



Budget Briefing: Corrections

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Briefing Topics

- Funding Sources
- Appropriation Areas
- Major Budget Topics
 - Offender Population
 - Recent Budget Growth
 - Prison Operations: Correctional Facilities
 - Field Operations: Parole and Probation
 - Offender Success: Programs and Services

Department of Corrections

- The Department of Corrections (MDOC) administers the state's adult prison, parole, and probation systems
- Major departmental functions include:
 - Operation of all state correctional institutions housing adults who are convicted of felonies and are sentenced to prison; operation includes provision of physical and mental health care, food service, transportation, and programming
 - Monitoring and supervising all parolees and probationers who are under the department's jurisdiction; convicted felons who are not sentenced to prison are either sentenced to county jail or are supervised in the community through the probation system
 - Oversight over community corrections programs, offender success programs (including education, job training, and career readiness programming for prisoners while they are incarcerated), and grant programs designed to encourage alternatives to prison placement for appropriate offenders

Key Budget Terms

Fiscal Year: The state's fiscal year (FY) runs from October to September. FY 2018-19 is October 1, 2018 through September 30, 2019.

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

Boilerplate: Specific language sections in a budget bill which direct, limit, or restrict line item expenditures, express legislative intent, and/or require reports.

Lapse: Appropriated amounts that are unspent or unobligated at the end of a fiscal year. Appropriations are automatically terminated at the end of a fiscal year unless designated as a multi-year work project under a statutory process. Lapsed funds are available for expenditure in the subsequent fiscal year.

Note: Unless otherwise indicated, historical budget figures in this presentation have not been adjusted for inflation.

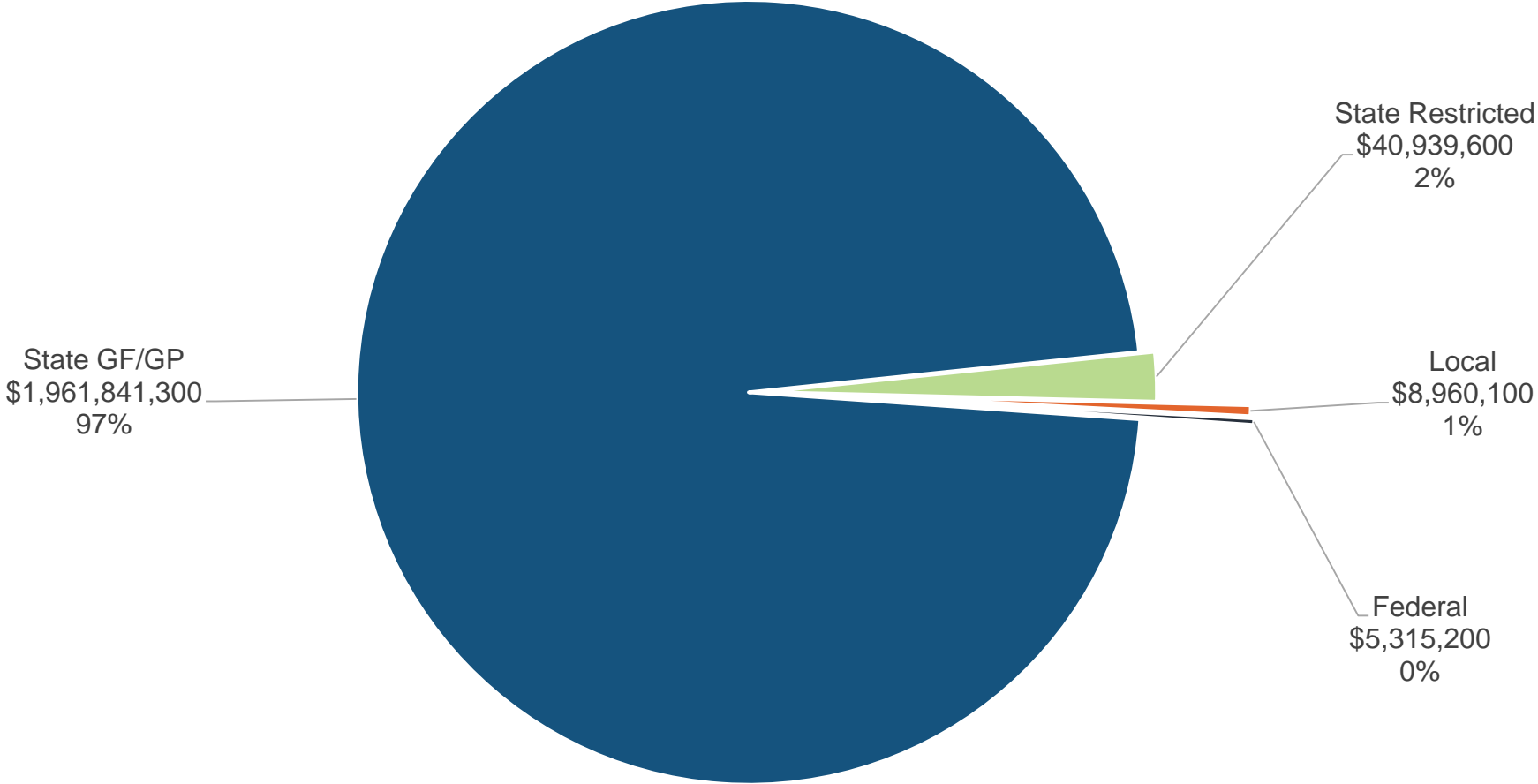
Funding Sources

FY 2018-19 MDOC Budget

Fund Source	Funding	Description
Gross Appropriations	\$2,017,056,200	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	\$2,017,056,200	Gross appropriations excluding IDGs; avoids double counting when adding appropriation amounts across budget areas
Federal Revenue	5,315,200	Federal grant or matching revenue; generally dedicated to specific programs or purposes
Local Revenue	8,960,100	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	40,939,600	State revenue restricted by the State Constitution, state statute, or outside restriction that is available only for specified purposes; includes most fee revenue
State General Fund/General Purpose (GF/GP) Revenue	\$1,961,841,300	Unrestricted revenue from taxes and other sources available to fund basic state programs and other purposes determined by the Legislature

