



MICHIGAN

OFFICE OF THE AUDITOR GENERAL

AUDIT REPORT



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

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– Article IV, Section 53 of the Michigan Constitution

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Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

Report Number:
471-0375-11

Facility Closures and Consolidations

Department of Corrections

Released:
October 2012

As of October 1, 2007, the Department of Corrections (DOC) housed 51,454 prisoners in 42 correctional facilities and 8 camps and, in fiscal year 2007-08, DOC expended \$1.8 billion for prisoner-related costs. From fiscal year 2007-08 through fiscal year 2010-11, DOC's average prisoner population decreased by 5,941 prisoners and the State closed 8 correctional facilities and 8 camps, opened 2 facilities, and consolidated the operations of 8 facilities into 4 facilities. In fiscal year 2010-11, DOC expended \$1.7 billion for prisoner-related costs.

Audit Objective:

To assess the effectiveness of DOC's efforts in developing recommendations for facility closures and consolidations.

Audit Conclusion:

We could not conclude on the effectiveness of DOC's efforts in developing recommendations for facility closures and consolidations because of a lack of DOC documentation. We noted one reportable condition (Finding 1).

Reportable Condition:

DOC had not maintained sufficient documentation to support its basis for identifying and recommending correctional facilities and camps for closure or consolidation. These recommendations involve critical decisions that significantly impact the security of the public, the staffing needs of the facilities, the economy of the local communities, and the operational needs of the State. Without sufficient documentation, the validity of DOC's

recommendations could not be verified (Finding 1).

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Audit Objective:

To assess the effectiveness of DOC's efforts to measure and report actual cost savings from closing and consolidating facilities pursuant to statute.

Audit Conclusion:

We concluded that DOC's efforts to measure and report actual cost savings from closing and consolidating facilities pursuant to statute were effective. Our audit report does not include any reportable conditions related to this audit objective.

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Agency Response:

Our audit report contains 1 finding and 1 corresponding recommendation. DOC's preliminary response indicates that it partially agrees with the recommendation.

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A copy of the full report can be
obtained by calling 517.334.8050
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<http://audgen.michigan.gov>



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AUDITOR GENERAL

October 25, 2012

Mr. Daniel H. Heyns, Director
Department of Corrections
Grandview Plaza Building
Lansing, Michigan

Dear Mr. Heyns:

This is our report on the performance audit of Facility Closures and Consolidations, Department of Corrections.

This report contains our report summary; description; audit objectives, scope, and methodology and agency responses; comments, finding, recommendation, and agency preliminary response; General Fund prisoner-related costs by facility and centralized function, presented as supplemental information; and a glossary of acronyms and terms.

Our comments, finding, and recommendation are organized by audit objective. The agency preliminary response was taken from the agency's response subsequent to our audit fieldwork. The *Michigan Compiled Laws* and administrative procedures require that the audited agency develop a plan to comply with the audit recommendation and submit it within 60 days after release of the audit report to the Office of Internal Audit Services, State Budget Office. Within 30 days of receipt, the Office of Internal Audit Services is required to review the plan and either accept the plan as final or contact the agency to take additional steps to finalize the plan.

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

Sincerely,

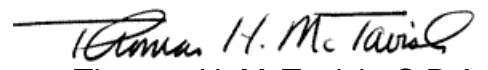

Thomas H. McTavish, C.P.A.
Auditor General

TABLE OF CONTENTS

FACILITY CLOSURES AND CONSOLIDATIONS DEPARTMENT OF CORRECTIONS

	<u>Page</u>
INTRODUCTION	
Report Summary	1
Report Letter	3
Description	6
Audit Objectives, Scope, and Methodology and Agency Responses	7
COMMENTS, FINDING, RECOMMENDATION, AND AGENCY PRELIMINARY RESPONSE	
Efforts in Developing Recommendations for Facility Closures and Consolidations	10
1. Documentation to Support Basis for Closures and Consolidations	11
Efforts to Measure and Report Actual Cost Savings From Closing and Consolidating Facilities Pursuant to Statute	13
SUPPLEMENTAL INFORMATION	
General Fund Prisoner-Related Costs by Facility and Centralized Function	16
GLOSSARY	
Glossary of Acronyms and Terms	21

Description

The mission* of the Department of Corrections (DOC) is to create a safer Michigan through effective offender management and supervision in its facilities and communities while holding offenders accountable and promoting their rehabilitation. DOC meets its mission by ensuring that the State's judges and other criminal justice administrators have the broadest possible array of viable sentencing and sanctioning options and by ensuring that appropriate supervision is maintained so that Michigan's citizens are protected.

