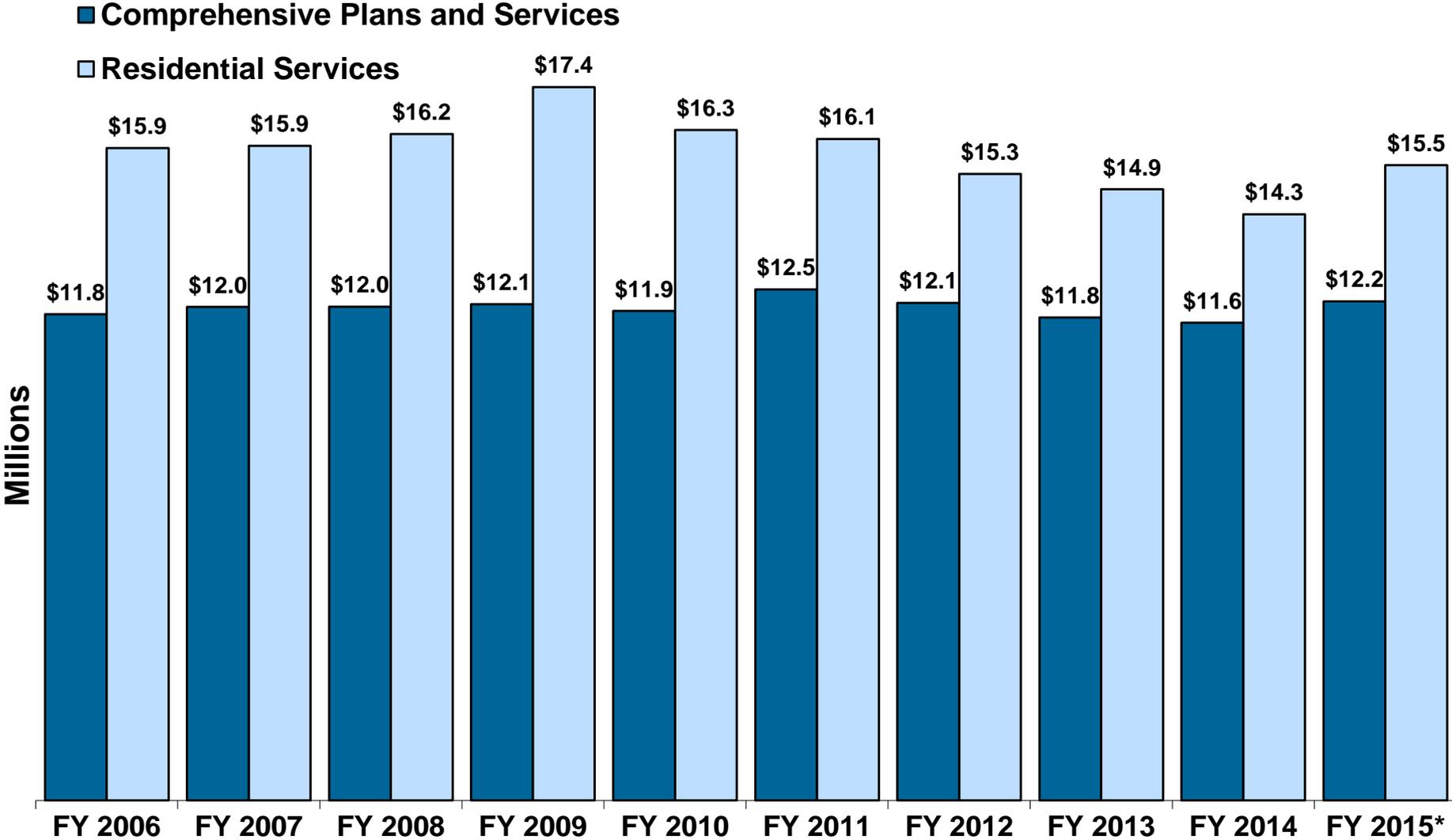


**COMMUNITY PROGRAMS:  
ALTERNATIVES TO  
INCARCERATION**

# 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***: grants to 54 local community corrections advisory boards for development and implementation of local comprehensive corrections plans (i.e., case management, cognitive behavioral programs, community service, day reporting, electronic monitoring, education, mental health, and substance abuse services)
  
