

**FY 2007-08 DEPARTMENT OF CORRECTIONS
HB 4348 (H-1) as passed by the House
SUMMARY 6/29/07**



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	FY 2006-07 YTD	FY 2007-08 Executive (Rev. 6/14/07)	FY 2007-08 House	FY 2007-08 Senate	FY 2007-08 Enacted	Difference: House From FY 2006-07 YTD	
						Amount	%
IDG/IDT	\$1,238,400	\$1,264,600	\$1,264,600			\$26,200	2.1
Federal	11,431,500	10,340,700	10,340,700			(1,090,800)	(9.5)
Local	420,900	429,700	429,700			8,800	2.1
Private	0	0	0			0	0.0
Restricted	68,775,700	57,479,500	70,285,900			1,510,200	2.2
GF/GP	1,858,555,000	1,966,046,400	2,032,900,000			174,345,000	9.4
Gross	\$1,940,421,500	\$2,035,560,900	\$2,115,220,900			\$174,799,400	9.0
FTEs	17,798.0	18,202.2	18,291.2			493.2	2.8
Avg. Pop.	51,490	52,890	53,444			1,954	3.8

Note: FY 2006-07 figures do not reflect any supplementals or Executive Order actions occurring after February 8, 2007

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 2006-07 YTD Appropriations

SENTENCING AND POLICY CHANGES

1. Sentencing Changes: Savings and Expenditures

Includes negative appropriation of \$76.0 million, representing savings anticipated under increases in the numbers of parolees and changes to sentencing statutes. The negative appropriations are offset by new line item of \$19.9 million for "field operations reinvestment," to fund additional local resources to accommodate supervision and services for affected offenders.

Executive: negative appropriation of \$122.0 million offset by \$19.9 million for "field operations reinvestment," and \$10.1 million for "community and local reinvestment."

House: reduces anticipated savings by \$46.0 million (halving original net savings of \$92.0 million), and replaces the proposed "community reinvestment" line with a \$10.1 million increase for Community Corrections Comprehensive Plans and Services (see No. 16, below).

	FY 2006-07 YTD (as of 2/8/07)	House Change From YTD
Beds	N/A	0
FTEs	N/A	0.0
Gross	N/A	(\$76,000,000)
GF/GP	N/A	(\$76,000,000)

2. Sentence Commutations

The Executive budget recommendation includes plans to review specific subpopulations of prisoners – such as those who are medically fragile, elderly, or deportable – for possible sentence commutations and subsequent parole. However, no associated budgetary adjustments are proposed.

Beds	N/A	0
FTEs	N/A	0.0
Gross	N/A	\$0
GF/GP	N/A	\$0

Major Budget Changes From FY 2006-07 YTD Appropriations		FY 2006-07 YTD (as of 2/8/07)	House Change From YTD
3. Legislative Corrections Ombudsman	Gross	\$0	\$1,250,000
House: funds interdepartmental grant to the Legislative Council for the reestablishment of the legislative corrections ombudsman's office.	GF/GP	\$0	\$1,250,000
4. Sentencing Guidelines Commission	Gross	\$0	\$500,000
House: funds interdepartmental grant to the Legislative Council for the reestablishment of the sentencing guidelines commission.	GF/GP	\$0	\$500,000
5. Mental Health Treatment Courts	Gross	\$0	\$1,900,000
House: funds pilot mental health treatment dockets through interdepartmental grants to the state court administrative office and the Department of Community Health. Associated boilerplate calls for pilot programs to be funded in Wayne, Macomb, Genesee, and Kalamazoo counties, with the aim of reducing the numbers of mentally ill offenders in prison and jail.	GF/GP	\$0	\$1,900,000
6. Parolee Drug Treatment Courts	Gross	\$0	\$1,300,000
House: funds interdepartmental grant to the state court administrative office to fund drug treatment courts working in conjunction with MPRI to reduce the number of parolees being returned to prison for substance abuse violations. Associated boilerplate allocates \$100,000 for independent study of parolee drug courts.	GF/GP	\$0	\$1,300,000
PRISON AND CAMP OPERATIONS			
7. Additional Prison and Camp Beds	Beds	51,490	1,400
Funds full-year costs of 1,640 beds opening ahead of expectations in Fiscal Year 2006-07 (or earlier). Adjustments included for:	FTEs	N/A	219.4
	Gross	N/A	\$28,096,200
<ul style="list-style-type: none"> A total of 480 beds at three facilities, 240 of which received phased three-month funding of \$588,200 and 32.4 FTEs in FY 2006-07 (increases over current year of 240 beds, 32.4 FTEs, and \$7.1 million) Level IV drop-in unit at Macomb, completed in FY 1999-00, but never opened (240 beds, 45.0 FTEs, \$4.8 million) Camp White Lake, new women's camp developed at former Camp Gilman (80 beds, 37.2 FTEs, \$3.5 million) Closure of Jackson complex's 8-Block and re-opening of A and B units, all at Parnall (177 beds, 22.0 FTEs, \$2.6 million) Miscellaneous beds at nine facilities (663 beds, 84.8 FTEs, \$10.1 million) 	GF/GP	N/A	\$28,096,200
Executive: includes			
House: includes			

