

DEPARTMENT OF CORRECTIONS
Summary: Conference Report
Article 2, House Bill 5396 (S-1) CR-1

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	FY 2019-20 YTD as of 2/6/20	FY 2020-21 Conference	Difference: Conference From FY 2019-20 YTD	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	5,323,700	196,370,900	191,047,200	3588.6
Local	11,687,200	9,680,600	(2,006,600)	(17.2)
Private	0	0	0	--
Restricted	45,112,500	45,478,500	366,000	0.8
GF/GP	1,980,137,900	1,809,258,400	(170,879,500)	(8.6)
Gross	\$2,042,261,300	\$2,060,788,400	\$18,527,100	0.9
FTEs	13,794.3	13,702.8	(91.5)	(0.7)

Notes:

- (1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
- (2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
- (3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

Overview

The Michigan Department of Corrections (MDOC) is responsible for operation and maintenance of the state's 29 correctional facilities that house felony offenders sentenced to prison. This includes provision of physical and mental health care, education, food service, transportation, and reintegration programming. The department is also responsible for 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 September 1, 2020, the department was responsible for 85,120 Michigan offenders: 34,761 prisoners, 36,893 probationers, and 13,466 parolees. From 1 year ago, the total number of offenders dropped by 8,760, or by 9.3%. The number of prisoners dropped by 3,394, or 8.9%, the number of probationers dropped by 5,299, or 12.6%, and the number of parolees dropped by 67, or 0.5%.

Major Budget Changes From FY 2019-20 YTD Appropriations**1. John Does v Department of Corrections Settlement**

Includes \$15.0 million GF/GP for the second payment to be made on October 15, 2020 as agreed to in the *John Does v Department of Corrections* settlement. The case involved approximately 1,300 members that were incarcerated October 2010 through the date of the settlement. The lawsuits claimed a variety of injuries including sexual assault and harassment, inappropriate use of segregation, and deprivation of educational and rehabilitative experiences due to the young age of the members. The case settled for \$80.0 million total inclusive of attorney fees and costs. The remaining payments will be made on October 15, 2021 (\$25.0 million) and on October 15, 2022 (\$15.0 million).

	FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
Gross	\$25,000,000	\$15,000,000
GF/GP	\$25,000,000	\$15,000,000

2. Coronavirus Relief Funds for Payroll

Includes \$191.0 million of federal Coronavirus Relief Funds and reduces GF/GP by a like amount. Funding will be allocated to support payroll costs for frontline workers throughout the department, but primarily at correctional facilities.

	Gross	NA	\$0
Federal	NA	191,000,000	
GF/GP	NA	(\$191,000,000)	

CORRECTIONS

<u>Major Budget Changes From FY 2019-20 YTD Appropriations</u>		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
3. Funding for Training New Custody Staff	Gross	\$9,491,100	\$4,000,000
Includes \$4.0 million GF/GP to train additional corrections officers in an effort 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. At least 50 custody staff are projected to retire each month in the next year. With the additional funding added to the FY 2019-20 base of \$9.5 million, and with expenditure of carried forward work project account funding from prior years, the department will be able to train an estimated 700 new officers in FY 2020-21.	GF/GP	\$9,491,100	\$4,000,000
4. Corizon Health Care Contract Adjustment	Gross	NA	\$3,239,500
Includes \$3.2 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. FY 2020-21 will be the last year of the 5-year contract.	GF/GP	NA	\$3,239,500
5. City of Jackson Water Rate Increase	Gross	NA	\$575,500
Includes \$575,500 GF/GP to cover costs of a water rate increase in the City of Jackson. The water rate increase is a result of changes in the state's lead and copper rules and will impact the four correctional facilities located in the Jackson area.	GF/GP	NA	\$575,500
6. Employee Wellness Enhancements	Gross	NA	\$500,000
Includes \$500,000 GF/GP for additional employee wellness resources and support services for all department employees.	GF/GP	NA	\$500,000
7. Green Oaks Training Facility	FTE	NA	1.0
Reflects the transfer of \$109,200 GF/GP and 1.0 FTE position from DHHS to MDOC to provide continued maintenance services at the Green Oaks facility in Whitmore Lake. MDOC is taking over operations of the facility, which will be refurbished and utilized as the new Corrections Officer Training Academy.	Gross	NA	\$109,200
	GF/GP	NA	\$109,200
8. Removal of Current Year One-Time Funding	Gross	\$15,033,900	(\$15,033,900)
Reduces the budget by \$15.0 million GF/GP to reflect removal of one-time funding included in the FY 2019-20 budget. Funding removed includes \$10.5 million for new custody staff training and \$4.6 million for electronic tether replacement.	GF/GP	\$15,033,900	(\$15,033,900)
9. Closure of Detroit Reentry Center	Gross	\$30,561,100	(\$12,300,000)
Reduces the budget by \$12.3 million GF/GP to reflect savings from the partial year closure of the Detroit Reentry Center. The center will close in January 2021.	GF/GP	\$30,561,100	(\$12,300,000)
10. Relocation of the Special Alternative Incarceration Program	FTE	120.0	(92.5)
Reflects full-year savings of \$10.0 million GF/GP and a reduction of 92.5 FTE positions from relocation of the Special Alternative Incarceration program from Camp Cassidy Lake in Chelsea to the Cooper Street Correctional Facility in Jackson.	Gross	\$14,325,300	(\$10,046,700)
	Restricted	102,100	0
	GF/GP	\$14,223,200	(\$10,046,700)
11. PIHPs for Substance Use Services for Parolees	Gross	NA	(\$7,000,000)
Reflects a savings of \$7.0 million GF/GP from elimination of the department's substance use disorder treatment network in communities and, instead, utilization of PIHPs to provide substance use disorder treatment to Medicaid-eligible parolees.	GF/GP	NA	(\$7,000,000)

