



Background Briefing

CORRECTIONS

Bob Schneider, Associate Director

December 2012

The fiscal information in this background briefing is based on data through December 31, 2012.

Department of Corrections

- **Department mission is “to create a safer Michigan through effective offender management and supervision in our facilities and communities while holding offenders accountable and 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, and other prisoner programs**

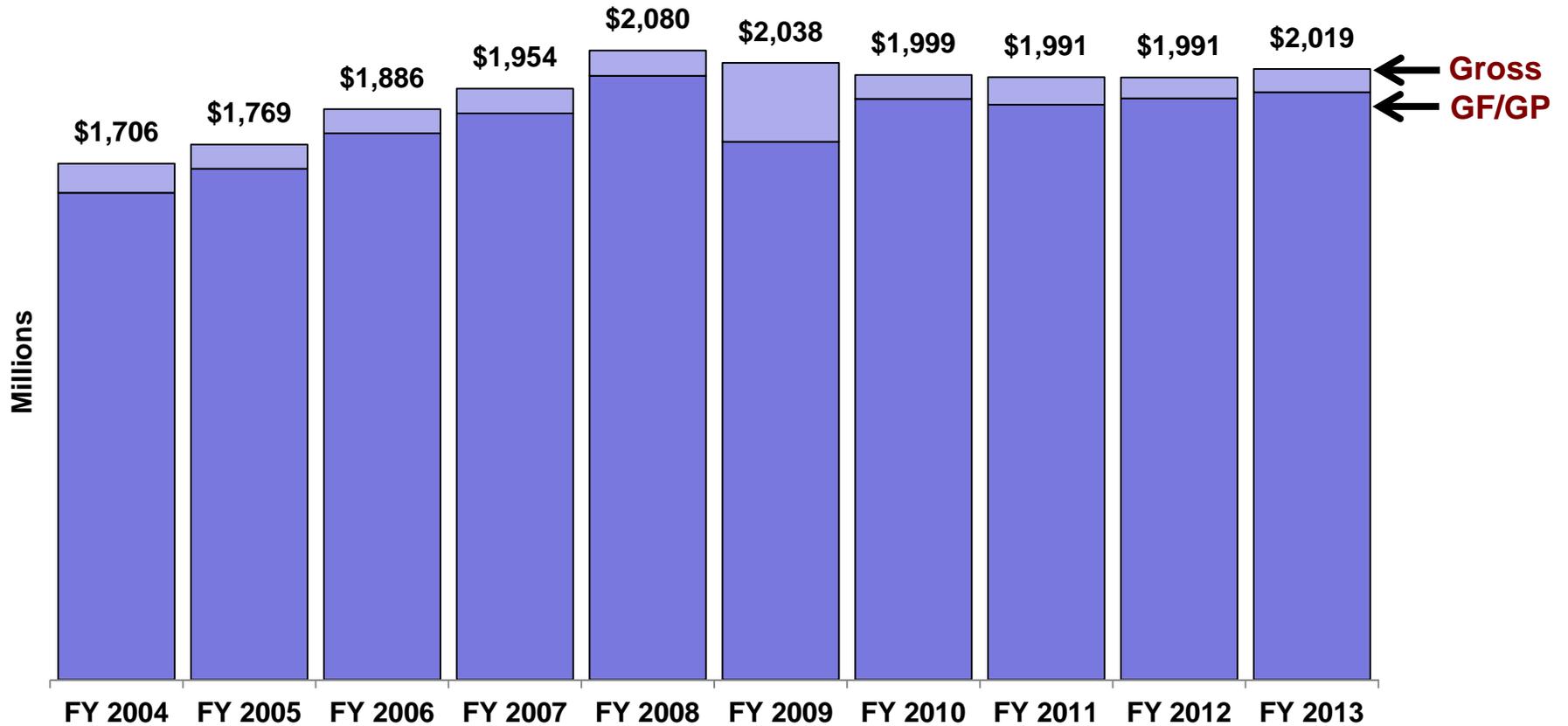
 - **Monitoring and supervision of all parolees and probationers under Department jurisdiction**

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

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

Corrections: Gross Appropriations

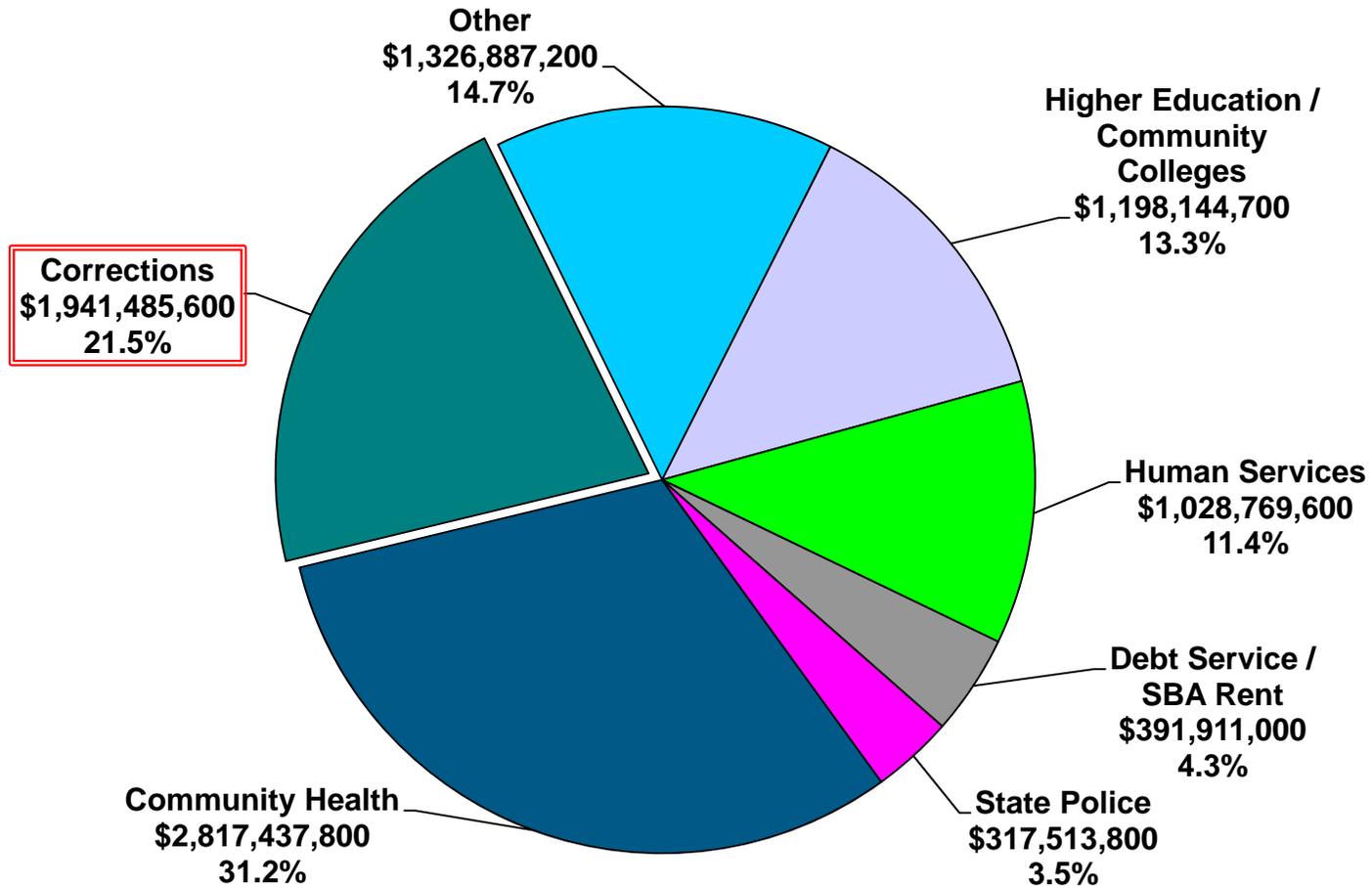
After almost two decades of strong growth largely due to prison population increases, recent Corrections increases have been relatively more modest. Both gross and GF/GP appropriations have declined slightly between FY 2008 and FY 2013.



Corrections Share of State GF/GP

Corrections makes up 21.5% of the total state GF/GP budget

FY 2012-13 GF/GP Total = \$9,022,149,700



SOURCES OF FUNDING

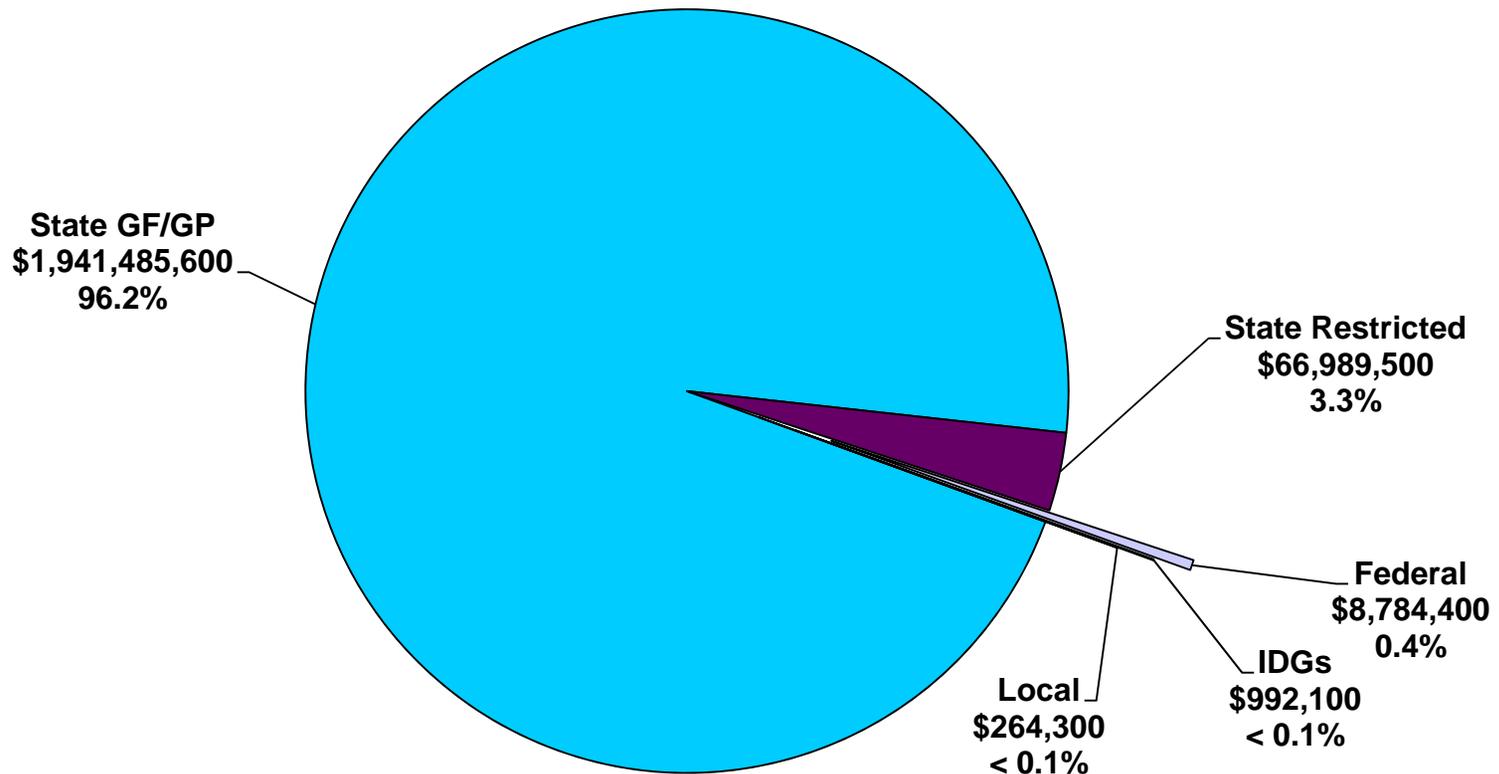
Corrections Funding Sources

- **State general fund/general purpose accounts for 96.2% 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 fees paid by local units of government for rental of electronic monitoring equipment**

Corrections Funding Sources

Corrections budget is primarily financed with state general fund/general purpose (GF/GP) revenue, which accounts for just over 96% of the overall budget.

