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WAYNE STATE UNIVERSITY

# Improving Affordability for Michiganders Through Smart Public Safety Investments

## FY2027 Michigan Budget Recommendations: Reduce Wasteful Incarceration Through Crime Prevention, Rehabilitation, and Reentry

To: Governor Gretchen Whitmer, Senate Majority Leader Winnie Brinks, Speaker of the House Matt Hall, House and Senate Appropriations Committees

From: Michigan Collaborative to End Mass Incarceration (MI-CEMI), Citizens for Prison Reform, Michigan League for Public Policy, Nation Outside, Safe & Just Michigan, Wayne State Center for Behavioral Health & Justice

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With inflation, rising oil prices, and economic uncertainty creating hardship for Michigan families, it is no wonder that affordability is the [top issue on Michiganders' minds this year](#). The reality is that preventative measures to public safety such as investing in diversion programs or dropping unaffordable prison medical copays, tend to cost much less than current sentencing and corrections practices. With tight fiscal constraints and pressing public safety needs, the state of Michigan simply can't afford to continue the status quo.

As you set budget and legislative policy, we encourage you to heed former Governor [Rick Snyder](#), "It is unwise to send an individual to jail or prison when an alternative sentence, such as probation with treatment of underlying problems like substance abuse, would better protect our communities at lower cost. Likewise, keeping an individual in prison longer than is necessary wastes taxpayer dollars that could be better spent preventing crimes from happening in the first place."

Lawmakers can improve safety and affordability for Michiganders through smart investments to prevent crime and unneeded incarceration, support rehabilitation, and improve reentry and reintegration for returning citizens. We call on the legislature to:

- **Invest in crime prevention** by renewing funding for the Michigan Diversion Council, maintain funding for community violence intervention, and fully fund the newly-established sentencing commission.
- **Invest in rehabilitation** by removing counterproductive medical copays and maintaining funding for educational opportunities in prisons.
- **Invest in reentry** by continuing to support community-based reentry providers and establishing a stabilization period with transitional housing for people who discharge from prison while not on parole.
- **Invest in transparency and fiscal accountability** by improving oversight of MDOC practices, requiring comprehensive disclosure of all user-facing fees within vendor contracts, and mandating public, itemized reporting on the revenue and expenditures of the Prisoner Benefit Fund.

These investments **improve public safety, reduce long-term prison costs, and reduce wasteful over-incarceration.** Here is additional detail about the proposals:

## 1. Invest in Crime Prevention

Early intervention to prevent violence and incarceration is best as it prevents harm in our communities and avoids the long-term costs of incarceration.

### 1A: Renew funding for the Michigan Diversion Council

From the UP to the Indiana border, county sheriffs will tell you that many of the people who end up in their jails are there due to unmanaged mental illness or substance use disorder, and that jail is **not** the most effective or most affordable context for providing or connecting to needed treatment.

The Michigan Mental Health Diversion Council has over a decade of improving coordination and building capacity among law enforcement, jail administrators, community mental health, local hospitals, and treatment providers while adhering to their mission of reducing unnecessary incarceration or detention of adults and youth with mental illness, serious emotional disturbance and co-occurring substance abuse disorders. The [Wayne State Center for Behavioral Health and Justice reports](#), “Initiatives focus on enhancement of public safety through connections to treatment and services, thereby promoting recovery and functionality

while preventing adults and youth from further penetrating criminal legal and juvenile justice systems.”

This approach focuses on both prevention and intervention, using a continuum model that begins with crisis intervention through law enforcement deflection, enhancing court responses and jail identification/treatment. This continuum ensures underlying issues are identified so that appropriate services are provided, improving treatment outcomes, reduces wasteful jail time for people who could be better treated in community, and improves public safety.

While the Governor’s executive recommendations renew current recurring funding for the Council, it does not replace the MDHHS Jail Diversion Fund multi-year allocation of \$20M. These funds are essential for both general jail diversion initiatives and crisis response. The Jail Diversion Fund, which was established in 2022 and will be spent down this year, facilitates counties adopting this continuum model to improve public safety. and Local jails and Community Mental Health providers have already begun scaling back services due to this spend down.

**We encourage lawmakers to maintain the \$3.85M for the Michigan Diversion Council and to replenish the multi-year Jail Diversion Fund for the Michigan Department of Health and Human Services. .**

## **1B: Renew Investment in the Bipartisan Sentencing Commission**

Getting sentencing decisions right is essential to protecting public safety and preventing wasteful excessive incarceration that diverts funds from more effective safety investments. Unfortunately, in Michigan today our sentencing guidelines are arbitrary and do not represent data-driven policy to promote public safety, address stakeholder needs, and prevent waste.

