



CRC Notes

GROWTH IN MICHIGAN CORRECTIONS BUDGET CONTINUES

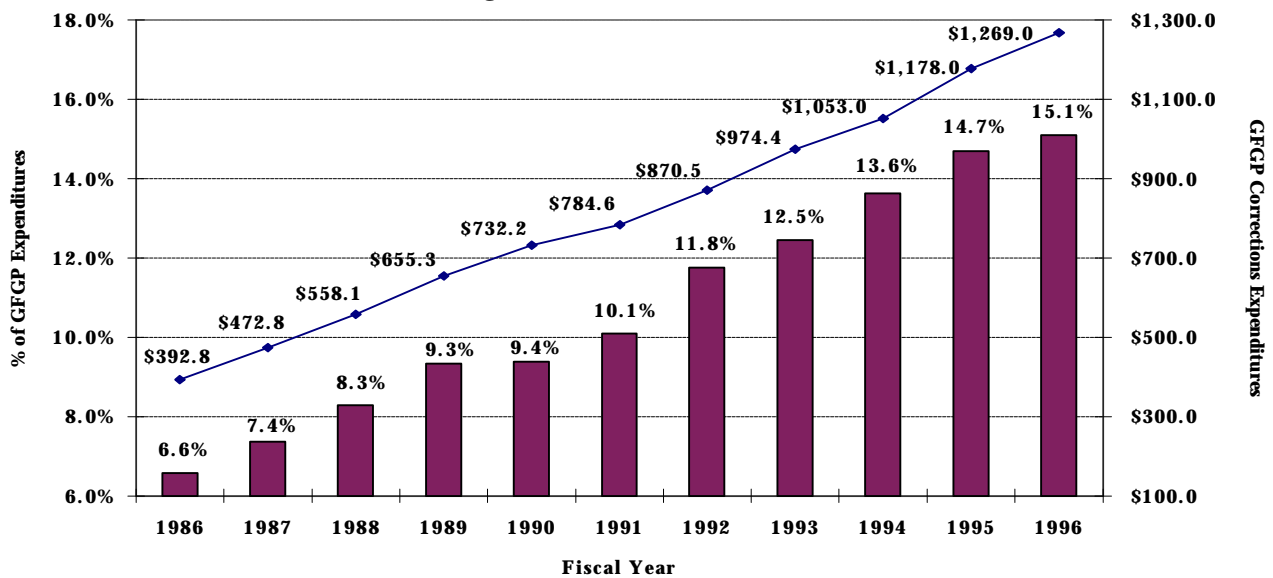
Introduction. With the ultimate goal of increasing public safety, the “get-tough-on-crime” policies of the 1970s and 1980s tended to focus more on mandatory sentences than on the fiscal implications of such policies. As a result, rapid increases in prison populations and the ensuing demand for more prisons have been accompanied by dramatic increases in state corrections spending over the last decade.

Impact of Corrections on the State Budget. Between 1985 and 1995, the Michigan prison population increased 142.8 percent, from 16,003 to 38,854 inmates. To accommodate this rapid rise in the prison population, 23 new state prisons were constructed during this same period. Consequently, the state has experienced a rapid increase in operating expenditures for corrections. Between FY86 and FY96, state GFGP operating expenditures for corrections increased 223.1 percent, from \$392.8 million to \$1,269.0 million. The result of this increase is an increasing share of the state GFGP budget devoted to corrections. (See Chart 1).

Containing Spending & Increasing Bed Capacity. In recent years, the state has taken several steps simultaneously to contain corrections spending and increase the capacity of the Michigan prison system. For example, the double-bunking of prisoners, conversion of a mental health facility into a prison, and placement of more non-violent offenders in community corrections programs have had the effect of delaying new prison construction by increasing prison bed capacity. Such steps, combined with the recent slowdown in prison intake, have limited GFGP corrections expenditures to a 9.8 percent average annual growth rate since FY94, compared to a 13.1 percent average annual growth rate between FY86 and FY94.

Outlook for Spending & Prison Capacity. Despite these efforts, corrections expenditure growth continues to outpace the growth in total GFGP spending, and projected shortages in prison bed capacity suggest that this trend will continue. Projections by the Department of Corrections

Chart 1
General Fund-General Purpose (GFGP) Corrections Expenditures
State of Michigan, FY86 to FY96 (dollars in millions)



* Appropriations are used for FY95 and FY96.

Source: Department of Management & Budget; Senate Fiscal Agency; CRC Calculations.

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indicate that the number of available beds in the Michigan prison system will be exhausted by June 1997 and more than 1,400 additional prison beds will be needed by December 1997. This projected shortage in prison bed space is largely driven by truth-in-sentencing legislation adopted by state lawmakers in 1993. (See Chart 2). Truth-in-sentencing requires many criminal offenders to serve their minimum sentences before becoming eligible for parole. Prior to this legislation, parole could be

granted to criminal offenders before serving their minimum sentences.

Conclusion. Assuming no significant policy changes are made, such as the alteration of existing sentencing guidelines, it appears that new prison construction is inevitable in FY98. In addition to the cost of building more prisons, new operating costs will continue to be added to the corrections budget, further increasing its share of total state GFGP spending.

