

**Summary: Executive Budget Recommendation
for Fiscal Year 2018-19
DEPARTMENT OF CORRECTIONS**



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	FY 2017-18 Year-to-Date as of 2/7/18	FY 2018-19 Executive	Difference: FY 2018-19 Vs. FY 2017-18	
			Amount	%
IDG/IDT	\$0	\$0	\$0	0.0
Federal	5,293,800	5,315,200	21,400	0.4
Local	8,842,400	8,960,100	117,700	1.3
Private	0	0	0	0.0
Restricted	41,149,400	40,939,600	(209,800)	(0.5)
GF/GP	1,946,633,600	1,979,910,200	33,276,600	1.7
Gross	\$2,001,919,200	\$2,035,125,100	\$33,205,900	1.7
FTEs	13,819.9	13,967.2	147.3	1.1

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (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, food service, transportation, and reintegration programs. Also, the department is 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 February 1, 2018, the department was responsible for 98,782 Michigan offenders: 39,407 prisoners, 44,147 probationers, and 15,228 parolees.

Budget Changes From FY 2017-18 Year-to-Date (YTD) Appropriations

1. West Shoreline Correctional Facility Closure

Reflects a savings of \$18.9 million Gross (\$18.8 million GF/GP) and a reduction of 212.7 FTE positions due to closure of the West Shoreline Correctional Facility. Net savings will be achieved from a combination of the following: eliminating \$21.3 million in funding used for operation of the facility; reducing funding for education programs by \$501,700; reducing funding for clinical and mental health care by \$1.4 million; reducing funding for prison store operations by \$92,000; and increasing funding by \$4.3 million to cover costs of re-opening closed housing units at four other correctional facilities to accommodate the 1,264 prisoners coming from West Shoreline. The closure will impact 164 active employees.

	FY 2017-18 YTD (as of 2/7/18)	Executive Change from YTD
FTE	212.7	(212.7)
Gross	\$18,924,700	(\$18,924,700)
Restricted	92,000	(92,000)
GF/GP	\$18,832,700	(\$18,832,700)

2. Prison Food Service

Includes \$13.7 million GF/GP and authorization for 352.0 FTE positions to change over operation of prison food service from a private provider to state employees. Roughly \$6.6 million of the increase is attributed to legacy costs. Out-sourcing of prison food service began in December 2013, with Aramark providing the service. The contract with Aramark was terminated and a new contract with Trinity began in July 2015. The current contract with Trinity will expire at the end of July 2018. According to the department, staffing vacancies, food substitutions, food service delays, sanitation issues, and prisoner grievances have been major issues with both contractors.

FTE	0.0	352.0
Gross	\$57,163,500	\$13,667,100
GF/GP	\$57,163,500	\$13,667,100

Budget Changes From FY 2017-18 Year-to-Date (YTD) Appropriations

3. One-Time Funding for Training of New Custody Staff

Includes \$9.2 million in one-time GF/GP funding to train an additional 359 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.) On average, 50 custody staff retire each month. With the additional funding added to the FY 2017-18 base of \$9.4 million, the department will be able to train roughly 730 new officers in FY 2018-19.

Gross	NA	\$9,227,700
GF/GP	NA	\$9,227,700

4. Program Eliminations

Reflects a savings of \$6.0 million GF/GP due to the following program eliminations:

- Goodwill Flip the Script Program (\$1.5 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 troubled 16-39 year-olds, who have entered into the criminal justice system for the first or second time, in an effort to keep them out of prison.
- Substance Abuse Parole Certain Sanction Program (\$1.4 million) – funding was first included in the FY 2015-16 budget for distribution to accredited rehabilitation organizations offering services to parole violators.
- Supervising Region Incentive Program (\$1.0 million) – funding was first included in the FY 2016-17 budget to provide incentives to field operations administration regions that implement supervision practices, procedures, and sanctions directed at parole and probation revocation reduction.
- Future Facility and Staff Transition Costs (\$1.0 million) – funding was first included in the FY 2016-17 budget to cover staff transition costs when a new correctional facility came online.
- Online High School Equivalency Pilot Program (\$1.0 million) – funding was first included in the FY 2017-18 budget to serve up to 400 prisoners through a regionally accredited public or private school district that offers career-based online high school diplomas.
- Federally Qualified Health Center Pilot Program (\$75,000) – funding was first included in the FY 2017-18 budget for the department to work with the organization that represents federally qualified health centers to implement a pilot project to ensure that behavioral and physical health needs of parolees and probationers are met.