The Correctional Facilities Administration is responsible for the State's correctional facilities. The correctional facilities around the State are divided into two regions; each region has a regional prison administrator who has oversight over the wardens. Each warden is responsible for the overall operation of his or her assigned facility. The Correctional Facilities Administration is also responsible for prisoner transportation, food service, and employment readiness programs.

The Operations Support Administration is responsible for providing all internal organizational support within DOC, including research and planning, human resources, fiscal management, legal affairs, healthcare services, and training.

As of October 1, 2007, DOC housed 51,454 prisoners in 42 correctional facilities and 8 camps and, in fiscal year 2007-08, DOC expended \$1.8 billion for prisoner-related costs. From fiscal year 2007-08 through fiscal year 2010-11, DOC's average prisoner population decreased by 5,941 prisoners and the State closed 8 correctional facilities and 8 camps, opened 2 facilities, and consolidated the operations of 8 facilities into 4 facilities. In fiscal year 2010-11, DOC expended \$1.7 billion for prisoner-related costs (see supplemental information).

* See glossary at end of report for definition.

Audit Objectives, Scope, and Methodology and Agency Responses

Audit Objectives

Our performance audit* of Facility Closures and Consolidations, Department of Corrections (DOC), had the following objectives:

1. To assess the effectiveness* of DOC's efforts in developing recommendations for facility closures and consolidations.
2. To assess the effectiveness of DOC's efforts to measure and report actual cost savings from closing and consolidating facilities pursuant to statute.

Audit Scope

Our audit scope was to examine records and financial information related to closures and consolidations of facilities within the Department of Corrections. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our finding and conclusions based on our audit objectives. Although a lack of DOC documentation, as noted in Finding 1, precluded us from reaching a conclusion on our first objective, we believe that the evidence obtained provides a reasonable basis for our finding and our conclusion on our second audit objective. Our audit procedures, conducted from May through October 2011, generally covered the period October 1, 2007 through September 30, 2011.

As part of our audit, we compiled supplemental information about DOC costs, including cost per prisoner by facility and centralized function and in total. Our audit was not directed toward expressing a conclusion on this information and, accordingly, we express no conclusion on it.

Audit Methodology

To establish our audit objectives and to gain an understanding of DOC's operations, we conducted a preliminary review. This included interviewing DOC staff, analyzing expenditure data, and reviewing applicable statutes and DOC operating procedures.

* See glossary at end of report for definition.

To accomplish our first objective, we interviewed staff from DOC's Correctional Facilities Administration and Bureau of Fiscal Management. We examined expenditure data related to DOC facilities, analyzed cost per prisoner by facility (see supplemental information), reviewed DOC's processes and controls related to closures and consolidations, and requested documentation supporting DOC's recommendations for closures and consolidations.

To accomplish our second objective, we obtained and reviewed DOC's reports to the Legislature regarding actual savings realized as a result of closing facilities, interviewed Bureau of Fiscal Management staff, and analyzed expenditure data.

When selecting activities or programs for audit, we use an approach based on assessment of risk and opportunity for improvement. Accordingly, we focus our audit efforts on activities or programs having the greatest probability for needing improvement as identified through a preliminary review. Our limited audit resources are used, by design, to identify where and how improvements can be made. Consequently, we prepare our performance audit reports on an exception basis.

Agency Responses and Prior Audit Follow-Up

Our audit report contains 1 finding and 1 corresponding recommendation. DOC's preliminary response indicates that it partially agrees with the recommendation.

The agency preliminary response that follows the 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 plan to comply with the audit recommendation and submit it within 60 days after release of the audit report to the Office of Internal Audit Services, State Budget Office. Within 30 days of receipt, the Office of Internal Audit Services is required to review the plan and either accept the plan as final or contact the agency to take additional steps to finalize the plan.

