

FY 2014-15: DEPARTMENT OF CORRECTIONS
Summary: As Reported by House Appropriations Committee
Article V, House Bill 5313 (H-1)



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	FY 2013-14 YTD as of 2/5/14	FY 2014-15 Executive	FY 2014-15 House	FY 2014-15 Senate	FY 2014-15 Enacted	Difference: House From FY 2013-14 YTD	
						Amount	%
IDG/IDT	\$1,109,600	\$225,000	\$225,000			(\$884,600)	(79.7)
Federal	8,852,500	5,081,000	5,081,000			(3,771,500)	(42.6)
Local	8,392,800	8,547,700	8,547,700			154,900	1.8
Private	0	0	0			0	--
Restricted	56,026,100	45,869,600	45,869,600			(10,156,500)	(18.1)
GF/GP	1,958,053,600	1,990,198,400	1,975,198,400			17,144,800	0.9
Gross	\$2,032,434,600	\$2,049,921,700	\$2,034,921,700			\$2,487,100	0.1
FTEs	14,559.6	14,195.3	14,195.3			(364.3)	(2.5)

Notes: (1) FY 2013-14 year-to-date figures include mid-year budget adjustments through February 5, 2014. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2013-14 year-to-date figures include appropriation adjustments in 2013 PA 102, and 2013 PA 107 for Medicaid Reform/Healthy Michigan Plan effective March 14, 2014, but based on the waiver, implemented on April 1, 2014. (3) Executive figures do not reflect revisions submitted subsequent to House subcommittee action.

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 January 31, 2014, the department was responsible for 109,199 Michigan offenders: 43,507 prisoners, 47,725 probationers, and 17,967 parolees.

Major Budget Changes From FY 2013-14 YTD Appropriations	FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 House Change
1. Healthy Michigan Plan Savings		
<u>Executive</u> reflects a net positive adjustment related to implementation of the Healthy Michigan Plan under the Affordable Care Act. A three-quarter year savings of \$24.2 million GF/GP was built into the FY 2013-14 budget through Public Act 107 of 2013. It has since been determined that certain costs relative to treatment of sex offender and substance abuse disorders will not be eligible for Medicaid reimbursement, which requires a portion of the savings originally taken to be restored. Full-year savings in FY 2014-15 are estimated to be \$19.1 million GF/GP. <u>House</u> concurs.	Gross GF/GP	N/A \$5,131,400
2. Healthy Michigan Plan Administrative Costs		
<u>Executive</u> includes FTE authorization and funding to cover the administrative costs of implementing the Healthy Michigan Plan. Administrative costs are currently paid for from the DCH budget. The Department of Corrections will pay DHS via an IDG for staff who handle eligibility determination and enrollment (\$497,600), and will pay for MDOC staff who handle discharge planning (\$475,000) and oversight functions (\$107,100). <u>House</u> concurs.	FTE Gross Federal GF/GP	N/A \$1,079,700 248,800 \$830,900
3. Food Service Legacy Costs		
<u>Executive</u> reflects a reduction as a result of privatizing food service operations and removing legacy payroll costs associated with former MDOC food service employees. <u>House</u> concurs.	Gross GF/GP	N/A (\$8,167,100)

