The Center for Local, State, and Urban Policy (CLOSUP), housed at the University of Michigan’s Gerald R. Ford School of Public Policy, conducts and supports applied policy research designed to inform state, local, and urban policy issues. Through integrated research, teaching, and outreach involving academic researchers, students, policymakers and practitioners, CLOSUP seeks to foster understanding of today’s state and local policy problems, and to find effective solutions to those problems.
The Prison Population and Corrections Expenditures

Executive Summary

In 1998 Michigan enacted the Truth-in-Sentencing law, the culmination of a “get tough on crime” movement stemming from the early 1970s. Since its passage, Michigan’s violent crime rate has not substantially decreased, the prison population remains large, and the state’s corrections expenditures continued to grow. In 2005, Michigan spent more per capita on corrections than any of its neighboring states. Since 2002, the ratio of inmates to the state population has stabilized, fluctuating around 500 prisoners per 100,000 residents. Reducing mandatory sentences and focusing on the transition from prison back into society have both helped stabilize and decrease the size of Michigan’s prison population. However, the state’s high level of violent crime, the large prison population, and the high cost of corrections have all encouraged officials to question the state’s public safety policies and programs. This brief outlines the current state of Michigan’s prison population, the crime rate and corrections expenditures, and then reviews policy options that address these issues.

BACKGROUND

Since the early 1970’s, “get tough on crime” corrections policies have been adopted nationwide. Michigan demonstrated its continued strong commitment to this movement with the enactment of the 1998 Truth-in-Sentencing law. In conjunction with the law, Michigan established statutory sentencing guidelines, signifying its commitment to violent crime deterrence via long prison sentences. The Truth-in-Sentencing law qualified Michigan to receive federal funding for prisons and jails under the federal Violent Crime Control and Law Enforcement Act. Yet, federal funding has not fully covered Michigan’s escalating corrections expenditures. Although index crime rates in Michigan were generally declining from the mid-1990s to 2008, the prison population and, particularly, the budget were increasing. Michigan faces two interrelated challenges in its corrections system, both of which may have been exacerbated by the Truth-in-Sentencing law: one, a large prison population and, two, the corrections system taking an escalating share of the state budget. Potentially

Glossary

Determinate Sentencing
Sentencing structure that determines a fixed minimum sentence by statute, leaving little discretion to judges.

Disciplinary Credits
These credits accelerate a prisoner’s parole eligibility 5 days for every month served, plus 2 more days per month where behavior is exceptionally good. The seven days are automatically lost if a prisoner is found guilty of a major misconduct during the month. Prisoners who committed an assaultive crime on or after Dec. 15, 1998, or any other crime on or after Dec. 15, 2000, are prohibited from earning Disciplinary Credits.

Felony
In Michigan, any serious crime for which the possible maximum sentence is more than one year in prison.

Good Time
For prisoners sentenced for crimes committed before April 1, 1987, days are subtracted from certain prisoners’ sentences for good behavior, required under Michigan law unless the prisoner has violated prison rules; it escalates from 5 days a month to 15 days a month on very long sentences.

Incarceration Rate
The number of individuals housed in a state’s prison per 100,000 state residents.
Intermediate Sentencing
In Michigan, convicted felons, with few exceptions, are given a minimum and a maximum portion to their sentences. The maximum is usually determined by law, and the minimum is set by a judge with the legal restriction that it is not to exceed two-thirds of the maximum.

Index Crime
Eight of the most severe crimes, including: murder, rape, robbery, aggravated assault, burglary, larceny, arson, and motor vehicle theft.

Mandatory Minimum Sentence
Individuals convicted of certain crimes must be punished by serving a minimum number of years in prison.

Maximum Sentence
The maximum sentence that a convicted felon may serve in prison. Parole boards may revoke parole up until this maximum sentence date.

Non-Index Crime
Crimes not listed as index such as negligent manslaughter, fraud, stolen property, vandalism, prosecution, and violation of narcotic laws.

