

REPORT TO THE LEGISLATURE
Pursuant to PA63 of 2011
Section 921
Cost Savings Associated with Closures

Sec. 921. (1) By March 1, the department shall report to the chairs of the senate and house appropriations committees, the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the following:

- (a) The actual savings realized between January 1, 2009 and April 1, 2011 as a result of closing correctional facilities and correctional camps between January 1, 2009 and January 1, 2012, itemized by correctional facility or correctional camp.
- (b) The projected fiscal year 2011-2012 savings by closing correctional facilities and correctional camps between January 1, 2009 and January 1, 2012, itemized by correctional facility or correctional camp.

(2) The report in subsection (1) shall include information on all of the following:

- (a) The savings realized or projected to be realized, itemized by program or type of expenditure.
- (b) Any cost of field supervision, field operations programs, or prisoner reintegration programs related to the closure of correctional facilities and correctional camps between January 1, 2009 and January 1, 2012.

There were no GF/GP funds appropriated for FY2010-2011 or 2011-2012 for prisons and camps closed during 2009, 2010 or 2011. The only facility to close during FY11 was the Muskegon Correctional Facility which had been reopened to house Pennsylvania prisoners and was funded solely through fees paid by the Commonwealth of Pennsylvania. When the Commonwealth recalled their prisoners, the Muskegon Correctional Facility was again closed, generating no savings. During FY2012, Mound Correctional Facility began to close in December 2011; however the facility was not completely closed until late January 2012.

While several correctional facilities and camps did close between June 1, 2009 and January 1, 2010, the "savings" were in the form of adjustments to baseline FY2008-2009 funding that were among the budgetary changes enacted for FY2009-10. Table 1 shows closure related savings totaling about \$122.1 million. However, net changes to the affected MDOC line items totaled approximately \$118.0 million, due to the need to provide additional funding for increased capacity in some locations. Any estimate of costs and savings for FY2010-2011 would be similar to those shown for FY10 with the exception of the Muskegon Correctional Facility which opened and closed and whose costs were entirely borne by the Commonwealth of Pennsylvania.

In order to accommodate increased in the parole caseload, 2009 PA 114 included increases of \$16.9 million for global positioning system (GPS) electronic monitoring, \$7.3 million for parole supervision, and \$23.4 million for the Michigan Prisoner Reentry Initiative (MPRI), for an overall parole-related increase of roughly \$47.6 million. However, these increases were provided to accommodate increases in the parole population as well as anticipated increases

resulting from the closure of the various correctional facilities and camps. FY11 and FY12 appropriations continue this funding.

TABLE 1

FY 2009-10 Closure-Related "Savings"									
	Closed	Facility Line Item²	Food Service	Trans- portation	Education	Health Care	Info. Techlgy.	Non- MDOC (Human Resources)	Total
Florence Crane Corr. Facility	06/01/11	\$21,588,900	\$1,706,000	\$388,600	\$951,200	\$2,385,200	\$22,000	\$0	\$27,041,900
Standish Corr. Facility	10/31/09	\$26,670,900	\$1,425,600	\$739,700	\$112,100	\$3,884,200	\$91,000	\$276,900	\$33,200,400
Hiawatha Corr. Facility	08/6/09	\$20,060,400	\$1,704,400	\$0	\$591,800	\$2,655,600	\$85,800	\$130,400	\$25,228,400
Muskegon Corr. Facility	12/31/09 ³	\$23,517,800	\$2,168,400	\$0	\$967,100	\$2,653,800	\$128,400	\$142,900	\$29,578,400
Camp Lehman	10/31/09	\$10,018,300	\$834,900	\$194,000	\$283,500	\$428,100	\$34,100	\$77,800	\$11,870,700
Camp Kitwen	07/2/09	\$5,409,300	\$512,000	\$94,700	\$0	\$90,600	\$7,900	\$69,200	\$6,183,700
Camp Ottawa	07/13/09	\$4,549,100	\$463,600	\$111,400	\$0	\$89,400	\$14,000	\$0	\$5,227,500
Camp Cusino	06/23/09	\$5,747,100	\$554,400	\$128,000	\$218,600	\$95,400	\$24,500	\$0	\$6,768,000
Camp White Lake	09/11/09	\$3,575,700	\$283,200	\$0	\$113,200	\$95,600	\$16,600	\$0	\$4,084,300
TOTALS		\$121,137,500	\$9,652,500	\$1,656,400	\$3,237,500	12,377,900	\$424,300	\$697,200	\$149,183,300

Notes:

1. Exclusive of any economic adjustments that would have applied had the facility been funded in FY 2009-10.
2. Hiawatha C.F. and camps were not funded in separate line items, but rather under line items that also funded associated facilities.
3. Date closed to Michigan prisoners. Muskegon housed Pennsylvania prisoners under a contract with that state.