COMMENTS, FINDING, RECOMMENDATION,
AND AGENCY PRELIMINARY RESPONSE

EFFORTS IN DEVELOPING RECOMMENDATIONS FOR FACILITY CLOSURES AND CONSOLIDATIONS

COMMENT

Background: As of October 1, 2007, the Department of Corrections (DOC) operated 42 correctional facilities and 8 camps. However, between October 2007 and September 2011, DOC made the following significant changes in the operation of its correctional facilities and camps:

- DOC closed the following facilities:
 - Deerfield Correctional Facility
 - Florence Crane Correctional Facility
 - Hiawatha Correctional Facility
 - Muskegon Correctional Facility
 - Riverside Correctional Facility
 - Robert Scott Correctional Facility
 - Southern Michigan Correctional Facility
 - Standish Correctional Facility

- DOC closed the following camps:
 - Camp Branch
 - Camp Cusino
 - Camp Kitwen
 - Camp Lehman
 - Camp Manistique
 - Camp Ottawa
 - Camp Valley
 - Camp White Lake

- DOC opened the following facilities:
 - Michigan Reformatory
 - Woodland Center Correctional Facility

- DOC consolidated the following facilities:
 - Boyer Road Correctional Facility with Carson City Correctional Facility
 - Parr Highway Correctional Facility with Gus Harrison Correctional Facility
 - Pine River Correctional Facility with Mid-Michigan Correctional Facility
 - Straits Correctional Facility with Chippewa Correctional Facility

By the end of fiscal year 2010-11, DOC had reduced the number of its facilities to 32 and had eliminated all of its camps.

Audit Objective: To assess the effectiveness of DOC's efforts in developing recommendations for facility closures and consolidations.

Audit Conclusion: **We could not conclude on the effectiveness of DOC's efforts in developing recommendations for facility closures and consolidations because of a lack of DOC documentation.** Our assessment disclosed one reportable condition* related to documentation to support the basis for closures and consolidations (Finding 1).

FINDING

1. Documentation to Support Basis for Closures and Consolidations

DOC had not maintained sufficient documentation to support its basis for identifying and recommending correctional facilities and camps for closure or consolidation. These recommendations involve critical decisions that significantly impact the security of the public, the staffing needs of the facilities, the economy of the local communities, and the operational needs of the State. Without sufficient documentation, the validity of DOC's recommendations could not be verified.

During the period October 2007 through September 2011, the State closed 8 correctional facilities and 8 camps and consolidated the operations of 8 facilities into 4 facilities. In developing its recommendations for correctional facility and camp closures or consolidations, DOC informed us that it considered the following factors: economic impact on the local community, the age of the facility, the cost to operate the facility, the need for additional capital improvements or renovations to the facility, the operational needs for each custody level at the facility, the number of prisoners housed at the facility, and the proximity to other prisons so that

* See glossary at end of report for definition.

opportunities for staff who are displaced are maximized. DOC indicated that individuals with significant experience within DOC devoted significant time and effort to developing its recommendations for correctional facility and camp closures or consolidations.

Our review of DOC's process used to determine which correctional facilities and camps to recommend for closure or consolidation and the available documentation disclosed:

- a. DOC performed cost analyses of selected facilities; however, it did not evaluate costs for all facilities, including some that were closed or consolidated.
- b. DOC did not retain sufficient documentation to support its consideration of any of the other factors.

DOC expended \$1.7 billion in fiscal year 2010-11 for General Fund prisoner-related costs (see supplemental information). Therefore, critical decisions regarding correctional facility operations should be supported by sufficient documentation. Without sufficient documentation to support DOC's recommendations for correctional facility closures or consolidations, the validity of its decisions could not be verified. As a result, we could not conclude on the effectiveness of DOC's efforts in developing recommendations for facility closures and consolidations.

RECOMMENDATION

We recommend that DOC maintain sufficient documentation to support its basis for identifying and recommending correctional facilities and camps for closure or consolidation.

AGENCY PRELIMINARY RESPONSE

DOC partially agrees with the recommendation. Although limited documentation was maintained, DOC believes that the process was sufficient to support its basis for identifying and recommending prisons and camps for closures or consolidations.

**EFFORTS TO MEASURE AND REPORT ACTUAL COST SAVINGS
FROM CLOSING AND CONSOLIDATING FACILITIES
PURSUANT TO STATUTE**

COMMENT

Audit Objective: To assess the effectiveness of DOC's efforts to measure and report actual cost savings from closing and consolidating facilities pursuant to statute.

