

**Summary: Executive Budget Recommendation
for Fiscal Year 2019-20
DEPARTMENT OF CORRECTIONS**



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	FY 2018-19 Year-to-Date as of 3/5/19	FY 2019-20 Executive	Difference: FY 2019-20 Vs. FY 2018-19	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	5,315,200	5,323,700	8,500	0.2
Local	8,960,100	11,687,200	2,727,100	30.4
Private	0	0	0	--
Restricted	40,939,600	41,112,500	172,900	0.4
GF/GP	1,963,841,300	1,991,874,800	28,033,500	1.4
Gross	\$2,019,056,200	\$2,049,998,200	\$30,942,000	1.5
FTEs	13,979.2	13,809.8	(169.4)	(1.2)

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (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 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. Also, the department is 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 March 1, 2019, the department was responsible for 95,476 Michigan offenders: 38,549 prisoners, 43,158 probationers, and 13,769 parolees.

Major Budget Changes From FY 2018-19 Year-to-Date (YTD) Appropriations	FY 2018-19 YTD (as of 3/5/19)	Executive Change from YTD
<p>1. One-Time Funding for Training New Custody Staff Includes a one-time appropriation of \$10.5 million GF/GP to train an additional 408 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.) Between 50 and 55 custody staff are projected to retire each month in the next year. With the additional funding added to the FY 2018-19 base of \$9.5 million, the department would be able to train roughly 779 new officers in FY 2019-20.</p>	<p>Gross NA GF/GP NA</p>	<p>\$10,466,800 \$10,466,800</p>
<p>2. Hepatitis C Treatment Includes \$7.0 million GF/GP for the department to continue treatment of roughly 780 prisoners per year. Settlement of a recent lawsuit requires Medicaid to cover Hepatitis C treatment for patients with metavir scores of F1, beginning October 1, 2018, and to cover treatment for patients with metavir scores of F0 beginning October 1, 2019. Medicaid is seen as the standard of care for the department. Funding would be used to begin treating prisoners identified with metavir scores of F1 and F0.</p>	<p>Gross \$6,735,500 GF/GP \$6,735,500</p>	<p>\$6,965,200 \$6,965,200</p>
<p>3. Savings from Closure of Ojibway Correctional Facility Reflects a savings of \$6.8 million GF/GP and a reduction of 217.9 FTE positions resulting from closure of the Ojibway Correctional Facility. Partial year savings of \$19.2 million GF/GP was taken in the FY 2018-19 budget. The \$6.8 million represents the remaining balance of full year savings.</p>	<p>FTE NA Gross NA GF/GP NA</p>	<p>(217.9) (\$6,805,700) (\$6,805,700)</p>

<u>Major Budget Changes From FY 2018-19 Year-to-Date (YTD) Appropriations</u>		<u>FY 2018-19 YTD (as of 3/5/19)</u>	<u>Executive Change from YTD</u>
4. <i>Corizon Health Care Contract Adjustment</i>	Gross	\$86,717,900	\$5,446,500
Includes \$5.4 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.	GF/GP	\$86,717,900	\$5,446,500
5. <i>Program Eliminations</i>	Gross	\$4,740,000	(\$4,740,000)
Reflects a savings of \$4.7 million GF/GP due to the following program eliminations:	GF/GP	\$4,740,000	(\$4,740,000)
<ul style="list-style-type: none"> • 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. • Online High School Equivalency Pilot Program (\$500,000) – 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 (\$250,000) – 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. • Kitchen Inspections (\$50,000) – funding was first included in the FY 2018-19 budget for the department to pay for annual kitchen inspections at all correctional facilities. 			
6. <i>One-Time Funding for Replacing Electronic Tether Equipment</i>	Gross	NA	\$4,567,100
Includes a one-time appropriation of \$4.6 million GF/GP for the department to purchase 6,619 GPS devices. The department's current contract utilizes Verizon's 3G network, which will be deactivated by December 31, 2019. Deactivation will force the department to switch to LTE or 4G devices in order to maintain coverage for electronic tether units.	GF/GP	NA	\$4,567,100
7. <i>Managing the Older Prison Population</i>	FTE	NA	15.5
Includes \$2.1 million GF/GP (\$350,000 one-time, \$1.8 million ongoing) and authorization for 15.5 FTE positions for the department to convert a 240-bed housing unit at the Thumb Correctional Facility to specifically house elderly prisoners that have intense treatment needs. The \$350,000 in one-time funding would be used to cover costs of physical plant changes and medical equipment. The ongoing \$1.8 million would be used to cover ongoing staffing costs.	Gross	NA	\$2,100,000
	GF/GP	NA	\$2,100,000
8. <i>Removal of Current Year One-Time Funding</i>	Gross	\$13,627,700	(\$13,627,700)
Reduces the budget by \$13.6 million GF/GP to reflect removal of one-time funding included in the FY 2018-19 budget. Funding removed includes: \$9.2 million for new custody staff training, \$2.4 million for higher custody level programming, and \$2.0 million included in 2018 PA 618, (SB 601), for expansion of the Vocational Village program.	GF/GP	\$13,627,700	(\$13,627,700)