CORRECTIONS**Major Budget Changes From FY 2019-20 YTD Appropriations**FY 2019-20
Year-to-Date
(as of 2/6/20)FY 2020-21
Conference
Change**12. Lake County Residential Reentry Program**

Reflects a savings of \$4.0 million GF/GP from closure of the Lake County Residential Reentry Program, which was a short-term reentry program for parolees providing specific programming aimed at reducing behaviors that might result in failure while on parole.

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

13. Administrative Savings

Reflects a savings of \$2.5 million GF/GP to be achieved through administrative efficiencies in the following program areas:

- Field Operations Administration (\$800,000)
- Clinical Complexes (\$610,000)
- Community Corrections (\$300,000)
- Offender Success Services (\$300,000)
- Goodwill Flip the Script (\$250,000)
- Residential Probation Diversions (\$250,000)

Gross	NA	(\$2,510,000)
GF/GP	NA	(\$2,510,000)

14. Detroit Detention Center Adjustment for New Contract

Reflects a reduction of \$2.3 million of local revenue received from the City of Detroit for operation of the Detroit Detention Center. MDOC operates the facility for the city and the city pays MDOC. The reduction from the current year base of \$11.4 million reflects estimated costs for FY 2020-21 under the new contract agreement.

Gross	\$11,412,200	(\$2,287,700)
Local	11,412,200	(2,287,700)
GF/GP	\$0	\$0

15. Hepatitis C

Reduces funding for Hepatitis C treatment for prisoners by \$2.2 million GF/GP.

Gross	\$11,000,700	(\$2,190,000)
GF/GP	\$11,000,700	(\$2,190,000)

16. Criminal Justice Reinvestment

Reduces funding for the Criminal Justice Reinvestment line item by \$2.0 million GF/GP.

Gross	\$5,498,400	(\$2,000,000)
GF/GP	\$5,498,400	(\$2,000,000)

17. Chance for Life Programming

Transfers \$250,000 GF/GP from the Enhanced Food Technology Program line item to the Criminal Justice Reinvestment line item to be used for the department to select a vendor to provide evidence-based mentoring, employment soft skills training, and job placement assistance for offenders released from prison.

Gross	NA	\$0
GF/GP	NA	\$0

18. Technical Adjustments

Makes internal FTE adjustments, funding adjustments, and transfers throughout the budget, which have no overall Gross or GF/GP impact. Adjustments are made to more accurately reflect employee counts and where expenditures occur.

Gross	NA	\$0
GF/GP	NA	\$0

19. Economic Adjustments

Reflects a net increase in costs of \$52.5 million Gross (\$51.8 million GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 4, 2021), actuarially required retirement contributions, worker's compensation premium costs, building occupancy charges, and food, fuel, and utility costs. **Note: \$5.6 million of the increase will cover employee-related costs resulting from pre-shift staff line-up meetings, which will be reinstated starting October 1, 2020, according to a new agreement between the state and the Michigan Corrections Organization.**

Gross	NA	\$52,471,200
Federal	NA	47,200
Local	NA	281,100
Restricted	NA	366,000
GF/GP	NA	\$51,776,900

CORRECTIONS

Major Boilerplate Changes From FY 2019-20

GENERAL SECTIONS

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

Prohibits MDOC from taking disciplinary action against employees or prisoners for communicating with legislators or their staff. Revised to stipulate prohibition against taking disciplinary action unless the communication is prohibited by law and MDOC is exercising its authority as provided by law.