Parole Approval Rate
The proportion of prisoners granted parole of all prisoners whose case comes before the parole board in a given year.

Parole Board
A body of officials with authority to determine when a prisoner is ready to re-enter society under a period of parole supervision. This body of officials is responsible for determining whether parole rules have been followed or violated and to possibly revoke parole if necessary.

Recidivism
The number of offenders committed to prison who have previously served at least one prison term.

due to policy changes directed at reducing the state’s prison population, the prison population decreased slightly in 2003, 2004, 2007 and 2008 such that population is now at about its 2001 level. Further decreasing the size of the prison population, the violent crime rate, and overall expenditures remain the main policy challenges of the Michigan corrections system.

CRIME RATES

Crime rates throughout the country and in Michigan rose consistently during the 1960s and 1970s, and then began a steady decline in the early 1980s. Criminologists point to three major causes of changes in the crime rate: demographics, the economy, and the courts. Fluctuations in the age composition of the U.S. population resulted in the group with the highest risk of committing a crime, 15 to 24 year olds, garnering a larger share of the total population in the 1960s and 1970s than in the post-1980 period, possibly accounting for the higher crime rate in the former periods. Other scholars point to the creation of legitimate jobs during periods of economic growth, such as the mid-1990s, as a factor reducing the crime rate. A third explanation is that increased community policing in the late 1980s and 1990s combined with a dramatic increase in incarceration rates throughout this period contributed to reductions in the crime rate.

Michigan made substantial gains in crime reduction beginning in the mid-1980s, going from an index crime rate above that of its neighboring states and higher than national index crime rate to a rate that is lower than that of most neighboring states and is lower than the national rate (see Figure 1). The index crime rate is the aggregate reported incidence of the seven offenses (murder, rape, robbery, aggravated assault, burglary, larceny, and motor vehicle theft) per 100,000 residents. Continuing the trend that started in 1991, the index crime rate continued to decline after the enactment of the Truth-in-Sentencing law. Between 1991 and 1998, Michigan’s index crime

Figure 1.
Index Crime Offenses Reported per 100,000 Residents
rate declined by 24%, while the national index crime rate declined by 22% (see Figure 1). After the enactment of the Truth-In-Sentencing law in 1998, Michigan’s index crime rate declined at about the same rate as the pre-Truth-in-Sentencing period, but appears to have stabilized since 2004 at an annual rate of about 3,600 offenses per 100,000 residents.

Decreases in the index crime rate are mainly attributable to reductions in property crime offenses (burglary, larceny, and motor-vehicle theft); the violent crime rate, which includes murder, rape, robbery, and aggravated assault, in Michigan remains higher than that in most neighboring states and the national rate (see Figures 2 and 3). In 2007, Michigan’s violent crime rate was the highest among the comparison neighboring states and it was about 15% greater than the U.S. violent crime rate.

![Figure 2. Property Crime Offenses Reported per 100,000 Residents](chart1.png)

![Figure 3. Violent Crime Offenses Reported per 100,000 Residents](chart2.png)
INCARCERATION RATES

A potential explanation for declining crime rates in Michigan is the incarceration rate. While the property and violent crime rates have declined since the 1980s, the incarceration rate in Michigan dramatically increased over the same period (see Figure 4). Since the mid-1980s until about 2002 the Michigan prison population grew annually. Beginning in 2002, the prison population stabilized at around 500 prisoners per 100,000 residents. Specifically, the prison population decreased in 2003 and 2004, increased in both 2005 and 2006, and then decreased in 2007 and 2008. Although the trend of annual growth seems to have ended, Michigan still has a high incarceration rate.

When comparing the incarceration rate of Michigan to neighboring states, Michigan tops the chart (see Figure 5). Even though the index crime rate in Michigan has been lower than that in the Illinois and the nation since the mid-1990s, since 1978 Michi-
Michigan’s incarceration rate for inmates with sentences of more than one year has remained greater than that in Illinois and has mirrored that of the U.S., sometimes even exceeding it.

