

**FY 2007-08 DEPARTMENT OF CORRECTIONS
HB 4348 CR-1*
SUMMARY 10/29/07 (Revised)**



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	FY 2006-07 YTD (October 2007)	FY 2007-08 Executive (Rev. 6/14/07)	FY 2007-08 House	FY 2007-08 Senate (SB 511)	FY 2007-08 Conference	Difference: Conference From FY 2006-07 YTD	
						Amount	%
IDG/IDT	\$2,108,400	\$1,264,600	\$1,264,600	\$1,264,600	\$1,264,600	(\$843,800)	(40.0)
Federal	11,420,200	10,340,700	10,340,700	10,340,700	10,340,700	(1,079,500)	(9.5)
Local	420,900	429,700	429,700	429,700	429,700	8,800	2.1
Private	0	0	0	0	0	0	0.0
Restricted	67,796,000	57,479,500	70,285,900	70,062,600	70,149,600	2,353,600	3.5
GF/GP	1,871,877,500	1,966,046,400	2,032,900,000	1,940,360,800	1,996,084,500	124,207,000	6.6
Gross	\$1,953,623,000	\$2,035,560,900	\$2,115,220,900	\$2,022,458,400	\$2,078,269,100	\$124,646,100	6.4
FTEs	17,798.0	18,291.2	18,291.2	17,356.5	17,653.4	(144.6)	(0.8)
Avg. Pop.	51,490	53,444	53,444	52,111	51,841	351	0.7

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

**FY 2006-07 YTD
(as of 2/8/07)**

**Conference
Change**

PRISON AND CAMP OPERATIONS

1. Prison and Camp Beds Opened Prior to FY 2007-08

Funds full-year costs of 1,110 beds opening by end of FY 2006-07.
Adjustments are included for:

- 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)
- 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 eight facilities (613 beds, 80.6 FTEs, \$9.5 million)

Beds	N/A	1,110
FTEs	N/A	175.2
Gross	N/A	\$22,693,900
GF/GP	N/A	\$22,693,900

Executive: included, but also included funding for 240-bed drop-in unit at Macomb (45.0 FTEs, \$4.8 million) and 50-bed expansion at Camp Branch (4.2 FTEs, \$574,800)

House: same as Executive

Senate: included only Camp White Lake

Conference: recognizes full-year delay in opening of 240-bed unit at Macomb, and of 50 additional beds proposed for Camp Branch at Lakeland, reducing Executive Recommendation by 49.2 FTEs and \$5.4 million.

Major Budget Changes From FY 2006-07 YTD AppropriationsFY 2006-07 YTD
(as of 2/8/07)Conference
Change**2. Additional Beds in Revised Executive Recommendation**

Funds additional beds included in revised Executive Recommendation, issued in response to consensus caseload estimates of total funding needs. Executive recommends adjustments for:

Beds	N/A	554
FTEs	N/A	49.4
Gross	N/A	\$5,989,800
GF/GP	N/A	\$5,989,800

- 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)
- 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)

Revised Executive: included**House:** included**Senate:** included**Conference:** includes**3. Additional Beds Opening Early FY 2007-08**

Funds beds opening in early FY 2007-08:

Beds	N/A	788
FTEs	N/A	100.8
Gross	N/A	\$9,981,200
GF/GP	N/A	\$9,981,200

- Additions of eighth bunk to open-bay units at various facilities. (688 beds, 82.8 FTEs, \$8.6 million Gross and GF/GP)
- Additional beds at Huron Valley Complex (100 beds, 18.0 FTEs, \$1.4 million Gross and GF/GP)

Executive: not included**House:** not included**Senate:** not included**Conference:** includes**4. Jackson and Camp Manistique Closures**

Savings associated with closure of the following:

Beds	N/A	(2,228)
FTEs	N/A	(582.8)
Gross	N/A	(\$50,716,200)
GF/GP	N/A	(\$50,450,500)

- Southern Michigan Correctional Facility in Jackson (November 15, 1,481 beds, 435.8 FTEs, \$36.8 million Gross, \$36.6 million GF/GP)
- Jackson 7-Block (Egeler Annex; closed July 2007, 483 beds, 100.0 FTEs, \$9.3 million Gross and GF/GP)
- Camp Manistique in Munising (October 20, 264 beds, 47.0 FTEs, \$4.6 million Gross, \$4.5 million GF/GP)

Executive: not explicitly included (implicitly included in sentencing reform savings)**House:** not explicitly included (implicitly included in sentencing reform savings)**Senate:** included estimated savings for Southern Michigan closure**Conference:** includes**5. Close Riverside, Re-open Michigan Reformatory**

Savings through closure of Riverside Correctional Facility in Ionia and reopening of Michigan Reformatory, scheduled for early November.