Gross	\$6,015,000	(\$6,015,000)
GF/GP	\$6,015,000	(\$6,015,000)

5. Removal of One-Time Funding

Eliminates one-time funding that was included in the FY 2017-18 budget that was appropriated for training new custody staff.

Gross	\$4,359,000	(\$4,359,000)
GF/GP	\$4,359,000	(\$4,359,000)

6. Higher Custody Level Programming

Includes \$4.0 million GF/GP (\$2.4 million one-time; \$1.6 million ongoing) to expand access to programming to higher security level prisoners (i.e., Level IV, Level V, and Administrative Segregation prisoners). The department manages over 9,000 prison beds in higher custody level settings within 76 housing units located at 18 different facilities. Currently, access to programming for these prisoners is very limited and primarily focused on behavior. Through the use of tablet computers, programming will be aimed at improving education, skill level, and behavior.

Gross	NA	\$4,000,000
GF/GP	NA	\$4,000,000

7. Health Care Recruitment and Retention

Includes \$3.8 million GF/GP for recruitment and retention of health care professionals, specifically, dentists, registered nurses, and qualified mental health professionals. Civil Service changed classifications and adjusted pay levels for certain medical and psychiatric positions, which requires additional funding. Also, the Bureau of Health Care Services within the department proposes offering a \$5,000 signing bonus to registered nurse candidates per the UAW contract, and increasing base pay for dentists by 20% pursuant to Civil Service rules.

Gross	NA	\$3,762,400
GF/GP	NA	\$3,762,400

8. Corizon Contract Adjustment

Includes \$2.5 million GF/GP to cover costs of required inflationary adjustments. The contract requires an annual increase in the base per prisoner per month cost for physical and mental health care services, including pharmaceuticals.

Gross	\$71,636,400	\$2,458,900
GF/GP	\$71,636,400	\$2,458,900

**FY 2017-18 YTD
(as of 2/7/18)** **Executive
Change
from YTD**

Budget Changes From FY 2017-18 Year-to-Date (YTD) Appropriations

9. Offenders with Special Needs Contract – Volume Adjustment	Gross	NA	\$1,648,700
Includes \$1.6 million GF/GP to support increased caseload and associated costs for reentry services for high-risk parolees with special needs. The number of these offenders referred for these services by the Parole Board has increased from 680 cases to 839 cases resulting in increased costs to the department.	GF/GP	NA	\$1,648,700
10. Prisoner Reentry Services Contracts with Local Service Providers	Gross	\$13,208,600	\$1,291,400
Includes \$1.3 million GF/GP to support increased caseload and increased costs for reentry services provided by local service providers for parolees (i.e., housing and job placement, health and behavioral health, and social support services).	GF/GP	\$13,208,600	\$1,291,400
11. Probation Residential Services	Gross	\$15,475,500	\$850,000
Includes \$850,000 GF/GP to support increased demand for probation residential services (i.e., cognitive behavioral therapy, substance abuse, employment, medical, case management, and temporary housing). Emphasis placed on use of community-based sanctions and services for the probation population has resulted in increased demand for services and associated increased costs.	GF/GP	\$15,475,500	\$850,000
12. Sewer Treatment Rate Increase	Gross	NA	\$184,300
Includes \$184,300 GF/GP to cover the cost of a sewage rate increase at the Gus Harrison Correctional Facility. The 75.9% rate increase was initiated by Madison Township in Lenawee County.	GF/GP	NA	\$184,300
13. Fund Source Adjustments	Gross	\$6,908,500	(\$278,000)
Reduces authorization for state restricted Parole and Probation Oversight Fees by \$428,000 and increases authorization for state restricted Tether Program Participant Contributions by \$150,000 to reflect the amount of revenue the department anticipates collecting.	Restricted GF/GP	6,908,500 \$0	(278,000) \$0
14. Health Care FTE Adjustments	FTE	NA	8.0
Eliminates 4.0 vacant Psychiatrist positions, which are no longer needed because they are filled through the integrated health care contract with Corizon, and adds FTE position authorization for the Clinical Complexes line item and the Mental Health Services and Support line item.	Gross GF/GP	NA NA	\$0 \$0
15. Technical Adjustments	Gross	NA	\$0
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.	GF/GP	NA	\$0
16. Economic Adjustments	Gross	NA	\$25,692,100
Reflects increased costs of \$25.7 million Gross (\$25.4 million GF/GP) for negotiated salary and wage increases (2.0% ongoing), insurance rate increases, actuarially required retirement contributions, worker's compensation, building occupancy charges, and fuel and utilities.	Federal Local Restricted GF/GP	NA NA NA NA	21,400 117,700 160,200 \$25,392,800

Boilerplate Changes From FY 2017-18

GENERAL SECTIONS

Sec. 206. Disciplinary Action Against State Employees and Prisoners – DELETED

Prohibits MDOC from taking disciplinary action against employees or prisoners for communicating with legislators or their staff.