Major Budget Changes From FY 2018-19 Year-to-Date (YTD) Appropriations	FY 2018-19 YTD (as of 3/5/19)	Executive Change from YTD
9. Detroit Detention Center Contract Adjustment	FTE 66.1	3.0
Includes authorization to receive an additional \$2.6 million of local revenue from the City of Detroit and an additional 3.0 FTE positions for continued operation of the Detroit Detention Center. The current contract between the department and the city expires on July 31, 2019. A new agreement will be negotiated and \$2.6 million is an estimate of what increased costs would be, including one-time costs for physical plant upgrades.	Gross \$8,685,100	\$2,623,600
	Local 8,685,100	2,623,600
	GF/GP \$0	\$0
10. In-Sourcing Substance Abuse Services	FTE 6.0	30.0
Includes authorization for 30.0 FTE positions to provide consistent clinical support of both mental health and substance abuse treatment services throughout a prisoner's sentence, rather than just prior to parole. Currently, prison- and non-prison-based substance abuse services are performed by contractors and \$21.4 million is appropriated in a single line item titled Substance Abuse Treatment and Services. The department proposes in-sourcing prison-based substance abuse services and transferring \$4.5 million of the \$21.4 million to the Mental Health Services line item. The current Substance Abuse Treatment and Services line item would be eliminated, and the balance of \$16.9 million would be transferred to the Offender Success Services line item, through which non-prison-based substance abuse services would continue to be provided contractually. The net fiscal impact is \$0.	Gross \$21,398,100	\$0
	GF/GP \$21,398,100	\$0
11. Mileage Rate Increases	Gross NA	\$324,100
Includes \$324,100 GF/GP to cover costs of per mile rate increases, issued by DTMB Vehicle Transportation Services, for use of state-owned vehicles.	GF/GP NA	\$324,100
12. Vehicle Lease Cost Increase	Gross NA	\$102,300
Includes \$102,300 GF/GP to cover increased lease costs for prisoner transportation vans.	GF/GP NA	\$102,300
13. Water and Sewer Rate Increase	Gross NA	\$97,000
Includes \$97,000 GF/GP to cover costs of a sewage rate increase at the St. Louis Correctional Facility. The City of St. Louis increased the combined water and sewer rates charged to the facility by 12%.	GF/GP NA	\$97,000
14. Grandview Plaza Security Upgrade	Gross NA	\$42,000
Includes \$42,000 GF/GP to cover costs associated with converting existing unarmed security guard contractual services at Grandview Plaza to armed security guard contractual services. The increase in contract costs is \$6.22 per hour for services that are utilized 130 hours per week.	GF/GP NA	\$42,000
15. Transportation Costs for Prison Industries	Gross NA	\$10,000
Includes an additional \$10,000 in state restricted funding authorization for Prison Industries Operations to cover increased transportation costs resulting from moving more of their goods sold to correctional facilities.	Restricted NA	10,000
	GF/GP NA	\$0
16. 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 to more accurately reflect employee counts and where expenditures occur, primarily as a result of reorganizations within the department.	GF/GP NA	\$0
17. Economic Adjustments	Gross NA	\$23,370,800
Reflects increased costs of \$23.4 million Gross (\$23.1 million GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), insurance rate increases, actuarially required retirement contributions, worker's compensation premium costs, building occupancy charges, food, and fuel and utility costs.	Federal NA	8,500
	Local NA	103,500
	Restricted NA	162,900
	GF/GP NA	\$23,095,900

Major Boilerplate Changes From FY 2018-19

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. 206. Businesses in Deprived and Depressed Communities – NEW

Requires the director to take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both; requires the director to encourage firms the department contracts with to subcontract with certified businesses in deprived and depressed communities.

