

Summary:
FY 2002-03 Department of Corrections
SB 1102 (H-1) as amended and passed by the Senate, June 18, 2002

	FTEs	Gross	IDG/IDT	Federal	Local	Private	State Restricted	GF/GP
2001-02 YTD	19,406.5	\$1,682,754,400	\$5,965,700	\$28,032,400	\$349,600	\$0	\$48,952,800	\$1,599,453,900
EXECUTIVE (Rev. 4/1/02)	18,843.9	\$1,713,462,400	\$3,318,500	\$26,403,400	\$391,100	\$0	55,490,600	\$1,627,858,800
Exec \$ Change from YTD	(562.6)	\$30,708,000	(\$2,647,200)	(\$1,629,000)	\$41,500	\$0	\$6,537,800	\$28,404,900
Exec % Change from YTD	(2.9%)	1.8%	(44.4%)	(5.8%)	11.9%	0.0%	13.4%	1.8%
SENATE (3/20/02)	18,843.9	\$1,713,462,500	\$3,318,500	\$26,403,400	\$391,100	\$0	55,490,600	\$1,627,858,900
Senate \$ Diff. from Revised Executive	0.0	\$100	\$0	\$0	\$0	\$0	\$0	\$100
HOUSE (5/15/02)	18,843.9	\$1,713,462,400	\$3,318,500	\$26,403,400	\$391,100	\$0	55,490,600	\$1,627,858,800
House \$ Diff. from Revised Executive	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SENATE (6/18/02)	18,843.9	\$1,704,350,600	\$3,318,500	\$26,403,400	\$391,100	\$0	55,490,600	\$1,618,747,000
Senate \$ Diff. from House- passed	0.0	(\$9,111,800)	\$0	\$0	\$0	\$0	\$0	(\$9,111,800)
Conference								
Enrolled								

OVERVIEW

The Michigan Department of Corrections (MDOC) is responsible for the control and supervision of well over 100,000 prisoners, parolees, and felony probationers. As articulated in a departmental policy directive, the MDOC's mission is to enhance public safety by recommending sanctions to the courts, and, as directed by the courts, carrying out the sentences given to convicted adult felons in a humane, cost-efficient manner which is consistent with sound correctional principles and constitutional standards.

Major Budget Changes from FY 2001-02 YTD Appropriations:

1. *Bellamy Creek Correctional Facility, Ionia*

Newly-constructed 1500-bed Level IV facility. Receiving prisoners in FY 2001-02 due to closures of Michigan Reformatory and Jackson Maximum, plus conversion of Level IV Southern Michigan to double-bunked Level II. To fully open Bellamy Creek in FY 2002-03, bill provides for increases of 672 beds, 106.6 FTEs, \$6.8 million over current-year funding provided through inmate housing fund. Total budgeted population increased to 1,680.

	<u>Executive</u>	<u>House</u>	<u>Senate 6/18/02</u>
Beds	672	672	672
FTEs	106.6	106.6	106.6
Gross	\$6,822,100	\$6,822,100	\$6,822,100
GF/GP	\$6,822,100	\$6,822,100	\$6,822,100

Major Budget Changes from FY 2001-02 YTD Appropriations:

2. Re-open units at Reformatory and Jackson Maximum
Due to anticipated prisoner population increases and completion of demolition projects at Michigan Reformatory, reopen 500 beds at Reformatory (in Ionia) and 645 beds at Jackson Maximum (in Jackson). Additional 62.2 FTEs and \$2.4 million partial-year funding for Reformatory, 111.0 FTEs and partial year funding of \$4.1 million for Jackson Maximum.

	<u>Executive</u>	<u>House</u>	<u>Senate</u> <u>6/18/02</u>
Beds	1,145	1,145	1,145
FTEs	173.2	173.2	173.2
Gross	\$6,453,600	\$6,453,600	\$6,453,600
GF/GP	\$6,453,600	\$6,453,600	\$6,453,600

3. Expand Camps Brighton and Lehman
Camp Brighton, which replaced Camp Branch as the women's camp, is being expanded by 130 beds. Fifty of these beds are already open; an additional 80 are expected to open by October 1, 2002 through remodeling of old barracks. Bill provides \$3.4 million, 47.2 FTEs for the additional 80 beds. (In addition, the Executive has requested capital outlay authorization for a 336-bed drop-in unit; those beds would not open during FY 2002-03, however.)

Beds	370	370	370
FTEs	76.6	76.6	76.6
Gross	\$5,852,600	\$5,852,600	\$5,852,600
GF/GP	\$5,852,600	\$5,852,600	\$5,852,600

Double-bunking at Camp Lehman, in Grayling, is expected to commence January 2003, adding 240 Level I beds, with accompanying funding of \$2.4 million for 29.4 FTEs.

4. Additional Beds at Crane and Riverside
Expansion of Crane (in Coldwater) and conversion and double-bunking of former reception center at Riverside (In Ionia) to add 160 beds and 210 beds, respectively. Full-year funding at Crane provided by internal transfer from Chippewa plus an additional 20.9 FTEs and \$653,600 Gross, \$641,100 GF/GP. Riverside increasing by 18.4 FTEs and partial-year funding of \$1.3 million.

