

**FY 2009-10 Department of Corrections
HB 4437 CR-1*
Summary 9/28/09 (Revised)**



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	FY 2008-09 YTD (as of 9/28/09)	FY 2009-10 Executive	FY 2009-10 House	FY 2009-10 Senate	FY 2009-10 Conference	Difference: House From FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$1,277,200	\$891,900	\$891,900	\$891,900	\$891,900	(\$385,300)	(30.2)
Federal	14,665,700	7,746,100	7,746,100	7,746,100	7,746,100	(6,919,600)	(47.2)
Local	430,300	432,700	432,700	432,700	432,700	2,400	0.6
Private	0	0	0	0	0	0	0.0
Restricted	54,663,500	50,924,600	50,924,600	50,924,600	50,924,600	(3,738,900)	(6.8)
GF/GP	1,957,641,400	1,898,399,600	1,898,399,600	1,870,399,600	1,870,190,400	(87,451,000)	(4.5)
Gross	\$2,028,678,100	\$1,958,394,900	\$1,958,394,900	\$1,930,394,900	\$1,930,185,700	(\$98,492,400)	(4.9)
FTEs	17,103.0	15,767.1	15,767.1	15,755.1	15,767.1	(1,335.9)	(7.8)
Avg. Pop.	51,841	45,433	45,433	45,433	45,433	(6,408)	(12.4)

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 2008-09 YTD Appropriations	FY 08-09 YTD (as of 2/12/09)	Change From YTD
PRISON OPERATIONS		
1. FY 2008-09 Facility Closures at Unspecified Locations	Beds	N/A (3,886)
Includes 12-month savings projected from closures of Hiawatha, Standish, and Muskegon correctional facilities, and the remaining corrections camps (Cusino, Kitwen, Lehman, Ottawa, and White Lake).	FTEs	N/A (1,077.2)
Executive: included savings as negative line item	Gross	N/A (\$117,992,800)
House: same as Executive	Restricted	N/A (1,093,900)
Senate: spread MDOC-identified savings across applicable lines	GF/GP	N/A (\$116,898,900)
Conference: same as Senate		
2. Remaining Scott Closure Savings	Beds	N/A (880)
Takes remaining savings to be realized from closure of Scott Correctional Facility in Plymouth. FY 2008-09 budget reduced funding by \$13.2 million and 10.0 FTEs in anticipation of May 2009 closure. Bed count and remaining FTEs and funding are eliminated in FY 2009-10; savings include reduced costs of prison clinics, education, food service, transportation, and DIT.	FTEs	N/A (369.7)
Executive: same	Gross	N/A (\$19,455,500)
House: same	GF/GP	N/A (\$19,455,500)
Senate: same		

Major Budget Changes From FY 2008-09 YTD Appropriations		FY 08-09 YTD (as of 2/12/09)	Change From YTD
3. Remaining Deerfield Closure Savings			
Takes remaining savings to be realized from closure of Deerfield Correctional Facility in Ionia. Executive Order 2008-21 reduced funding by \$14.2 million in anticipation of closure by April 1, 2009. Beds, FTEs, and remaining funding are eliminated in FY 2009-10; savings include reduced costs of prison clinics, education, food service, transportation, and DIT. Executive: same House: same Senate: same	Beds	N/A	(1,200)
	FTEs	N/A	(236.9)
	Gross	N/A	(\$14,128,900)
	Restricted	N/A	(116,700)
	GF/GP	N/A	(\$14,012,200)
4. Remaining Camp Branch Closure Savings			
Takes remaining savings to be realized from closure of Camp Branch in Coldwater. Executive Order 2008-21 reduced funding by \$6.8 million in anticipation of closure by April 1, 2009; Camp Branch closed on February 4, 2009. Beds, FTEs, and remaining funding are eliminated in FY 2009-10; savings include reduced costs of prison clinics, education, food service, transportation, and DIT. Executive: same House: same Senate: same	Beds	N/A	(710)
	FTEs	N/A	(126.9)
	Gross	N/A	(\$7,212,300)
	Restricted	N/A	(136,200)
	GF/GP	N/A	(\$7,076,100)
5. New Officer Training			
Reflects closure-related reduction in need to train new corrections officers. With economic adjustments, proposed funding for FY 2009-10 would be \$250,500. Costs of training new recruits are \$17,034 per graduate, a figure that includes a recruit's wages and benefits for the 16-week training course, plus manuals, travel, and uniform costs. Executive: same House: same Senate: same	Gross	\$9,702,300	(\$9,643,300)
	GF/GP	\$9,702,300	(\$9,643,300)
6. Other Closure-Related Savings			
Incorporates additional closure-related savings in hospital and specialty care (\$3.7 million), worker's compensation (\$1.8 million), information technology (\$372,800), and administrative hearings officers (\$348,000). Executive: same House: same Senate: same	Gross	N/A	(\$6,197,000)
	GF/GP	N/A	(\$6,197,000)
7. Utilize Beds at W. J. Maxey Training School			
Provides \$16.7 million for full-year use of a unit at the Department of Human Services's Maxey facility in Whitmore Lake. In conjunction with closure of Scott Correctional Facility and conversion of Huron Valley Men's into a women's facility, over 200 seriously mentally ill male prisoners currently housed at Huron Valley are to be transferred to Maxey's Woodland Unit. Executive: same House: same Senate: same	FTEs	N/A	186.3
	Gross	N/A	\$16,659,000
	GF/GP	N/A	\$16,659,000
8. Additional Double Bunking			
Funds estimated 500 to 530 beds to be added to current facilities in conjunction with closures of units and facilities elsewhere. Supported by an undetermined amount of savings assumed through efficiencies gained by consolidating all women at Huron Valley (see No. 12, below). Executive: same House: same Senate: 210 beds, 26.3 FTEs, same funding	FTEs	N/A	56.5
	Gross	N/A	\$4,432,100
	GF/GP	N/A	\$4,432,100

