

FY 2016-17: DEPARTMENT OF CORRECTIONS
Summary: As Reported by House Appropriations Committee
Article V, House Bill 5294 (H-1)



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	FY 2015-16 YTD as of 2/10/16	FY 2016-17 Executive	FY 2016-17 House	FY 2016-17 Senate	FY 2016-17 Enacted	<i>Difference: House From FY 2015-16 YTD</i>	
						<i>Amount</i>	<i>%</i>
IDG/IDT	\$225,000	\$0	\$0			(\$225,000)	(100.0)
Federal	5,568,700	5,523,700	5,523,700			(45,000)	(0.8)
Local	8,533,200	8,692,800	8,692,800			159,600	1.9
Private	0	0	0			0	--
Restricted	43,950,700	35,711,700	35,711,700			(8,239,000)	(18.7)
GF/GP	1,903,948,400	1,979,457,900	1,979,457,900			75,509,500	4.0
Gross	\$1,962,226,000	\$2,029,386,100	\$2,029,386,100			\$67,160,100	3.4
FTEs	14,190.3	14,065.6	14,065.6			(124.7)	(0.9)

Notes: (1) FY 2015-16 year-to-date figures include mid-year budget adjustments through February 10, 2016. (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 32 correctional facilities that house felony offenders sentenced to prison. This includes the provision of physical and mental health care, education, food service, transportation, 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 April 1, 2016, the department was responsible for 103,953 Michigan offenders: 42,476 prisoners, 45,135 probationers, and 16,342 parolees.

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 House Change
1. Drug Treatment for Prisoners with Hepatitis C	Gross	\$18,265,000	\$12,335,000
<u>Executive</u> includes \$17.3 million to cover increased costs of the expanded drug treatment protocol for treatment of prisoners with Hepatitis C. This reflects an additional \$3.4 million above the FY 2015-16 increase of \$13.9 million approved via legislative transfer for this purpose. The treatment protocol is to treat prisoners that have Hepatitis C with metavir scores of F3 and F4. In general, the total number of prisoners treated is determined based on individual treatment plans and costs to provide treatments. The department utilizes the drug Harvoni, and, typically, treatment is 12 weeks in duration. <u>House</u> includes \$12.3 million.	GF/GP	\$18,265,000	\$12,335,000
2. Restoration of Reduced Funding for Health Care	Gross	(\$15,000,000)	\$11,200,000
<u>Executive</u> restores \$11.2 million of a \$15.0 million reduction that was included in the current year budget and anticipated to be achieved as a result of implementing an integrated healthcare delivery system with one vendor managing physical health care, mental health care, and pharmaceutical services. The consolidated contract will not be effective until June 1, 2016 and will result in a full-year savings of \$3.8 million GF/GP in FY 2016-17. <u>House</u> concurs.	GF/GP	(\$15,000,000)	\$11,200,000
3. One-Time Funding for New Custody Staff Training	Gross	\$9,079,500	\$8,506,100
<u>Executive</u> includes one-time funding for training an additional 350 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, travel, and lodging. (Travel and lodging is paid, during training, if participants live away from the facilities to which they are assigned.) With the additional funding added to the current year base of \$9.1 million, the department will be able to train roughly 730 new officers. <u>House</u> concurs.	GF/GP	\$9,079,500	\$8,506,100