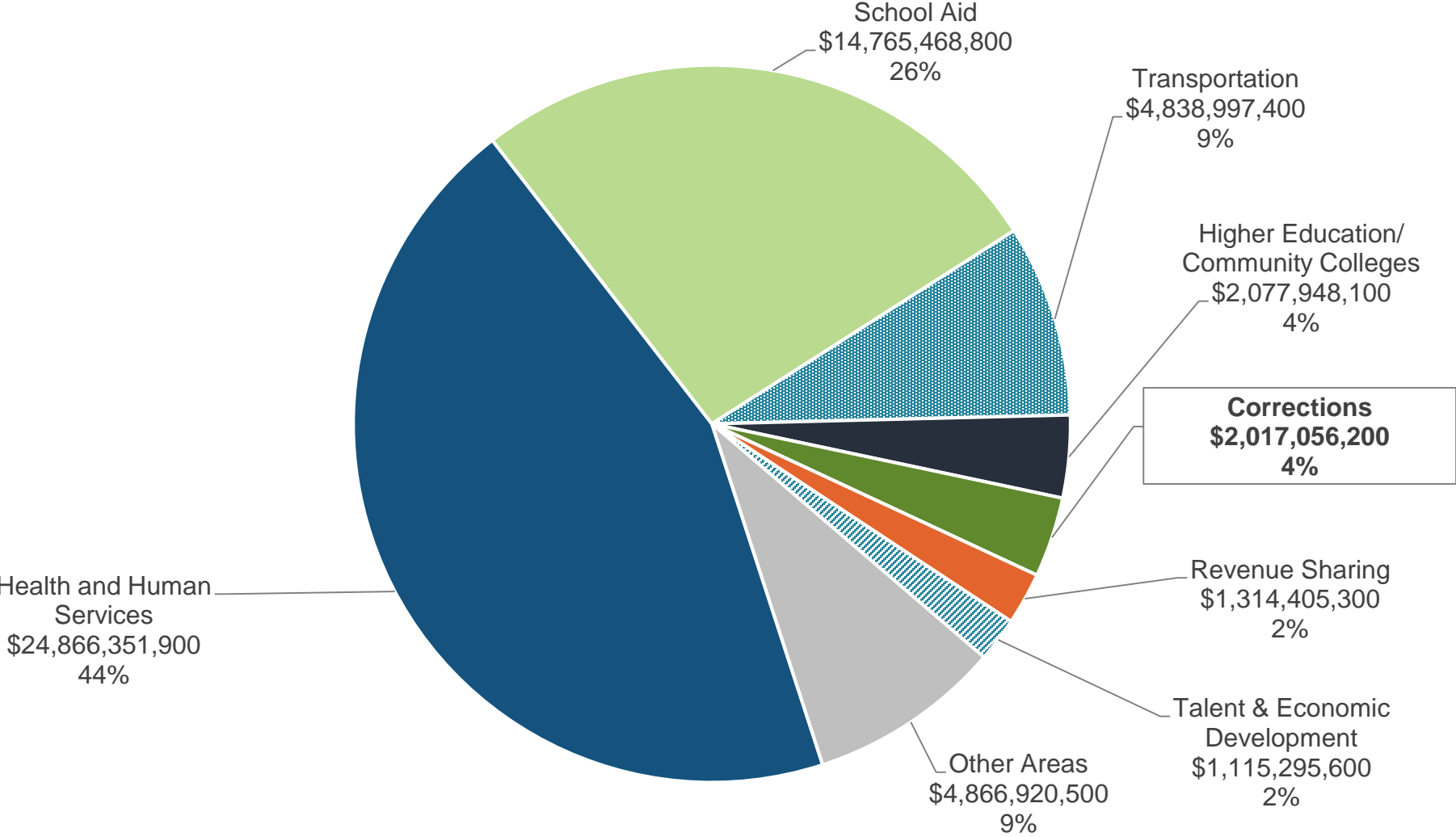
FY 2018-19 Fund Sources

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



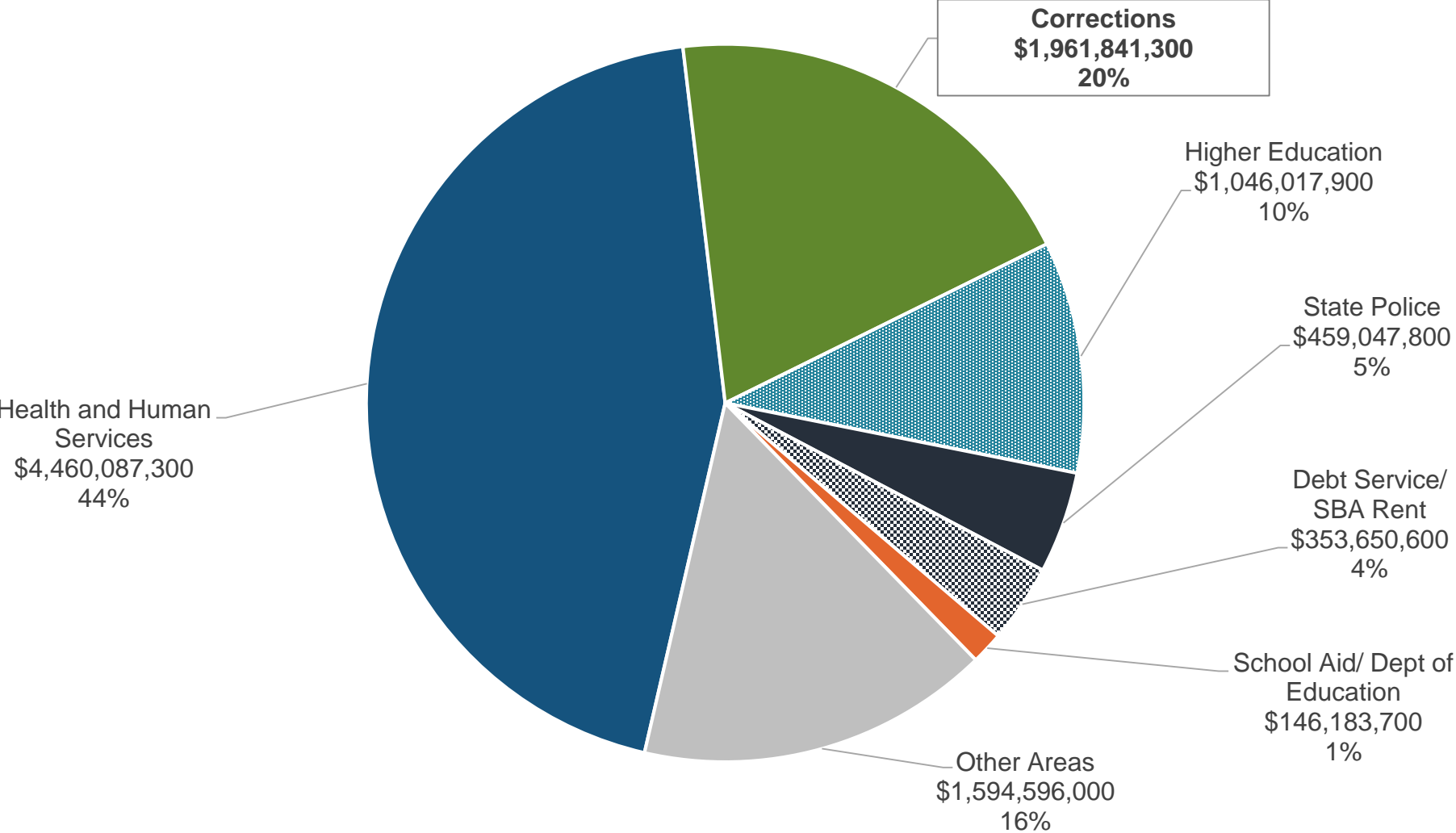
MDOC Share of Total State Budget

The MDOC budget represents 4% of the \$55.9 billion state budget (adjusted gross) for FY 2018-19.



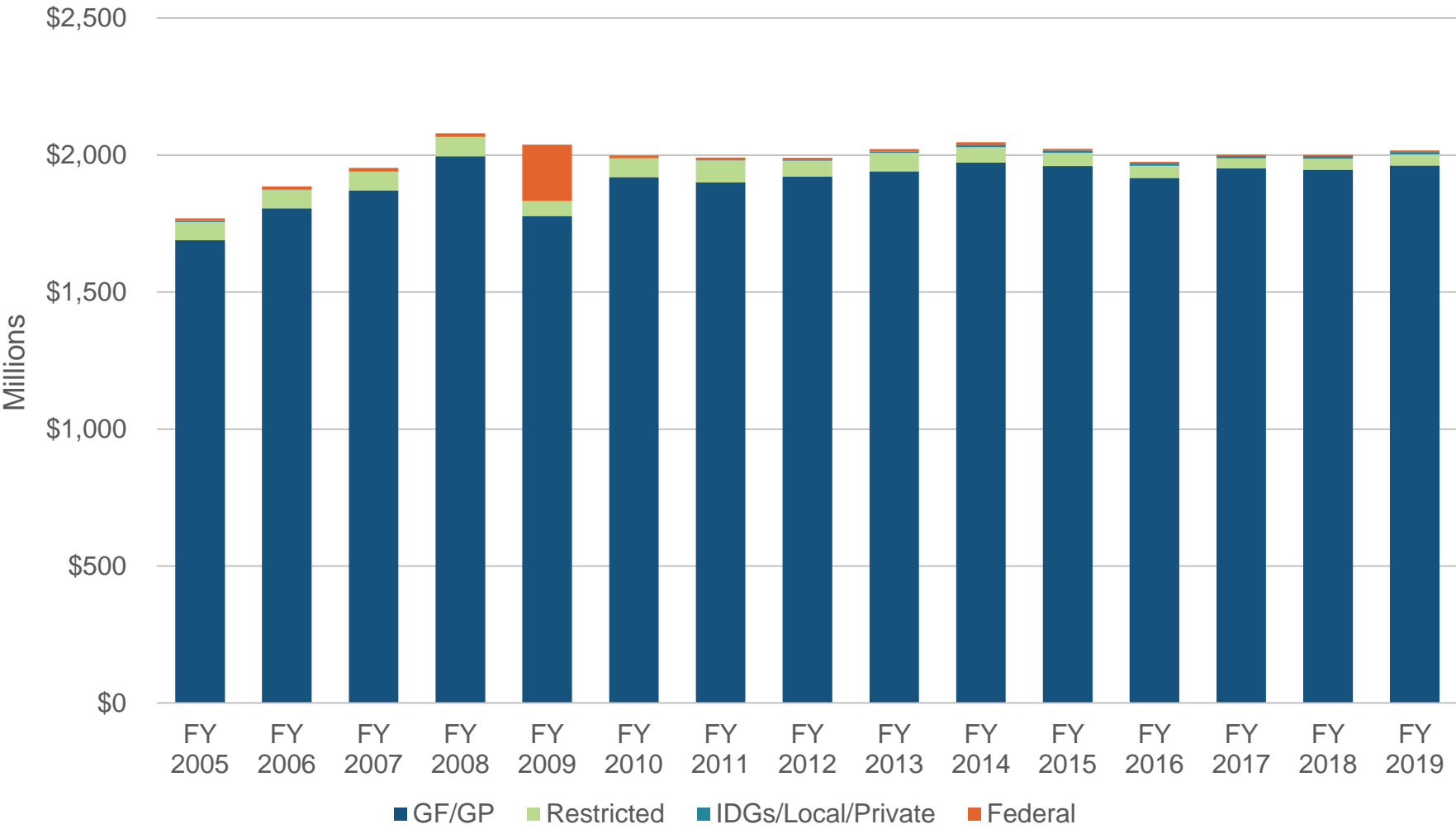
MDOC Share of Total GF/GP Budget

The MDOC budget represents **20%** of the state's **\$10.0 billion** GF/GP budget for FY 2018-19.



MDOC Funding History

Funding for the MDOC has increased by **14.0%** since FY 2004-05, driven mainly by increased costs for physical and mental health care for prisoners, and fringe benefit and retirement costs for employees.