Sec. 215. Businesses in Deprived and Depressed Communities Compete for Contracts – NEW

Requires MDOC director, to the extent possible, to take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts; requires MDOC director to strongly encourage firms with which the department contracts to subcontract with certified businesses in deprived and depressed communities.

Sec. 216. FTE Positions, Long-Term Vacancies, and Remote Work – REVISED

Requires MDOC to report on the number of FTE positions in pay status by civil service classification, including an accounting of all vacant positions, all vacant and filled corrections officer positions by facility, all vacant healthcare-related positions, and all positions that are being held open for temporarily non-active employees. Revised to add to reporting requirement all of the following: comparison of number of full-time positions authorized compared to actual number employed by line item, number of employees authorized to work remotely and number of employees working remotely, estimated cost savings achieved by remote work, and reduced use of office space associated with remote work.

Sec. 217. Coronavirus Relief Fund Appropriations – NEW

Unappropriates any Coronavirus Relief Fund appropriations for which expenditures have not been incurred as of December 30 and reappropriates them for deposit into the Unemployment Compensation Fund to support costs incurred due to the COVID-19 pandemic.

Sec. 218. State Administrative Board Transfers – NEW

Authorizes the legislature, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, to inter-transfer funds if the State Administrative Board transfers funds.

Sec. 221. Receipt and Retention of Reports – NEW

Requires MDOC to follow federal and state guidelines 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.

Sec. 222. Report on Policy Changes Made to Implement Public Acts – NEW

Requires MDOC to report on each specific policy change made by the department to implement a public act affecting the department.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 302. Staff Retention Strategies – REVISED

Requires MDOC to report on staff retention strategies, including how to improve employee engagement, how to improve employee wellness, how to offer additional training and professional development, metrics used by MDOC to measure success of employee wellness programming, mechanisms by which MDOC receives employee feedback, how to consider suggestions made by employees, and steps taken and future plans for retention and improving employee wellness. Revised to include requirement that MDOC establish a Staff Recruitment and Retention Advisory Board to assist MDOC with shaping and enhancing effectiveness of staff recruiting and retention strategies; requires a status report on establishing the board and on the board's initial plans.

Sec. 303. Staff Departures – REVISED

Requires MDOC to report on employee departures, including number of corrections officers and number of years they worked for the department. Revised reporting requirement to include a chart showing the distribution of employee departures based on specified ranges of years of service; a summary of the primary reasons for departures by ranges of years of service; and a distinction between employee departures by recruits in-training at the academy, recruits in-training at a facility, and employees who have been on the job.

Sec. 310. Strategic Plan Reporting – REVISED

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. Revised to require a report that details progress being made toward achieving strategic plan, updates on relevant strategic plan objectives, and key stats on efforts to decrease overall recidivism rate.

Major Boilerplate Changes From FY 2019-20

Sec. 312. PTSD Outreach and Employee Wellness – REVISED

Requires \$50,000 from the Budget and Operations Administration line item to be used for PTSD outreach and employee wellness programming; requires MDOC to work with the Michigan Corrections Organization and department employees to determine strategies for treating mental health issues and implementing mental health programming for employees; requires a report on strategies and goals, programs, prevalence of PTSD and other psychological issues among corrections officers that are exacerbated by the environment, and expenditures. Revised to require \$50,000 to be spent on conducting a comprehensive follow-up study to the initial study that was conducted in FY 2018-19; requires MDOC to report on results of the study and on programs, level of employee involvement, and expenditures for employee wellness programming.

Sec. 315. 12-Hour Shifts for Corrections Officers – REVISED

Expresses intent of the legislature that once staffing vacancy rates improve to a sufficient level, corrections officers will be allowed the option of working 12-hour shifts. Revised to require MDOC to conduct a survey of all corrections officers at all facilities on whether officers want to have 12-hour shifts implemented; requires MDOC to report on results of the survey.

Sec. 316. Handgun Requalification – DELETED

Requires \$200,000 from the New Custody Staff Training line item to be used for handgun requalification for corrections officers wanting to be requalified.

Sec. 316. New Custody Staff Training – NEW

Requires MDOC to target training at hiring a minimum of 700 corrections officers to address higher than normal attrition.

