

Biz Groups: Don't Forget Correx Reforms

So where are the Corrections reforms, anyway?

That's what business groups and the nonpartisan think tank, the Center for Michigan (CFM), are asking after reviewing the Senate Republicans' 10-point reform proposal.

"It was a glaring omission that the Senate reform proposal didn't deal with 20 percent of the budget, other than in personnel costs," said CFM Executive Director John **BEBOW**.

He notes that Corrections spending is up 16 percent from a decade ago.

Recall that in January 2009, the coalition, which includes the Detroit Regional Chamber of Commerce and Small Business Association of Michigan, released a list of \$1.6 billion in reforms (See "[Business Groups Call For \\$1.6B In Cuts](#)," 1/22/09). The Department of Corrections (DOC) took the greatest hit with \$867 million.

So the coalition sent a letter Wednesday to Gov. Jennifer **GRANHOLM** and lawmakers in the run up to next week's State of the State, asking them to adopt reforms they say will save hundreds of millions of dollars in the \$1.9 billion Department of Corrections budget.

MIRS asked Bebow if the coalition expects Granholm to talk about Corrections reforms in her address.

"The timing is intentional," he said. "We don't expect that. We only hope."

Senate Republicans have popped reforms they say will save \$2 billion in Fiscal Year (FY) 2011 at the state and local level. They include cuts to state employee wages and benefits, Medicaid coverage and local contracts to encourage consolidation.

Matt **MARSDEN**, spokesman for Senate Majority Leader Mike **BISHOP** (R-Rochester), said that Corrections reforms would be part of another group of reforms the caucus will roll out.

"We would be in agreement with the call from this coalition that the largest cost driver in corrections are wages and benefits," Marsden said. "We have put forth a reform that would trim all public employee salaries by 5 percent and ask employees to take on 20 percent of their health care costs.

"We believe this shared sacrifice from all public servants is a reasonable approach to saving and restructuring. It far exceeds the administration's plan to release prisoners in an effort to reduce the population of existing prisoners."

The coalition urged the Granholm administration to cut prison personnel costs, which are more than 10 percent higher than the average of eight Great Lakes States, according to Census data. Bebow said \$100 million could be saved in salaries and benefits if Michigan was in line with its counterparts.

He also noted that the Michigan Corrections Organization (MCO) has billboards up across the state touting prison guards as having the state's toughest job.

"Maybe it is. It probably is," Bebow acknowledged. "But in Pennsylvania, Indiana and Ohio, it's also the toughest job. And all those other states pay less. So why does it cost more here?"

The coalition is urging the state to take a "hard stance" when negotiating the new three-year contract this year with the MCO.

The coalition also urged the Legislature to take up a number of prison reform bills that have languished in the Capitol for more than a year, like deporting prisoners to the federal system, moving dying prisoners to outside

facilities and finding efficiencies.

MIRS asked if there is the political will in an election year to really take on Corrections reforms. Bebow acknowledged "not very much." The alternative is probably further cuts, he said, such as in preschool and higher education.

This year, Michigan will spend \$400 million more on prisons than universities, the coalition argued in the letter. Business leaders cite California Gov. Arnold **SCHWARZENEGGER**, who has pledged to reverse a similar trend, and urged Granholm to take up his challenge.

Bebow also noted law and order might become a campaign issue this year, especially with the Attorney General's race. He said that it's important that candidates "calculate the expense side of the ledger."

The coalition praised DOC for lowering the overall prison population by 14.4 percent since its all-time high in 2007. *MIRS* noted that Granholm had come under fire from Republicans for releasing too many prisoners. But Bebow said the Governor deserves praise.

"That's one of the better examples of leadership in her tenure," he said. "It's a tough decision. Releasing prisoners risks political capital for her party. But she's doing it because of the massive costs of Corrections."

Other coalition members signing the letter were the Michigan Chamber of Commerce; Presidents Council, State Universities of Michigan; Grand Rapids Area Chamber of Commerce; Business Leaders for Michigan; Michigan Association of Realtors; Michigan Manufacturers Association; former University of Michigan Regent S. Martin **TAYLOR**; and Perrigo Co. Director Michael **JANDERNOA**.