Beds	370	370	370
FTEs	39.3	39.3	39.3
Gross	\$1,941,500	\$1,941,500	\$1,941,500
Restr	12,500	12,500	12,500
GF/GP	\$1,929,000	\$1,929,000	\$1,929,000

5. Use FY 2001-02 funds for Macomb, Saginaw
Macomb (in New Haven) and Saginaw (in Saginaw) each have one new drop-in unit of 240 beds, with FY 2001-02 funding for five and six months, respectively. Beds now to open March 2003 at Macomb and February 2003 at Saginaw. Full amount of FY 2001-02 funding is to be carried forward and added to base amount, generating "savings" for FY 2002-03.

Beds	0	0	0
FTEs	0.0	0.0	0.0
Gross	(\$1,924,300)	(\$1,924,300)	(\$1,924,300)
GF/GP	(\$1,924,300)	(\$1,924,300)	(\$1,924,300)

For Macomb, \$1.8 million is to be carried forward to offset additional costs of \$951,900, generating a negative adjustment of \$819,700. For Saginaw, \$2.0 million is to be carried forward to offset additional costs of \$925,500, generating a negative adjustment of \$1.1million.

6. "Annualize" FY 2001-02 Executive Order Reductions
Partial-year savings to be realized under Executive Order 2001-9 are extended to full-year for FY 2002-03. Bill reflects partial-year adjustments to dollars, full-year adjustments to beds and FTEs.

Beds	(1,258)	(1,258)	(1,258)
FTEs	(805.0)	(805.0)	(805.0)
Gross	(\$10,423,000)	(\$10,423,000)	(\$10,423,000)
Restr	(6,161,800)	(6,161,800)	(6,161,800)
GF/GP	(\$16,584,800)	(\$16,584,800)	(\$16,584,800)

7. Prisoner Health Care Costs
Bill includes \$3.3 million for projected price increases under new managed care contract for hospital and specialty care (current contract expires April 1, 2003), and \$4.0 million for pharmaceutical cost increases, including \$919,000 in increased costs of psychotropic drugs. These increases are exclusive of increases due to bed space expansions.

FTEs	0.0	0.0	0.0
Gross	\$7,260,100	\$7,260,100	\$7,260,100
GF/GP	\$7,260,100	\$7,260,100	\$7,260,100

Major Budget Changes from FY 2001-02 YTD Appropriations:

		<u>Executive</u>	<u>House</u>	<u>Senate</u> <u>6/18/02</u>
8. Federal Revenue Replacement	Gross	\$0	\$0	\$0
To replace anticipated loss of federal funds received under the State Criminal Alien Assistance Program: \$1.7 million. To comply with federal regulations regarding Violent Offender Incarceration/ Truth in Sentencing (VOI/TIS) grant program: \$196,100 for state oversight of privately-owned and -operated Youth Correctional Facility (lease, operational costs would continue to be funded with VOI/TIS grant money).	Federal	(1,890,400)	(1,890,400)	(1,890,400)
	GF/GP	\$1,890,400	\$1,890,400	\$1,890,400
9. Pugsley Step Increases	Gross	\$1,987,800	\$1,987,800	\$1,987,800
Former Camp Pugsley recently expanded by 800 beds and converted to Level I (minimum security) prison that opened in January 2001. FTEs added due to change were funded at second-year pay step; bill provides additional \$2.0 million to fund at third-year step.	GF/GP	\$1,987,800	\$1,987,800	\$1,987,800
10. Department of Information Technology (DIT)	FTEs	(130.5)	(130.5)	(130.5)
Transfers from various line items are collected in new \$16.1 million line item for "Information Technology Services and Projects," which would provide funding for DIT. Associated FTEs are removed from Corrections budget.	Gross	\$0	\$0	\$0
	GF/GP	\$0	\$0	\$0
11. Early Retirement Savings	Gross	(\$100)	(\$100)	(\$7,591,800)
Incorporates early retirement savings of \$7.6 million. Accommodates a 1:1 replacement on the 216 direct care facility staff who are retiring, and a 1:2 replacement on the 140 parole/probation agents and managers who are retiring. Five retiring wardens would be replaced with assumed overall savings of 10 percent. Other positions would be limited to 1:4 replacement. Additional funding of \$433,500 is provided; without this additional funding, the retirement savings would be \$8.0 million.	GF/GP	(\$100)	(\$100)	(\$7,591,800)
12. Target Reductions	Gross	\$0	\$0	(\$1,520,100)
Bill as passed by Senate on June 18, 2002 incorporates reductions of \$500,100 to the vaccination program, \$800,000 to the county jail reimbursement program, \$50,000 to eliminate liver testing for parolees, and \$170,000 to reduce academic/vocational programs to FY 2001-02 level. Associated boilerplate language would restore the funding if cigarette taxes were increased by at least 30 cents per pack by September 30, 2002.	GF/GP	\$0	\$0	(\$1,520,100)

Major Boilerplate Changes from FY 2001-02:***Sec. 207. Privatization Plan and Report***

Executive deleted current-year section requiring MDOC to submit privatization project plan at least 120 days before beginning any effort to privatize. **Senate** restored the language. **House** concurred with Senate.

