

**Summary: Executive Budget Recommendation  
for Fiscal Year 2017-18  
DEPARTMENT OF CORRECTIONS**



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	FY 2016-17 Year-to-Date as of 2/8/17	FY 2017-18 Executive	Difference: FY 2017-18 Vs. FY 2016-17	
			Amount	%
IDG/IDT	\$0	\$0	\$0	0.0
Federal	5,523,700	5,293,800	(229,900)	(4.2)
Local	8,692,800	8,842,400	149,600	1.7
Private	0	0	0	0.0
Restricted	36,554,600	36,149,400	(405,200)	(1.1)
GF/GP	1,951,957,900	1,964,133,600	12,175,700	0.6
<b>Gross</b>	<b>\$2,002,729,000</b>	<b>\$2,014,419,200</b>	<b>\$11,690,200</b>	<b>0.6</b>
FTEs	13,819.9	13,819.9	0.0	0.0

Notes: (1) FY 2016-17 year-to-date figures include mid-year budget adjustments through February 8, 2017. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Michigan Department of Corrections (MDOC) is responsible for the operation and maintenance of the state's 31 correctional facilities that house felony offenders sentenced to prison. This includes the provision of physical and mental health care, education, food service, transportation, and reintegration programs. The department is also responsible for the supervision of all parolees and probationers under department jurisdiction and has oversight over community corrections programs and other programs designed to encourage alternatives to prison placement for appropriate offenders. As of February 1, 2017, the department was responsible for 101,824 Michigan offenders: 40,948 prisoners, 44,931 probationers, and 15,945 parolees.

**Major Budget Changes From FY 2016-17 Year-to-Date (YTD) Appropriations**

**1. One-Time Funding for Training New Custody Staff**

Includes one-time funding to train 177 corrections officers to meet projected attrition needs. Funding supports salary and payroll costs of new officers while they participate in training, as well as costs for uniforms, training materials, certifications, food, travel, and lodging. (Travel and lodging is paid during training if participants live away from the facilities to which they are assigned.) With the additional funding added to the FY 2016-17 base of \$9.2 million, the department will be able to train roughly 550 new officers in FY 2017-18.

	FY 2016-17 YTD (as of 2/8/17)	Executive Change from YTD
<b>Gross</b>	<b>\$9,216,500</b>	<b>\$4,359,000</b>
GF/GP	\$9,216,500	\$4,359,000

**2. Trinity Food Service Contract Adjustment**

Includes additional funding to cover the required contract rate adjustment and an increase in the projected cost of food service utilizing a census-based billing model with prices per meal based on prisoner population levels. The contract requires that payment rates be adjusted annually by the greater of 1% or the change in the Consumer Price Index - All Urban Consumers, U.S. City Average for Food Away from Home. That CPI has averaged a 2.6% increase over the last 10 years. The amount of additional funding assumes the same increase in FY 2017-18.

<b>Gross</b>	<b>\$54,455,900</b>	<b>\$4,036,000</b>
GF/GP	\$54,455,900	\$4,036,000

**3. Corizon Health Care Contract Adjustment**

Includes additional funding to cover required inflationary adjustments. The contract requires an annual increase in the base per prisoner per month cost for physical and mental health care services, including pharmaceuticals.

<b>Gross</b>	<b>\$122,945,400</b>	<b>\$3,511,900</b>
GF/GP	\$122,945,400	\$3,511,900

**4. Increased Oncology Costs**

Includes additional funding to cover increased cancer treatment-related costs (e.g. costs for chemo/radiation, surgeries, observation, and office visits). The number of inmates treated for cancer increased by 48% from FY 2015 to FY 2016. The higher number of inmates requiring cancer treatment services is expected to continue.