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 House Change
4. Rebidding of Various Service Contracts			
<u>Executive</u> includes additional funding to cover anticipated costs of rebidding reentry services contracts, substance abuse treatment services contracts, and outpatient and residential sex offender treatment services contracts. Reentry services contracts have been in place for the last seven years, substance abuse treatment services contracts for the last six years, and outpatient and residential sex offender treatment services contracts for the last five years. The additional funding will cover the estimated inflationary increases that are expected to be included in the new contract costs. <u>House</u> concurs.	Gross GF/GP	NA NA	\$6,790,000 \$6,790,000
5. Mental Health and Sex Offender Programming for Prisoners			
<u>Executive</u> includes additional FTE positions (8.0 psychologists, 8.0 social workers, and 1.0 technician) and funding to address the increased caseload and waiting lists for mental health treatment services and sex offender programming. Also, the department will be replacing the current sex offender treatment program with a new treatment program that is longer in duration. <u>House</u> concurs.	FTE Gross GF/GP	NA NA	17.0 \$1,954,500 \$1,954,500
6. Federal Regulations on Telephone Rates			
<u>Executive</u> decreases total spending authorization and reduces state restricted funding to reflect recent rate changes made by the Federal Communications Commission (FCC) to telephone services for prisoners. The FCC has ruled that rates charged to prisoners for telephone calling services need to be capped. The new capped amounts are lower than amounts currently paid. Given that prisoners will be paying less for phone services, revenue going into the Program and Special Equipment Fund will be reduced. This revenue is used for equipment purchases, prisoner programming, and prisoner education. Additional GF/GP funding is included to partially offset the reduction in revenue in an effort to hold harmless the funding for prisoner education. <u>House</u> concurs.	Gross Restricted GF/GP	\$11,782,900 11,782,900 \$0	(\$4,800,000) (6,674,000) \$1,874,000
7. DTMB Rate Adjustments			
<u>Executive</u> includes additional funding (\$1,775,600) to cover costs of service rate changes that DTMB will make in FY 2016-17. DTMB will follow a new financial model for the provision of information technology services resulting in additional costs for all state departments. Increases in rates are partially offset by Vehicle Travel Service rate savings that are expected to occur (\$162,800). <u>House</u> concurs.	Gross GF/GP	NA NA	\$1,612,800 \$1,612,800
8. Trinity Food Service Contract Adjustment			
<u>Executive</u> includes additional funding to cover the contract requirement that payment rates be adjusted annually by the greater of 1% or the change in the Consumer Price Index - All Urban Consumers, U.S. City Average for Food Away from Home. That CPI has averaged a 2.6% increase over the last 10 years. The amount of additional funding assumes that same percentage increase in FY 2016-17. <u>House</u> concurs.	Gross GF/GP	\$52,558,900 \$52,558,900	\$1,535,000 \$1,535,000
9. Increased Information Technology Bandwidth			
<u>Executive</u> includes additional funding to cover costs of increasing information technology bandwidth in an effort to eliminate problems with system slowness and operational outages at 27 correctional facilities and 113 field operations offices. Correctional facilities and field operations locations rely on the internet for programs such as meal tracking used for food service billing; electronic law library; video conferencing for health care, parole hearings, and court appearances; GED preparation and testing; electronic medical records; and the Next Gen health care system. <u>House</u> concurs.	Gross GF/GP	NA NA	\$1,021,800 \$1,021,800
10. One-Time Funding for Ballistic Vests			
<u>Executive</u> includes additional funding for the department to purchase 1,400 ballistic vests for parole and probation staff that go into the field and have direct contact with parolees and probationers, and 170 ballistic vests for transportation officers that are required to wear vests when transporting prisoners. The estimated cost is roughly \$625 per vest. <u>House</u> concurs.	Gross GF/GP	NA NA	\$981,300 \$981,300

