

STATE COMMUNITY CORRECTIONS BOARD MEETING APRIL 18, 2013

Lansing Community College ~ West Campus, 5708 Cornerstone Drive, Lansing, Michigan

Approved

I. CALL TO ORDER

PRESENT: L. Paul Bailey, Jon C. Campbell, William A. DeBoer, Daniel Heyns, Larry Inman, William P. Nichols, Brigitte Officer, and Debra Walling

ABSENT: Cory Chavis, Thomas P. Clement, and Matthew R. Heins

II. APPROVAL OF AGENDA

Motion made by Larry Inman supported by Jon Campbell and Debra Walling to approve the agenda as presented.

VOTE: Motion passed unanimously.

III. BOARD MEMBER'S APPOINTMENTS

Mr. Inman welcomed new board member William Nichols representing County Prosecuting Attorneys. Mr. Inman extended congratulations for the appointment by Governor Snyder while also thanking Mr. Nichols for his service.

Mr. Inman continued the meeting by asking all board members to make a brief introduction to those present while also allowing the newest board member an opportunity to introduce him to the Board.

Mr. William Nichols is the Prosecutor for Monroe County. He has been practicing law for 25 years, working in the Prosecutors Office for the last 20 years. He holds a seat on the Monroe County Community Corrections Board. Mr. Nichols graduated from Cooley Law School and attended U of M.

Mr. Inman bestowed an appreciation of service to all the board members while also welcoming a new member to the Board.

Incumbent Community Corrections Board member and Ingham County Prosecutor Stuart Dunnings III asked to speak to the board. Mr. Dunnings extended his appreciation to the Board and the Department of Corrections for his opportunity to serve. More specifically Chairman Inman for his leadership, Administrator Brzozowski for sharing his vast knowledge and Director Heyns for the way he has been running the Department of Corrections. The Prosecutors are grateful for his leadership and direction. Mr. Dunnings extended his appreciation to the local CCABs for the innovative programs to address local problems.

Mr. Dunnings remains concerned for local CCAB funding and their ability to innovate programs with the existing funds. The lapse of funding has existed for years and there is a great hope that this can be minimized. As an example, Ingham County had developed

a new program, the program received approval, RFPs were completed, and then the program is implemented. This entire process could take 6-7 months, which by this time the allocated monies for this program cannot be fully used and are then lapsed. This results in the discontinuation of this program due to lack of funding. As the budgetary issues are being reviewed along with the lapse of funding, Mr. Dunnings hopes that an examination of those lapsed funds will be completed for those programs. Upon review, the lapsed amount of funding may be an explanation to not reduce the respective CCABs budget. Mr. Dunnings fully understands that some programs need to cease or be revamped. Knowing that the DDJR monies are restricted to drunk driving, but because of the success of Sobriety Court in some areas, those monies have been underutilized.

Mr. Dunnings suggested that the Board consider the lessening of the CCAB requirements for the reallocation of funds. Although the CCAB remains focused on the prison commitment rates and statistics, there is a need to discuss the recidivism rate. To assess the CCABs successes fairly, there is a need to look at how these programs are affecting recidivism by reoffending. Mr. Dunnings is aware that Director Heyns, the Prosecutors, and the Corrections Committee are developing a definition to recidivism that clearly defines it as not being a return to prison. Along with tracking the returns to prison, which is required by statute, it is hopeful that this can be renamed something other than recidivism.

Mr. Dunnings continued with stating that he is currently a representative on the Governor's Commission for Law Enforcement Reinvention and wonders if the CCAB should remain as part of the Department of Corrections versus being an independent unit. This change was implemented by a previous administration and this committee is revisiting this decision. With the budgetary restrictions currently with the Department of Corrections, Mr. Dunnings supports the separation of Community Corrections and the Department of Corrections. There are many community programs, diversion programs and Correction's programs that are outside of the CCABs and Mr. Dunnings would like to see consolidation of program information. As an example, Ingham County has a pilot program from the court that requires probationers to report more frequently. This type of program needs to be dovetailed with the CCAB because the programs that they want to utilize for this population are most likely CCAB programs. Mr. Dunnings reiterated the question if the CCAB should remain as part of the Department of Corrections, which may reduce the department's budget by \$30 million.

The reason for the decline in numbers in the last two (2) years for commitments and prosecution is due to the lack of police officers. There was a significant reduction in the number of arrests and dispositions. Ingham County is experiencing an increase in these numbers because of more violent crimes as this will increase the need for the CCAB. Due to certain underutilizations and because of the lack of arrests and police officers, there is also going to be additional lapsed monies. In closing, Mr. Dunnings asked the Board to consider options to avoid removing the lapsed monies from the CCABs and develop a method to judge the rationale for the lapse of funding for other reasons.

The Board and forum thanked and congratulated Mr. Dunnings on his service and comments with a round of applause.

IV. APPROVAL OF AUGUST 16, 2012 MEETING MINUTES

Motion to approve the minutes of the August 16, 2012 meeting made by L. Paul Bailey and supported by Bridgette Officer.

Mr. Inman asked if a discussion of any changes were needed and Ms. Walling noted an error on page 11 in the first full paragraph, appreciate is intending to be appreciation. This correction was noted for change and the motion would stand with that correction. No additional changes were noted on the minutes.

VOTE: Motion passes unanimously.

V. ADMINISTRATOR'S REPORT

Administrator Brzozowski presented research data reflective to the Department of Corrections, which takes into account prison intake data versus felony disposition data.