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 House Change
4. Neal Settlement			
<u>Executive</u> includes additional funding, to be added to the \$20.0 million appropriated in the base, to make the final year of Neal et. al. Settlement Agreement payments. (The \$20.0 million in FY 2013-14 is eliminated from on-going funding and the \$25.0 million in FY 2014-15 will be counted as one-time funding.) <u>House</u> concurs.	Gross GF/GP	\$20,000,000 \$20,000,000	\$5,000,000 \$5,000,000
5. Prisoner Education			
<u>Executive</u> includes FTE authorization and funding for enhancement of prisoner education programs. Funding will be used to hire 5.0 trade instructors and 15.0 employment counselors. The trade instructors will work to provide critical job skills for prisoners who are reentering the community. The goal is to reduce the waiting list for vocational programming and improve employment opportunities. The employment counselors will work with employers to determine specific employment training desired for employees. They will work to implement specific curricula and training to meet local job requirements, and to connect trained offenders with employers prior to release from prison. Also, the counselors will work with local colleges to provide instruction inside the prisons to eligible prisoners. (\$1.0 million of the funding is one-time and \$3.3 million is on-going.) <u>House</u> concurs.	FTE Gross Federal GF/GP	244.0 \$33,492,000 3,437,600 \$30,054,400	20.0 \$4,295,300 0 \$4,295,300
6. Transfer of Mentally or Physically Disabled Prisoners			
<u>House</u> reflects a savings anticipated to result from requiring the department to release a request for proposal for competitive bids for a non-state-run, nonsecure, nursing home facility to house mentally or physically disabled prisoners.	Gross GF/GP	N/A N/A	(\$5,000,000) (\$5,000,000)
7. Hepatitis C			
<u>Executive</u> includes \$4.9 million GF/GP to implement the new treatment protocol for Hepatitis C that has been promulgated by the Centers for Disease Control and Prevention. Current treatment for the disease is long in duration, with many side effects, and is not guaranteed to cure the disease. The new treatment protocol is shorter in duration, has fewer side effects, and has shown a higher success rate. <u>House</u> does not include.	Gross GF/GP	N/A N/A	\$0 \$0
8. Leased Beds			
<u>Executive</u> includes an additional \$4.0 million GF/GP to pay counties for bed space at county jail facilities to be used to house convicted felons. Prisoners who are classified as Level I prisoners, who are not serving time for sex offenses, and who are serving flat sentences are eligible to be housed in county jail facilities at a lower cost to the department. <u>House</u> does not include.	Gross GF/GP	\$1,000,000 \$1,000,000	\$0 \$0
9. Mobilize Parole and Probation Staff			
<u>Executive</u> includes funding to deploy and maintain devices such as smart phones, tablets, and laptops to mobilize parole and probation staff in Detroit, Pontiac, Saginaw, and Flint. This will allow 380 parole and probation agents and 53 supervisors to spend more time in the field with parolees and probationers. (\$440,600 of the funding is one-time and \$582,400 is on-going.) <u>House</u> concurs.	Gross GF/GP	N/A N/A	\$1,023,000 \$1,023,000
10. Mental Health Diversion – Local Jail Pilot Project			
<u>Executive</u> includes funding for MDOC’s role in a multi-agency statewide mental health diversion program. Funding will be used by the department to contract with a local jail for a post-release transition project that will offer comprehensive in-reach and post-release mental health services to inmates who are returning to the community. <u>House</u> concurs.	Gross GF/GP	N/A N/A	\$1,000,000 \$1,000,000
11. Prisoner Re-Entry Legal Services			
<u>House</u> includes additional funding to establish two pilot projects, one in Kent County and one in Oakland County, to provide outreach, education, and legal representation to former offenders in areas such as employment, housing, income stability, and child custody and other domestic matters.	Gross GF/GP	N/A N/A	\$449,000 \$449,000

