



OFFICE OF THE STATE BUDGET
February 12, 2009
Department of Corrections
Fiscal Year 2010 Reforms

Proposal

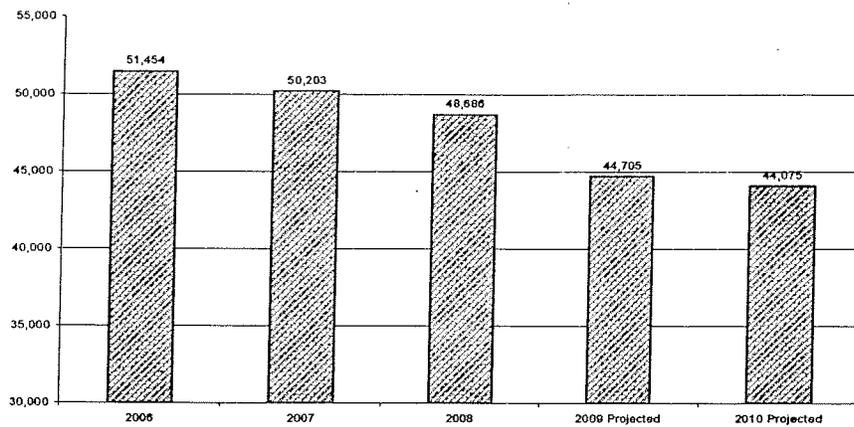
Governor Granholm has implemented immediate administrative measures to reduce corrections costs and proposes a Fiscal Year 2010 Department of Corrections budget that is nearly 3 percent less than the current year budget. The Governor supports an immediate expansion of the size of the Parole Board. The larger board will facilitate expedited review of the 12,000 prisoners who have served their minimum sentences.

Over the next four months, the department will close Camp Branch, Deerfield Correctional Facility and the Robert Scott Correctional Facility. Savings of \$33 million will be generated through these closures in Fiscal Year 2009. Additional full year savings of \$24 million will be realized for these closures in Fiscal Year 2010.

Investments in parole supervision resources and re-entry services will facilitate continued utilization of administrative measures to reduce the population of prisoners who have served their minimum sentences. The Executive Recommendation includes additional funding of \$16.9 million to deploy and monitor an additional 2,800 Global Positioning System (GPS) tether units. An additional \$7.3 million is provided to support more parole agents. \$23.4 million in additional funding supports re-entry efforts including mental health and substance abuse services, transitional housing and employment services, and other specialized support programs.

Combined, these investments will provide the resources to support an increased parole population while reductions in the prisoner population lead to additional facility closures. To achieve additional closures by October 1, 2009, a Fiscal Year 2009 supplemental of \$20 million for re-entry and parole resources is requested. The Executive Recommendation includes savings of \$120 million for the closure of additional facilities with an anticipated impact of almost 4,000 prison beds. The location of the facilities to be closed has not yet been determined.

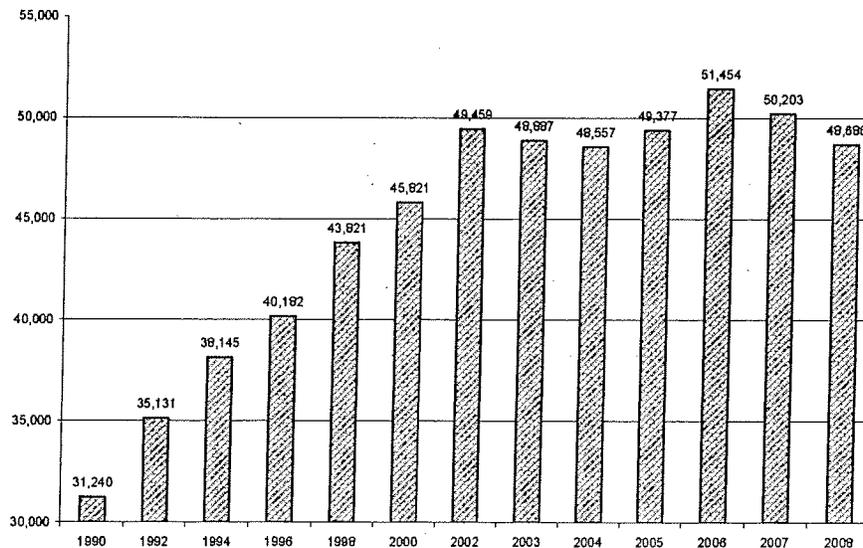
Michigan's Prison Population Projected Reform Impact