Major Budget Changes From FY 2008-09 YTD Appropriations	FY 08-09 YTD (as of 2/12/09)		Change From YTD
9. Consolidate Contiguous Facilities	FTEs	N/A	(39.0)
Reflects plans to consolidate prisons with contiguous boundaries at four complexes: Kincheloe, Carson City, St. Louis, and Adrian. Various supervisory and support staff positions to be eliminated at Chippewa, Carson City, St. Louis, and Gus Harrison.	Gross	N/A	(\$3,517,100)
Executive: same	GF/GP	N/A	(\$3,517,100)
House: same			
Senate: same			
10. Food Service Contracting	FTEs	494.0	(9.0)
Incorporates partial-year savings through contracting for prisoner food service purchasing, portion control, and nutrition services. Full-year savings estimated at \$4.0 million. About \$2.3 million of savings would come from the \$82.2 million food services line item; remaining reductions would come from regional support and services line items.	Gross	\$82,226,500	(\$3,000,000)
Executive: same	Restricted	1,800,000	0
House: same	GF/GP	\$80,426,500	(\$3,000,000)
Senate: same			
11. Prisoner Education Program	FTEs	N/A	(18.0)
Includes savings anticipated through redesign of prisoner education program to place greater emphasis on employment readiness and coordination with re-entry efforts.	Gross	N/A	(\$2,000,000)
Executive: same	GF/GP	N/A	(\$2,000,000)
House: same			
Senate: same			
12. Huron Valley Consolidation Savings	Gross	N/A	(\$936,000)
Includes adjustments to reflect efficiencies realized through the consolidation of all the female prisoners at Huron Valley. Actual savings are expected to be something in excess of the \$936,000 reduction to the Huron Valley Complex; any additional savings would be utilized to support costs of additional double-bunked beds (see No. 8, above).	GF/GP	N/A	(\$936,000)
Executive: same			
House: same			
Senate: same			
PRISONER HEALTH AND MENTAL HEALTH CARE			
13. Mental Health Services and Programs	FTEs	N/A	14.0
To meet needs of increasing numbers of prisoners needing mental health services, adds:	Gross	N/A	\$8,000,000
<ul style="list-style-type: none"> \$2.7 million for 50% phased funding of six additional outpatient treatment teams (bringing the total number to 22). \$1.6 million for 80% phased funding to expand the rehabilitation treatment services (RTS) program from 120 to 160 beds. The RTS program provides subacute residential care for seriously mentally ill prisoners who require psychiatric hospitalization. \$1.5 million for 80% phased funding to expand the crisis stabilization program from 14 to 40 beds. \$1.2 million for 50% phased funding for two additional residential treatment program (RTP) units at security levels IV (close) and V (maximum). RTP units house seriously mentally ill prisoners who cannot function in the general population but who no longer require psychiatric hospitalization. \$969,300 for 80% phased funding to establish a 180-bed developmental disabilities unit. 	GF/GP	N/A	\$8,000,000
Executive: same			
House: same			
Senate: same			