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 House Change
12. Central Records Maintenance	Gross	\$5,506,700	\$0
<u>Executive</u> includes \$600,000 GF/GP to cover costs associated with the conversion of the Corrections Management Information System (CMIS) to the Offender Management Network Information system (OMNI). CMIS holds information about all current and past prisoners and parolees. OMNI will replace CMIS and several other databases within the department, and will also include information about probationers who are supervised by the department. <u>House</u> does not include.	GF/GP	\$5,506,700	\$0
13. Facility Maintenance	Gross	N/A	\$0
<u>Executive</u> includes \$500,000 GF/GP to cover costs of smaller maintenance projects needed at a number of facilities, such as patching of holes in parking lots, meeting ADA compliance, and installing energy efficient lighting. <u>House</u> does not include.	GF/GP	N/A	\$0
14. Prosecutorial and Detainer Expenses	Gross	\$4,551,000	\$0
<u>Executive</u> includes \$449,000 GF/GP to cover increased prosecutorial and detainer expenses. As local budgets have been reduced, prosecutors have shifted the costs of prosecuting offenses which occur on MDOC property to the department. Also, local sheriffs charge the department for detaining offenders who have outstanding MDOC warrants. <u>House</u> does not include.	GF/GP	\$4,551,000	\$0
15. Health Care Staff Training	FTE	N/A	2.0
<u>Executive</u> includes FTE authorization and funding to enhance professional development and training for all Bureau of Health Care Services staff. A Registered Nurse will work to develop training curriculums and computer based training sessions, provide classroom staff training, develop a mentor program to be offered in each clinic, and assist in recruiting activities. A Human Resource Developer will work on grant writing, community partnerships, assisting with developing training materials, and assisting in recruiting activities. <u>House</u> concurs.	Gross	N/A	\$402,600
	GF/GP	N/A	\$402,600
16. Economic Adjustments	Gross	N/A	\$21,847,000
<u>Executive</u> includes funding for negotiated salary and wage amounts (2.0% ongoing increase plus 0.5% lump sum payments), actuarially-required retirement rate increases, rent, building occupancy, and worker's compensation. Insurance costs are held flat due to recent revisions to the state employee health plan. <u>House</u> concurs.	Federal	N/A	37,900
	Local	N/A	221,100
	Restricted	N/A	375,800
	GF/GP	N/A	\$21,212,200
17. Restricted Fund Adjustments	Gross	N/A	(\$15,541,300)
<u>Executive</u> adjusts a number of IDG, federal, local, and state restricted fund sources within the budget in order to reflect the actual amount of revenue that is collected/awarded. There is no GF/GP impact resulting from these adjustments. <u>House</u> concurs.	IDG	N/A	(884,600)
	Federal	N/A	(4,058,200)
	Local	N/A	(66,200)
	Restricted	N/A	(10,532,300)
18. Technical Adjustments	Gross	N/A	\$0
<u>Executive</u> makes internal 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 where expenditures occur and to reflect reorganization within the department. <u>House</u> concurs.	GF/GP	N/A	\$0
19. Eliminate FTE Position Authorization	FTE	N/A	(392.3)
<u>Executive</u> eliminates authorization for unfunded FTE positions to more accurately reflect department resources. <u>House</u> concurs.	Gross	N/A	\$0
	GF/GP	N/A	\$0
20. Eliminate One-Time New Employee School Funding	Gross	\$9,032,500	(\$9,032,500)
<u>Executive</u> eliminates one-time funding that was included in the FY 2013-14 budget for a new employee school. Funding of \$9.0 million remains in the base appropriation for new custody staff training. <u>House</u> concurs.	GF/GP	\$9,032,500	(\$9,032,500)

Major Boilerplate Changes From FY 2013-14

Executive/House Boilerplate Deletions

Executive deletes the majority of boilerplate language included in the FY 2013-14 appropriations bill (52 sections and 2 subsections). Deletions include legislative reporting requirements, sections providing guidance and placing conditions on appropriations, earmarks of funding for specific purposes, sections which express legislative intent, and sections which served a one-time purpose and are no longer applicable. Following are current year sections and subsections of boilerplate recommended for deletion by the Executive: 206, 207, 212, 214, 219, 238, 239, 245, 304, 305, 402, 405, 407, 410(1), 410(2), 411, 412, 413, 417, 418, 419, 420, 431, 434, 506, 601, 608, 611, 612, 615, 802, 804, 806, 807, 809, 814, 816, 904, 907, 910, 911, 912, 913, 916, 925, 937, 939, 940, 942, 947, 1009, 1011, 1201, and 1202.

House concurs on deletion of 10 of those sections. Following are current year sections of boilerplate recommended for deletion by the House: 245, 411, 412, 816, 916, 939, 940, 947, 1201, and 1202.

Below are new sections of language and current year sections which are modified by the House.

Sec. 238. Repurposing of Closed Correctional Facilities – MODIFIED

Current language expresses legislative intent that MDOC make additional efforts to sell, rent, or otherwise repurpose closed correctional facilities. Executive deletes. House modifies current language by deleting intent and adding requirement.

Sec. 239. Management-to-Staff Ratio – MODIFIED

Current language expresses legislative intent that MDOC maintain a management-to-staff ratio of 1 supervisor to 5 employees at the Lansing central office and at the regional administration offices. Executive deletes. House modifies current language by deleting intended ratio, adding required ratio, and changing the ratio to 1 and 7.

Sec. 246. Legacy Costs – NEW

States that the total amount of funding estimated to be expended on legacy costs in FY 2014-15 is \$351.6 million. Of that, \$196.5 million is estimated to be expended on pension-related legacy costs, and \$155.1 million is estimated to be expended on health care-related legacy costs. Executive adds new language. House concurs.

Sec. 421. Mental Health Diversion Council – NEW

Expresses intent that the appropriation for the Jail Mental Health Transition Pilot Program be used to address recommendations of the Mental Health Diversion Council. Executive adds new language. House concurs.