Appropriation Areas

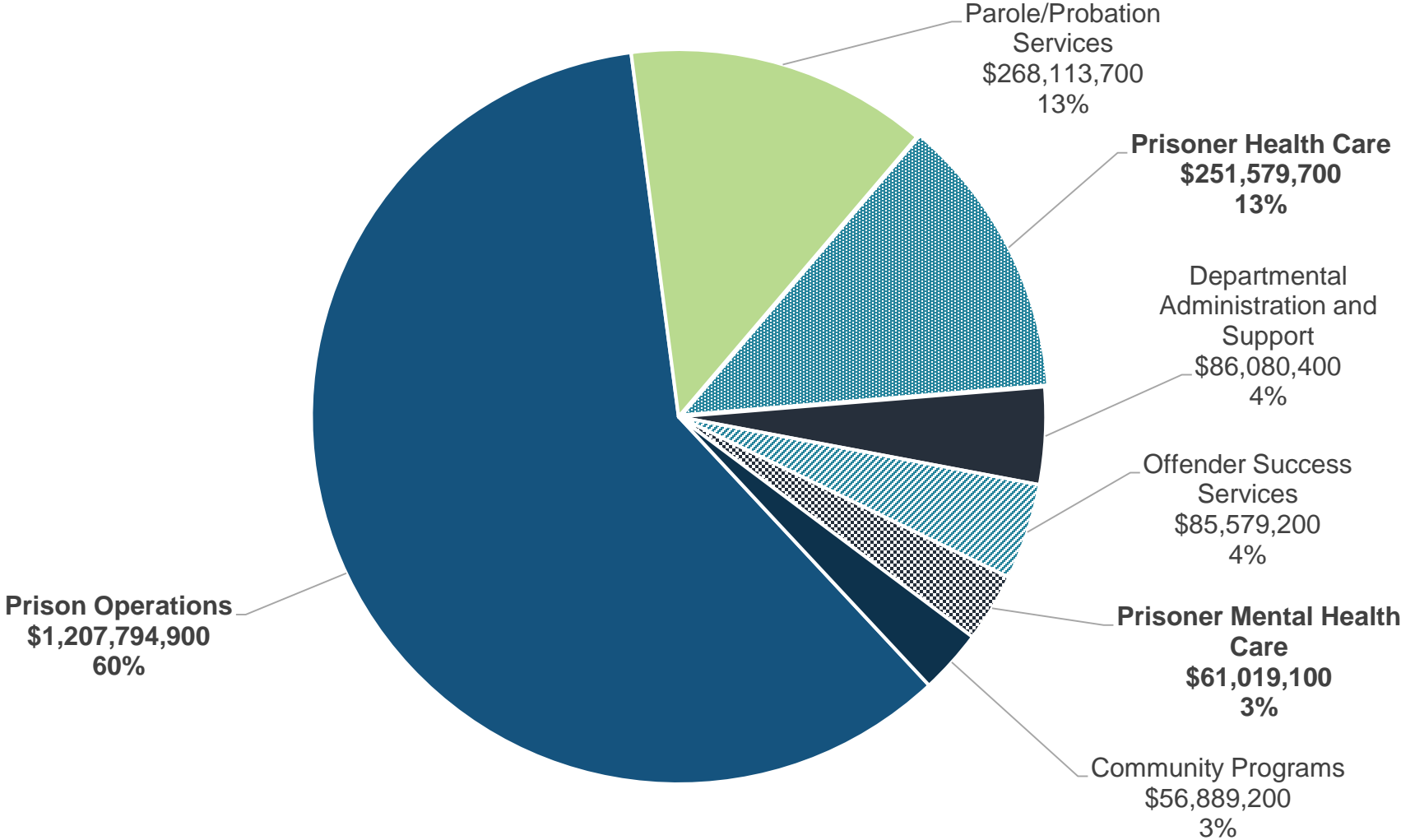
MDOC Appropriation Areas

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 transportation, prisoner behavioral programming, 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.



Major Budget Topics

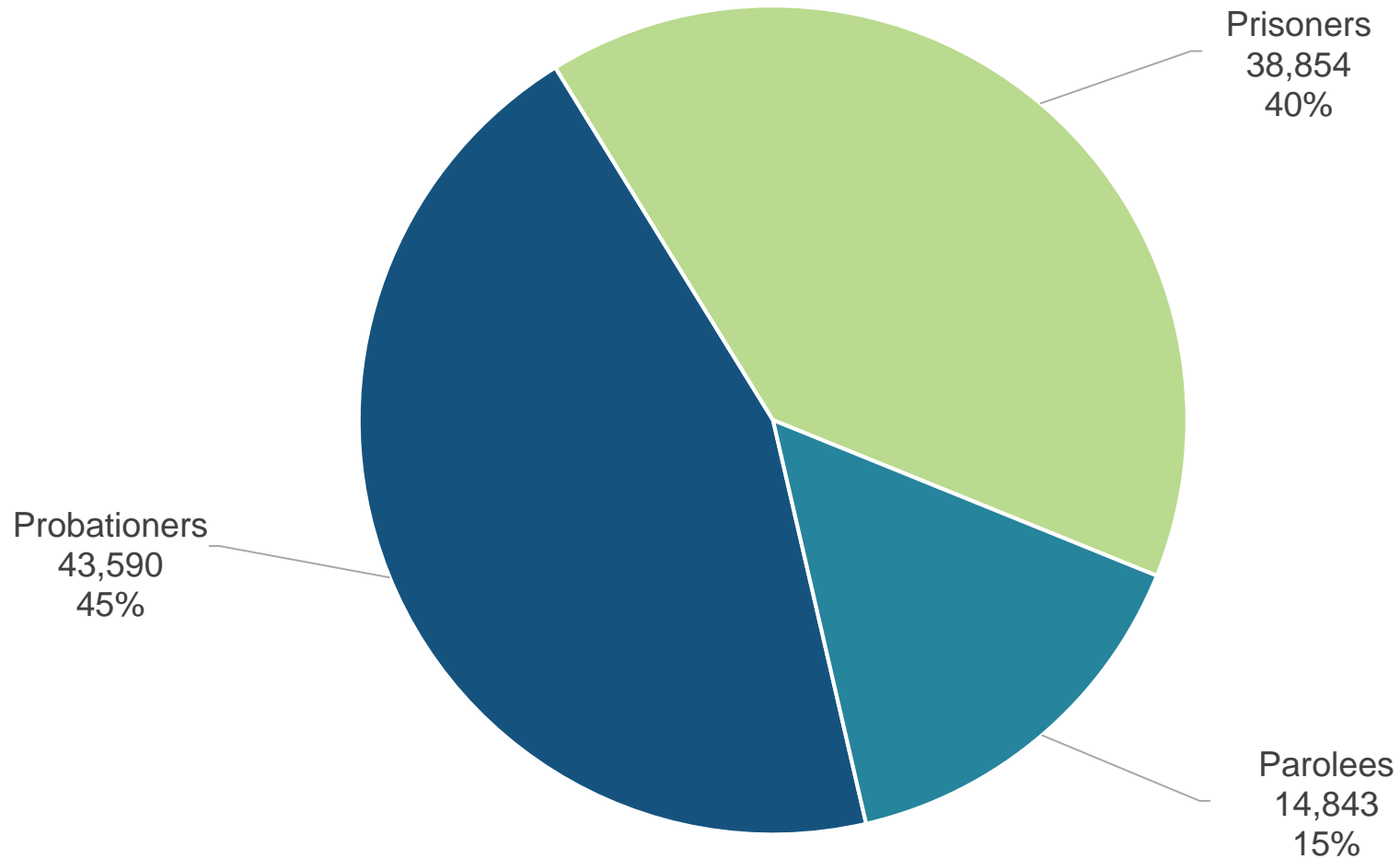
Offender Population

The Offender Population

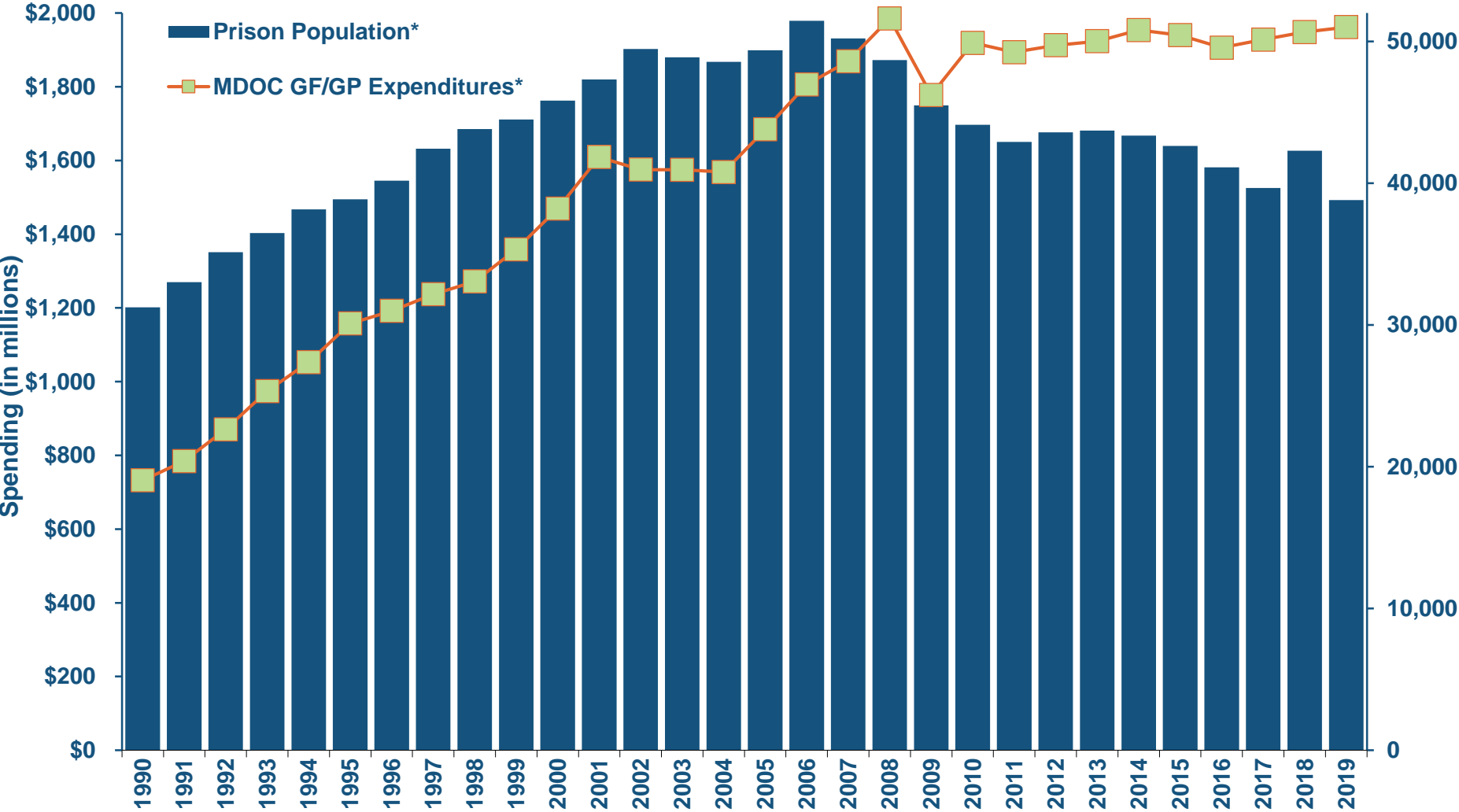
- **Prisoners:**
 - Felony offenders committed to the jurisdiction of the MDOC
 - Housed in prisons and special alternative incarceration
- **Parolees:**
 - Prisoners who have served at least their minimum sentence and who have been released to a period of supervision in the community
 - Supervised by 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 July 1, 2018, the total offender population under MDOC supervision was 97,287.



