

CORRECTIONS

Summary: FY 2010-11 As Reported from Committee Senate Bill 1153 (H-1)

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	FY 2009-10 YTD as of 1/31/10	FY 2010-11 Executive	FY 2010-11 Senate	FY 2010-11 House Chair	FY 2010-11 Enacted	Difference: House Cmte From	
						FY 2009-10 YTD Amount	%
IDG/IDT	\$891,900	\$915,400	\$915,400	\$915,400		\$23,500	2.6
Federal	7,746,100	7,868,500	7,868,500	7,868,500		122,400	1.6
Local	432,700	443,100	443,100	443,100		10,400	2.4
Private	0	0	0	0		0	0.0
Restricted	43,410,200	82,066,300	82,066,300	80,481,900		37,071,700	85.3
GF/GP	1,903,641,900	1,875,904,500	1,908,576,700	1,993,205,900		89,564,000	4.7
Gross	\$1,956,122,800	\$1,967,197,800	\$1,999,870,000	\$2,082,884,800		\$126,762,000	6.4
FTEs	15,767.1	14,630.3	15,937.5	15,966.0		198.9	1.2
Avg. Pop.	45,433	39,160	46,213	46,689		1,256	2.7

Note: FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010.

Overview

The Michigan Department of Corrections (MDOC) operates under the codification of correctional statutes established under Public Act 232 of 1953. The MDOC budget funds operation of the state prison system, supervision of parolees and felony probationers, and a variety of offender programs both in prison and in the community. It also funds training of corrections officers and centralized functions of administration, research, and financial operations. Prison construction is funded through the Capital Outlay budget.

Major Budget Changes From FY 2009-10 YTD Appropriations

1. Executive and Senate Proposals for Prison Operation Savings

House Chair's proposal does not concur with the Governor's proposal to assume \$129.5 million in net savings related to the implementation of "Good Time" sentencing reform legislation that would re-establish "good time" credits against their sentences for prisoners who avoid major misconducts and would eliminate current restrictions on community placement of prisoners. This would essentially eliminate the "Truth-in-Sentencing" provisions in current law that require convicted felons to serve at least their minimum prescribed sentence before being eligible for parole or community placement. Executive budget assumed a reduction of 7,529 prisoners on average for FY 2010-11, the closure of 4 to 5 state prisons by October 2010, and the elimination of 1,745 state custody staff positions.

	FY 2009-10 YTD (as of 1/31/10)	House Cmte Change From YTD
Beds	45,433	0
FTEs	10,696.0	0.0
Gross	\$1,066,365,800	\$0
Federal	1,409,200	0
Restricted	2,180,500	0
GF/GP	\$1,062,776,100	\$0

The House Chair's proposal also does not include Senate reductions which required a reduction in prison operation costs of \$1,184 per prisoner, savings \$59.2 million.

2. Regional Administration Consolidation

Includes \$5.3 million in savings from the consolidation of the department's three regional administrations to two regions. The current Southwestern region will be consolidated with the Southeastern and Northern regions, resulting in a Southern and Northern region structure. Savings are related to the reduction of 54 FTE positions from the Southwestern region administration and clinical complexes. Remaining funding for the Southwestern region is transferred to the Southern and Northern regions and to individual facilities in the current Southwestern region.

	FTE	House Cmte Change From YTD
FTE	405.3	(54.0)
Gross	\$54,798,400	(\$5,300,600)
Restricted	97,500	0
GF/GP	\$54,700,900	(\$5,300,600)