The recently-created bipartisan Sentencing Commission establishes a mechanism for this review of sentencing guidelines. In the FY 2026 budget, the Commission received an initial allocation of \$750,000 through one-time funding. **We recommend the legislature restore these funds with an allocation of \$750,000 to ensure that this commission can have the staffing and data gathering resources to be effective.** With each year of prison in Michigan costing approximately \$50k, if the commission saved just 15 life years of incarceration by preventing excessive sentencing of people who have rehabilitated, it would pay for itself. Likewise, the commission would pay for itself if, after a thorough review of the data, it found that increasing certain sentencing guidelines would significantly improve public safety.

## 1C: Sustainably Fund Direct Grants for Community-Based Violence Intervention

According to a report from the [National Institute for Criminal Justice Reform](#), “the unit cost of a single gun-related homicide is just over \$1.2 million, while the average cost, or the cost per homicide, is approximately \$625,000” when all direct and indirect costs are considered.

Community violence intervention (CVI) programs save lives and dollars by deploying trusted messengers who can prevent conflicts from resulting in shots fired and lives lost.

The FY2026 Budget allocated a total of \$15M to CVI through the Department of Health and Human Services (\$1.8M), Treasury (\$3.25M), and School Aid Budget (\$10M).

The Governor’s FY2027 executive recommendations includes the \$3.25 Treasury CVI grants as part of the \$50M Public Safety Revenue Sharing Revenue Grants and caps how much local units of government can spend for CVI programs with the remaining portion of the Public Safety Revenue Sharing grants. DHHS and School Aid CVI funding is not included in the Governor’s Executive Budget Recommendation.

We call on the legislature to:

- **Renew the FY2026 \$1.8M CVI grant funding allocation as part of the DHHS Budget.**
- **Eliminate the 25% cap on CVI funding through public safety revenue sharing grants.**

## 2. Invest in Rehabilitation

Most people who are incarcerated will be returning to the community. Therefore the wisest policy while people are incarcerated is to provide the resources necessary to remain healthy and prepare for their release through maximizing access to rehabilitative activities such as quality programming and family visits.

### 2A: Maintain Educational Access for Incarcerated Students

[Research consistently shows](#) that investing in education for incarcerated adults has a high return on investment and is a powerful tool to prevent recidivism. Michigan has been an early leader in taking advantage of the federal Pell Grant expansion. **We call on lawmakers to approve the Governor's recommendation, AND to authorize an additional one-time \$850K so the funding available for college-in-prison in the MDOC's budget can be continued at historic levels.** This would bring the total amount appropriated back up the the FY2026 level,

a funding level that educational providers indicate is essential to continue the college in prison program.

## 2B: Eliminate Medical Copays for Incarcerated Patients

One of Governor Whitmer's budget priorities is to "[Protect] Medicaid and Health Care." In prison, when a doctor's visit costs a week's wages, healthcare is not accessible. That's the situation facing many incarcerated people in Michigan due to the state's mandatory copay for prison healthcare. We recommend that Michigan expand health access by eliminating prison medical copays, which are set by statute at \$5, and are assessed ~50,000 times annually.

Prison medical copays:

- Deter people from seeking treatment, resulting in more expensive health outcomes.
- Build debt that incarcerated people carry with them.
- Drain the resources of the loved ones who support them.

**We recommend \$500k allocation in the FY2027 budget to eliminate prison medical care copays.**

## 3. Invest in Reentry

Most people who return to community from prison do so successfully. One of the best investments Michigan can make in public safety is to ensure that people exiting prison can successfully attain employment and housing, access medical care, and build a stable life.

### 3A: Maintain Funding for Community-Based Reentry Support

Everyone should celebrate Michigan's record-low recidivism rate. It means safer communities, less pressure on corrections spending, and lower costs to taxpayers from re-incarceration. This success is the result of a bipartisan commitment to community-based support to help people stabilize and establish housing, employment, and (when necessary) treatment.

Reentry is inherently local and relational. Reintegration support in Muskegon or Marquette can't be done from a government office in Lansing. It requires on-the-ground relationships between formerly incarcerated individuals, service providers, supportive landlords, and welcoming employers.