In regards to research data for calendar year 2012:

- Felony dispositions have decreased the fifth consecutive year to present a decline in dispositions within the courts. Approximately 9,536 fewer dispositions were reported in comparison to the peak year of 2007, which reflects a 16% decrease in the five (5) years recorded.
- In CY 2012, 50,641 dispositions were reported to represent the lowest annual number of felony court dispositions since 2000. The total felony court dispositions decreased by 0.5%, 221 less than the previous calendar year. The prison commitment rate increased by 0.5% to 20.7%; however, the dispositions to prison increased by 1.8% (189 dispositions). Dispositions for Jail increased by 7.1% with almost 700 dispositions.
- Dispositions for Probation decreased to 8.4% or 1,060 fewer dispositions.
- The prison population as of March 2013 consisted of 43,507 with a decrease of 8,050 from the peak of 51,554 in March 2007.
- Prison intake decreased by 3% in the first month of this calendar year compared to the previous year.
- The felony probation population ended in 2012 with 49,176 offenders, which is a decrease of 7,000, which equates to over 3,700 fewer probationers.
- The probation population has decreased 15% in the past three (3) years.

In regards to programming for Residential Services, as everyone is aware, there has been a significant reduction in Appropriation in comparison to the last fiscal year. There is currently 95.6% utilization compared to the lower to mid-80% range in previous years, but because of the reduction through the Appropriation, we are at 95%. At this point we are anticipating zero lapsed dollars for this appropriation for those monies that are dedicated specifically to the probation population. Funding dedicated to parole violators is expected to lapse approximately \$600,000 for the fiscal year. Residential services are expected to be available to the probation population through the remainder of this year.

In regard to Comprehensive Plans and Services, in FY 2012 there was a \$1.8 million lapse; in which \$1.35 million was lapsed through the CCABs awards and \$465,000 unallocated dollars lapsed. The projected lapsed for the FY 2013 CCAB award is \$1.7 million based on billings received through this month, including the 454,800 unallocated monies.

- In regards to program utilization for Plans and Services, the 2012 data shows that there were 54,395 offenders that accounted for 78,870 program enrollments. That represents 555 less offenders and 4,588 few program enrollments in comparison to 2011 which is about 5.5% fewer program enrollments. This data seems to be consistent with fewer felony dispositions, 15% fewer offenders under probation supervision, and fewer program enrollments.

The FY 2014 Community Corrections Comprehensive Plans and Application has been distributed to the CCABs.

Mr. Inman asked if there were any questions from the Board members regarding the Administrators Report. There were no questions and Mr. Inman thanked Administrator Brzozowski for the report.

VI. MDOC BUDGET

Mr. Inman offered some background information for the Board regarding the budget. Governor Blanchard was involved and created the Public Act 511 and the State Community Corrections Board. The original legislation intentions was to form a Board who would ultimately make the decisions regarding funding, budget policies, and programs offered to Community Corrections Advisory Boards. This would be an independent Board that would monitor and govern that responsibility. Later under Governor Engler, the Governor thought that it would be a better use of resources and coordination if the Community Corrections component would be merged within the Department of Corrections, who supervises both parolees and probationers. Governor Engler signed an Executive Order and this order has continued through the Granholm and the Snyder Administrations. This inter-coordination that involves all facets of offender needs, which also compliments the Department's efforts with Reentry services. This coordination has continued with the local units of government with a variety of programs that are influencing the prison commitment rates and the specialty courts that have had a tremendous impact. As an example, Mr. Inman advised that Grand Traverse County offers specialty courts (i.e. Alcohol Court, Drug Court, Veterans Court, Mental Health Court) to address the offenders issues appropriately and to minimize recidivism.

Director Heyns reiterated the comments made by Mr. Inman while adding that as the Director of the Department of Corrections he has been faced with many budgetary challenges. The Department has been forced to contain costs as the Legislature continues to impose savings within the overall budget, which tends to be unrealistic. This practice has resulted in unfavorable reductions by an unrelenting need to contain costs. The patience and understanding of the Board and the forum is very much appreciated during these very trying times. As a former Sheriff, Director Heyns understands the value of Community Corrections and what services it offers each county. As the Director, his prospective has changed, but the Department will remain as open, honest, and transparent with these issues. The Director continued with saying that he does wish that times were better and that there was funding available to support such programs without having to look at lapsed budgets as a potential source of savings to balance the budget. The Director has made it a practice to live with the money that has been allocated by the budgeting system even though previous administrations have chosen not to. The budgets for Fiscal Years 2012 and 2013 have come in under budget as will Fiscal Year 2014. This is important to the Director and his credibility with the Legislature that the Department live with the money that we have been given.

In the event that times change economically, the Director will act as an advocate for Community Corrections as he firmly believes that the solution to many problems are the partnerships between county government, local officials and the State of Michigan. The future holds many challenges and the Director hopes that these challenges can be resolved with a united effort.

Mr. Inman added that the role of Community Corrections has changed since being folded into the Department of Corrections. Originally formed as a quasi-advisory board to the Director of the Department of Corrections and as a cross section of the criminal justice system, representing the public to help analyze, review and offer suggestions regarding ways to become more efficient and to optimize results. While also reviewing the recommendations from staff in terms of the dollar allocations that are being submitted. Today, the Board approves and makes a recommendation to the Director, who then approves the distribution of funds with a signature.

Mr. Inman also made an announcement to the forum regarding some topics of high interest on today's agenda that are slated for discussion under public comment. He proceeded with introducing the Department of Corrections Deputy Director of Operations Support Administration, Jeri-Ann Sherry followed by a mid-year review from Administrator Brzozowski. Upon completion of both presentations, the Board will welcome limited public comments regarding the current budget issues.

Deputy Director Sherry appreciated the invitation to speak before the Community Corrections Board to enlighten those in attendance with the current budget issues. The last ten years have been a challenge as the department receives a major portion of the general. Great efforts have been made to reduce the costs of Corrections over the past several years with the Department absorbing over \$250 million in cuts within the last two (2) years.

It is very challenging each year to develop ideas to reduce the costs of corrections by reviewing each appropriation line to include Community Alternatives.

For the FY 2013 budget, the Governors Executive recommendation was just under \$2.1 billion with the final version being \$2.02 billion with a reduction of an estimated \$63 million between the Governors Executive Recommendation and the target budget finalization. The Department was required to make significant cuts in the FY 2013 budget in order to live within the budgeted allotments, which has presented many challenges.