<b>Gross</b>	<b>NA</b>	<b>\$2,328,300</b>
GF/GP	NA	\$2,328,300

<b>Major Budget Changes From FY 2016-17 Year-to-Date (YTD) Appropriations</b>	<b>FY 2016-17 YTD (as of 2/8/17)</b>		<b>Executive Change from YTD</b>
<b>5. Westside Residential Alternative to Prison Program</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,500,000</b>
Includes funding to expand the current Wayne Residential Alternative to Prison Program to thirteen counties on the west side of the state. The program provides new and additional sentencing options for probation violators who may otherwise be sentenced to prison, including vocational, educational, and cognitive programming in a secure, highly structured setting. Funding will be utilized to lease a housing unit at a jail on the west side of the state, and to pay for contracted vocational, cognitive, and substance abuse services.	GF/GP	NA	\$1,500,000
<b>6. Removal of One-Time Funding</b>	<b>Gross</b>	<b>\$9,468,700</b>	<b>(\$9,468,700)</b>
Eliminates one-time funding that was included in the FY 2016-17 budget. One-time funding was appropriated for training new custody staff (\$8.5 million), ballistic vests (\$481,300), and the Supervising Region Incentive Program (\$481,300).	Restricted	481,300	(481,300)
	GF/GP	\$8,987,400	(\$8,987,400)
<b>7. Hepatitis C Funding Adjustment</b>	<b>Gross</b>	<b>\$14,935,000</b>	<b>(\$3,199,500)</b>
Reflects a savings to align FY 2017-18 base funding for Hepatitis C treatment with anticipated caseload needs. The Executive budget recommendation includes a supplemental request for \$13.9 million in the FY 2016-17 budget (see write-up on supplemental recommendations following boilerplate changes) to address treatment needs of prisoners that have Hepatitis C with metavir scores of F2. Currently, the department is treating prisoners with metavir scores of F3 and F4. If the department is appropriated the \$13.9 million in the FY 2016-17 budget, the FY 2017-18 base funding level should be reduced to reflect the amount of funding needed in FY 2017-18 for the projected number of prisoners still requiring treatment.	GF/GP	\$14,935,000	(\$3,199,500)
<b>8. Program Eliminations</b>	<b>Gross</b>	<b>\$4,018,600</b>	<b>(\$4,018,600)</b>
Eliminates the following programs from the budget:	GF/GP	\$4,018,600	(\$4,018,600)
<ul style="list-style-type: none"> <li>• Goodwill Flip the Script (\$1.5 million) - Funding was first included in the FY 2014-15 budget for Goodwill Industries of Greater Detroit in Wayne County to provide education, job training, and mentoring to troubled 16-39 year-olds, who have entered into the criminal justice system for the first or second time, in an effort to keep them out of prison.</li> <li>• Supervising Region Incentive Program (\$2.5 million) - Funding was first included in the FY 2016-17 budget and was authorized to be expended in accordance with provisions contained in the Supervising Region Incentive Act, which, to date, has not been enacted. The idea was to provide incentives to field operations administration regions that implement supervision practices, procedures, and sanctions directed at parole and probation revocation reduction.</li> </ul>			
<b>9. DTMB Rate Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,500,000</b>
Includes additional funding to cover costs of service rate changes that DTMB will make in FY 2017-18. DTMB will be making statewide changes in the billing methodology for desktop services from a bundled rate per desktop to a rate based on the number of users and devices. This change will result in increased billings to the department.	GF/GP	NA	\$1,500,000
<b>10. Pugsley Facility Closure</b>	<b>Gross</b>	<b>\$800,000</b>	<b>(\$800,000)</b>
Eliminates funding that was included in the FY 2016-17 budget to assist with closure costs of the Pugsley Correctional Facility. The facility closed in September 2016.	GF/GP	\$800,000	(\$800,000)
<b>11. Funding Adjustment for Administrative Hearings Officers</b>	<b>Gross</b>	<b>\$3,407,100</b>	<b>(\$200,000)</b>
Reduces funding for the Administrative Hearings Officers line item. Due to the declining prison population, the level of services provided by DLARA, through the Michigan Administrative Hearings Services unit, has also declined.	GF/GP	\$3,407,100	(\$200,000)
<b>12. Funding Adjustment for Inmate Legal Services</b>	<b>Gross</b>	<b>\$790,900</b>	<b>(\$200,000)</b>
Reduces funding for the Inmate Legal Services line item. Pursuant to a 1996 court order, the department contracts out to provide eligible prisoners with legal assistance in matters relating to their criminal conviction and/or conditions of confinement. Contract costs have been reduced.	GF/GP	\$790,900	(\$200,000)

