



MICHIGAN

OFFICE OF THE AUDITOR GENERAL

AUDIT REPORT



THOMAS H. MCTAVISH, C.P.A.
AUDITOR GENERAL

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Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit
Selected Personnel and Other Administrative
Costs
Department of Corrections

Report Number:
471-0620-07L

Released:
October 2008

The Department of Corrections (DOC) maintained 49 facilities (41 correctional facilities and 8 camps) that housed over 50,000 prisoners as of December 31, 2007. Each facility is required to maintain specific staffing levels of custody officers for duty 24 hours each day. DOC had 16,260 employees as of December 31, 2007. In fiscal year 2006-07, DOC expended \$1.41 billion for payroll, of which \$95.3 million was for overtime pay. DOC total expenditures for fiscal year 2006-07 were \$1.91 billion.

Audit Objective:

To assess the effectiveness of DOC's efforts to manage costs related to staffing, overtime, and salaries and benefits.

Audit Conclusion:

We concluded that DOC's efforts to manage costs related to staffing, overtime, and salaries and benefits were moderately effective. We noted two reportable conditions (Findings 1 and 2).

Reportable Conditions:

DOC needs to improve its administration of custody officer staffing (Finding 1).

DOC needs to pursue additional cost saving measures through future contract negotiations and review of its organizational structure (Finding 2).

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Audit Objective:

To assess the effectiveness of DOC's efforts to manage other administrative costs.

Audit Conclusion:

We concluded that DOC's efforts to manage other administrative costs were effective. However, we noted one reportable condition (Finding 3).

Reportable Condition:

DOC did not have a formal process in place to negotiate prices for goods and services purchased from Michigan State Industries (Finding 3).

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Agency Response:

Our audit contains 3 findings and 3 corresponding recommendations. DOC's preliminary response indicated that it partially agrees with all of the recommendations.

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October 28, 2008

Ms. Patricia L. Caruso, Director
Department of Corrections
Grandview Plaza Building
Lansing, Michigan

Dear Ms. Caruso:

This is our report on the performance audit of Selected Personnel and Other Administrative Costs, Department of Corrections.

This report contains our report summary; description of agency; audit objectives, scope, and methodology and agency responses and prior audit follow-up; comments, findings, recommendations, and agency preliminary responses; various exhibits, presented as supplemental information; and a glossary of acronyms and terms.

Our comments, findings, and recommendations are organized by audit objective. The agency preliminary responses were taken from the agency's responses subsequent to our audit fieldwork. The *Michigan Compiled Laws* and administrative procedures require that the audited agency develop a formal response within 60 days after release of the audit report.

We appreciate the courtesy and cooperation extended to us during this audit.

AUDITOR GENERAL

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Description of Agency

The goal of the Department of Corrections (DOC) is to provide the greatest amount of public protection while making the most efficient use of the State's resources. DOC maintained 49 facilities (41 correctional facilities and 8 camps) located across the State and was responsible for the custody and safety of approximately 50,000 prisoners as of December 31, 2007. Each facility is required to maintain specific staffing levels of custody officers 24 hours each day. DOC consists of the following four main entities:

1. Correctional Facilities Administration

The Correctional Facilities Administration is responsible for the State's correctional facilities and camps, including the Special Alternative Incarceration Program (boot camp). The State is divided into three regions; each region has a regional prison administrator who has oversight over wardens. The Correctional Facilities Administration is also responsible for transportation, food service, and court-ordered health care.

2. Field Operations Administration

The Field Operations Administration is responsible for State probation, parole supervision, and a variety of other methods of supervision, including community residential programs, electronic monitoring of offenders, and technical rule violation centers.

3. Planning and Community Development Administration

The Planning and Community Development Administration is responsible for external projects and programs, including special projects, the Michigan Prisoner Reentry Initiative (MPRI), the Office of Community Corrections, and the Office of Research.

The goal of MPRI is to reduce crime and enhance public safety by implementing a system of services tailored to each parolee. MPRI programming and services provided to the parolee are intended to help the parolee smoothly transition into society.

4. Operations Support Administration

The Operations Support Administration is responsible for all internal organizational support within DOC. The Operations Support Administration includes the Bureau of Human Services, Bureau of Fiscal Management, Office of Legal Affairs, and Office of Internal Affairs. The Bureau of Fiscal Management consists of the budget, finance, and physical plant units.

DOC had 16,260 employees as of December 31, 2007. DOC incurred the following expenditures:

| | Fiscal Year | | | |
|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2003-04 | 2004-05 | 2005-06 | 2006-07 |
| Nonpayroll expenditures | \$0.42 billion | \$0.47 billion | \$0.56 billion | \$0.49 billion |
| Payroll expenditures | 1.22 billion | 1.31 billion | 1.40 billion | 1.41 billion |
| Total expenditures | <u>\$1.64 billion</u> | <u>\$1.78 billion</u> | <u>\$1.96 billion</u> | <u>\$1.91 billion</u> |

Audit Objectives, Scope, and Methodology and Agency Responses and Prior Audit Follow-Up

Audit Objectives

Our performance audit* of Selected Personnel and Other Administrative Costs, Department of Corrections (DOC), had the following objectives:

1. To assess the effectiveness* of DOC's efforts to manage costs related to staffing, overtime, and salaries and benefits.
2. To assess the effectiveness of DOC's efforts to manage other administrative costs*.

Audit Scope

Our audit scope was to examine records related to selected personnel and other administrative costs of the Department of Corrections. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances. Our audit procedures, conducted from July 2007 through February 2008, generally covered the period October 1, 2004 through December 31, 2007.

Supplemental information was provided by the Department of Corrections and is presented in Exhibits 1 through 11. Our audit was not directed toward expressing a conclusion on this information and, accordingly, we express no conclusion on it.

Audit Methodology

Our audit methodology included a preliminary review of DOC's staffing, overtime, salaries and benefits, and other administrative costs. This included interviewing various DOC management and staff and reviewing applicable statutes, executive directives, policies and procedures, legislative reports, and other reference materials.

To accomplish our first audit objective, we reviewed applicable statutes, executive directives, DOC reorganizations, and legislative reports. We interviewed DOC management and reviewed organization charts and staffing levels for each entity within

* See glossary at end of report for definition.

DOC. Our analysis included reviewing changes in staff authorizations by position and comparing the levels of positions between similar security level correctional facilities. In addition, we performed a cost-benefit analysis of overtime versus hiring new custody officers. Further, we reviewed payroll expenditures, including overtime; critical incident assault reports; and employee contractual agreements.

To accomplish our second audit objective, we reviewed applicable statutes, policies and procedures, procurement practices, and cost reports and we examined departmentwide expenditures. We also reviewed DOC's role in negotiating prices for goods and services purchased from its Michigan State Industries (MSI). However, we excluded MSI operations from the scope of this audit because it will be covered in another Office of the Auditor General audit. In addition, we excluded food, transportation, and medical related expenditures as these were reviewed in other recent Office of the Auditor General audits. We reviewed certain expenditure categories, including prisoner clothing, utilities, board and care of prisoners, and non-State building rentals. In addition, we examined DOC's analyses of various expenditure categories, such as utilities and laundry. Further, we interviewed DOC and MSI management and staff and compared costs for commonly purchased items among various vendors.

Agency Responses and Prior Audit Follow-Up

Our audit contains 3 findings and 3 corresponding recommendations. DOC's preliminary response indicated that it partially agrees with all of the recommendations.

The agency preliminary response that follows each recommendation in our report was taken from the agency's written comments and oral discussion subsequent to our audit fieldwork. Section 18.1462 of the *Michigan Compiled Laws* and the State of Michigan Financial Management Guide (Part VII, Chapter 4, Section 100) require DOC to develop a formal response to our audit findings and recommendations within 60 days after release of the audit report.

We released our performance audit of Corrections Officers' Supplemental Pay and Retirement, Department of Corrections (47-117-97), in April 1998. Within the scope of this audit, we followed up all 5 prior audit recommendations. DOC complied with 4 of the prior audit recommendations, and 1 prior audit recommendation was rewritten for inclusion in this report.

COMMENTS, FINDINGS, RECOMMENDATIONS,
AND AGENCY PRELIMINARY RESPONSES

EFFORTS TO MANAGE COSTS RELATED TO STAFFING, OVERTIME, AND SALARIES AND BENEFITS

COMMENT

Background: The Department of Corrections (DOC) had 10,472 authorized custody positions, maintained 49 facilities, and was responsible for the custody and safety of approximately 50,000 prisoners as of December 31, 2007. DOC establishes custody officer staffing levels for each facility by taking into account the facility layout, prisoner classification, and previous critical incidents reported at the facility. Between fiscal years 2004-05 and 2006-07, DOC made various adjustments to staffing levels because of revisions to prisoner security classification, implementation of the Michigan Prisoner Reentry Initiative, and the addition of 1,148 beds to current facilities. As a result of these changes, DOC informed us that it reduced custody staff by 247 full-time positions. In addition, in November 2007, DOC closed two correctional facilities and reopened another correctional facility that provided an additional 360 beds and reduced required custody staffing levels by another 383 full-time positions. DOC provided us with additional initiatives related to closures and other reductions (see Exhibits 9 through 11, presented as supplemental information).

Audit Objective: To assess the effectiveness of DOC's efforts to manage costs related to staffing, overtime, and salaries and benefits.

Audit Conclusion: **We concluded that DOC's efforts to manage costs related to staffing, overtime, and salaries and benefits were moderately effective.** Our assessment disclosed two reportable conditions* related to custody officer staffing and staffing and benefit savings (Findings 1 and 2).

FINDING

1. **Custody Officer Staffing**

DOC needs to improve its administration of custody officer staffing.

Improving administration of custody officer staffing would help DOC reduce overtime costs, improve work performance, increase custody officer morale, and realize other residual benefits.

* See glossary at end of report for definition.

As of December 31, 2007, DOC employed 9,782 custody officers at its 49 facilities. DOC paid overtime costs of \$66.9 million to custody officers for 1,924,513 nonholiday overtime hours worked in fiscal year 2006-07. The reasons for overtime included vacancies, hospital coverage, sick leave coverage, essential special assignments, transportation coverage, occurrences of long-term disability, and miscellaneous.