Sec. 317. Study on Location for Corrections Officer Training Academy – DELETED

Requires MDOC, in cooperation with DTMB, to conduct a study to find a suitable location for a corrections officer training academy; requires a minimum of four locations to be studied, including the former Riverside and Ojibway Correctional Facilities; requires the new academy to have classrooms, offices, a gymnasium, a cafeteria, lodging, an outdoor training area, and a firearm range; requires a report on results of the study, including projected costs.

Sec. 317. New Corrections Officer Training Academy – NEW

Requires MDOC to report on the status of the new training academy including a list of all the structures and amenities and expenditure data associated with the structures and amenities; lists amenities the legislature intends for the new academy to have and requires a report on the amount of money associated with an amenity not included on site; requires MDOC to name the facility and to solicit ideas for names from staff.

Sec. 318. Professional Development and Training for Staff – NEW

Requires MDOC to report on programs that offer professional development and training opportunities for all levels of custody supervision and first line managers, including an overview of existing programs, and a review of similar programs in other organizations and in other states.

OFFENDER SUCCESS ADMINISTRATION

Sec. 410. Community Corrections Comprehensive Plans and Services – REVISED

Specifies purpose of and requirements for community corrections comprehensive plans (e.g., reduce admissions to prisons, improve utilization of jail facilities, contribute to offender success); lists award criteria for community corrections planning and residential services funds (e.g., trends in prison commitment rates, jail utilization, community corrections program capacity and utilization; impact and outcome of policies and procedures of programs on offender success); limits residential probation diversions per diem reimbursement rate to \$52.50. Revised to consolidate this section with current language section 416, which specifies uses of drunk driver jail reduction and community treatment program funding, and to change the residential probation diversions per diem reimbursement rate from \$52.50 to \$55.50.

FIELD OPERATIONS ADMINISTRATION

Sec. 603. Curfew Monitoring Program Costs – REVISED

Requires tether participants to reimburse MDOC for program costs; authorizes MDOC to require community service work as a means of payment; provides for a community tether program for counties to be used to reduce prison admissions and improve local jail utilization; authorizes MDOC to provide counties with tether equipment for a fee; prohibits access to the program for counties with outstanding charges over 60 days. Revised to delete requirement that tether participants reimburse MDOC for program costs, and delete authorization for MDOC to require community service work as a means of payment. (Deletions are made in order for language to be consistent with recently enacted legislation.)

CORRECTIONS

Major Boilerplate Changes From FY 2019-20

Sec. 605. Chance for Life – NEW

Requires MDOC to allocate \$250,000 to issue a request for proposal for a vendor to provide evidence-based mentoring, employment soft skills training, and job placement assistance for offenders released from prison.

Sec. 611. Annual Program Reports – DELETED

Specifies content to be included in reports by MDOC on residential 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).

HEALTH CARE

Sec. 802. Health Care Timeliness and Expenditures – REVISED

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. Revised to consolidate this section with current language section 816, which requires a report on pharmaceutical expenditures and prescribing practices, including a detailed accounting of expenditures on antipsychotic medications and any changes made to prescription drug formularies.

CORRECTIONAL FACILITIES ADMINISTRATION

Sec. 902. Notification of Elimination of Prisoner Programming – NEW

Requires MDOC to provide notice of plans to eliminate programming for prisoners at least 1 month prior to program elimination and defines "programming for prisoners".

Sec. 908. Online High School Diploma and Career Certificate Program – NEW

Authorizes MDOC to establish a pilot online high school diploma and career certificate program to serve up to 400 inmates through a provider that offers career-based online high school diplomas designed to prepare adult inmates for transition into the workplace.

Sec. 945. Notification of Facility Closures, Consolidations, or Relocations – NEW

Requires MDOC to provide notice of plans to close, consolidate, or relocate any correctional facility in the state at least 1 month prior to the effective date of the closure, consolidation, or relocation.

Sec. 945. Investment in Communities After Facility Closure – NEW

Expresses intent of the legislature that MDOC consult with the legislature and other appropriate state agencies to develop a framework to provide investment in communities that have formerly operational state correctional facilities that have been closed; requires framework to include plans to ensure that vacant state correctional facilities do not become a nuisance or danger to the community.

FY 2019-20 Supplemental Boilerplate Items

Article 14, House Bill 5396 (S-1) CR-1

Sec. 301. Coronavirus Relief Fund Appropriation Reduction

Reduces appropriation from the Coronavirus Relief Fund, made under section 302 of 2020 PA 67 for hazard/premium pay for front line workers, by \$13.4 million.