<b>Major Budget Changes From FY 2016-17 Year-to-Date (YTD) Appropriations</b>	<b>FY 2016-17 YTD (as of 2/8/17)</b>	<b>Executive Change from YTD</b>
<b>13. Program and Fund Source Adjustments</b>	<b>Gross</b>	<b>NA (\$165,400)</b>
Makes the following program and fund source adjustments:	Federal	NA (237,100)
• Reduces federal education fund source authorization to reflect the amount of federal revenue the department expects to receive (\$237,100)	Local	NA 69,600
• Increases local community tether reimbursement fund source authorization to reflect increased participation in the program by local entities (\$69,600)	Restricted	NA (14,300)
• Increases the appropriation for DHHS eligibility specialists to cover increased payroll costs charged to MDOC by DHHS (\$16,000)	GF/GP	NA \$16,400
• Reduces state restricted reentry center offender reimbursement fund source authorization to reflect the amount of revenue the department anticipates collecting (\$14,300)		
• Increases the appropriation for judicial data warehouse user fees to cover costs charged to MDOC by the Judicial branch for the department's access to the data warehouse (\$600)		
• Eliminates the \$100 placeholders for the future facility and the cost-effective housing initiative (\$200)		
<b>14. Technical Adjustments</b>	<b>Gross</b>	<b>NA \$0</b>
Makes internal FTE adjustments, funding adjustments, and transfers throughout the budget, which have no overall Gross or GF/GP impact. Adjustments are made in order to more accurately reflect employee counts and where expenditures occur as a result of reorganizations within the department.	GF/GP	NA \$0
<b>15. Economic Adjustments</b>	<b>Gross</b>	<b>NA \$12,507,200</b>
Reflects a net increase in costs for negotiated salary and wage increases (3.0% ongoing after removing the FY 2016-17 one-time 1.5% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, private rent, and food and utilities.	Federal	NA 7,200
	Local	NA 80,000
	Restricted	NA 90,400
	GF/GP	NA \$12,329,600

**Major Boilerplate Changes From FY 2016-17**

**Sec. 206. Disciplinary Action Against State Employees and Prisoners – DELETED**

Prohibits MDOC from taking disciplinary action against employees or prisoners for communicating with legislators or their staff.

**Sec. 212. FTE Positions and Long-Term Vacancies – DELETED**

Requires MDOC to report quarterly on the number of FTE positions in pay status by civil service classification, to include an accounting of long-term vacancies.

**Sec. 214. Receipt and Retention of Required Reports – DELETED**

Requires MDOC to receive and retain copies of all reports required; requires federal and state guidelines to be followed for short-term and long-term retention of records; authorizes MDOC to retain electronic copies of reports unless otherwise required by federal and state guidelines.

**Sec. 239. Management-to-Staff Ratio – DELETED**

Expresses legislative intent that MDOC maintain a management-to-staff ratio of 1 supervisor to 8 employees at the central office in Lansing and at northern and southern regional administration offices.

**Sec. 247. Compilation of Data for Swift and Sure Sanctions Program – NEW**

Requires MDOC to assist the State Court Administrative Office with data compilation for the Swift and Sure Sanctions Program.

**Sec. 405. Substance Abuse Testing and Treatment – DELETED**

Requires MDOC to report annually on substance abuse testing and treatment program objectives, outcome measures, and results, including the impact on offender success and programmatic success.

**Sec. 411. Community Corrections Comprehensive Plans – DELETED**

Establishes further requirements for community corrections comprehensive plans, such as information on sanctions and services available and utilized, local communities' plans to respond to sentencing guidelines, and strategies to collaborate with state and local alcohol and drug treatment agencies.

**Sec. 412. Community Corrections Biannual Report – DELETED**

Specifies details to be included in the biannual report required by the Community Corrections Act, 1988 PA 511 (e.g. levels of funding, program utilization levels, profile information of offenders, data on residential services, and offender disposition data).

## **Major Boilerplate Changes From FY 2016-17**

### ***Sec. 417. Reports on Community Programs – DELETED***

Requires MDOC to report annually on program expenditures, program details, and program impacts and results for the County Jail Reimbursement Program, Felony Drunk Driver Jail Reduction and Community Treatment Program, and any new initiatives aimed at controlling prison population growth.

### ***Sec. 419.(1) Offender Data Reports – DELETED***

Requires MDOC to provide weekly electronic mail reports on prisoner populations by security level by facility, prison facility capacities, and parolee and probationer populations.

### ***Sec. 437. Goodwill Flip the Script – DELETED***

Requires MDOC to contract with a nonprofit entity in a county with greater than 1.5 million people to provide persons aged 16-39 with education, job training, and mentoring in an effort to keep them out of prison; requires the program to target individuals entering the criminal justice system for the first or second time; requires an annual report on program performance measures, number of individuals diverted from incarceration, number of individuals served, and outcomes of participants completing the program.