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

Requires MDOC to report on the 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.

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 northern and southern regional administration offices.

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

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

Sec. 304. Staff Suggestions – DELETED

Requires MDOC to maintain a staff savings initiative program for employees to submit suggestions for efficiencies; requires MDOC to consider suggestions in a timely manner; requires a report on process improvements made based on suggestions.

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.

Sec. 312. PTSD Study – DELETED

Requires MDOC to conduct a study of the prevalence of post-traumatic stress disorder and other psychological issues among correctional officers that are exacerbated by the corrections environment and exposure to highly stressful situations; requires a report on results of the study.

Sec. 402. Offender Success Expenditures – DELETED

Requires MDOC to report on actual prior-year and planned current-year offender success expenditures and allocations.

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 direct referral to FQHC organization to patients in relevant areas; requires pilot program to operate in at least Berrien, Kent, and Macomb Counties; requires FQHC organization to submit annual reports on the number of offenders served, number of contacts with offenders, federally reimbursable expenditures, and state expenditures.

Major Boilerplate Changes From FY 2018-19

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 the biannual report required by the 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. 417. Reports on Community Programs – DELETED

Requires MDOC to report on program expenditures, program details, and program impacts and results for the 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 levels, 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.

Sec. 422. Prisoners Reviewed for Parole – DELETED

Requires MDOC to report on outcomes of prisoners reviewed for parole, to include: number of prisoners reviewed; number granted or denied parole; number of decisions deferred; number of times prisoners were reviewed before being granted or denied parole; number of paroles granted, denied, or deferred for each of the parole guideline scores of low, average, and high; and reasons for parole denial or deferment.

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 the program to target individuals entering the criminal justice system for the first or second time; requires a report on program performance measures, number of individuals diverted from incarceration, number of individuals served, and outcomes of participants completing the program.

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. 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).

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 a report on the number of probationers and parolees returned to or sent to prison for new crimes, the number of probationers and parolees returned to or sent to prison for technical violations, the educational history of offenders, the number of offenders who participated in reentry programs, and on the number of offenders who participated in substance abuse treatment programs, mental health programs, or both.

Sec. 802. Health Care 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.

Major Boilerplate Changes From FY 2018-19

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 a 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.

Sec. 901. Enhanced Food Technology Program – DELETED

Requires MDOC to expand the food technology education program to at least 700 inmates annually; requires inmates participating in the program to complete 408 hours of on-the-job training in a prison kitchen.

Sec. 902. ServSafe Food Handler Certification – DELETED

Requires inmates working in prison kitchens to complete minimum requirements for ServSafe Food Handler certification before being allowed to work in prison kitchens; authorizes certification requirements to be met by using online materials unless the department determines the program would be best served by using other materials; requires current prison kitchen workers to complete certification requirements by April 1 to maintain eligibility to work in prison kitchens.

Sec. 903. Prison Kitchen Inspections – DELETED

Requires MDOC-operated kitchens to be inspected annually to ensure they meet food safety standards established for food service establishments under the Food Law, or for food service establishments under the 2001 Food Code published by the FDA.

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. High School Diploma in Lieu of High School Equivalency – 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; authorizes MDOC to use federal funds to expand the program beyond 400 prisoners; authorizes funding to be used for certification programs related to the enhanced food technology program; requires MDOC to report on progress of prisoners in the program.

Sec. 913.(2) Prisoner 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. 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 facilities and appropriate records by the Auditor General and Legislative Corrections Ombudsman.

Sec. 943. Savings from Prison Closures – DELETED

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

Sec. 944. Economic Impact of Prison Closures – DELETED

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

Sec. 1009. Information Packet for Prisoner Families – DELETED

Requires MDOC to make an information packet for families of incoming prisoners available on MDOC's website; specifies information to be included in the packet (e.g., prisoner accounts, phone calls, email accounts, visiting, filing complaints or grievances, accessing physical and mental health care, parole process); requires information packet to be updated annually.

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.

Major Boilerplate Changes From FY 2018-19

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 2019-20 Appropriations – DELETED

Expresses legislative intent that FY 2019-20 appropriations will be funded at the same level as FY 2018-19 appropriations, adjusting for changes in caseloads, federal fund match rates, economic factors, and available revenues.