

## *Reentry and the Economic Crisis:*

# An Examination of Four States And Their Budget Efforts

By Len Engel, John Larivee and Richard Luedeman

**T**he fiscal year 2010 state budget writing process has been worse than most anyone imagined. Across the country, states have been forced to make massive cuts to make up for budget shortfalls. The National Conference of State Legislatures, in its *State Budget Update: July 2009*, reported that only six states have not experienced budget deficits. Traditionally one of the protected budget accounts, corrections is now facing significant budget cuts, and many correctional leaders have faced and will continue to face difficult decisions about how to maintain effective reentry reforms.

The near-universal budget crisis is also an opportunity to examine how the budget crisis has affected corrections reform policies designed to improve reentry outcomes and how these policies affect budget decisions. What follows is an examination of the impacts of the budget crisis on the reentry reform measures in four states: Michigan, Kansas, Washington and Connecticut.<sup>1</sup>

### Corrections Budgets

According to Pew's Public Safety Performance Project Report, *One in 100*, corrections budgets have increased nearly 300 percent since the 1970s. Significant, across-the-board budget cuts have rarely been contemplated by correctional agencies, but fiscal year 2010 is different. Correctional agencies throughout the country are being forced to make significant reductions to their budgets to balance the states' general fund budgets.

**Michigan** has a budget deficit of around \$2.4 billion, approximately 12 percent of the total budget. The corrections budget is about 9 percent of the total state budget,

and nearly 80 percent of the corrections budget is spent on prison and camp operations. Approximately 5 percent of the 2009 corrections budget went to reentry/community corrections programs. For fiscal year 2010, the Michigan corrections budget will likely be reduced by slightly more than 3 percent.

**Kansas** has a \$1.4 billion budget deficit, approximately 23 percent of the total budget. The corrections budget is only about 3 percent of the state budget, and about 50 percent of the corrections budget goes to prison and camp operations. Approximately 6.5 percent of the 2009 corrections budget went to reentry/community corrections programs. Adding to the budget issues, grant money through the JEHT Foundation and the Serious and Violent Offender Reentry Initiative is not available for 2010. For fiscal year 2010, the Kansas corrections budget was reduced by 12 percent.

**Washington** has a \$3.6 billion budget deficit, approximately 23 percent of the total budget. The corrections budget is about 5 percent of the state's operating budget. Approximately 7 percent of the 2009 corrections budget went to reentry/community corrections programs. For fiscal year 2010, Washington's corrections budget was reduced by 7 percent.

**Connecticut** has an \$8.5 billion budget deficit in its two-year budget, approximately 22 percent of the total budget. Like Michigan, the corrections budget is a high percentage of the total state budget at 9 percent. Approximately 7 percent of the 2009 corrections budget went to reentry/community corrections programs funded by the department of corrections. For fiscal year 2010, the Connecticut corrections budget was reduced by less than 5 percent.

## Outcomes of Reentry Reforms

The recent trend among policymakers and corrections officials of focusing policies and resources on recidivism reduction has led states to make significant changes in line with the political realities in which each operates. These changes have mostly been triggered by crowded prison conditions, unrelenting increases in corrections budgets or both. Yet, in most cases, the changes have been informed by research-supported policies and practices and tracked through data collection and analysis to justify their continuation.

**Michigan** began the Michigan Prisoner Reentry Initiative (MPRI) through the National Institute of Corrections' Transition from Prison to Community Initiative in 2003; it was implemented statewide in 2007. Outcome data indicate that the MPRI has had a significant impact on the prison population, which has declined 7 percent since early 2007. Parole revocations are down 42 percent since 2002. Michigan has directed a greater number of offenders to either parole or diversion programs and as a result the number of offenders under parole supervision has increased 40 percent and prison and jail intakes have declined the past two years with nearly a 10 percent reduction in 2008. As a result, Michigan has been able to close 13 correctional facilities and save more than \$500 million since fiscal year 2002.

**Kansas** instituted a measure requiring a 20 percent reduction in probation revocations and used financial incentives to encourage counties to adopt evidence-based practices to reduce the rate of such revocations. Kansas also instituted a policy that expanded the awarding of earned days, allowing earlier release for appropriate offenders. As a result, Kansas has experienced a 2.4 percent decrease in its prison population; seen nearly a 50 percent decrease in its parole revocation rate; and reduced parole absconders from 700 per month to fewer than 200 per month.