The Department has implemented additional cost savings throughout this year to include: Imposing purchase restrictions department wide; Imposed a hiring freeze; and holding all operations to a 5% vacancy factor.

As the Director stated, the Department has no plans to ask the Legislature for additional monies for this fiscal year. The budget for FY 2013 includes:

- Identified any anticipated surpluses in all appropriation lines
- Adjusting those spending authorizations downward

Deputy Director Sherry indicated that these actions have resulted in the mid-year letter stating that expenditures were being held at the FY 2012 levels. The original projected FY 2013 expenditures were \$11,681,000 with anticipated surpluses at the time the letter was sent. Although our appropriation has been \$13,958,000 for FY 2011, 2012, and 2013, the Department has experienced significant surpluses in FY 2011 and 2012 as

those surpluses were transferred out by a Legislative transfers those fiscal years while also anticipating doing the same in FY 2013. To reiterate, Director Heyns did speak of transparency, honesty and openness in which the Department sent a letter mid-year informing our providers of this intent. The second reason for notifying every one of the Department's intent was to ensure that those surpluses would be there at year-end to maintain the balance of the appropriated budget and lines overall.

The budget for FY 2014 is in the stage of development as the Governor's Executive budget put forth was an actual zero (0) basing of the budget, because the Department's appropriation lines for years have not accurately matched the costs of our operations. In fact, most of the prison appropriations and the parole/probation appropriations were under water and recovery shortfalls in one (1) appropriated line requires Legislative transfer and approval to move surplus dollars from another line. This results in the Department having to submit over \$60 million in Legislative transfers throughout the year. When the department zero (0) based the budget for FY 2014, we not only realigned our employee FTEs and the dollars, we also requested additional dollars to fund the FTEs in all the lines and to include the \$50 million that our budget increases for economics alone. So given this budget climate, the additional dollars were not supported in the Governor's Executive Recommendation, but the realignment to better reflect our actual operations and our actual historical experiences. This remains as important to the Department as this will greatly reduce our need for Legislative transfers in FY 2014 and will enable the Department to reduce spending plans that do not exceed the appropriation.

In fact, Legislation was passed in PA 536 that requires all departments to produce spending plans for every appropriated line that will be given to the SVO and the Legislature and it requires that they do not exceed the appropriation on any lines. This would have forced the Department to prepare a study plan that was not realistic and solicit the Legislature explaining that the submitted spending plan is not accurate and we are in need of Legislative transfers. Fortunately from the Department's prospective, the realignment of the existing dollars, although they were not enhanced, did occur and is present in all three (3) versions (the Governor's Executive Recommendation, the Senate version and the House version) of the appropriation bill.

Currently, the stages of the FY 2014 budget where both houses of the Legislature have reported their versions out, which is the point where the Department took a major hit last year. The Executive Recommended budget already requires that the Department institute some cost saving efficiencies to maintain the budget. Due to any economics (i.e. pay increases, fringe benefits, legacy costs, fuel, utilities, etc.) averages \$50 million annually. If the Governor's and the Legislature's intent for the Department to remain at the \$2 billion mark, then some cost cutting will be incurred to maintain this budget. The Department's budget increases on average \$50 million annually if no changes are implemented. Challenges already exist in the FY 2014 version of the budget.

Director Heyns has been very clearly stating to the Executive and the Legislature that the Department cannot absorb another huge cut through this final stage. The budget will likely go to conference committee to iron out any points of differences, but presently on all three (3) versions of the FY 2014 appropriation for Community Alternatives is \$12,158,000, which is also the FY 2012 and 2013 levels. The \$1,800,000 surplus has been removed from the appropriation through this zero (0) basing process. Providing alternatives to prisons remains as a critical part of our Department's mission and we are committed to maintaining programming services at those levels. Although some significant surpluses in these lines over the last several years and the transfer out

process is a common. The Department greatly appreciates the efforts in meeting this mission and sincerely regrets any problems these mid-year amendments have caused.

VII. CONSENT CALENDAR ITEMS

Mid-year Review and FY 2013 Budget Adjustments

Administrator Brzozowski indicated that after staff reviewed the CCABs mid-year reports it was determined that there were no major issues that needed to be presented to the Board.

Mr. Brzozowski continued with discussing the FY 2013 budget adjustments. In late December and early January, the Office of Community Alternatives was informed that the appropriation line item for Community Corrections Plans and Services would be required to maintain a \$1.8 million lapse to continue expenditures at the FY 2012 level. At that point, projections were not available to aid in any decisions for action. The February 2013 State Community Corrections Board Meeting was canceled in mid-January and the expected projections became available in mid-February. At that time, the \$1.8 million lapse was then brought to the attention of the Fiscal Management Team who then informed the CCABs that amendments would be made to ensure that the levels of the previous fiscal year are maintained.

The CCABs were notified with a letter on February 21, 2013 and a response was received from MACCAB. It was originally thought that the \$1.8 million was based on the FY 2012 expenditures for each CCAB and that the amendments would be based specifically these amounts. Upon further discussion with the Director and the Deputy Director, it was proposed that a hold would be placed on the distribution of the amendment to give an opportunity to discuss the adjustments with the Board and to allow an opportunity to meet with MACCAB for discussion.

The meeting with MACCAB, Administrator Brzozowski, OCA staff, and Finance Manager Kevin Weissenborn took place on March 21 to discuss the options. After the meeting, the MACCAB Executive Board had indicated that the plan that was used to review the expenditures for savings was indeed the best option and those attending the meeting left with the same conclusion. Subsequent to that meeting, the MACCAB had informed their membership of that conclusion and upon taking a poll, it was unanimously indicated that the MACCAB could not support any cuts regardless of the methodology. One MACCAB Executive member suggested a multi-year average due to extenuating circumstances for individual lapses in the budgets (i.e. loss of vendor, retirement of CCAB Manager, delay in startup times, etc.). Administrator Brzozowski calculated and presented to the Board members a two-year average, which reflected a short fall of \$160,000 to meet the \$1.8 million in savings. An adjustment was made by allocating a percentage based on every CCAB, on their percentage compared to the total award; an additional adjustment was made for the shortfall. This method seemed to be a fair balance by examining a two-year average. Administrator Brzozowski presented this to Director Heyns, who is in full support of this plan.