Growth in MDOC GF/GP Spending and the Prisoner Population

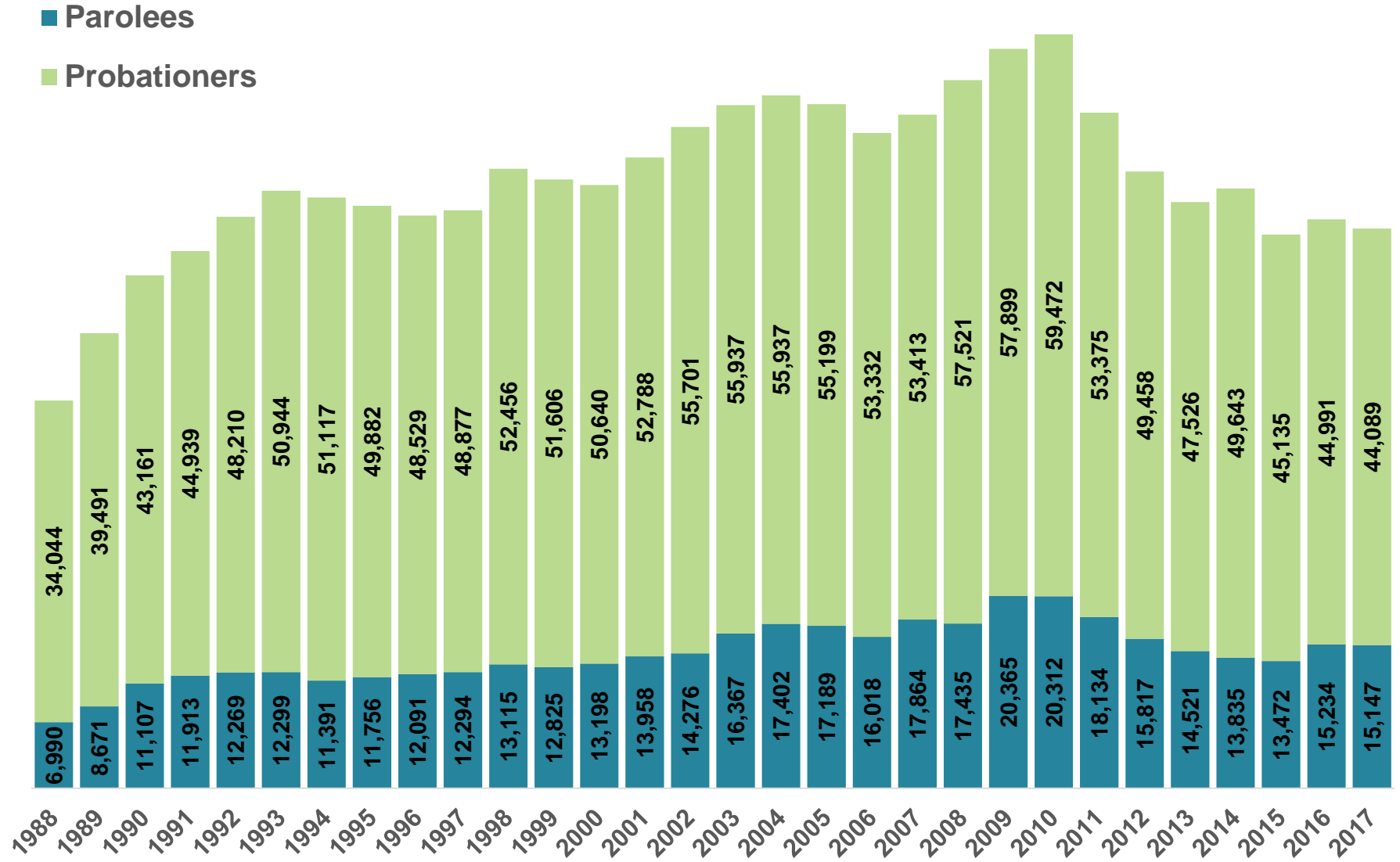


* 2018 and FY 2019 are based on year-to-date GF/GP appropriations and budgeted prisoner counts

Prison Population Changes

- Changes in the prison population are a function of the movement of offenders into and out of the system
- Entering the system:
 - New court commitments: felony offenders sentenced to prison
 - Parole/probation violators: sent to prison due to new sentences or technical violations
 - Court returns: prisoner returns from court (sometimes with additional sentences imposed)
 - Other returns: from community placement, from county jail, from mental health hospital, from escape of MDOC custody
- Exiting the system:
 - Parolees: granted parole by the Michigan Parole Board
 - Released to court: for new trial or appeal
 - Community Residential Program: community supervision prior to truth-in-sentencing
 - Discharged at maximum sentence
 - Other exit: death, temporary county jail stay, release to mental health hospital, escape