FY 2012-13 Corrections Budget = \$2,018,515,900



DEPARTMENT APPROPRIATIONS

Corrections Appropriations

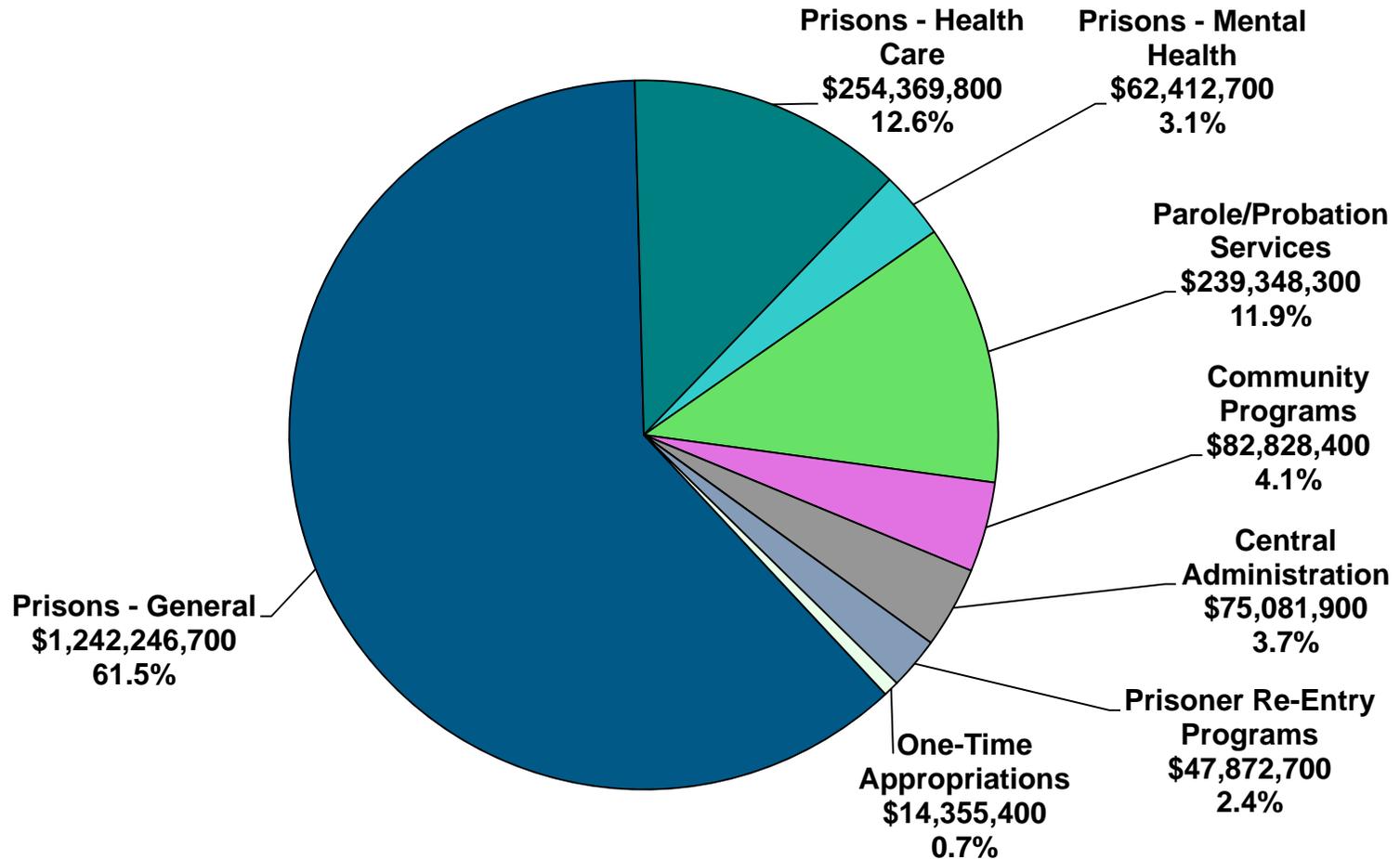
The Corrections budget is allocated into the following major spending areas:

- **Prison Operations:** operations of the state's correctional facilities, including physical and mental health care for prisoners, prisoner programs, prison food service, 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

Around 77% of the Corrections budget is allocated to prison operations and prisoner care, including physical and mental health care.

FY 2012-13 Corrections Budget = \$2,018,515,900



MAJOR BUDGET ISSUES

OFFENDER POPULATION AND GROWTH

The Offender Population

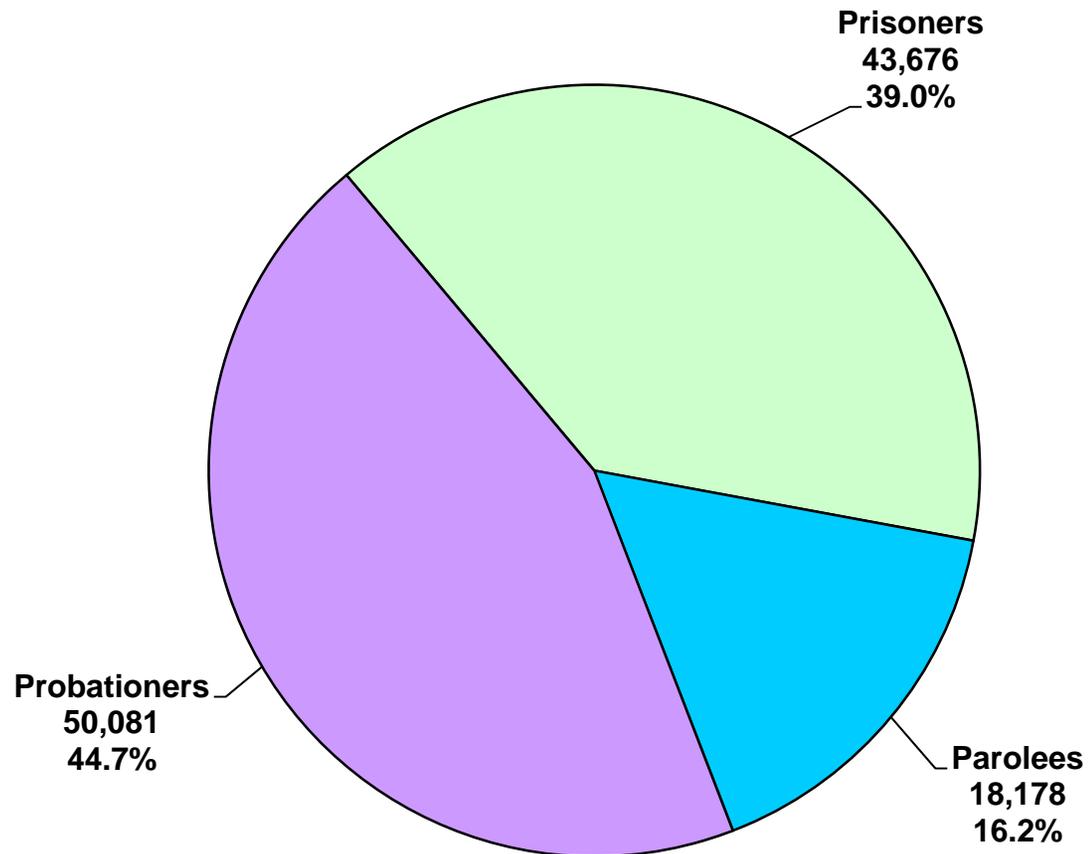
- **Prisoners:**
 - Felony offenders committed to the jurisdiction of the MDOC
 - Housed in prisons (previously also in camps and community placement)

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

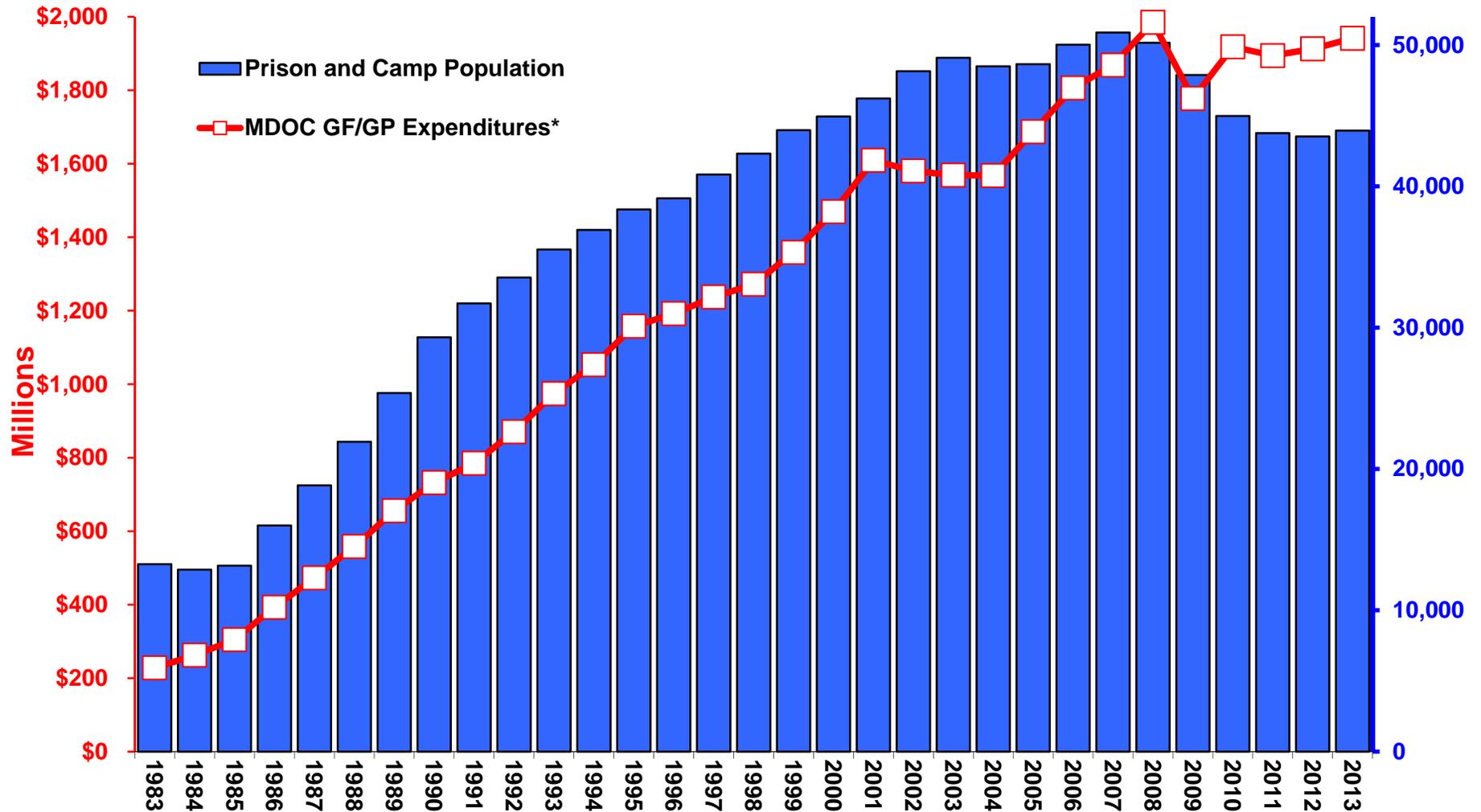
- **Parolees:**
 - Prisoners who have served at least their minimum term (less any applicable disciplinary credits) and who have been released to a period of supervision in the community
 - Supervised by MDOC field agents

MDOC Supervised Population

October 31, 2012 Total = 111,935



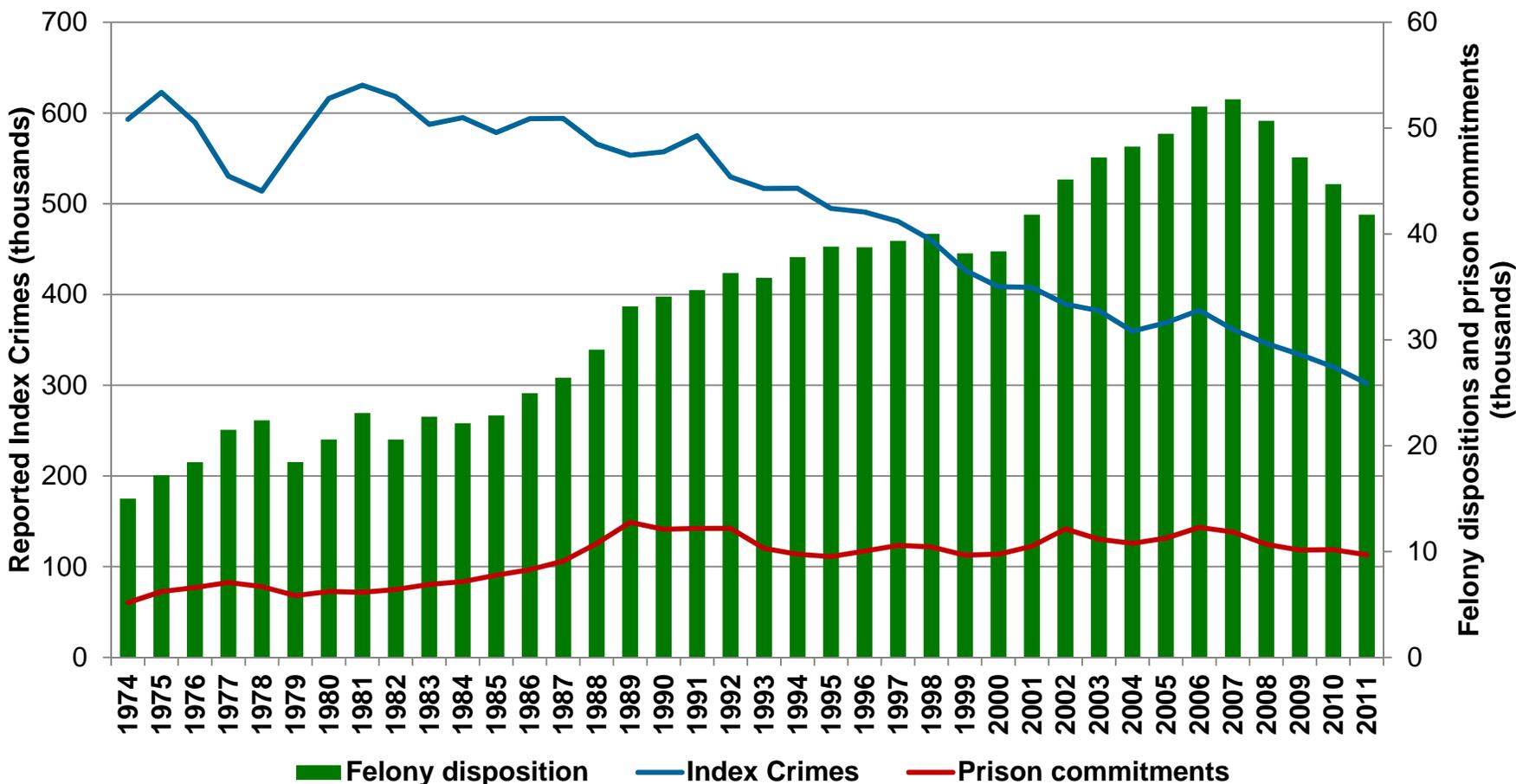
Growth in MDOC GF/GP Spending and the Prisoner Population



* FY 2013 based on year-to-date GF/GP appropriation and budgeted prisoner count.