Background

In less than twenty years, the prison population in the State of Michigan grew by over 55 percent while the population of the state grew by less than 8 percent. In fiscal year 2008, Corrections spending accounted for over 20 percent of all state General Fund / General Purpose expenditures.

Michigan's Prison Population



In each of the last six Executive Recommendations, Governor Granholm has proposed corrections reforms that would require the passage of legislation to generate savings through reasonable changes in the criminal justice system. Last year, the Administration worked collaboratively with the Legislature in a bipartisan workgroup facilitated by the Council of State Governments under their Justice Reinvestment Initiative. The initiative intensively analyzed portions of the state's criminal justice system and spending on corrections while providing policy options to address the findings of the workgroup. Although the workgroup recommendations provide some excellent suggestions for long-term savings in Corrections, no savings for Fiscal Year 2010 were identified.

Department of Corrections Fiscal Year 2010 Reforms Highlights, Reforms, Savings and Reinvestments

The Department of Corrections performs a key role in ensuring public safety for the residents of the State of Michigan by providing custody and care for incarcerated felons and maintaining oversight and supervision of parolees and circuit court probationers. *The Governor's proposed budget for fiscal year 2010 recommends total funding of \$2.0 billion, of which \$1.9 billion is general fund, a reduction of almost 3 percent from current year levels.*

Highlights of Governor's Budget Recommendation for the Department of Corrections

- Provides \$1.6 billion in funding to operate a safe and secure prison system that is diminishing in size due to a decline in the prisoner population.
- Includes \$207 million in funding for oversight and supervision of the growing parolee and probationer population.
- Supports \$121 million in funding for community-based programs for low-level offenders, as well as the Michigan Prisoner ReEntry Initiative to reduce the state's costly recidivism rate by better preparing inmates for release.

Reforms Included in the Executive Recommendation

The Governor recommends \$120 million in net savings from the closure of department facilities as well as cost reductions that will be achieved through operational efficiencies.

- The Governor will add five members to the Parole Board during the current year in order to expedite the review of the 12,000 prisoners who have served their minimum sentences.
- During 2009, Deerfield Correctional Facility, Scott Correctional Facility and Camp Branch will close. Further reductions in the number of prison inmates will result in the closure of additional facilities during 2010 with an estimated closure of 3,500 prison beds. To achieve additional facility closures by October 1, 2009, a 2009 supplemental of \$20 million for re-entry and parole resources is requested.
- The Executive Recommendation includes investments in technology and parole supervision staffing to provide the resources needed to maintain effective oversight of parolees in the community: \$16.9 million is added to deploy and monitor 2,800 additional Global Positioning System (GPS) tether units and an additional \$7.3 million is provided to support more parole agents.
- The Michigan Prisoner ReEntry Initiative (MPRI) will be expanded by \$23.4 million to \$56.6 million. This effective program prepares prisoners for a safe and successful return to their communities following imprisonment. Community-based investments include funding for substance abuse and mental health treatment, employment services, and other specialized support services for returning offenders.

- The Executive Recommendation shifts existing funding within the budget for the department to utilize buildings at the W.J. Maxey Training School campus to house approximately 275 male inmates. Approximately 60 juvenile offenders will remain on the Maxey campus in a separate location from the male prison inmates.
- Various operational efficiencies will save over \$12 million.