Sec. 216. FTE Positions and Long-Term Vacancies – DELETED

Requires MDOC to report on number of FTE positions in pay status by civil service classification, to include an accounting of long-term vacancies.

Sec. 217. Receipt and Retention of Required Reports – DELETED

Requires MDOC to receive and retain copies of all reports required; requires federal and state guidelines to be followed for short-term and long-term retention of records; authorizes MDOC to electronically retain copies of reports unless otherwise required by federal and state guidelines.

Boilerplate Changes From FY 2017-18

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 central office in Lansing and at northern and southern region administration offices.

Sec. 248. Consensus Revenue Estimating Conference (CREC) – DELETED

Requires Senate and House Fiscal Agencies and State Budget Director, or State Treasurer, to establish a projected prisoner population, and a projected number of available beds based on prisoner population, at May 2018 CREC.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 308. 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 training of new custody staff.

Sec. 309. Maintenance and Utility Costs at Facilities – DELETED

Requires MDOC to report on maintenance and utility costs and plans for capital improvement costs for each correctional facility.

Sec. 310. 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.

OFFENDER SUCCESS ADMINISTRATION

Sec. 405. Substance Abuse Testing and Treatment – DELETED

Requires MDOC to report on substance abuse testing and treatment program objectives, outcome measures, and results, including impact on offender success and programmatic success.

Sec. 406. Federally Qualified Health Centers (FQHCs) – DELETED

Requires MDOC to work with the organization representing federally qualified health centers to implement a pilot project to ensure behavioral and physical health needs of parolees and probationers are met; requires pilot project to position FQHCs to ensure parolees and probationers are enrolled in and maintain access to benefits they qualify for, are linked to health care services they need, follow up with providers, stay on medications, are engaged in services, and have barriers to care addressed; requires MDOC to make necessary accommodations to perform transition planning to allow for a direct referral to FQHC organization to patients in relevant areas; authorizes FQHCs to submit annual reports.

Sec. 411. Community Corrections Comprehensive Plans – DELETED

Establishes further requirements for community corrections comprehensive plans, such as information on sanctions and services available and utilized, local communities' plans to respond to sentencing guidelines, and strategies to collaborate with state and local alcohol and drug treatment agencies.

Sec. 412. Community Corrections Biannual Report – DELETED

Specifies details to be included in biannual report required by Community Corrections Act, 1988 PA 511 (e.g., levels of funding, program utilization levels, profile information of offenders, data on residential services, offender disposition data).

Sec. 413. Community Corrections and Jail Data – DELETED

Requires development of certain databases on local correctional trends and jail utilization; requires county cooperation in providing necessary jail data.

Sec. 417. Reports on Community Programs – DELETED

Requires MDOC to report on program expenditures, program details, and program impacts and results for County Jail Reimbursement Program, Felony Drunk Driver Jail Reduction and Community Treatment Program, and any new initiatives aimed at controlling prison population growth.

Sec. 419.(1) Offender Data Reports – DELETED

Requires MDOC to provide weekly electronic mail reports on prisoner populations by security level by facility, prison facility capacities, and parolee and probationer populations.

Sec. 421. Substance Abuse Parole Certain Sanction Program – DELETED

Requires MDOC to distribute funding to accredited rehabilitation organizations in Berrien, Calhoun, Genesee, Kalamazoo, Kent, Macomb, Muskegon, Oakland, Saginaw, and Wayne Counties for operation and administration of a pilot program to be utilized as a condition of parole for technical parole violators; requires reports from organizations on program performance measures, number of individuals participating in programs, number of individuals returning to prison after participating in programs, and outcomes of participants completing programs.

Boilerplate Changes From FY 2017-18

Sec. 437. Goodwill Flip the Script – DELETED

Requires MDOC to contract with a nonprofit entity in a county with greater than 1.5 million people to provide persons aged 16-39 with education, job training, and mentoring in an effort to keep them out of prison; requires program to target individuals entering criminal justice system for first or second time; requires report on program performance measures, number of individuals diverted from incarceration, number of individuals served, and outcomes of participants completing program.

FIELD OPERATIONS ADMINISTRATION

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.