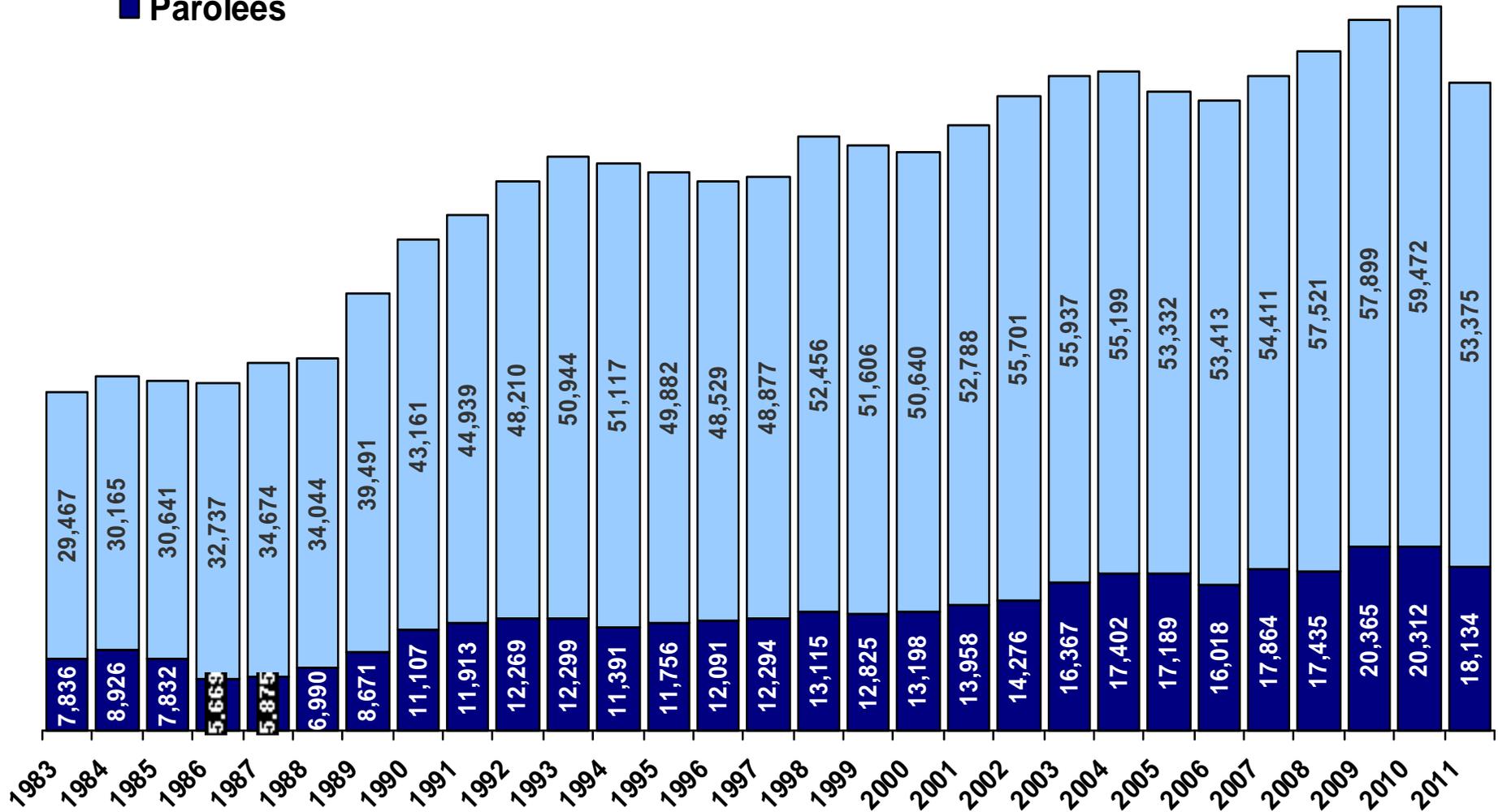
Crime and Prison Commitments

While reported index crimes have decreased since around 1980, felony 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

■ Probationers
■ Parolees



Source: MDOC Annual Statistical Reports.

Recent Prison Population Changes

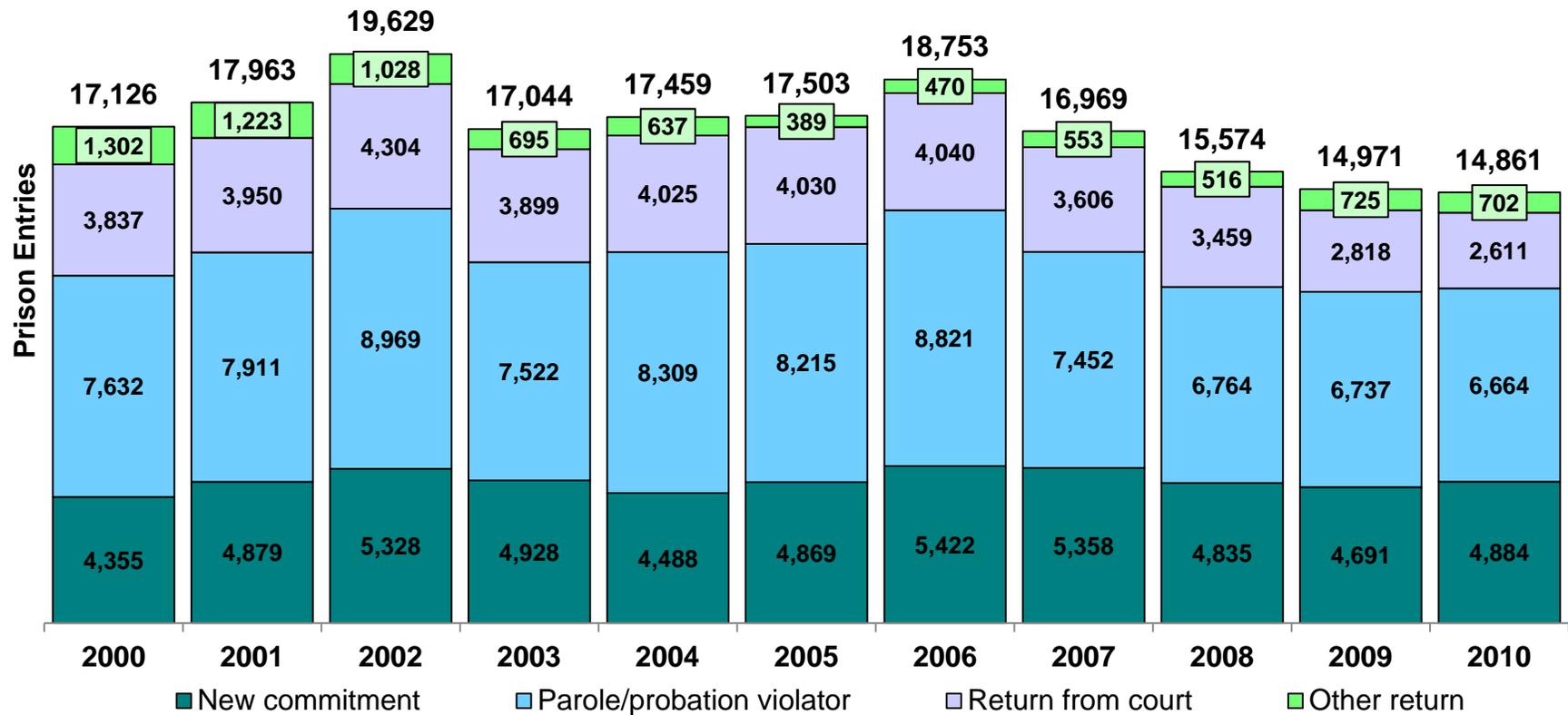
- **Changes in the prison population are a function of the movement of offenders into and out of the system**

- **Entering the system:**
 - **New court commitments: felony offenders sentenced to prison**
 - **Parole/probation violators: sent to prison due to new sentence or technical violation**
 - **Court returns: prisoner returns from court (sometimes with new sentence)**
 - **Other returns: for example, from community placement**

- **Exiting the system:**
 - **Parolees: granted parole by Michigan Parole Board**
 - **Released to court: for new trial or appeal**
 - **Community Residential Program: community supervision prior to truth-in-sentencing**
 - **Discharged at maximum sentence**
 - **Other exit: death, temporary county jail stay, mental health hospital**

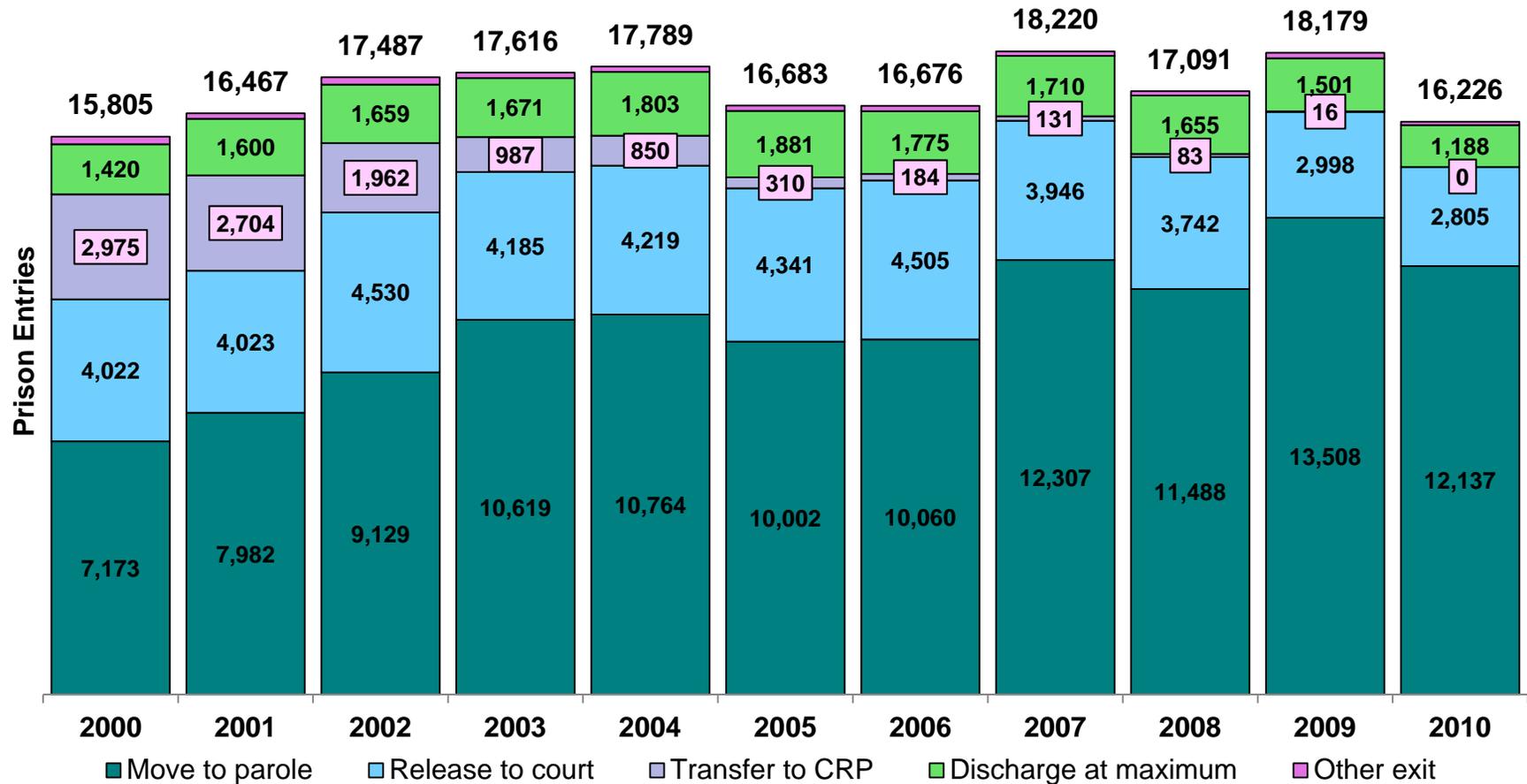
Entry into Prison System

New court commitments have fluctuated, but have held to trend. Recent declines in parole/probation returns have contributed to the dip in prison entry in recent years.