Chairman Inman asked the Board for any questions and/or comments regarding the presentations from Deputy Director Sherry and Administrator Brzozowski. Mr. Jon Campbell asked for an explanation of the term "unallocated funds" on the lines. Administrator Brzozowski stated that unallocated funds are based on previous years, due to the state's budget crisis, any dollars that were not allocated to a county were not

reallocated to another county, and rather the counties were advised that they were on a continuation budget. These dollars would help support the Department's budget issues. Also, approximately three (3) years ago, the Department experienced an increase in the appropriation that included restrictions. The counties were asked to submit a proposal that demonstrated a decrease in prison admissions that would be presented to the Board. Mr. Brzozowski recalls the acceptance of one (1) proposal, which did not merit a Board meeting due to the lack of proposals.

In addition, Lenawee and Mason Counties have ceased participation with Community Corrections in previous years and those dollars were also part of the unallocated funds. Further, some counties had money through the year put into a reserve and if by a certain date, the proposed program was not up and running, those dollars were forfeited for that fiscal year and the following fiscal year. As a result, those forfeited dollars are considered part of the unallocated amount.

Mr. Campbell followed up with input from some counties:

- PA 511 – the dollars are being used for prison diversions to keep people locally in programs. There is concern being conveyed to Mr. Campbell that there may be a point of diminishing returns to continue these programs locally. As previously indicated, two (2) counties have dropped out. One (1) county indicated that state prisoners are not their problem, county jail people are their problem. In the opinion of Mr. Campbell, all prisoners are our problem and the state and local partnership is fully supported. In years past, when Director Heyns was the President of MSA, he and Mr. Campbell discussed the reduction of county jail reimbursement with the Department of Corrections and the direct effects on the county budgets along with the ability to house prisoners locally.
- Prison diversions – Mr. Campbell advised about treading cautiously with prison diversions in keeping individuals out of the state system in local treatment programs is the goal. Many of the local CCABs have built on that for not only prison diversions, but for jail diversions as well. There are successful programs locally that Mr. Campbell hopes are not jeopardized during this process.

Mr. William DeBoer asked about the reasons for the reduction. Is it due to the overall shortfall of state revenue? Administrator Brzozowski deferred this inquiry to Deputy Director Jeri-Ann Sherry who stated that it pertains to the reductions in the FY 2013 budget and the Department's efforts to live within the confine of that budget. Every appropriated line has been reviewed, put into place a number of budgetary controls over operations (i.e. purchasing, hiring, etc.) while also reviewing any areas of unanticipated surplus. Historically the Department has experienced a surplus in this line and it appeared that a surplus would remain in order for the Department of Corrections to end this fiscal year in the black.

Director Heyns indicated that it is important to point out that the numbers that are hindering the Department are the post-employment benefit costs. The Department has realized a quarter of a billion dollars in cost cutting measures in the last 23 months and we are unable to keep that two (2) billion dollar budget flat because of those rising costs. Such costs are hurting the Department and are putting programs like this in jeopardy. The State of Michigan structurally has made changes in the pension legacy costs, but those savings will not be realized for a few years. The Department is similar to many

municipalities where there are legacy costs challenges that do not allow monies to fully fund programs and these costs are driving the cuts.

Brigette Officer stated that many programs are beneficial to the communities and that the whole purpose is to reduce the prison population. Some counties will be forced to cut such programs due to budget cuts that will result in higher prison commitment rates, which is more expensive to house prisoners versus funding these programs. Ms. Officer asked about the two (2) year average because some counties will be totally affected by a reduction, is there any process for those counties to be able to appeal?

Mr. Inman stated that this was discussed prior to the meeting with Administrator Brzozowski. The time and circumstance involved to adequately measure other CCABs and the funding mechanism, this task may prove to be more difficult to assess all relating factors. Administrator Brzozowski and the Department of Corrections Administration elected to calculate an average, to take into consideration administrative time and costs. The average would hopefully compensate for all or part of some of those mishaps that have occurred from one year to another.

Administrator Brzozowski added that through the mid-year review process, several of the managers had reported fewer referrals for programing. Mitigating factors as Prosecutor Stuart Dunnings had noted earlier, fewer arrests and fewer convictions. Also for consideration are the specialty courts such as Swift and Sure Sanction programs that are funded through the judiciary and the CCABs are stating that these offenders are eligible for our programs, but now the offenders are being diverted into the judiciary programs. Even though those referrals are affecting that program, the CCABs are lacking the referrals. As indicated earlier, the Department is reviewing similar lapses of funds that were based on the last fiscal year. As a personal observation, Administrator Brzozowski stated that the amount of lapsed dollars is not detrimental to all programs aside from some counties are experiencing extenuating circumstances, the two (2) year average was recommended by the MACCAB Executive Board. It was originally thought that the MACCAB fully supported the multi-year plan and then asked for an average to be considered. By using the average allows equality for all CCAB participants as an example, one (1) county previously had a 61% lapse, but now have an estimated 33% lapse that demonstrates how the lapsed amount does adjust. This type of adjustment has a lesser impact on the CCABs when the previous years are compared in the community as this does not only affect the RFP if this is a continuous problem, then this might qualify as a local process problem that will be evident for years. Every CCAB has their own extenuating circumstances, but the continuous lapse will determine future budgets.

Ms. Officer asked if a pattern had been established beyond the two (2) year analysis. Administrator Brzozowski referred to Deputy Director Sherry's report that showed \$600,000 in the previous years, which also included fewer unallocated dollar amounts. Ms. Sherry also cited the two (2) lines within the budget that included the transferred amount that was done legislatively and the lapsed line as the surplus is the combination of both. Mr. Brzozowski stated that as a surprise a few years ago, the unallocated line showed a \$1.2 million additional in the appropriation designated for purposes to assist the counties to continue Community Corrections Programs without tie baring the use of the funds in which several CCABs declined those funds. Those declined dollars also reside in the unallocated amounts.

