

FY 2013-14: DEPARTMENT OF CORRECTIONS
Summary: As Passed by the Senate
Senate Bill 197 (S-1)



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	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Enacted	Difference: Senate From FY 2012-13 YTD	
						Amount	%
IDG/IDT	\$992,100	\$1,109,600	\$1,109,600	\$1,109,600		\$117,500	11.8
Federal	8,784,400	8,852,500	8,852,500	8,852,500		68,100	0.8
Local	264,300	266,200	266,200	266,200		1,900	0.7
Private	0	0	0	0		0	--
Restricted	66,989,500	56,026,100	56,002,900	53,348,500		(13,641,000)	(20.4)
GF/GP	1,941,485,600	1,963,053,600	1,977,578,300	1,956,800,800		15,315,200	0.8
Gross	\$2,018,515,900	\$2,029,308,000	\$2,043,809,500	\$2,020,377,600		\$1,861,700	0.1
FTEs	14,695.2	14,496.5	14,496.5	14,496.5		(198.7)	(1.4)

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.

Overview

The Michigan Department of Corrections (MDOC) is responsible for the operation and maintenance of the state's 31 correctional facilities that house felony offenders sentenced to prison. This includes the provision of physical and mental health care, education and other prisoner programs, and reintegration programs. The department is also responsible for the supervision of all parolees and probationers under department jurisdiction and has oversight over community corrections programs and other programs designed to encourage alternatives to prison placement for appropriate offenders. As of January 31, 2013, the department was responsible for 110,632 Michigan offenders: 48,924 probationers, 43,392 prisoners, and 18,316 parolees.

		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Senate Change
Major Budget Changes From FY 2012-13 YTD Appropriations			
1. Medicaid Expansion	Gross	N/A	\$0
<u>Executive</u> reflects a savings of \$24.2 million from the proposed expansion of Medicaid eligibility to low income individuals. Inpatient hospitalization for prisoners will become reimbursable with federal funds in the Department of Community Health budget, along with specific re-entry, substance abuse, and sex offender treatment for parolees. Eligibility is estimated at 80% for both prisoners and parolees. <u>House</u> does not include these savings. <u>Senate</u> does not include these savings.	GF/GP	N/A	\$0
2. One-Time New Employee Training School	Gross	\$8,672,300	\$1,834,000
<u>Executive</u> includes one-time funding (\$9.0 million) to train an additional 400 corrections officers to meet projected attrition needs. Funding supports salary and payroll costs of new officers while they participate in training, as well as costs for uniforms, training materials, certifications, food, and travel and lodging (paid if participants are located away from the facilities to which they will be assigned). <u>House</u> does not include the additional funding. <u>Senate</u> reduces the amount of the increase by \$3.6 million and reduces the current year appropriation by \$3.5 million to indicate intent to transition the first part of officer training to colleges/universities.	GF/GP	\$8,672,300	\$1,834,000
3. Special Equipment Fund	Gross	\$5,800,000	\$6,000,000
<u>Executive</u> includes additional revenue from prisoner phone charges to finance replacement of personal protection systems at several facilities. Investment in these systems is intended to reduce serious assaults on staff and improve safety within the prisons. <u>House</u> concurs. <u>Senate</u> concurs.	Restricted	5,800,000	6,000,000

