

# Michigan Department of Corrections

## FY 2011 Budget Proposal and Updated Prison Bed Space Projections

### Trends in Key Indicators and Impact from Proposed Legislative Changes

Presentation to the Senate Appropriations  
Subcommittee on Judiciary & Corrections

February 16, 2010

# MDOC Economics History: Last 9 Years

Economics Alone Have Grown Faster Than The Overall MDOC Budget

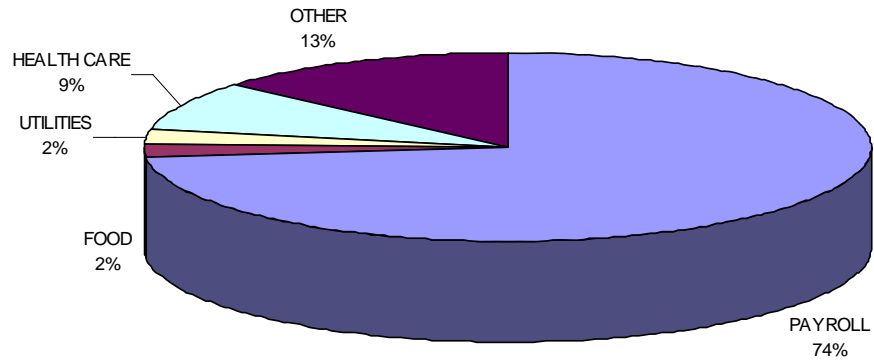
<u>FISCAL YEAR</u>	<u>GENERAL FUND EXECUTIVE RECOMMENDATION</u>	<u>GENERAL FUND ECONOMICS INCLUDED IN EXECUTIVE RECOMMENDATION</u>	<u>PERCENTAGE OF OVERALL EXECUTIVE REC. THAT ECONOMICS REPRESENTS</u>
2011	\$1,875,904,500	\$85,422,700	4.55%
2010	\$1,898,399,600	\$34,590,300	1.82%
2009	\$1,978,262,800	\$7,650,900	0.39%
2008	\$1,932,166,700	\$82,880,500	4.29%
2007	\$1,865,555,000	\$82,267,000	4.41%
2006	\$1,805,280,300	\$96,902,400	5.37%
2005	\$1,742,962,500	\$105,371,200	6.05%
2004	\$1,632,315,300	\$5,852,300	0.36%
2003	\$1,627,858,900	\$17,153,800	1.05%
<b>Total Economics in Last 9 Years:</b>		<b>\$518,091,100</b>	<b>3.17% Average</b>
<b>Overall MDOC Budget (GF/GP)</b>			
FY2011 Executive Recommendation		\$1,875,904,500	
FY2003 Expenditures		\$1,585,006,018	
<b>GF/GP Growth:</b>		<b>\$290,898,482</b>	

\*FY2005 Total economics is net of \$44.7 M in Employee Related Savings (Concessions).

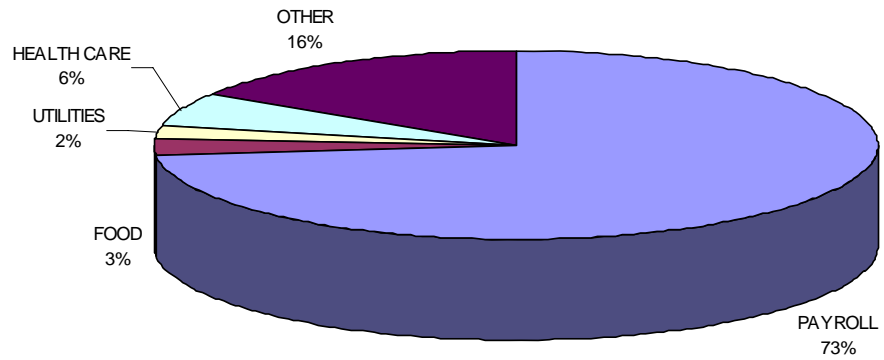
^In FY2004 there were no payroll economics.

"Economics" include: Bargained salary and wage increases, actuarial increases to insurance and retirement costs, inflationary adjustments for prisoner food, fuel and utilities, workers compensation, and rent and building occupancy increases.

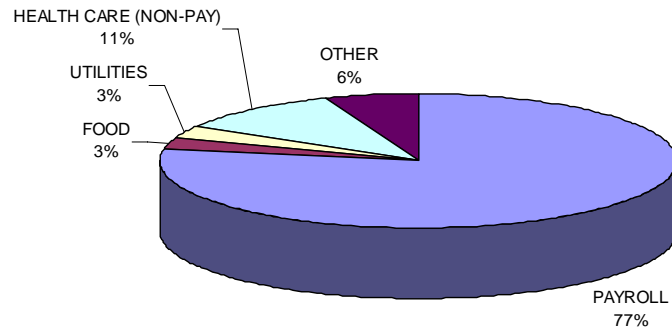
### Department of Corrections FY 2009 Expenditures



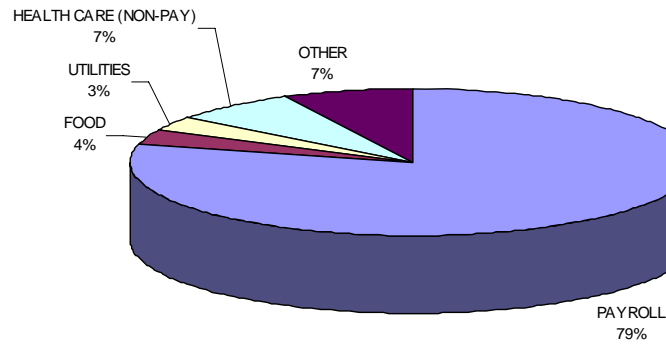
### Department of Corrections FY 2003 Expenditures



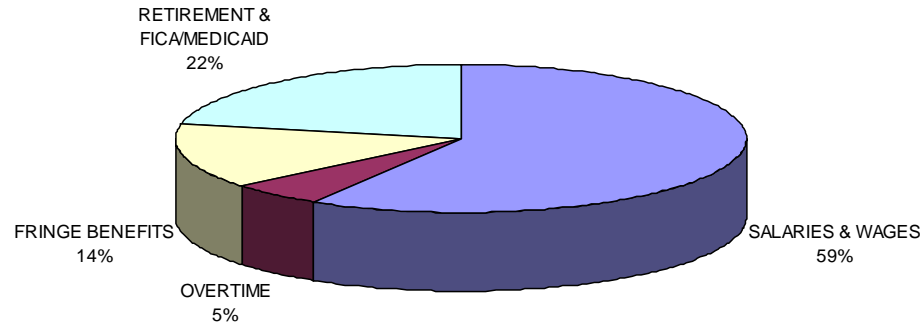
### Department of Corrections FY 2009 CFA Expenditures



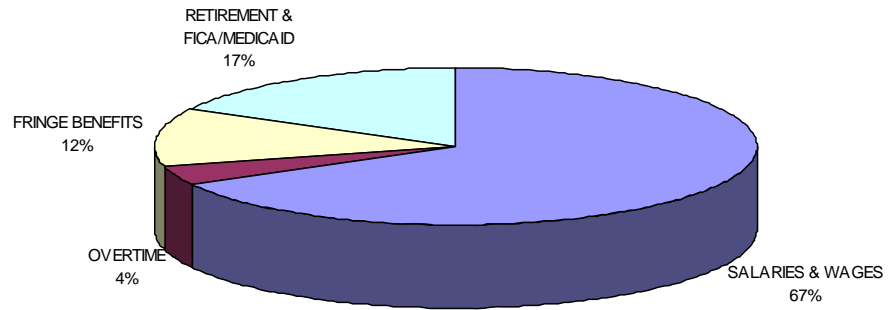
### Department of Corrections FY 2003 CFA Expenditures



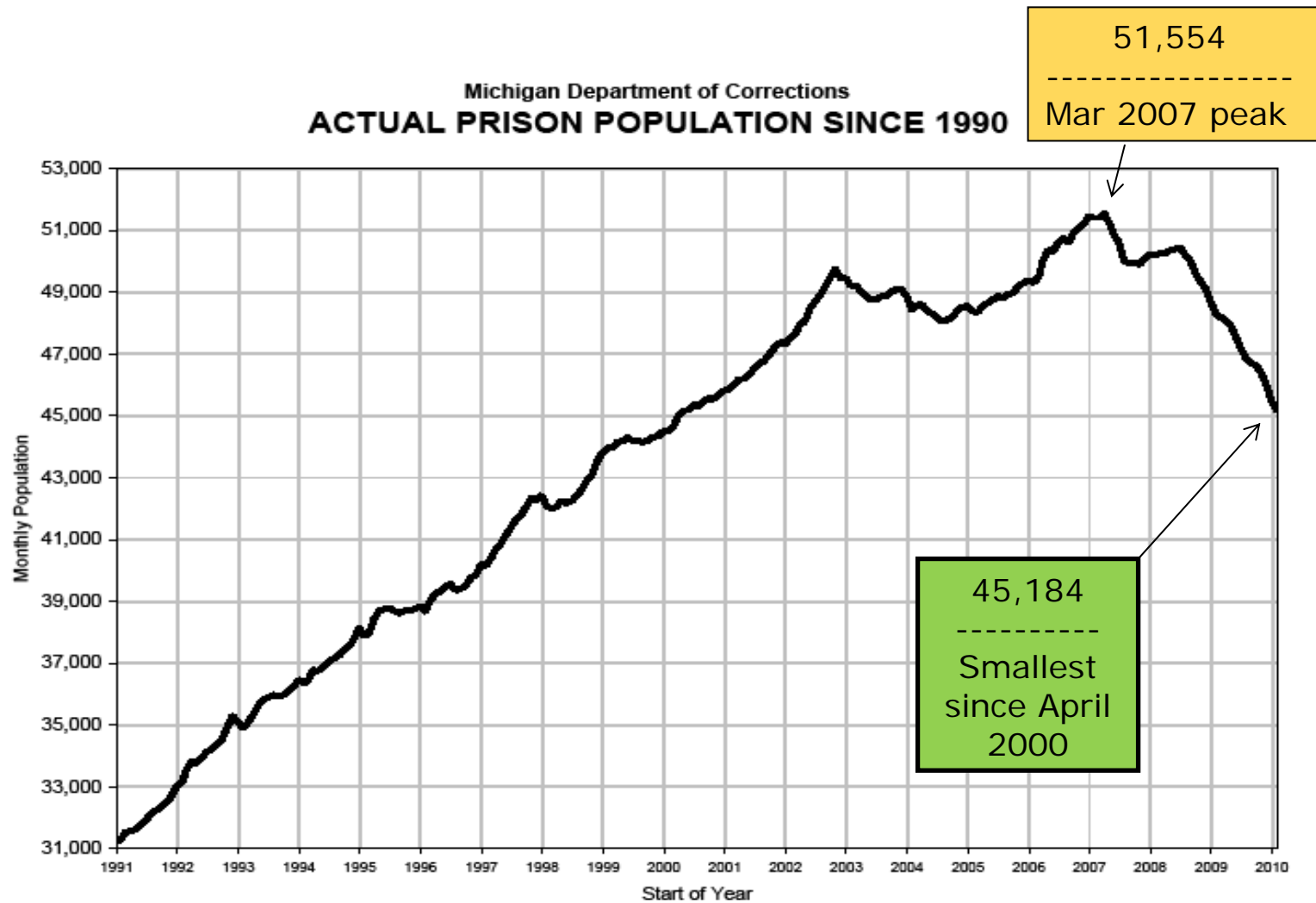
### Department of Corrections FY 2009 Payroll



