

**COALITION CALLS FOR
INTENSIFIED, MONEY-SAVING REFORMS
IN MICHIGAN'S PRISON SYSTEM**

January 27, 2010

Dear Governor Granholm and Honorable Legislators,

More than a year ago, the groups represented below came together to form a corrections reform coalition. Our focus was the recent growth trend and overall size of the Michigan Department of Corrections budget. Our concern was that prison spending was crowding out many other strategic budget priorities for Michigan's future.

In our first letter to you in December 2008, we urged you to find and implement reforms to both prison policies and operations to yield hundreds of millions of dollars in savings.

Today, we are writing to commend the administration, legislature, and Department of Corrections for a job well done in beginning to contain costs. But we also urge you, and the department, to go much further to reduce the overall cost of Michigan's state prison system.

The Corrections Department deserves high praise for lowering the overall prison population by 14.4 percent since its all-time high in mid-2007. Today, the inmate population stands at 45,100 through increased use of parole and improved training and community re-entry programs that are reducing recidivism. These reductions in the prison population have saved Michigan taxpayers tens of millions of dollars.

However, more than 20 percent of Michigan's general fund budget still will be spent on the prison system this year. That's up from 16 percent just a decade ago. And that is simply too much.

We suggest a common sense, easy to understand public benchmark for Michigan's corrections system. We have the sad reputation as one of only a handful of states to spend more on its prison system than its public universities. This year, we will spend \$400 million more on prisons than universities. By contrast, California Governor Arnold Schwarzenegger has pledged to reverse a similar trend. "Choosing universities over prisons... This is a historic and transforming realignment of California's priorities," Governor Schwarzenegger said in his state of the state address earlier this month. "What does it say about any state that focuses more on prison uniforms than on caps and gowns? It simply is not healthy." We urge Governor Granholm to take up Governor Schwarzenegger's challenge in her own state of the state and budget addresses in coming weeks. We believe that continued reforms can reduce corrections spending in Michigan to a level lower than university appropriations.

There remain several ways to get there. A Michigan House of Representatives subcommittee is reviewing sentencing guidelines for nonviolent offenders. Efficiency experts and process engineers are at work deep within the prison system to find cost savings in prison health care, parole processes and other management issues. The Legislature approved a \$30 million general efficiency budget cut last fall that was vetoed by the governor. Additional proposals could save millions more by moving deportable prisoners into the federal system and moving medically fragile and dying prisoners to less-expensive supervision outside prison walls.

Personnel issues must also be reviewed. Contracts for state workers, including prison guards, expire at the end of this year. As negotiations proceed toward new contracts, we think it is

important to note that personnel costs account for approximately 70 percent of the Corrections budget, according to the Senate Fiscal Agency. And annual corrections salaries in Michigan are more than 10 percent higher than the average of eight Great Lakes States, according to the U.S. Census Bureau Quarterly Census of Employment and Wages. We urge the Granholm Administration and the Office of State Employer to use the collective bargaining process to aggressively reduce employee costs and stem the tide of the ever-growing DOC budget.

Thank you very much for your consideration.

Sincerely,



Doug Rothwell
President & CEO
Business Leaders for Michigan



Richard Blouse
President & CEO
Detroit Regional Chamber of Commerce



Phil Power
President
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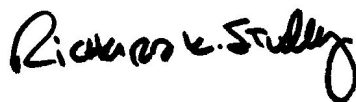
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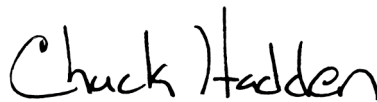
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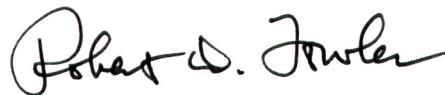
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