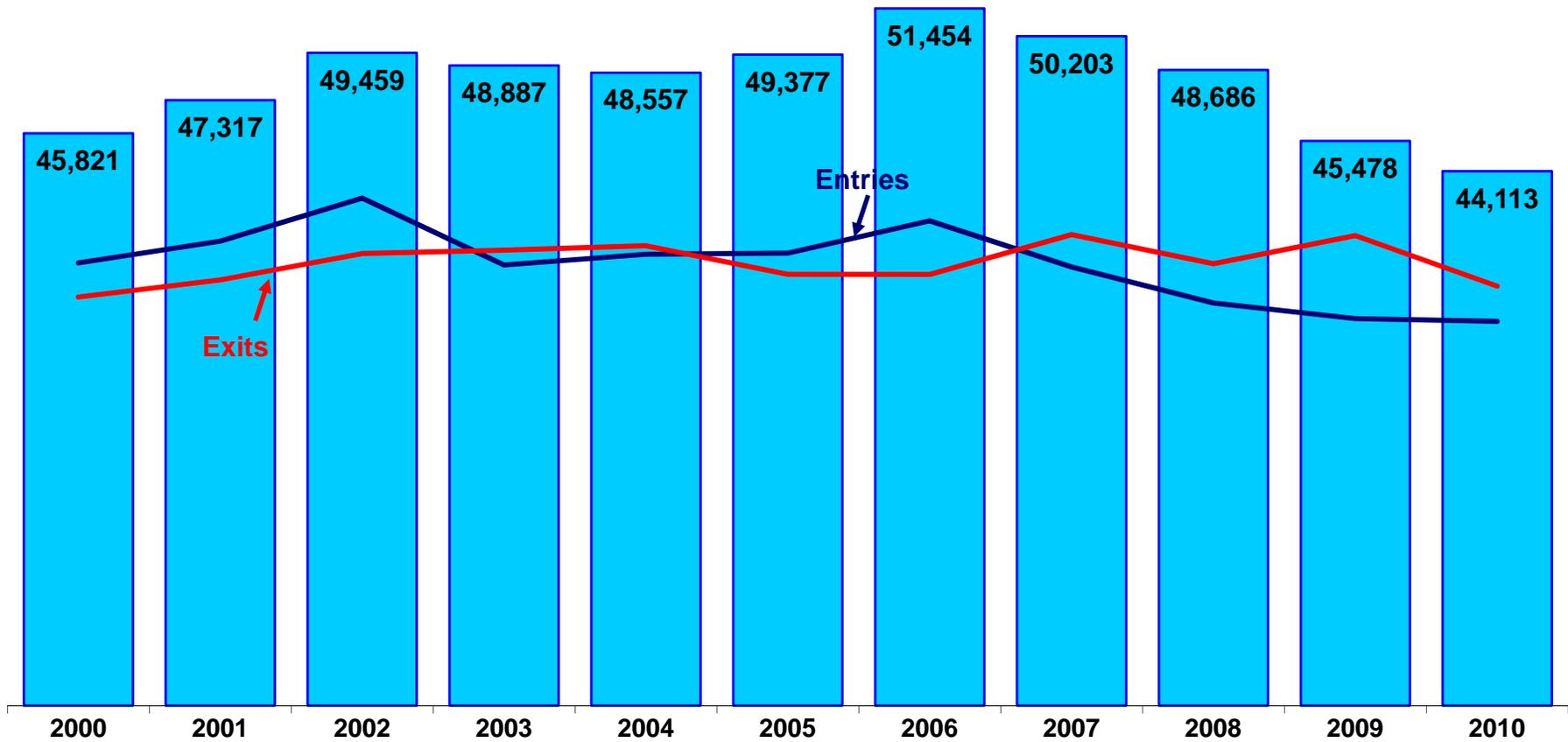
Exits from Prison System

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



Michigan's Prison and Camp Population

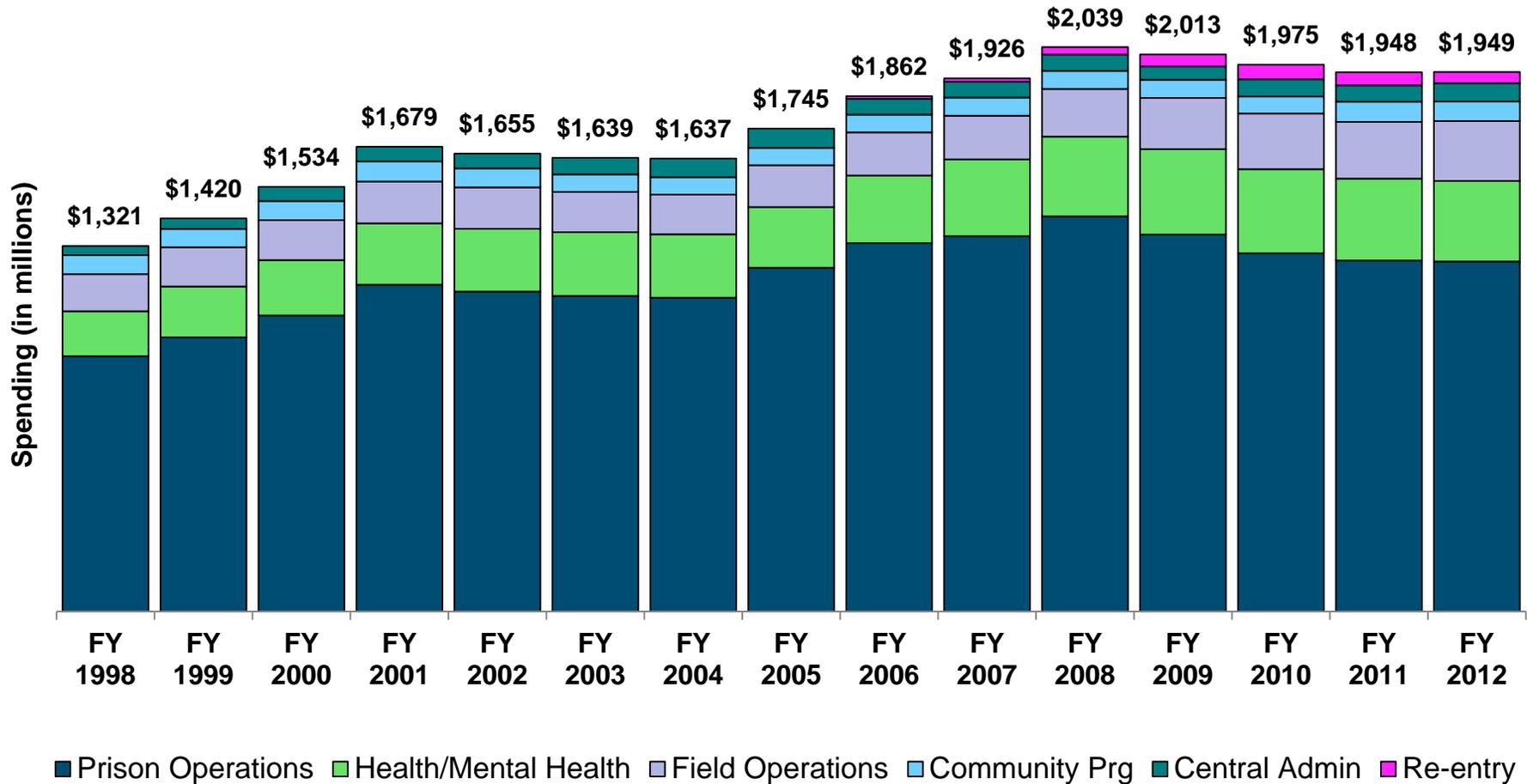
The recent drop in the prisoner population has been driven by the decline in prison entries which has largely resulted from the drop in returns due to parole/probation violations. Prison exits, however, also declined in 2010 with fewer moves to parole, which has slowed the population decline.



RECENT BUDGET GROWTH

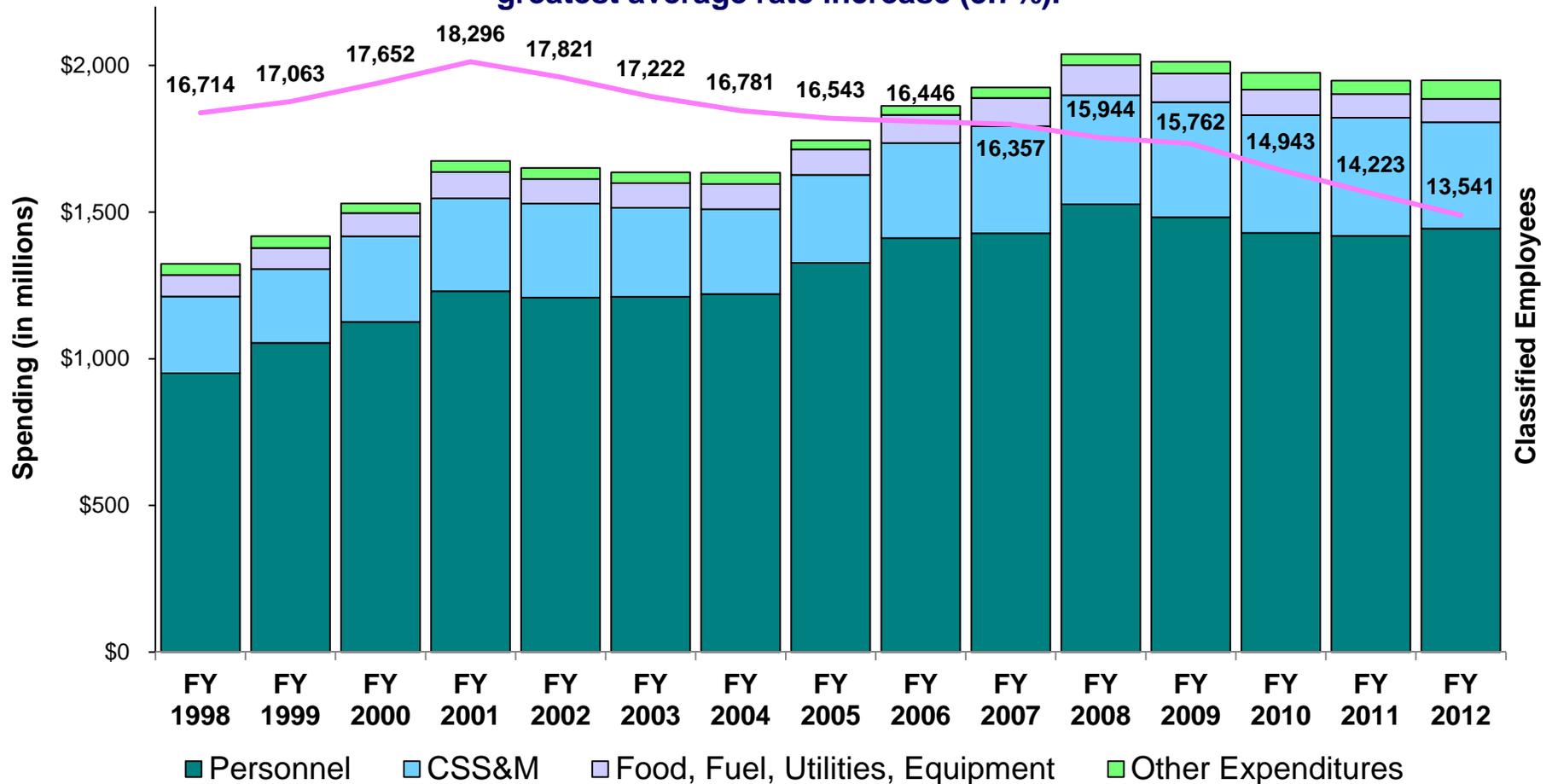
Corrections Spending Growth by Program

During the period from FY 1998 to FY 2012, Corrections spending has grown at an average annual rate of 2.8%. Prisoner health care and mental health care has been the largest growth component of the budget, with average growth of 4.2% over this time. Spending on general prison operations has grown by 2.3% annually during this period.



Corrections Spending Growth by Purpose

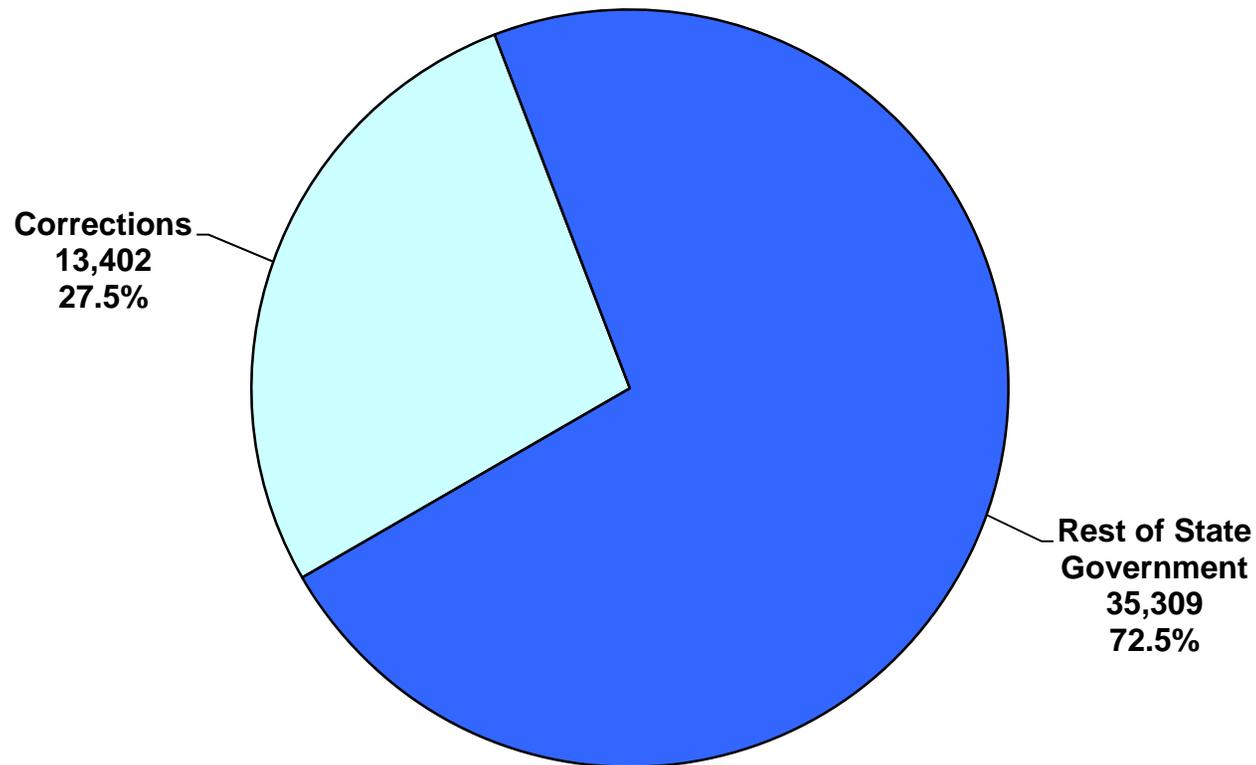
Personnel costs account for the majority of the budget and have risen at a 3.0% average annual rate over the FY 1998 to FY 2012 period, consistent with overall budget growth; however, actual employment has fallen since FY 2001. Contractual services, supplies, and materials costs (which include contracted prisoner health care costs) have seen the greatest average rate increase (3.7%).