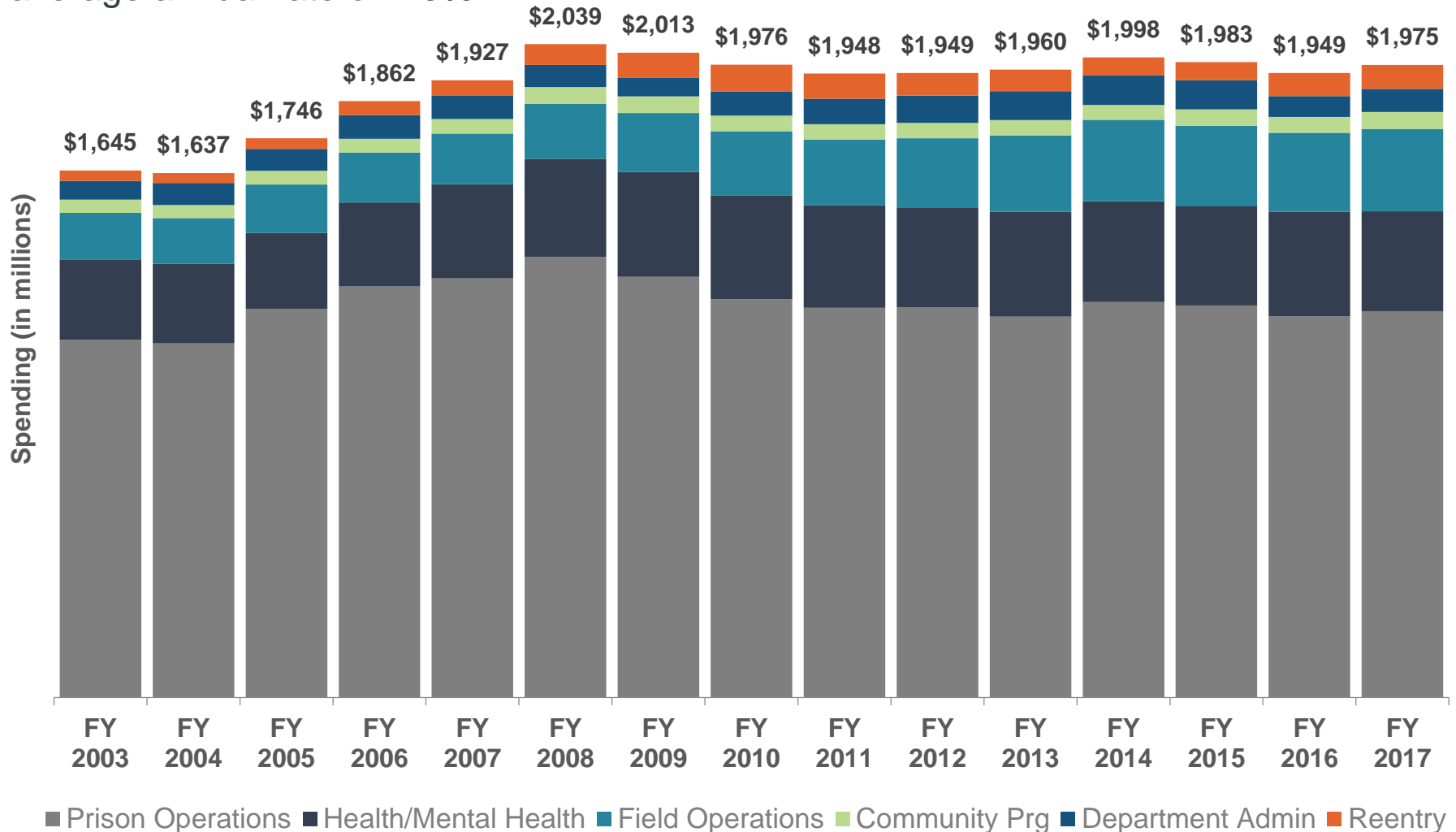
Parole and Probation Populations



Recent Budget Growth

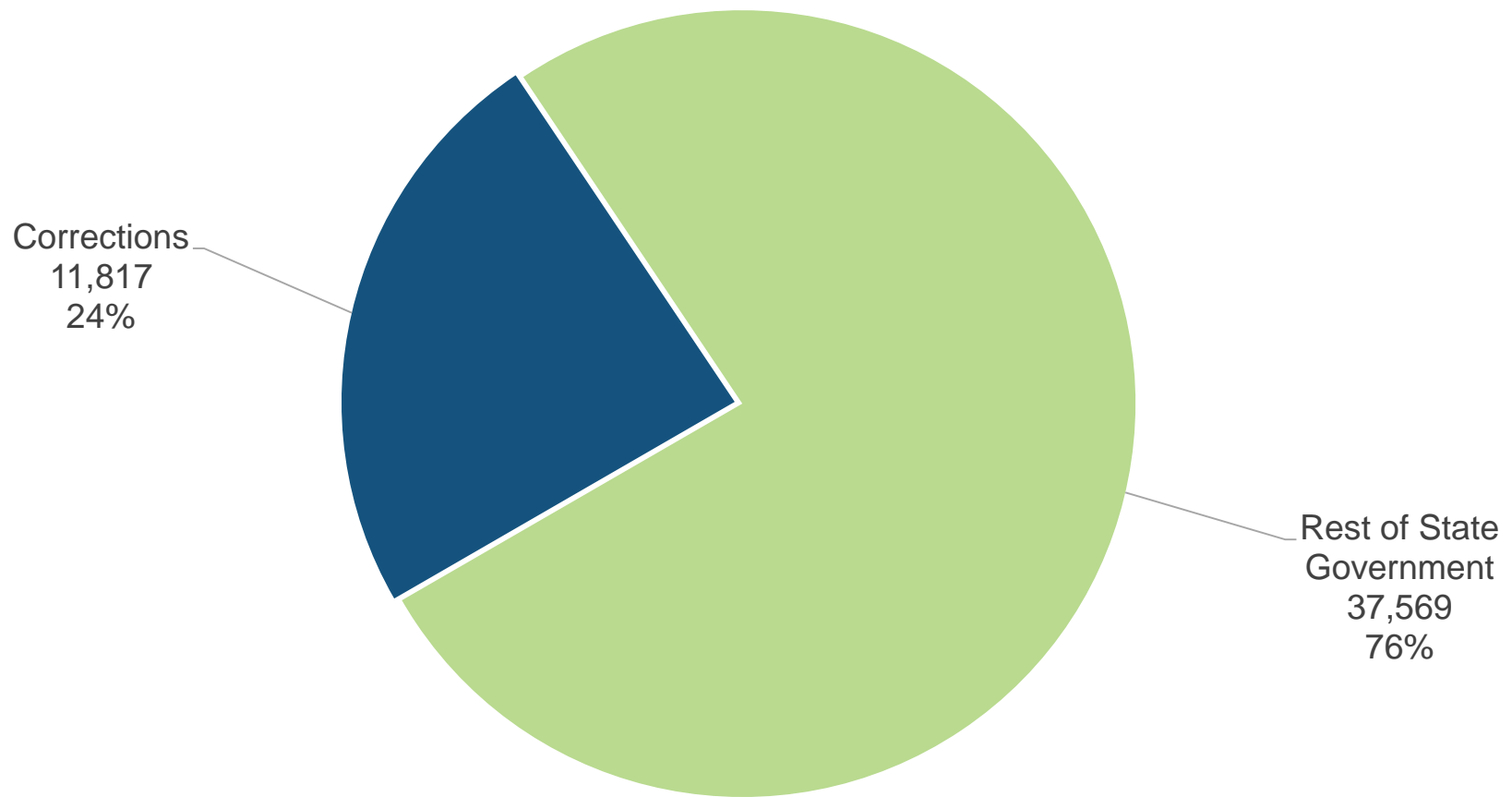
Corrections Spending Growth by Program

From FY 2002-03 to FY 2016-17, Corrections spending increased at an average annual rate of **1.3%**. Spending on prisoner reentry services increased at an average annual rate of **6.8%** and spending on field operations (probation and parole) increased at an average annual rate of **4.0%**.



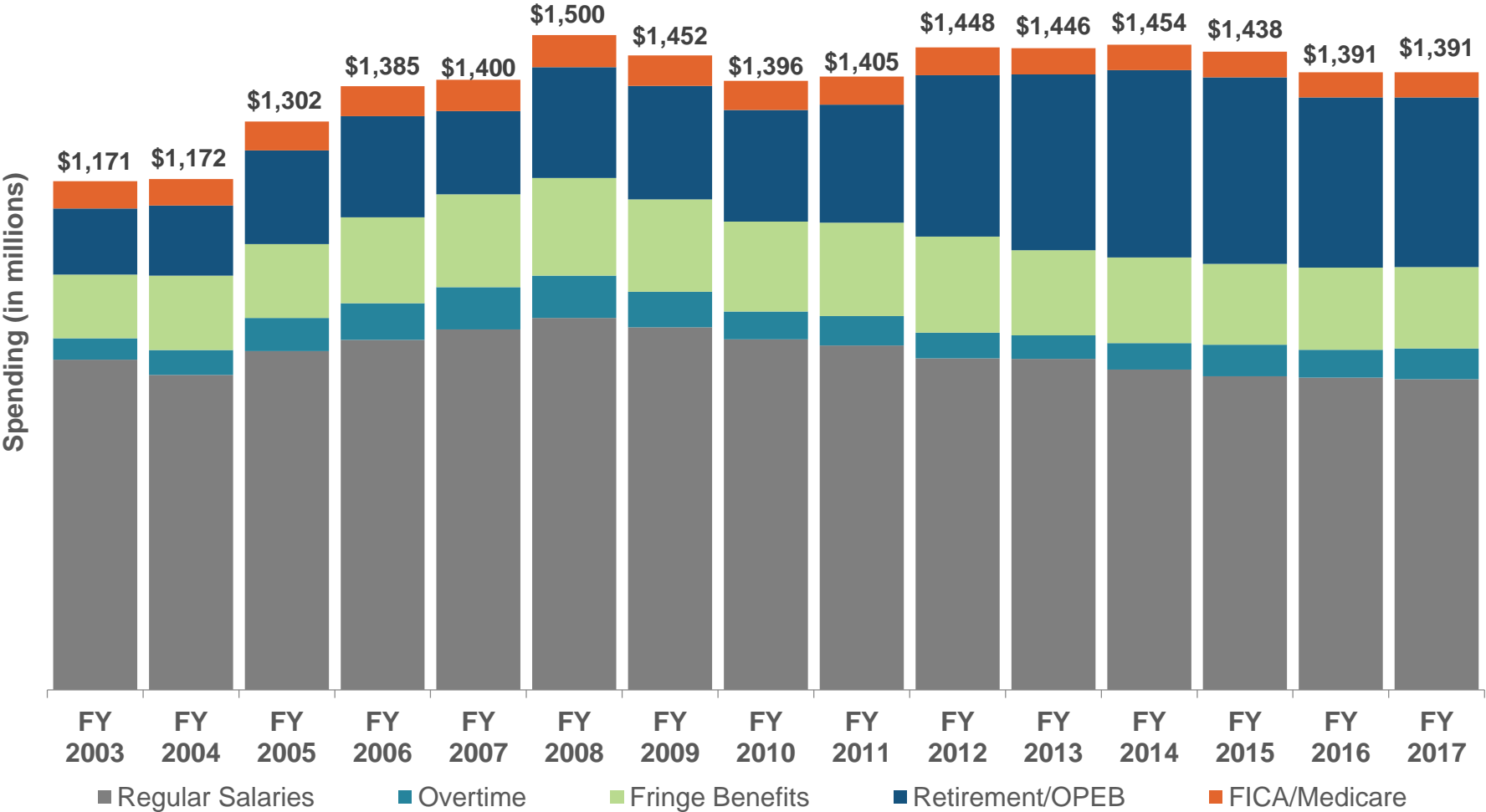
MDOC Share of Active Classified Employees

As of July 1, 2018, the total number of active classified employees in the state's workforce was 49,386. Of those, **24%** were employed by the MDOC.



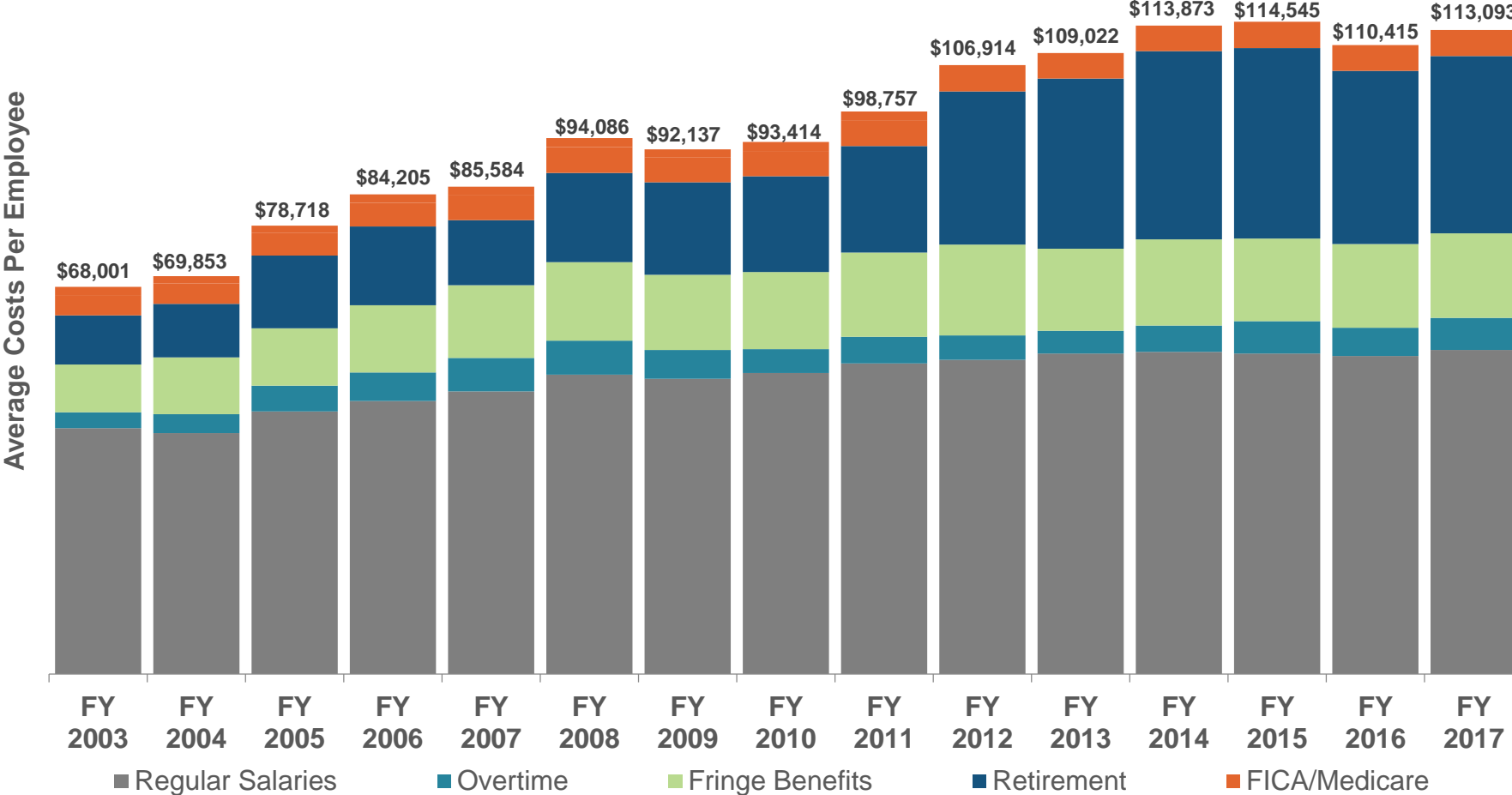
Corrections Personnel Costs

Since FY 2002-03, personnel costs for the MDOC have risen by an average of **1.4%** annually. The largest drivers behind these cost increases have been fringe benefit and retirement costs. In FY 2016-17, these costs accounted for **40.6%** of all personnel costs compared to **25.0%** in FY 2002-03.