### Department of Corrections FY 2003 Payroll



Following growth of 20,000+ inmates in 16 years, prison population has now declined by 6,000+ in 3 years



# Trends in Key Indicators

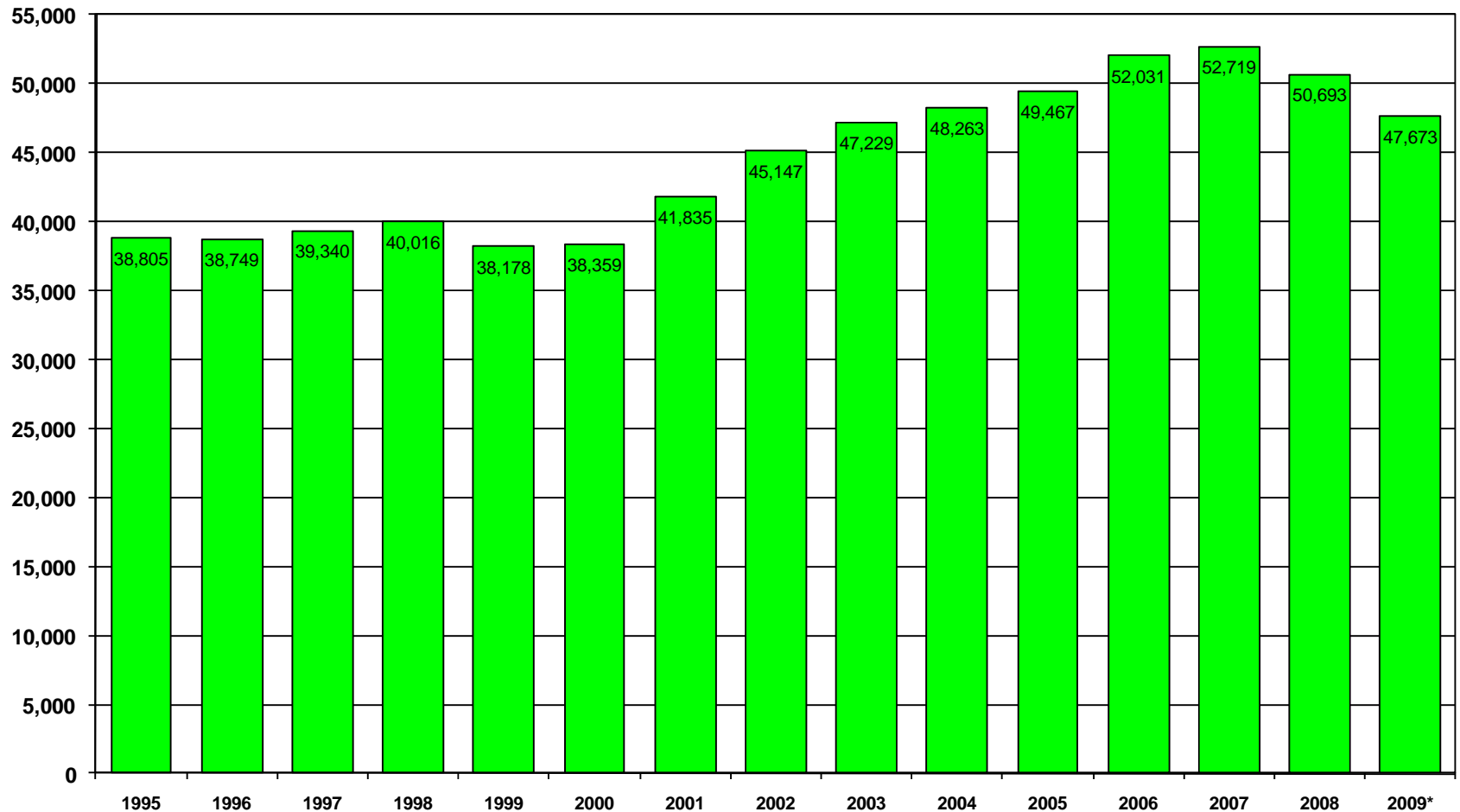
## Reducing crime and imprisonment

### Front End Impact

- The annual number of felony court dispositions has been declining for 2 years.
- The percentage of all felony dispositions sent to prison is holding steady at a low of 22%.
- Annual probation violators sent to prison per 1,000 probationers is the fewest since 1994.
- Admissions to prison have been declining for 3 years.

**Front End Impact:** Annual felony court dispositions have declined for 2 years in a row following 8 consecutive years of growth (down by 5,000 or -10%)

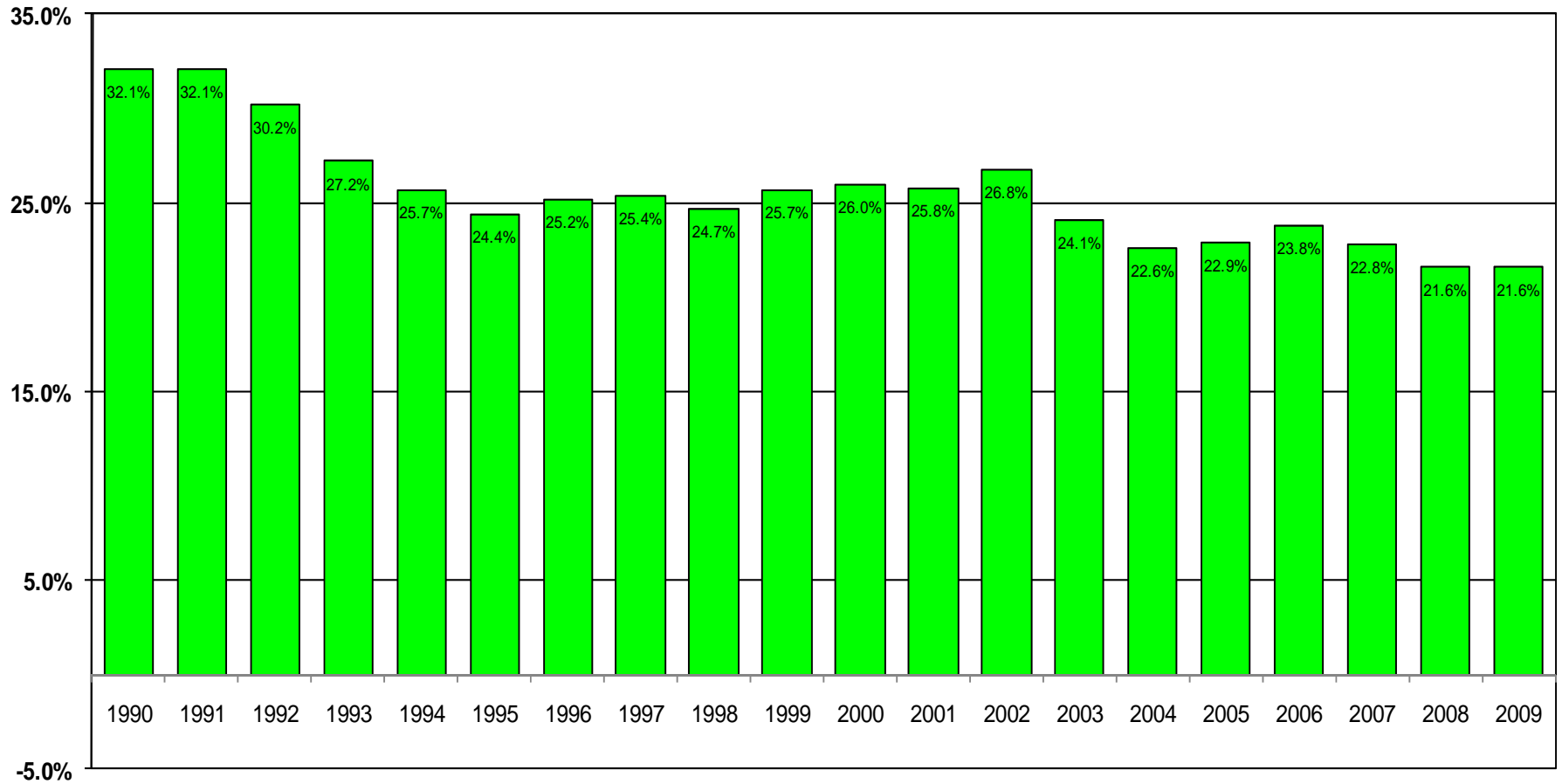
Michigan Department of Corrections  
**Total Felony Court Dispositions (Offenders)**



\* Estimate for 2009 based on data through November.

**Front End Impact:** The annual prison commitment rate has fallen from nearly 1 in 3 sent to prison down to nearly 1 in 5 – due to comprehensive planning under the Community Corrections Act & more local options for intervention

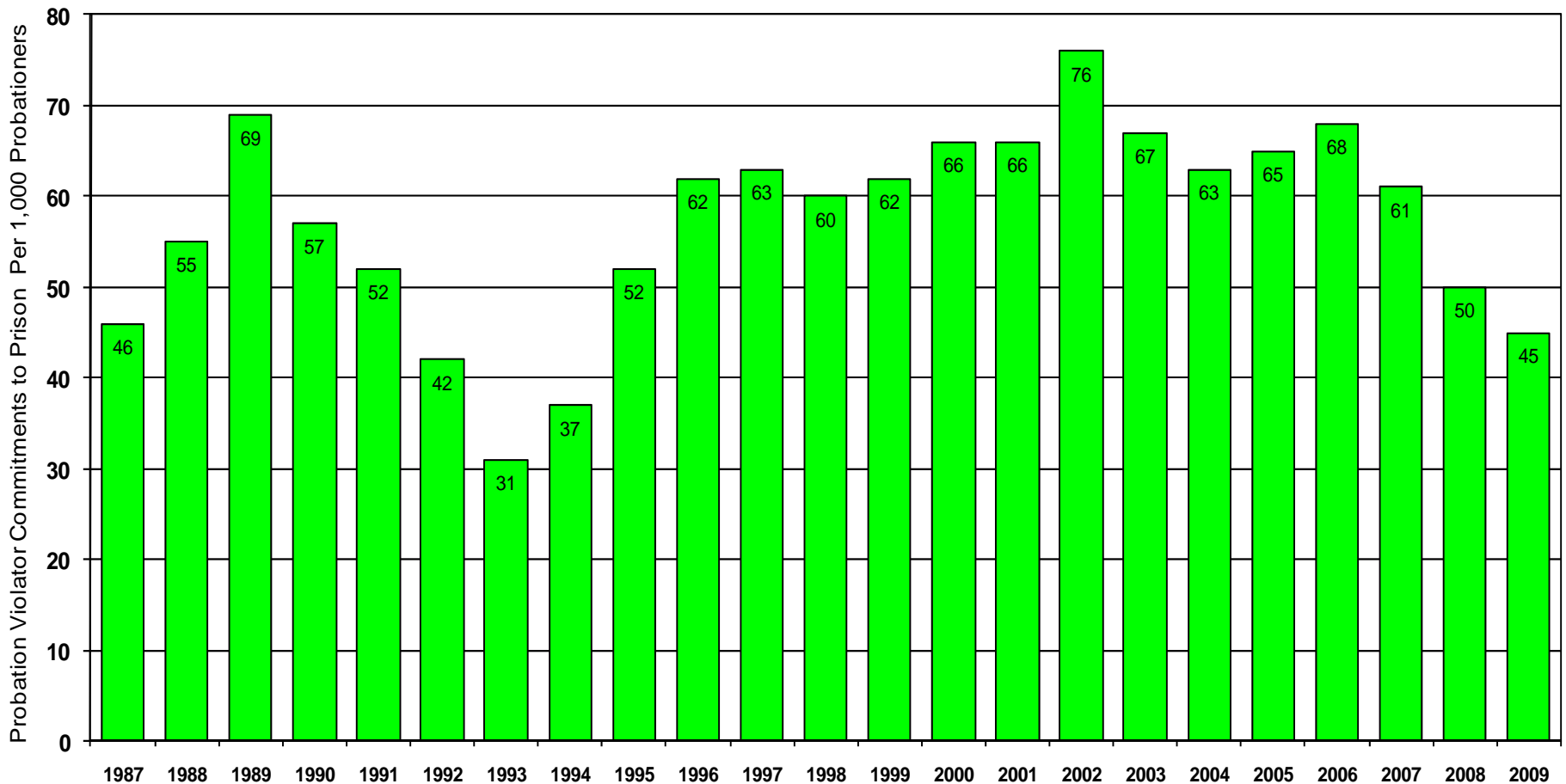
Michigan Department of Corrections  
**Prison Commitment Rate\***



\* The prison commitment rate is the percentage of all felony court dispositions that are sentenced to prison.