Major Budget Changes From FY 2009-10 YTD Appropriations	FY 2009-10 YTD (as of 1/31/10)	House Cmte Change From YTD
3. Closure of Guard Towers at Ryan and Mound Facilities	FTE 594.3	(30.5)
Reduces funding to reflect the closure of guard towers at the Mound Correctional Facility and Ryan Correctional Facility. The closures will result in the elimination of 21 tower assignments equivalent to roughly 38 FTE positions. These staffing reductions will be offset by the addition of 4 additional assignments (roughly 7.5 FTE positions) to cover the loss of the guard towers. Net savings of just over \$2.3 million would be achieved.	Gross \$55,570,100	(\$2,336,700)
	GF/GP \$54,700,900	(\$2,336,700)
4. Prisoner Health Care: Managed Care Contract	Gross \$95,881,400	(\$4,146,000)
Budget assumes a \$9.0 million reduction in costs of prisoner health care services delivered through the Department's managed care contract with Prison Health Services Inc from the funding recommended by the Executive. The savings are taken after allowing for a 5.1% increase proposed by the Executive related to a 4% inflationary adjustment included in the contract. In addition, the recent decline in prisoner population also triggered an increase in the monthly per prisoner payment rate paid to the vendor under the contract.	GF/GP \$95,881,400	(\$4,146,000)
5. County Jail Reimbursement Program	Gross \$0	\$12,272,100
Restores \$12.3 million GF/GP for county jail reimbursement program which provides state reimbursement to counties that house convicted felons who meet boilerplate criteria in their county jails. Program funding was vetoed in FY 2010, and is restored at the FY 2009 appropriation level for FY 2011. House Chair's recommendation increases GF/GP funding to offset declines in restricted revenue available for the program.	Restricted 0	5,900,000
	GF/GP \$0	\$6,372,100
6. Transportation: Supply Chain Efficiency Savings	FTEs 215.6	0.0
Includes \$3.0 million in assumed savings through supply chain management efforts related to transportation services. Cost savings would be achieved through moving toward a regular statewide schedule for transportation runs and other efficiencies that lead to reduced vehicle usage. Executive and Senate assumed \$2.5 million in savings.	Gross \$23,351,600	(\$3,000,000)
	GF/GP \$23,351,600	(\$3,000,000)
7. Food Service: Supply Chain Efficiency Savings	FTEs 423.0	0.0
Includes \$3.0 million in assumed savings through supply chain management efforts related to prison food services. MDOC has established a standardized statewide food menu for the prison population using uniform recipes and portion sizes. These changes are expected to result in reduced storage needs and better leverage in making purchases from vendors. Executive and Senate assumed \$1.5 million in savings.	Gross \$72,611,800	(\$3,000,000)
	IDG 593,500	0
	GF/GP \$72,018,300	(\$3,000,000)
8. New Custody Staff Training	Gross \$250,500	\$1,718,200
Increases funding by \$1.7 million GF/GP to finance training for new correctional officers. The Department anticipates at least 600 corrections officers will retire between now and the end of FY 2011 based on normal attrition rates. The funding increase will allow 100 new officers to complete training. Funding for training had been reduced in recent years from \$11.2 million in FY 2007-08 to \$3.5 million in FY 2008-09 and finally to \$250,500 in FY 2009-10 as facility closures limited the need for new custody staff hiring. Executive and Senate had included \$5.7 million to cover training for 305 new officers.	GF/GP \$250,500	\$1,718,200
9. New Parole/Probation Officers for High-Risk Caseloads	FTEs 1,992.6	35.0
Supports 35 new parole/probation officer positions with \$2.8 million GF/GP in order to allow for lower caseload volumes for agents who handle high-risk sex offender caseloads that require greater investigative work and specialized training. Represents a reduction of 5.0 FTE positions from Executive and Senate recommendations.	Gross \$171,935,100	\$2,760,300
	GF/GP \$171,935,100	\$2,760,300

