Senate Bill S.B. 1102 (S-1 as reported)
Committee: Appropriations

FY 2001-02 Year-to-Date Gross Appropriation	**$1,682,754,400**
Changes from FY 2001-02 Year-to-Date:	
1. **Prison Capacity.** The budget includes $10,917,700 of full-year funding for beds opened in FY 2001-02 and $10,152,100 for reopening housing units at Jackson Maximum and Michigan Reformatory and double bunking two facilities. It decreases appropriations $1,924,300 by postponing the use of two drop-in units and carrying forward funds from FY 2001-02.	$19,145,500
2. **Annualized Savings.** The Governor and Senate recognize $15,091,800 in annualized savings from facility closings and staff reductions in E.O. 2001-9.	($15,091,800)
3. **Other Operational Adjustments.** The Governor and Senate recognize increased federal revenues for housing federal inmates ($58,600) and tracking prisoners' social security numbers ($100,000). The budget shifts $1,694,300 from federal funds to GF/GP to compensate for decreasing revenues from the State Criminal Alien Assistance Program. The budget includes increased use of federal Violent Offender Incarceration/Truth In Sentencing (VOITIS) funds for contract adjustments of $83,300 for the Michigan Youth Correctional Facility (MYC) as well as a funding shift of $196,100 from VOITIS funds to GF/GP for MYC administrative costs. It also recommends a third-year pay step funding increase of $1,987,800 at Pugsley Correctional Facility, and a $2,703,100 decrease to correct the Jackson Food Production Kitchen intradepartmental transfer.	($473,400)
4. **Field Operations.** The budget removes one-time costs of moving the Detroit office ($418,500) and recognizes increased collections of State and local tether revenue ($90,000).	($328,500)
5. **Health Care.** The Governor and Senate recommend increases for pharmaceutical costs ($3,960,400) and estimated increases in the managed care contract (3,299,700), up for renewal in April, 2003. The budget also includes $139,200 for full-year costs of managed care for the additional unit opened at Thumb Correctional Facility in October, 2001.	$7,399,300
6. **Fee Increases.** The Governor and Senate include the full year effect ($343,800) of increased parole/probation oversight fees changed in E.O. 2001-9. The budget replaces $175,000 of GF/GP and adds $168,800 to parole and probation services. The new fee structure requires further legislation to make the change permanent.	$168,800
7. **Economic Adjustments.**	$17,550,300
8. **Other Changes.** The budget decreases appropriations $363,900 to reflect the end of 1997 early retirement payouts and $1,798,200 in staff reductions to pay for employee economics. It recognizes the $1,500,000 full year effect of the County Jail Reimbursement Fund Fee implemented by 2001 PA 213 as a shift from GF/GP to state restricted funds, as well as the $4,500,000 supplemental increase from this source not yet passed by the legislature.	$2,337,900
9. **Comparison to Governor's Recommendation.** The Senate bill appropriates $0 Gross and $0 GF/GP over the Governor's recommended budget.	
Total Changes	$30,708,100
FY 2002-03 Senate Appropriations Subcommittee Gross Appropriation	**$1,713,462,500**

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Changes from FY 2001-02 Year to Date:

1. **Deletions.** The Governor recommended and the Senate concurred on a number of deletions regarding:
   - Quarterly reports of which reports have been submitted via the Internet (Section 208).
   - Special Alternative Incarceration line items and Prison line items consolidation savings (Section 214).
   - Clinical complex consolidation savings (Section 214a).
   - Milk and milk product production and distribution (Section 217).
   - Academic and vocational programming (Section 219).
   - Restricted fund balances, projected revenues, and expenditures (Section 220).
   - Implementation and evaluation of substance abuse programs (Section 306).
   - Parole Technical Violator Alternatives (Section 405).
   - Training for Field Operations employees who conduct drug tests (Section 606).
   - Children's Visitation programs (Section 1002).
   - Self Rehabilitation and Prison Build programs (Section 1007).
   - Cognitive Restructuring programs (Section 1008).

2. **Restored Language.** The Senate restored a number of sections which the Governor's budget had eliminated regarding:
   - Privatization (Section 207).
   - Purchase of American and Michigan goods and services (Section 209).
   - Contracts with businesses in deprived and depressed communities (Section 210).
   - Michigan Youth Correctional Facility quarterly reports (Section 215).
   - Michigan Youth Correctional Facility contract monitor (Section 216).
   - Staff/Prisoner Ratio reports (Section 404).
   - Parole/Probation Officer 90:1 Workload (Section 601 (1)).
   - Office of Community Corrections (Sections 203, 701,702,703,708,711).
   - Health Care Contracts (Section 902 (1) and (2)).
   - Hiring sufficient numbers of Nurses (Section 903).
   - Privatizing Pharmaceutical Services (Section 904).

3. **Hiring Freeze.** The Governor and Senate propose that Section 205(2) be changed so as to require reports on the exception to the hiring freeze quarterly rather than every month.

4. **Substance Abuse Programs.** The Executive budget deleted Section 302(2) requiring a report on Substance Abuse expenditures. The Senate added Sections 302 (2) and (3) establishing legislative intent that the funds in this line be fully expended for this purpose and requiring a revised report on Substance Abuse programing and expenditures.

5. **Community Jail Reimbursement.** The Governor's recommendation changed the State reimbursement to a standard per diem of $43.50 per offender for up to one year total. Currently, the per diem for the first 90 days is $47 for counties with populations higher than 100,000 and $42 for those with 100,000 or less; then, after 90 days, the per diem drops to $40 for up to one year in all counties. The Senate concurred. (Section 706)

6. **Department of Technology.** The budget adds Sections 259 and 260 regarding the use of appropriated information technology funds.

Date Completed: March 5, 2002 Fiscal Analyst: B. Wicksall