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

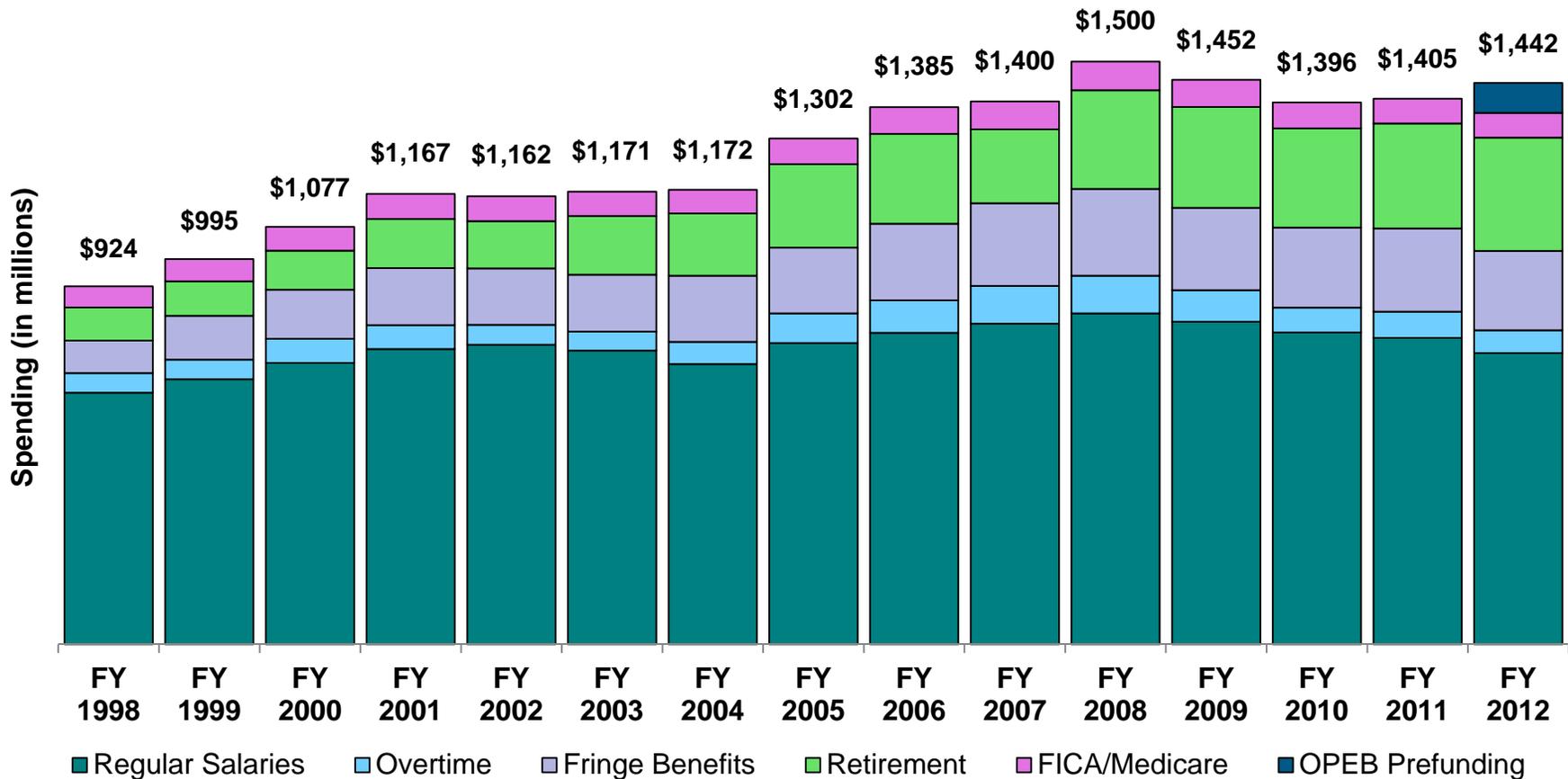
Corrections Share of Active State Classified Workforce

As of December 8, 2012 = 48,711 employees



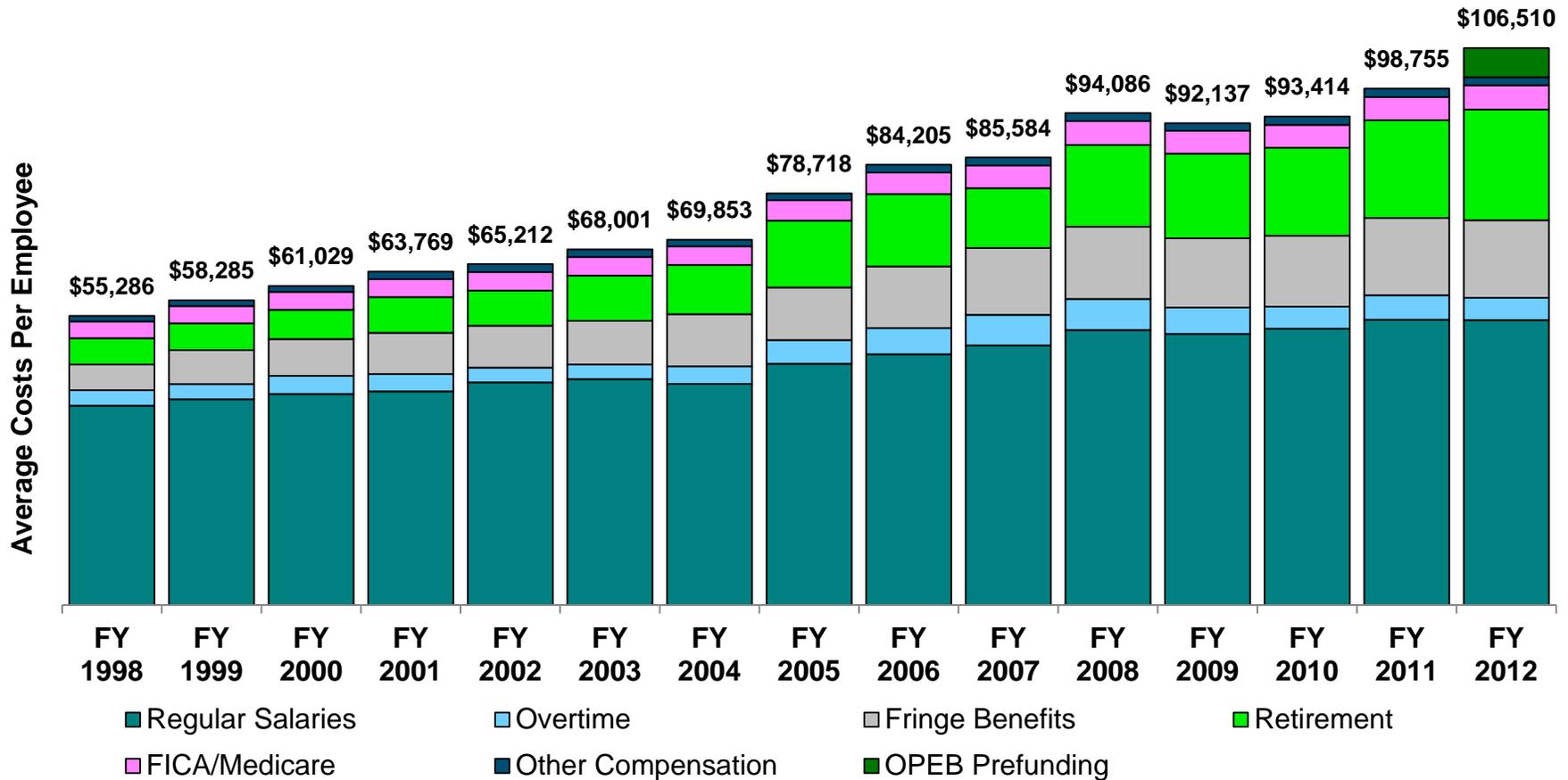
Corrections Personnel Costs

Since FY 1998, personnel costs for the MDOC have risen by an average of 3.2% annually. The largest drivers behind these cost increases have been fringe benefit and retirement costs. These costs in FY 2012 accounted for 33.8% of all personnel costs compared to 23.3% in FY 1997. FY 2012 costs also reflect the new initiative to begin pre-funding “Other Post-Employment Benefits” (OPEB), primarily retiree health care.



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 1998. Again, fringe benefit and retirement costs have played the largest role, with average annual per-employee increases of 9.6% across the period. Regular salary costs have increased by 2.6% annually. Most of the increase from FY 2011 to FY 2012 reflects the initiative to begin pre-funding OPEB costs.



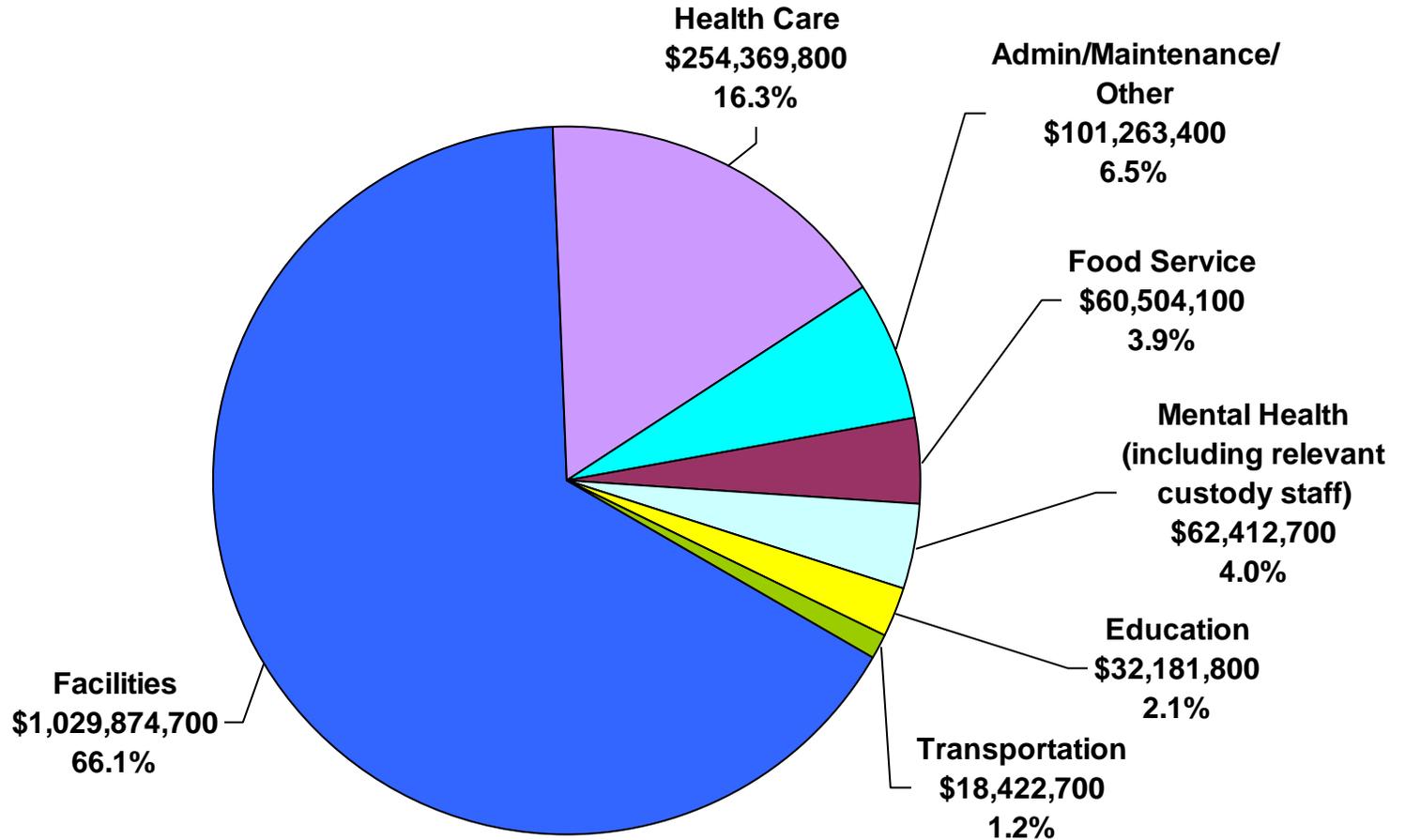
PRISON OPERATIONS: CORRECTIONAL FACILITIES

Prison Operations

- Michigan currently operates 31 correctional facilities located in 21 different counties
- About \$1.5 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, October 2012
 - Muskegon Correctional Facility: re-opened October 2012 as part of Ryan conversion plan
- As of December 2012, around 240 prisoners (primarily serving flat sentences) are housed in county jails under contracts with nine counties that have available bed space