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Senate Change
4. Detroit Re-Entry Center Adjustment	FTE	201.4	8.8
<u>Executive</u> includes 8.8 FTE positions and additional funding to correct the adjustment made in the FY 2012-13 budget for the staffing complement of the Detroit Re-Entry Center. The Ryan Correctional Facility was repurposed in the FY 2012-13 budget as the Detroit Re-Entry Center to house parolees and parole violators. The original staffing chart estimated that 187.4 FTE positions would be needed to operate the facility. As planning and development progressed, it was realized that 196.2 positions would be needed. <u>House</u> concurs. <u>Senate</u> concurs.	Gross	\$30,224,200	\$881,400
	Restricted	413,500	0
	GF/GP	\$29,810,700	\$881,400
5. Maintenance Costs at Closed Facilities	Gross	\$6,725,500	\$0
<u>Executive</u> includes additional funding for maintenance and upkeep costs at the following facilities which have been closed: Camp Kitwen, Camp Manistique, Camp Ottawa, and Standish Correctional Facility. Funding is used for air handling and water systems, lawn care, snow removal, and security in order to keep facilities ready to use in case of future need. <u>House</u> concurs. <u>Senate</u> does not include the additional funding.	Restricted	5,800,000	0
	GF/GP	\$925,500	\$0
6. Alger Housing Unit Conversion	Gross	N/A	\$506,200
<u>Executive</u> includes additional funding to correct the adjustment made in the FY 2012-13 budget for the conversion of housing units at Alger Correctional Facility. Level IV housing units were converted to Level II, and a single-bunked administrative segregation unit was converted to double-bunked, which resulted in the addition of 88 beds. This funding will cover operational costs for the 88 additional beds, including food service and health care. <u>House</u> concurs. <u>Senate</u> concurs.	GF/GP	N/A	\$506,200
7. Economic Adjustments	Gross	N/A	\$48,876,700
<u>Executive</u> includes additional funding for salary and wages, insurance, retirement, building occupancy, worker's compensation, and food and fuel. <u>House</u> concurs. <u>Senate</u> concurs.	IDG	N/A	21,700
	Federal	N/A	151,500
	Local	N/A	3,200
	Restricted	N/A	876,900
	GF/GP	N/A	\$47,823,400
8. Food Service at Maxey/Green Oaks Center	Gross	N/A	\$219,700
<u>Executive</u> authorizes the department to receive IDG funding from DHS to fund food service which is provided by DOC to DHS staff and resident clients at the Maxey/Green Oaks Center. <u>House</u> concurs. <u>Senate</u> concurs.	IDG	N/A	219,700
9. Food Service at DCH Forensic Center	Gross	\$660,000	(\$120,000)
<u>Executive</u> reduces authorization for IDG funding received from DCH in order to reflect the actual cost of food service provided by DOC to DCH at the Forensic Center. <u>House</u> concurs. <u>Senate</u> concurs.	IDG	660,000	(120,000)
10. Information Technology Adjustments	Gross	\$24,403,600	\$929,100
<u>Executive</u> includes additional funding to cover rate increases and DOC's share of the following statewide information technology-related projects/services:	Restricted	830,200	23,200
<ul style="list-style-type: none"> Expansion of internet bandwidth (\$379,800 Gross; \$366,800 GF/GP) Expansion of wireless availability in state-owned buildings (\$298,400 Gross; \$288,200 GF/GP) Replacement of the current Windows XP operating system with the Windows 7 operating system (\$216,300 Gross; \$216,300 GF/GP) Costs for use of the Center for Shared Solutions Framework, which provides base geospatial mapping services (\$34,600 Gross; \$34,600 GF/GP) 	GF/GP	\$23,573,400	\$905,900
<u>House</u> includes additional funding for replacement of operating system and use of mapping service. <u>Senate</u> concurs with Executive.			
11. Re-Entry FTE Adjustment	FTE	N/A	18.0
<u>Executive</u> includes authorization for a total of 18.0 additional FTE positions. These positions will be located at seven of the correctional facilities and will focus on violence prevention programming. Funding for these positions is already included in the budget. <u>House</u> concurs. <u>Senate</u> concurs.	Gross	N/A	\$0
	GF/GP	N/A	\$0