Mr. Inman asked if the Board had any further questions and/or comments. No further questions and/or comments were presented to Deputy Director Jeri-Ann Sherry or Administrator Brzozowski from the Board Members.

Public Comment

Mr. Inman extended an invitation to the forum for public comment. However, the forum was asked to limit their comments/concerns to three (3) to four (4) minutes each and to be specific toward the Office of Community Corrections budget in relation to Deputy Director Jeri-Ann Sherry and Administrator Brzozowski's presentations.

Mr. Andrew Verheek is a Planner with the Kent County Office of Community Corrections and currently serves as the President of the MACCAB Association. As an executive board, Mr. Verheek expressed his appreciation to Administrator Brzozowski for meeting with the MACCAB to discuss the options and for giving the opportunity to present their memberships concerns regarding the cuts and to discuss the available options at the March 21 meeting. Mr. Verheek reiterated the Board member's concerns with the budget restraints:

- MACCAB was across the board in terms of any potential cuts should be implemented within this context. Knowing that how the cuts were implemented or the methodology in which some counties will lose and some will benefit, but in the end when cuts happen; it is a lose – lose situation. It is an unfortunate part of government and a part of the way of doing things that we find ourselves in this situation.
- When the concerns of the membership were expressed of not supporting the methodology, it was in the context that they could not support the cuts in general. Simply because of the things that have already been voiced to include: The outcomes of possibly and a most likely increase in prison commitment rates from various counties, increased chances for jail overcrowding because those prison diversions that do occur are not just simply sentenced to community sanctions. They will most likely go to jail, they will go to jail for longer periods of time, they will take up more jail bed space, and they will need more service, so on and so forth.
- The membership is very concerned about those cuts for impacting those services that they have planned for, implemented, worked with the grant coordinators to help build these programs and to realize the savings that the Director and Administrator Brzozowski has commented on over the past few years.
- The membership would like to express, with regard to those cuts, that they have felt that the many lapses in funding over multiple years has been built into those budgets based on their relative inability to transfer funds between funding lines. That is not necessarily because the option was not available, as they have had the ability in the past, but what the membership has been alluded to in terms of making those budget adjustments has been that they need to impact prison commitments. Those will be evaluated on the local CCABs ability to gain those prison diversions. Without any type of objective criteria to be used with each application, many of the CCABs are reporting that their funding requests were turned down where those funds could be used. No specific numbers or situations are available, but this is a concern from the membership that those lapses have been built into the budgets over the last few years because of the difficulty in transferring funds.

- These cuts and lapses, in addition to the transferring question, to the membership that the appearance is whether the CCABs are being penalized for their successful planning. This planning has been advocated for a number of years and many counties have taken that to heart that the planning process is drawn out. The process is not immediate, there are many concerns that are taken into consideration, and as Mr. Dunnings expressed, many of those times the planning process can take several months from the gestation of the idea to the implementation of that program. By the time program has been implemented, what you are finding is that many of those programs cannot get their feet underneath them in terms of spending out the total amount of funds or getting the enrollments that they need to be successful that given year and those lapses are developed because of that.

Just as how the CCABs and others have expressed, no one wants to be in this situation where funds have to be cut, as it is a difficult decision and an unfortunate decision. As a membership, what the CCABs are asking is that some consideration in what they will have to face locally in terms of laid off employees, increased prison population or commitments to the DOC and increased jail utilization as it is really going to impact them.

Finally, the CCAB membership expressed an appreciation toward OCAs willingness to discuss this situation and they are hoping to use this as a good stepping off point in the future. They very much appreciated the opportunity to discuss how these cuts would be implemented.

Ms. Barb Hankey is the Manager of Oakland County Community Corrections and wants to be clear that she is here today solely representing Oakland County. Ms. Hankey understands that there are sometimes issues that are beyond departmental budget control where savings are not realized and unfortunately the DOC and the Department of Health are carrying a lot of the brunt, especially with the Medicaid expansion or lack thereof and she fully understands why cuts need to happen. However, Ms. Hankey struggles with how these cuts are being enacted. By listening to several options being presented today; however, nowhere in any of those options included anything about effectiveness of programs, attainment of goals, performance measures, or impact.

Each year the CCABs are required to prepare grant applications, a mid-year review, and a year-end review. This year, Ms. Hankey's grant application for FY 2013 is 79 pages long. As part of this application, she is required to develop goals, objectives, and how each of the programs will affect the prison commitment rate and jail utilization. However, as Ms. Hankey sits here today, she wonders what is the point, because none of these points has been taken into consideration when these cuts were enacted. The message that Ms. Hankey takes away today, is that she should spend less time worrying about her prison commitment rate and more time spending all of her money, because that seems to be the important issue here. If this is the method by which cuts are going to be enacted, Ms. Hankey would ask for a commitment from the Director that her hands and the managers in the audience not be tied by disallowing budget amendments, because this is the only way that the CCABs have of managing their money effectively. If this is not the message that was intended to send, then the department needs to change the methodology by which these cuts are being made. Spreading the costs across the board and sort of this concept of spreading the pain is not the right way to do this without consideration for impact. Ms. Hankey understands that these decisions are very difficult

and sometimes even painful; however, tough budgetary times call for tough decisions to be made.

In closing, Ms. Hankey stated that for Oakland County, in FY 2011, their prison commitment rate was 7.9% and in FY 2012, it went up to 8.7%. Now the Board may be sitting there thinking that is not very much, not even 1%, in fact, it is only .8%, but that increase translated into an increase of 71 offenders. If Ms. Hankey does not worry about her prison commitment rate, because she is being told that is not what is important and she lets it go up just 2% that is 112 offenders. Ms. Hankey advised the Board that they need to decide how they want to spend the money and where the greatest impact is.