**Washington** has been on the cutting edge of evidence-based reforms for a number of years, thanks in part to the Washington State Institute of Public Policy. This influence, along with state leadership's intent on improving correctional outcomes to reduce recidivism, has resulted in several reforms. A 2007 measure required the DOC to develop reentry plans and use risk assessments to make treatment and program decisions, and it also improved opportunities for transitioning offenders to gain employment and housing. A 2003 provision increased earned release time for appropriate offenders. This provision reduced the average daily prison population by 160 inmates. Recent evidence-based measures have been implemented to eliminate community supervision for misdemeanor and low-risk offenders and to shorten community custody sentence lengths to 12 months. Although Washington's prison population has continued to grow, the rate of growth is significantly lower than anticipated.

**Connecticut's** prison population grew rapidly in the late 1980s and mid-1990s. Twelve new prisons were constructed, and the prison population increased 50 percent — but within three years, Connecticut's prisons were crowded again. With the passage in 2004 of An Act Concerning Prison Overcrowding, the state began a commitment to reentry reform. The act required a 20 and percent

reduction in parole and probation revocations, and the development of reentry plans for all inmates leaving state custody. It also broadened parole eligibility and increased the length of furloughs. Subsequent legislation instituted a data collection and analysis system to track and measure progress and to use data to drive decision-making and improve criminal justice outcomes. During the past five years, the prison population has declined, leading to \$13 million in savings that was redirected to community-based strategies to reduce recidivism and improve public safety. The judicial branch/court support services division, which operates adult and juvenile probation, implemented a technical violation-reduction program that focused on intensive treatment and supervision for violators who would have otherwise been reincarcerated. Technical violations have been reduced by 20 percent, meeting the initial target. A comprehensive study<sup>2</sup> demonstrated that the community-based probation initiatives helped reduce reincarceration among high-risk probationers.

**Michigan has responded to its budget crisis with a commitment to continuing reentry progress.**

## Protecting the Reform Initiatives

While the depth of the budget crisis appears to have been unknown until recently, there was ample evidence before 2009 that the economy was in bad shape and that 2010 budgets would likely require reductions. In anticipation of this, some states took steps to minimize the cuts or to justify budget proposals to protect the reforms. Others did not.

**Michigan** has responded to its budget crisis with a commitment to continuing reentry progress. Support from the governor's office to continue the recidivism reduction strategies appears to have paved the way for budgets that protect allocations to evidence-based reentry programs. With data showing recidivism reduction, diminishing inmate populations and significant reductions in revocations, the administration was able to link successful reentry reforms with fiscal flexibility in the state budget. The evidence and efforts led to bipartisan support for continued funding of the reform initiatives. Outcomes in this year's budget include:

- Closing eight correctional facilities — three prisons and five camps — saving \$120 million;
- Increasing the community supervision budget by \$60 million to accommodate growing parole caseloads; and
- Increasing reentry program budgets by \$23 million.

**Kansas** has been unable to convince lawmakers that the recidivism reduction strategies that led to significantly better parole and probation outcomes should continue to be

funded at appropriate levels. The state appears to have been hamstrung by limited cost-savings data as well the resignation of the governor in the midst of the budget debate. Much of the effort to protect resources for the reentry initiatives was left to the secretary of corrections and, although very capable, he could not overcome the political dynamic in the Legislature nor the governor's own budget, which significantly cut funding for effective practices. A major barrier that limited the choices available to the governor was a legislative provision that required all DOC facilities to be maintained. The Legislature also restricted the administration's ability to shift resources within the department. Thus, when the budget required a cut of 2.75 percent by all departments, including corrections, there were few options for the administration but to cut initiatives that did not have the same level of political support. Because of the positive reentry outcomes, officials have been able to suspend operations at a number of correctional facilities, saving resources that may have necessitated deeper program cuts. Outcomes include:

- A \$3.3 million (30 percent) reduction in offender programs;
- A \$2.1 million (11 percent) reduction in community corrections budget; and
- A \$2 million (23 percent) reduction in the budget for day reporting centers.

**Washington** has been a leader in reentry reform measures driven by "what works," and this appears to have continued during the current budget. The governor committed early in her tenure to improving correctional outcomes by addressing the causes of crime rather than building more prisons to accommodate anticipated prison population increases. An additional component in the support for evidence-based reentry continues to be the Legislature's reliance on the Washington State Institute of Public Policy. Although the budget crisis necessitated cuts affecting reentry programs that had been part of the reform effort, the budget reductions appear to have been surgical in nature and, similar to its implementation process, driven by evidence of what was working and what could be paid for based on its overall impact. An additional piece of the governor's approach to balancing the budget cuts was companion legislation that anticipates significant savings. Outcomes include:

- Closing one unit of the women's prison due to reduced population;
- A \$10.6 million reduction in reentry programs, but the preservation of evidence-based programs that have shown positive outcomes; and
- Legislation that broadens eligibility for community supervision, focuses supervision resources on higher-risk offenders, shortens the period of supervision for lower-risk offenders and expands sentencing alternatives.