Recently, the MDOC has focused on decreasing the prison population. In August 2009, the MDOC reported that the population was at about 47,000, the lowest count since 2001. Two primary causes for the reduction are an increased parole approval rate and judges conferring fewer prison sentences. In 2009, MDOC reported an overall parole approval rate of 58.1%, which is the highest approval rate since 1993. The MDOC suggests that better assessment of prisoner needs and risks led to a higher parole approval rate. Further in 2009, one in five court appearances resulted in a prison sentence versus one in three during the 1980s. Policy changes affecting the courts and the Parole Board in Michigan appear to have resulted in reductions in the prison population.

CORRECTIONS EXPENDITURES

High incarceration rates have contributed to consistently increasing corrections costs and expenditures. Michigan currently spends about $2.1 billion annually ($5 million per day) on corrections. Between fiscal years (FY) 2002-03 and 2006-07, the MDOC general fund/general purpose appropriation grew annually in response to spending pressures such as increased prison and camp population, staffing costs, and health care costs. In 2005, Michigan’s per capita corrections expenditures of $223 exceeded that of all its neighboring states (see Figure 6).

A report developed by the Citizen’s Research Council of Michigan (CRC) uses detailed 2005 data to compare the corrections expenditures of eight neighboring Great Lakes states (Illinois, Indiana, Minnesota, New York, Ohio, Pennsylvania, Wisconsin, and Michigan). The CRC report finds that in 2005 Michigan’s average cost per prisoner was $28,743, which was higher than three other states (Illinois, Indiana, and Ohio) but lower than that in Minnesota, New York, Pennsylvania, and Wisconsin. Health care expenditures are a major component of the cost per prisoner, and health care expenditures rose 4.2% annually between 1997 and 2006, contributing to the rise in total costs. If the state maintains this annual health care expenditure growth rate, it is projected that Michigan will spend $15 million more per year on prisoner health care between 2006 and 2011. This cost will fall squarely on the shoulders of the state (and its tax payers) because the incarcerated population is ineligible for Medicare/Medicaid benefits.

The CRC report also identified staff salaries as a major driver of high corrections expenditures in

Figure 6.
Per Capita Corrections Expenditures

Note: Because of missing data, the 2001 estimates are imputed.
Michigan. The average corrections employee salary in Michigan of $53,268 exceeds the average salary of every other Great Lakes comparison state except New York.22 One influential component of staffing costs is realized in the form of overtime. While operational efficiencies could be identified, they are not likely to impact corrections expenditures significantly unless incarceration rates are reduced, as well.

One consequence of high corrections costs in Michigan may be a decrease in law enforcement strength. Even though Michigan has the highest violent crime rate in the Great Lakes region, the state deploys fewer local law enforcement personnel per capita than any of its regional neighbor states.23 The state’s two largest law enforcement agencies have suffered the greatest loss of officer strength. The City of Detroit suffered a 23% decline in personnel since 2001, and the Michigan State Police suffered a 17% loss.24 The Citizen’s Alliance on Prisons and Public Spending (CAPPS) purports other negative consequences of large corrections expenditures. CAPPS argues that the high cost of corrections in Michigan impacts all state residents negatively. Not only does the high cost crowd out dollars that could be invested in higher education and other important statewide initiatives, but the high cost fundamentally limits the revenue sharing dollars sent to local communities, which may eventually impact community policing and local law enforcement strength.25

**FACTORS CURRENTLY CONTRIBUTING TO MICHIGAN’S CORRECTIONS PREDICAMENT**

Two overarching factors contribute to the growth of Michigan’s prison population: the number of prisoners entering and re-entering prison and the length of prisoner stay.26 A primary reason for largely sustained numbers entering Michigan prisons has been increased recidivism. Additionally, average length of prisoner stay has increased, partially as a result of the Truth-in-Sentencing law (i.e. the removal of disciplinary credits) and also because of the high level of parole board discretion.