Major Budget Changes From FY 2015-16 YTD Appropriations	FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 House Change
<p>11. Life in Recovery Treatment Program <u>Executive</u> includes additional funding for a new treatment service targeted at repetitive relapse prevention for probation violators. The new 30-day program will aim to increase insight into offenders' relapse factors and triggers, identify issues offenders need to work on to prevent future relapses, revise offenders' relapse prevention plans, and offer sober living support. It is estimated that 250 offenders will be treated through this program as an alternative to 90-day residential treatment programming. <u>House</u> concurs.</p>	Gross GF/GP	NA NA \$750,000 \$750,000
<p>12. Smart Device Access Fees <u>Executive</u> includes additional funding to cover fees charged by DTMB for smart device access to state e-mail, mobile device management, DTMB-IT staff support, and security services. As of October 2015, MDOC had 2,100 smart devices in service, compared to 400 in October 2013. The additional funding will cover access fee charges for the additional 1,700 devices at \$20 per device per month. <u>House</u> concurs.</p>	Gross GF/GP	NA NA \$408,000 \$408,000
<p>13. Utility Fee Adjustments <u>Executive</u> includes additional funding to cover increased water and sewer charges at six correctional facilities. The City of Muskegon increased sewage rates by 11%, impacting Brooks (\$43,200) and Muskegon (\$29,000); the City of St. Louis increased water rates by 36%, impacting Central Michigan (\$73,700) and St. Louis (\$96,500); and Kinross Charter Township increased water rates by 25%, impacting Kinross (\$21,600) and Chippewa (\$23,800). <u>House</u> concurs.</p>	Gross GF/GP	NA NA \$287,800 \$287,800
<p>14. Prison Industries Transportation Adjustment <u>Executive</u> includes authorization for Correctional Industries Revolving Fund revenue to be used to partially fund the Transportation line item. Transportation staff will be assuming more transport responsibilities for Prison Industries operations. <u>House</u> concurs.</p>	Gross Restricted	NA NA \$255,000 255,000
<p>15. Savings from Managing Prison Populations <u>Executive</u> reflects an FTE reduction and a total savings of \$10.0 million as a result of the following:</p> <ul style="list-style-type: none"> \$5.0 million in savings from taking housing units off-line; due to reduced prisoner population pressures, select housing units at the Carson City, Marquette, Central Michigan, Egeler, and Cotton Correctional Facilities are not planned for use in FY 2016-17 Full-year savings of \$3.4 million and a reduction of 55.7 FTE positions from closure of the Kinross Correctional Facility and transfer of the prisoners to the former Hiawatha Correctional Facility; closure took place in the fall of 2015 and a partial-year savings of \$2.0 million was included in the FY 2015-16 budget \$1.6 million in net savings from in-sourcing leased beds; it has been determined, on a marginal cost basis, that it is more cost-effective for the department to house prisoners in state correctional facilities instead of leasing beds from county jails. <p><u>House</u> concurs.</p>	FTE Gross GF/GP	NA NA NA (55.7) (\$10,000,000) (\$10,000,000)
<p>16. Prison Store Operations Adjustment <u>Executive</u> reflects a reduction in state restricted prisoner store revenue and a reduction of 28.0 FTE positions as a result of a change in the way the vendor handles distribution of prisoner store orders. Previously, store orders were distributed to regional warehouses and store employees retrieved and delivered the orders to the various facilities. Store orders will now be distributed by the vendor to each individual facility, resulting in the need for fewer storekeeper positions. <u>House</u> concurs.</p>	FTE Gross Restricted	63.0 \$5,649,200 5,649,200 (28.0) (\$2,400,000) (2,400,000)