Our review of DOC's staffing and fiscal year 2006-07 payroll data disclosed:

- a. DOC's methodology for projecting custody officer staffing requirements did not account for some of the factors that reduce the direct hours available for post assignments. As a result, unanticipated custody officer overtime may occur and cause payroll costs to exceed budget.

In recognizing that not all of the 2,080 annual hours paid to a custody officer are available for direct assignment to a post, DOC developed a formula for staffing projections that considers the hours a custody officer is paid but not assigned to a post. DOC refers to these hours as the "relief factor." Relief factor hours accounted for annual and sick leave usage, training, and other types of absences, but did not account for other hours away from post assignments, such as hospital coverage, essential special assignments, and transportation coverage. These factors result in a need for additional staffing while a custody officer is away from an assigned post. During fiscal year 2006-07, these additional factors accounted for 27% of the overtime hours incurred by DOC.

- b. DOC needs to take steps to reduce the amount of overtime worked by individual custody officers.

Excessive overtime may impair the physical and mental abilities of custody officers, resulting in less effective management of prisoners, thereby jeopardizing the safety of other custody officers, prisoners, and the general public. A significant level of research exists that links overtime, stress, fatigue, and work performance. For example, a National Institute of Justice study cited overtime as one of the factors that causes stress, which can impair an officer's health and cause him/her to burn out or even to retire prematurely. Stress and fatigue resulting from working excessive overtime hours in a highly stressful

environment may result in custody officers becoming complacent in the performance of their duties. Also, several recent Office of the Auditor General audits of DOC facilities reported numerous instances in which custody officers did not perform or did not properly document the performance of required duties, including cell searches, gate manifests, prisoner counts, critical tool inventories, sanitation inspections, and prisoner shakedowns.

We noted that during fiscal year 2006-07:

- (1) DOC allowed 121 custody officers to each work more than 1,000 overtime hours. DOC also allowed 1 custody officer to work 2,390 overtime hours, which is the equivalent of working more than two full-time positions.
 - (2) DOC allowed 7 custody officers in 113 instances to work at least 7 consecutive days. Thirty-five of the 113 instances included custody officers who worked 14 or more consecutive days. The consecutive days ranged from 7 to 85 days, with an average of 12 days for these employees.
 - (3) DOC allowed 7 custody officers in 88 instances to work a double shift of 16 hours or more within consecutive work days. The double shifts ranged from 1 to 19 double shifts within a period of 7 to 85 days. Also, 1 custody officer had worked 40 consecutive days with 19 (48%) of the work days being double shifts and another custody officer had worked 19 consecutive days with 14 (74%) of the days being double shifts.
- c. DOC needs to determine the optimal balance between continued overtime usage versus employing additional custody officers to alleviate overtime usage. Also, comparisons of expected and actual custody officer leave usage would help identify and address variances in overtime usage among facilities. These efforts will help DOC identify ways to better manage its resources and reduce overtime costs. If DOC reduces overtime usage by hiring additional custody staff, it may realize other residual benefits, including positively affecting the State's economy, boosting employee morale, and reducing stress levels of DOC custody officers who work a significant amount of overtime.

As of April 1, 2008, subsequent to our fieldwork completion, DOC hired 419 new custody officers for fiscal year 2007-08.

RECOMMENDATION

We recommend that DOC improve its administration of custody officer staffing.

AGENCY PRELIMINARY RESPONSE

DOC agrees in part with the finding and informed us that it continues to improve its administration of custody staffing. DOC believes that it has been effective in managing costs as it has reduced its costs significantly during the audit period. Information related to these efforts is contained in Exhibits 9 through 11.

Regarding part a., DOC informed us that it will continue to address hospital coverage, essential special assignments, and transportation coverage by making adjustments to staffing charts. For example, DOC indicated that it created hospital cadres at various locations in June 2008. DOC informed us that these cadres supervise prisoners at the nearby hospital regardless of which facility sent the prisoner to the hospital, thus reducing travel time and overtime across the department. Also, DOC indicated that it centralized custody transportation in October 2007. DOC informed us that this allowed it to allocate custody transportation officer positions to regions and facilities where demand for such positions is the greatest, thus reducing overtime across the department.

Regarding part b., DOC informed us that its facilities monitor the amount of overtime worked by individual custody officers, but under current contract language, DOC cannot prohibit employees from working any given number of overtime hours, consecutive days, or double shifts unless they are determined medically unfit to do so. Also, the report cites 121 custody officers who worked more than 1,000 hours of overtime in the fiscal year. This equates to an average of 19 hours of overtime per week; the approximate equivalent of two shifts per week. DOC indicated that this amount of overtime is common in any 24-hour/7-day-a-week operation. The report also cites 7 officers in 88 instances in which officers worked a double shift within consecutive work days. This equates to an average of 12 instances of double shifts for each of the 7 officers in a one-year time period. DOC indicated that this frequency is not indicative of excessive overtime. DOC also indicated that double shifts are common in any 24/7 operation. DOC informed us that it employs approximately 8,625 officers. The

total number of officers identified in the citations for excessive amounts of overtime (124 officers) represents less than 1.5% of the total work force of custody officers and DOC believes this is a very small percentage. DOC indicated that it is also important to note that overtime is offered and accepted on a voluntary basis in most instances and in accordance with the collective bargaining agreement and Civil Service Rules. DOC informed us that it will continue to recommend changes to the collective bargaining agreement between the Michigan Corrections Organization (MCO) and the State of Michigan to provide DOC with greater control and flexibility in the scheduling of overtime and staffing of assignments.

Regarding part c., DOC informed us that it continues to determine the optimal balance between the overtime usage and employing additional custody officers. DOC indicated that it considers custody staff turnover rates, changes to the demand for beds, and reasons for overtime when it assesses staffing needs. DOC informed us that it attempts to optimize custody staffing across the department by working with the Office of the State Budget through the annual budget process. However, DOC stated that the leading cause of custody staff overtime for fiscal year 2006-07 was staff vacancies. DOC indicated that its ability to maintain full staffing in fiscal year 2006-07 was affected by many factors, such as legislative funding for new employee schools, a State hiring freeze, and holding vacancies open to accommodate staff affected by facility closings and reorganizations. DOC indicated that it hired approximately 700 new custody officers to fill vacancies in fiscal year 2007-08. DOC also indicated that it plans to hire an additional 540 custody officers in fiscal year 2008-09. In addition, DOC indicated that closure of the Robert Scott Correctional Facility in May 2009 will make 200 additional custody officers available to fill vacancies. DOC informed us that, as custody officer vacancies are filled, overtime will be significantly reduced. In addition, DOC informed us that it compared expected and actual custody officer leave usage, which prompted DOC to revise the relief factor and off-duty limits that will become effective October 2008.

FINDING

2. Staffing and Benefit Savings

DOC needs to pursue additional cost saving measures through future contract negotiations and review of its organizational structure. Pursuit of these additional cost savings could result in potential savings of as much as \$12.8 million.

Efficient utilization of State resources requires continual reviews of all costs for necessity and reasonableness, balanced with DOC's responsibility to provide the greatest amount of public protection.

Our review disclosed:

- a. DOC needs to continue to review its custody staffing contracts to identify cost savings and work with the Office of the State Employer during future collective bargaining processes to negotiate viable contract changes.

We reviewed contracts between DOC and various employee unions, including the MCO contract. Our review of the contracts disclosed potential cost savings of \$9.3 million during fiscal year 2006-07 for items such as dry cleaning allowances, high security retention premiums, and bonuses. For example:

- (1) If DOC discontinued providing a \$575 dry cleaning allowance to custody staff, it could save at least \$5.5 million annually.
- (2) If DOC discontinued paying a high security retention premium payment to employees who work in a level IV or higher security level correctional facility, it could save approximately \$3.4 million per year. DOC paid 3,440 employees an average of \$993 each in high security retention premiums. DOC informed us that the premium rate was implemented to encourage officers to work in the higher security level correctional facilities and to reduce the amount of turnover in these facilities. However, DOC also informed us that this retention pay may no longer be necessary because turnover rates are now consistent between low and high security level correctional facilities.
- (3) If DOC discontinued making payments to employees for sick leave and physical fitness bonuses, it could save \$265,450 and \$142,450, respectively, per year. During fiscal year 2006-07, DOC paid 1,157 employees an average of \$229 for the sick leave bonuses and 600 employees an average of \$237 for the physical fitness bonuses.

- (4) If DOC discontinued paying overtime based on paid hours, including annual leave, rather than based on actual hours worked, it would result in a decrease of DOC's total overtime costs.

For example, if an employee recorded annual leave for one shift in a given day, that employee could also record overtime for that same day or any occurrence within a pay period. As of January 1, 2008, DOC was successful in eliminating sick leave hours from an employee's paid overtime calculation. DOC estimated that this contract change will save \$4.1 million per year.

- (5) If DOC discontinued prohibiting officer assignments between work sites to fill vacancies, it would allow for more flexible scheduling and could potentially reduce the amount of overtime and overall vacancies for the correctional facilities and camps within these locations.

MCO union contract language states that DOC cannot make temporary assignments across complex lines to balance daily staffing. DOC has 7 locations that have 3 to 5 facilities that are within 5 miles of each other. These locations include Coldwater, Huron Valley, Ionia, Jackson, Kincheloe, Muskegon, and St. Louis. These 7 locations account for 23 correctional facilities and 2 camps.

The aforementioned cost saving items may involve future contract negotiations and may not be realized until such changes are approved. DOC informed us that all of these changes will be considered during future collective bargaining negotiations.

- b. DOC needs to continue to review its organizational structure and other processes to ensure that it is operating in the most cost-efficient manner.

During our review, DOC identified a potential cost savings of \$2.6 million if it could regionalize maintenance, business office, warehouse, and food service staff. Also, DOC identified additional cost savings it could potentially achieve through reorganizing its records offices. DOC estimates that this reorganization will result in a reduction of 8.5 full-time equated positions and a potential cost savings of \$857,000 per year. DOC informed us that it is

planning on performing the regionalization and reorganization in fiscal year 2008-09.

We noted that other states have implemented alternative staffing methods, including utilization of two 12-hour shifts per day rather than three 8-hour shifts per day, to decrease costs and inefficiencies while still maintaining public safety. Alternative staffing could reduce the required staffing levels and could reduce overtime costs.