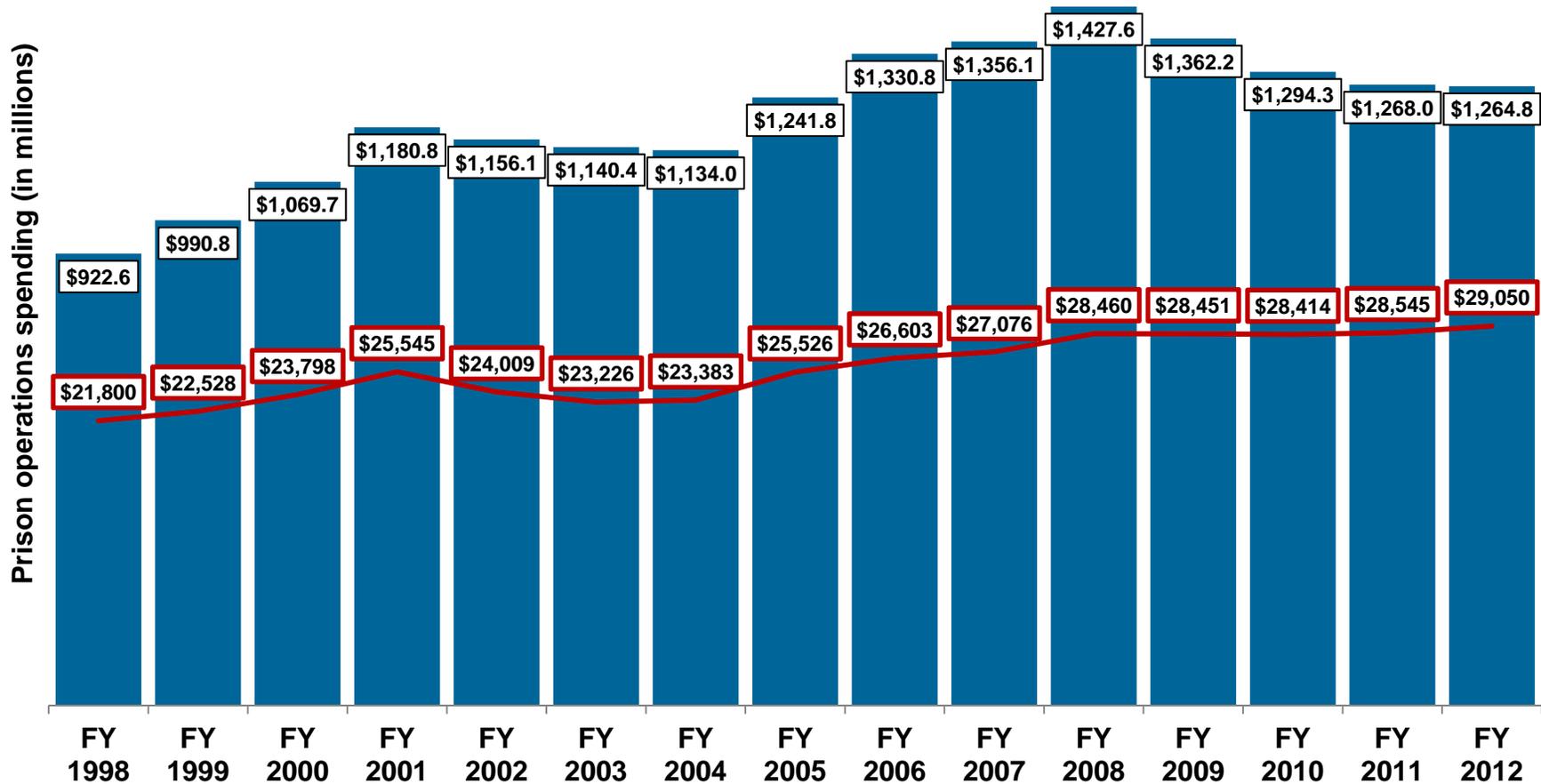
Prisoner Custody, Care, and Programs

FY 2012-13 Appropriation Total = \$1,559,029,200



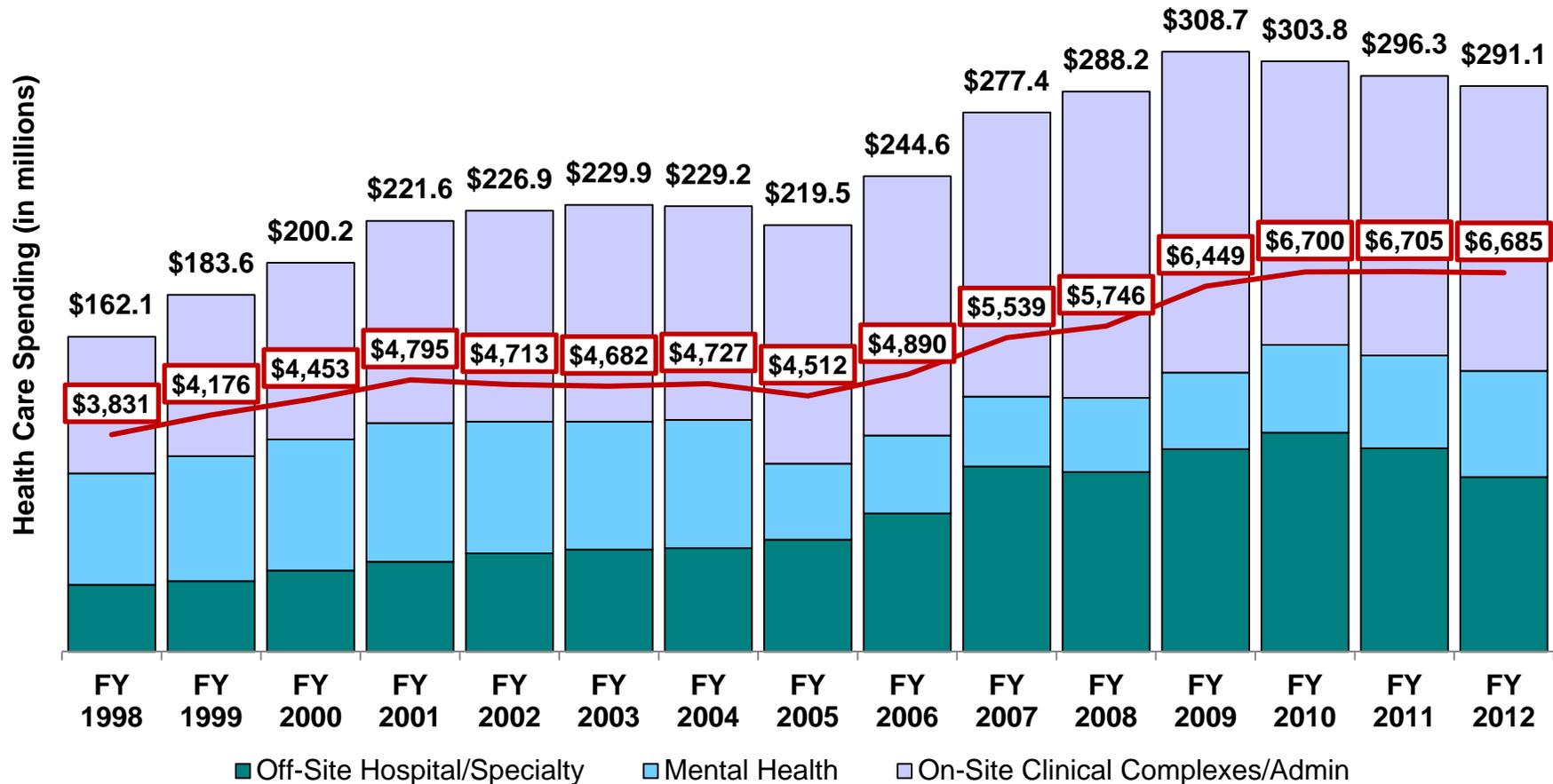
Prison Operations & Average Cost Per Prisoner

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. These per-prisoner costs grew by an average of around 2.1% per year over this period. Recent growth since FY 2006-07 has fallen somewhat further to 1.4%.



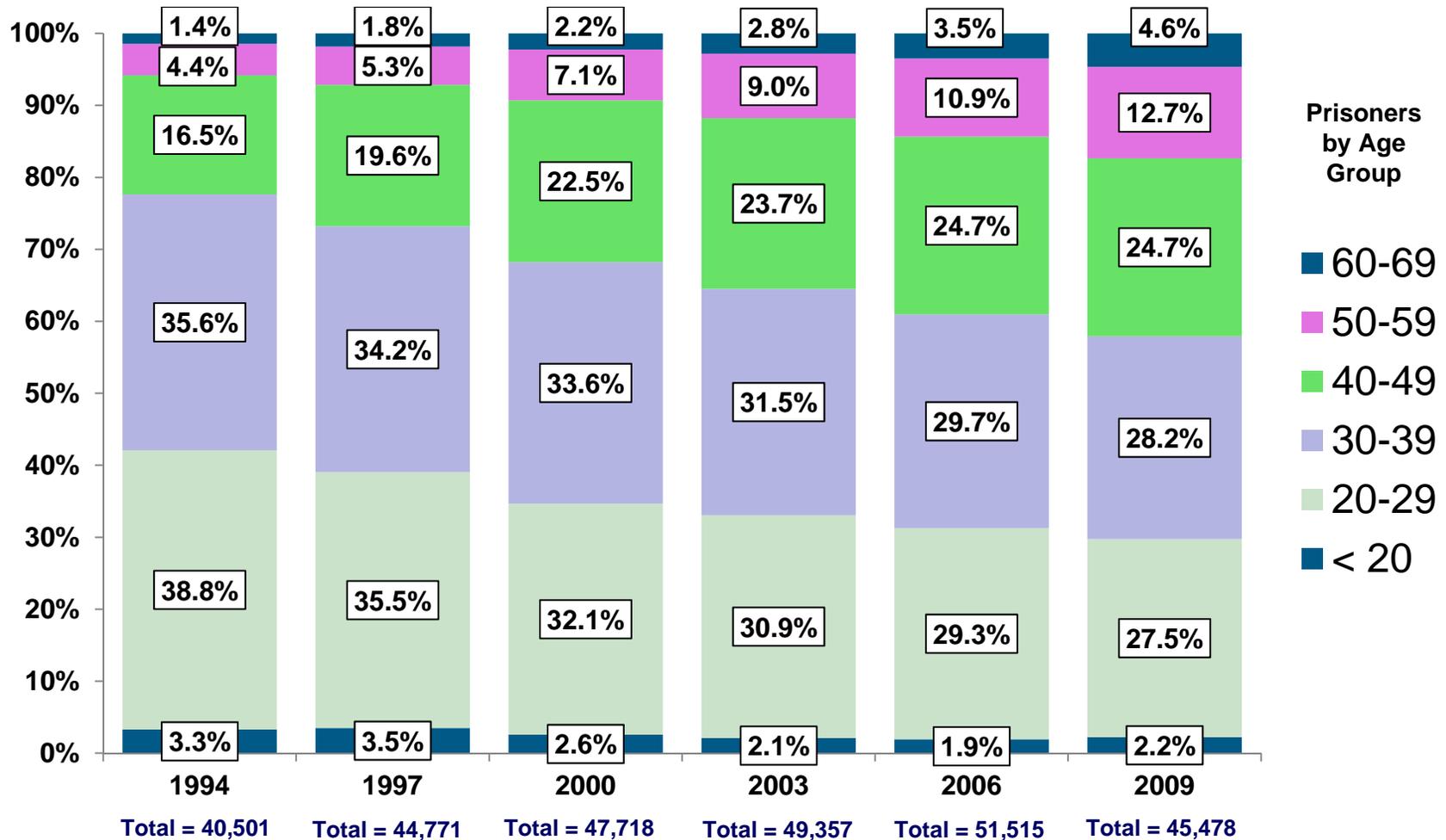
Prisoner Health Care and Mental Health and Average Cost Per Prisoner

Spending for prisoner health care and mental health services increased more significantly over the FY 1998-2012 time period. Per-prisoner costs shown on the red line increased by an average of 4.1% annually over the whole period. However, the rapid annual growth of 8.2% seen between FY 2004-05 and FY 2009-10 has stopped with no growth since that time.



Prisoner Age Distribution and Health Care

One probable factor in the rise of per-prisoner health care costs is the aging of Michigan's prison population. In 1994, only 22.3% of prisoners were over 40 years of age. By 2009, that percentage had increased to 42%, with 17.3% of the population over age 50.