Major Budget Changes From FY 2009-10 YTD Appropriations	FY 2009-10 YTD (as of 1/31/10)	House Cmte Change From YTD
10. Supply Chain Transformation Initiative House Chair's proposal includes \$2.8 million in additional funding for supply chain transformation efforts aimed at achieving long-run savings in food service, transportation, warehousing, prison store and laundry operations, as well as other operational areas of the department.	Gross \$1,800,000 GF/GP \$1,800,000 (estimated)	\$2,800,000 \$2,800,000
11. Residential Substance Abuse Treatment Programs Increases funding in the Substance Abuse Testing and Treatment line item by \$4.0 million targeted toward the operation of residential substance abuse treatment programs around the state. The Senate had proposed a \$5.0 million increase for this purpose.	Gross \$19,191,500 Federal 143,500 GF/GP \$19,048,000	\$4,000,000 0 \$4,000,000
12. Youth Treatment Services House Chair's proposal includes \$1.0 million to provide treatment to juveniles in the adult corrections system with identified substance abuse or mental health issues.	Gross N/A GF/GP N/A	\$1,000,000 \$1,000,000
13. Interdepartmental Grant Programs House Chair's recommendation concurs with the Senate in providing \$1.0 million in new grant funding to the Judiciary to support drug treatment courts. In addition, the recommendation transfers \$520,000 in funding from the Bureau of Health Care Services to the Legislative Corrections Ombudsman for the operation of the health care Quality Assurance Unit, and transfers \$100,000 to a new grant line item to Human Services to support two DHS eligibility specialists housed in correctional facilities.	Gross \$0 GF/GP \$0	\$1,000,000 \$1,000,000
14. Community Corrections Concurs with Executive in Increasing funding by \$1.2 million GF/GP to provide a 9.4% increase in appropriations for local community corrections programs, which provide local courts with alternative sentencing options to prison and jail.	Gross \$12,758,000 GF/GP \$12,758,000	\$1,200,000 \$1,200,000
15. Pennsylvania Inmates at Muskegon Correctional Facility Includes \$29.9 million in new state restricted revenue to come from fees paid by the State of Pennsylvania to operate the Muskegon Correctional Facility to house inmates from that state. New revenue allows Michigan to continue to operate the 1,320-bed facility and retain the 238 staff employed there. Finalized contract calls for Pennsylvania to make \$62 per diem payments to Michigan for each prisoner housed. In addition, Pennsylvania is responsible for the costs of out-of-prison health care.	Beds 0 FTEs 0.0 Gross \$0 Restricted 0 GF/GP \$0	1,320 238.0 \$29,871,600 29,871,600 \$0
16. Other House Program Enhancements House Chair's proposal adds \$500,000 to support established recycling programs within non-profit agencies that include persons transitioning from prison as employees, and concurs with the Senate in providing \$100,000 to allow MDOC to hire a child/adolescent psychiatrist.	Gross N/A GF/GP N/A	\$600,000 \$600,000
17. Central Office Staffing Reductions Eliminates two positions within the Bureau of Fiscal Management to achieve \$171,100 in central office savings.	FTEs 59.9 Gross \$6,442,900 Restricted 110,400 GF/GP \$6,332,500	(2.0) (\$171,100) 0 (\$171,100)
18. Mental Health Services: Outpatient Mental Health Teams Provides \$4.5 million in additional funding to annualize a \$2.7 million budget increase included in the FY 2009-10 which covered partial-year costs for six additional outpatient mental health teams. Team staff are provided through the Department of Community Health, and teams have an average caseload of 175 prisoners. This also includes funding for MDOC custody and support staff assigned to units. FTE authorization for these staff was already added to last year's budget.	FTEs 149.7 Gross \$60,112,200 GF/GP \$60,122,200	0.0 \$4,487,200 \$4,487,200