Sec. 602. Supervising Region Incentive Program – DELETED

Requires funding for supervising region incentive program to be used to provide incentives to field operations administration regions that implement supervision practices, procedures, and sanctions directed at parole and probation revocation reduction.

Sec. 604.(2) Criminal Justice Reinvestment – DELETED

Allocates \$600,000 to an organization that provides programming and job training services to county jail inmates to prepare them for employment upon release from jail.

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).

Sec. 612. Violators of Parole and Probation – DELETED

Requires MDOC to review and revise proposals for alternatives to prison for technical violators of parole and probation; requires report on number of probationers and parolees returned to or sent to prison for new crimes, number of probationers and parolees returned to or sent to prison for technical violations, educational history of offenders, number of offenders who participated in reentry programs, number of offenders who participated in substance abuse treatment programs, mental health programs, or both.

HEALTH CARE

Sec. 802. Health Care Timeliness and Expenditures – DELETED

Requires MDOC to report on expenditures, allocations, status of payments, and projected expenditures from accounts for prisoner health care, mental health care, pharmaceutical services, and durable medical equipment.

Sec. 803. Standard Medical Release Form – DELETED

Requires MDOC to give all prisoners the opportunity to sign a medical release of information form, effective for one year, designating a family member or other individual to whom MDOC is authorized to release information; requires MDOC to assure forms follow prisoners if and when they are transferred to other facilities or released from prison.

Sec. 812. Medicaid Utilization by Prisoners – DELETED

Requires MDOC and DHHS to exchange information regarding newly-committed prisoners who may be Medicaid-eligible; requires MDOC to assist outgoing prisoners with Medicaid enrollment; requires report on utilization of Medicaid benefits for prisoners.

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.

CORRECTIONAL FACILITIES ADMINISTRATION

Sec. 902. Future Facility Staff Transition – DELETED

Requires appropriation to be used for staff transition costs.

Sec. 904. Cost Per Prisoner Per Day – DELETED

Requires MDOC to report on per prisoner/per day costs for each prisoner security custody level, including actual direct and indirect costs, and allocation of statewide legacy costs.

Sec. 905. Leased Beds and Alternatives to Leased Beds – DELETED

Authorizes MDOC to implement a county jail bed program to house eligible prisoners in county jails rather than in state correctional facilities; authorizes counties to volunteer to participate in the program; specifies criteria that prisoners must meet in order to be eligible to participate in the program.

Sec. 908. Online Career High School Education Program – DELETED

Requires MDOC to establish an online career high school education pilot program to serve up to 400 prisoners through a regionally accredited public or private school district that offers career-based online high school diplomas; requires school district chosen for pilot program to be paid a specified amount per prisoner per course successfully completed; authorizes MDOC to use federal funds to expand the program beyond 400 prisoners; requires MDOC to report on progress of prisoners in the program.

REVIEW AND ANALYSIS OF FY 2018-19 EXECUTIVE RECOMMENDATION

Boilerplate Changes From FY 2017-18

Sec. 913.(2) Enrollment in and Completion of Various Programming – DELETED

Expresses legislative intent that prisoners who are required to complete sex offender, assaultive offender, violent offender, and Thinking for Change programming as a condition of parole be transferred to facilities where programming is available.

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.

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

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

Sec. 942. Auditor General and Corrections Ombudsman Access to Contracted Facilities – DELETED

Requires any contract with a third-party to operate a facility to house Michigan prisoners to include a provision allowing access to facility and appropriate records by Auditor General and Legislative Corrections Ombudsman.

Sec. 943. Savings from Prison Closures – DELETED

Requires MDOC to report on actual and projected savings achieved by closing correctional facilities, starting with closure of Pugsley Correctional Facility.

Sec. 944. Economic Impact of Prison Closures – DELETED

Requires MDOC to consider potential economic impact of prison closure on community where facility is located.

Sec. 945. Notice on Intent to Renew or Rebid Food Service Contract – DELETED

Requires MDOC to provide notice to legislature and fiscal agencies of its intent to renew or rebid prisoner food service contract.

Sec. 1011. Religious Cable Programming – DELETED

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

Sec. 1013. Faith-Based Reentry Programs – DELETED

Authorizes priority to be given to funding reentry or rehabilitation programs that have been demonstrated to reduce prison violence and recidivism, including faith-based initiatives.

Sec. 1201. Anticipated FY 2018-19 Appropriations – DELETED

Expresses legislative intent that FY 2018-19 appropriations will be funded at same level as FY 2017-18 appropriations, adjusting for changes in caseloads, federal fund match rates, economic factors, and available revenues.