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Senate Change
12. Technical Adjustments	Gross	N/A	(\$17,943,000)
<u>Executive</u> makes internal funding adjustments and technical transfers throughout the budget, which have no overall Gross or GF/GP impact. Adjustments are made in order to more accurately reflect where expenditures occur. <u>House</u> concurs. <u>Senate</u> rejected transfers into four areas: Operations Support (\$2.0 million), Transportation (\$7.0 million), Woodland (\$6.7 million), and SAI (\$2.3 million).	GF/GP	N/A	(\$17,943,000)
13. Eliminate FTE Position Authorization	FTE	N/A	(225.5)
<u>Executive</u> eliminates authorization for 225.5 unfunded FTE positions as part of the realignment of department resources. <u>House</u> concurs. <u>Senate</u> concurs.	Gross	N/A	\$0
	GF/GP	N/A	\$0
14. Eliminate One-Time FY 2012-13 Funding	Gross	\$31,955,400	(\$31,955,400)
<u>Executive</u> eliminates one-time funding that was included in the FY 2012-13 budget for employee lump sum payments (\$13.2 million Gross), information technology projects (\$1.1 million Gross), and special equipment funds (\$17.6 million Gross). <u>House</u> concurs. <u>Senate</u> concurs.	IDG	3,900	(3,900)
	Federal	83,400	(83,400)
	Local	1,300	(1,300)
	Restricted	17,863,500	(17,863,500)
	GF/GP	\$14,003,300	(\$14,003,300)
15. Goodwill's Oil Filter Recycling Project	Gross	N/A	(\$2,500,000)
<u>House</u> reduces funding for the Public Safety Initiative line item by \$250,000 and transfers the funding to a new line item called "Second Chance Employment - Goodwill's Oil Filter Recycling Project". Funding will be used to assist Goodwill's Green Works with placing reintegrating citizens into skill development training to help prepare them for other employment opportunities. <u>Senate</u> does not include funding for the oil filter recycling project and reduces funding for the Public Safety Initiative line item by \$2.5 million.	GF/GP	N/A	(\$2,500,000)
16. Funding Reductions	Gross	N/A	(\$4,867,000)
<u>Senate</u> reduces funding for Prison Industries Operations by \$2.7 million and funding for Prison Food Service by \$2.2 million.	Restricted	N/A	(2,677,600)
	GF/GP	N/A	(\$2,189,400)

Major Boilerplate Changes From FY 2012-13

Executive/House/Senate Boilerplate Deletions

Executive deletes a large majority of boilerplate language included in the FY 2012-13 appropriations bill (78 sections and 9 subsections). Deletions include many legislative reporting requirements, sections providing guidance and placing conditions on appropriations, and earmarks of funding for specific purposes.

House concurs on deletion of 18 of those sections and 1 subsection. Majority of deletions are of sections which express legislative intent, or sections which served a one-time purpose and are no longer applicable.

Senate concurs on deletion of 38 of those sections and 4 subsections.

House/Senate Boilerplate Addition

House adds the Legislative Corrections Ombudsman to the list of recipients of reports that are required in 17 different sections of boilerplate.

Senate adds the Legislative Corrections Ombudsman to the list of recipients of reports that are required in 28 different sections of boilerplate.

Sec. 219. Special Equipment Fund – REVISED

House adds requirement that \$2.0 million from the Special Equipment Fund be used for education and programming, with particular emphasis on individuals who are past their earliest release dates. Senate does not include the \$2.0 million requirement, but adds a requirement to report on names of vendors that products/services are purchased from.

Sec. 224. Report on Litigation Awards – REVISED

Executive deletes language which requires a report on lawsuits adjudicated through the trial court phase in which the department or an employee of the department was a defendant and proceedings resulted in an award of \$250,000 or more against the department. House retains and revises language to include all lawsuits adjudicated or settled that resulted in an award of \$100,000 or more against the department. Senate retains and revises language to require report to individually identify all lawsuits filed, identify all lawsuits in the process of being filed, indicate the nature of the complaint, and indicate the disposition of any lawsuit settled or adjudicated in which the settlement or ordered payment was \$100,000 or more.

Major Boilerplate Changes From FY 2012-13

Sec. 230. Use of Funding for Legal Services – NEW

Executive adds new section which prohibits use of appropriations for hiring a person to provide legal services that are the responsibility of the attorney general; prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes. House concurs. Senate concurs.

Sec. 231. Website for Performance Scorecard – NEW

Executive adds new section which requires the department to maintain, on a publicly accessible website, a scorecard that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the department's performance. House concurs. Senate concurs.

Sec. 242. Supply Chain Transformation and Continuous Quality Improvement – NEW

House adds new section which requires the department to implement the internal food service, offender transport, laundry, staff training, offender programming, and warehouse and distribution strategies as reported in the May 2012 milestone reports utilizing the process and disciplines of the supply chain transformation (SCT) continuous quality improvement (CQI) approach; requires the department to implement the officer uniform, prisoner medical care, video conferencing cost reductions, and department and Michigan State Industries organizational reviews subsequently recommended by department personnel positively influenced by the SCT/CQI activities. Senate does not include.