<u>Major Budget Changes From FY 2009-10 YTD Appropriations</u>	<u>FY 2009-10 YTD (as of 1/31/10)</u>	<u>House Cmte Change From YTD</u>
19. Mental Health Services: Residential Treatment	FTEs 149.7	0.0
Provides \$913,900 in additional funding to annualize a \$1.2 million budget increase included in the FY 2009-10 which covered partial-year costs for an additional Residential Treatment Program unit. In addition to mental health staff provided through the Department of Community Health, this also includes funding for MDOC custody and support staff assigned to units. FTE authorization for these staff was already added to last year's budget.	Gross \$60,112,200	\$913,900
	GF/GP \$60,122,200	\$913,900
20. Parnell Correctional Facility Funding Adjustment	Beds 1,712	0
Adds \$500,000 in funding and 8.4 FTE positions for Parnell Correctional Facility to recognize additional staffing need at the facility. MDOC indicates that full staffing needs were not provided to the facility when beds were added in a prior budget.	FTEs 260.8	8.4
	Gross \$26,377,800	\$500,000
	GF/GP \$26,377,800	\$500,000
21. Michigan Reformatory Funding Adjustment	Beds 1,338	0
Increases funding for Michigan Reformatory by just over \$1.0 million to account for increased seniority levels for facility staff. Recent closures of Camp Branch and Deerfield Correctional Facility resulted in senior staff from those facilities bumping newer hires at Michigan Reformatory. This has increased salary and retirement costs for within the facility's line item.	FTEs 311.1	0.0
	Gross \$26,179,100	\$1,045,300
	GF/GP \$26,179,100	\$1,045,300
22. Pharmaceutical Savings	Gross N/A	(\$4,600,000)
Assumes \$4.6 million in prescription drug savings through a review of the pharmacy formulary and greater internal oversight over pharmaceutical expenditures and prescriber practices.	GF/GP N/A	(\$4,600,000)
23. Contract Savings	Gross N/A	(\$1,000,000)
Imposes \$1.0 million GF/GP in contract savings in various program areas, including central records (\$600,000), inmate legal services (\$289,000), and prison reintegration programs (\$111,000).	GF/GP N/A	(\$1,000,000)
24. Economic Adjustments	Gross N/A	\$86,849,100
Includes economic adjustments of:	IDG/IDT N/A	23,400
▪ \$27.2 million gross, \$26.8 million GF/GP for salaries and wages.	Federal N/A	122,400
▪ \$18.8 million gross, \$18.7 million GF/GP for insurance.	Local N/A	10,400
▪ \$37.2 million gross, \$36.5 million GF/GP for retirement.	Restricted N/A	1,270,200
▪ \$1.8 million gross and GF/GP for worker's compensation.	GF/GP N/A	\$85,422,700
▪ \$139,300 gross and GF/GP for building occupancy charges.		
▪ \$941,800 gross and GF/GP for food.		
▪ \$729,700 gross and GF/GP for fuel and utilities.		

Major Boilerplate Changes From FY 2009-10

Sec. 204a. Health Care Professionals Compensation Study – NEW

Requires MDOC to work with the Civil Service Commission and MDCS to review compensation rates for health care professionals who provide direct services to prisoners and to compare compensation with comparable health care professionals in the private sector; requires department to make recommendations to address any disparity.

Sec. 205. Hiring Freeze – DELETED

Specifies details of a hiring freeze on state classified civil service employees, provides exceptions to the hiring freeze only with the State Budget Director's approval, and requires a quarterly report on the number of exceptions.

Sec. 212. Quarterly FTE Report and On-line Expenditure Information – NEW

Requires quarterly report on the number of FTEs in pay status by civil service classification; requires MDOC to develop and maintain website listing all expenditures within a fiscal year, including the purpose of the expenditure.

Sec. 235. Cost Reduction Strategies– NEW

Establishes legislative intent that the MDOC reduce expenditures by following recommendations outlined in the June 2009 Auditor General report on Michigan State Industries, and by continuing the supply chain transformation utilizing a contract with a supply chain external resource.

Major Boilerplate Changes From FY 2009-10

Sec. 410(3). Residential Substance Abuse Treatment Programs – REVISED

Increases the maximum per diem reimbursement for community corrections residential services from \$47.50 to \$48.50 for facilities that have been accredited. Maximum per diem remains \$47.50 for non-accredited facilities.

Sec. 414. County Jail Reimbursement Program (CJRP) – RESTORED

Restores language guiding the CJRP program. Language was vetoed in FY 2009-10 budget. Language is revised from version in FY 2009-10 enrolled bill to emulate language included in FY 2009-10 House-passed budget bill, including the provision of a three-tiered reimbursement rate with a \$60 per diem for diverted offenders with presumptive prison guideline scores, a \$50 per diem for those with a straddle cell guideline for a group one crime, and a \$35 per diem for those with a straddle cell guideline for a group two crime. House Chair's proposal also establishes a quarterly reimbursement committee review of payments for eligible claims, and requires the State Budget Office to request a transfer from other MDOC line items if there appears to be a shortfall in funding.

Sec. 416. Felony Drunk Driver Jail Reduction and Community Treatment – REVISED

Expands eligible purposes for the use of funds to include jail diversion for felony drunk drivers who would have been sentenced to jail and whose lower limit of the minimum sentencing guideline range is one year or less, whose upper limit of the range is more than 18 months, and whose prior record variable is less than 35 points.