**Connecticut** has been able to preserve the majority of corrections reforms that have been implemented during the past five years. The reduced prison population and broad bipartisan support for the legislation and policies

during the previous five years have helped prevent significant cuts to reentry — although some cuts to reentry programs are unavoidable. Lawmakers' perceptions are likely guided by the significant data collection systems implemented by criminal justice departments, most notably the court support services division. These analyses have shown the beneficial outcomes of the policy decisions and provided accountability and transparency that improves the public's trust in the process. Outcomes include:

- Preserved significant funding for reentry programs;
- Maintained community reentry beds;
- Reinstated reentry furloughs; and
- Maintained funding for community supervision programs and contracted services.

## End Results

These four states show not just the diversity of the evidence-based practices implemented to reduce recidivism, but also the different outcomes these practices have produced and the diverse impact the budget crisis has had. There is little that can be compared among the states in the outcomes of the reforms or their impact on the budget process. Each state has different leadership, a diverse electorate that responds differently to criminal justice policy and different budget pressures. There appears to be few clear explanations for the final budget decisions other than reentry policies are more likely to survive if the state's prison population has shrunk enough to close a prison or a correctional unit and realize significant savings.

**Michigan** is a state with a large budget deficit and a massive corrections budget; correctional employees make up one-third of the state-employed work force. Yet, Michigan was able to close eight correctional facilities, save \$120 million and reduce corrections funding by less than 4 percent. **Kansas**, on the other hand, had a larger budget deficit but the corrections budget was only a small percentage of the total state budget. Yet, the state cut the corrections budget by 12 percent, prohibited the closure of correctional facilities and reduced funding for recidivism reduction programs that had shown significant, albeit recent, success. To its credit, the correctional department has been able to suspend operations at some facilities and maintain some support for recidivism reduction programs.

Connecticut and Washington also offer unique approaches to the budget crisis. **Washington**, which has implemented evidence-based reforms over several years, has been unable to reduce its prison population even though it has slowed its rate of growth. Also, it has limited options when it comes to making cuts in its corrections budget because, according to the governor, 58 percent of the budget was untouchable by law. Yet, it managed to make smaller cuts to the reentry programs while at the same time advancing legislation designed to reduce the prison and supervised population to offset future costs. **Connecticut** has used advanced data collection and analyses, and a commitment to longitudinal program evaluation, to become evidence-based through effective community programs aimed at risk reduction. Although the corrections budget is 9 percent of the overall budget, the final budget cut to corrections was less than 5 percent.

As correctional practitioners know, recidivism reduction efforts focused on research-supported policies and practices are always in jeopardy due to the political nature of such reforms, the threat of a high-profile crime or, as is evident this year, a nationwide economic crisis. There will probably never be a time when evidence-based policies become an unstoppable policy force such as a truth-in-sentencing initiative. Yet, as this examination and others have illustrated, evidence-based reentry initiatives can have legislative success. Many states have put significant bipartisan effort into reforms and are reaping positive benefits. Corrections costs are diminishing and public safety is improving.

The fiscal crisis has justifiably placed all correctional agencies and departments under scrutiny. This should be good for those states that have implemented evidence-based practices because they have or soon will have the data and evidence of success. Whether it will be enough to avoid the budget ax is another story and requires, as witnessed by some of the states in this examination, a concerted public relations effort to educate the citizenry and develop collaboration among lawmakers.

This examination offers a glimpse at how the budget crisis and resulting process affected a small number of states that have successfully implemented reentry reforms. There are many other states<sup>3</sup> that have taken steps during equally difficult budget processes that deserve to be examined. These states, as well as others whose reform efforts are facing daunting budget challenges, will be followed during

the next few years to track the outcomes of the budget and policy decisions that were made this year.

## ENDNOTES

<sup>1</sup> These four states were chosen based on two criteria: geographic consideration and recent history of evidence-based reentry reforms as determined by the authors. The authors fully recognize that many states have implemented evidence-based reentry reforms, some of which may be viewed as more successful or evolved than those chosen for this article.

<sup>2</sup> Cox, S., K. Bantley and T. Roscoe. 2005. *Evaluation of the Court Support Services Division's Probation Transition Program and Technical Violation Unit*. New Britain, Conn.: Connecticut Court Support Services Division.

<sup>3</sup> New Hampshire, Georgia, Alabama, Texas, Iowa and, to some degree, California have approached the budget crisis in unique ways that will have an impact on their correctional system in the next few years.

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