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>	<u>FY 08-09 YTD (as of 2/12/09)</u>	<u>Change From YTD</u>
14. Hepatitis C Testing and Treatment Adds \$4.2 million to meet estimated costs in third year of implementation of new Hepatitis C testing protocols, which are identifying more prisoners in need of and subsequently receiving treatment for Hepatitis C. Funding of \$1.7 million was added in FY 2007-08 and another \$14.9 million added in FY 2008-09. Full impact is expected in FY 2009-10, and additional increases are not anticipated. Executive: same House: same Senate: same	Gross GF/GP	N/A N/A \$4,185,500 \$4,185,500
15. Pharmaceutical Increases Increases funding for pharmaceuticals to meet FY 2007-08 expenditure levels; increase includes \$2.4 million for psychotropic medications and \$27,000 for pharmaceutical delivery equipment at two facilities. Executive: same House: same Senate: same	Gross GF/GP	N/A N/A \$3,482,200 \$3,482,200
16. New Managed Care Contract Adds \$1.9 million for increased costs expected under new managed care contract with Prison Health Services, Inc. (PHS) for hospital and specialty care and certain provider services (physicians, physician's assistants, and nurse practitioners). Contract was approved by state administrative board on February 10, 2009; following a transitional period, health care is being provided under the new contract commencing April 1, 2009. Executive: same House: same Senate: same	Gross GF/GP	N/A N/A \$1,896,400 \$1,896,400
17. Health Care Automation Adds funding for several health care automation initiatives, including: <ul style="list-style-type: none"> \$1.9 million for an electronic medication administration record system and scanners. \$1.1 million for development and maintenance of a prisoner health care data warehouse and automated claims processing. \$680,300 for additional implementation and support of a new prisoner medical records system. Executive: same House: same Senate: same	FTEs Gross GF/GP	N/A N/A N/A 1.0 \$3,660,300 \$3,660,300
18. Nursing Staff Funds additional nursing positions to enable provision of 24/7 nursing coverage at various facilities where it is not currently available. Executive: same House: same Senate: same	FTEs Gross GF/GP	N/A N/A N/A 26.0 \$2,149,400 \$2,149,400
19. Duane Waters Step-Down Beds Supports 60 new "step-down" beds at Egeler's Duane Waters Hospital, which provide sub-acute care for prisoners who otherwise would need off-site hospitalization. Executive: same House: same Senate: same	FTEs Gross GF/GP	N/A N/A N/A 16.0 \$1,118,700 \$1,118,700

Major Budget Changes From FY 2008-09 YTD Appropriations	FY 08-09 YTD (as of 2/12/09)	Change From YTD
MPRI, FIELD OPERATIONS, AND COMMUNITY PROGRAMS		
20. Michigan Prisoner Re-Entry Initiative (MPRI)	Gross	\$23,432,000
Increases funding for MPRI to support increased numbers of parolees.	Federal	0
Executive proposes increases of:	GF/GP	\$23,432,000
<ul style="list-style-type: none"> • \$5.3 million for residential services. • \$3.5 million for mentally ill offender re-entry program. • \$4.2 million for substance abuse services. • \$5.0 million for employment services. • \$4.7 million for miscellaneous support services. • \$750,000 for sex offender polygraph tests. 		
As part of a \$20.0 million supplemental request for the current fiscal year, the Executive is seeking an additional \$11.2 million for MPRI.		
Executive: same		
House: same		
Senate: maintained \$750,000 for polygraphs, reduced remainder of Executive's increase by \$14.4 million		
21. Parole Board and Staff	FTEs	8.0
Funds expansion of parole board from 10 to 15 members. Total cost of additional five members and 3.0 staff positions is put at about \$1.0 million, of which \$400,500 is funded through an internal transfer and used to support salaries for the additional unclassified positions.	Gross	\$600,000
Executive: same	GF/GP	\$600,000
House: same		
Senate: reduced by \$400,500		
22. Global Positioning System (GPS) Tether	FTEs	121.0
Funds additional GPS tether units and associated staff, including 92.0 additional parole agent positions. Includes:	Gross	\$16,889,000
<ul style="list-style-type: none"> • \$1.5 million for 500 units for paroled sex offenders. • \$5.2 million to support full-year costs on 800 units added under EO 2008-21. • \$10.2 million for 1,500 additional units to support parole increases. 	GF/GP	\$16,889,000
As part of a \$20.0 million supplemental request for the current fiscal year, the Executive is seeking \$7.9 million for 500 additional tether units and associated staffing.		
Executive: same		
House: same		
Senate: same		
23. Parole and Probation Supervision	FTEs	84.0
Funds additional parole and probation agents and associated staff, including:	Gross	\$7,299,500
<ul style="list-style-type: none"> • \$3.5 million and 40.0 agents to accommodate workload increases occurring in FY 2007-08 and FY 2008-09. • \$3.8 million and 38.0 agents to support the anticipated increase in paroles in FY 2009-10. 	GF/GP	\$7,299,500
Executive: same		
House: same		
Senate: same		
24. High-Risk Probationer Pilot	Gross	\$1,000,000
Provides \$1.0 million for community corrections residential program aimed at high-risk, high-need probationers, with the dual goal of reducing crime and the incidence of prison sentences for probation violators.	GF/GP	\$1,000,000
Executive: same		
House: same		
Senate: same		