**Recidivism**

Michigan’s rising recidivism rate has greatly contributed to the population problem in state prisons. Recidivism rates reflect the number of offenders committed to prison who have previously served at least one prison term. In 1995, 29% of the individuals committed to prison had previously served prison sentences, but by 2005 this percentage had increased to 38%.27 More frequent technical rule violations of parole terms have contributed to higher recidivism rates in Michigan; in 1995, 18.5% of total prison commitments were technical rule violators and the percentage increased to 22% by 2005.28

**Length of Prison Stay**

Between 1981 and 2005, there was a 57% increase in average length of stay in Michigan prisons (from approximately 28 to 44 months).29 One reason for this increase is that the Truth-in-Sentencing law made it more difficult for offenders’ prison sentences to be reduced. In 1987 Michigan created a system of disciplinary credits or “bad time,” credits, which automatically reduced the amount of time an offender serves by between 5 and 7 days for each month served (with a maximum reduction of 84 days per year). If an offender was found guilty of a major misconduct, these disciplinary credits were revoked. Ultimately, the Truth-in-Sentencing law rendered all disciplinary credits void effective December of 2000.30

The significant discretion awarded to the parole board in Michigan seems to contribute to the state’s lengthy prison stays. In Michigan, the parole board has discretion in determining a release date at any point between an offender’s minimum and maximum sentences. No other state grants their parole board such a long period of discretionary latitude in determining the length of a prisoner’s stay. Consequently, the average Michigan prisoner serves 127% of their minimum sentence before being granted parole.31 In large part, Michigan’s average length of prison stay looms above the national average because of this unique level of discretion given to the state’s parole board.32

**SOLUTIONS TO MICHIGAN’S CORRECTIONS CHALLENGES**

Spending pressure has forced Michigan to take innovative steps to slow and reverse the growth in its prison population. Policy solutions include pro-
grams designed to reduce recidivism such as the Michigan Prisoner ReEntry Initiative, and internal review of the effectiveness and efficiency of corrections policies through the Justice Reinvestment Initiative. This section outlines each of these potential solutions.

**Michigan Prisoner ReEntry Initiative**

To combat recidivism in 2003, the MDOC received technical assistance from the National Institute of Corrections’ Transition from Prison to Community Initiative (TPCI) and the National Governors Association to design and implement a program relying on the best research on effective prisoner reentry strategies, known as the Michigan Prisoner ReEntry Initiative (MPRI).

MPRI’s three phase model incorporates input from all relevant stakeholders in the development of a reentry plan for each offender at the time of prison entry. In Phase I, “Getting Ready,” which occurs from entry until parole, the offender’s risks, needs, and strengths are assessed and the offender is assigned to in-house treatment programs designed to reduce needs and build on strengths. Six months prior to release, Phase II, “Going Home,” begins with the design of a personalized plan to help the parolee find housing, employment, and services to address substance abuse, domestic violence, mental illness, or other psychological and emotional needs upon release. Once released, the former prisoner’s human service providers, community supports and mentors work together in Phase III, “Staying Home,” to provide services, supervision, and if necessary, graduated sanctions based on behavior to ensure successful reentry to the community.

It is the MDOC’s intention to implement the MPRI model to-scale in every corrections facility throughout the state by 2010. The state hopes that MPRI will prove to be an inexpensive method of significantly reducing recidivism and that MPRI will successfully save Michigan money that would otherwise be spent building and operating new prison facilities.