Mr. Dale Miller is the Sheriff of Ionia County and he would like to explain to the Board how these cuts would affect Ionia County. Sheriff Miller referred to the opening comments from Stuart Dunnings III in which he agrees. Ionia County would be afflicted by a 60% cut in funding. A decision will need to be made based on the outcomes of today's meeting either to cut programs or to shut the entire program down. Last year Ionia experienced restructuring due the loss of their manager and a vendor; however, Andy Verheek from Kent County assisted with getting them back on track by doing a better job to meet the goals set forth by the Board. Ionia County wants to be a partner, be part of the solution, be able to assist with the issues at a state level and be able to provide services to the community on a local level in keeping the community safe.

In closing, Sheriff Miller commended Mr. Verheek, Jail Administrator Mark Jones and DOC Supervisor Tammy Pettit for stepping up to offer assistance, guidance, aid in restructuring, and to restore programming. In addition, Sheriff Miller does favor the two (2) year funding assessment although this is not very popular with other CCABs.

Ms. Diane Bockhausen from Livingston County wanted to share with the Board what Livingston County has achieved. Due to a transition in leadership, they have worked hard to get their programs back on track within the past few years. Livingston County has lapsed fewer dollars each year with this fiscal year being the first with no intended lapsed monies. They have worked with Linsey LaMontagne to develop a pretrial program and upon first deciding to pursue this venture; a risk assessment tool was developed. At the same time, Luminosity was also developing an assessment tool that required Livingston County to wait for an extended period of time, which this delay resulted in the lapse of monies with the intended pretrial program. In FY 12, a person was hired for the pretrial program, they were unable to transfer funds from substance abuse testing over to pretrial, and were unable to use the monies contributed by the county, which resulted in the lapse of funds. The person who was leading the pretrial program was laid off last week to accommodate the budget cuts. In the six (6) months prior to the pretrial program, Livingston County experienced three (3) emergency overcrowding situations in the jail, since that person started in April 2012, there was not a single emergency overcrowding in the county. From the available statistical information, these efforts may have saved 20-jail beds per day and it was a very successful program, but this program has now ceased operation.

As Ms. Barb Hankey previously discussed the success rates of the programs, in Livingston County the MRT for 2012 was 1 out of 20 people who had graduated from the program. Catholic Charities, as a Substance Abuse Treatment Program, has a 100% success rate from the October graduating class, 85% for the previous year, and 73% success over long term. As of now, Livingston County has eliminated the pretrial program with the idea of losing even more funding. Ms. Bockhausen wanted the Board

to know the circumstances from their prospective; it will be difficult, as they have worked very hard since 2010 to bring it to a point this year where they would not be lapsing any funds.

Mr. Tim Bouwhuis from Kent County inquired about the number of dispositions. In Administrator Brzozowski's report, there were 50,832 dispositions in FY 2012 mentioned. Mr. Bouwhuis stated that 11 of the biggest counties equal 69% of those dispositions and the remaining 72 counties equals 31%. Therefore, when the big picture is viewed, Mr. Bouwhuis would like this information to be included in the prison commitment rates and jail diversions.

Ms. Lucy DeSilvis from Monroe County asked a question to the Board as to why these cuts need to happen now at mid-year opposed to implementing the cuts at the beginning of FY 2014. One of Ms. DeSilvis' concerns that from the very beginning it was stressed to the Managers to obtain good and solid contracts with the providers and send the contracts to Lansing, to begin the payment process to have a good faith agreement with these providers. But now coming back half way and telling these providers, who fought with RFPs to get this contract and perhaps gave something else up to be told now that they will be downsized or outright fired because of the lack of funds. This is a difficult position to be in and Ms. DeSilvis understands that budget cuts have to happen, but she does not understand why they need to happen right now.

Ms. Mary Sabai is the CCAB Manager for Ingham County/City of Lansing. As Mr. Dunnings previously stated about the events occurring in Ingham County, Ms. Sabai added that in the presentation of the numbers it does appear that dispositions and prison commitments are decreasing. The 2012 arrests by the Lansing Police Department increased by almost 22% and so far in 2013 the arrests have increased by 31%. Ingham County has already engaged in early releases of jail overcrowding. Ms. Sabai believes that it is noteworthy to mention the dip in the numbers in 2011, but clearly, in Ingham County those numbers are on the upswing.

To reiterate what Mr. Dunnings stated that with the lack of resources in our communities and jails might result in higher prison commitments even though Ingham County has consistently been one (1) of the lowest prison commitment counties in the state. The Ingham County CCAB has taken this very seriously as well as the planning processes by working with OCA to recover from some circumstances in previous years and by replacing program coordinators that were not as effect as they needed to be. Ingham County collaborated with the 30th Circuit Court with regard to the Swift and Sure Program by offering the available programs to the eligible offenders. At this point, Ms. Sabai has suspended the operations of one (1) of the programs and the program that would have the most potential to deal with the expected increase, will most likely not make it on the existing funding even if funds are reallocated.

Public comment closed.

CCAB Program Presentation ~ Allegan County

Ms. Linsey LaMontagne from the Office of Community Alternatives has been the Grant Coordinator for Allegan County for the past four (4) years and recently completed a program review. Community Corrections funds a portion of their Meth Diversion Program (the Cognitive portion of this program) and Ms. LaMontagne recommended to Administrator Brzozowski that Allegan County provide an overview to the Board and fellow Managers.

Ms. LaMontagne introduced the former Allegan County Manager Tom Traverna. Mr. Traverna informed the Board that the community corrections funds have been well spent in Allegan County and they are very proud of their accomplishments. Many people contained with the room have inspired and taught Mr. Traverna how to do his job as today is his last day as a CCAB Manager and his appreciation was extended to all for the opportunity.

Mr. Traverna continued with introducing the Allegan County Case Manager Steve Walker, Allegan County Sheriff Blaine Koops, Supervisor Julie Clark from Parole and Probation, and the new CCAB Director Sergeant Jeremy Verlays.