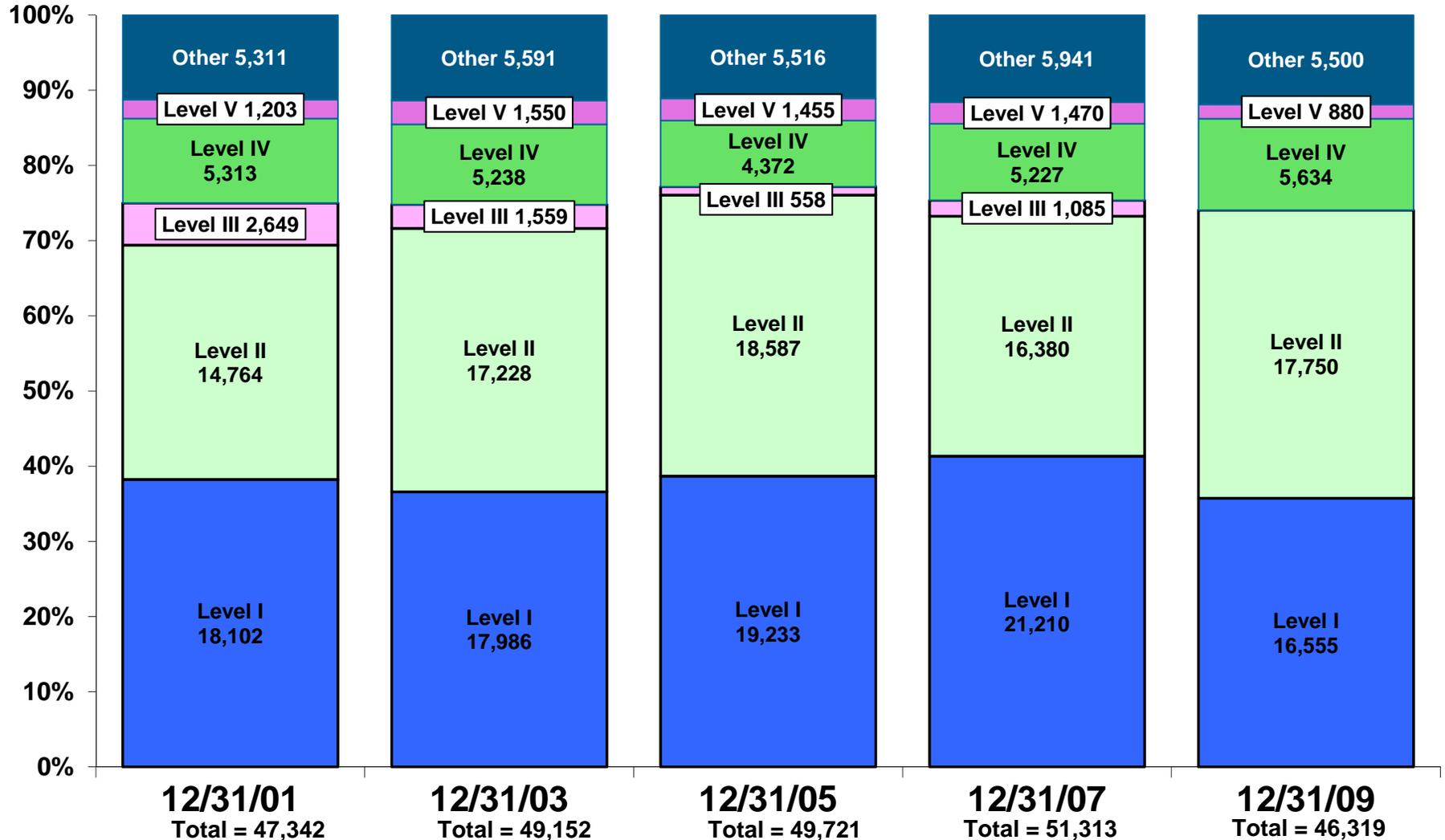
Facility Closures Since 2007

- **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**
- **Crane Correctional Facility (Coldwater) – May 2011**
- **Mound Correctional Facility (Detroit) – December 2011**
- **Ryan Correctional Facility (Detroit) – converted to re-entry center, 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

With the drop in prison population and facility closures, the percentage of prisoner population made of minimum security/Level I prisoners has fallen from 41.3% at the end of 2007 to 35.7% at the end of 2009. However, the number of maximum security/Level V prisoners has also fallen.



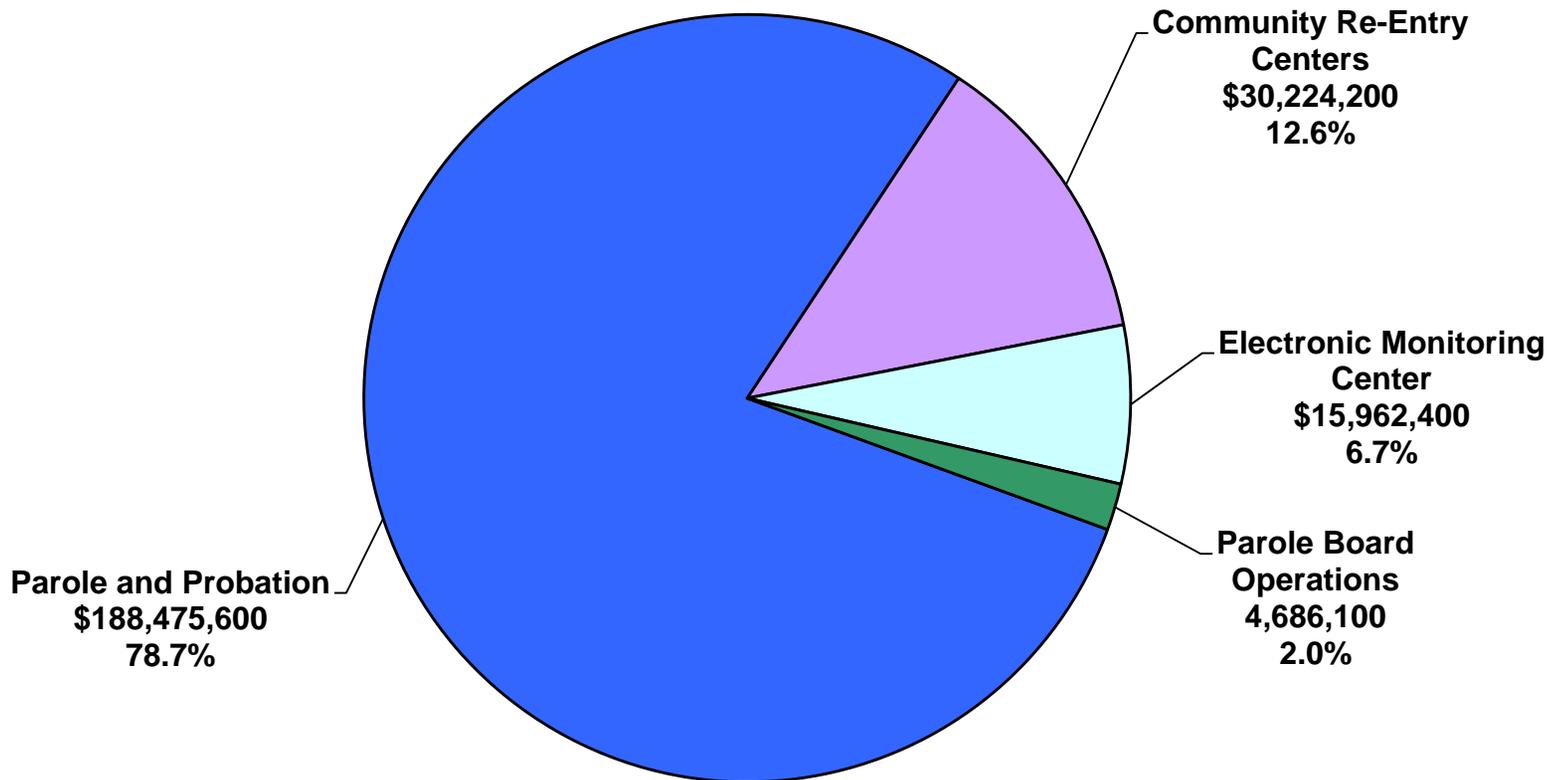
**FIELD OPERATIONS:
PAROLE AND PROBATION**

Field Operations

- **Field Operations Administration is responsible for supervising felony offenders outside of the prison, including probationers and parolees**
- **The largest component of Field Operations is parole and probation; as of September 2012, the MDOC employed over 1,300 active parole and probation agents charged with supervising around 68,000 offenders**
- **Community re-entry centers, which provide structured housing for parolees, and the electronic tether program also are funded through field operations**
- **Field Operations now incorporates the operations of the Detroit Re-entry Center, which was converted into a re-entry center from the former Ryan Correctional Facility to provide additional secure beds for parole violators and residential re-entry beds. The Tuscola Residential Re-entry Program in Caro was closed as part of the reorganization.**

Field Operations

FY 2012-13 Total = \$239,348,300



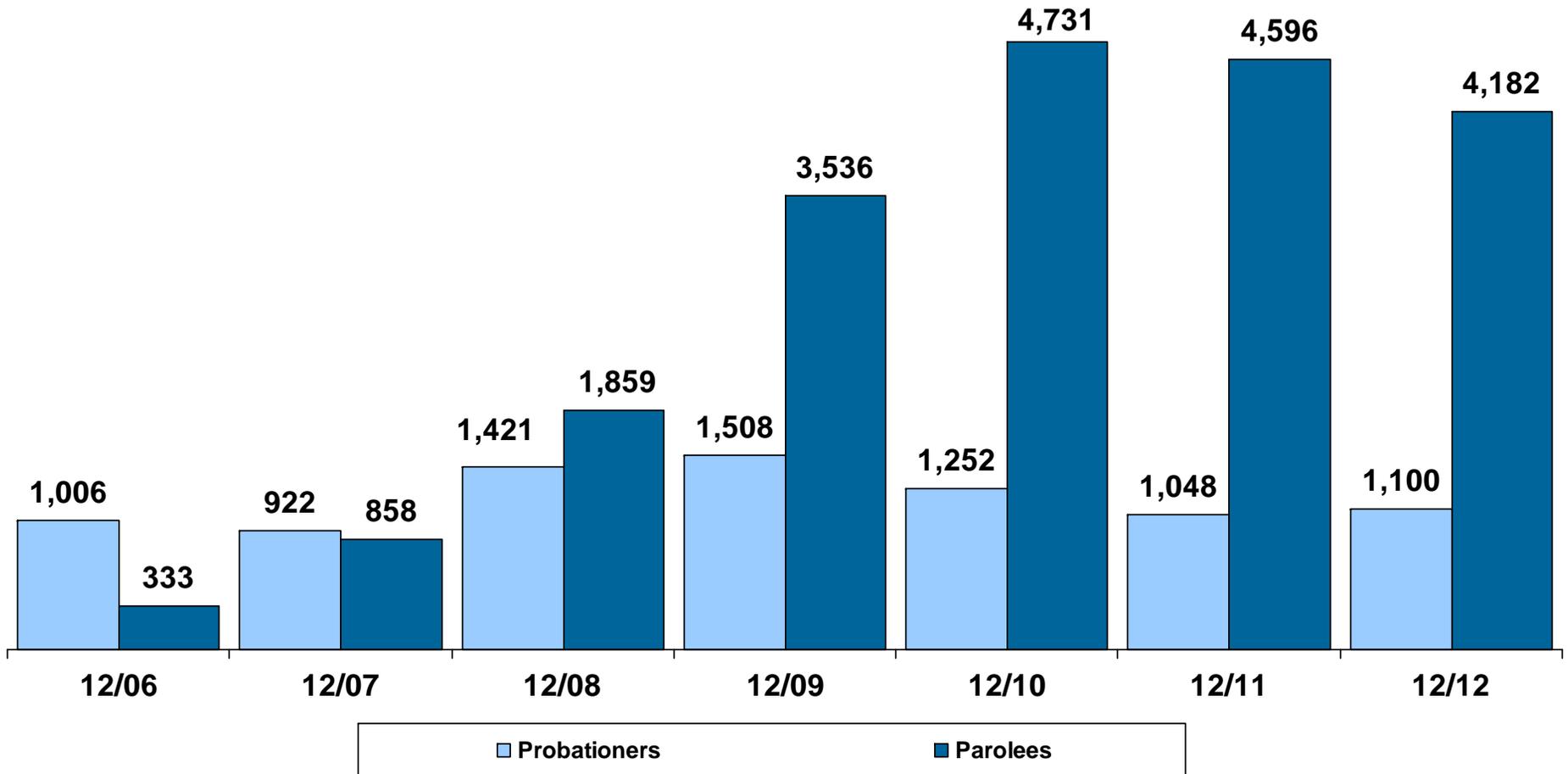
Parole/Probation Services & Average Cost Per Offender

Field Operations spending has increased by an average of 2.9% over the FY 1998 to FY 2012 time period. Recent growth since FY 2004 has been more significant (5.6% per year). This partially reflects increased use of electronic monitoring techniques. The red line shows these costs on a per-offender basis.



Electronic Monitoring Population

Due to increased use of global positioning system (GPS) tethers for parolees, the number of parolees on tether has more than quadrupled since 2006, although usage has declined since 2010. The overall number of supervised offenders has declined by more than 12% since the population peaked during 2010.