  - ***Residential Services***: grants to provide per diem payments of up to \$48.50 per day to service providers who house eligible felony offenders; offenders include felony probationers, as well as felony parole and probation violators, who might otherwise be committed or returned to state prison

# Community Corrections Grant Payments



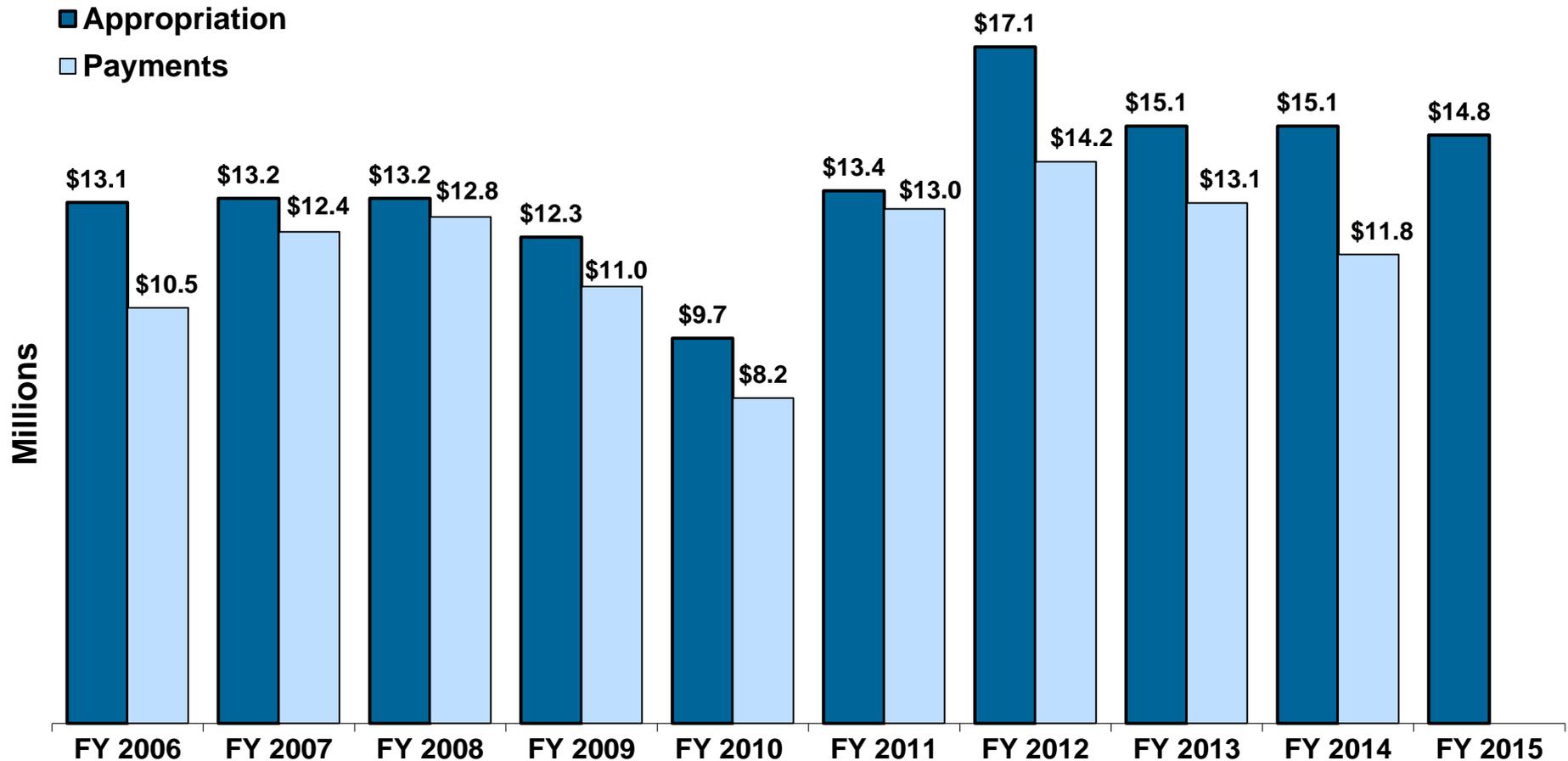
\*FY 2015 reflects year-to-date appropriations.