Audit Conclusion: We concluded that DOC's efforts to measure and report actual cost savings from closing and consolidating facilities pursuant to statute were effective. Our audit report does not include any reportable conditions related to this audit objective.

SUPPLEMENTAL INFORMATION

FACILITY CLOSURES AND CONSOLIDATIONS
 Department of Corrections (DOC)
 General Fund Prisoner-Related Costs by Facility and Centralized Function

	Fiscal Year 2007-08						Cost Per Prisoner
	Security Level(s)	Average Population	Direct Expenditures	Consent Decree Costs (b)	Capital Costs (c)	Total Costs	
Correctional Facilities and Camps (a):							
Alger Maximum and Camp Cusino	I, V	813	\$ 31,447,846	\$ 159,236	\$ 3,382,400	\$ 34,989,482	\$ 43,037
Baraga Maximum and Camp Kitwen	I, V	1,141	36,423,093	223,479	4,499,719	41,146,291	36,062
Bellamy Creek	I, II, IV	1,835	41,878,781	1,114,349	1,225,546	44,218,676	24,097
Carson City and Boyer Road	I, II, IV	2,433	47,022,888	476,533	1,056,617	48,556,038	19,957
Central Michigan (d)							
Charles E. Egeler	Reception Center	1,252	38,687,249	17,595,675	2,883,373	59,166,297	47,257
Chippewa and Straits	I, II, III, IV	2,235	49,776,887	437,753	1,248,473	51,463,112	23,026
Cooper Street	I	1,681	28,142,371	329,245	1,672,571	30,144,187	17,932
Deerfield (e)	I	1,222	18,989,923	239,344	249,103	19,478,370	15,940
Earnest C. Brooks and West Shoreline	I, II, IV	2,424	46,058,134	533,126	1,180,719	47,771,980	19,708
G. Robert Cotton	I, II, IV	1,791	39,236,953	350,790	1,918,946	41,506,689	23,175
Gus Harrison and Parr Highway	I, II, IV	2,331	46,392,094	4,035,544	4,164,529	54,592,167	23,420
Huron Valley and Camp Valley	I, II, IV	1,580	64,629,520	16,851,729	1,999,516	83,480,765	52,836
Ionia Maximum	II, V	648	29,835,091	937,683	2,892,332	33,665,106	51,952
Kinross and Hiawatha (e)	I, II	3,003	54,118,810	1,652,942	550,565	56,322,318	18,755
Lakeland, Florence Crane (e), and Camp Branch	I, II	3,091	58,639,041	2,579,747	1,685,652	62,904,440	20,351
Macomb	I, II, IV	1,208	27,488,465	1,072,153	4,203,275	32,763,893	27,122
Marquette Branch Prison	I, V	1,159	35,952,920	1,462,274	652,085	38,067,279	32,845
Michigan Reformatory (f)	II, IV	1,090	22,488,722	213,490	371,185	23,073,397	21,168 (g)
Mound	II	1,036	29,047,079	202,914	1,338,566	30,588,559	29,526
Muskegon (e)	II	1,318	24,816,977	1,124,658	379,024	26,320,658	19,970
Newberry and Camp Manistique	I, II	975	26,444,143	190,966	891,787	27,526,896	28,233
Oaks	I, IV	908	32,071,786	177,843	3,692,249	35,941,878	39,584
Ojibway and Camp Ottawa	I	1,361	23,311,827	266,569	1,426,254	25,004,649	18,372
Parnall	I	1,682	27,380,648	329,441	1,428,732	29,138,821	17,324
Pine River (d)	I	1,239	19,867,115	242,674	542,736	20,652,525	16,669
Pugsley	I	1,148	20,520,525	224,850	332,971	21,078,346	18,361
Richard A. Handlon	II	1,239	23,479,963	19,424,231	288,874	43,193,067	34,861
Riverside (e)	II	661	2,332,264	129,465	27,052	2,488,781	3,765 (g)
Robert Scott (e) and Camp White Lake	I, II, IV, V	964	33,008,210	2,095,157	826,685	35,930,052	37,272
Ryan	II	1,034	32,108,611	202,522	1,486,655	33,797,788	32,686
Saginaw	I, II, IV	1,453	30,693,770	284,588	3,587,462	34,565,821	23,789
Southern Michigan (e)	II, IV	428	3,579,726	83,894	427,557	4,091,177	9,559 (g)
Special Alternative Incarceration	I	171	11,651,744	33,492	143,315	11,828,551	69,173
St. Louis and Mid-Michigan (d)	I, III, IV	2,419	51,250,787	473,791	7,885,332	59,609,910	24,642
Standish Maximum (e) and Camp Lehman	I, V	1,127	37,120,333	220,737	1,261,109	38,602,179	34,252
Thumb	I, II	1,189	29,713,700	696,532	989,034	31,399,266	26,408
Woodland Center (f)							
Total		51,289	\$ 1,175,607,995	\$ 76,669,418	\$ 62,791,999	\$ 1,315,069,411	\$ 25,640
Centralized Functions:							
Food service						86,416,753	1,685
Transportation						26,412,795	515
Regional support and administration						18,757,983	366
Healthcare						235,242,482	4,587
Indirect costs (h)						128,974,911	2,515
Total prisoner-related costs						\$ 1,810,874,336	\$ 35,307
Total department costs (i)						\$ 2,082,880,040	