Major Budget Changes From FY 2015-16 YTD Appropriations	FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 House Change	
17. Program Eliminations	Gross	\$2,500,000	(\$500,000)
<u>Executive</u> reflects a savings of \$2.5 million as a result of the following program eliminations:	GF/GP	\$2,500,000	(\$500,000)
<ul style="list-style-type: none"> • Goodwill Flip the Script program (\$2.0 million) - Funding was first included in the FY 2014-15 budget for Goodwill Industries of Greater Detroit in Wayne County to provide education, job training, and mentoring to roughly 800 troubled 16-29 year-olds, in an effort to keep them out of prison • Parole Sanction Certainty Pilot program (\$500,000) - Funding was included in the FY 2015-16 budget to be distributed to accredited rehabilitation organizations in Berrien, Calhoun, Kalamazoo, Macomb, Muskegon, Oakland, and Wayne Counties for operation and administration of a pilot program that was to be utilized as a condition of parole for technical parole violators. 			
<u>House</u> does not eliminate either program. <u>House</u> includes \$1.5 million for Goodwill Flip the Script and \$500,000 for the Parole Sanction Certainty Pilot program.			
18. Program and Fund Source Adjustments	Gross	NA	(\$356,100)
<u>Executive</u> makes the following program and fund source adjustments to align spending authorization with available revenues: (adjustments have no GF/GP impact on the budget)	IDG	NA	(225,000)
	Federal	NA	(131,100)
<ul style="list-style-type: none"> • Eliminates IDG funding received from DHHS for food service that was provided by MDOC to DHHS at the Maxey facility which is now closed (\$225,000) • Eliminates Federal School Lunch Program line item and fund source due to the department's non-participation in the program since 2014 (\$812,800) • Increases authorization to receive additional federal Residential Substance Abuse Treatment funding (\$64,600) • Increases authorization to receive additional federal Medicaid funding for reimbursement of off-site medical expenses which qualify under the Healthy Michigan Plan (\$117,100) • Increases authorization by \$500,000 to receive an additional \$749,000 in federal Second Chance Act grant funding to be used for computer service technician programs at Gus Harrison and Cotton Correctional Facilities; authorization currently exists in the budget for \$250,000. 			
<u>House</u> concurs.			
19. Technical Adjustments	Gross	NA	\$0
<u>Executive</u> makes internal FTE adjustments, funding adjustments, and transfers throughout the budget, which have no overall Gross or GF/GP impact. Adjustments are made in order to more accurately reflect employee counts and where expenditures occur as a result of reorganizations within the department. <u>House</u> concurs.	GF/GP	NA	\$0
20. Eliminate FTE Positions	FTE	NA	(58.0)
<u>Executive</u> eliminates authorization for 58.0 FTE positions in the Prison Industries Operations line item to more accurately reflect the employee count. This is a technical adjustment which has no impact on current staffing levels. <u>House</u> concurs.	Gross	NA	\$0
	GF/GP	NA	\$0
21. Early Out Payouts	Gross	\$1,346,800	(\$1,346,800)
<u>Executive</u> recognizes the end of employee accumulated leave-time payouts from the 2010 early retirement incentive, which were spread out over five years. <u>House</u> concurs.	Restricted	1,300	(1,300)
	GF/GP	\$1,345,500	(\$1,345,500)
22. Economic Adjustments	Gross	NA	\$35,925,700
<u>Executive</u> reflects a net increase in costs for negotiated salary and wage amounts (1.0% ongoing, 1.5% lump sum), insurance rate increases, actuarially required retirement contributions, private rent costs, building occupancy charges, and worker's compensation costs. <u>House</u> concurs.	Federal	NA	86,100
	Local	NA	159,600
	Restricted	NA	581,300
	GF/GP	NA	\$35,098,700

Major Budget Changes From FY 2015-16 YTD Appropriations		FY 2015-16 Year-to-Date (as of 2/10/16)	FY 2016-17 House Change
23. Prisoner Programming	Gross	\$11,124,000	\$1,000,000
<u>House</u> includes additional funding for the department to provide violence prevention, assaultive offender, sexual offender, substance abuse treatment, thinking for a change, and any other programming that is required as a condition of parole to prisoners who are past their earliest release date as a result of not having received the required programming.	GF/GP	\$11,124,000	\$1,000,000
24. Medication-Assisted Treatment Reentry Pilot Program	Gross	NA	\$500,000
<u>House</u> includes additional funding for the department to establish a medication-assisted treatment reentry pilot program to provide prerelease treatment and post-release referral for opioid-addicted and alcohol-addicted prisoners. The intent is for prisoners to receive one injection prior to being released from custody and to be connected with an aftercare plan.	GF/GP	NA	\$500,000
25. Prisoner Education	Gross	\$35,852,400	\$1,500,000
<u>House</u> includes additional funding for the department to focus on providing career-based educational programming for prisoners, to include vocational trade programs and employment readiness programs.	Federal	1,722,100	0
	Restricted	6,982,900	0
	GF/GP	\$27,147,400	\$1,500,000

Major Boilerplate Changes From FY 2015-16

Sec. 212. FTE Positions and Long-Term Vacancy Report – DELETED

Requires MDOC to report on the number of FTE positions in pay status, to include an accounting of long-term vacancies. Executive deletes. House deletes.

Sec. 239. Management-to-Staff Ratio – DELETED

Expresses legislative intent that MDOC maintain a management-to-staff ratio of 1 supervisor to 8 employees at the central office in Lansing and at the northern and southern region administration offices. Executive deletes. House deletes.