DOC management informed us that it plans to begin implementing alternative shift schedules for nonrepresented custody employee positions in calendar year 2008.

RECOMMENDATION

We recommend that DOC pursue additional cost saving measures through future contract negotiations and review of its organizational structure.

AGENCY PRELIMINARY RESPONSE

DOC agrees in part with the finding and informed us that it will continue to recommend changes to the contract between the State of Michigan and MCO. DOC will also continue to review its organizational structure.

DOC indicated that Civil Service Rule 6 establishes that the Office of the State Employer, as the Governor's representative, has the responsibility and authority to direct negotiations regarding conditions of employment with various employee unions through collective bargaining agreements. Civil Service Rule 6 also vests with the Civil Service Commission, the final authority to approve, modify, or reject, in whole or in part, all primary and secondary collective bargaining agreements. DOC noted that the payments cited were negotiated by the Office of the State Employer and approved by the Civil Service Commission.

DOC informed us that it has recommended during the last several contract negotiations to eliminate these items; however, these changes were not achieved through the collective bargaining process. DOC also informed us that these same payments are made by the Department of Community Health (DCH), and DCH is also restricted in its ability to assign employees across facility lines. DOC further indicated that the Michigan Department of State Police makes similar payments to

its officers. All of these issues are subject to future collective bargaining negotiations.

Regarding the DOC organization structure, DOC informed us that it is continuing its efforts to regionalize and reorganize. As stated in the audit finding, DOC is attempting to regionalize maintenance, business office, warehouse, and food service staff. DOC informed us that these efforts are ongoing. Several of these efforts are recognized in the fiscal year 2008-09 Appropriation Act and require convening of work groups that include legislative representatives. Regarding alternative staffing methods, DOC informed us that it is implementing alternative work schedules for certain custody and noncustody employees where it is feasible. DOC also indicated that to expand alternative staffing methods to include utilizing two 12-hour shifts per day would result in certain employees being forced to work these schedules. DOC indicated that current contract language for corrections officers requires mutual agreement between MCO and the State of Michigan to expand shifts beyond 10 hours; consequently, changes to this would require negotiation between the State of Michigan and the union.

EFFORTS TO MANAGE OTHER ADMINISTRATIVE COSTS

COMMENT

Audit Objective: To assess the effectiveness of DOC's efforts to manage other administrative costs.

Conclusion: **We concluded that DOC's efforts to manage other administrative costs were effective.** However, our assessment disclosed one reportable condition related to purchased goods and services (Finding 3).

FINDING

3. Purchased Goods and Services

DOC did not have a formal process in place to negotiate prices for goods and services purchased from Michigan State Industries (MSI). As a result, DOC could not ensure that it realized optimal cost savings when purchasing goods and services from MSI. We estimated that DOC could have saved \$2.0 million if it had a process to negotiate prices for MSI goods and services.

The State's procurement policy requires that departments competitively bid goods and services, whenever possible, to ensure that the State receives the goods and services at a reasonable cost. Also, Section 800.331 of the *Michigan Compiled Laws* requires all agencies, offices, and departments of the State to order goods from MSI if the goods produced are comparable in price and quality and the goods can be supplied in a reasonable time period.

During our review, we noted:

- a. DOC purchased goods from MSI that could be found at a lower cost through other vendors.

MSI operates under the authority of DOC, employing inmates of the State's correctional facilities and providing goods and services to governmental entities and nonprofit organizations in Michigan and other states. Some of the major commodities manufactured by MSI are office furniture, garments, cleaning supplies, and meat and dairy products.

In fiscal year 2006-07, DOC purchased 73% of the goods sold by MSI, totaling \$33.1 million. During our review, we noted that, between fiscal years 2005-06 and 2006-07, MSI increased the price for several commodities.

We reviewed DOC payments to MSI for laundry supplies, janitorial supplies, and prisoner clothing. We obtained price information for MSI products and similar products from outside vendors and other state prison industries that were similar in prison population and/or located in the Midwest region. Our

review disclosed that, in several instances, goods could be found at a lower cost than that paid by DOC to MSI:

| Description of Product | MSI Price for Fiscal Year | | | Average Price From Other States' Correctional Industries (1) | Price From Private Vendor | Savings Realized for Fiscal Year 2006-07 MSI Purchases | Potential Cost Savings Computed for Fiscal Year 2006-07 Purchases (2) |
|-------------------------|---------------------------|---------|---------|--|---------------------------|--|---|
| | 2005-06 | 2006-07 | 2007-08 | | | | |
| Tube socks | \$ 1.65 | \$ 1.70 | \$ 1.70 | \$ 1.14 | \$.88 | N/A | \$ 324,453 |
| Underwear | \$ 1.65 | \$ 1.70 | \$ 1.70 | \$ 1.90 | \$.75 | N/A | 244,357 |
| T-shirts | \$ 4.75 | \$ 4.90 | \$ 4.90 | \$ 2.78 | \$ 2.76 | N/A | 368,704 |
| Coats | \$41.00 | \$42.50 | \$42.50 | \$32.67 | n/a | N/A | 78,981 |
| Pants | \$18.00 | \$18.65 | \$18.65 | \$12.71 | \$10.45 | N/A | 363,941 |
| Boots | \$32.80 | \$34.00 | \$34.00 | \$24.50 | \$30.09 | N/A | 29,944 |
| Shoes | \$26.60 | \$27.55 | \$27.55 | n/a | \$22.84 | N/A | 228,840 |
| Blankets | \$15.20 | \$15.70 | \$15.70 | \$14.00 | \$ 9.95 | N/A | 80,816 |
| Pillows | \$ 6.10 | \$ 6.30 | \$ 6.30 | \$ 8.06 | \$ 5.53 | N/A | 7,633 |
| Sheets | \$ 8.75 | \$ 9.05 | \$ 9.05 | \$ 6.32 | n/a | N/A | 46,479 |
| General purpose cleaner | \$43.95 | \$43.95 | \$40.00 | \$25.25 | \$30.52 | N/A | 175,630 |
| Dishwashing detergent | \$27.25 | \$27.25 | \$27.25 | \$42.00 | \$30.51 | \$ 26,602 | N/A |
| Disinfectant spray | \$33.00 | \$33.00 | \$33.00 | \$28.50 | \$35.16 | N/A | 38,399 |
| Liquid hand soap | \$29.00 | \$29.00 | \$30.00 | \$28.31 | \$16.22 | N/A | 31,234 |
| Deodorant soap | \$.08 | \$.08 | \$.10 | \$.08 | \$.13 | N/A | N/A |
| Laundry bleach | \$13.65 | \$13.65 | \$13.65 | \$40.00 | \$39.34 | 325,235 | N/A |
| Laundry detergent | \$23.00 | \$23.00 | \$23.00 | \$48.75 | \$39.99 | 234,156 | N/A |
| Total | | | | | | \$585,993 | \$ 2,019,411 |

(1) The other states' correctional industries were located in Georgia, Illinois, New York, and Pennsylvania.

(2) This calculation is based on the lower per unit cost from other states' correctional industries or a private vendor.

n/a - not available

N/A - not applicable

- b. DOC did not have a process in place to review or pursue optimal savings related to laundry services purchased from MSI. Without such a process, DOC could not ensure efficient use of State resources.

DOC is committed to strengthening MSI processes by helping to establish cost-effective processes that employ prison labor. However, Section 800.331 of the *Michigan Compiled Laws* and DOC's commitment to utilize MSI may be limiting DOC's ability to negotiate pricing for services purchased from MSI. For example, DOC requested that all of its facilities utilize MSI laundry services. DOC believed that it would provide energy cost savings for its facilities to purchase laundry services from MSI rather than using laundry

appliances within the facilities, which utilize additional resources, including water, electricity, and laundry goods such as detergent and bleach.

MSI offers a 10% discount for facilities utilizing MSI for 100% of their laundry. However, as of our audit fieldwork, only 6 (12%) of 49 facilities were taking advantage of MSI's 10% discount. If DOC had a process in place to negotiate prices for laundry services from MSI, it may be able to negotiate a price that is cost beneficial for more facilities. In turn, as more facilities purchase laundry services from MSI, overhead costs per unit could decrease and MSI may be able to further lower its prices.

RECOMMENDATION

We recommend that DOC establish a formal process to negotiate prices for goods and services purchased from MSI.

AGENCY PRELIMINARY RESPONSE

DOC agrees in part with the finding and informed us that it will formalize its process for negotiating prices with MSI by meeting yearly with MSI to review prices to ensure they are competitive with other options. DOC informed us that it has had an informal price negotiation process in place with MSI for many years.

However, regarding part a., DOC believes that quality must be considered when comparing prices. DOC informed us that MSI's garments have been proven to be better quality by independent testing labs when compared to other leading providers of institutional clothing. DOC indicated that MSI's prisoner clothing is on average 5 - 5½ oz. material, while vendors on average use a 4 oz. material. DOC also indicated that MSI thread count averages 170 - 180 per square inch, while vendors average 130 - 140. DOC further indicated that MSI actually receives customer complaints that its t-shirts turn yellow. DOC explained that the reason for this is that the cotton, after many years of washings, has been washed out of the garment leaving only the polyester. However, the t-shirt is still intact with no tears or rips. DOC indicated that the less expensive private vendor item would have to be purchased more frequently. DOC also indicated that socks are an additional product in which MSI's quality exceeds that of private vendors.

Regarding part b., DOC informed us that MSI's laundry service prices are fair and competitive. DOC indicated that MSI's laundry service pricing is in line with other

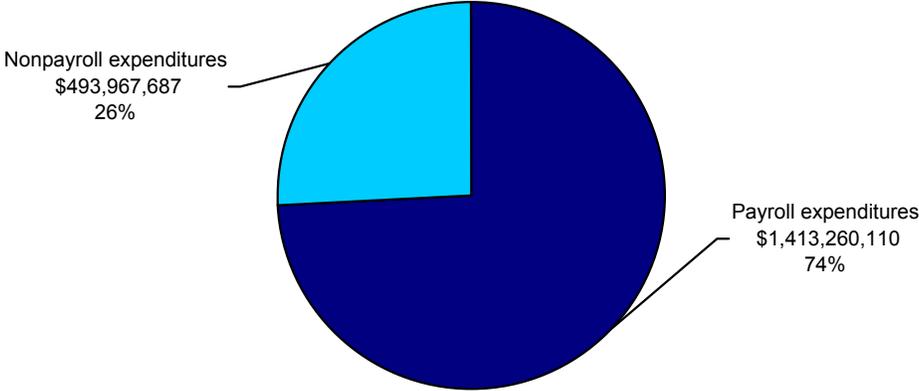
states' prison industry programs and MSI has several non-State agency customers who procure laundry services from MSI at similar pricing. However, DOC informed us that it will negotiate more with MSI to get cost-beneficial pricing for more facilities.