Beds	N/A	127
FTEs	N/A	(26.1)
Gross	N/A	(\$1,794,400)
GF/GP	N/A	(\$1,794,400)

Executive: not included**House:** not included**Senate:** included at earlier estimate of \$2.0 million**Conference:** includes

Major Budget Changes From FY 2006-07 YTD Appropriations		FY 2006-07 YTD (as of 2/8/07)	Conference Change
6. Facility Staffing Efficiencies	FTEs	N/A	(79.0)
Recognizes full-year savings from revision of facility staffing charts.	Gross	N/A	(\$5,877,400)
Executive: not included	GF/GP	N/A	(\$5,877,400)
House: not included			
Senate: not included			
Conference: includes			
7. Regionalization at Kinross, Ionia, and Jackson	FTEs	N/A	(46.5)
Consolidates certain functions at three complexes. Each region would be reduced to one of each of the following: business office, warehouse, food service director, physical plant superintendent, master electrician, and plumber.	Gross	N/A	(\$2,631,700)
Executive: not included	GF/GP	N/A	(\$2,631,700)
House: not included			
Senate: not included			
Conference: includes			
8. Fuel and Utilities Increases	Gross	N/A	\$4,000,000
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	N/A	\$4,000,000
Executive: included			
House: included			
Senate: included			
Conference: includes			
9. Contractual Dry Cleaning Allowance	Gross	N/A	\$3,341,700
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	N/A	\$3,341,700
Executive: included			
House: included, but added boilerplate to limit payments			
Senate: included, but added boilerplate to limit payments			
Conference: includes, but adds boilerplate to limit payments			
10. Public Works Program	Gross	N/A	(\$1,500,000)
Assumes savings through delayed reinstatement of the public works program, which was discontinued late in FY 2006-07 to maintain staff resources and minimize overtime at the facilities. Also 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.	Restricted	N/A	1,286,900
Executive: not included	GF/GP	N/A	(\$2,786,900)
House: included full-year impact of doubling of user fees			
Senate: included full-year impact of doubling of user fees			
Conference: includes			

Major Budget Changes From FY 2006-07 YTD Appropriations**11. Hospital Security Coverage**

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.

Executive: included

House: included

Senate: included

Conference: includes

	FY 2006-07 YTD (as of 2/8/07)	Conference Change
FTEs	N/A	138.0
Gross	N/A	\$1,100,000
GF/GP	N/A	\$1,100,000

12. Additional Staffing Costs in Revised Executive Recommendation

Funds staffing costs included in Executive revision in response to consensus estimates of FY 2007-08 caseload costs. Includes adjustments for:

- Mound and Ryan correctional facilities, to fund continued staffing of guard towers (19.8 FTEs and \$1.5 million each)
- Saginaw Correctional Facility, for costs attributed to increased hospital security coverage (\$346,900)

Revised Executive: included

House: included

Senate: included

Conference: includes

FTEs	N/A	39.6
Gross	N/A	\$3,290,500
GF/GP	N/A	\$3,290,500

13. New Officer Training

Provides for training of approximately 650 new corrections officers, down from the roughly 700 funded under the FY 2006-07 enacted budget. Funds recruits' wages and benefits for the 16-week training course, as well as manuals, forms, travel, and uniforms, for a total cost per graduate of \$17,350.

Executive: increase of \$2.7 million for 776 new corrections officers, up from the approximately 650 trainees funded under FY 2006-07 enacted budget.

House: same as Executive

Senate: incorporated \$2.5 million Executive Order reduction, funding training at \$180,100 over FY 2006-07 enacted budget

Conference: reduces Executive by \$3.5 million, funding training at about \$819,900 below FY 2006-07 enacted budget

Gross	\$11,750,600	(\$819,900)
GF/GP	\$11,750,600	(\$819,900)

14. Telephone Fees and Commissions

Assumes elimination of revenues received under contract for prisoner telephone service, which expires July 6, 2008. Associated boilerplate expresses a legislative intent that any subsequent contract for prisoner telephone service include a condition that fee schedules for prisoner telephone calls generally be the same as those for calls placed from outside of correctional facilities. Telephone fee revenues are divided among several line items: community corrections residential services, county jail reimbursement program, field operations, community re-entry centers, and the felony drunk driver program. FY 2006-07 telephone fee revenue is expected to be about \$10.2 million.