Michigan funds this on-the-ground reentry support through Offender Success program<sup>1</sup>. In the FY2026 budget, MI cut \$5M from this budget. This fiscal year, MDOC has been able to reallocate funds to soften the blow on local communities, but long-term public safety requires long-term investments in reentry. **We call on the Legislature to restore OS Reentry funding to FY2025 levels.**

## 4. Boilerplate Policy Recommendations

The budget process is an opportunity to address data gathering and procedural issues within the State of Michigan.

### 3A: Establish a Stabilization Period for Returning Citizens Not On Parole

The OS Reentry program serves eligible people on parole as they reintegrate into their communities. The problem is that not all returning citizens are on parole. Individuals can be discharged without parole if they serve 100% of their maximum sentence or are released due to exoneration, legal appeal, or resentencing.

Often these are the individuals who most need reentry support, but they are denied these services under the current system. Exonerees, for example, may be released immediately upon their exoneration without the reentry preparation process that people who are paroled go through.

As a short-term step toward full support for all returning citizens, we recommend that the FY27 budget authorize a 90-day stabilization period with transitional housing and employment support services for people who discharge from prison not on parole.

### 4B: Improve Transparency on the Use of Segregation (Solitary Confinement)

Section 701 of the Governor's Executive Recommendation describes reporting requirements for administrative segregation (solitary confinement). While we applaud the Legislature's requirement for some reporting, the existing requirements are insufficient to provide oversight of all situations that create solitary confinement. Segregation reporting should be:

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<sup>1</sup> We also recommend changing the program name. Labeling a returning citizen as an "offender" to potential employers and others exacerbates the stigma and impedes their potential for success.

- **Comprehensive:** All conditions that result in someone being held in cell for 22 or more hours per day, including but not limited to Administrative Segregation, Notice of Intent Status, or Security Threat Group. It should also include related restrictions such as Loss of Privileges (LOP), telephone, food, water restriction, or programming restrictions. Current reporting falls short of this by only reporting administrative segregation.
- **Disaggregated:** Report the use of segregation by facility and by demographic data such as age, race, gender, any disability, mental illness, or medical condition. Current reporting does not disaggregate data, limiting the ability to identify if particular facilities or demographic groups should be reviewed for disparate practices.
- **Cumulative:** include the total number of days that anyone is placed in segregation. Current boilerplate only requires reporting for people held for continuous periods exceeding 3 months; it does not report if someone served a series of shorter periods of segregation that add up to 3 months or more of segregation over a fiscal year.

While we object to the use of solitary confinement primarily on humanitarian and human dignity grounds, we also recognize a public concern. Solitary confinement is inherently traumatic and undermines the rehabilitative goals of the Department of Corrections. It makes people less prepared for life post-incarceration

#### 4C: Renew the Requirement to Reduce Fees for MDOC Contract Negotiation and Increase Transparency

The FY2026 budget included a requirement that “the department [of corrections] must pursue all opportunities to reduce costs for prisoners and prisoners’ families for financial deposit fees and commissary fees when the department negotiates or renews any contract to provide these services.” **We ask that the legislature renew this negotiation requirement in the FY2027 budget.** The state of Michigan already contracts with vendors to provide services to incarcerated individuals and their loved ones. The addition of user fees enriches these companies while increasing the cost of living of Michiganders whose only crime is knowing an incarcerated friend or loved one.

Additionally, we recommend that any contract considered by the Michigan Department of Corrections (MDOC) and approved by the Department of Technology, Management & Budget (DTMB) include a comprehensive disclosure statement. This statement should detail all known and anticipated user costs for incarcerated individuals and their families, including but not limited to transaction fees, service markups, and 'convenience' charges for communication, commissary, and financial deposits.

#### 4D: Improve Transparency and Reporting for the Prisoner Benefit Fund

The budget process provides a critical opportunity to ensure that funds intended for the welfare of incarcerated individuals are used appropriately and transparently. We recommend that the legislature include a reporting requirement for the **Prisoner Benefit Fund (PBF)** to provide a clear accounting of its revenue and expenditures.

While MDOC policy (PD 04.02.110) requires internal tracking, there is currently no requirement for the department to report these finances to the legislature or the public. We recommend the FY2027 budget include a boilerplate requirement for a **consolidated annual PBF report** that includes:

- **Itemized Revenue:** A clear breakdown of all money flowing into the fund from commissary profits, vending machines, and communication surcharges.
- **Detailed Expenditures:** A line-item accounting of all spending to ensure these funds are not being diverted to cover basic operational costs that should be funded by the state's General Fund.
- **Public Accessibility:** Requiring this report to be posted on a publicly accessible website so that families can see exactly how the fees they pay are being reinvested into the welfare of their loved ones.