SUPPLEMENTAL INFORMATION

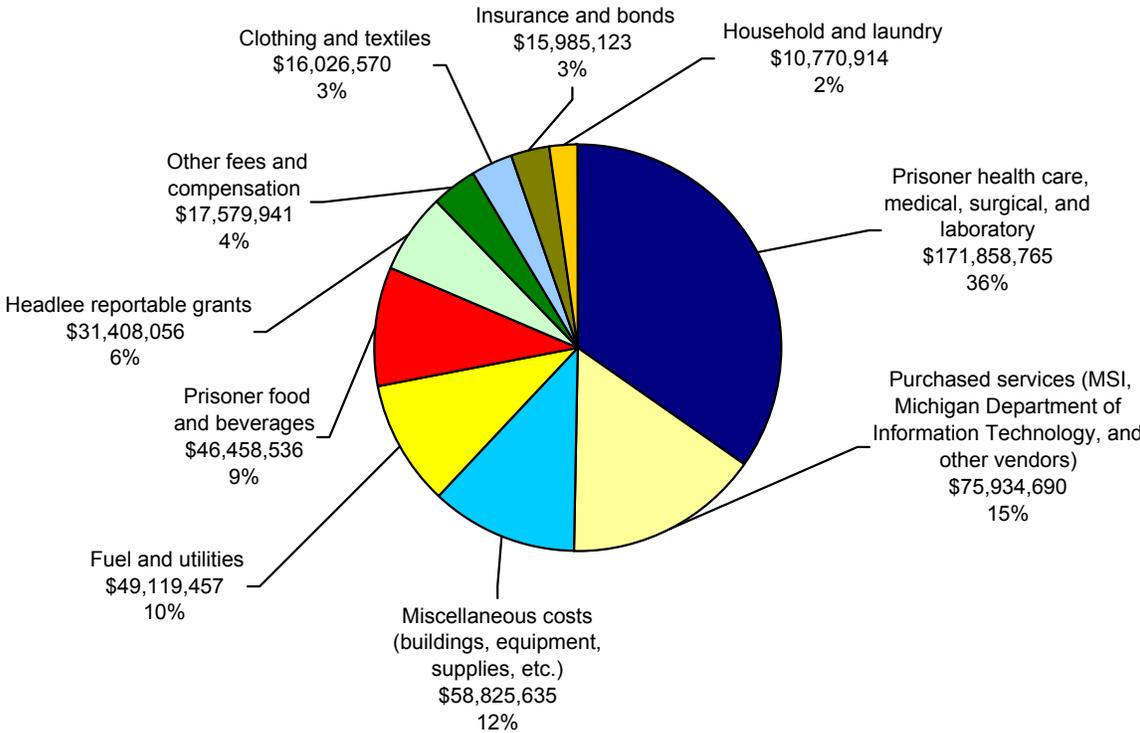
SELECTED PERSONNEL AND OTHER ADMINISTRATIVE COSTS
Department of Corrections

Expenditure Data
For Fiscal Year 2006-07

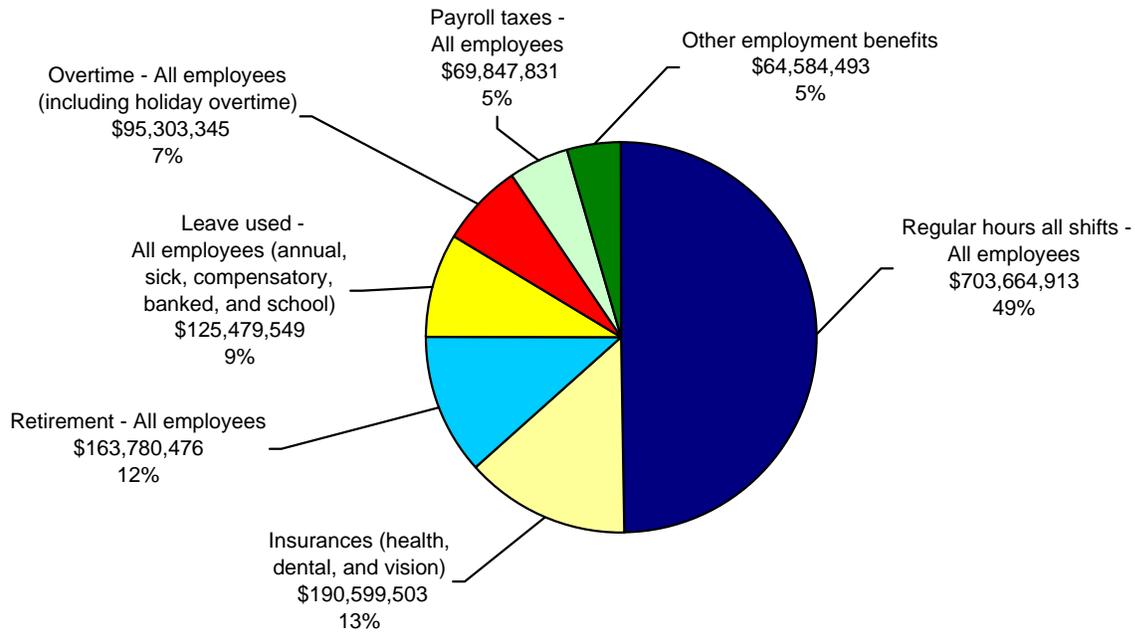
Total Expenditures



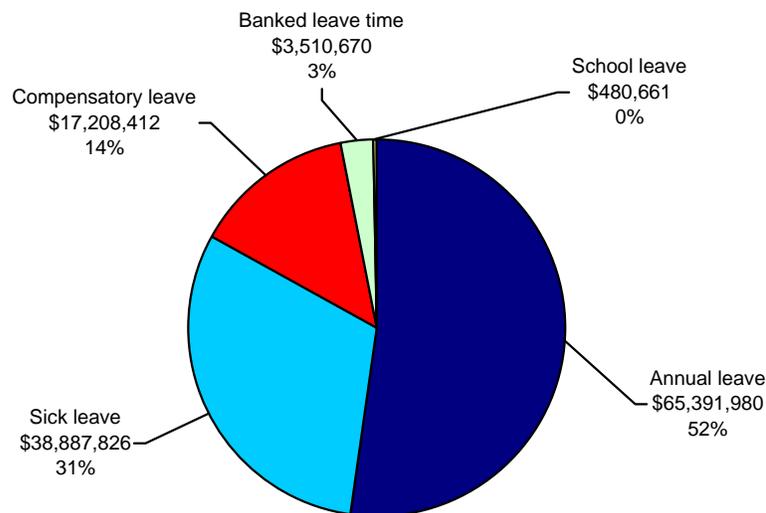
Nonpayroll Expenditures



Payroll Expenditures



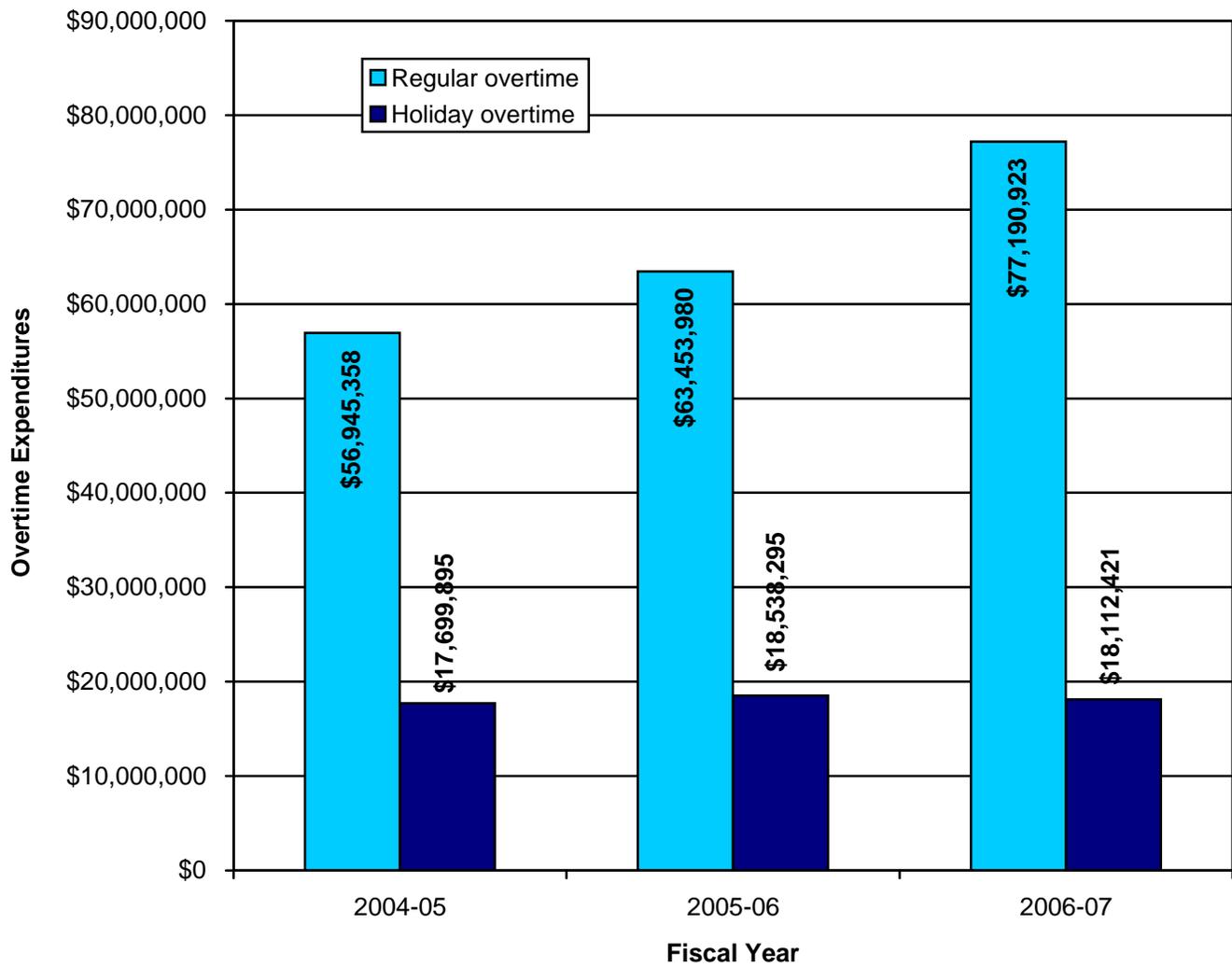
Leave Usage Expenditures



Source: Michigan Administrative Information Network (MAIN).