Sec. 403. Effective Process Improvement and Communications (EPIC) Program – DELETED

Requires MDOC to report on the scope and purpose of the EPIC program, the areas of MDOC receiving resources for EPIC, budgetary savings expected to result from EPIC, areas where MDOC policy has changed as a result of EPIC, and the number of employees assigned to EPIC. Executive deletes. House deletes.

Sec. 409. Workforce Development Program – DELETED

Requires MDOC to work with the Talent Investment Agency within the Department of Talent and Economic Development and local entities to design services and to coordinate reentry and vocational education programs for prisoners in an effort to encourage employment of prisoners upon release from prison; requires a report on the results of the workforce development program. Executive deletes. House deletes.

Sec. 505. Mental Health Awareness Training – DELETED

Requires MDOC to provide training for all custody staff who handle prisoners with mental illness; requires mental health awareness training to be incorporated into the training of new custody staff. Executive deletes. House deletes.

Sec. 509. Study on Michigan State Industries Program – DELETED

Requires MDOC to conduct a study on the Michigan State Industries program that focuses on determining which industries within the 10 identified prosperity regions have the maximum benefit to prisoners in providing marketable skills and leading to employment; requires a report on current labor force trends in the prosperity regions and on how Michigan State Industries operations can work in coordination with local communities to determine the industries that would produce the greatest number of employable prisoners upon release. Executive deletes. House deletes.

Sec. 511. Strategic Plan Reporting – DELETED

Requires MDOC to report on strategies to decrease recidivism rates, strategies to increase rehabilitative function of correctional facilities, metrics to track and ensure prisoner readiness to reenter society, and constructive actions for providing prisoners with life skills development. Executive deletes. House deletes.

Sec. 601. Parole and Probation Agent Caseload Audits – DELETED

Requires caseload audits of field agents to evaluate public protection issues and assess agents' abilities to complete their professional duties. Executive deletes. House deletes.

Sec. 611. Annual Program Reports – DELETED

Specifies content to be included in reports by MDOC on community reentry, electronic monitoring, and special alternative incarceration programs (e.g., successful and unsuccessful terminations, end of month populations, length of placements, returns to prison, cost effectiveness of programs). Executive deletes. House deletes.

Major Boilerplate Changes From FY 2015-16

Sec. 805. Health Care Coverage for Dependents – DELETED

Requires MDOC to determine eligibility of prisoners aged 26 years and under for dependent health care coverage. Executive deletes. House deletes.

Sec. 814. Psychotropic Medications for Prisoners – DELETED

Requires MDOC to assure psychotropic medications are available, when deemed medically necessary by licensed medical service providers, to prisoners diagnosed with mental illness but not enrolled in mental health services. Executive deletes. House deletes.

Sec. 816. Pharmaceutical Expenditures – DELETED

Requires MDOC to report on pharmaceutical expenditures and prescribing practices, including expenditures on antipsychotic medications and any changes made to prescription drug formularies. Executive deletes. House deletes.

Sec. 912. Institutional Staffing – DELETED

Requires MDOC to report on the ratios of corrections officers to prisoners, shift command staff to line custody staff, and noncustody institutional staff to prisoners for each correctional institution. Executive deletes. House deletes.

Sec. 937. Competitive Bidding – DELETED

Prohibits MDOC from issuing a RFP for a contract in excess of \$5.0 million unless MDOC has first considered a request for information (RFI) or a request for qualification (RFQ) relative to the contract. Executive deletes. House deletes.

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

Requires any for-profit entities using state-owned facilities to pay fair market value for use of the facilities and to make payments in lieu of taxes to local jurisdictions equivalent to what local units would receive if facilities were privately-owned. Executive deletes. House deletes.

Sec. 945. Overcrowding in Central Michigan Correctional Facility Visiting Room – DELETED

Requires MDOC to investigate options for increasing the visiting capacity at the Central Michigan Correctional Facility in order to ease visiting room overcrowding; requires MDOC to report on the progress being made to address visiting room overcrowding. Executive deletes. House deletes.

