The Case for Productivity Credits in Michigan

How Incentivizing People Sentenced to Prison to Complete Rehabilitative Programming Reduces Recidivism, Curbs Costs and Keeps Facilities Safe

Gary Mohr
Gary Maynard
Alliance for Safety and Justice

September 2021
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“These are people who typically need substance abuse treatment, job training and other interventions to help them turn their lives around. Otherwise, they are at substantial risk of violating their parole or probation—by testing positive for drugs three times, for example—and land back in an expensive prison bed. If that happens, nobody wins.”

Republican Kansas Representative Pat Colloton,
who supported legislation to enact that state's incentive program, 2009
OVERVIEW

Most states now offer some form of incentive to encourage people sentenced to prison to complete programs that prepare them to return to their communities and get jobs. These programs, which encourage productive behavior while in prison, keep facilities safe and reduce the likelihood that someone will commit a new crime.

As Michigan lawmakers contemplate policies that would help reduce reoffending and prepare people sentenced to prison to return to their communities, this brief was prepared to answer these questions: How effectively do these “productivity credit” programs contribute to the critical goal of achieving public safety? Do they reduce recidivism, lower corrections costs, and lead to successful rehabilitation? This brief provides a summary of the most current and relevant research into incentive-based systems that encourage participation in rehabilitative programs and their impact on recidivism rates and reducing corrections costs.

“We estimate $15,359 in benefits per person from: (1) reduced three-year recidivism, (2) lowered prison costs from the reduced sentence, and (3) increased labor market earnings.”

Washington State Institute for Public Policy, April 2009
“More savings are captured when people sentenced to prison for crimes are better prepared to be in the community, do not violate their supervision conditions or commit new crimes.”

*National Conference of State Legislatures, August 2011*

**NATIONAL AND STATE TRENDS**

People serving prison sentences for their crimes have long had an incentive to participate in rehabilitative programs designed to reduce the likelihood they will commit new crimes. These types of programs, which have been a staple of American correctional policy for most of the 20th century, hinge on incentivized participation in rehabilitative programming through the opportunity to earn a shorter length of stay.

States curbed the use of these incentives in the 1980s and 1990s. As that happened, prison populations grew, corrections budgets expanded, and recidivism rates increased. These negative outcomes have encouraged many policy leaders to revisit whether incentive-based programs could be reinstituted to expand rehabilitative opportunities—and control costs.

Today the federal prison system and at-least 31 states\(^1\) provide some form of productivity credits for program participation. Notably, this majority includes 80 percent of states in the South.\(^2\)

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**What is a productivity credit?**

When eligible people incarcerated in state prisons participate in and complete rehabilitative programs, they earn “productivity credits” toward reducing the length of their sentence.

Productivity credits provide a “carrot” for incarcerated people to participate in programming designed to incentivize productive behavior and reduce the likelihood of recidivism. These programs can include treatment and/or academic courses or training in vocational skills.\(^3\)

These kinds of policies have been implemented across the country, in a bipartisan fashion, including most recently when Republicans in Congress and the White House backed the First Step Act. Credit programs vary from state to state and program to program, and the maximum percentage of sentence reduction allowed differs.\(^4\) These kinds of programs have been used in Michigan in the past.\(^5\)
Programs that incentivize participation in rehabilitation programs are effective

According to the U.S. Bureau of Justice Statistics, at least 95 percent of all state prisoners will be released from prison at some point; nearly 80 percent will be released to parole supervision. A significant number of people in prison have never completed high school; most will reenter society lacking employment and other life skills. Research shows that programs that incentivize people in prison to complete rehabilitation programs benefit everyone, by lowering recidivism and corrections costs. These types of programs incentivize incarcerated individuals to actively participate in their own rehabilitation, a process that starts in prison and often extends upon their release.

These types of programs not only help incarcerated people transition back to their communities sooner, but also help them become what one educator calls “civic beings”—individuals connected to, rather than marginalized from, the places they live. More likely to join the workforce, they become self-sufficient and pay taxes, child support and victim restitution.

For these reasons, states and the federal government increasingly recommend policies that incentivize participation in rehabilitative and educational programming as part of a broader strategy to reallocate resources to the most effective public safety programs, reduce costs and reduce recidivism.

“Programs such as Washington’s offer the potential of reducing prison overcrowding and taxpayer costs by accelerating the release dates of inmates whose good performance in prison indicates rehabilitative progress and diminished recidivism risk.”

Michael M. O’Hear, Marquette University Law School Faculty Publications, 2015
Incentivizing participation in programming makes prisons safer, and makes better use of a prison sentence

There is considerable evidence that programs designed to reduce recidivism have the added effect of increasing institutional safety for both corrections staff and people who are incarcerated by reducing misconduct. In addition to creating an unsafe environment, institutional misconduct can drive up costs by increasing staff time needed to address violations and increasing time served for serious violations.