SELECTED PERSONNEL AND OTHER ADMINISTRATIVE COSTS
Department of Corrections

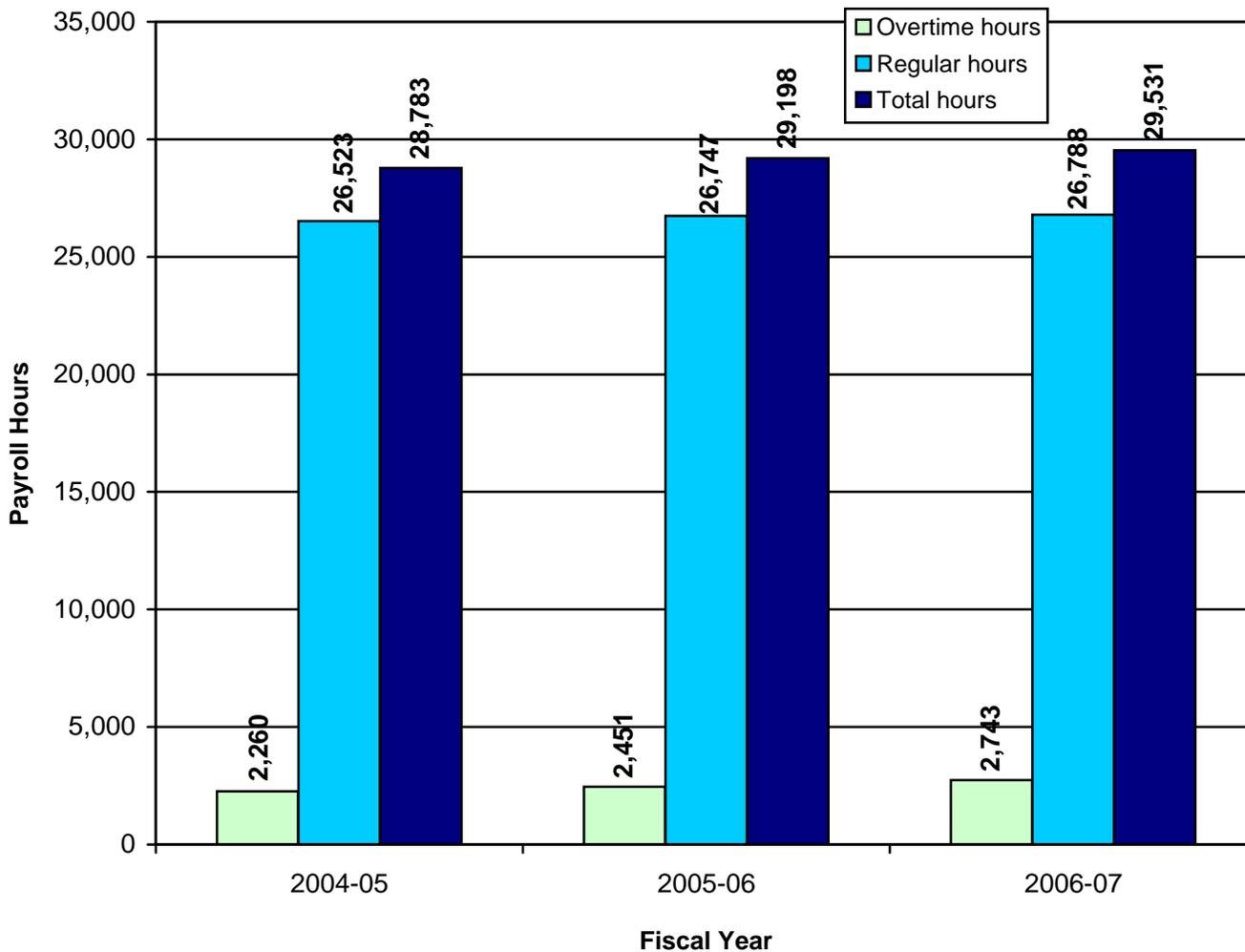
Overtime Expenditures
For Fiscal Years 2004-05 Through 2006-07



Source: Michigan Administrative Information Network (MAIN).

SELECTED PERSONNEL AND OTHER ADMINISTRATIVE COSTS
Department of Corrections

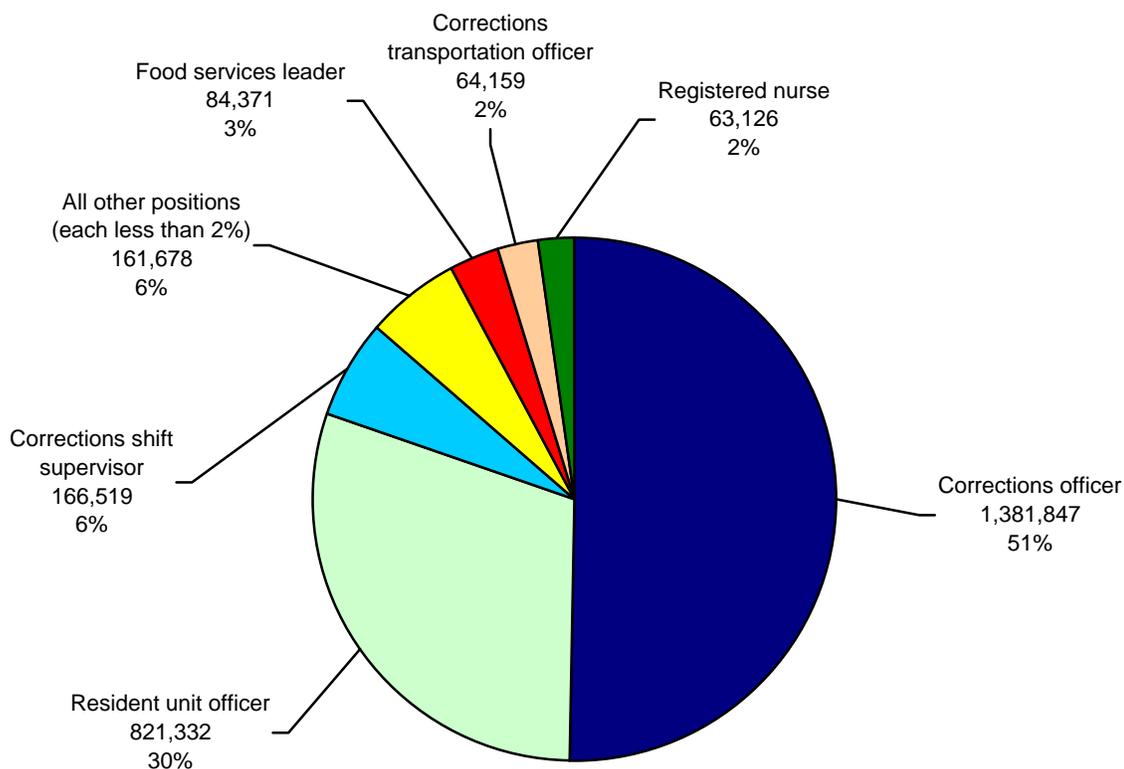
Payroll Hours
For Fiscal Years 2004-05 Through 2006-07
(In Thousands)



Source: Data Collection and Distribution System (DCDS).