Major Budget Changes From FY 2006-07 YTD Appropriations		FY 2006-07 YTD (as of 2/8/07)	House Change From YTD
8. Additional Prison and Camp Funding		Gross	N/A
Revised Executive Recommendation provides additional funding consistent with consensus caseload estimates of total funding needs. Executive recommends adjustments for:		GF/GP	\$9,280,900
<ul style="list-style-type: none"> Cooper Street, to fund beds being added in open-bay cubicles (312 beds, 30.4 FTEs, \$3.4 million) Huron Valley, to fund additional beds at the men's and women's facilities and at Camp Valley (114 beds, 16.2 FTEs, \$1.7 million) Mound and Ryan correctional facilities, to fund continued staffing of guard towers (19.8 FTEs and \$1.5 million each) Parnall, to fund additional beds (48 beds, 0.0 FTEs, \$158,100) Scott, to fund additional beds at Camp White Lake (80 beds, 2.8 FTEs, \$703,400) 			\$9,280,900
Revised Executive: includes			
House: includes			
9. Fuel and Utilities Increases		Gross	N/A
Recognizes unfunded costs of fuel and utilities increases. While the department received a \$2.2 million economic increase for fuel and utilities in FY 2006-07, it did not receive any economic increases for fuel and utilities in FY 2004-05 or FY 2005-06.		GF/GP	\$4,000,000
Executive: includes			\$4,000,000
House: includes			
10. Contractual Dry Cleaning Allowance		Gross	N/A
Recognizes unfunded costs of increased payments for dry cleaning allowances under recent bargaining agreements. Under the most recent contract with the Michigan Corrections Organization, annual dry cleaning allowances for uniformed employees increased from \$250 to \$575, with expenditures commencing October 1, 2005. An agreement with the Michigan Association of Governmental Employees provided the increase to uniformed supervisory employees.		GF/GP	\$3,341,700
Executive: includes			\$3,341,700
House: includes, but adds boilerplate to limit payments			
11. Hospital Security Coverage		FTEs	N/A
Provides additional FTE authorization and funding to recognize increased costs of security coverage for hospitalized prisoners, who are accompanied by two officers. Most of the costs associated with the additional FTES would be absorbed with existing funding, which has supported overtime costs incurred as a result of increased hospital coverage.		Gross	N/A
Executive: includes		GF/GP	138.0
House: includes			\$1,100,000
			\$1,100,000