See notes on page 19.

Continued on next page.

FACILITY CLOSURES AND CONSOLIDATIONS
 Department of Corrections (DOC)
 General Fund Prisoner-Related Costs by Facility and Centralized Function
 (Continued)

Fiscal Year 2010-11

	Security Level(s)	Average Population	Direct Expenditures	Consent Decree Costs (b)	Capital Costs (c)	Total Costs	Cost Per Prisoner
Correctional Facilities:							
Alger	IV	846	\$ 27,953,352	\$ 362,800	\$ 1,258,434	\$ 29,574,586	\$ 34,958
Baraga Maximum	I, V	851	33,413,637	363,273	3,653,704	37,430,614	\$ 43,984
Bellamy Creek	I, II, IV	1,799	39,744,559	1,284,744	1,294,991	42,324,294	\$ 23,527
Carson City	I, II, IV	2,371	45,986,576	1,292,501	1,136,354	48,415,430	\$ 20,420
Central Michigan (d)	I	2,485	42,499,984	1,065,004	794,221	44,359,209	\$ 17,851
Charles Egeler Reception & Guidance Center	Reception Center	1,330	38,987,411	4,640,055	4,691,389	48,318,855	\$ 36,330
Chippewa	II, IV	2,148	47,067,213	1,010,386	1,342,688	49,420,287	\$ 23,008
Cooper Street	I	1,740	27,035,813	742,767	1,183,922	28,962,502	\$ 16,645
Deerfield (e)							
Earnest C. Brooks and West Shoreline	I, II, IV	2,370	47,482,089	1,459,940	1,269,821	50,211,851	\$ 21,186
G. Robert Cotton	I, II, IV	1,816	38,965,775	1,253,404	1,804,626	42,023,806	\$ 23,141
Gus Harrison	I, II	2,225	42,789,854	6,896,669	1,414,187	51,100,710	\$ 22,967
Huron Valley Complex	I, II, IV	1,842	53,813,564	3,449,937	2,311,651	59,575,151	\$ 32,343
Ionia Maximum	II, V	665	30,013,424	1,821,150	3,110,601	34,945,175	\$ 52,549
Kinross	I, II	1,864	36,281,602	1,673,140	960,579	38,915,322	\$ 20,877
Lakeland and Florence Crane (e)	II	2,301	41,801,688	2,122,218	913,770	44,837,676	\$ 19,486 (g)
Macomb	I, II, IV	1,250	30,733,394	4,366,050	4,101,578	39,201,022	\$ 31,361
Marquette Branch Prison	I, V	1,166	36,274,651	1,144,105	639,281	38,058,037	\$ 32,640
Michigan Reformatory (f)	II, IV	1,286	35,589,055	646,570	266,187	36,501,812	\$ 28,384
Mound	II	1,003	28,972,933	1,358,752	1,439,580	31,771,266	\$ 31,676
Muskegon (e)(j)	II	1,114	15,709,166	815,866	407,627	16,932,659	\$ 15,200 (g)
Newberry	I, II	1,062	26,204,883	453,344	672,088	27,330,315	\$ 25,735
Oaks	IV	1,091	32,013,684	661,792	3,577,645	36,253,121	\$ 33,229
Ojibway	I	1,097	20,344,013	468,285	1,230,818	22,043,116	\$ 20,094
Pamall	I	1,662	27,056,842	1,206,039	1,818,676	30,081,557	\$ 18,100
Pine River (d)							
Pugsley	I	1,282	21,949,629	977,153	391,919	23,318,701	\$ 18,189
Richard A. Handlon	II	1,232	24,076,840	7,570,312	240,983	31,888,135	\$ 25,883
Riverside (e)							
Robert Scott (e)							
Ryan	II	1,044	29,543,892	688,798	1,598,845	31,831,534	\$ 30,490
Saginaw	I, II, IV	1,460	31,430,731	925,157	3,494,372	35,850,260	\$ 24,555
Southern Michigan (e)							
Special Alternative Incarceration	I	481	12,123,771	205,328	132,305	12,461,404	\$ 25,907
St. Louis	IV	1,147	32,137,196	3,005,800	7,340,035	42,483,030	\$ 37,038
Standish Maximum (e)							
Thumb	II	1,182	29,734,712	881,140	1,063,671	31,679,522	\$ 26,802
Maxey-Woodland Center (f)	other	136	20,723,412	2,709,265	1,396,118	24,828,794	\$ 182,565
Total		45,348	\$ 1,048,455,346	\$ 57,521,743	\$ 56,952,665	\$ 1,162,929,753	\$ 25,645
Centralized Functions:							
Food service						67,220,486	1,482
Transportation						23,412,402	516
Regional support and administration						26,276,015	579
Healthcare						248,602,227	5,482
Indirect costs (h)						173,451,249	3,825
Total prisoner-related costs						\$ 1,701,892,132	\$ 37,530
Total department costs (i)							\$ 1,981,896,695