Sec. 1011. Religious Cable Programming – DELETED

Authorizes MDOC to accept in-kind services and equipment donations to facilitate the addition of a cable network that provides religious programming for prisoners; prohibits the addition of channels from costing the state. Executive deletes. House deletes.

Sec. 1012. Faith-Based Reentry Programs – DELETED

Allows priority to be given to funding reentry or rehabilitation programs that have been demonstrated to reduce prison violence and recidivism, such as faith-based initiatives. Executive deletes. House deletes.

Sec. 1201. Anticipated FY 2016-17 Appropriations – DELETED

Expresses legislative intent that FY 2016-17 appropriations will be funded at the same level as FY 2015-16 appropriations, adjusting for changes in caseloads, federal fund match rates, economic factors, and available revenues. Executive deletes. House deletes.

Sec. 425. Medication-Assisted Treatment Reentry Pilot Program – NEW

Requires MDOC to establish a medication-assisted treatment reentry pilot program to provide prerelease treatment and post-release referral for opioid-addicted and alcohol-addicted prisoners; requires MDOC to collaborate with residential and non-residential substance abuse treatment providers and with community-based clinics to provide post-release treatment; authorizes the manufacturer to provide MDOC with samples of the medication at no cost to the department; requires MDOC to provide participating prisoners with one injection prior to being released from custody and to connect prisoners with an aftercare plan; requires MDOC to report follow-up information on prisoners who receive the injections. Executive does not include. House includes.

Sec. 615. (2) Parolable Lifers – NEW

Requires MDOC to report the following on parolable lifers who have served more than 25 years: name, identification number, prefix, offense, county of conviction, age when offense was committed, current age, race, gender, security classification, dates of parole board reviews, parole guideline scores, and the Parole Boards' reason for the decision not to release. Executive does not include. House includes.

Sec. 806. Living in Recovery Program – NEW

Requires funding appropriated for the Living In Recovery Program to serve probation violators by targeting relapse prevention and helping develop sobriety systems to deter further criminal behavior and recidivism; requires MDOC to track the outcome of the program to determine the number of participants that succeeded, the number that failed and were returned to prison, and the number that failed, but were not returned to prison. Executive includes. House includes.

Sec. 807. Mental Health and Sex Offender Programming – NEW

Requires funding appropriated for the expanded mental health and sex offender programming to be used to address increased caseloads, reduce the number of prisoners on waiting lists who are past their earliest release dates, and reduce the percentage of prisoners readmitted to mental health programs at their previous level of care. Executive includes. House includes.

Major Boilerplate Changes From FY 2015-16

Sec. 908. High School Diploma in lieu of High School Equivalency – NEW

Requires MDOC to explore the feasibility of establishing an online career high school education pilot program, or other alternatives to providing prisoners with a high school diploma in lieu of a high school equivalency; requires MDOC to explore establishing outside partnerships to assist with providing high school diplomas; requires MDOC to report on steps the department would have to take, resources needed, and organizational changes that would be required to provide prisoners with a high school diploma in lieu of a high school equivalency. Executive does not include. House includes.

Sec. 909. Educational Programming – NEW

Requires MDOC to focus on providing career-based educational programming for prisoners, to include vocational trade programs and employment readiness programs. Executive does not include. House includes.

Sec. 913. (1) Prisoner Programming – NEW

Requires MDOC to provide violence prevention programming, assaultive offender programming, sexual offender programming, substance abuse treatment programming, thinking for a change programming, and any other programming that is required as a condition of parole to prisoners who are past their earliest release date as a result of not having received the required programming. Executive does not include. House includes.

Sec. 1000. Increased Information Technology Bandwidth – NEW

Requires funding appropriated for increasing information technology bandwidth to be used to support critical information technology systems that provide platforms for several mandated programs and department cost savings efforts. Executive includes. House includes.

Sec. 1100. New Custody Staff Training – NEW

Requires funding appropriated for new custody staff training to be used to increase the training capacity for new custody staff by 350 officers for the purpose of addressing higher than normal attrition of corrections officers and decreasing overtime costs. Executive includes. House includes.