Mr. Steve Walker is the Case Manager for the Allegan Sheriff's Meth Diversion Program. This program is the creation of Shannon Seckler from Circuit Court Probation in Allegan County in 2003 and was implemented in 2004 with the support of Sheriff Koops. The program won a national award in the first year, the program expanded, and Mr. Walker joined the program after retiring from the Department of Corrections in 2005. As the Case Manager, Mr. Walker screens participants for entry into the program. Mr. Walker outlined the process and indicated that this is a true diversion program focused on those males who are destined for prison. Offenders are ordered by the court into the program as a prison/jail diversion. The program includes extensive supervision by a probation officer, counseling, treatment, and rehabilitation. Agent Shannon Seckler administers intensive therapy through the Hazelton Cognitive Behavioral Therapy with group therapy in the jail.

Mr. Walker indicated that he is the eyes and ears of Probation. He has taken drug testing out of the office by randomly testing offenders in the community. The offenders call Mr. Walker everyday between 8:00 a.m. and 11:00 a.m. to share their schedule for the day. Mr. Walker demonstrated the ease of administering the swab drug test in which he tests the offenders at their home, work, or when they least expect it. The lab can test for 47 different substances, including cigarettes.

On the subject of funding, it is very important to fund programs such as this. This programs works and said results have been proven due to the intensive therapy and frequent testing. There are 37 graduates, with 12 people currently in the program, and these people do not use drugs. If an offender tests positive for drugs, they will spend three (3) days in jail as a sanction and resume their normal activities. A majority of these offenders do not test positive and if they are positive, they will disclose this before the test is administered. With these 37 graduates, only five (5) have reoffended (two (2) were property crimes and three (3) were meth crimes), which equates to about an 84% success rate. The three (3) meth arrests equates to about a 93.8% success rate.

This program has been in existence for 8-9 years and it will be lost due to lack of funding. There are people currently in the program that are looking forward to success. Without the program, they will not get there.

As an overview, this program has five (5) phases with each advancement that is governed by a review team. At the end of the 4th phase, the offenders are voted to phase 5, which is graduation. This consists of a big ceremony in the courtroom with the offender's family, the judges, and the arresting officers. Typically, there is not a dry eye in the room. Mr. Walker tracks the graduated offenders for five (5) years and attends the Forgotten Man Ministry functions, which included two (2) graduates from Mr. Walker's

first class that he supervised and both have been drug free for seven (7) years. Both of these men succumbed to drugs, lost everything, and are now doing well.

This is what is done in Allegan County. A little backwater, small town America with one of the most advanced, far-reaching, enlightened programs in the state of Michigan, probably in the country. Mr. Walker has received communication from all over the country asking how Allegan County does this and he has shared this information. Whether these other states can do this or not Mr. Walker cannot determine. What is present in Allegan County is not available everywhere. Allegan has community involvement with judicial, political, law enforcement and members of the community. They have pulled together to save the community. The funding is well spent in Allegan County.

Mr. Jon Campbell offered a comment to the forum regarding Allegan County. Mr. Campbell is a Commissioner in Allegan County and a 30-year law enforcement officer. Prior to this program being implemented, the county jail would have been filled to total occupancy (current capacity rate is 173 inmates). Allegan County had a real urgent need to address the meth use and this program has been the most successful program in the county for turning lives around. Mr. Campbell can attest that a drug test was administered to a roofer on the top of the roof and that is one (1) of the components of this program that keeps the participants honest. This is a great program and Mr. Campbell commended all staff for their work.

Ms. Brigette Officer asked on the average, as she realizes that each case is different, how long from phase 1 to phase 5, before the offender graduates? Mr. Walker responded that the program is designed to be 18 months and typically, the average is 22-24 months.

General Public Comment

None

X. OLD BUSINESS

Administrator Brzozowski updated the Board on some issues that were presented by Andrew Verheek at the August 2012 meeting regarding the CCABs receiving of data. One of the issues dealt with the OMNI data and getting the readily available disposition data to the CCABs. Previously this information was distributed quarterly, then bi-annually and then annually. The idea was to have information extracted from OMNI and downloaded into the COMPAS Case Manager every two (2) weeks. Unfortunately, this process has not occurred yet, but according to the Research Department, they are able to provide this information bi-annually to help the CCABs with their local plans. In regards to having that information extracted from OMNI and imported into the COMPAS Case Manager, DTMB is still working on this. The current method of extracting information for OMNIS takes about six (6) hours and tends to slow the OMNI system. It was determined that only a fraction of the information is needed to run these reports and to self-populate the offender profile information in the COMPAS Case Manager. A resolution for this issue is forthcoming.

The Department has been working with Northpointe in an effort to resolve the time out issues and the accuracy of JPIS data. It was discovered that the data was being submitted by the counties in a random order rather than chronologically. If this information is not downloaded in a chronological order than the calculation of the data is incorrect. The Department's Automated Data Systems Section (ADSS) is working with

the counties to identify and remedying this issue by having the county resubmit that data in a chronological order. The Department is also creating an import log for each county that will disclose when the data was submitted.

Administrator Brzozowski met with ADSS to discuss the potential use of the web based OMNI for the CCABs. Ideally, the OMNI data would be dropped into the COMPAS Case Manager with hopes of accessing this information through the community provider profile that would provide sentencing guideline information. The issue remains that each time a case is referred; it would necessitate the agent to refer the case directly by opening up the specific case and then closing it. This would be a cumbersome task due to the number of enrollments in the past year for program referrals. Administrator Brzozowski did not view this as a workable solution, so he remains focused on the actions of DTMB and the efforts to resolve these issues as quickly as possible.

Chairman Inman asked for further discussion from the Board regarding Old Business and hearing none proceeded to the next agenda item.

XI. NEW BUSINESS

No new business was noted.