See notes on page 19.

Continued on next page.

FACILITY CLOSURES AND CONSOLIDATIONS
 Department of Corrections (DOC)
 General Fund Prisoner-Related Costs by Facility and Centralized Function
 (Continued)

	Increase (Decrease) From Fiscal Year 2007-08 through Fiscal Year 2010-11							
	Average Population	Direct Expenditures	Consent Decree Costs (b)	Capital Costs (c)	Total Costs	Percent Change	Cost Per Prisoner	Percent Change
Correctional Facilities:								
Alger	33	\$ (3,494,494)	\$ 203,564	\$ (2,123,966)	\$ (5,414,896)	(15.5)%	\$ (8,079)	(18.8)%
Baraga Maximum	(290)	(3,009,456)	139,794	(846,015)	(3,715,677)	(9.0)%	\$ 7,923	22.0%
Bellamy Creek	(36)	(2,134,222)	170,394	69,446	(1,894,382)	(4.3)%	\$ (571)	(2.4)%
Carson City	(62)	(1,036,312)	815,967	79,737	(140,608)	(0.3)%	\$ 463	2.3%
Central Michigan (d)	2,485	42,499,984	1,065,004	794,221	44,359,209	100.0%	\$ 17,851	100.0%
Charles Egeler Reception & Guidance	78	300,162	(12,955,620)	1,808,016	(10,847,442)	(18.3)%	\$ (10,927)	(23.1)%
Chippewa	(87)	(2,709,674)	572,634	94,215	(2,042,825)	(4.0)%	\$ (18)	(0.1)%
Cooper Street	59	(1,106,558)	413,522	(488,649)	(1,181,684)	(3.9)%	\$ (1,287)	(7.2)%
Deerfield (e)	(1,222)	(18,989,923)	(239,344)	(249,103)	(19,478,370)	(100.0)%	\$ (15,940)	(100.0)%
Earnest C. Brooks and West Shoreline	(54)	1,423,955	926,814	89,102	2,439,871	5.1%	\$ 1,479	7.5%
G. Robert Cotton	25	(271,178)	902,614	(114,319)	517,117	1.2%	\$ (34)	(0.1)%
Gus Harrison	(106)	(3,602,240)	2,861,125	(2,750,342)	(3,491,458)	(6.4)%	\$ (453)	(1.9)%
Huron Valley Complex	262	(10,815,956)	(13,401,793)	312,134	(23,905,614)	(28.6)%	\$ (20,493)	(38.8)%
Ionia Maximum	17	178,333	883,467	218,268	1,280,069	3.8%	\$ 597	1.1%
Kinross	(1,139)	(17,837,208)	20,198	410,014	(17,406,996)	(30.9)%	\$ 2,122	11.3%
Lakeland and Florence Crane (e)	(790)	(16,837,353)	(457,529)	(771,882)	(18,066,763)	(28.7)%	\$ (865)	(4.2)%
Macomb	42	3,244,929	3,293,897	(101,697)	6,437,129	19.6%	\$ 4,238	15.6%
Marquette Branch Prison	7	321,731	(318,169)	(12,804)	(9,242)	(0.0)%	\$ (205)	(0.6)%
Michigan Reformatory (f)	196	13,100,333	433,080	(104,998)	13,428,414	58.2%	\$ 7,216	34.1%