**COMMUNITY PROGRAMS:
ALTERNATIVES TO
INCARCERATION**

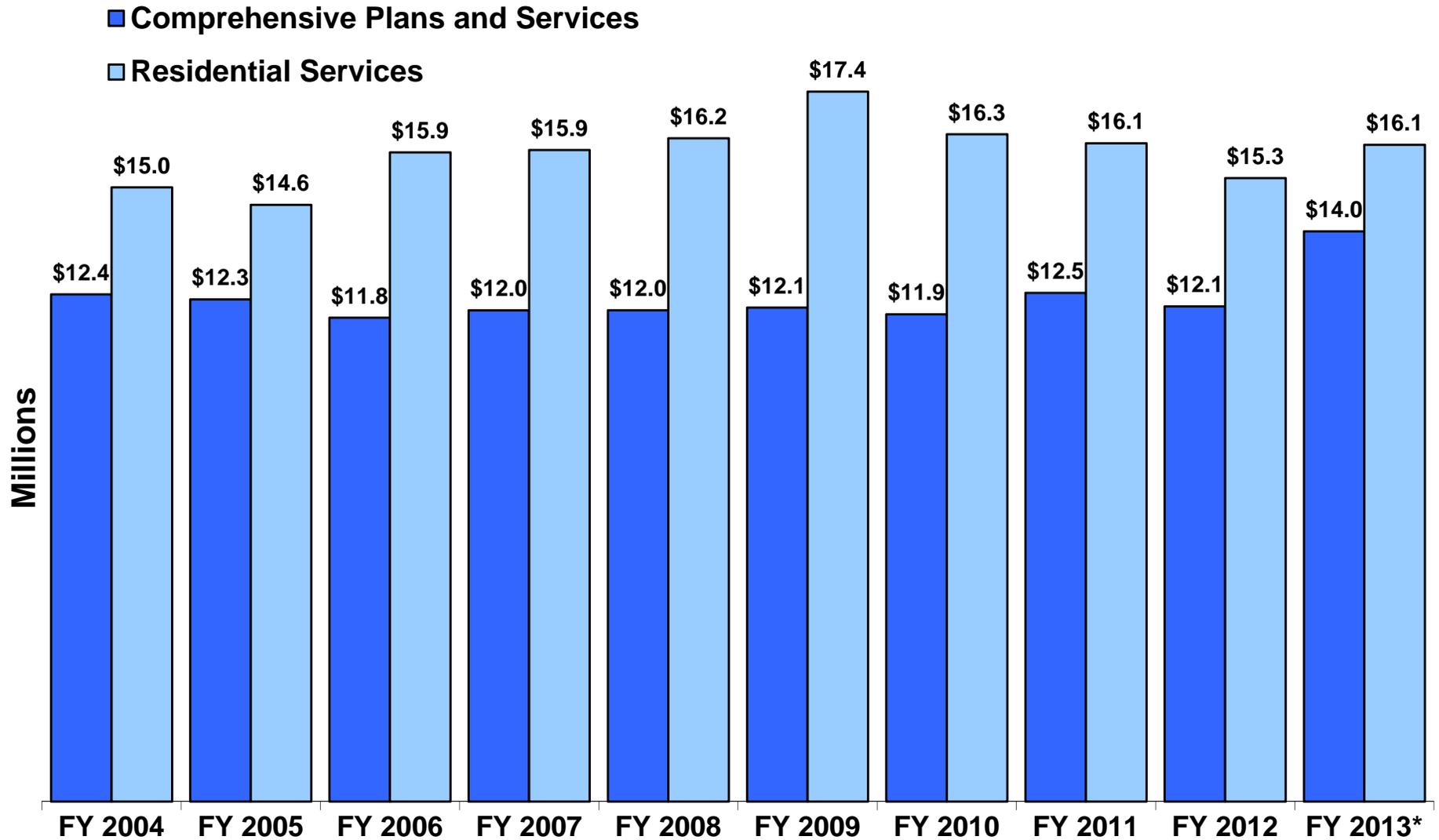
Community Corrections Program

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

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

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

Community Corrections Grant Payments

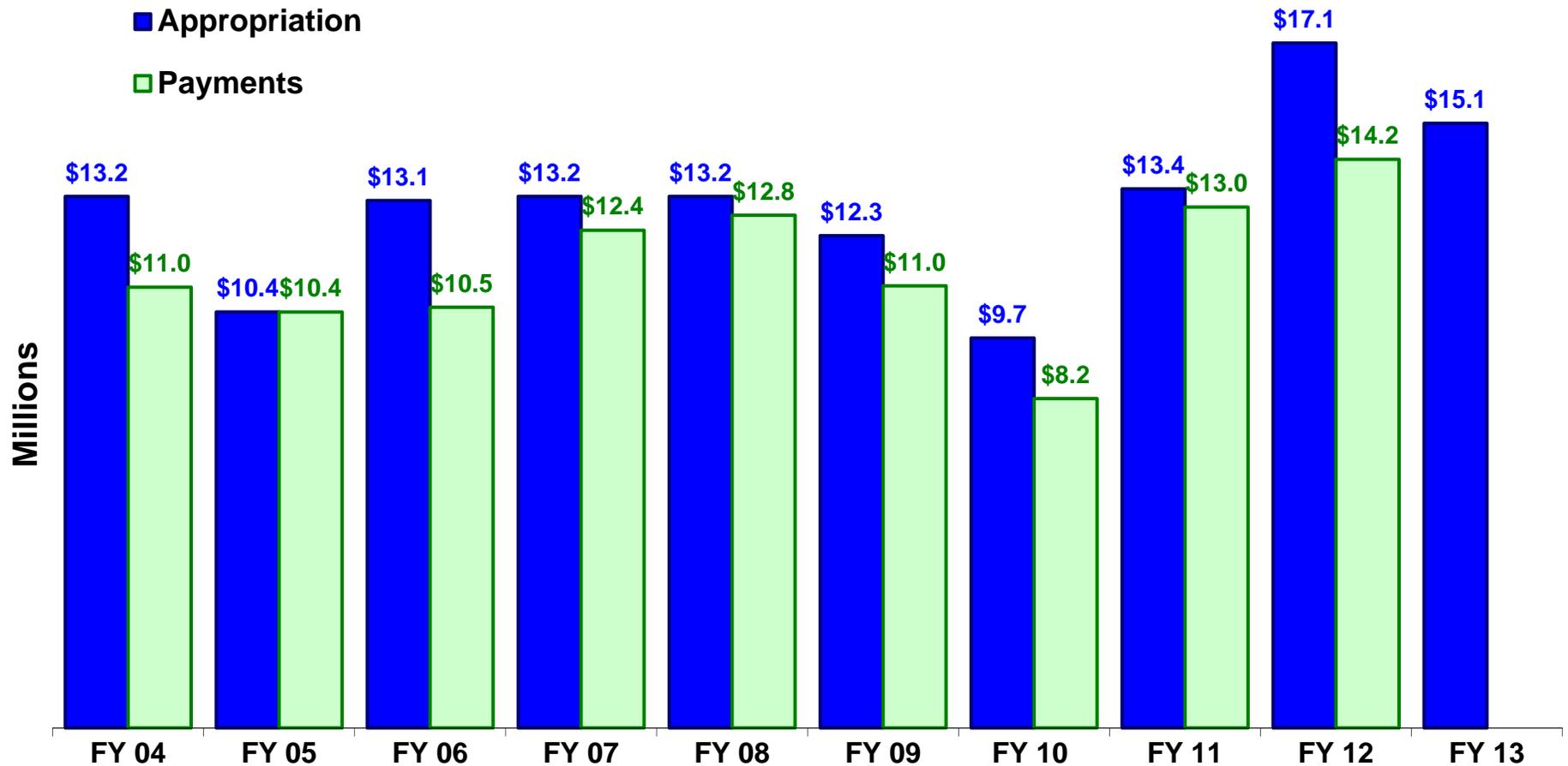


County Jail Reimbursement Program (CJRP)

- Provides counties with per diem payments for housing in jails felons who otherwise would have been sentenced to prison; instituted in FY 1988-89 budget act and established in statute by 1998 PA 317
- Reimbursement criteria and per diem rates set by annual budget act
 - In FY 2003-04, 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 2012-13 provides counties with 3-tiered reimbursement rate structure tied to sentencing guidelines score of housed offender; reimbursement varies from \$35 to \$60 per day
- Beginning with FY 2008-09, CJRP has been partially funded with civil infraction fee revenues dedicated to the program in statute; however, these revenues have been declining
- Distribution has traditionally been capped at appropriation level, which caused some counties to have unreimbursed bed days during FY 2007-08 and FY 2008-09

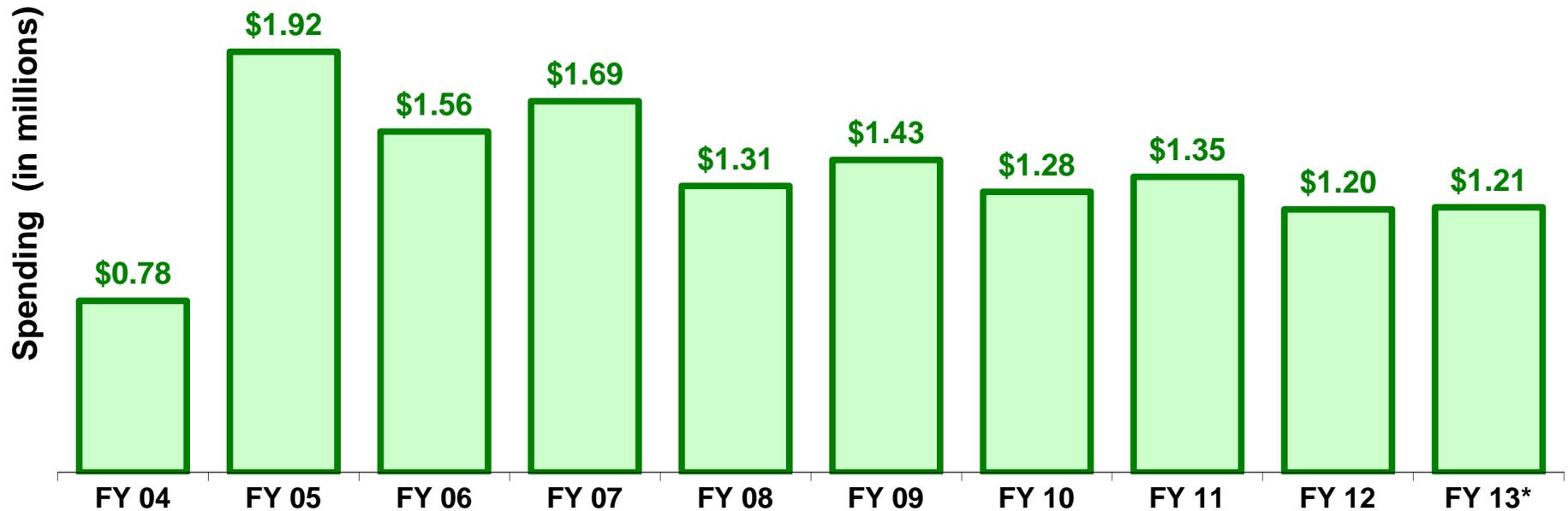
County Jail Reimbursement Program

Legislature boosted funding for the program in FY 2011-12. However, claims from counties have come in below the appropriated level, so spending has not kept pace. The appropriation for the program was then adjusted in FY 2012-13. A veto in FY 2009-10 eliminated funding for the program during the first fiscal quarter.



Felony Drunk Driver Jail Reduction and Community Treatment Program

Established in FY 2003-04, the program provides grants for the assessments, treatment, and housing of persons convicted on felony drunk driving charges. Goal of the program is to free up local jail beds that could be used to house felons who otherwise may have gone to a state prison.



* FY 13 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 2004-05 and funded in FY 2005-06**
 - **Additional seven sites developed in FY 2005-06 and funded in FY 2006-07**
 - **Statewide implementation commenced in FY 2007-08**

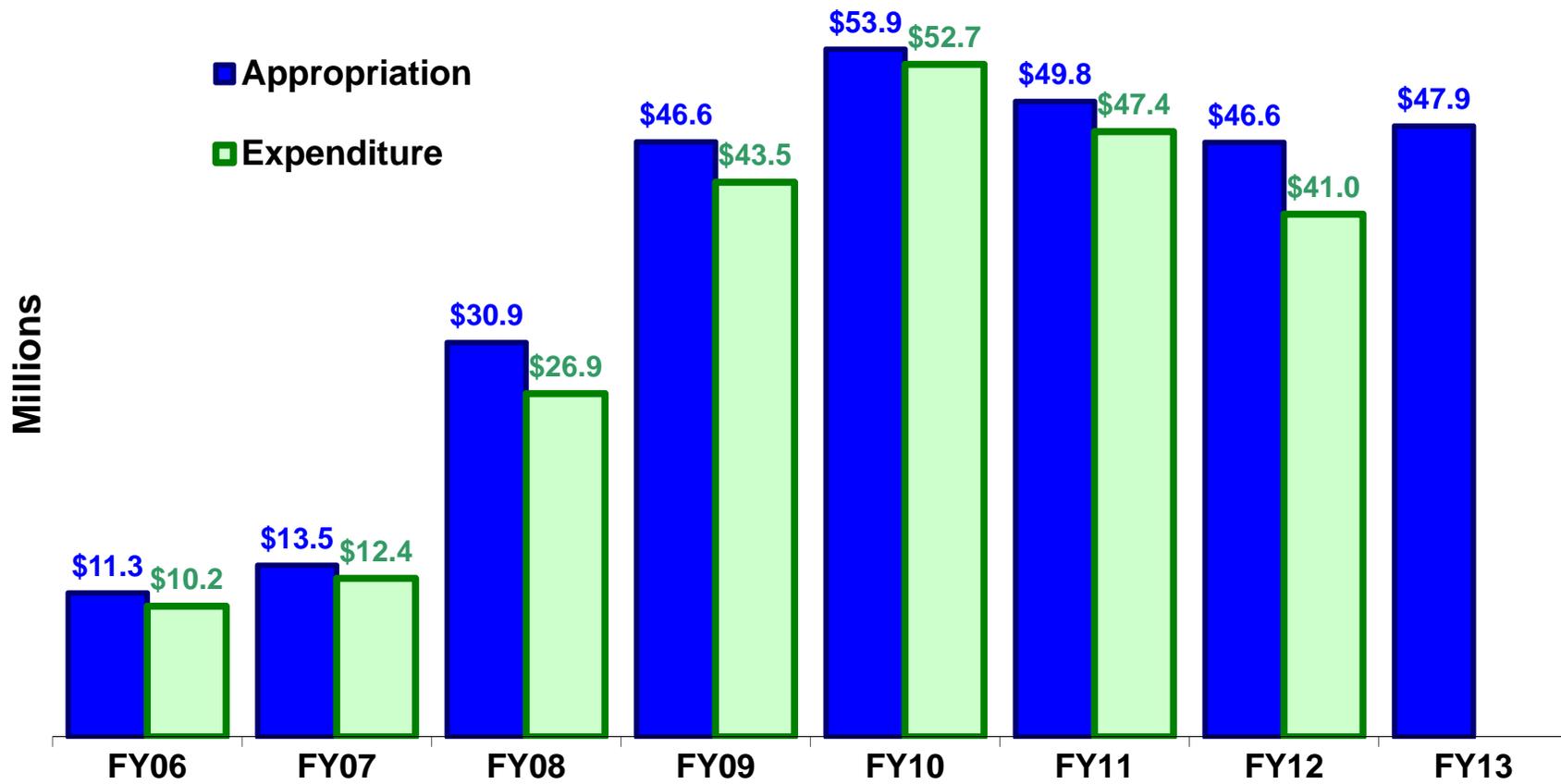
Prisoner Re-entry Funding

- **FY 2012-13 funding: \$47.9 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

Funding for community-based re-entry programs and services rose dramatically as MPRI implementation spread statewide. Full implementation involves prisoner intake assessment, pre-parole programming, and parole supervision, some of which are funded elsewhere in the budget.



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

**Bob Schneider
rschneider@house.mi.gov
(517) 373-8080**