Major Budget Changes From FY 2006-07 YTD Appropriations		FY 2006-07 YTD (as of 2/8/07)	House Change From YTD
MICHIGAN PRISONER RE-ENTRY INITIATIVE (MPRI), COMMUNITY PROGRAMS, AND FIELD OPERATIONS			
12. Statewide MPRI Roll-Out			
Provides full-year funding for statewide implementation of the community portion of the Michigan Prisoner Re-Entry initiative, which incorporates prisoner assessment, individual case management, prison in-reach services, and integrated programs in the community in an effort to improve success on parole and reduce recidivism. Eight pilot sites involved in Phase I implementation were provided \$5.0 million for nine-month funding in FY 2005-06. Executive proposes an increase of \$20.6 million to establish full-year funding for Phase I, along with Phases II and III pilot sites. Executive: increases by \$20.6 million House: increases by \$43.7 million		Gross \$12,552,900	\$43,661,400
	Federal	1,035,000	0
	GF/GP	\$11,517,900	\$43,661,400
13. Additional MPRI-Related Staff: Prisons and Central Office			
Funds an additional 16.0 parole agent FTEs (\$1.4 million), who would be placed in prisons to coordinate planning and transitional services for paroling prisoners. Also provides 4.0 FTEs and \$315,000 to provide additional intake staff to administer the COMPAS assessment tool, which identifies each offender's criminogenic risk and needs, and which is used in developing each prisoner's case plan under MPRI. Also funds one additional file screener (\$89,300) for the parole board, to review MPRI-related cases prior to parole to ensure that appropriate arrangements for transportation, placement, and programming have been made. Executive: includes House: includes		FTEs N/A	21.0
	Gross	N/A	\$1,772,700
	GF/GP	N/A	\$1,772,700
14. County Jail Reimbursement Program			
Funds the county jail reimbursement program at \$4.1 million in civil infraction fee revenues. Associated boilerplate would allow reimbursement for felons whose sentencing guidelines scores place them in the presumptive-prison category, and for parole violators with new sentences who were not sentencing guidelines "lockouts." Current law reimburses for presumptive-prison felons and certain straddle cell offenders. Executive: reduces program to \$100 placeholder House: provides \$4.1 million		Gross \$13,249,000	(\$9,149,000)
	Restricted	13,249,000	(9,149,000)
	GF/GP	\$0	\$0
15. Local Jail Programs			
Creates a new line for local jail programs to be funded at \$6.9 million with a combination of civil infraction fee revenue and telephone fee revenue. Statutory changes would be necessary to allow civil infraction fee revenue to be spent on this program. Associated boilerplate would designate the funding for projects and proposals undertaken or in place due to current-session changes to sentencing laws. Allowed expenditures would include, but not be limited to, employment and training services, education, community service, and drug, alcohol, and mental health treatment services. The money also could be used for jail construction or renovation. Executive: not included House: includes		Gross \$0	\$6,900,000
	Restricted	0	6,900,000
	GF/GP	\$0	\$0