Secs. 214 and 214a. Line Item Consolidations

Executive deleted current-year sections requiring reports on impacts of recent line item consolidations. **Senate** and **House** concurred.

Secs. 215 and 216. Youth Correctional Facility

Executive deleted current year sections requiring report on youth correctional facility and specifying responsibilities for contract monitor. **Senate** restored the language. **House** concurred with Senate.

Sec. 217. Youth Correctional Facility – Invitation to Bid

House would required copy of an invitation to bid on management services at the youth correctional facility to be given to chairs and vice-chairs of House and Senate appropriations subcommittees on corrections.

Secs. 219 and 1007. Academic/vocational Programs

Executive deleted current-year sections requiring reports and development of a program design for academic/vocational programs. **Senate** concurred. **House** retained Sec. 219 (1), which requires a detailed report on programs, enrollments, waiting lists, outcomes, and related information.

Major Boilerplate Changes from FY 2001-02:

Sec. 220. Restricted Revenues Report

Executive deleted current-year section requiring report on restricted fund balances and projected revenues and expenditures. **Senate** concurred. **House** retained the language as Sec. 224.

Sec. 220. Liver Enzyme Test for Parolees

House required department to offer an alanine aminotransferase (ALT) test to each prisoner approved for parole, and, prior to his or her parole, to provide the prisoner with test results and, if appropriate, a recommendation to seek follow-up medical attention in the community. (Elevated levels of ALT are indicative of liver damage due to hepatitis or cirrhosis.) **Senate**, on June 18, 2002, eliminated this language.

Secs. 259 and 260. Department of Information Technology

Executive included language for department to pay user fees to Department of Information Technology, subject to interagency agreement. Information technology appropriations could be designated as work projects and carried forward to support technology projects, subject to approval under the Management and Budget Act. **Senate** concurred, as did **House**.

Sec. 261. Early Retirement Savings

April 1, 2001, letter from Department of Management and Budget requested negative \$100 "place-holder" for early retirement savings. Associated boilerplate requires that by November 15, 2002, state budget director must request legislative transfers to apply the retirement savings to the appropriated line items affected by the early retirement program. **House** concurred. **Senate** on June 18 included language that provides for reductions in appropriation authorizations to occur only after approval of associated legislative transfers.

Sec. 262. Restoration of Target Reductions

Senate, on June 18, included language that provides for \$1.52 million in target reductions to be restored if the cigarette tax is increased by at least 30 cents per pack by September 30, 2002.

Secs. 302(2) and 303. Substance Abuse Testing and Treatment

Executive deleted current-year sections requiring report on allocation and expenditure of substance abuse testing and treatment funds, and requiring evaluation of in-prison treatment programs. **Senate** restored with modification language requiring a report on allocation and expenditure of substance abuse testing and treatment line item, and included new language expressing a legislative intent that testing and treatment funds be fully expended for that purpose. **House** concurred with Senate.

Sec. 405. Technical Violators of Parole and Probation

Executive deleted current-year section requiring development of alternatives to prison for technical violators of probation and parole. **Senate** concurred. **House** retained current law.

Sec. 601(1). Parole and Probation Agent Workload Ratios

Executive deleted current-year subsection urging MDOC to maintain parole/probation agent workload ration of 90:1. **Senate** restored the language. **House** concurred with Executive.

Secs. 701, 702, and 703. Community Corrections

Executive deleted current-year sections that outline community corrections programs and services and specify use of comprehensive plans and services funding. **Senate** restored the language. **House** concurred with Senate.

Sec. 706. County Jail Reimbursement Program Per-diem Payments

Executive replaced current schedule of per-diem payments under county jail reimbursement program with flat rate of \$43.50 per day, up to one year total. **Senate** originally concurred, as did **House**. On June 18, 2002, to effect \$800,000 reduction to jail reimbursement program, **Senate** reduced per-diem to \$42. Per-diem would increase to \$43.50 if cigarette taxes were increased by at least 30 cents per pack by September 30, 2002.

Sec. 902. Health Care Contracts - Vendor Payments, Quality of Prisoner Health Care, Auditor General Audit

Executive deleted current-year section requiring reports on health care vendor payments and prisoner health care quality and calling for audit of health care vendor payments. **Senate** restored portions for reporting on health care payments to vendors and prisoner health care quality, but not language calling for audit by auditor general. **House** concurred with Senate.

Sec. 905. Health Care Contracts – Invitations to Bid

House required copy of invitation to bid on managed care contract to be given to House and Senate subcommittee chairs and vice-chairs.

Sec. 906. Health Care Contracts – Ambulance Services

House expressed a legislative intent for department to ensure that local providers of ambulance services be reimbursed within 60 days of the filing of any uncontested claim for service.