



Senate Fiscal Agency
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House Bill 4390 (S-1 as reported)
Committee: Appropriations

FY 2002-03 Year-to-Date Gross Appropriation	\$1,685,666,831
Changes from FY 2002-03 Year-to-Date:	
1. Prison Beds. The budget funds 1,446 partially-funded and unfunded beds opened in FY 2003.	12,040,000
2. Youth Correctional Facility. The budget provides for increases in the management contract and for 30 additional beds.	2,167,100
3. Other Operational Adjustments. The budget reflects other operational adjustments.	(2,130,900)
4. Conditional Reintegration Program (CRP). The budget reflects increased participant fees due to a proposed increase in the use of the program and shifts \$6.0 million from the inmate housing fund to the program.	1,865,100
5. Field Operations. The budget recognizes other adjustments within the Field Operations lines.	1,659,000
6. Health Care. The budget provides increases for the managed health care services contract, for increased costs and volume of pharmaceuticals, and for a new endoscopy unit. The House increased prisoner co-pays on medical visits to replace \$110,000 GF/GP. The Senate concurs.	12,777,500
7. Executive Order 2002-22. The budget reallocates reductions and reflects annualized savings.	(545,200)
8. County Jail Reimbursement Program. The budget adds \$1.0 million in increased restricted funding, reduces GF/GP by \$800,000, and reallocates \$5.5 million, of which \$2.5 funds a local facility housing program and \$3.0 million creates a felony drunk driver treatment program.	200,000
9. Academic/Vocational Programming. The budget eliminates academic programming for Level V prisoners to save \$2.6 million. The Senate restored \$8.5 million cut by the House.	(2,567,000)
10. Federal Funding. The budget recognizes changes in the availability of Federal funding.	351,000
11. Economic Adjustments. The budget includes economic increases for workers' compensation, food, fuel, utilities, and building occupancy charges. It does not fund approximately \$81 million in salary, insurance, and retirement increases.	5,938,800
12. Other Adjustments. The budget includes increases for leap year costs, past retirement rate shortfalls, restoration of community corrections grants, and research operations. Increases are partially funded through reductions in support staff, training, information technology and the end of early retirement pay-outs.	7,084,969
13. Points of Difference. The Senate creates points of difference in each line by reducing each by \$100.	(5,500)
14. Comparison to Governor. The Senate recommendation is \$5,500 Gross and \$115,500 GF/GP below the Governor.	
Total Changes	38,834,869
FY 2003-04 Senate Appropriations Committee Gross Appropriation	\$1,724,501,700

Changes from FY 2002-03 Year to Date:

1. **Retained.** The House and Senate retain a number of sections which the Executive budget deleted including:
 - Privatization (Section 207).
 - Buy American (Section 209).
 - Contracts with businesses from Deprived and Depresses Communities (Section 210).
 - Michigan Youth Facility Report (Section 215).
 - Michigan Youth Facility Contract Monitor (Section 216).
 - Michigan Youth Facility Contract Invitations to Bid (Section 217).
 - Hepatitis C Testing (Section 219).
 - Restricted Fund Report (Section 221).
 - Full Expenditure of Substance Abuse Testing and Treatment Funds (Section 302(2)).
 - Institutional Staffing Ratios (Section 404).
 - PA 511 Grant Process (Section 709).
 - Health Care Services and Contract Report (Section 902).
 - Sufficient Funds to Hire Nursing Staff to Limit Overtime (Section 903).
 - Cost/Benefit Analysis of Privatizing Pharmacy Services (Section 904).
 - Health Care Contract Invitations to Bid (Section 905).
 - Prompt Payment to Private Providers of Ambulance Services (Section 906).
 - Cognitive Restructuring Programs (Sec 1008).
2. **Contingency Funds.** The House and Senate delete Section 206 which allowed the transfer of contingency funds.
3. **Unspent Appropriations.** The Executive budget included language allowing the DOC to retain half of any unspent appropriations during FY 2002-03 for use in FY 2003-04. The House and Senate delete this section.
4. **Hepatitis C Study.** The House added language requiring the DOC to do a surveillance study of the prisoner population to determine the incidence of Hepatitis C and to report the results by April 1, 2004. The Senate concurs. (Section 218)
5. **Academic/Vocational Program Reductions.** The House added Section 220a to establish intent that the funds saved by the reduction in academic/vocation programs be used for education purposes. The Senate deletes this section.
6. **Unfunded Economics.** The Chair recommends adding new language requiring the department to report, by October 15, 2003, a detailed plan on how it will implement reductions to compensate for unfunded economic increases in salaries, insurance, and retirement. It specifies that the plan shall include but not be limited to any plans for layoffs, program changes, prisoner release and facility closures. (Section 224)
7. **County Jail Reimbursement Program (CJRP).** The Executive revised the CJRP reimbursement criteria to eliminate automatic reimbursement for third time drunk drivers. Counties would still receive reimbursement for felony drunk drivers who are true prison diversions. The House and Senate concur. (Section 706)
8. **Prisoner Transport.** The Senate requires a cost/benefit analysis on privatizing prisoner transport. (Section 406)
9. **Local Facility Housing Program.** The Governor's recommendation added Section 707 to provide direction for a local facility expansion and housing program funded through the CJRP changes. The House reduced the funding for this line and revised the boilerplate to narrow the use of funding to only reimburse counties for housing State prisoners. The Senate concurs with the House.
10. **Felony Drunk Drivers.** The House added Section 710 to provide direction for a new felony drunk driver jail reduction and community treatment program funded through the CJRP and facility housing program changes. The program would assist counties in opening jail beds by providing funding to support the movement of felony drunk drivers into community treatment programs. The open jail beds could then be used to further prison diversion efforts. The Senate concurs.
11. **Prisoner Sex Changes.** The Senate amends this to require it to be medically necessary according to the Chief Medical Officer of the department rather than just a physician. (Section 901)
12. **Abuse of Medical Services.** The House added Section 907 to encourage the DOC to identify and manage prisoners who take advantage of medical services by obtaining off-site medical care when unnecessary. The Senate concurs.

Date Completed: June 11, 2003

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