SELECTED PERSONNEL AND OTHER ADMINISTRATIVE COSTS
Department of Corrections

Overtime Hours by Position*
For Fiscal Year 2006-07

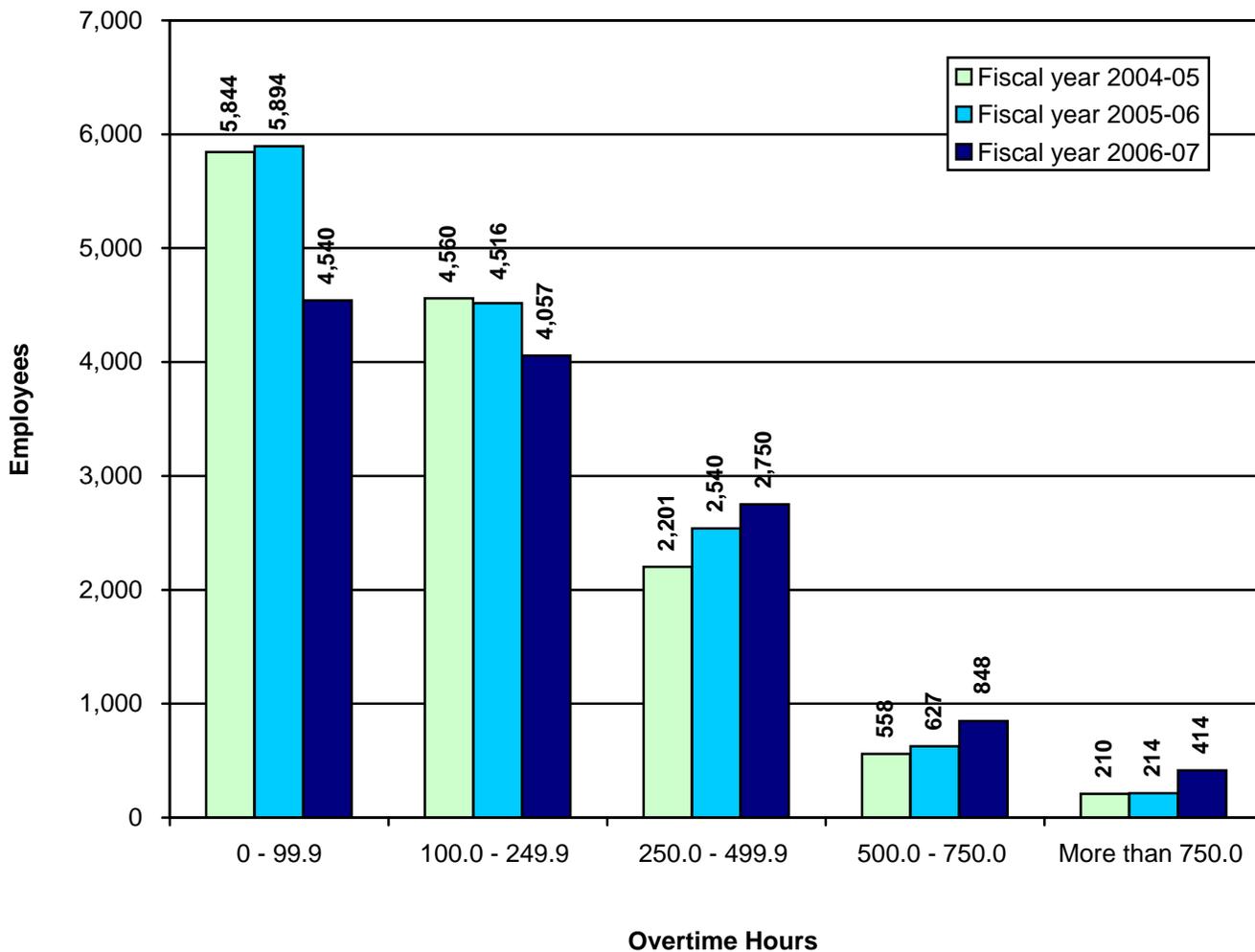


* Includes holiday overtime.

Source: Data Collection and Distribution System (DCDS).

SELECTED PERSONNEL AND OTHER ADMINISTRATIVE COSTS
Department of Corrections

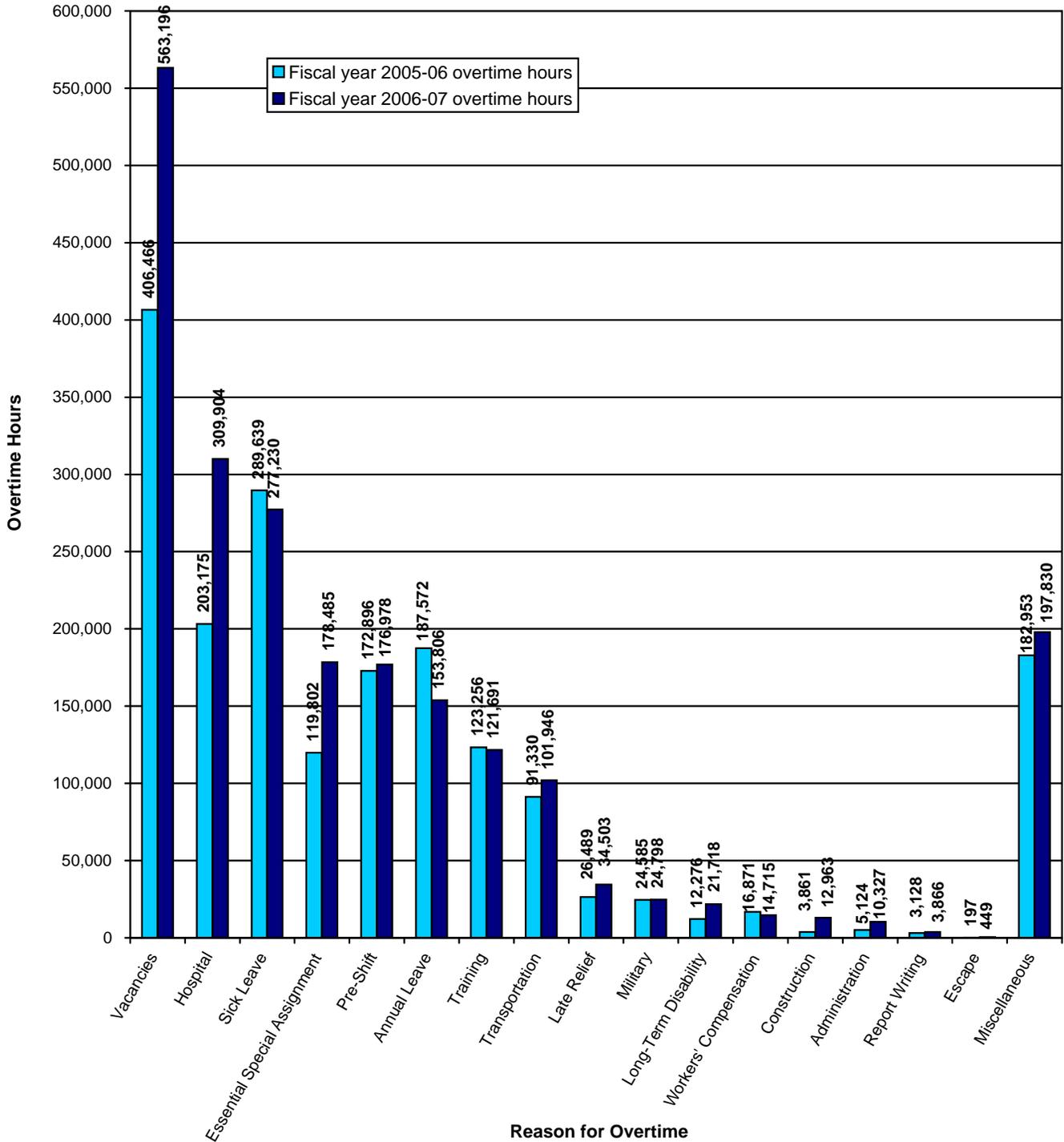
Number of Employees With Overtime
For Fiscal Years 2004-05 Through 2006-07



Source: Data Collection and Distribution System (DCDS).

SELECTED PERSONNEL AND OTHER ADMINISTRATIVE COSTS
Department of Corrections

Overtime Hours by Reason
For Fiscal Years 2005-06 and 2006-07



Source: Data Collection and Distribution System (DCDS).

SELECTED PERSONNEL AND OTHER ADMINISTRATIVE COSTS
Department of Corrections (DOC)

DOC Custody Staffing Levels by Facility
As of December 31, 2007

| <u>Camp/Facility</u> | <u>Security Level</u> | <u>Total Staffing Needed*</u> |
|--|-----------------------|-------------------------------|
| Boyer Road Correctional Facility | I | 170.98 |
| Camp Branch | I | 100.96 |
| Cooper Street Correctional Facility | I | 256.04 |
| Deerfield Correctional Facility | I | 170.42 |
| Florence Crane Correctional Facility | I | 172.82 |
| Hiawatha Correctional Facility | I | 175.42 |
| Mid-Michigan Correctional Facility | I | 184.46 |
| Ojibway Correctional Facility | I | 178.36 |
| Parnall Correctional Facility | I | 235.58 |
| Parr Highway Correctional Facility | I | 169.44 |
| Pine River Correctional Facility | I | 180.18 |
| Pugsley Correctional Facility | I | 185.44 |
| West Shoreline Correctional Facility | I | 169.82 |
| Huron Valley Complex - Women | I, II | 257.46 |
| Kinross Correctional Facility | I, II | 308.90 |
| Bellamy Creek Correctional Facility | I, II, IV | 358.64 |
| Carson City Correctional Facility | I, II, IV | 238.36 |
| Earnest C. Brooks Correctional Facility | I, II, IV | 225.34 |
| G. Robert Cotton Correctional Facility | I, II, IV | 364.62 |
| Gus Harrison Correctional Facility | I, II, IV | 261.16 |
| Macomb Correctional Facility | I, II, IV | 243.02 |
| Saginaw Correctional Facility | I, II, IV | 270.72 |
| Chippewa Correctional Facility | I, III, IV | 229.92 |
| Baraga Maximum Correctional Facility | I, V | 308.44 |
| Marquette Branch Prison | I, V | 317.00 |
| Lakeland Correctional Facility | II | 225.42 |
| Mound Correctional Facility | II | 257.98 |
| Muskegon Correctional Facility | II | 195.58 |
| Newberry Correctional Facility | II | 233.60 |
| Richard A. Handlon Correctional Facility | II | 233.74 |
| Ryan Correctional Facility | II | 264.60 |
| Straits Correctional Facility | II | 195.22 |
| Thumb Correctional Facility | II | 270.62 |
| Michigan Reformatory | II, IV | 284.80 |
| Robert Scott Correctional Facility | II, IV | 268.86 |
| Ionia Maximum Correctional Facility | II, V | 290.08 |
| St. Louis Correctional Facility | III, IV | 282.70 |
| Huron Valley Complex - Men | IV | 250.60 |
| Oaks Correctional Facility | IV | 294.00 |
| Charles Egeler Reception and Guidance Center | RGC, I, V | 316.22 |
| Alger Maximum Correctional Facility | V | 245.66 |
| Standish Maximum Correctional Facility | V | 245.74 |
| Total | | <u>10,088.92</u> |

* As determined by DOC.

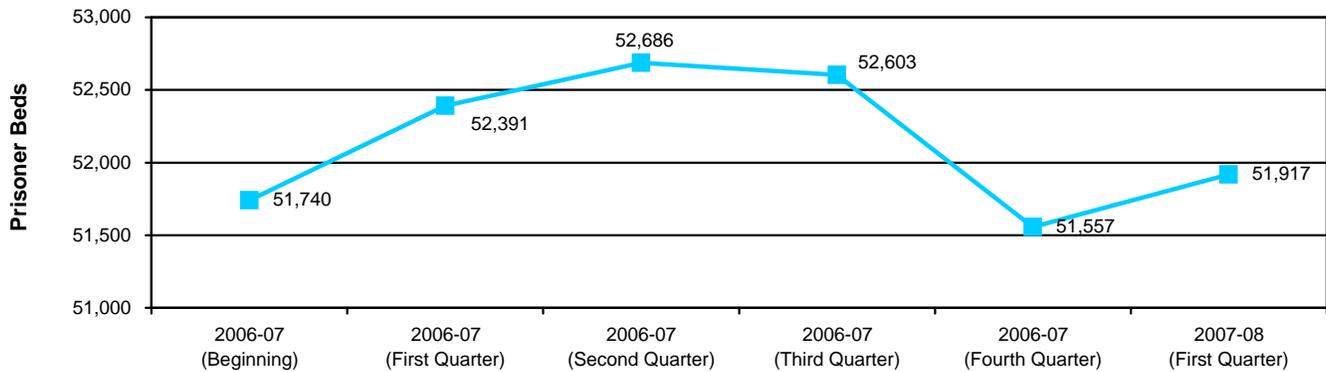
RGC = Reception and Guidance Center.