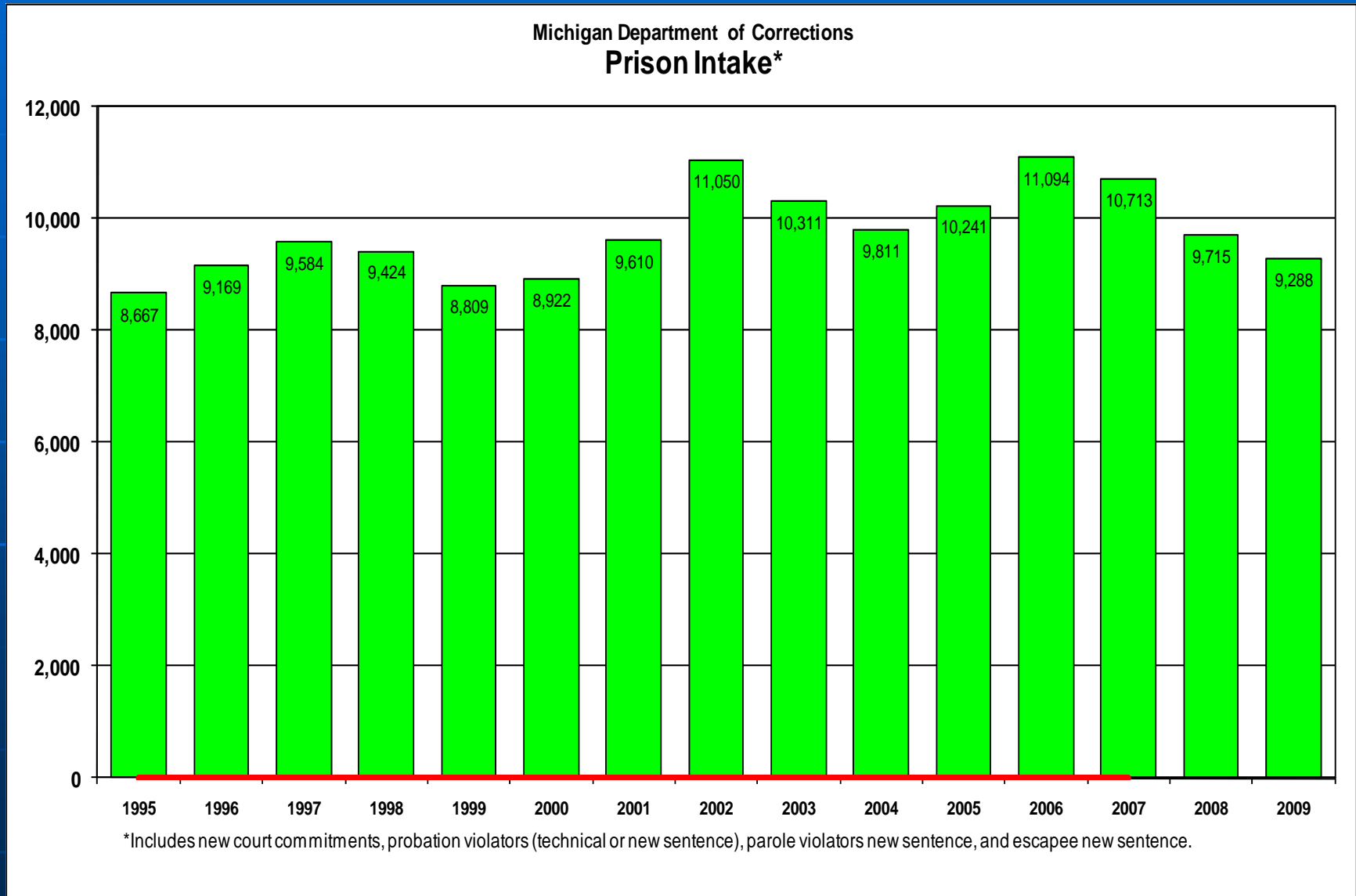
**Front End Impact:** Annual probation violators sent to prison per 1,000 felony probationers is the fewest since 1994 – due to comprehensive planning under the Community Corrections Act and improved probation approaches

Michigan Department of Corrections  
**Probation Violator Commitments to Prison\* per 1,000 Felony Probationers**



\* Probation violator commitments to prison include resentencing on original charges or new sentences for crime while on probation.

**Front End Impact:** Annual prison intake decreased for the 3rd year in a row due to reduced felony dispositions and improved community corrections and probation practices – lowest since 2000 (down by 16% from peak year of 2006)