Sec. 418. State Identification and Birth Certificates – REVISED

Requires MDOC to require county prosecutors to provide MDOC with the state driver's license, identification card, or other documentation and to maintain the documents in the prisoner's file; requires collaboration with Department of State to develop an achievable list of documents necessary to obtain driver's license or state ID for use by prisoners before discharge or parole; requires cooperation with Department of Community Health to create and maintain a process through which prisoners can obtain Michigan birth certificates and requires MDOC assistance in obtaining out-of-state certificates.

Sec. 422. MPRI Programs and Services – REVISED

Establishes legislative intent that MPRI programs be maintained as standard operating procedure within the MDOC from prisoner entry into the system until re-entry into the community. New language clarifies that services should focus on moderate- to high-risk individuals, and that special in-prison programming be provided to individuals who were paroled, have returned to prison, and will be eligible for parole again. Also adds that MPRI services shall include basic computer skills training.

Sec. 426. Employment in Recycling Programs for Parolees – REVISED

Allocates \$500,000 to one or more non-profit agencies with established recycling programs whose employee ranks include at least 45% returning citizens. Requires programs to be administered by Michigan-charter non-profit corporations with expertise in recycling and employment opportunities for parolees.

Sec. 434. Employment Projects in High-Crime Neighborhoods – NEW

Establishes legislative intent that MDOC work with DELEG, MSHDA, and local government officials to implement employment-related projects for at-risk young adults, probationers, and parolees in high-crime neighborhoods with incarceration rates of at least 45%; requires MDOC to work with DHS and Superintendent of Public Instruction to recommend programs that offer academic, counseling, and social support to children of incarcerated parents.

Sec. 505(2). Mental Health Awareness Training – NEW

Requires all staff, rather than just custody staff, employed within correctional facilities to attend at least one mental health awareness training session. New language extends the current boilerplate requirements which only apply to custody staff.

Sec. 604. Reimbursement for Community Placement Costs – DELETED

Requires community placement prisoners and parolees to reimburse the Department for the total costs of the program, and allows for the establishment of a community service work schedule as an alternative method of re-payment.

Sec. 614. Post-Conviction Bonds – DELETED

Includes language providing for court-ordered post-conviction bonds as a condition of probation, community control, restitution payment plan, or any other court-ordered supervision.

Sec. 614. Parole Board Review of Inmates Sentenced to Life with Possibility of Parole – NEW

Establishes legislative intent that the parole board review the cases of all inmates sentenced to life imprisonment with the possibility of parole before October 1992 who have good institutional records and pose low risk to the community. Minimally requires parole board to calculate parole guideline scores for those currently eligible for parole and to provide an explanation to the Legislature as to why those who score "high probability of release" are not being paroled.

Sec. 807. Prisoner Medications During Transfers and Release from Facilities – REVISED

Requires MDOC to ensure that all medications for a prisoner be transported with that prisoner during any transfer to another facility. House Chair's recommendation concurs with Senate language requiring the provision of at least a 30-day supply of medication and a prescription for refills when prisoners are released from prison.

Major Boilerplate Changes From FY 2009-10

Sec. 813. Health Care Quality Assurance Unit – NEW

Requires the relevant budget authorization, along with personnel and health care oversight responsibilities of the Quality Assurance Unit to be transferred to the Legislative Corrections Ombudsman.

Sec. 814. Availability of Psychotropic Drugs – NEW

Requires that MDOC assure that psychotropic medications are available, when deemed medically necessary by a physician, to prisoners who have mental illness diagnoses but are not enrolled in the corrections mental health program.

Sec. 913. Programming as a Condition of Parole – REVISED

Establishes legislative intent that any prisoner required to complete an assaultive offender, sexual offender, or other program as a condition of parole be transferred to a facility where such programs are available in order to allow timely completion prior to expiration of his or her minimum sentence. Current law required transfer when possible and dealt only with assaultive offender programs.

Sec. 924. Evaluation of Prisoners at Intake for Mental Health Issues – REVISED

Current law requires evaluation for substance abuse disorders, developmental disorders, and serious mental illness. Revised language adds "other mental health disorders" and revises references to seclusion to "therapeutic seclusion".

Sec. 929. Placement of Young Prisoners with Mental Illness – REVISED

Current law provides guidelines for placement of prisoners less than 19 years of age who have serious mental illness or a developmental disorder. Revised language includes those "serious emotional disturbance".