Source: Bureau of Fiscal Management, Department of Corrections.

SELECTED PERSONNEL AND OTHER ADMINISTRATIVE COSTS
Department of Corrections

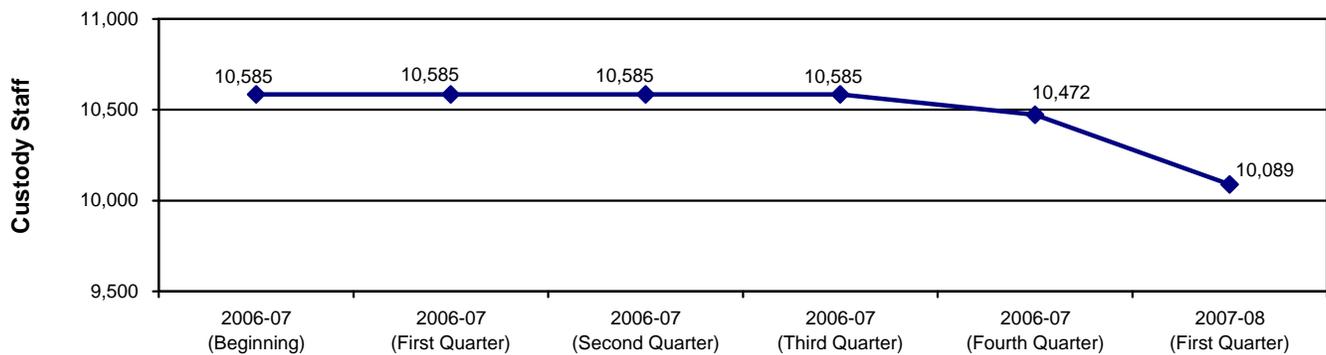
Changes in Prisoner Bed Space and Custody Staff
From October 1, 2006 Through December 31, 2007

Changes in Prisoner Bed Space Statewide



Fiscal Year (by Quarter)

Changes in Custody Staff Statewide



Fiscal Year (by Quarter)

These exhibits present the changes in prisoner bed space and in the number of custody staff Statewide from October 1, 2006 through December 31, 2007. The number of custody staff is the authorized positions, including vacant positions. The number of custody staff vacancies was 690 authorized positions as of December 31, 2007.

Source: Bureau of Fiscal Management, Department of Corrections.

SELECTED PERSONNEL AND OTHER ADMINISTRATIVE COSTS

Department of Corrections

DOC-Reported Initiatives Related to Closures and Other Reductions

The Department of Corrections (DOC) performs an important role in promoting public safety for the residents of Michigan by providing custody and care for over 50,000 incarcerated felons and supervising 74,000 parolees and probationers. DOC takes seriously this obligation and strives to provide this service in the most cost-effective manner. During the audit period, DOC achieved over \$200 million in budgetary reductions and reallocations from closures and other changes designed to increase efficiency (see Exhibit 10).

DOC continually assesses the most cost-effective expansion of its prison capacity. Since 1990, DOC has added almost 16,000 additional beds to existing facilities through double-bunking prisoners, adding additional bunks to open-bay facilities, and identifying opportunities to add beds to many of the housing units within its facilities.

While the prison population continues to increase, DOC has reduced its staffing levels (see Exhibit 11). The appropriated full-time equated positions went from 17,510 in fiscal year 2005-06 to 17,087 in fiscal year 2008-09.

Prison population growth in 2006 surpassed all recent historical trends and the prison population at the end of that year was larger than any time in history. DOC continues to take steps to control the prison population and is continuing to address these realities. These initiatives include:

1. Taking the Michigan Prisoner Reentry Initiative (MPRI) up to scale.
2. Opening the Cooper Street MPRI Drug Treatment Prison.
3. Implementing the Field Operations Collaborative Case Management System.
4. Working under the Community Corrections Act to reduce admissions.
5. Opening the Michigan Reformatory Prison, closing the Riverside Correctional Facility, and double-bunking the Oaks Correctional Facility.
6. Adding additional bunks to open-bay facilities.
7. Performing medical commutations and paroles.
8. Protecting citizens by effectively supervising felons in the community.
9. Reducing crime by improving prisoner reentry into Michigan's communities.

Source: Bureau of Fiscal Management, Department of Corrections.

SELECTED PERSONNEL AND OTHER ADMINISTRATIVE COSTS

Department of Corrections (DOC)

Closures and Other Reductions

For Appropriation Years 2004-05 Through 2007-08

| <u>Appropriation Year 2004-05</u> | | <u>Appropriation Year 2005-06</u> | |
|---|----------------------|---|----------------------|
| Closures | | Closures | |
| Western Wayne Correctional Facility | \$ 22,740,100 | Jackson A and B Units | \$ 3,517,900 |
| Wing Farm | 1,025,100 | Benton Harbor and Saginaw Correctional Centers | 3,773,200 |
| Technical Rule Violator Centers - Gilman | 1,286,600 | MYCF contract | 18,844,600 |
| Total closures | <u>\$ 25,051,800</u> | Camp Tuscola and Annex | 4,163,800 |
| Other Reductions | | Camp Sauble | 3,011,100 |
| Michigan Youth Correctional Facility (MYCF) - Facility management fee | \$ 150,000 | Mangum Farm | 1,044,000 |
| MYCF - Lease | 279,400 | DeMarse Training Academy | 1,000,000 |
| Workers' compensation | 3,849,000 | Jackson production kitchen | 3,460,300 |
| Reduce gun tower staffing (1) | 12,808,800 | Total closures | <u>\$ 38,814,900</u> |
| Special Alternative Incarceration (SAI) | 190,000 | Other Reductions | |
| Hadix Consent Decree | 2,000,000 | Central office staffing reductions (18.5 positions) | \$ 1,118,700 |
| Dental care efficiencies | 1,015,500 | Security reductions (95 positions) | 6,667,200 |
| U.S. Department of Justice - Psychiatric Plan - Department of Community Health Services | 3,618,500 | Eliminate prisoner coffee | 500,000 |
| U.S. Department of Justice - Psychiatric Plan - DOC Services | 500,000 | Human resources optimization (Human Resource Center reallocation) | 476,700 |
| Pharmacy savings | 3,600,000 | Field Operations Administration business office consolidations | 239,500 |
| Academic/Vocational programs | 1,000,000 | Correctional Facilities Administration business office consolidations (St. Louis, Muskegon, Kincheloe, and Detroit) | 445,600 |
| Transportation efficiencies (due to videoconferencing) | 3,413,100 | Workers' compensation | 1,378,000 |
| Total other reductions | <u>\$ 32,424,300</u> | Silver Oak Solutions - (Statewide Purchasing Efficiencies) | 5,684,700 |
| Total closures and other reductions | <u>\$ 57,476,100</u> | Milk savings - conversion to skim milk | 250,000 |
| | | Total other reductions | <u>\$ 16,760,400</u> |
| | | Total closures and other reductions | <u>\$ 55,575,300</u> |

- (1) DOC reduced gun tower coverage to times of prisoner movement and reinvested over \$2 million in technology for cameras and electronic fence security systems.
- (2) Reorganization allowed new parole/probation officers.
- (3) DOC increased use of Global Positioning System (GPS) and Michigan Prisoner Reentry Initiative (MPRI) special programs.
- (4) DOC informed us that it reviewed staffing at all facilities and then reallocated staffing while still meeting safety and security needs.

Source: Bureau of Fiscal Management, Department of Corrections.

| Appropriation Year 2006-07 | Appropriation Year 2007-08 |
|--|--|
| Closures | Closures |
| Camp Brighton | Camp Manistique |
| \$ 10,163,500 | \$ 4,641,300 |
| Total closures | Southern Michigan Correctional Facility |
| <u>\$ 10,163,500</u> | 35,866,300 |
| Other Reductions | Charles Egeler Reception and Guidance Center (7 block) |
| Human resources optimization (Human Resource Center reallocation) | 9,043,900 |
| \$ 508,600 | Education programs - Facility closures |
| Field Operations Administration reorganization (reduction of 33.2 positions) (2) | 1,366,400 |
| 2,731,000 | Hadix Consent Decree |
| Workers' compensation | 58,200 |
| 1,105,000 | Hospital and specialty care |
| Reduction in the number of inspectors (17 positions) | 331,500 |
| 1,500,000 | Southeast clinical |
| Mid-management reductions (27.5 sergeant positions) | 380,600 |
| 2,466,600 | Southwest clinical |
| Overtime reductions - transportation and courts | 40,400 |
| 4,533,400 | Jackson area support and services |
| Total other reductions | 127,200 |
| <u>\$ 12,844,600</u> | Riverside Correctional Facility (3) (opened Michigan Reformatory Prison) |
| Total closures and other reductions | 1,794,400 |
| <u>\$ 23,008,100</u> | MDIT savings from closures |
| | 34,700 |
| | Cost avoidance - Macomb Correctional Facility (3) |
| | 3,752,400 |
| | Cost avoidance - Lakeland Correctional Facility (3) |
| | 475,700 |
| | Total closures |
| | <u>\$ 57,913,000</u> |
| | Other Reductions |
| | Regional business office consolidations |
| | \$ 2,631,700 |
| | Staffing efficiencies - Custody staffing charts (4) |
| | 5,877,400 |
| | Human resources optimization (Human Resource Center reallocation) |
| | 380,100 |
| | Workers' compensation |
| | 1,632,000 |
| | Parolee loans |
| | 115,000 |
| | Food savings through menu changes |
| | 672,500 |
| | Discontinuation of providing tennis shoes to level IV prisoners |
| | 408,100 |
| | Total other reductions |
| | <u>\$ 11,716,800</u> |
| | Total closures and other reductions |
| | <u>\$ 69,629,800</u> |
| | Total closures and reductions from fiscal year 2004-05 through fiscal year 2007-08 |
| | <u>\$ 205,689,300</u> |