Sec. 435. Prisoner Re-Entry Legal Services – NEW

Requires the department to contract with Kent County and Oakland County to establish pilot projects to provide outreach, education, and legal representation to former offenders in areas such as employment, housing, income stability, and child custody and other domestic matters. House adds new language.

Sec. 507. Administration of Healthy Michigan Plan – NEW

Requires the department to work with the Department of Community Health to establish an accounting structure that will allow expenditures associated with the administration of the Healthy Michigan Plan to be identified. House adds new language.

Sec. 911(2). Report on Prisoner Escapes – NEW

Requires the department to report on attempted and actual escapes, including all details about security measures in place and operating at the time, results, and corrective measures taken by the department in response. House adds new language.

Sec. 914. Funding for Programming – NEW

Requires \$1.0 million of the new prisoner education appropriation to be used for programming that is a condition of parole, with particular emphasis placed on individuals who are past their earliest release dates. House adds new language.

Sec. 915. Program to Allow Graduate Students to Teach Programming – NEW

Requires the department to explore opportunities to collaborate with Michigan universities to establish programs that will allow graduate students to work in correctional facilities teaching programming that is a condition of parole; the intent is that student teachers will result in a cost savings for the department and will reduce the number of individuals who are past their earliest release dates. House adds new language.

Sec. 924. Evaluation and Placement of Prisoners With Mental Illness – MODIFIED

Current language requires prisoners to be evaluated at intake for substance abuse disorders, developmental disorders, serious mental illness, and other mental health disorders; requires prisoners with these disorders to be placed in secure specialized housing programs; and authorizes confinement of these prisoners in administrative segregation with evaluation by a medical professional every 12 hours. Executive retains current language. House modifies current language by deleting the requirement for placement in secure specialized housing and adding that these prisoners may be secluded in a therapeutic environment under the supervision of a mental health professional, and changing evaluation by a medical professional from every 12 hours to every 8 hours, or at least every 12 hours, whichever would require more frequent visits.

Major Boilerplate Changes From FY 2013-14

Sec. 929. Guidelines for Treatment of Youthful Offenders with Mental Health Needs – MODIFIED

Current language requires the department to ensure adequate staff training for staff who are in contact with prisoners less than 18 years of age; to provide appropriate placement for prisoners less than 18 who have serious mental illness, serious emotional disturbance, or developmental disorders and need to be housed separate from the general population; authorizes these youth to be placed in secure specialized housing programs; and authorizes confinement in administrative segregation with evaluation by a medical professional every 12 hours. Executive retains current language. House modifies current language by changing age requirement to less than 19 years of age, deleting requirement for placement in secure specialized housing, and adding that these youth may be secluded in a therapeutic environment under the supervision of a mental health professional.

Sec. 937. Competitive Bidding – MODIFIED

Current language prohibits the department from issuing a request for proposal for a contract in excess of \$5.0 million unless they have first considered a request for information or a request for qualification relative to the contract. Executive deletes. House modifies current language by changing the dollar amount to \$1.0 million.

Sec. 938. Transfer of Mentally or Physically Disabled Prisoners – NEW

Requires the department to release a request for proposal for competitive bids for a non-state-run, nonsecure, nursing home facility to house mentally or physically disabled prisoners; refers to the negative appropriation in part 1 of \$5.0 million as savings to be achieved from transferring these prisoners. House adds new language.

Sec. 943. Legislative Corrections Ombudsman Access – NEW

Requires the department to provide all of the following to the Legislative Corrections Ombudsman: direct access to all information, records, and documents in possession of the department; entry to inspect at any time any premises under the control of the department; and direct access to employees of the department and to employees who are under contract with the department; and prohibits the department from implementing any formal or informal policies that would delay or affect the ability of the ombudsman to conduct investigations, access records, facilities, or people, or carry out ombudsman's responsibilities. House adds new language.

Sec. 944. Classification of Prisoner Security Levels – NEW

Requires the department to report on security classification and prisoner placement processes. The report is to include all factors considered in making the initial placement determination, number of prisoners initially classified, number classified and placed in the true security level indicated on the evaluation compared to number of prisoners departed and waived to security level other than the prisoner's true security level, security classification review process used to determine prisoner's appropriate custody level and placement, number of prisoner classification reviews, number of prisoners classified and placed in true security level compared to number departed and waived to other security level. House adds new language.