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 08-09 YTD (as of 2/12/09)</u>	<u>Change From YTD</u>
25. County Jail Reimbursement Program (CRJP)	Gross	\$12,272,100	\$4,300,000
Provides estimated full-year funding at current criteria and rates, an increase of \$4.3 million over current year.	Restricted	7,514,400	0
	GF/GP	\$4,757,700	\$4,300,000
Executive: funded at current-year level, with narrower criteria and a two-tier reimbursement schedule			
House: funded at \$775,000 increase, with narrower criteria and a three-tier reimbursement schedule			
Senate: funded at \$4.3 million over current year, plus \$6.1 million for unreimbursed claims from prior years. Kept current criteria, increased rate for "prison presumptives."			
26. County Jail Reimbursement Program Savings	Gross	N/A	(\$4,300,000)
Offsets CJRP increase with \$4.3 million negative line item to be satisfied through departmental savings and efficiencies.	Restricted	N/A	0
	GF/GP	N/A	(\$4,300,000)
Executive: not included			
House: not included			
Senate: not included			
MISCELLANEOUS ADJUSTMENTS AND FUNDING CHANGES			
27. Correctional Cost Savings	Gross	N/A	(\$38,209,200)
Includes \$38.2 million negative line item and associated boilerplate for "correctional cost savings" equating to \$841 per prisoner, and to be realized through savings and efficiencies directly or indirectly affecting its cost per offender.	GF/GP	N/A	(\$38,209,200)
Executive: not included			
House: not included			
Senate: not included			
28. Central Office Reductions	FTEs	N/A	(12.0)
Reduced central office by 4.0 FTEs in Planning and Community Development, 5.0 FTEs in Operations Support, 2.0 FTEs in Field Operations, and 1.0 FTE in Correctional Facilities Administration.	Gross	N/A	(\$1,723,100)
	GF/GP	N/A	(\$1,723,100)
Executive: same			
House: same			
Senate: central office reductions totaling \$4,023,100			
29. Prison Stores	FTEs	N/A	75.0
Restores the restricted funding and most of the 90.0 FTEs that were eliminated under the enacted FY 2008-09 budget in anticipation of bidding out of prison store operations and centralizing warehouse functions; does not replace \$1.2 million in associated GF/GP savings taken in FY 2008-09.	Gross	N/A	\$4,800,000
	Restricted	N/A	4,800,000
	GF/GP	N/A	\$0
Executive: same			
House: same			
Senate: same			
30. Prisoner Store Surcharge and Food Service Funding	Gross	N/A	\$0
Uses \$1.8 million GF/GP to replace one-time revenue from temporary 10% surcharge on prisoner store purchases.	Restricted	N/A	(\$1,800,000)
	GF/GP	N/A	\$1,800,000
Executive: same			
House: same			
Senate: same			