		FY 2006-07 YTD (as of 2/8/07)	House Change From YTD	
Major Budget Changes From FY 2006-07 YTD Appropriations				
16. Community Corrections Comprehensive Plans and Services		Gross	\$12,533,000	\$10,086,000
Increases funding for community corrections comprehensive plans and services by \$10.1 million, with accompanying boilerplate that allocates the money for services provided due to current-session changes to sentencing laws.		GF/GP	\$12,533,000	\$10,086,000
Executive: not included				
House: includes				
17. Parole and Probation Special Operations (Project Joshua)		FTEs	0.0	0.0
Current-year supports joint operations between parole and probation agents, police, and prosecutors; \$1.3 million appropriation includes \$500,000 allocation for attorney general.		Gross	\$1,300,000	(\$1,300,000)
Executive: includes this line item without change		GF/GP	\$1,300,000	(\$1,300,000)
House: eliminates line item for this program.				
18. Additional Field Agents		FTEs	1,770.9	12.0
Executive: adds 12 agents and \$1.0 million to recognize the allocation of field operations resources to Project Joshua and Project Safe Neighborhoods (an analogous federal program).		Gross	\$143,801,000	\$1,026,400
House: directs the increases to field operations support for MPRI		GF/GP	\$126,800,800	\$1,026,400
19. Kiosk Reporting		Gross	N/A	\$136,000
Funds purchase, installation, and operation of ten kiosks to pilot automated reporting and payment of supervision fees by low-risk parolees and probationers. Offender identification would be confirmed through use of a swipe card combined with biometric technology such as a thumbprint reader.		GF/GP	N/A	\$136,000
Executive: includes				
House: includes				
OFFENDER HEALTH CARE AND TREATMENT				
20. Hospital and Specialty Care		Gross	\$58,851,700	\$20,871,300
Revised Executive: increases baseline appropriations by \$23.2 million to reflect consensus estimates of projected spending.		GF/GP	\$58,851,700	\$20,871,300
House: reduces Revised Executive by \$4.2 million, representing six-month savings to be achieved through changes in contracting, pricing, and scheduling prisoner health care.				
21. Prison Clinics		Gross	\$127,767,300	\$11,803,400
Increases appropriations to prison clinics by a combined \$10.4 million to fund pharmaceutical cost increases deriving from price, utilization, and population increases, and an additional \$1.4 million to reflect consensus caseload estimates. Estimated unfunded costs were \$12.4 million in FY 2005-06; Executive offsets with estimated savings of \$2.0 million to be gained through changes in the formulary and a newly-implemented contract for pharmaceutical services.		Restricted	331,400	0
Revised Executive: includes		GF/GP	\$127,435,900	\$11,803,400
House: includes				
22. Mental Health Outpatient Treatment		FTEs	N/A	0.0
Funds two additional mental health outpatient treatment teams, whose services would be provided through the Department of Community Health.		Gross	N/A	\$1,979,600
Executive: includes		GF/GP	N/A	\$1,979,600
House: includes				

		FY 2006-07 YTD (as of 2/8/07)	House Change From YTD
Major Budget Changes From FY 2006-07 YTD Appropriations			
23. Residential Substance Abuse Treatment and Testing	Gross	\$18,311,000	\$789,400
Replaces federal funding being eliminated for residential substance abuse treatment (RSAT) program funding for prisoners; GF/GP replacement of FY 2005-06's \$950,600 in federal support would enable existing therapeutic community programs at Cooper Street (152 beds) and Huron Valley Women's facility (40 beds) to be maintained.	Federal	1,822,800	(950,600)
	GF/GP	\$16,488,200	\$1,740,000
With regard to parolees and probationers, provides \$789,400 to meet anticipated cost increases under new three-year residential treatment contracts, which are to be re-bid in FY 2007-08.			
Executive: includes			
House: includes			
24. Mental Health Study	Gross	\$0	\$300,000
House: funds independent report on prevalence of mental illness and substance abuse problems in the prisoner population; associated boilerplate requires department to contract with a state university for an independent study to compile data and develop recommendations.	GF/GP	\$0	\$300,000
TRAINING AND OTHER PERSONNEL COSTS			
25. New Officer Training	Gross	\$11,750,600	\$2,680,100
Funds training for 776 new corrections officers, up from the approximately 650 funded under the FY 2006-07 enacted budget.	GF/GP	\$11,750,600	\$2,680,100
Executive: includes			
House: includes			
26. Employee Health Insurance	Gross	N/A	\$2,000,000
Recognizes unfunded increased costs of health insurance for MDOC employees, about 65.3% of whom participate in the State Health Plan, while another 9.5% participate in Physicians Health Plan (PHP), rather than less-expensive HMO plans, which reportedly tend to be less accessible for many outstate and upper peninsula MDOC employees.	GF/GP	N/A	\$2,000,000
Executive: includes			
House: includes			
27. Retiree Leave Payouts	Gross	N/A	(\$1,232,100)
Eliminates funding for employee leave payouts deriving from FY 2001-02's early retirement offer, which was accepted by about 620 Department of Corrections employees. Under the terms of that early-out program, payable employee leave was paid out over a period of five years.	GF/GP	N/A	(\$1,232,100)
Executive: includes			
House: includes			
MISCELLANEOUS ADJUSTMENTS AND ECONOMICS			
28. Public Works User Fees	Gross	\$1,806,500	\$0
House: assumes a doubling of user fees generally charged for use of prisoner public works crews from \$15 per prisoner per day to \$30 per prisoner per day, and uses the revenue to offset GF/GP appropriations in the affected line items. Does not affect \$2.0 million in public works revenue assumed through MDOT utilization of prisoner work crews.	Restricted	1,806,500	1,806,500
	GF/GP	\$0	(\$1,806,500)