### ***Sec. 505. Mental Health Awareness Training – DELETED***

Requires MDOC to provide training for all custody staff who handle prisoners with mental illness; requires mental health awareness training to be incorporated into the training of new custody staff.

### ***Sec. 508. Maintenance and Utility Costs at Facilities – DELETED***

Requires MDOC to report annually on maintenance and utility costs and plans for capital improvement costs for each correctional facility.

### ***Sec. 511. Strategic Plan Reporting – DELETED***

Requires MDOC to report annually on strategies to decrease recidivism rates, strategies to increase the rehabilitative function of correctional facilities, metrics to track and ensure prisoner readiness to reenter society, and constructive actions for providing prisoners with life skills development.

### ***Sec. 601. Parole and Probation Agent Caseload Audits – DELETED***

Requires caseload audits of field agents to evaluate public protection issues and assess the agents' abilities to complete their professional duties.

### ***Sec. 602. Supervising Region Incentive Program – DELETED***

Requires funding for the Supervising Region Incentive Program to be used to provide incentives to field operations administration regions that implement supervision practices, procedures, and sanctions directed at parole and probation revocation reduction.

### ***Sec. 611. Annual Program Reports – DELETED***

Specifies content to be included in annual reports by MDOC on community reentry, electronic monitoring, and special alternative incarceration programs (e.g. successful and unsuccessful terminations, end of month populations, length of placements, returns to prison, and cost effectiveness of programs).

### ***Sec. 612. Violators of Parole and Probation – DELETED***

Requires MDOC to review and revise proposals for alternatives to prison for technical violators of parole and probation; requires an annual report on the number of probationers and parolees returned to or sent to prison for new crimes, number of probationers and parolees returned to or sent to prison for technical violations, educational history of offenders, number of offenders who participated in reentry programs, and number of offenders who participated in substance abuse treatment programs, mental health programs, or both.

### ***Sec. 616. Parole Board Reviews of Parolable Lifers – DELETED***

Requires the Parole Board to review its policies related to review and parole of offenders serving parolable life sentences, with consideration given to those that do not pose an ongoing risk to society.

### ***Sec. 617. Residential Alternative to Prison Program – NEW***

Requires MDOC to provide vocational, educational, and cognitive programming in a secure environment to enhance existing alternative sentencing options, increase employment readiness and successful placement rates, and reduce new criminal behavior for the West Michigan probation violator population.

### ***Sec. 802. Health Care Expenditures – DELETED***

Requires MDOC to report quarterly on expenditures, allocations, status of payments, and projected expenditures from accounts for prisoner health care, mental health care, pharmaceutical services, and durable medical equipment.

### ***Sec. 803. Standard Medical Release Form – DELETED***

Requires MDOC to give all prisoners the opportunity to sign a medical release of information form, effective for one year, designating a family member or other individual to whom MDOC is authorized to release information; requires MDOC to assure forms follow prisoners if and when they are transferred to other facilities or released from prison.

## **Major Boilerplate Changes From FY 2016-17**

### ***Sec. 806. Mental Health and Sex Offender Programming – DELETED***

Requires funding appropriated for expanded mental health and sex offender programming to be used to address increased caseloads, reduce the number of prisoners on waiting lists who are past their earliest release dates, and reduce the percentage of prisoners readmitted to mental health programs at their previous level of care.

### ***Sec. 812. Medicaid Utilization by Prisoners – DELETED***

Requires MDOC and DHHS to exchange information regarding newly committed prisoners who may be Medicaid-eligible; requires MDOC to assist outgoing prisoners with Medicaid enrollment; requires a quarterly report on utilization of Medicaid benefits for prisoners.

### ***Sec. 816. Pharmaceutical Expenditures – DELETED***

Requires MDOC to report annually on pharmaceutical expenditures and prescribing practices, including expenditures on antipsychotic medications and any changes made to prescription drug formularies.

### ***Sec. 901. Leasing of Facilities, Purchasing Private Facilities, and Reopening Closed Facilities – DELETED***

Requires MDOC to work with DTMB on determining the costs of entering into an agreement to lease or purchase a private facility to be operated by the department, as well as costs of reopening closed facilities already owned by the department, to determine if it would be in the best interests of citizens to house prisoners in one of those settings, rather than in a facility currently operated by the department; requires an annual report on acquisition, lease, reopening, and modernization costs, taxes, utilities, and expected future capital repair and upgrades at facilities.