SELECTED PERSONNEL AND OTHER ADMINISTRATIVE COSTS

Department of Corrections

Staffing Ratios

As of October 2005 and October 2008

| Institutions | October 2005 | | | October 2008 | | |
|--|---------------------------------------|---|--|---------------------------------------|---|--|
| | Prisoners to Officers (1) Ratio | Officers to Shift Command (2) Ratio | Prisoners to All Other Staff Ratio | Prisoners to Officers (1) Ratio | Officers to Shift Command (2) Ratio | Prisoners to All Other Staff Ratio |
| <u>Northern Region</u> | | | | | | |
| Alger Maximum Correctional Facility | 2.6:1 | 8.1:1 | 9.3:1 | 2.7:1 | 7.9:1 | 9.2:1 |
| Baraga Maximum Correctional Facility | 3.4:1 | 8.5:1 | 11.1:1 | 3.5:1 | 9.0:1 | 12.3:1 |
| Chippewa Correctional Facility | 5.6:1 | 7.1:1 | 13.8:1 | 6.1:1 | 7.8:1 | 11.6:1 |
| Straits Correctional Facility | 7.9:1 | 7.7:1 | 18.5:1 | 7.3:1 | 8.2:1 | 21.1:1 |
| Kinross Correctional Facility | 6.6:1 | 10.3:1 | 17.6:1 | 6.5:1 | 10.8:1 | 24.2:1 |
| Hiawatha Correctional Facility | 8.1:1 | 6.6:1 | 18.1:1 | 8.5:1 | 7.6:1 | 27.9:1 |
| Marquette Branch Prison | 4.3:1 | 9.7:1 | 10.5:1 | 4.7:1 | 7.9:1 | 12.8:1 |
| Newberry Correctional Facility | 4.5:1 | 9.3:1 | 12.5:1 | 4.9:1 | 10.2:1 | 12.7:1 |
| Oaks Correctional Facility | 4.7:1 | 11.7:1 | 14.2:1 | 4.9:1 | 10.3:1 | 14.9:1 |
| Ojibway Correctional Facility | 7.3:1 | 6.9:1 | 15.6:1 | 7.6:1 | 7.2:1 | 15.9:1 |
| Pugsley Correctional Facility | 7.0:1 | 6.8:1 | 14.9:1 | 8.0:1 | 7.4:1 | 16.2:1 |
| Saginaw Correctional Facility | 6.3:1 | 8.4:1 | 15.9:1 | 6.4:1 | 10.1:1 | 16.8:1 |
| Standish Maximum Correctional Facility | 2.5:1 | 8.0:1 | 8.2:1 | 3.1:1 | 7.4:1 | 11.0:1 |
| Northern Region Average | 5.2:1 | 8.4:1 | 13.8:1 | 5.5:1 | 8.6:1 | 15.4:1 |
| <u>Southeastern Region</u> | | | | | | |
| Cooper Street Correctional Facility | 7.6:1 | 9.5:1 | 19.4:1 | 8.6:1 | 9.8:1 | 27.8:1 |
| Cotton Correctional Facility | 6.1:1 | 11.0:1 | 18.9:1 | 6.1:1 | 11.1:1 | 20.6:1 |
| Charles Egeler Reception and Guidance Center | 4.0:1 | 11.1:1 | 14.6:1 | 3.6:1 | 10.1:1 | 12.4:1 |
| Gus Harrison Correctional Facility | 5.0:1 | 8.7:1 | 13.9:1 | 5.1:1 | 7.2:1 | 12.2:1 |
| Parr Highway Correctional Facility | 9.3:1 | 6.8:1 | 19.6:1 | 9.5:1 | 7.3:1 | 23.7:1 |
| Huron Valley - Inmate Housing Fund | 2.2:1 | 11.6:1 | 8.0:1 | | | |
| Huron Valley Complex - Women | | | | 4.4:1 | 11.3:1 | 6.7:1 |
| Huron Valley Complex - Men | | | | 3.1:1 | 9.5:1 | 8.1:1 |
| Macomb Correctional Facility | 5.8:1 | 9.7:1 | 14.3:1 | 6.2:1 | 8.6:1 | 13.0:1 |
| Mound Correctional Facility | 5.3:1 | 10.1:1 | 15.9:1 | 4.5:1 | 11.8:1 | 18.4:1 |
| Parnall Correctional Facility | 8.1:1 | 8.7:1 | 16.4:1 | 8.8:1 | 10.4:1 | 28.7:1 |
| Ryan Correctional Facility | 4.9:1 | 10.4:1 | 14.5:1 | 4.6:1 | 11.1:1 | 13.7:1 |
| Robert Scott Correctional Facility | 4.0:1 | 7.1:1 | 9.8:1 | 4.2:1 | 7.1:1 | 6.3:1 |
| Southern Michigan Correctional Facility | 4.7:1 | 13.4:1 | 17.8:1 | | | |
| Thumb Correctional Facility | 5.9:1 | 8.6:1 | 14.9:1 | 5.6:1 | 9.5:1 | 17.2:1 |
| Southeastern Region Average | 5.1:1 | 9.9:1 | 14.8:1 | 5.5:1 | 9.5:1 | 14.3:1 |
| <u>Southwestern Region</u> | | | | | | |
| Bellamy Creek Correctional Facility | 6.1:1 | 7.4:1 | 13.9:1 | 6.3:1 | 9.0:1 | 20.4:1 |
| Earnest C. Brooks Correctional Facility | 7.1:1 | 5.2:1 | 14.6:1 | 6.6:1 | 6.5:1 | 15.6:1 |
| West Shoreline Correctional Facility | 8.3:1 | 6.7:1 | 18.5:1 | 8.8:1 | 7.3:1 | 21.1:1 |
| Carson City Correctional Facility | 6.4:1 | 5.5:1 | 13.6:1 | 6.7:1 | 6.8:1 | 15.1:1 |
| Boyer Road Correctional Facility | 8.0:1 | 6.4:1 | 20.0:1 | 8.6:1 | 7.5:1 | 22.2:1 |
| Richard A. Handlon Correctional Facility | 8.2:1 | 7.0:1 | 15.5:1 | 7.2:1 | 9.4:1 | 18.9:1 |
| Ionia Maximum Correctional Facility | 2.9:1 | 8.4:1 | 10.4:1 | 3.1:1 | 7.6:1 | 13.1:1 |
| Lakeland Correctional Facility | 6.7:1 | 8.2:1 | 18.3:1 | 7.0:1 | 9.7:1 | 17.8:1 |
| Florence Crane Correctional Facility | 7.0:1 | 7.7:1 | 14.7:1 | 7.4:1 | 7.3:1 | 17.6:1 |
| Michigan Reformatory | | | | 5.3:1 | 8.9:1 | 20.2:1 |
| Deerfield Correctional Facility | 9.5:1 | 7.8:1 | 20.4:1 | 8.7:1 | 7.4:1 | 23.1:1 |
| Muskegon Correctional Facility | 8.8:1 | 7.2:1 | 15.6:1 | 9.2:1 | 7.3:1 | 20.1:1 |

This exhibit continued on next page.

SELECTED PERSONNEL AND OTHER ADMINISTRATIVE COSTS

Department of Corrections

Staffing Ratios

As of October 2005 and October 2008

| Institutions | October 2005 | | | October 2008 | | |
|------------------------------------|---------------------------------------|---|--|---------------------------------------|---|--|
| | Prisoners to Officers (1) Ratio | Officers to Shift Command (2) Ratio | Prisoners to All Other Staff Ratio | Prisoners to Officers (1) Ratio | Officers to Shift Command (2) Ratio | Prisoners to All Other Staff Ratio |
| Pine River Correctional Facility | 7.8:1 | 8.9:1 | 15.6:1 | 8.3:1 | 7.7:1 | 20.7:1 |
| Riverside Correctional Facility | 4.0:1 | 11.0:1 | 10.4:1 | | | |
| St. Louis Correctional Facility | 4.8:1 | 6.9:1 | 13.6:1 | 5.5:1 | 7.7:1 | 13.1:1 |
| Mid-Michigan Correctional Facility | 7.4:1 | 8.1:1 | 22.9:1 | 7.5:1 | 8.6:1 | 20.0:1 |
| Southwestern Region Average | 6.4:1 | 7.4:1 | 15.2:1 | 6.8:1 | 7.9:1 | 18.3:1 |
| Camp System | 7.4:1 | 6.5:1 | 18.1:1 | 8.2:1 | 7.3:1 | 21.0:1 |
| Combined Average | 5.6:1 | 8.4:1 | 14.8:1 | 6.0:1 | 8.6:1 | 16.2:1 |

(1) Officer total includes corrections officers, corrections transportation officers, and resident unit officers.

(2) Shift command includes sergeants, lieutenants, and captains.

Source: Bureau of Fiscal Management, Department of Corrections.

GLOSSARY

Glossary of Acronyms and Terms

| | |
|----------------------------|--|
| DCH | Department of Community Health. |
| DOC | Department of Corrections. |
| effectiveness | Program success in achieving mission and goals. |
| MCO | Michigan Corrections Organization. |
| MDIT | Michigan Department of Information Technology. |
| MPRI | Michigan Prisoner Reentry Initiative. |
| MSI | Michigan State Industries. |
| other administrative costs | Costs for utilities, other fees and compensation, insurance and bonds, household items and laundry, clothing and textiles, and other purchased services. |
| performance audit | An economy and efficiency audit or a program audit that is designed to provide an independent assessment of the performance of a governmental entity, program, activity, or function to improve public accountability and to facilitate decision making by parties responsible for overseeing or initiating corrective action. |
| reportable condition | A matter that, in the auditor's judgment, represents either an opportunity for improvement or a significant deficiency in management's ability to operate a program in an effective and efficient manner. |