Major Budget Changes From FY 2006-07 YTD Appropriations		FY 2006-07 YTD (as of 2/8/07)	House Change From YTD
29. Telecommunications Upgrade	Gross	N/A	\$1,115,800
Provides \$1.1 million to upgrade to DIT's telecommunications platform and participate in DIT-managed telecommunications, with regular replacement of outdated switches and routers, and ongoing off-site monitoring of equipment. Cost of \$1.3 million in total per-connection charges, offset by \$200,000 savings, representing existing DIT resources being used to support MDOC telecommunications.	GF/GP	N/A	\$1,115,800
Executive: includes			
House: includes			
30. Parolee Loan Program	Gross	\$294,400	(\$134,400)
House: reduces funding for parolee loan program to FY 2006-07 projected expenditure of \$160,000.	GF/GP	\$294,400	(\$134,400)
31. Economic Adjustments	Gross	N/A	\$84,890,100
Includes total economic adjustments of \$84.4 million (\$82.4 million GF/GP), of which \$506,800 (\$487,600 GF/GP) is for DIT.	IDG/IDT	N/A	26,200
• \$42,283,700 gross, \$41,264,200 GF/GP for salaries/wages	Federal	N/A	21,400
• \$16,714,900 gross, \$16,312,000 GF/GP for insurances	Local	N/A	8,800
• \$24,356,500 gross, \$23,769,300 GF/GP for retirement	Restricted	N/A	1,953,200
• \$938,100 gross and GF/GP for food	GF/GP	N/A	\$82,880,500
• \$1,520,700 gross and GF/GP for fuel and utilities			
• \$4,600 gross and GF/GP for building occupancy charges			
• (\$928,400) decrease gross and GF/GP for workers' compensation			
Executive: includes			
House: includes			

Major Boilerplate Changes From FY 2006-07

Sec. 207a. Privatization Cost-Benefit Analyses and Criteria – NEW

Requires cost-benefit analyses and legislative approval prior to privatizing services or activities provided by state employees and prohibits implementation of privatization project plans unless savings of at least ten percent are to be achieved.

Sec. 218. Dry Cleaning Allowances – NEW

Expresses legislative intent that no expenditures for employee dry cleaning allowances be made or obligations to pay dry cleaning allowances be incurred following December 31, 2007.

Sec. 219. Prisoner Telephone Calls – NEW

Expresses legislative intent that any contract for prisoner telephone services include a condition that fee schedules for prisoner telephone calls be the same as fee schedules for calls placed from outside of correctional facilities.

Sec. 407. Michigan Prisoner Re-entry Program (MPRI) Standards – NEW

Requires development, implementation, and report on uniform minimum standards for MPRI pilot sites and the expenditure of MPRI funds.

Sec. 408. Prisoners Discharged on the Maximum – RETAINED

Retains requirement for report on prisoners discharged on the maximum, that is, those who "max out" rather than get paroled. Report includes information on recidivism, offenses committed, and educational history.

Sec. 409. Recidivism Report – RETAINED

Retains requirement for report on current and historical recidivism rates and cross-state comparisons.

Major Boilerplate Changes From FY 2006-07

Sec. 410. Legislative Corrections Ombudsman – NEW

Provides for interdepartmental grant to the Legislative Council for the reestablishment of the legislative corrections ombudsman's office.

Sec. 411. Sentencing Guidelines Commission – NEW

Provides for interdepartmental grant to the Legislative Council for the reestablishment of the sentencing guidelines commission.