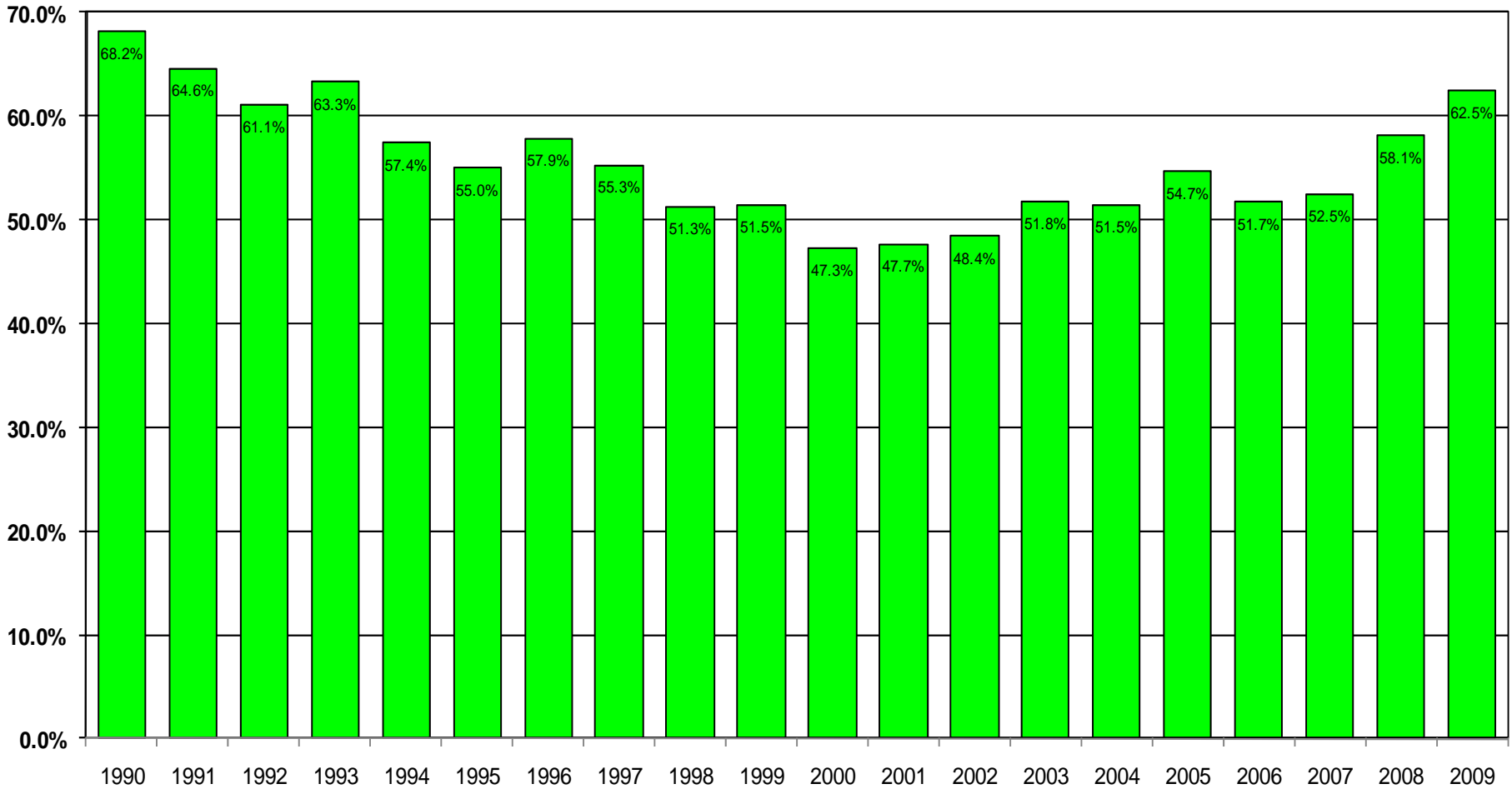
# Trends in Key Indicators

## Reducing crime and imprisonment Impact on Length of Stay, Releases & Returns

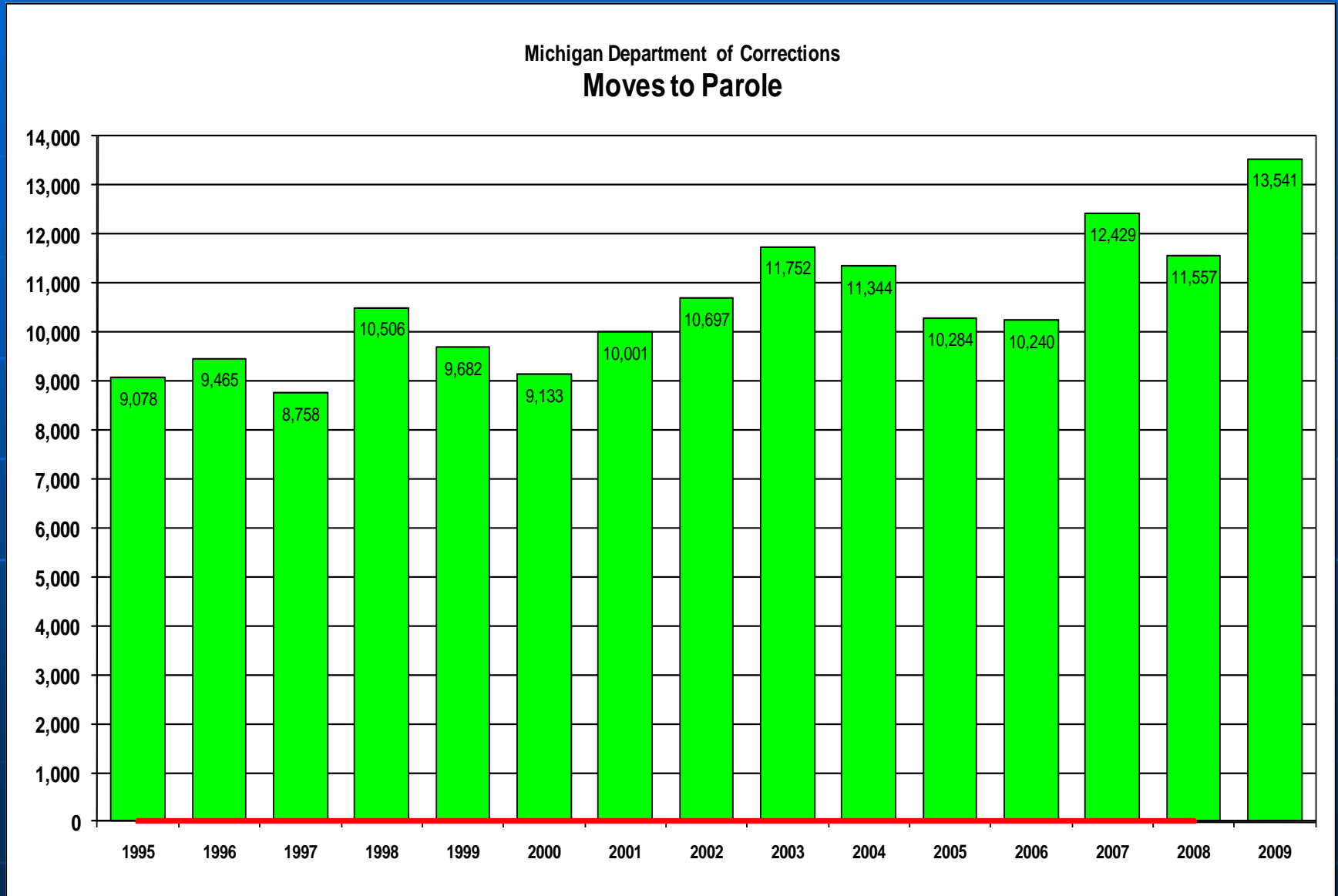
- The parole approval rate increased by about 4%.
- Moves to parole were up in 2009 from the prior peak year (although only by about 1,100).
- Max outs from prison declined for the 4<sup>th</sup> year in a row in favor of more parole supervision upon release.
- Parole revocations per 1,000 parolees are at the lowest level since at least before routine recordkeeping began.
- Outcomes of the Michigan Prisoner ReEntry Initiative show a 32% relative rate reduction in total returns to prison compared to baseline expectations.
  - Over 2,000 fewer returns thru 9/2009 than otherwise anticipated.

Impact on Length of Stay: Parole approval rate reached highest level since 1993 due to MPRI and Parole Board efforts to improve risk & need assessment

Michigan Department of Corrections  
Parole Approval Rate

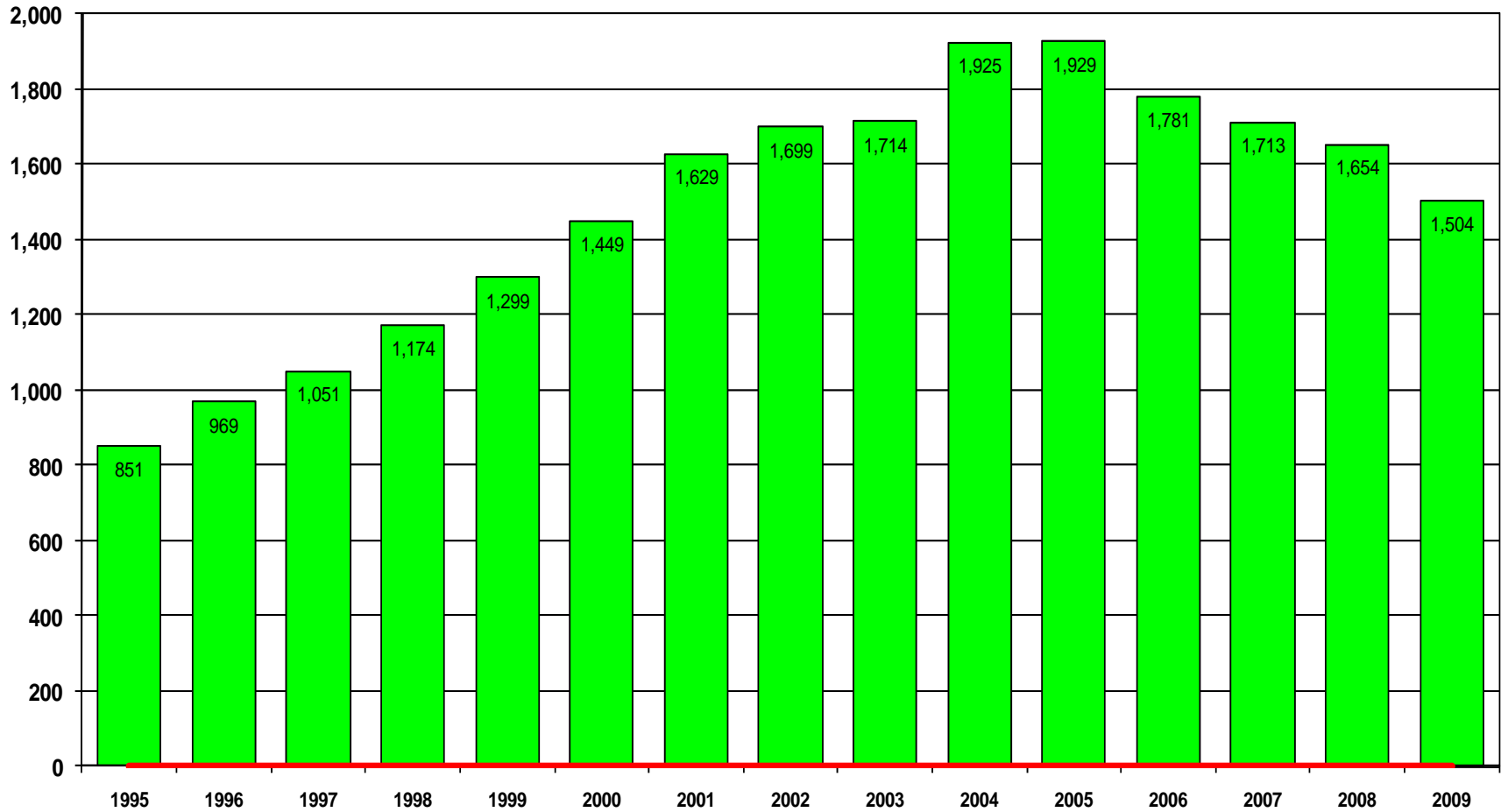


Impact on Releases: Moves to parole in 2009 were 9% higher than the prior peak year (about 1,100 more) due to bringing the MPRI up to scale



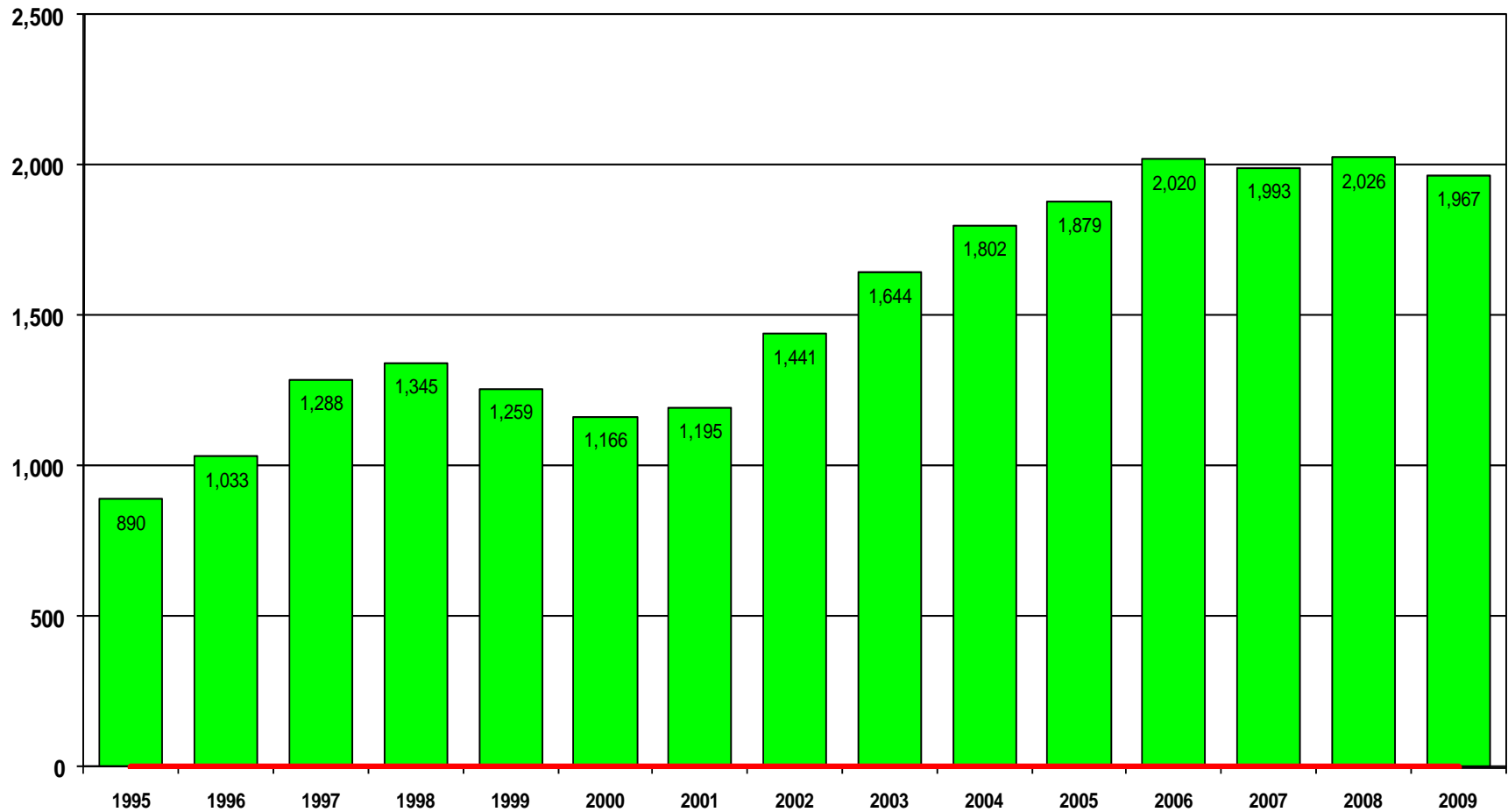
Impact on Releases: Discharges on the maximum sentence have steadily declined due to the MPRI after a decade of annual increases