Corrections Personnel Costs Per Employee

Personnel costs on a per employee basis for the department have risen by an average of **4.1%** annually since FY 2002-03. Again, fringe benefit and retirement costs have played the largest role, with average annual per-employee increases of **7.4%** across the period. Regular salary costs increased by an average of **2.1%** annually.



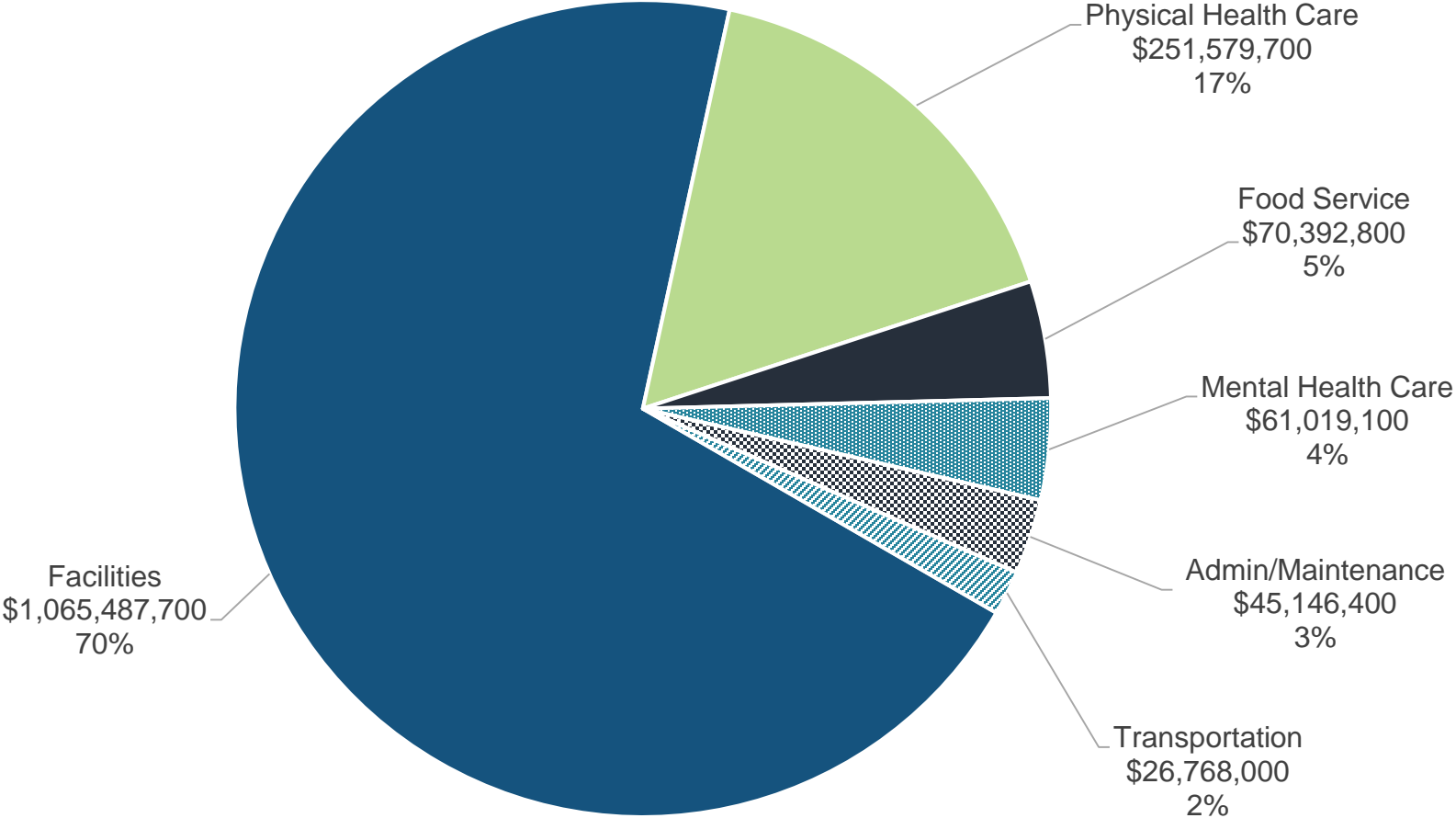
Prison Operations: Correctional Facilities

Prison Operations

- The MDOC currently operates 31 correctional facilities located in 20 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 MDOC operates the City of Detroit Detention Center at the site of the former Mound Correctional Facility, which closed in December 2011 (appropriation for the City of Detroit Detention Center is included in Field Operations, and is paid for by the City of Detroit)
- About **\$1.5** billion, or roughly **75%**, 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, **\$47.0** million in FY 2016-17, 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 **\$1,520,393,700**.

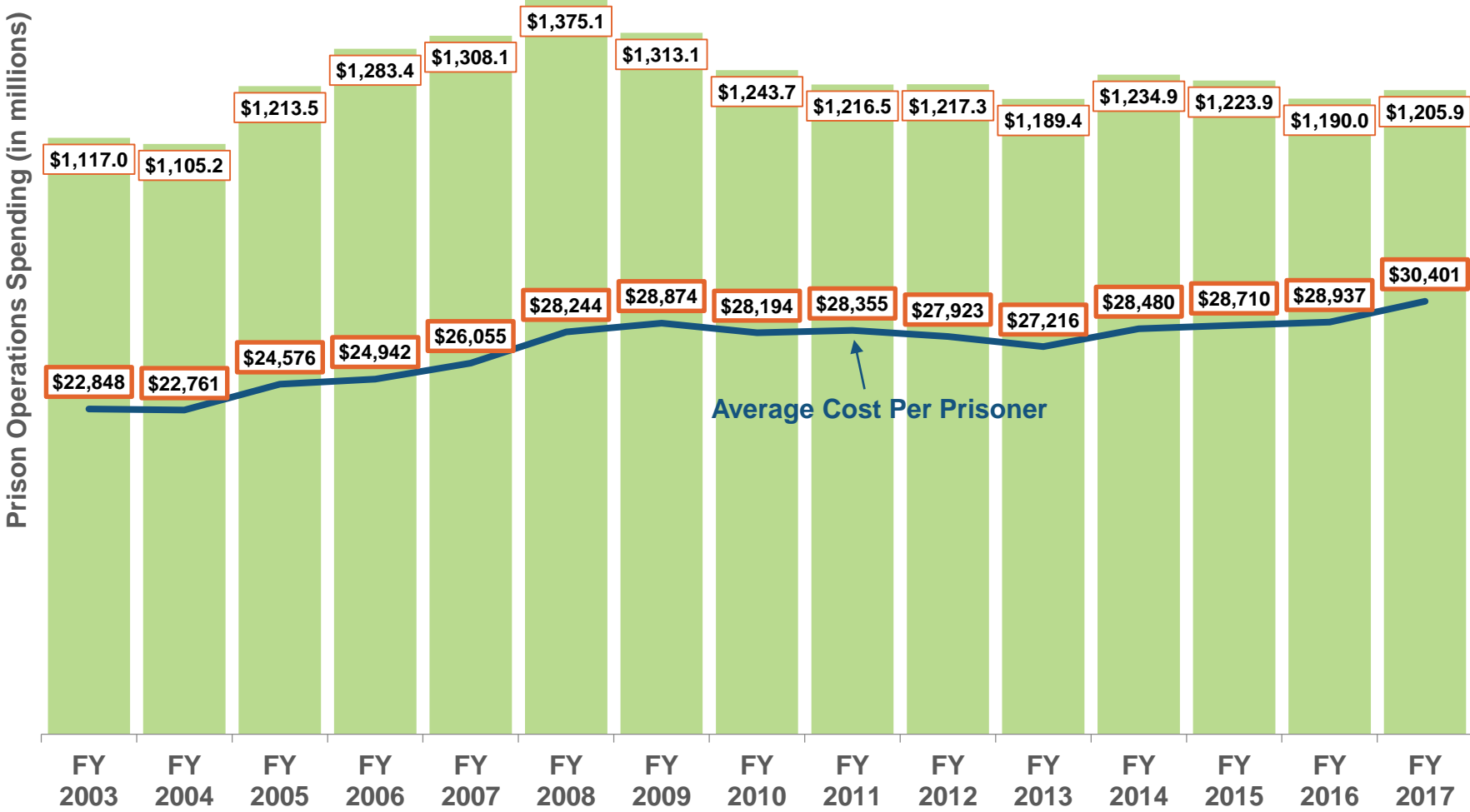


Costs Per Prisoner by Security Level

FY 2017 Actual	FY 2018 Appropriated	FY 2019 Appropriated
Level I \$29,580	Level I \$29,529	Level I \$30,138
Level II \$34,482	Level II \$33,894	Level II \$35,909
Level IV \$43,315	Level IV \$41,132	Level IV \$44,913
Multi-Level \$37,329	Multi-Level \$37,705	Multi-Level \$38,646
Reception \$53,057 SAI \$56,057	Reception \$43,753 SAI \$45,224	Reception \$45,585 SAI \$47,023
Average Per Capita \$36,106	Average Per Capita \$36,011	Average Per Capita \$37,080