# 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 2015 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

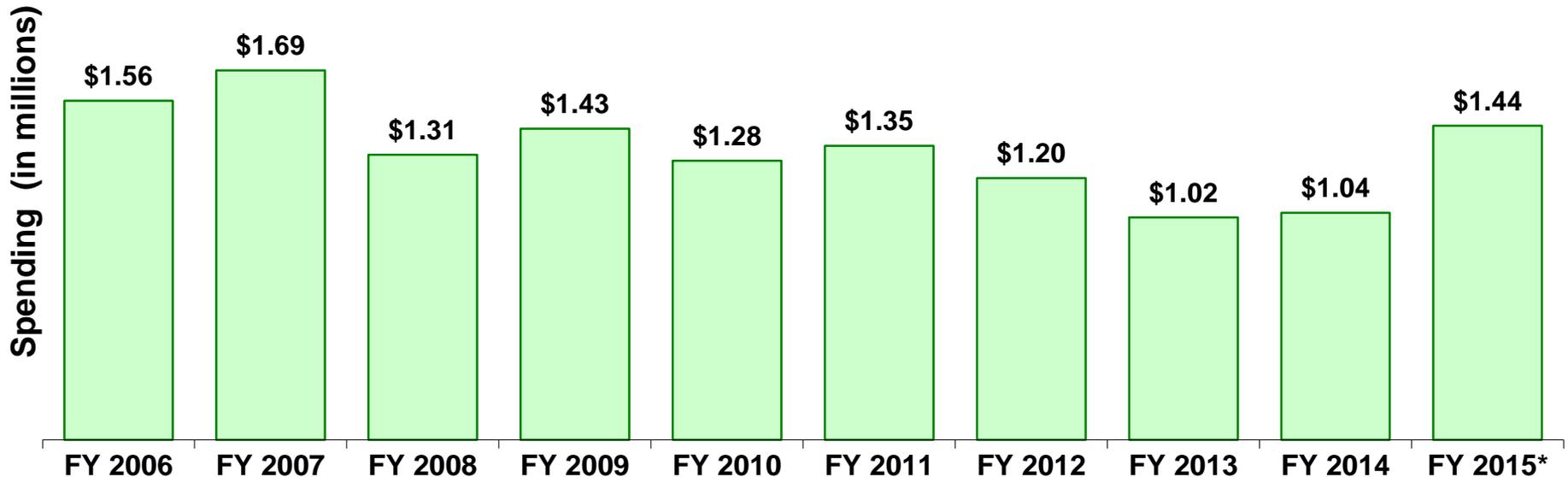
# County Jail Reimbursement Program

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 first adjusted in FY 2013, and adjusted again in FY 2015. 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. The 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 15 figure represents year-to-date appropriation for the program.