Sec. 243. Joint Evaluation Committees – NEW

House adds new section which requires any joint evaluation committee formed to evaluate requests for proposals which solicit bids for department services to provide an initial report identifying the members of the joint evaluation committee and the department service to be solicited out for bids to vendors; requires the committee to provide status reports within 7 days after any committee meeting detailing any findings or final decisions made by the committee. Senate does not include.

Sec. 244. Systematic, Collaborative, Double-Digit Value Creation Supply Chain Transformation – NEW

House adds new section which requires the department to adhere to the systematic, collaborative, double-digit value creation supply chain transformation (SCT) approach introduced and facilitated by the external supply chain and business transformation expert contracted by the department; requires the current corrections operations and services transformation (COST) to continue using the SCT process and disciplines. Senate does not include.

Sec. 245. SCT/CQI Reporting – NEW

House adds new section which requires the department to issue a report detailing the steps taken by the department to implement the internal strategies and cost reductions recommended by the supply chain transformation (SCT) continuous quality improvement (CQI) teams and department personnel influenced by the SCT/CQI activities. Senate does not include.

Sec. 418. Documentation for Prisoners – REVISED

Executive deletes language which requires the department to collaborate with other state entities to develop processes to assist prisoners in obtaining state identification and birth certificates. House retains and revises language to include obtaining military DD Form 214 or other military discharge documentation if necessary. Senate concurs with Executive.

Sec. 429. Data on Offender Flow – NEW

House adds new section which requires the department to provide case-level data to the Council of State Governments' Justice Center for purposes of analyzing the flow of offenders through the criminal justice systems managed by the department, including entry, termination, and snapshot populations on community supervision, in prison, and on parole supervision. Senate does not include.

Sec. 434. Employment of Parolees in Agricultural Settings – NEW

House adds new section which requires the department to explore opportunities to collaborate with Michigan colleges and universities on establishing programs that will employ parolees in agricultural settings. Senate does not include.

Sec. 506. Colleges Offering New Employee Training – NEW

Senate adds new section which expresses legislative intent that the department work with colleges that are interested in offering new employee training academies.

Sec. 904. Cost Per Prisoner Per Day – NEW

Senate adds new section which requires the department to report on per diem costs for each custody level.

Sec. 921. Correctional Facility and Camp Closures and Consolidations – NEW

House adds new section which requires the department to notify specified parties not less than 90 days before recommending closure or consolidation of any correctional facilities or correctional camps; notification is required to include a local and state impact study, which is required to include information on cost avoidance and cost savings associated with the proposed closure or consolidation. Senate does not include.

Sec. 938. Competitive Bidding – NEW

Senate adds new section which requires the department to designate an individual to be responsible for responding to questions that legislators, vendors, and the public submit to the department about pending requests for proposals or requests for information.

Major Boilerplate Changes From FY 2012-13

Sec. 939(4). Competitive Bidding – NEW

Senate adds a new subsection which requires the department to disclose to bidders, in advance of bid submission, all costs that will be included in the analysis of the potential savings of the bids, including accrued legacy costs and administrative oversight costs.

Sec. 940. Use of State-Owned Facilities – NEW

Senate adds new section which requires any for-profit entities using state-owned facilities to pay fair market value for the use of the facilities and to make payments in lieu of taxes to the local jurisdictions equivalent to what the local units would receive if the facilities were privately-owned.

Sec. 947. Prison Clothing Manufacturing Pilot Program – NEW

House adds new section which authorizes the department to work with a Michigan non-profit agency to develop a pilot program to manufacture prison clothing. The pilot program is required to utilize the prisoner re-entry population and provide comprehensive job training with the goal of transitioning into community employment. The pilot program is required to be funded from 15% of the current funds allocated to Michigan State Industries for the manufacture of prison clothing. The non-profit agency is required to have existing statewide capacity to serve paroled prisoners. The agency selected is required to provide semi-annual reports detailing cost savings incurred and outcomes of parolee employment programs. Senate does not include.

Sec. 1051. Carry Forward of Capital Outlay Appropriations – NEW

Executive adds new section which requires unspent capital outlay appropriations to be carried forward consistent with provisions of the Management and Budget Act. House concurs. Senate concurs.

Sec. 1201. Anticipated FY 2014-15 Appropriations

States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors. Senate concurs.