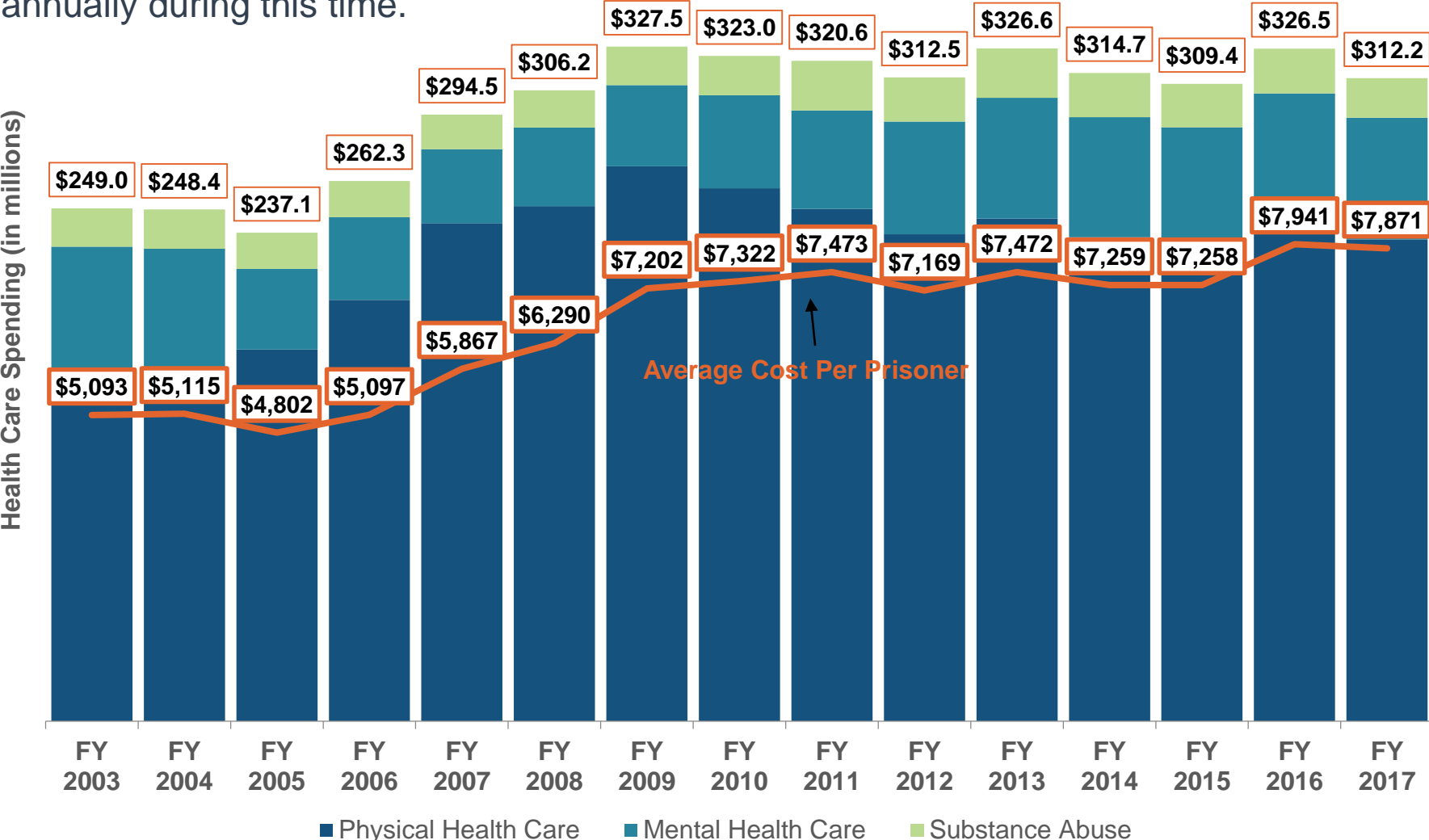
Prison Operations - Average Cost Per Prisoner

This chart reviews total prison operations spending **excluding** health care and direct mental health care costs. Per-prisoner costs grew by an average of **2.2%** per year over this period.



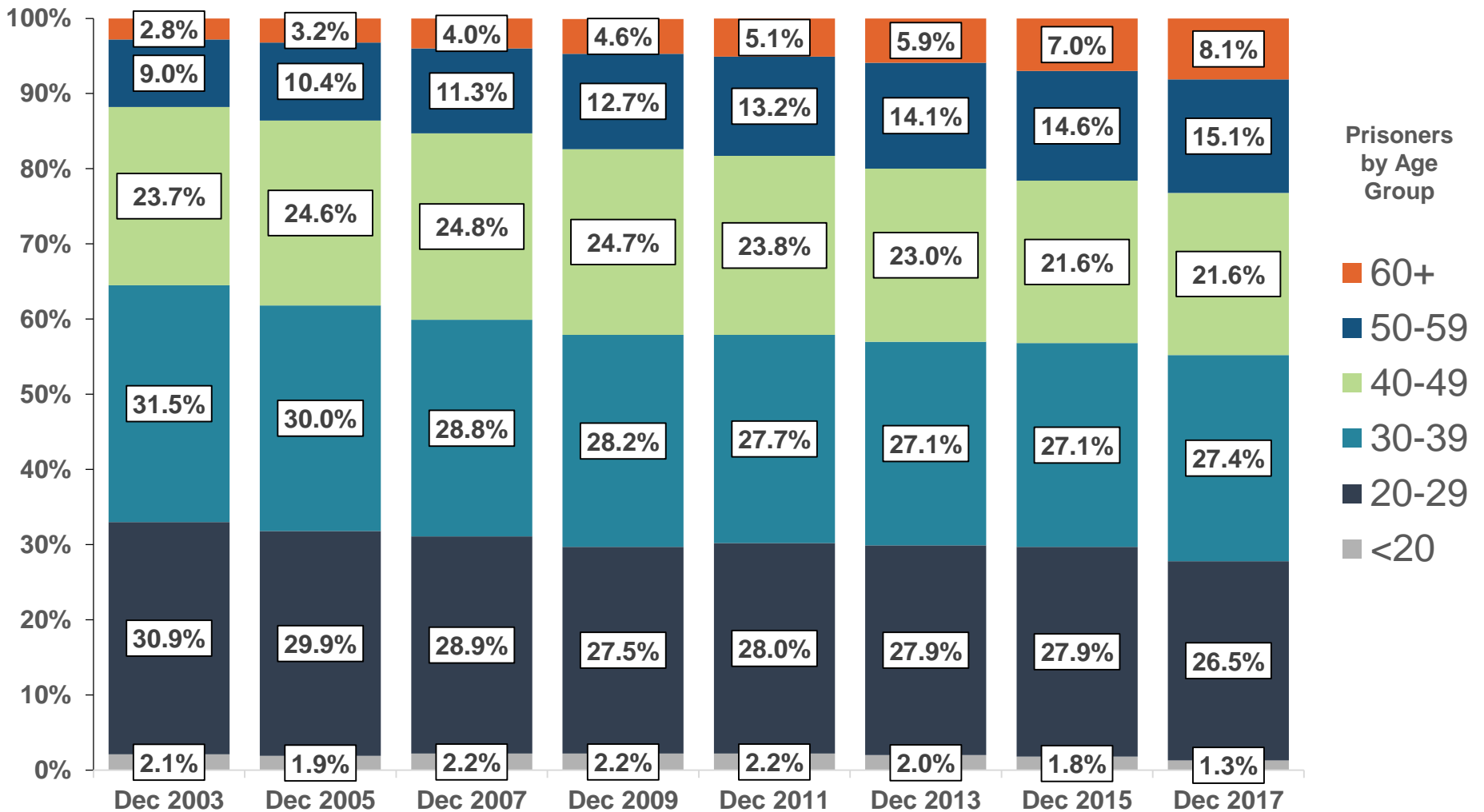
Health Care - Average Cost Per Prisoner

Spending for prisoner physical and mental health care services, including substance abuse treatment services, increased significantly over the FY 2002-03 to FY 2016-17 time period. Per-prisoner costs for health care increased by an average of **3.7%** 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.