Michigan Department of Corrections  
Discharges on the Maximum Sentence



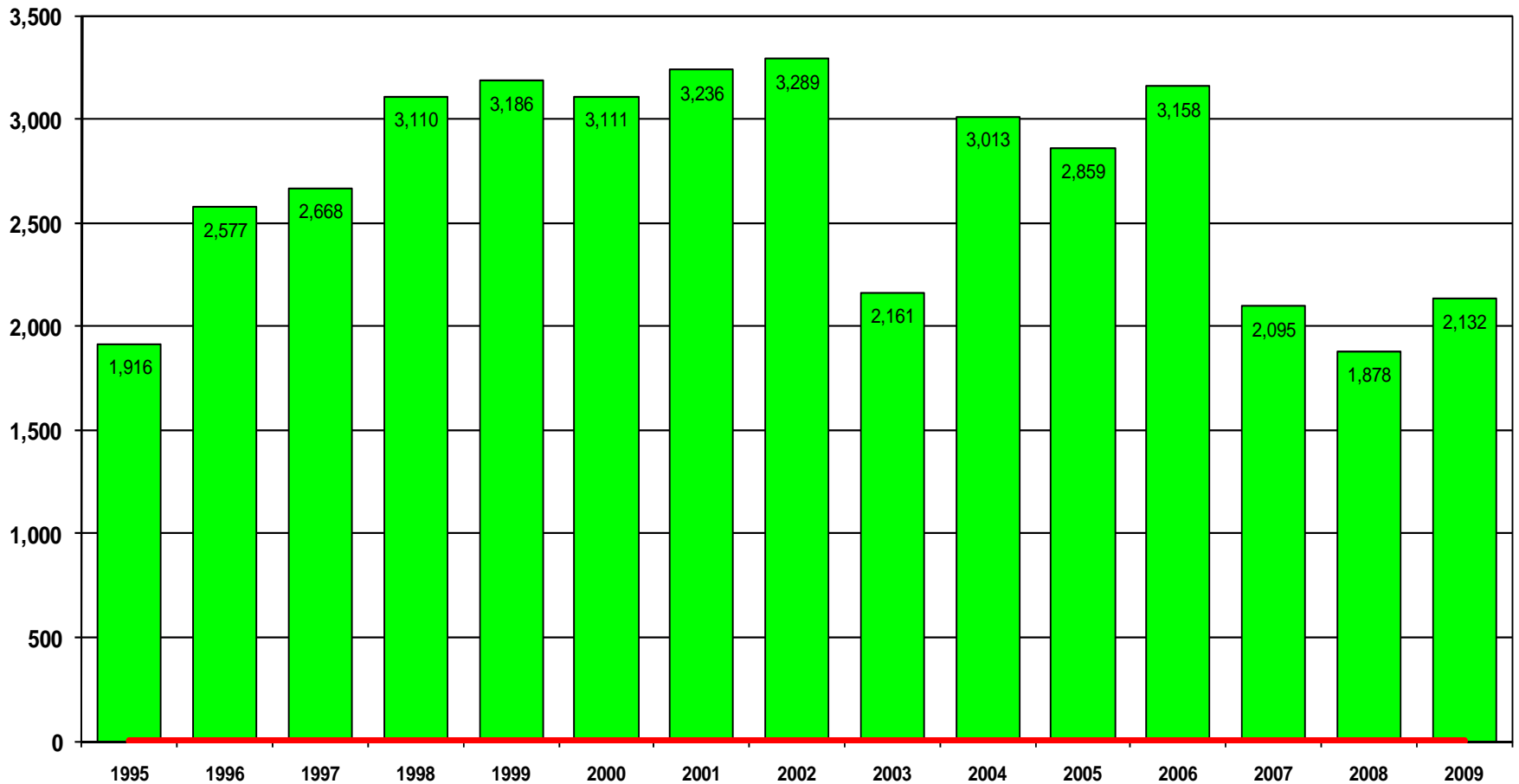
**Impact on Returns:** Parole violator new sentence admissions to prison have been stable for 4 years – despite a larger parole population – due to the successes of the MPRI and improved parole supervision approaches

Michigan Department of Corrections  
**Parole Violator New Sentence Intake**



**Impact on Returns:** Annual parole violator technical returns to prison are among the smallest numbers in the past 15 years - despite a higher parole population – due to the MPRI and improved parole supervision approaches

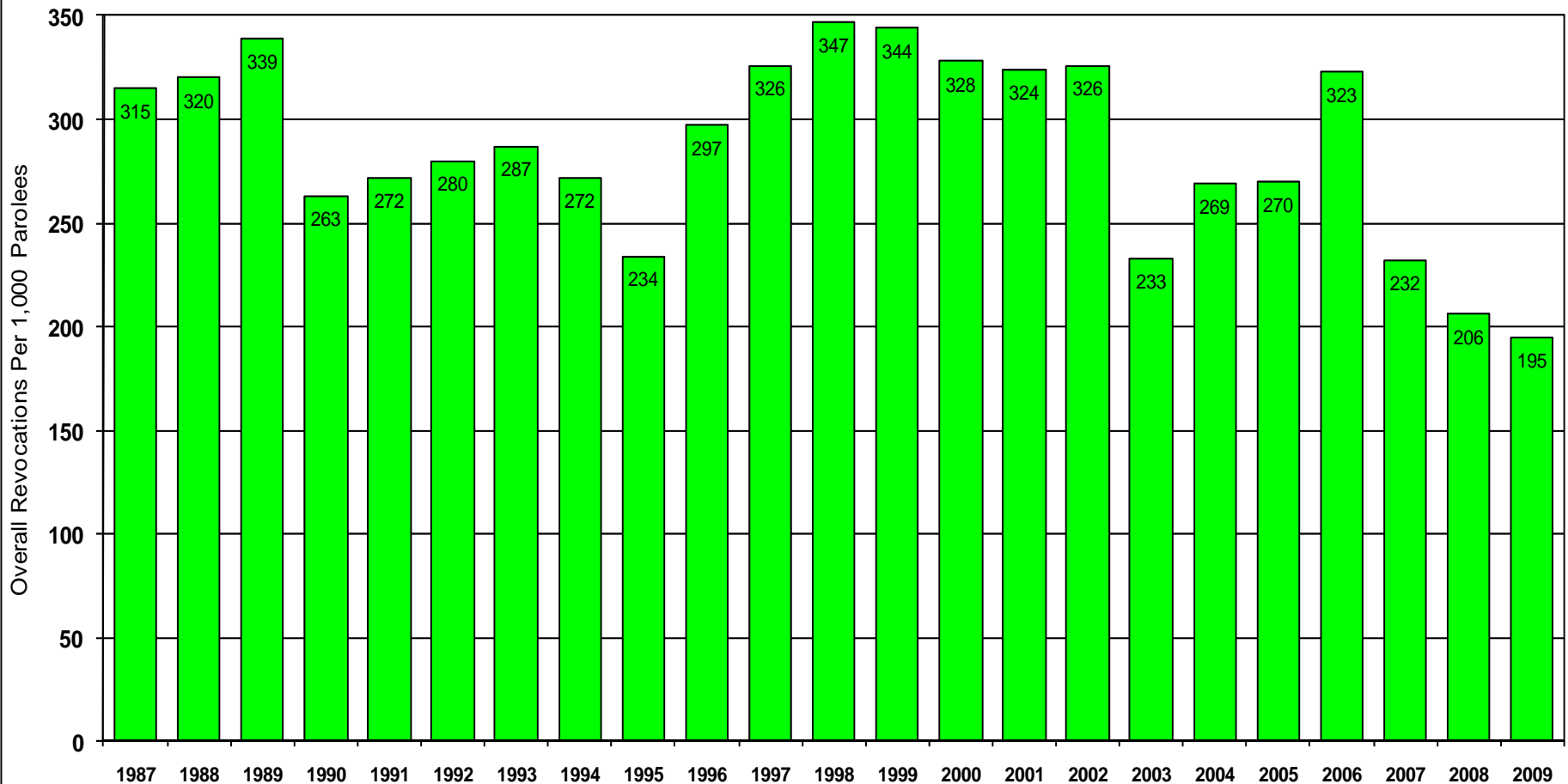
Michigan Department of Corrections  
**Parole Technical Violator Returns to Prison**



**Note: Historically 70% have involved new criminal activity**

**Impact on Returns:** Overall annual parole revocations per 1,000 parolees are the lowest since at least before routine recordkeeping began 23 years ago – due to the MPRI and improved parole supervision approaches

Michigan Department of Corrections  
**Overall Parole Revocations\* per 1,000 Parolees**



\* Overall parole revocations combine parole violator new sentence and technical returns to prison.