Although not necessarily attributable to MPRI, the MDOC has seen several positive outcomes since MPRI’s establishment. In August of 2007, MDOC reported 26% fewer parole failures than in 1998, translating to 400 fewer returns to prison in comparison to 1998. Additionally, the prison population has seen minimal growth since MPRI’s implementation in 2003. At the end of 2007, there were only 744 more prisoners housed in Michigan prisons than at the end of 2002, which amounts to an annual average growth of only 150 prisoners per year between 2003 and 2007. However, the reduction in the prison population may also, at least partly, be due to judges sending fewer offenders to prison. The evaluation component of the MPRI remains in progress, but the internal evaluation team, responsible for providing in-time reports on both outcomes and implementation processes, has partnered with an independent research team to ensure validity of results.

**Justice Reinvestment Initiative**

In response to urgent spending pressures, Michigan recently volunteered to participate in a comprehensive reassessment of state corrections policies through the Council of State Governments Justice Center’s Justice Reinvestment Initiative (JRI). JRI staff and expert consultants work closely with state policymakers to provide technical assistance to make “fiscally-sound, data driven criminal justice policies.” Michigan’s Justice Reinvestment Working Group has agreed to advance state corrections policies consistent with the principle reinvestment, requiring that a portion of savings resulting from policy changes be reinvested in agreed upon strategies to reduce crime and strengthen local communities.

Of the nine states that have participated in the JRI, five (Connecticut, Kansas, Rhode Island, Texas, and Vermont) have begun implementation of recommendations based on the initiative. While the initiative is still in its infancy, initial success and savings are documented in Connecticut. With the unanimous support of the Connecticut state legislature, a new streamlined parole process for low-risk offenders was enacted, and Connecticut is developing a comprehensive recidivism reduction strategy similar to Michigan’s MPRI. The savings that resulted from implementation of these plans amount to nearly $30 million, almost $13 million of which was reinvested in community-based pilot projects. Additionally, between July 2003 and September 2005, declines in probation violations, prisoner populations, and crime rates were observed in Connecticut.
In the spring of 2009, the Michigan JRI Working Group published its recommendations on how to reach three main goals: deterring criminal activity, lowering recidivism, and generating short-term and long-term savings.

**Deterring Criminal Activity**
The Working Group suggested that the MDOC adapt and improve information sharing capacity between parole and probation supervisors, thereby assisting local law enforcement personnel to increase targeted crime-fighting strategies.33 Innovative information sharing systems can be improved at relatively low cost to the taxpayer. However, fully coordinating this information sharing between probation supervisors and local law enforcement agencies will likely require more resources of state and local law enforcement agencies. The Working Group also recommended reducing evidence processing time and creating job opportunities for high risk youth.44 Reducing evidence processing time may be difficult to achieve given that the State Police Crime Lab is already over-burdened due to the 2008 closure of the Detroit Police Department Crime Laboratory.45

**Lowering Recidivism**
In addition to the continued expansion of the MPRI, the Working Group recommended improved risk assessment and data systems. Improved data systems would allow probation officers to target high-risk probationers to reduce re-arrest rates of this population.46 This recommendation is relatively inexpensive for MDOC to implement, has some potential for cost savings, and would improve the overall efficiency of the state corrections system. Further, the Working Group recommends responding to parole violations with “quick stints” in local jails, which may have the negative impact of shifting costs to local governments.47

**Reducing Short-Term and Long-Term Spending**
Limiting the time served in prison could help reduce short-term and long-term corrections spending. The Working Group recommended that the majority of prisoners be required to serve at least 100% but not more than 120% of their minimum sentence.48 This would not apply to offenders who have not completed required programs, as these offenders have a high risk of reoffending, or to those with a statutory maximum sentence of life in prison. Additionally, parolees who return to prison for the first time as a result of technical rule violation would be required to serve no more than nine months in prison.49 There are currently three bills (HB 4497, 4498 and 4499) in the House Judiciary Corrections Reform Subcommittee that would repeal disciplinary time and disciplinary credits and restore good time credits. If passed, these bills could result in shorter time-served and result in cost savings.