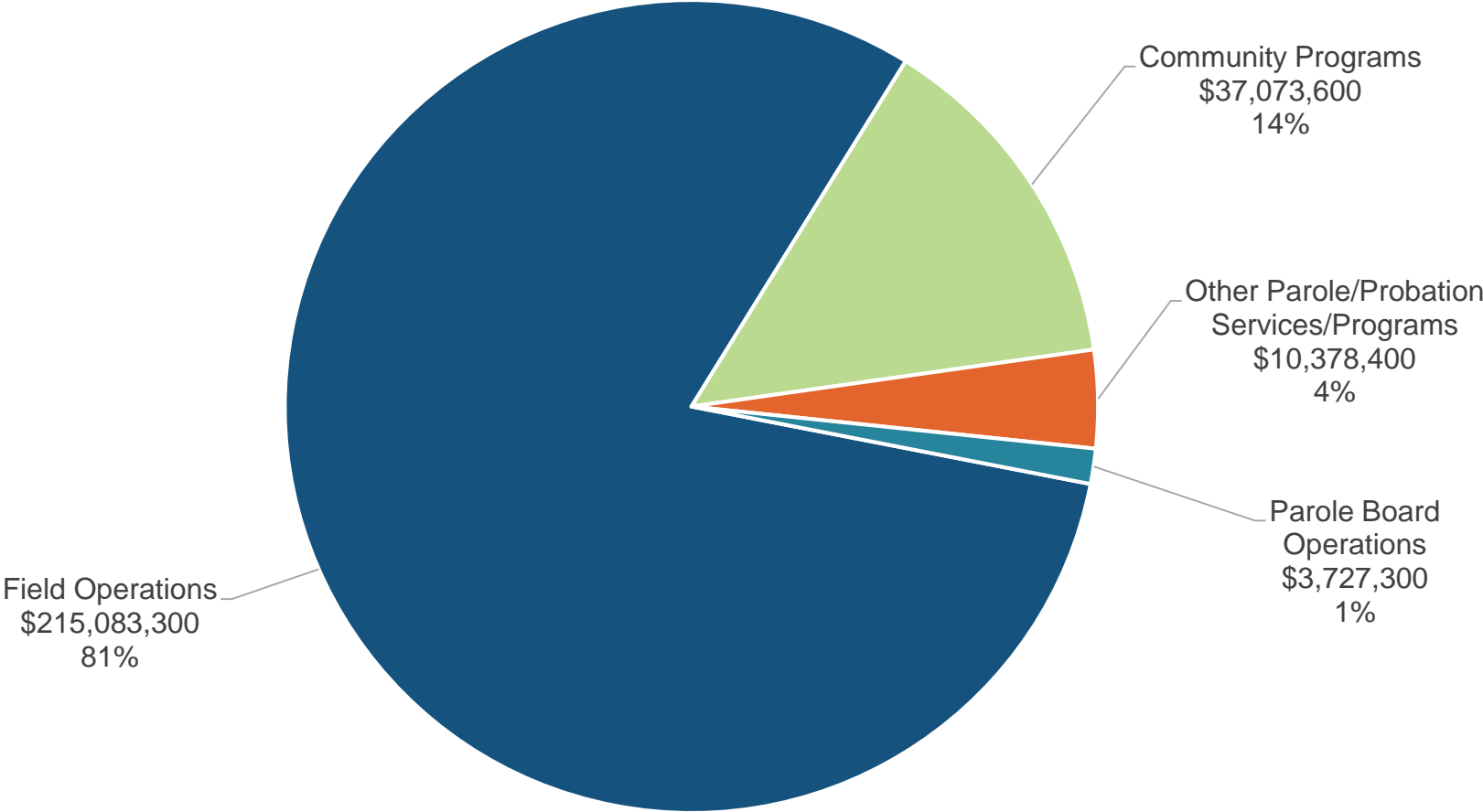
Field Operations: Parole and Probation

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 June 1, 2018, the MDOC employed 1,198 active parole and probation agents responsible for supervising 55,870 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

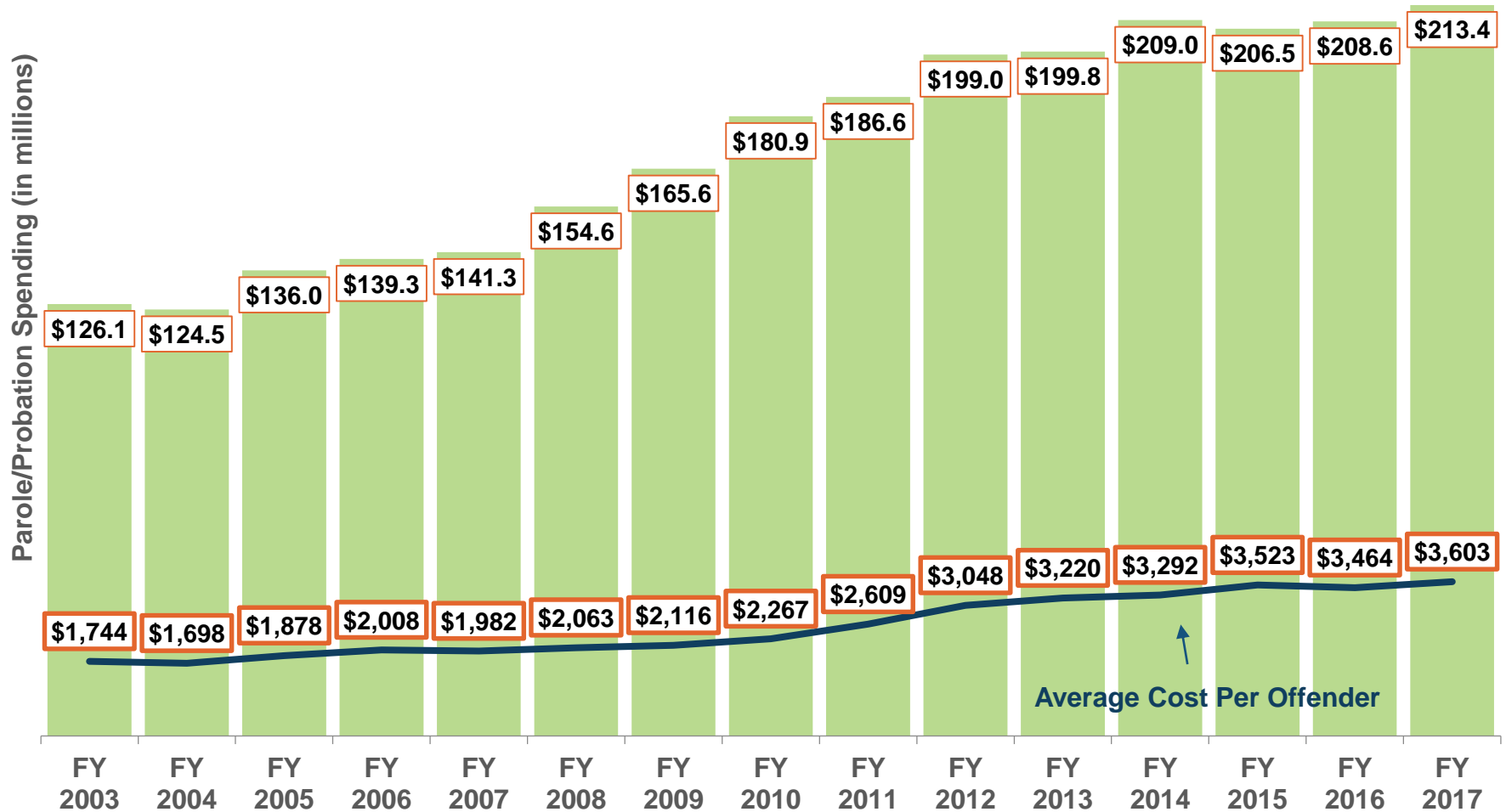
Field Operations

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



Parole/Probation - Average Cost Per Offender

Spending for parole and probation increased by an average of 3.8% annually since FY 2002-03. The cost per offender increased by an average of 5.3% per year over this period. The use of electronic monitoring techniques significantly increased starting in 2010.



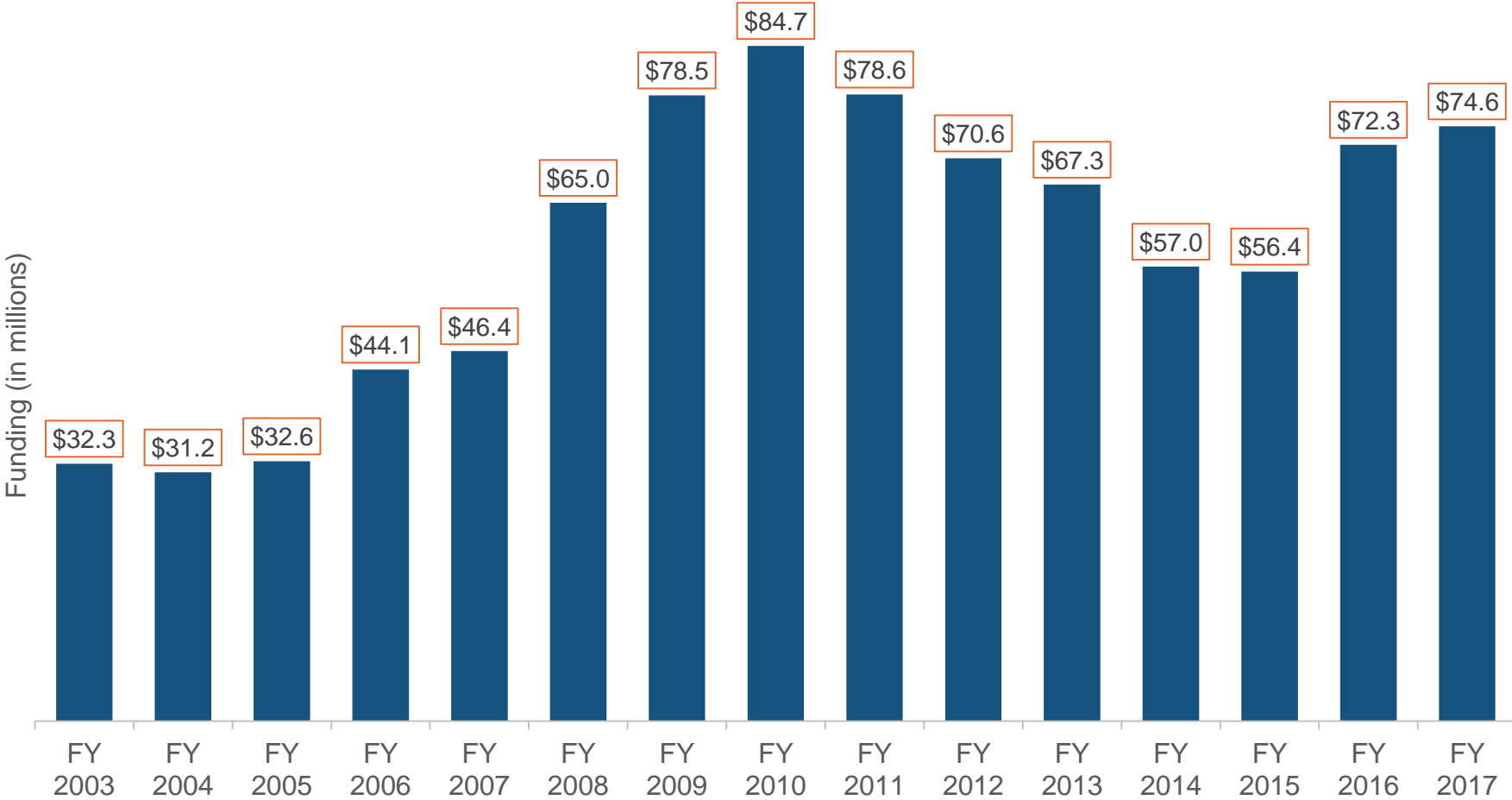
Offender Success: Programs and Services

Offender Success Programs and Services

- Aim to reduce recidivism through prisoner assessment, case planning and management, and coordinated services from the time of entry into prison through aftercare in the community
- Involve interagency and state/local collaboration: state departments, local law enforcement, crime victims' advocates, faith-based organizations, community business partners
- **\$85.6** million appropriation in FY 2018-19, includes roughly **\$53.5** 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 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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