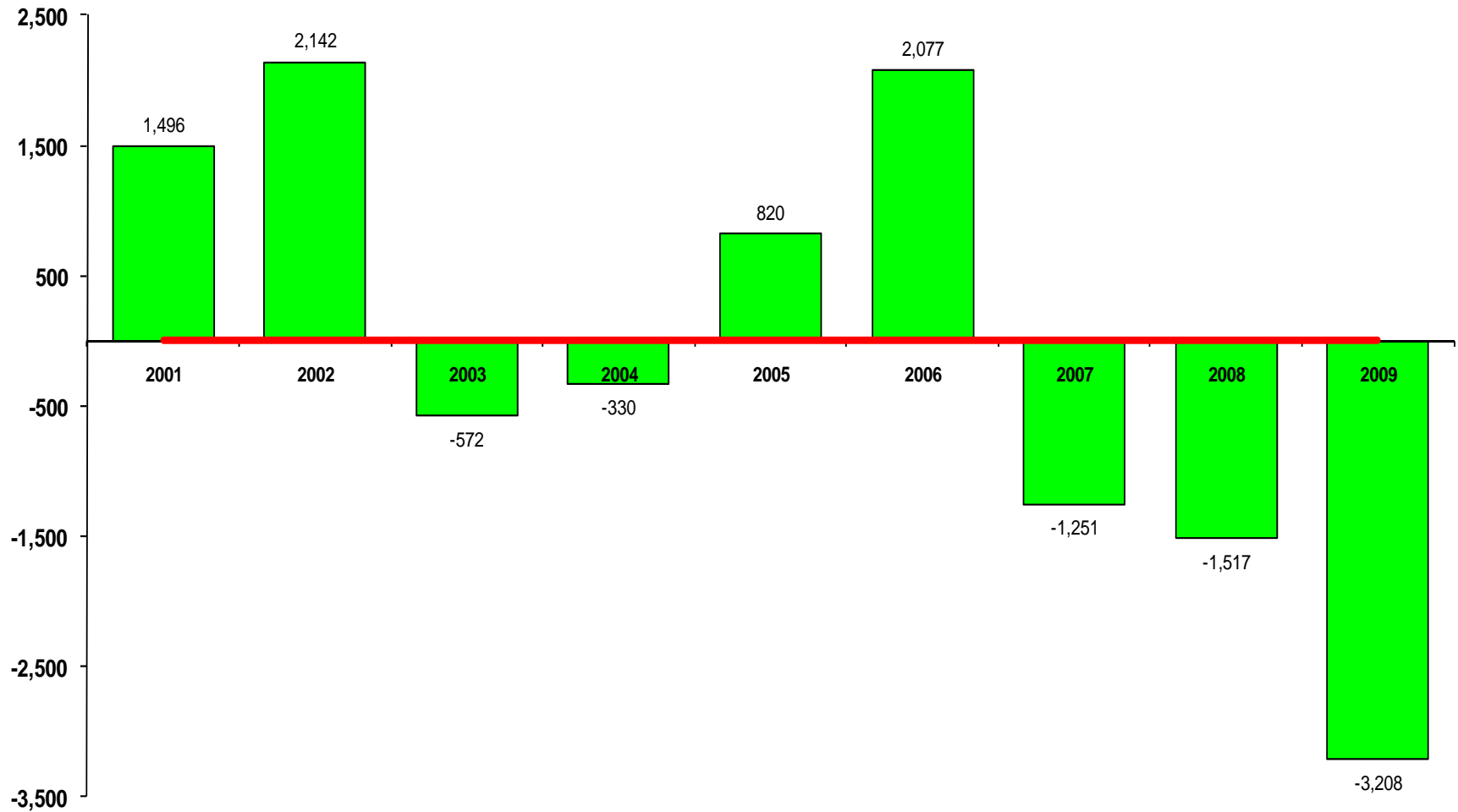
# Evidence Based Practices

## Michigan Prisoner ReEntry Initiative

- Expanded statewide in FY 2008 with expansion up to scale in FY 2009. From inception thru FY 2009, >20,000 offenders had been identified, engaged and paroled under the MPRI Model.
- Focus on the MPRI has provided improved resources for the Parole & Commutation Board (PCB) including better training and more sophisticated risk/needs assessment instruments. Improved parole guidelines are also being developed.
- Preliminary tracking of MPRI outcomes thru FY 2009 shows a **32%** relative rate reduction in returns to prison against baseline expectations (across all release cohorts when controlling for time at risk and a history of prior parole failure).
  - Translates into an absolute reduction of **2,083** fewer returns to prison thru FY 2009.
- The successful MPRI process mitigates and controls risk – and raises PCB confidence in parole plans and outcomes, enabling higher parole approval rates across the board.

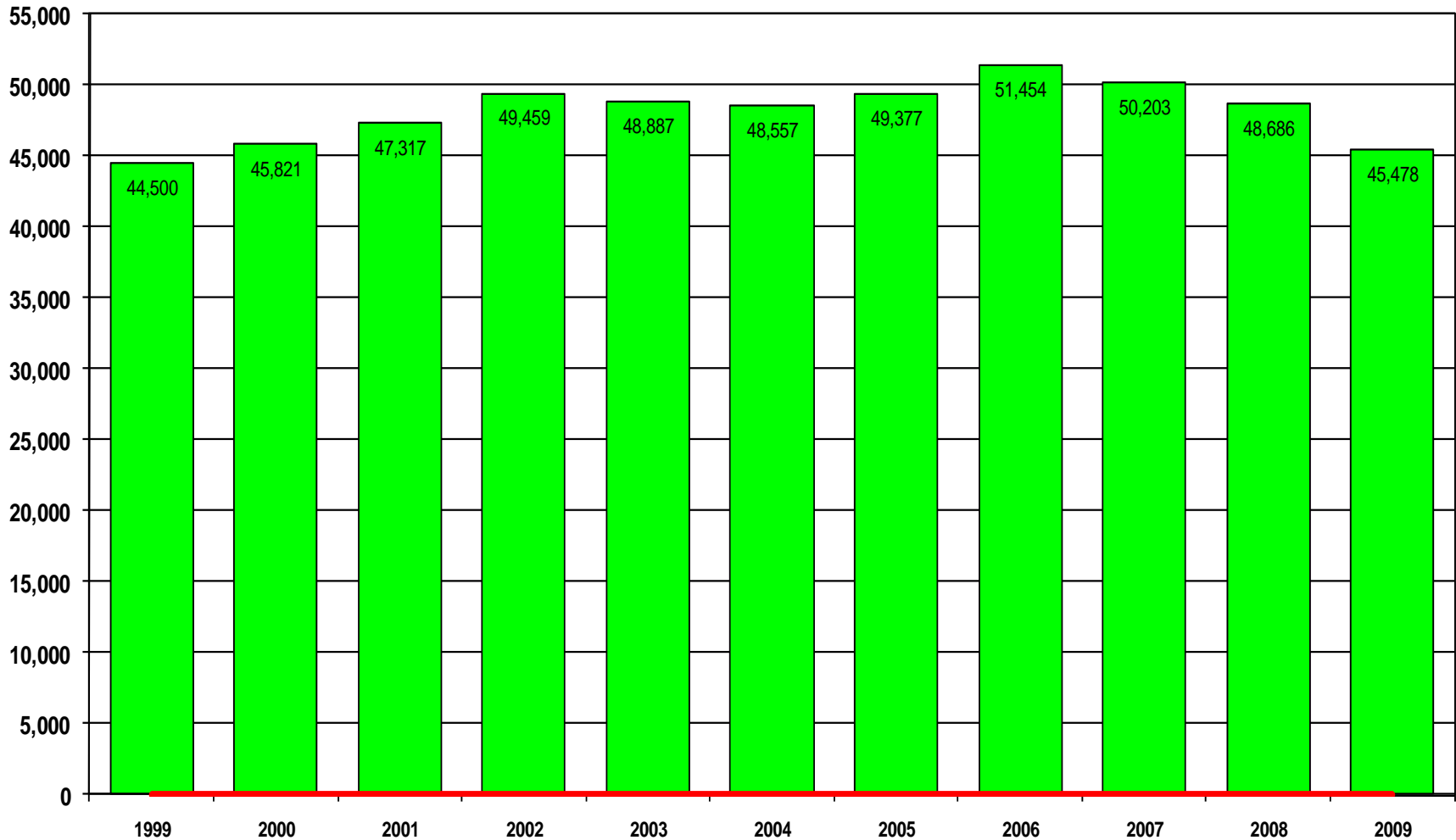
Since the end of 2006 (and including January 2010), prison population has declined by 6,270 inmates (-12.2%)

Michigan Department of Corrections  
Annual Prison Population Change

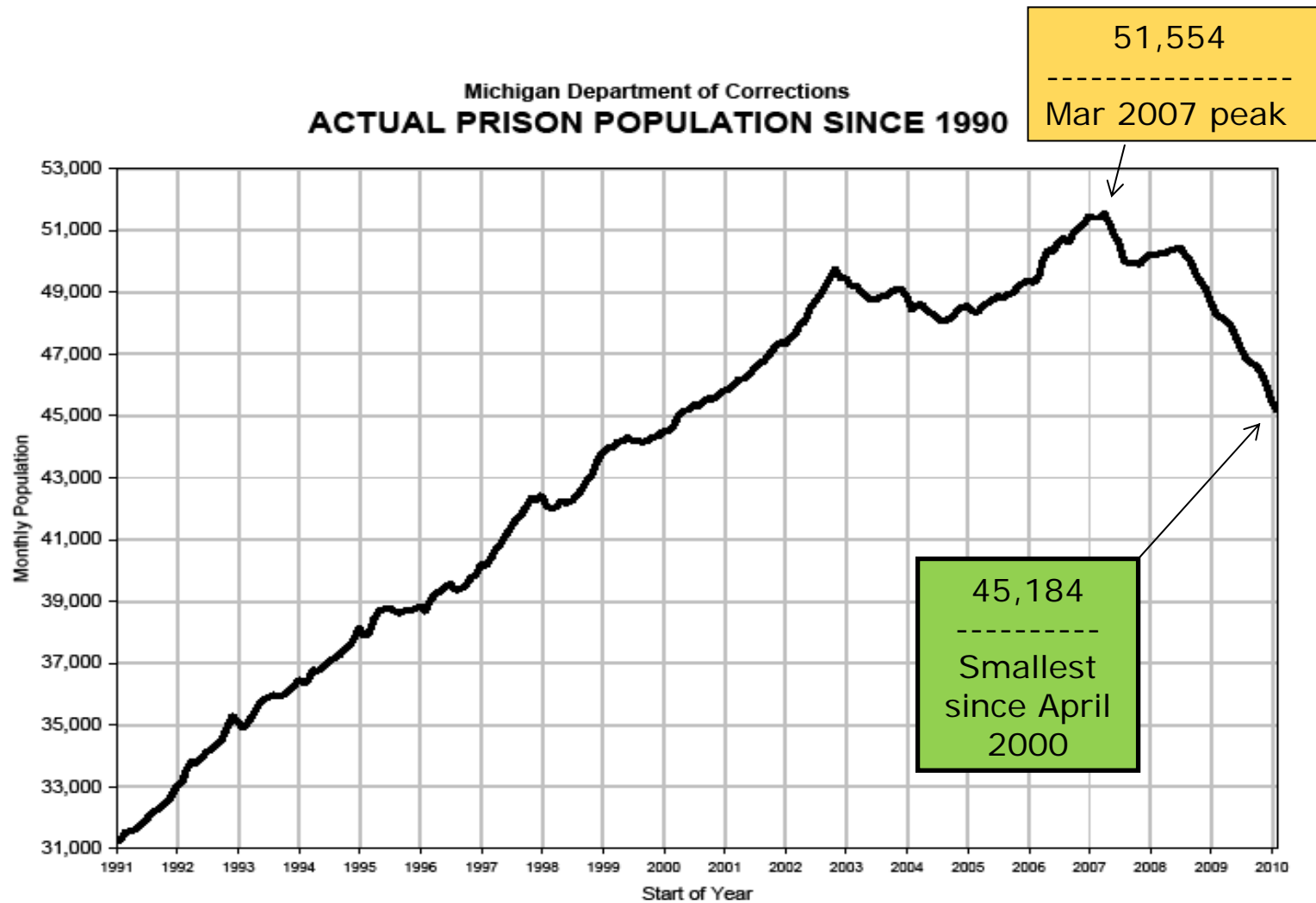


# The prison population at the end of calendar year 2009 was the smallest since July 2000

Michigan Department of Corrections  
Year-End Prison Population



# Prison population decreased by another 294 inmates in January 2010 to the smallest size since April 2000



# Baseline Projection Assumptions

## Following Successful Approaches to Control Prison Population

### **Prison Intake**

- No upward spike in prison admissions appears imminent.
- But 3 consecutive months of slight increases compared to the same months the previous year, so a small rebound is possible.
- Thus, assume small increases in 2010 and 2011 to approximately the 2008 figure, and then stable throughout the remainder of the forecast.

### **Parole**

- Higher parole approval rate can be continued, but the annual number of parole decisions will likely decrease as fewer cases remain eligible for parole consideration.
- Thus, assume the annual number of moves to parole will decrease and then stabilize at about 10,000-11,000 per year.

### **Parole Violator Technical Returns to Prison**

- Assume modest increase in PV technical parole revocations in 2010 due simply to increased numbers of parolees under active supervision.
- Then assume a gradual decline thereafter as outcomes continue to improve, and both moves to parole and parole population stabilize and diminish over time.