Major Budget Changes From FY 2008-09 YTD Appropriations	FY 08-09 YTD (as of 2/12/09)	Change From YTD
31. Offender Database Migration	FTEs	N/A
Supports completion of project to migrate the offender database from aging mainframe Corrections Management Information System (CMIS) to the client-server Offender Management Network Information (OMNI) system. Offender identification numbers are expected to exceed six digits and the corresponding capacity of CMIS sometime in 2012.	Gross	N/A
	GF/GP	N/A
		2.0
		\$1,073,300
		\$1,073,300
Executive: same		
House: same		
Senate: same		
32. Economic Adjustments	Gross	N/A
Includes economic adjustments of:	IDG/IDT	N/A
• \$9.5 million Gross, \$9.3 million GF/GP for salaries and wages	Federal	N/A
• \$6.9 million Gross, \$6.7 million GF/GP for insurance	Local	N/A
• \$15.4 million Gross, \$15.1 million GF/GP for retirement	Restricted	N/A
• \$488,500 Gross and GF/GP for worker's compensation	GF/GP	N/A
• (\$60,800) for building occupancy charges		
• \$1.4 million Gross and GF/GP for food		
• \$1.6 million Gross and GF/GP for fuel and utilities		
		\$35,084,900
		14,700
		33,400
		2,400
		444,100
		\$34,590,300
Executive: same		
House: same		
Senate: same		

Major Boilerplate Changes From FY 2008-09

Sec. 207. Privatization Project Plans – REVISED

Requires project plan to be submitted to Legislature at least 90 days before beginning any effort to privatize; incorporates exception for mental health services contracts as provided by 2009 PA 334.

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

Requires cost-benefit analyses and legislative approval prior to privatizing activities provided by state employees; requires cost savings meeting civil service standards to be identified, and incorporates exception for mental health services contracts as provided by 2009 PA 334.

Sec. 219. Prisoner Telephone Calls – RETAINED

Specifies 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. 224. Litigation Report – REVISED

Requires a report to alert the Legislature to lawsuits adjudicated through the trial court phase in which proceedings resulted in a decision of \$250,000 million or more against MDOC.

Sec. 225. Displaced Employees – RETAINED

Requires MDOC to work to place in other positions employees displaced by any reductions in force. Employees not placed in other positions in MDOC are to be given priority in state programs for job retraining or education.

Sec. 305. Prisoner Suicides – NEW

Requires report on prisoner suicides, including information on circumstances of each suicide and department's response.

Sec. 403. MPRI Performance Indicators – NEW

Replaces detailed reporting on MRPI results with provision for development of "dashboard" indicators of success of failure of offenders.

Sec. 414. County Jail Reimbursement Program (CJRP) – RETAINED

Retains current-year reimbursement criteria and rates.

Major Boilerplate Changes From FY 2008-09

Sec. 424. High-Risk Probationer Pilot – NEW

Provides for implementation of \$1.0 million high-risk probationer demonstration project, utilizing an MPRI model for reducing criminal behavior. Requires approval from state court administrative office and specifies collaboration with the circuit court and the local community corrections advisory board.

Sec. 426. Recycling Programs – NEW

Encourages department to work with nonprofit agencies to establish recycling programs employing at-risk youth and parolees.

Sec. 614. Post-Conviction Bonds – NEW

Includes language providing for court-ordered post-conviction bonds as a condition of probation, community control, restitution payment plan, or any other court-ordered supervision.

Sec. 906. Public Works Program – REVISED

Adds language expressing legislative intent that prisoner pay be increased by 50 cents per day. Retains language expressing legislative intent for program to be maintained at FY 2006-07 levels, and for rates to be maintained at half the rates in effect on September 30, 2008.

Sec. 919. Food Service Contract – NEW

Specifies conditions for expenditure of funds on food service contract, including completion of privatization project plan and cost-benefit analysis, identification of threshold savings from existing costs, and explanation of impact on use of local and Michigan vendors, growers, and processors.

Sec. 923. Local School Districts – RETAINED

Directs MDOC to cooperate with Department of Education to evaluate feasibility of local school districts providing educational programming to targeted prisoners under age 20.

Sec. 924. Evaluation and Placement of Prisoners with Mental Illness – RETAINED

Requires prisoners to be evaluated at intake for certain disorders and serious mental illness, and generally bars administrative segregation for prisoners with serious mental illness.

Sec. 925. Administrative Segregation Report – RETAINED

Requires MDOC to report on the numbers of prisoners with serious mental illness or developmental disorders who were placed in administrative segregation and on the duration of their placements.