Sec. 412. Mental Health Study – REVISED

Revises requirement for report on prevalence of mental illness and substance abuse problems in the prisoner population, and requires department to contract with a state university for an independent study to compile data and develop recommendations.

Sec. 413. Drug Treatment Courts – NEW

Provides interdepartmental grant to the state court administrative office to fund drug treatment courts working in conjunction with MPRI to reduce the number of parolees being returned to prison for substance abuse violations. Includes \$100,000 allocation for an independent study of the parolee drug court program.

Sec. 414. Mental Health Treatment Courts – NEW

Provides \$684,000 interdepartmental grant to the state court administrative office to fund four pilot mental health treatment courts in Wayne, Macomb, Genesee, and Kalamazoo counties, with the aim of reducing the numbers of mentally ill offenders in prison and jail. Also provides \$1,116,800 interdepartmental grant to Department of Community Health for distribution to community mental health agencies to work in conjunction with the four pilot mental health courts, and provides a \$100,000 interdepartmental grant to the state court administrative office for an independent study of the mental health treatment court program.

Sec. 504. Assaultive Offender Treatment – RETAINED

Retains requirement for department to maintain certain efforts with regard to provision of assaultive offender treatment.

Sec. 608. GPS Tether – REVISED

Requires more details in report on new global positioning system (GPS) tether program.

Sec. 609. Kiosk Reporting Stations – NEW

Requires report on implementation of kiosk reporting stations for parolees and probationers.

Sec. 703a. Community Corrections Comprehensive Plans and Services – NEW

Allocates \$10.1 million increase in comprehensive plans and services for services provided due to current-session changes to sentencing laws.

Sec. 706. County Jail Reimbursement Program – REVISED

Allows reimbursement for presumptive-prison felons and for parole violators with new sentences who were not sentencing guidelines lockouts. Current law reimburses for presumptive prison felons and certain straddle cell offenders. Eliminates requirement for periodic study of impact of sentencing guidelines, and for associated development of recommendations from department, Michigan Association of Counties, and Michigan Sheriffs' Association.

Sec. 706a. Local Jail Programs – NEW

Designates funding for new Local Jail Program line item, allowing expenditures for projects and proposals undertaken or in place due to current-session changes to sentencing laws. Allowed expenditures would include offender programs and services, and jail construction or renovation.

Sec. 902. Health Care Contracting – REVISED

Requires quarterly reports on expenditures, allocations, and projected expenditures from accounts for prisoner health care, and requires detailed reports on preliminary and final findings of the National Commission on Correctional Health Care. Retains an expression of legislative intent that local health care providers be considered and given the opportunity to bid as vendors under future managed care contracts.

Sec. 911. Administrative Segregation – NEW

Specifies deadlines for prisoners placed in segregation to be examined and reassessed by mental health clinicians, and provides for recommendations and transfers to mental health units.

Major Boilerplate Changes From FY 2006-07

Sec. 1001. Smoking Areas – RETAINED

Retains language requiring designated smoking areas for prisoners and staff, with exemption for areas that house prisoners with special medical needs.

Sec. 1006. Public Works Projects – REVISED

Adds expression of legislative intent that upon any increase in fees charged for the use of prisoner labor, prisoner pay be increased proportionately.

Sec. 1007. Academic/Vocational Report – RETAINED

Retains report on academic/vocational programs, including status of compliance with recent auditor general findings.

Sec. 1008. General Education Development (GED) Report – RETAINED

Retains requirement for information on educational levels of prison intake, and recidivism data sorted by GED completion and MPRI participation.

Sec. 1009. GED and Recidivism Report – RETAINED

Retains report on offender educational history, GED completion rates, and impact of GED completion on offender recidivism.

Sec. 1101. Sentencing Reform – NEW

Requires department to provide plan on October 1 that details how the negative line item for sentencing reform policy savings is to be satisfied, and provides for legislative transfer of the savings to affected line items.

Sec. 1102. Field Operations Reinvestment – NEW

Requires department to provide plan on October 1 that details how the line item for field operations reinvestment is to be spent, and requires quarterly reports on expenditures.