These sentencing policy reform recommendations are likely to have the most immediate and positive impact on corrections expenditures. A cost-savings analysis of the implementation of the JRI Working Group policies projected a cumulative cost savings of $262 million between 2011-2015 from MDOC’s current projections. The projection included a decrease of almost 2,000 prisoners from the baseline MDOC predicted prison population.50 Yet, these policy recommendations remain contentious; some believe that they do not go far enough in terms of cost savings while others believe they go too far in terms of risks to the public. Policymakers and taxpayers have long debated the potential risk of releasing offenders early in their period of parole eligibility. There is an obvious risk of statewide backlash if a parolee causes serious harm to a person or community. However, risk of harm to innocent citizens may be reduced if many of the previously recommended strategies such as MPRI are implemented effectively.

**Private Service Delivery: Food Service**
One area where Michigan may be able to lower corrections expenditures is in food service delivery. In FY 2007-2008, MDOC budgeted $84 million for food, costing the department an average of $4.68 per prisoner per day.51 Food service delivery has been opened up to competition by other state and local corrections systems. The corrections systems in Florida and Kansas and the jail system in Michigan’s Oakland County all opened to competitive private food service providers. Based on the prices obtained by Florida ($2.65 per prisoner per day) and Kansas ($4.14 per prisoner per day), Michigan’s
Auditor General estimates that MDOC could have saved anywhere between $11 million and $39 million during FY 2007-2008 had MDOC employed a private food service provider.52

While the privatization of food service delivery may have substantial financial benefits for the state, many state taxpayers in rural communities would likely lose jobs. This has consequences not only for the employees themselves, but for communities where the state prison serves as one of the main employers (such as Adrian or Jackson). However, there appears to be moderate public support for privatization of corrections food services as a means to cut corrections expenditures.53

**Prison Consolidation and Closures**

The current strategy to reduce corrections expenditures relies heavily on prison consolidation and closures. In the 2008-2009 fiscal year, the House, Senate and Governor approved the closure of eight prisons and camps, and the conversion of the Alger Maximum Correctional Facility from a Level V to a Level IV facility, providing savings from lower security costs.54 These closures are possible for two reasons. First, the prison population is shrinking, at least partially because of an increase in the parole approval rate. Second, capacity has increased at existing facilities by double-bunking rooms and adding prisoners to group rooms.55 If the prison population continues to decline, these closures may lead to permanent savings. However, if the population grows, over-crowding could return as an issue for the corrections system.

**CONCLUSION**

While there is general statewide consensus that public safety and security is the most important responsibility of state and local governing bodies, the ways in which safety and security goals are achieved are fiercely debated. Victims’ advocates and proponents of tough corrections policies cite Michigan’s high violent crime rate as a rationale to maintain the trajectory set by current policies. However, in light of Michigan’s difficult economic position, the state must evaluate spending priorities and explore innovative ways in which public safety goals may be achieved more efficiently and effectively. Focusing on lowering recidivism through both the MPRI and JRI strategies may prove successful means to reduce Michigan’s prison population, deter crime, and lower corrections expenditures.

**Notes**

5. These sentencing guidelines were designed by the state legislature to meet a number of objectives, including the following: 1) treating offenses against a person more severely than other offenses, 2) including guidelines for offenses that were previously excluded, such as habitual offenders, 3) incorporating prior criminal offenses, and 4) reducing sentencing disparities by offense and characteristics of offenders (Michigan Department of Corrections, Glossary).


9. Although, the index crime rate includes an eighth offense, arson, the FBI does not report incidence rates of arson offenses because of inconsistencies in arson data collection and reporting among state agencies.


41. The four other states are: Arizona, Michigan, Nevada, and Pennsylvania. The JRI is funded by both federal (the Bureau of Justice Assistance) and private funds (the JEHT and MacArthur foundations, as well as the Open Society Institute and Pew Charitable Trust).


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