Executive: not included

House: included language, but not changes to restricted and GF/GP revenues

Senate: not included

Conference: includes

Gross	\$12,700,000	\$0
Restricted	\$12,700,000	(1,600,000)
GF/GP	\$0	\$1,600,000

Major Budget Changes From FY 2006-07 YTD AppropriationsFY 2006-07 YTD
(as of 2/8/07)Conference
Change**15. Facility Maintenance and Repurposing**

Funds feasibility study on potential future uses of closed prisons, camps, and prison farms in the Upper Peninsula, such as Camp Manistique and Marquette's Mangum Farm. Also funds maintenance and security costs associated with mothballed Camp Manistique.

Executive: not included

House: not included

Senate: not included

Conference: includes

Gross
GF/GP

N/A
N/A

\$120,000
\$120,000

SENTENCING AND POLICY CHANGES**16. Sentencing Changes: Savings and Expenditures**

Executive proposed negative appropriation of \$122.0 million, representing savings anticipated under increases in the numbers of paroles and changes to sentencing statutes. Executive offset savings with \$19.9 million for "field operations reinvestment," and \$10.1 million for "community and local reinvestment."

Executive: included

House: reduced anticipated savings by \$46.0 million (halving original net savings of \$92.0 million), and replaces the new "community reinvestment" line with a \$10.1 million increase for Community Corrections Comprehensive Plans and Services

Senate: not included

Conference: does not include

Beds
FTEs
Gross
GF/GP

N/A
N/A
N/A
N/A

0
0.0
\$0
\$0

MICHIGAN PRISONER RE-ENTRY INITIATIVE (MPRI) AND COMMUNITY PROGRAMS**17. 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: included

House: increased Executive by \$23.1 million

Senate: included

Conference: includes

Gross
Federal
GF/GP

\$12,552,900
1,035,000
\$11,517,900

\$20,620,800
0
\$20,620,800

18. 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: included

House: included

Senate: included

Conference: includes

FTEs
Gross
GF/GP

N/A
N/A
N/A

21.0
\$1,772,700
\$1,772,700

Major Budget Changes From FY 2006-07 YTD Appropriations**19. Global Positioning System (GPS) Tether**

Expands GPS tether by 500 active GPS units, accompanied by 33.0 FTEs for additional parole agents and 3.0 FTEs for additional staff at the electronic monitoring center, located in Lansing. Active GPS allows real-time monitoring of offenders' whereabouts. Funding supports approximately ten months' worth of costs.

Executive: not included

House: not included

Senate: not included

Conference: includes

	FY 2006-07 YTD (as of 2/8/07)	Conference Change
FTEs	N/A	36.0
Gross	N/A	\$4,019,000
GF/GP	N/A	\$4,019,000

20. County Jail Reimbursement Program

Maintains FY 2006-07 funding levels and criteria for the county jail reimbursement program, which offers counties per-diem payments for housing in jails certain offenders who presumably otherwise would have been sentenced to prison.

Executive: reduced program to \$100 placeholder

House: provided \$4.1 million, supplemented by \$6.9 million for proposed Local Jail Programs line item

Senate: funded at current-year appropriation

Conference: funds at current-year appropriation

Gross	\$13,249,000	\$0
Restricted	13,249,000	\$0
GF/GP	\$0	\$0

OFFENDER HEALTH CARE AND TREATMENT**21. Hospital and Specialty Care**

Funds costs of off-site hospital and specialty care provided to prisoners in prisons, camps, and community placement, and to parolees in technical rule violator centers and re-entry centers.

Revised Executive: increased baseline appropriations by \$23.2 million to reflect consensus estimates of projected spending.

House: reduced Revised Executive by \$4.2 million, representing six-month savings to be achieved through changes in contracting, pricing, and scheduling prisoner health care.

Senate: same as Revised Executive

Conference: same as Revised Executive

Gross	\$58,851,700	\$23,215,700
GF/GP	\$58,851,700	\$23,215,700

22. Prison Clinics

Increases appropriations to prison clinics by \$11.8 million, the sum of \$10.4 million in original Executive Recommendation plus an additional \$1.4 million in the revised Executive recommendation to reflect consensus caseload estimates. Increase in original Executive Recommendation reflected FY 2005-06 unfunded costs of \$12.4 million offset with savings of \$2.0 million to be gained through changes in the formulary and a newly-implemented contract for pharmaceutical services. Cost increases are attributed to price, utilization, and prisoner population increases.

Revised Executive: included

House: included

Senate: included

Conference: includes

Gross	\$127,767,300	\$11,803,400
Restricted	331,400	0
GF/GP	\$127,435,900	\$11,803,400

23. Hepatitis C Testing and Treatment

Funds estimated partial year costs of commencing more extensive Hepatitis C screening and testing at intake, and anticipated identification of increased numbers of prisoners needing and receiving Hepatitis C treatment.