Administrator Brzozowski asked to address some of the comments made during the public comment section of this meeting. More specifically, when Ms. Hankey from Oakland County stated that there was no mention of impact or effectiveness of the programs. Those two (2) items are among the many elements of the review process during mid-year review and annual review. If the counties are not effective with their programming, then this issue is brought before the State Board. There are some issues that do not rise to the level of being presented to the Board, but this does not mean that these specific counties are not working with their best efforts.

A programs impact is contained within the annual application and the mid-year review. If the impact is absent, then the Department will make a recommendation to refocus and demonstrate what the impact is or to refocus those dollars as a community to best utilize the funding and to make the most of an impact on that county. That is a normal process of the Department as the Community Corrections Coordinators go out into the communities to view and evaluate these programs and the program utilization of dollars. Administrator Brzozowski wanted to make clear to the Board that these factors are continuously considered as part of the program evaluation and review process.

Another topic worth addressing is the mention of dispositions that there are 11 counties who have a number of dispositions and should the Board take those factors into consideration. As Administrator Brzozowski stated, those counties mentioned are not receiving similar amounts of funding as these dollars are allocated based on the dispositions and the population of said county. Essentially, this is not a fair comparison as a smaller county might have less dispositions, but they are not receiving the same amount of funding as a larger county would receive.

Mr. William Nichols asked the Board about the concern that was based on a flexibility of funding. If the funding is reduced, the lapsed funding is taken away from that budget given the two (2) year option; do the individual CCABs have flexibility to move those funds around? As an example move funds from program A to program B, because they will be in a position in years to come where funds will be reduced due to lapsing.

Administrator Brzozowski responded to Mr. Nichols by stating the Fiscal Management Office set the restrictions forth by previous administrations and it was very restrictive, as the CCABs had to demonstrate an impact on prison admissions. There have been numerous requests during FY 2012. In fact, 15 requests with 11 of those requests being approved and 4 requests being denied. In FY 2011, 27 requests with 24 of those requests approved and 3 requests being denied. Administrator Brzozowski indicated that he had met with Director Heyns and Deputy Director Sherry and it was agreed upon that they would allow that type of flexibility as long as it is consistent with the CCABs overall comprehensive plan.

Sheriff Bailey commented that if in the future we see the prison commitment increase because of programs being cut, will the Board look at this again? Sheriff Bailey continued by saying that the judges make these decisions and if they are going to see less programs then they are going to send more people back to prison. So is this something that can be changed and money can come back because the costs of running the DOC will go up if our judges or the coordinators recommends to the judges to put more people in programs, but we all know that the judge makes the final decision. Administrator Brzozowski stated that if this did happen in the next budget cycle, he would recommended additional dollars from the Legislature, but that goes through the whole process and would actually be a part of the Governor's Executive Budget recommendation. The Department will continue to monitor this issue.

Sheriff Bailey indicated that he understands that budgets are being cut. As a Sheriff, if he tries to be fiscally responsible and he does not spend in a line item, the County Commissioner will want to take that away the next year. He added that these are problems that we all face as we try to tighten up our budgets and do things together, but he is concerned about more people coming to prison.

Mr. William Nichols followed up on the Oakland County discussion by stating that we should not lose site of the prison commitment rate, because once cuts are made the prison rate goes up. In the short term, we may save dollars, but in the long term, we won't save dollars. Mr. Nichols stated that the speaker from Oakland County made a good point. Mr. Nichols asked the Department, on behalf of his director about the cuts, as to why now or right now? Administrator Brzozowski stated that Deputy Director Sherry's presentation covered as to why these budget adjustments needed to be made now.

Deputy Director Sherry reiterated that the Department is significantly challenged this year in the budget. The projections were showing that there was going to be a lapse and the Department notified the CCABs of such. These losses have occurred over several years, but no one was ever notified that we were capturing those although we were. The underlying of what the Department has not changed, what has changed is that the Department said that openly we were going to do this in order to make sure that they were still there because of the type of situation that the Department is in this year. So, in other years, there have been lapses that were transferred out, but no one was ever notified, it just happened. This year, we could have done the same thing, we were anticipating surpluses, and we were seeing it in the projections that they were going to be there. And really what we are holding to is the money is well spent. Therefore, in some ways, it was not a cut; it was not a cut from historical prospective. This appropriation has been at the same level in fiscal years 11, 12, and 13. In FY 2011 and 2012, there were surpluses in that amount and the Department was seeing the same thing for FY 2013 again. The Department is really close to the bone this year and we are turning over, as the Director has stated, we have had multi meetings about this. The

last overall Department projection of \$2 billion shows us having \$3,000 left. It is that tight, we continue to look for ways to save. We have impacted all of the operations as this is a critical part of not having people come back to prison, Reentry is a critical part of that, prison staff have been cut inside of prisons, parole and probation staff, we have had to impact every area. It is all a total package of crafted success and we certainly would prefer to not have to cut any of the funding, but we do not have that option right now.

Administrator Brzozowski mentioned the hiring freeze and the need to maintain a vacancy rate as a Department at about 5%. In the Office of Community Alternatives (OCA) alone, there are three (3) Coordinators positions. Recently Coordinator Abe French departed from state government a couple of months ago and that position is not anticipated to be filled the remainder of this fiscal year, but hopefully early next fiscal year. The Manager over that staff, Sandi Hoppough who took a position out of state, that position most likely will not be filled. Ms. Hoppough departed three (3) months ago and that position remains as vacant. In the financial area of OCA, the Financial Analyst position that was responsible for conducting financial reviews primarily of the CCABs, that position has been vacant and might be filled now since that person left.

Administrator Brzozowski stated that his staff is dwindling too, it is very difficult and he understands and appreciates that, but it is a tough year for the Department. Hopefully, next year will be better, but it remains as uncertain and will probably be a difficult period for the Department.

XI. ADJOURN

Move to Adjourn by Mr. Inman supported by Ms. Officer with a second by Mr. Campbell.

VOTE: Motion passed unanimously

Meeting adjourned at 3:00 p.m.