# Baseline Projection Assumptions

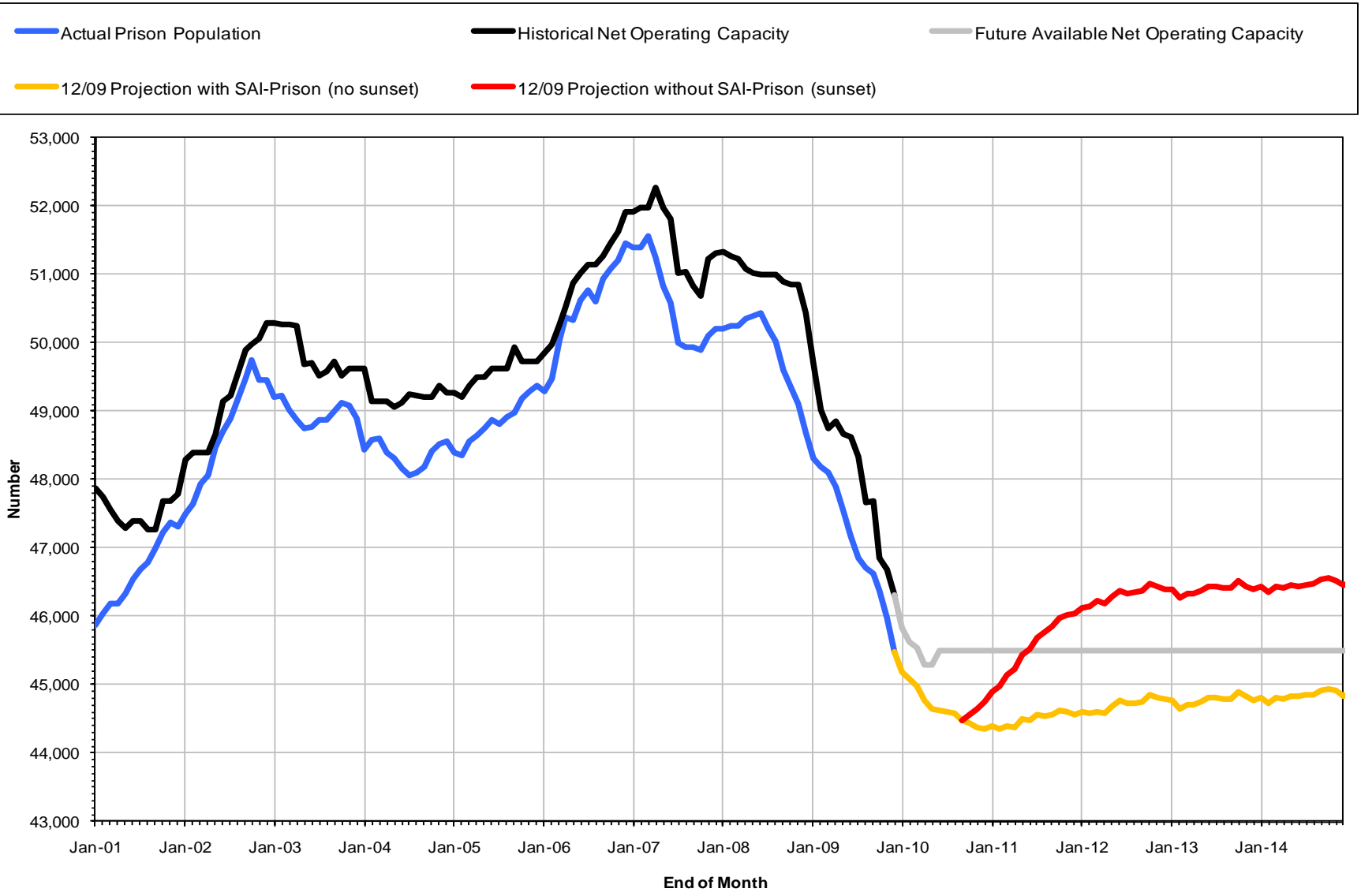
## Following Successful Approaches to Control Prison Population

### Special Alternative Incarceration (SAI) Intensive Reentry Program for Prisoners

- Last year, a statutory sunset of the SAI-Prison program was extended from September 30, 2009 to September 30, 2010.
- SAI-Prison program has been redesigned as a specialized intensive reentry program under the MPRI. The second year of an independent evaluation of the redesigned program is underway.
- Assuming the 9/30/2010 statutory sunset is again extended or eliminated, then under the baseline projection the overall prison population is forecast to grow by **72** inmates from September 2010 through December 2011.
- But with the 9/30/2010 statutory sunset in place, then under the baseline projection the overall prison population is forecast to grow by **1,547** inmates from September 2010 through December 2011.
  - Without SAI-Prison, more prison beds need to be added by April 2011 to avert a bed shortage, and 1,300 more prison beds would be needed under the baseline projection than are otherwise currently planned.

# Baseline Prison Population Projection (with or without SAI-Prison program depending on statutory sunset)

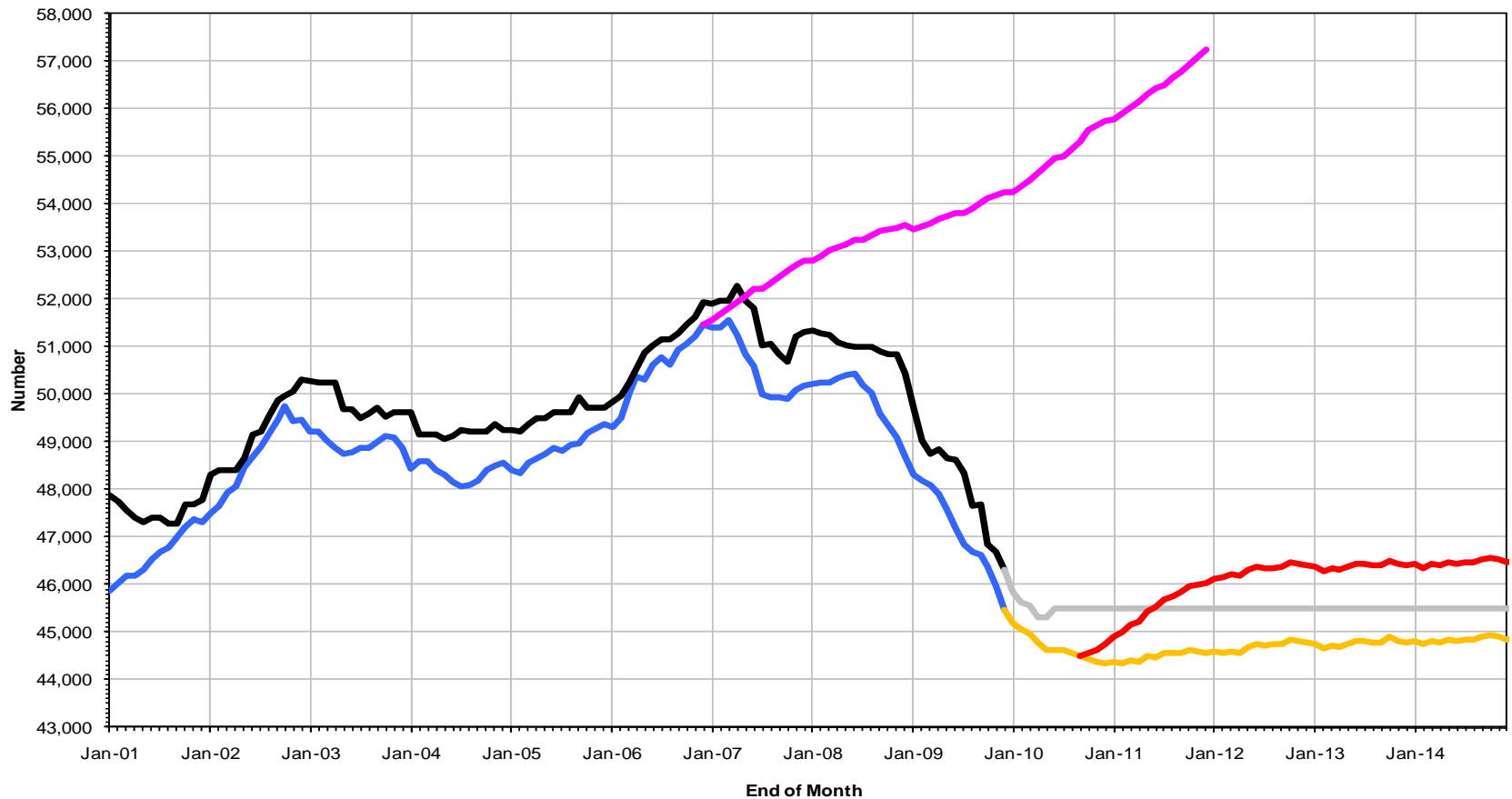
## Michigan Department of Corrections PROJECTED PRISON POPULATION & NET OPERATING CAPACITY



The potent mix of fewer felony dispositions and prison admissions, more paroles, and fewer parole failures has reflected a safer Michigan and has avoided many millions of dollars in corrections costs

Michigan Department of Corrections  
**PROJECTED PRISON POPULATION & NET OPERATING CAPACITY**

- Actual Prison Population
- Historical Net Operating Capacity
- Future Available Net Operating Capacity
- 12/09 Projection with SAI-Prison (no sunset)
- 12/09 Projection without SAI-Prison (sunset)
- 01/2007 Projection (Absent New Approaches)



# Alternative Projection Assumptions

## 1. Council of State Governments (CSG) Justice Reinvestment Work Group Recommendations (data-informed, policy-driven ) (Senate Bills 826 and 827)

### **a. Recommendations affecting prison admissions:**

- Amend the Community Corrections Act (CCA) to eliminate the restriction to only target non-assaultive offenders and to require the use of validated risk and need assessment.
- Target High Risk probationers under the CCA and measure impact of evidence based practices on reducing re-arrest.
- Expand graduated sanctions and services for probationers including the use of short jail stays as sanctions and, in the service area, improved approaches for employment.
- Demonstrate the quality of the programs funded under the CCA.

# Alternative Projection Assumptions

1. Council of State Governments (CSG) Justice Reinvestment Work Group Recommendations (data-informed, policy-driven )  
(Senate Bills 826 and 827)

## **b. Recommendations affecting length of stay:**

- Statutory requirement that the Parole & Commutation Board (PCB) release prisoners after serving between 100-120% of their court-imposed minimum sentence – with limited exceptions.
- Statutory requirement that the PCB revoke parole for no more than 9 months for first-time revocations related to violation of parole conditions.
- Statutory requirement that the PCB, with only limited exceptions, provide at least 9 months of parole supervision for prisoners who otherwise would have served their entire maximum sentence (no “max outs” – with few exceptions).