Mound	(33)	(74,145)	1,155,839	101,014	1,182,708	3.9%	\$ 2,151	7.3%
Muskegon (e)(j)	(204)	(9,107,811)	(308,792)	28,603	(9,388,000)	(35.7)%	\$ (4,770)	(23.9)%
Newberry	87	(239,260)	262,378	(219,699)	(196,581)	(0.7)%	\$ (2,498)	(8.8)%
Oaks	183	(58,102)	483,949	(114,604)	311,243	0.9%	\$ (6,354)	(16.1)%
Ojibway	(264)	(2,967,813)	201,716	(195,435)	(2,961,533)	(11.8)%	\$ 1,722	9.4%
Parnall	(20)	(323,807)	876,598	389,944	942,736	3.2%	\$ 776	4.5%
Pine River (d)	(1,239)	(19,867,115)	(242,674)	(542,736)	(20,652,525)	(100.0)%	\$ (16,669)	(100.0)%
Pugsley	134	1,429,105	752,302	58,948	2,240,355	10.6%	\$ (172)	(0.9)%
Richard A. Handlon	(7)	596,877	(11,853,919)	(47,891)	(11,304,933)	(26.2)%	\$ (8,978)	(25.8)%
Riverside (e)	(661)	(2,332,264)	(129,465)	(27,052)	(2,488,781)	(100.0)%	\$ (3,765)	(100.0)%
Robert Scott (e)	(964)	(33,008,210)	(2,095,157)	(826,685)	(35,930,052)	(100.0)%	\$ (37,272)	(100.0)%
Ryan	10	(2,564,719)	486,276	112,190	(1,966,253)	(5.8)%	\$ (2,196)	(6.7)%
Saginaw	7	736,961	640,568	(93,091)	1,284,439	3.7%	\$ 766	3.2%
Southern Michigan (e)	(428)	(3,579,726)	(83,894)	(427,557)	(4,091,177)	(100.0)%	\$ (9,559)	(100.0)%
Special Alternative Incarceration	310	472,026	171,836	(11,009)	632,853	5.4%	\$ (43,266)	(62.5)%
St. Louis	(1,272)	(19,113,591)	2,532,009	(545,298)	(17,126,880)	(28.7)%	\$ 12,396	50.3%
Standish Maximum (e)	(1,127)	(37,120,333)	(220,737)	(1,261,109)	(38,602,179)	(100.0)%	\$ (34,252)	(100.0)%
Thumb	(7)	21,012	184,608	74,637	280,257	0.9%	\$ 393	1.5%
Maxey-Woodland Center (f)	136	20,723,412	2,709,265	1,396,118	24,828,794	100.0%	\$ 182,565	100.0%
Total	(5,941)	\$ (127,152,649)	\$ (19,147,675)	\$ (5,839,335)	\$ (152,139,658)	(11.6)%	\$ 5	0.0%
Centralized Functions:								
Food service					(19,196,267)	(22.2)%	(203)	(12.0)%
Transportation					(3,000,393)	(11.4)%	1	0.2%
Regional support and administration					7,518,032	40.1%	214	58.4%
Healthcare					13,359,745	5.7%	896	19.5%
Indirect costs (h)					44,476,338	34.5%	1,310	52.1%
Total prisoner-related costs					\$ (108,982,204)	(6.0)%	\$ 2,223	6.3%
Total department costs (i)					\$ (100,983,345)	(4.8)%		

See notes on page 19.