**PRISONER  
RE-ENTRY INITIATIVE**

# Prisoner Re-Entry

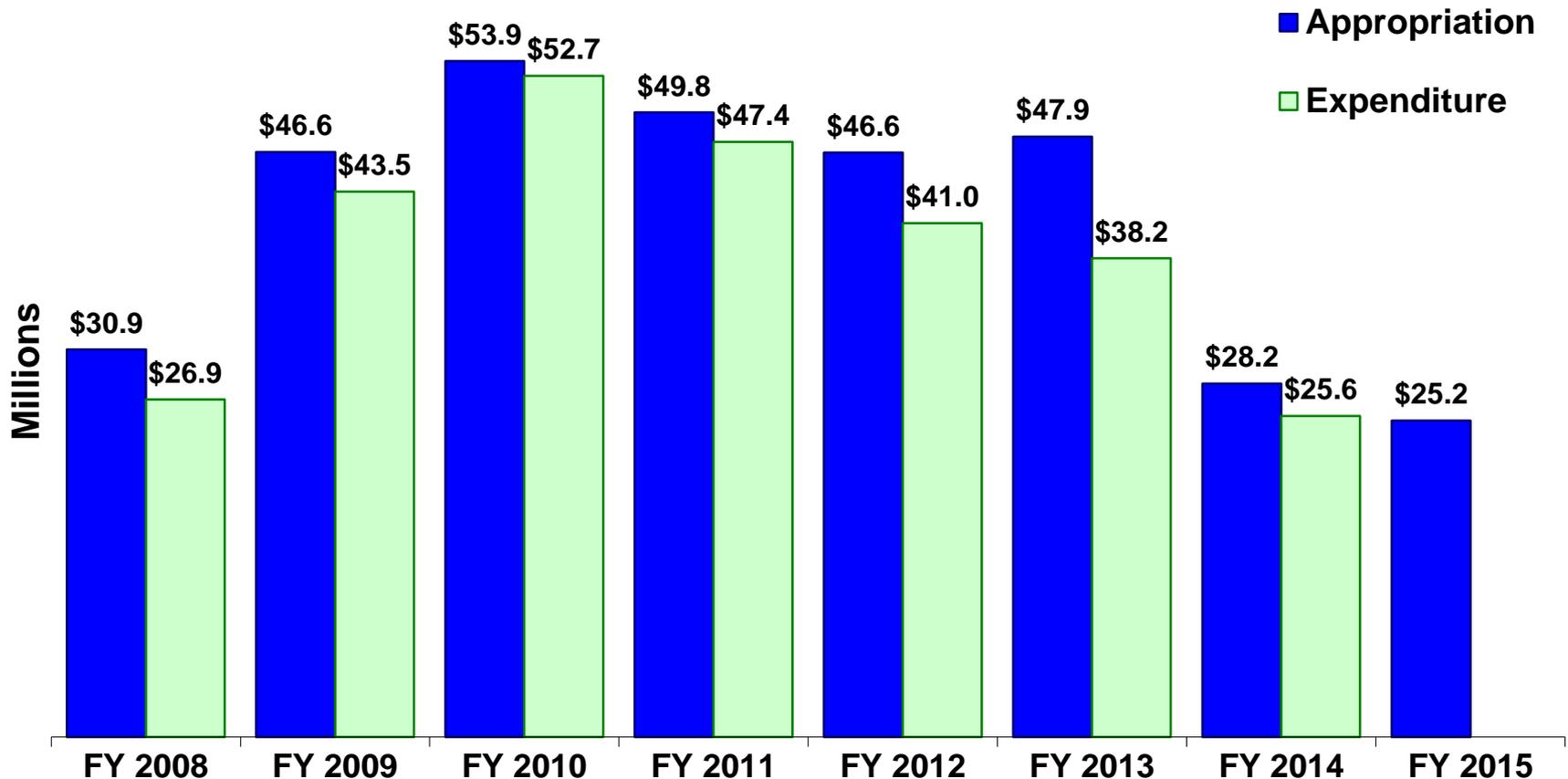
- Aims to reduce recidivism through prisoner assessment, case planning and management, and coordinated services from the time of entry into prison through aftercare in the community
- Involves interagency and state/local collaboration: state departments, local law enforcement, crime victims' advocates, 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 2015 funding: \$25.2 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:**

**Robin R. Risko  
rrisko@house.mi.gov  
(517) 373-8080**