# Alternative Projection Assumptions

## 1. Council of State Governments (CSG) Justice Reinvestment Work Group Recommendations (data-informed, policy-driven ) (Senate Bills 826 and 827)

### **c. Proposal Impact:**

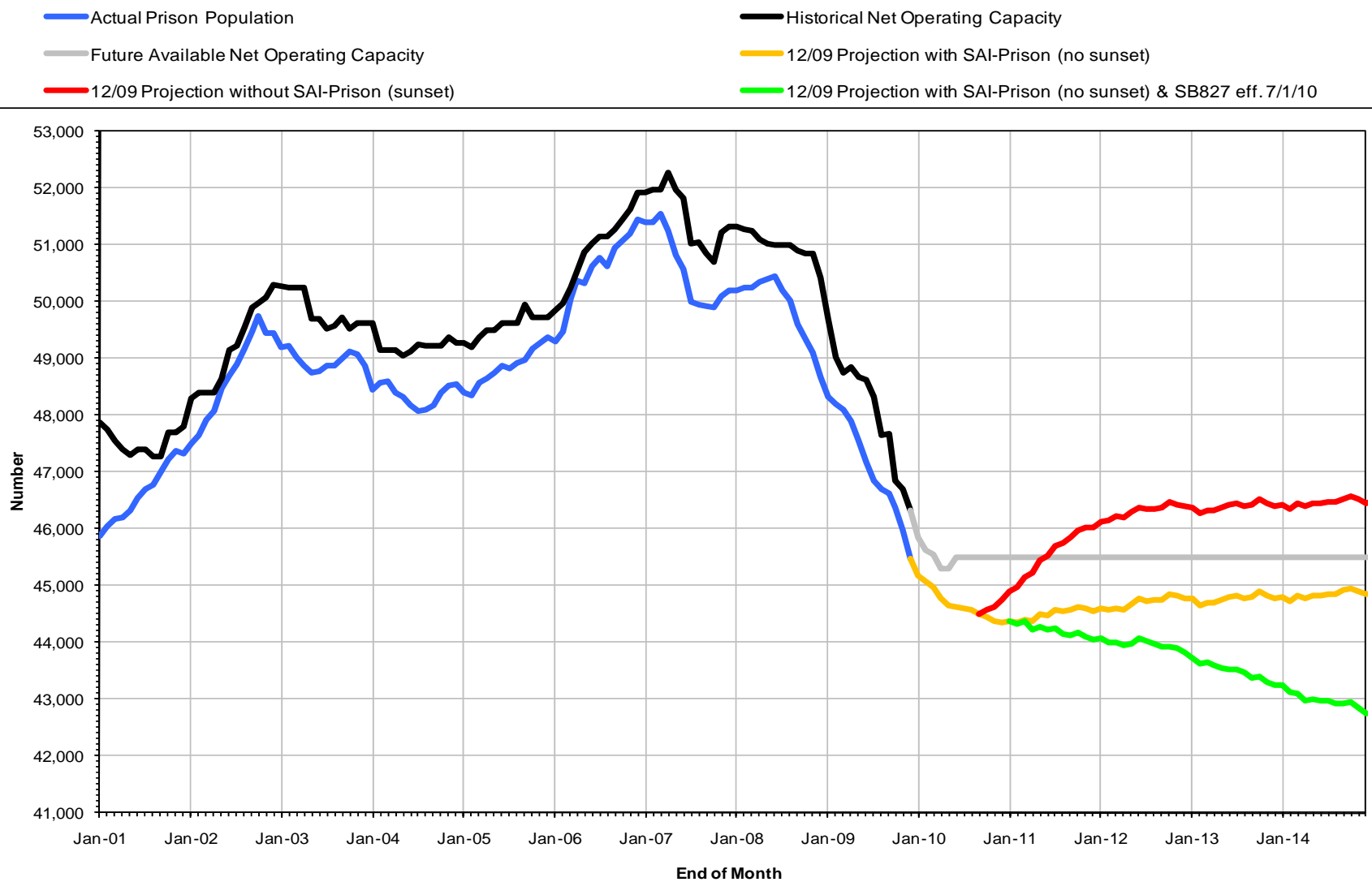
- Community safety is the primary benefit of the proposed changes to the CCA (fewer prison admissions eventually).
- Since the changes are only prospective, the proposed statutory requirements under SB 827 would be expected to just reduce the prison population gradually. Cumulatively:
  - -433 inmates by the end of FY 2011
  - -837 inmates by the end of FY 2012
  - -1,412 inmates by the end of FY 2013
  - -1,987 inmates by the end of FY 2014
- After community reinvestment, only incremental net savings as housing units could close – then increased savings as one prison could close in 2013 and another at the end of 2014.
  - \$1.6M net savings after reinvestment in CY 2011
  - \$3.9M net savings after reinvestment in CY 2012
  - \$7.5M net savings after reinvestment in CY 2013
  - \$11.7M net savings after reinvestment in CY 2014

# Alternative Prison Population Projection - 1

## SB 826/827: CSG Justice Reinvestment Work Group

### Data-Informed, Policy-Driven Recommendations (with SAI-Prison)

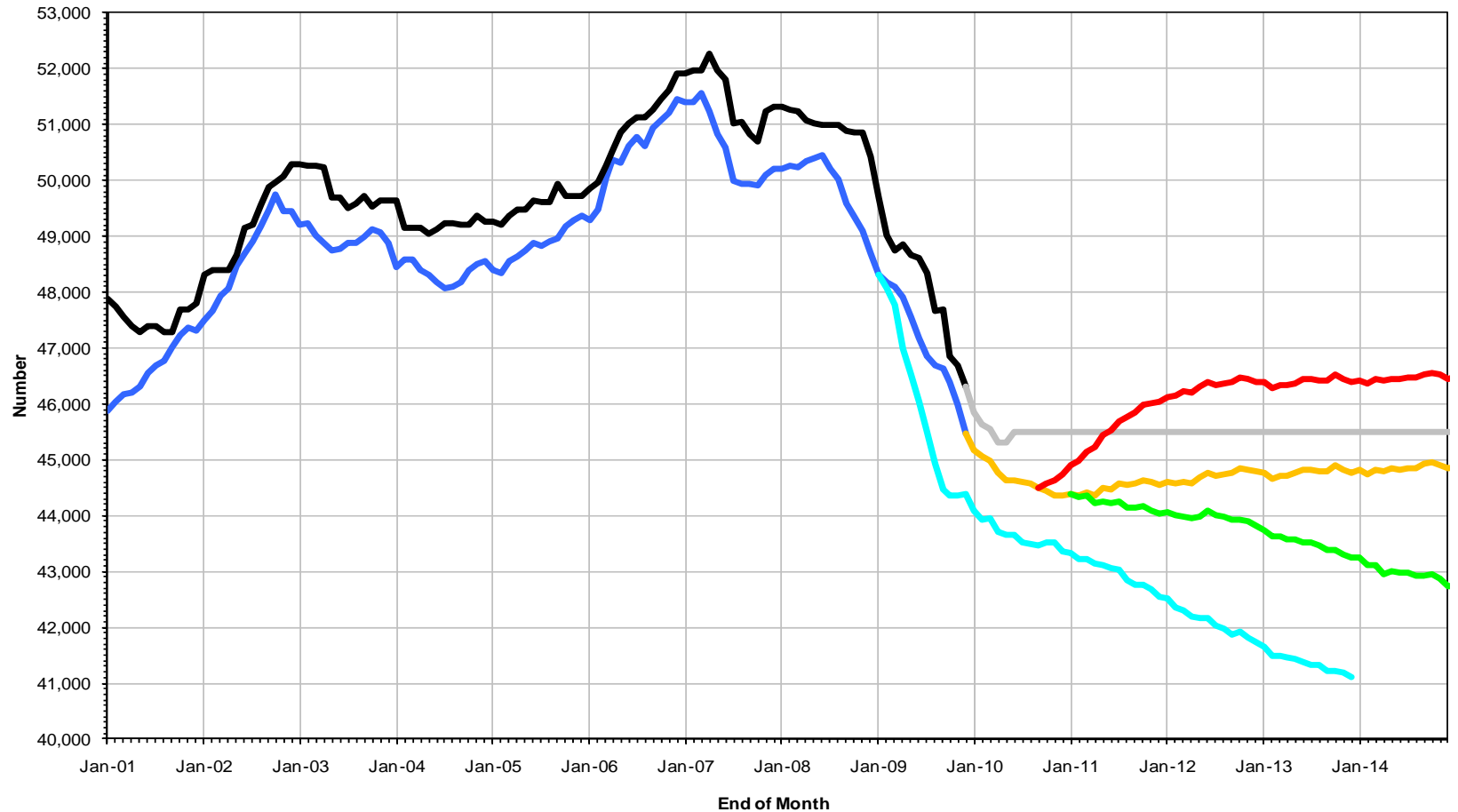
Michigan Department of Corrections  
**PROJECTED PRISON POPULATION & NET OPERATING CAPACITY**



Comparison to Feb 2009 updated forecast shows prison population is higher than had been projected, demonstrating implementation of population reduction strategies in a cautious, deliberate manner

Michigan Department of Corrections  
**PROJECTED PRISON POPULATION & NET OPERATING CAPACITY**

- Actual Prison Population
- Future Available Net Operating Capacity
- 12/09 Projection without SAI-Prison (sunset)
- 2/09 Base Proj Upd w/ SAI-Pri Inc, 120%, PVT, MaxOut, Stronger Past ERD
- Historical Net Operating Capacity
- 12/09 Projection with SAI-Prison (no sunset)
- 12/09 Projection with SAI-Prison (no sunset) & SB827 eff. 7/1/10



## Alternative Projection Assumptions

### 2. Retroactive reinstatement of Good Time sentencing credits and restrictive inmate placement in Community Residential Programs (House Bills 4497, 4498, 4499)

#### **a. Reinstate a form of Good Time credits:**

- Retroactively shorten prison sentences as an incentive for misconduct-free inmate behavior, via earned sentence credits.
- Current proposal would blend the older accelerating good time system formula with the more recent earn-as-you-go disciplinary credits system.
- Current proposal would allow for up to 23% shorter time served on average, but it is expected that lost credits (due to inmate misconduct) under the earned-time provision would yield actual, average prison time-served reductions of 15%.
- Current proposal would reduce prison population by 5,650 inmates within 4-6 months after effective date.

## Alternative Projection Assumptions

### 2. Retroactive reinstatement of Good Time sentencing credits and restrictive inmate placement in Community Residential Programs (House Bills 4497, 4498, 4499)

#### **b. Reinstate Community Residential Programs (CRP) for qualifying inmates nearing parole eligibility:**

- The CRP placement option enabled qualified prisoners nearing release to get re-established in the community with jobs and sustainable housing prior to parole consideration.
- The parole approval rate for CRP participants was 95%, versus 68% for similarly situated offenders housed in prison camps with less opportunity to demonstrate parole readiness.
- The new felony rate among participants was only 1% while in CRP, with better outcomes following release to parole as well.
- Current proposal would yield an estimated prison population reduction of 1,900 inmates within 4-6 months.

## Alternative Projection Assumptions

### 2. Retroactive reinstatement of Good Time sentencing credits and restrictive inmate placement in Community Residential Programs (House Bills 4497, 4498, 4499)

#### **c. Proposal Impact:**

- In combination, the two components of the current proposal would yield a prison population reduction of 7,550 inmates within 4-6 months after the effective date.
- This reduction in prison population would enable 4-5 additional prisons to be closed throughout the State.
- After reinvestment in community services and supervision, there would be full-year net savings of \$129 million in FY 2011 (with more in the next two fiscal years thereafter).
- Because of the retroactivity of the current proposal, in the 4th and 5th fiscal years after the effective date, there would be a rebound in prison population (which could be addressed by subsequent changes to sentencing laws).
  - The rebound – driven by a temporary shortage of inmates reaching their earliest dates for parole consideration – would flatten out in subsequent years as the prison population reached equilibrium at a stable, still much smaller size than today.

# Alternative Prison Population Projection - 2

## HB 4497-4499: Retroactive Good Time & CRP (with SAI-Prison)

Michigan Department of Corrections  
**PROJECTED PRISON POPULATION & NET OPERATING CAPACITY**

- Actual Prison Population
- Historical Net Operating Capacity
- Future Available Net Operating Capacity
- 12/09 Projection with SAI-Prison (no sunset)
- 12/09 Projection without SAI-Prison (sunset)
- 12/09 Projection with SAI-Prison & HB 4497-4499 (Good Time & CRP)