Continued on next page.

FACILITY CLOSURES AND CONSOLIDATIONS
Department of Corrections (DOC)
General Fund Prisoner-Related Costs by Facility and Centralized Function
(Continued)

Notes:

- (a) Each camp was funded as part of the associated correctional facility. All camps were closed by October 30, 2009.
- (b) Consent decree costs were incurred to cover services provided as a result of various agreed-to judgments. Some consent decree costs were charged directly to specific facilities, while other costs were allocated proportionately to each facility based on the facility's average prisoner population for the year.
- (c) Capital costs include depreciation expense for State-owned prisons and interest on State Building Authority bonds used to finance capital improvements.
- (d) Pine River Correctional Facility and Mid-Michigan Correctional Facility combined at the beginning of fiscal year 2010-11 to become Central Michigan Correctional Facility.
- (e) Facilities that closed between fiscal year 2007-08 and fiscal year 2010-11.
- (f) Facilities that opened between fiscal year 2007-08 and fiscal year 2010-11.
- (g) Cost per prisoner is not reflective of a 12-month period. The Michigan Reformatory Correctional Facility reopened in November 2007 so the amount reflects only 11 months of operations; the Riverside Correctional Facility and the Southern Michigan Correctional Facility closed in November 2007 so these amounts reflect only approximately 1 month of operations; and the Florence Crane Correctional Facility and Muskegon Correctional Facility closed in May 2011 so these amounts reflect only approximately 8 months of operations.
- (h) Indirect costs include human resources, information technology, Executive Office, training, rent, legal expenses, education, workers' compensation, and administration. Human resources costs were included as DOC costs in fiscal year 2007-08 but were centralized under the Civil Service Commission beginning in fiscal year 2008-09.
- (i) Total department costs include non-prisoner costs, such as parole, probation, Michigan Prisoner ReEntry Initiative (MPRI), substance abuse testing and treatment, residential services, community corrections plans and services, and the county jail reimbursement program.
- (j) Muskegon Correctional Facility housed Michigan prisoners up through approximately February 2010 and then housed Pennsylvania prisoners from approximately May 2010 through May 2011 when the facility closed.

Source: Prepared by the Office of the Auditor General from information provided by DOC.

GLOSSARY

Glossary of Acronyms and Terms

DOC	Department of Corrections.
effectiveness	Success in achieving mission and goals.
level I	A security classification assigned to a facility or a prisoner. The facilities house prisoners who have met certain criteria and whose behavior has shown that they can be safely housed there. This is the lowest custody level supervised by the Correctional Facilities Administration.
level II	A security classification assigned to a facility or a prisoner. The facilities are transitional prisons where prisoners who show good institutional adjustment and have a low security risk go to complete programs and prepare for eventual release. Long-term or prisoners sentenced to life terms may also qualify for level II facilities if their security and management risks are low.
level III	A security classification assigned to a facility or a prisoner. The facilities have high medium security, including housing with individual rooms or cells and a full security perimeter with double fences, concertina wire, and a perimeter detection system with gun towers. These facilities house prisoners who generally have longer sentences than do level II prisoners and who need more supervision but who are not difficult to manage or likely to escape.
level IV	A security classification assigned to a facility or a prisoner. The facilities are general population medium-high security prisons for new commitments and prisoners who are a higher management and/or escape risk. Level IV facilities may have less mass movement, more restricted programming, and fewer group activities than lower level classifications.

level V	A security classification assigned to a facility or a prisoner. The facilities have a high level of institutional security for prisoners who have a high security and management risk. Often, these prisoners show little or no institutional adjustment and are a high or very high assault risk. They may have attempted escapes during their supervision in State or local correctional facilities.
mission	The main purpose of a program or an agency or the reason that the program or the agency was established.
performance audit	An audit that provides findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Performance audits provide objective analysis to assist management and those charged with governance and oversight in using the information to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.
reportable condition	A matter that, in the auditor's judgment, is less severe than a material condition and falls within any of the following categories: an opportunity for improvement within the context of the audit objectives; a deficiency in internal control that is significant within the context of the audit objectives; all instances of fraud; illegal acts unless they are inconsequential within the context of the audit objectives; significant violations of provisions of contracts or grant agreements; and significant abuse that has occurred or is likely to have occurred.