Major Savings and Community Reinvestments

The Governor recommends savings totaling \$188 million in budget reductions and \$68 million in reinvestments for a net gain of \$120 million in total savings in the corrections budget. Major savings and efficiencies include:

Prison Operations and Efficiencies:

- \$166M: Reduce the Number of Prison Beds Needed by 3,500; Improve Prisoner Classification System: Successful efforts to reduce the number of prisoners past their Earliest Release Date (ERD) and using the MPRI which improves parole approval and return rates can be accelerated in FY 2009 if sufficient funding is achieved for additional prisoner releases and Parole Board action¹. The department will also review its approach to security classification and the use of prison beds throughout the system that will result in the ability to use the most efficient housing methods possible.
- \$9.6M: Reduce Expenditures for New Officer Training: With the closing of multiple facilities, the demand for new officers will be substantially reduced. Vacancies will be filled with seasoned officers from facilities that are closing.
- \$3M: Contract for Food Service Management: The department will contract with the private sector for food service management of food purchasing, portion control, nutritional and special diets.
- \$3.5M: Consolidate Contiguous Facilities: Consolidate operations at selected contiguous facilities into one prison; reduce duplicative administrative and command staff, with little to no impact on line staff except for intended reduction in overtime opportunities.

Academic and Vocational Education Improvement:

- \$2M: Outsource Management of Prisoner Academic and Vocational Education: The Michigan Works! Association, DLEG and the Michigan Community College Association will be tapped to re-purpose MDOC employees and provide third-party oversight to a new approach for prisoner education.

Administrative Efficiencies:

- \$1.7M: Reduce Central Office Administrative Staff; Outsource Training when Needed: The number of employees at Central Office will be reduced by 15 positions. The MDOC training unit will be reduced by several positions, contracts for training will be implemented when special competencies are needed.

¹ \$20M in F09 funding is recommended to reduce the need for prison beds by 3,500 prisoners by October 1, 2009.

Major areas of community reinvestment include:

Community Supervision:

- \$7.3M: Additional Parole Agents: In order to parole an additional 3,500 prisoners, it is essential that resources are available to effectively supervise them to reduce the likelihood that they will return to prison. 90 additional parole agents will be funded within the MDOC.
- \$16.9M: Expansion of Global Positioning Supervision (GPS) and Monitoring Agents: To enhance supervision, \$16.9M will be reinvested to add GPS units – concentrated in Michigan’s urban centers – and additional agents to monitor offenders on GPS. These are funds managed internally by the MDOC.

MPRI Grants to Local Communities:

- \$10.0M: Prison In-reach, Housing and Transportation for Former Prisoners: This will provide additional support for former prisoners in need of housing, transportation and other services as part of local comprehensive prisoner re-entry plans funded by the MDOC.
- \$4.2M: Substance Abuse Services for Former Prisoners: The vast majority of released prisoners have life long addictions that require services. Drug and alcohol treatment service will be expanded as part of local comprehensive prisoner re-entry grants.
- \$5M: Employment Services for Probationers and Former Prisoners: This funding will augment monies expected to be available through the federal stimulus package to be effectively used for former prisoners and probationers who need extensive job support in order to sustain their employment. MPRI grants to local communities will be expanded to accommodate these efforts.
- \$3.5M: Services for Mentally Ill Offenders: The Mentally Ill Prisoner Demonstration Project has achieved a 95% parole approval rate and an 11% failure rate. The program will be expanded to achieve services for as many as 900 more prisoners. These funds are provided to local communities under a grant by the MDOC to a statewide mental health service provider.

Community Corrections Grants to Local Communities

- \$1M: Demonstration for Crime Reduction for High-Risk Probationers; Design, implement and evaluate evidence-based practices to reduce crime by high-risk probationers. As part of the annual comprehensive planning process required under the Michigan Community Corrections Act, this is a competitive grant opportunity for local community corrections advisory boards and the local units of government they represent.