Programming such as cognitive behavioral therapy, higher education, and community/family re-socialization, can be particularly helpful in reducing the number of disciplinary violations incurred by participants and to lower institutional violence overall, as can art therapy, trauma-informed activities and job training.

People sentenced to prison may choose to behave more favorably because these programs improve their self-esteem and busy their proverbial “idle hands.” Research suggests that people who participate in positive programming “will want to repeat the pro-social activities that earned them esteem, which makes them easier [people] to manage and leaves them with less time to get into trouble.”

One reason these programs improve institutional safety is they make good use of time spent incarcerated; helping participants feel less forgotten and more able to imagine their futures.

A focus on productivity and rehabilitation also improves the public perception of incarceration. Research has shown that the general public supports accountability for criminal behavior but believes prison time should be spent on self-improvement.

Linking productivity credits to post-release supervision will reduce recidivism

People incarcerated for crimes who “max out” their sentences and do not receive supervision after release are more likely to commit a new offense. But when a person sentenced to prison completes rehabilitative programing while incarcerated and creates a reentry plan that includes post-release community supports, there is a public safety benefit.

One study reported that people released from prison to any form of post-prison supervision are approximately 11 to 20 percent less likely to be arrested for any crime (felony or misdemeanor, excluding technical violations of supervision) and 30 to 44 percent less likely to be convicted for a felony offense after release. Individuals placed on post-prison supervision are also more likely to be employed within the first three months after release compared to those released with no follow-up supervision.

Conversely, people released from prison without a period of supervision are as much as 36 percent more likely to commit a new offense. One study found that eliminating discretionary parole for certain incarcerated people resulted in a greater number of disciplinary infractions, fewer completed prison rehabilitative programs, and higher rates of recidivism.
Many jurisdictions have found that when someone is incentivized to complete rehabilitative programs in prison, they see a reduction in recidivism. For example, when people sentenced to prison in Ohio and New York were incentivized to complete college degrees while incarcerated, recidivism among program graduates fell by about half, compared to those who did not participate.¹⁸

These types of programs also reduce costs. In Connecticut, a series of reforms that included policies that incentivized people in prison to participate in programs, helped that state save $39.8 million per year from the closure of corrections facilities and units.¹⁹

When they are implemented effectively and to scale, programs that incentivize people to complete various types of programs while in prison can simultaneously reduce recidivism and reduce costs. These outcomes make communities safer in two ways: Resources can be reallocated from corrections to other public safety pursuits, and people who complete these programs are less likely to commit new crimes upon reentry to society.

“Evidence-based prison programming has been shown to reduce recidivism, save taxpayer expenditures, increase future employment for individuals who are incarcerated, and decrease rule violations in prison facilities.”

_The Charles Koch Institute, “Why Prison Reform Matters in America,” 2020_
**Minnesota**

A 2007-2011 study of state programs incentivizing rehabilitation through employment and work found that the programs led to:

*Reduced recidivism*
- Lowered recidivism rates among those who participated (16 percent less likely to be rearrested and 17 percent less likely to be sent back to prison, compared to individuals who did not participate).
- Participants were almost twice as likely to find work following release.

*Reduced costs*
- Saved the state $1.25 million by decreasing the prison population.
- Saved the state $700 on average for each inmate who participated.
- Earned $459,819 more in income taxes from returning prisoners who received job training versus those who did not.

**Washington State**

Washington State expanded its incentives for people sentenced to prison to participate in a productivity credit-type program. Studies of the program showed it led to:

*Reduced recidivism*
- The state saw a 3.5 percent reduction in felony convictions among participants.

*Reduced costs*
- Saved the state over $15,000 per participant, or a return of $1.88 in benefit for each dollar spent.
- Saved the state an estimated $15,359 per participant from (1) reduced three-year recidivism, (2) lowered prison costs from the reduced sentence, and (3) increased labor market earnings. Benefits are likely to exceed costs 91 percent of the time.
New York State

A 1997-2006 study of a program that incentivized the completion of educational programs in prison showed:

**Reduced recidivism**
- A 20 percent reduction in the recidivism rate for those who completed the program compared to those who did not.

**Reduced costs**
- $369 million in savings, including $15 million in savings over a three-year period for less capital construction.

Pennsylvania

Pennsylvania created the Recidivism Risk Reduction Incentive (RRRI) in 2008 to incentivize people sentenced to state prison to complete rehabilitation programs. Roughly 27 percent of people sentenced to prison are eligible; in 2017, this accounted for more than 24,000 individuals. The results showed:

**Reduced recidivism**
- Rearrest and overall recidivism is consistently lower for people who completed programs through the RRRI process. The five-year overall recidivism rate for the people who completed the RRRI program is about 17 percent lower than people who did not complete the same program.