### ***Sec. 902. Vocational Village – DELETED***

Requires MDOC to expend \$2.0 million of the appropriation for education programs on expansion of the vocational village program.

### ***Sec. 904. Cost Per Prisoner Per Day – DELETED***

Requires MDOC to report annually on per prisoner/per day costs for each prisoner security custody level, including actual direct and indirect costs, and allocation of statewide legacy costs.

### ***Sec. 908. High School Diploma in Lieu of High School Equivalency – DELETED***

Requires MDOC to explore the feasibility of establishing an online career high school education pilot program, or other alternatives for providing prisoners with a high school diploma instead of a high school equivalency; requires MDOC to explore establishing outside partnerships to assist with providing high school diplomas; requires MDOC to report on steps the department would have to take, resources needed, and organizational changes required to provide prisoners with a high school diploma instead of a high school equivalency.

### ***Sec. 909. Educational Programming – DELETED***

Requires MDOC to focus on providing career-based educational programming for prisoners, to include vocational trade programs and employment readiness programs.

### ***Sec. 910. Braille Program – DELETED***

Requires MDOC to allow the Michigan Braille Transcribing Fund Program to operate at its current location in the G. Robert Cotton Correctional Facility.

### ***Sec. 912. Institutional Staffing – DELETED***

Requires MDOC to report annually on ratios of corrections officers to prisoners, shift command staff to line custody staff, and noncustody institutional staff to prisoners for each correctional institution.

### ***Sec. 913.(2) Prisoner Completion of Various Programming – DELETED***

Expresses legislative intent that prisoners who are required to complete violence prevention, sexual offender, or other programming, as conditions of parole, be placed on waiting lists for the appropriate programming upon entrance to prison and transferred to facilities where programming is available.

### ***Sec. 937. Competitive Bidding – DELETED***

Prohibits MDOC from issuing a RFP for a contract in excess of \$5.0 million unless MDOC has first considered a request for information (RFI) or a request for qualification (RFQ) relative to the contract.

### ***Sec. 940. Use of State-Owned Facilities – DELETED***

Requires any for-profit entities using state-owned facilities to pay fair market value for use of the facilities and to make payments in lieu of taxes to local jurisdictions equivalent to what local units would receive if the facilities were privately owned.

### ***Sec. 942. Auditor General and Corrections Ombudsman Access to Contracted Facilities – DELETED***

Requires any contract with a third party to operate a facility to house Michigan prisoners to include a provision allowing access to the facility and to appropriate records by the Auditor General and the Legislative Corrections Ombudsman.

### ***Sec. 1000. Increased Information Technology Bandwidth – DELETED***

Requires one-time funding appropriated for increasing information technology bandwidth to be used to support critical information technology systems that provide platforms for several mandated programs and department cost savings efforts.

**Major Boilerplate Changes From FY 2016-17**

**Sec. 1011. Religious Cable Programming – DELETED**

Authorizes MDOC to accept in-kind services and equipment donations to facilitate the addition of a cable network that provides programming that will address the religious needs of prisoners.

**Sec. 1201. Anticipated FY 2017-18 Appropriations – DELETED**

Expresses legislative intent that FY 2017-18 appropriations will be funded at the same level as FY 2016-17 appropriations, adjusting for changes in caseloads, federal fund match rates, economic factors, and available revenues.

**Supplemental Recommendations for FY 2016-17 Appropriations**

**FY 2016-17  
Recommendation**

**1. Expanded Treatment for Prisoners with Hepatitis C**

Includes additional funding to cover increased costs of the expanded drug treatment protocol for treatment of prisoners with Hepatitis C to align with the community standard of care set by Medicaid. The new treatment protocol is to treat prisoners that have Hepatitis C with metavir scores of F2, F3, and F4. This funding will enable the department to eliminate the backlog of prisoners with metavir scores of F3 and F4 and to treat prisoners with metavir scores of F2. The total number of prisoners that can be treated is determined based on individual treatment plans and costs to provide the treatment. A corresponding negative supplemental in the DHHS budget will support this supplemental request. Sufficient funding is available in the Pharmaceutical Services line item in the DHHS budget.

<b>Gross</b>	<b>\$13,900,000</b>
<b>GF/GP</b>	<b>\$13,900,000</b>