Executive: not included

House: not included

Senate: not included

Conference: includes

FTEs	N/A	0.0
Gross	N/A	\$1,692,900
GF/GP	N/A	\$1,692,900

Major Budget Changes From FY 2006-07 YTD AppropriationsFY 2006-07 YTD
(as of 2/8/07)Conference
Change**24. Mental Health Outpatient Treatment**

Funds equivalent of one additional mental health outpatient treatment team for nine months. Services would be provided through the Department of Community Health.

Executive: funded full-year cost of \$1.98 million for two additional teams

House: same as Executive

Senate: same as Executive

Conference: one team, partial-year

FTEs	N/A	0.0
Gross	N/A	\$742,300
GF/GP	N/A	\$742,300

25. Mental Health Study

Funds independent report on prevalence of mental illness and substance abuse problems in the prisoner population; associated boilerplate requires department to contract for an independent study to compile data and develop recommendations.

Executive: not included

House: included at \$300,000

Senate: not included

Conference: included at \$400,000

Gross	\$0	\$400,000
GF/GP	\$0	\$400,000

26. Mental Health Awareness Training

Provides \$100,000 interdepartmental grant to state police for training on responding to people with mental illness.

Executive: not included

House: not included

Senate: not included

Conference: includes

Gross	\$0	\$100,000
GF/GP	\$0	\$100,000

ECONOMICS**27. Economic Adjustments**

Includes total economic adjustments of \$84.4 million (\$82.4 million GF/GP), of which \$506,800 (\$487,600 GF/GP) is for DIT.

- \$42,283,700 gross, \$41,264,200 GF/GP for salaries/wages
- \$16,714,900 gross, \$16,312,000 GF/GP for insurances
- \$24,356,500 gross, \$23,769,300 GF/GP for retirement
- \$938,100 gross and GF/GP for food
- \$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: included

House: included

Senate: included

Conference: includes

Gross	N/A	\$84,890,100
DIGIT	N/A	26,200
Federal	N/A	21,400
Local	N/A	8,800
Restricted	N/A	1,953,200
GF/GP	N/A	\$82,880,500

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 five 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 for allowances in excess of those authorized under collective bargaining agreements in effect from 2002 to 2004.

Major Boilerplate Changes From FY 2006-07

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. 223. Contingency Fund Appropriations – NEW

Appropriates and provides for expenditure of federal, state restricted, local, and private "contingency funds," which are revenues that become available during the course of the fiscal year.

Sec. 301. Offender Tracking Information System (OTIS) – REVISED

Creates exceptions to requirement that an offender's file be maintained indefinitely on the offender tracking information system, which is publicly available online. Files are to be maintained on OTIS for no longer than three years after an offender is released from the department's jurisdiction; records of offenders found to be wrongfully convicted are to be removed immediately, unless there is another conviction that requires a listing on OTIS.

Sec. 302. Mental Health Study – REVISED

Expands requirement for report on prevalence of mental illness and substance abuse problems in the prisoner population, requiring department to contract for an independent study to compile data and develop recommendations.

Sec. 406. 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. 607. Grand Rapids Corrections Center – NEW

Forbids expenditure of funds on premises leased for Grand Rapids Corrections Center after 120 days following the effective date of the bill.

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. 802. Health Care Contracting – REVISED

Requires quarterly reports on time elapsed between diagnosis and treatment for prisoners, and on expenditures, allocations, and projected expenditures from accounts for prisoner health care. Also requires detailed report on 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. 806. Hepatitis C and HIV Testing – NEW

Requires exiting prisoners to be tested for Hepatitis C and HIV, with recommendations for follow-up treatment if appropriate, requires all incoming prisoners to be screened for Hepatitis C risk factors, and requires incoming high-risk prisoners to be offered Hepatitis C antibody tests.

Sec. 901. Tobacco Ban – NEW

Replaces current requirement for designated smoking areas with a requirement to develop and implement a plan to make all facilities and camps tobacco-free.

Sec. 903. Internet Access – REVISED

Establishes exceptions to prohibition on prisoner use of the internet, allowing use of web-based programming on education, job training, job searches, and other programs and services.

Sec. 918. Transportation Request for Information – NEW

Requires request for information to be issued following receipt of auditor general performance audit on offender transportation.

Sec. 919. Food Services Request for Information – NEW

Requires request for information to be issued following receipt of auditor general performance audit on prison food service.