**Reduced costs**
- In the decade since its creation, the RRRI program has saved the Commonwealth of Pennsylvania around $414 million (roughly $20,000 per participant).

Kansas

Kansas passed legislation in 2016 that expanded the number of people eligible to complete rehabilitative programs and increased the number of credits that could be earned while in these programs. This has led to:

**Reduced recidivism**
- In the first few years of the program, the state saw a 35 percent decrease in new crime committed and a 45 percent decrease in parole revocations by people who completed the program.

**Reduced costs**
- Kansas estimates savings of around $7.4 million between 2017 and 2019. It is also estimated that the state has saved $6.4 million by eliminating the need to contract prison beds from other states.

Maryland

Starting in the 2005, Maryland enhanced its incentive-based system designed to encourage people sentenced to prison to complete risk reduction programs. If the person sentenced to prison successfully completed programs as part of a case plan, they could receive more credits that could result in a shorter length of stay.

**Reduced recidivism**
- Between 2002 and 2013, the three year recidivism rate dropped by about a third (from over 50 percent to 34 percent).

**Averted costs**
- The prison population was expected to grow past 25,000 by 2018. Instead, Maryland’s prison population is under 20,000 (17,815 as of 2019). It costs upwards of $37,000 a year to incarcerate someone each year in Maryland.

Crime reduced nationally

Nationally, violent and property crime rates peaked in 1994 and, with few exceptions, have fallen significantly in the subsequent two decades. Nationally, there was a 23.2 percent decrease in violent crime rates and a 40.9 percent reduction in property crime rates. The six states profiled here demonstrated above-average reductions in crime rates during the 1994 to 2014 period: in these seven states, violent crime fell by an average of 40.2 percent, and property crime fell by an average of 42.4 percent. The 30-plus states that employ some type of credit system have, on the whole, seen crime reductions identical to or greater than those that do not. In many cases these reductions have been significantly greater. Of the 10 states with the greatest reduction in violent crime rates between 1994 and 2004, nine of them employ some sort of credit system. Of the 10 with the greatest drops in property crime rates, eight use credits.
While the structure, name, and descriptions of productivity credit programs for people serving time in prison vary from state to state, support for these programs is broad, and includes organizations that have conducted research analyzing the impact of these programs, as well as organizations that outright back their adoption.

These organizations and research entities include:
- The Charles Koch Institute
- Right on Crime
- American Legislative Exchange Council
- Prison Fellowship
- Pew Center on the States
- Washington State Institute for Public Policy
- The Brookings Institution
- Urban Institute

Seven major police organizations, more than 2,700 faith and evangelical leaders, and hundreds of conservative organizations and leaders supported the federal First Step Act, which incentivized people sentenced to prison to participate in vocational training, educational or faith-based programs.

Evidence shows that these programs also deliver on public safety outcomes: People convicted of crimes who participate in educational and vocational credit programs in prison are more likely to secure employment and less likely to commit crimes, repairing the fabric of their lives and of the communities to which they return.

Gary Mohr
Gary Mohr is the President of the American Correctional Association (ACA). Gary also currently operates his consulting practice and provides services to the Department of Justice supporting implementation strategies for the First Step Act throughout the Federal Bureau of Prisons. He is a graduate of Ohio State University and the Wharton School for Leadership.

Gary Maynard
Gary Maynard served as the Secretary of the Department of Public Safety and Corrections for the state of Maryland from 2007-2014 where he worked to develop incentives for people sentenced to prison to complete rehabilitative programs. He also previously served as the Director of the Department of Corrections for the states of Iowa, South Carolina and Oklahoma. He has served as a consultant to corrections agencies around the country. He is a graduate of East Central State College and Oklahoma State University. He is also a veteran of the Oklahoma National Guard where he retired as a brigadier general.
The Alliance for Safety and Justice
Alliance for Safety and Justice (ASJ) is a national organization that aims to win new safety priorities in states across the country, and brings together diverse crime survivors to advance policies that help communities most harmed by crime and violence.

ENDNOTES


5 Indeterminate sentencing was first codified in 1869 in Michigan’s “three years’ law.” The law applied only to people convicted of prostitution, but subsequent versions of the statute allowed for the absolute or conditional release of larger subsets of people who were incarcerated “upon their showing of improved character. Lindsey, E. (1925). Historical Sketch of the Indeterminate Sentence and Parole System. Journal of the American Institute of Criminal Law and Criminology, 16(1), 18. doi: 10.2307/1134297


