



Senate Fiscal Agency
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BILL ANALYSIS



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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	13,803.9	13,963.2	159.3	1.2
GROSS	2,001,919,200	2,017,056,200	15,137,000	0.8
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	2,001,919,200	2,017,056,200	15,137,000	0.8
Less:				
Federal Funds	5,293,800	5,315,200	21,400	0.4
Local and Private	8,842,400	8,960,100	117,700	1.3
TOTAL STATE SPENDING	1,987,783,000	2,002,780,900	14,997,900	0.8
Less:				
Other State Restricted Funds	41,149,400	40,939,600	(209,800)	(0.5)
GENERAL FUND/GENERAL PURPOSE	1,946,633,600	1,961,841,300	15,207,700	0.8
PAYMENTS TO LOCALS	113,888,800	122,169,600	8,280,800	7.3

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$2,001,919,200
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Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

- Offender with Special Needs Contract Adjustments.** Governor increased funding for reentry costs for offenders with special needs due to increased caseloads. Senate and House concurred. 1,648,700
- Offender Success Community Partners Contract Adjustments.** Governor included increased funding for Prisoner Reentry Service contracts that were re-bid in 2017. Senate and House concurred. 1,291,400
- West Shoreline Facility Closure.** Governor included net savings from the closure of the West Shoreline Correctional Facility. Senate and House concurred. (18,924,700)
- One-Time Funding Removal.** Governor eliminated one-time funding for an officer academy in FY 2017-18. Senate and House concurred. (4,359,000)
- Other Changes.** Governor included sewer treatment rate increase at Gus Harrison Correctional Facility. Aligned restricted funding with expected revenue. Senate and House concurred. (93,700)
- Unclassified Salaries.** Governor included \$37,000 Gross and \$37,000 GF/GP for unclassified salaries. Senate and House concurred. 37,000
- Economic Adjustments.** Governor included \$25,655,100 Gross and \$25,355,800 GF/GP for total economic adjustments, which includes an estimated \$35,841,100 Gross and \$34,868,700 GF/GP is for legacy retirement costs (pension and retiree health). Senate and House concurred. 25,655,100

Conference Agreement on Items of Difference

<p>8. Prison Food Service. Governor and House increased funding by \$13,667,100, and proposed to not renew the private contract for prisoner food service and transition to State employees. Senate did not include the funding increase, but did included the FTE authorization to allow the transition to State employees. Conference increased funding by \$13,239,100.</p>	<p>13,239,100</p>
<p>9. New Custody Staff Training. Governor included \$9,227,700 for a one-time officer academy with an expected graduating class of 359 to address higher than anticipated attrition. Senate funded the academy at \$6,227,700. House funded the academy at \$8,227,700. Conference concurred with the Governor.</p>	<p>9,227,700</p>
<p>10. Higher Custody Level Programming. Governor and House included one-time (\$2.4 million) and ongoing (\$1.6 million) funding for technology and infrastructure updates to support educational and core programming for higher custody level prisoners (Level IV and V). Senate did not include. Conference included only one-time funding.</p>	<p>2,400,000</p>
<p>11. Probation Residential Services. Governor and House increased funding \$850,000 due to increased demand for probation residential services. Senate concurred and added \$2.5 million to increase reimbursement rate to vendors. Conference included \$850,000 for increased demand and \$1.5 million in increase reimbursement rates.</p>	<p>2,350,000</p>
<p>12. Enhanced Food Technology Program. Senate funded an expansion to the food technology program whereby program participants would be able to complete on-the-job training hours through work in the prison kitchens. Conference included the program.</p>	<p>2,000,000</p>
<p>13. Health Care Recruitment and Retention. Governor and House included \$3,762,400 to increase incentives and compensation for positions with high vacancy rates; primarily dentists, registered nurses, and qualified mental health professionals. Senate did not include. Conference included \$2,000,000 in funding.</p>	<p>2,000,000</p>
<p>14. Medication-Assisted Treatment Reentry Pilot Program. House increased funding for the pilot program by \$500,000. Conference included the additional funding.</p>	<p>500,000</p>
<p>15. Federally Qualified Health Centers Pilot. Governor and House eliminated the pilot program. Senate retained and expanded the program to \$750,000. Conference retained and expanded the program to \$250,000.</p>	<p>175,000</p>
<p>16. Food inspections. Senate included additional funding to conduct inspections and fix any issues in prison kitchens. Conference included funding.</p>	<p>50,000</p>
<p>17. PTSD Study. House included \$50,000 to fund a study to examine the prevalence of post-traumatic stress disorder and other psychological issues among correctional officer. Conference included funding for the study.</p>	<p>50,000</p>
<p>18. Additional Facility Closure. Senate included \$21 million in savings from the closure of a correctional facility in addition to the West Shoreline Correctional Facility. House included \$16,031,100 in savings from the closure of a second facility. Conference included \$19,201,100 in savings for a mid-year closure.</p>	<p>(19,201,100)</p>
<p>19. Future Facility and Staff Transition Costs. Governor and House eliminated funding. Senate retained funding. Conference eliminated funding.</p>	<p>(1,000,000)</p>
<p>20. Corizon Health Care Contract. Governor funded a contractual inflationary increase of \$2,458,900. Senate removed the increase and decreased the funding by \$932,400 based on updated prisoner population projections. House removed the increase and decreased funding by \$1,500,000. Conference removed the increase and reduced funding by \$858,500.</p>	<p>(858,500)</p>
<p>21. Savings from Historical Lapses. House included \$1.5 million in savings from Prosecutorial and Detainer Expenses (\$450,000), Substance Abuse Testing and Treatment (\$500,000), Housing Inmates in Federal Institutions (\$100,000), Inmate Legal Services (\$100,000), Community Corrections (\$100,000), and Field Operations (\$250,000). Conference included savings from Prosecutorial and Detainer Expenses (\$100,000), Inmate Legal Services (\$100,000), Community Corrections (\$100,000), and Field Operations (\$250,000).</p>	<p>(550,000)</p>

22. High School Online Equivalency Pilot. Governor and House eliminated the pilot program. Senate retained and expanded the program by \$1 million. Conference reduced funding from previous year.	(500,000)
23. Goodwill Flip-the-Script. Governor eliminated the program. Senate retained and expanded the program by \$1 million. House retained previous year funding. Conference retained previous year funding.	0
24. Substance Abuse Parole Certain Sanction Program. Governor eliminated the program. Senate retained and expanded the program by \$1 million. House retained previous year funding. Conference retained previous year funding.	0
25. Supervising Region Incentive Program. Governor eliminated the program. Senate retained and expanded the program by \$4 million. House retained previous year funding. Conference retained previous year funding.	0
26. County Jail Reimbursement Program. Senate increased funding by \$5,678,800 to allow sheriff's departments to be reimbursed for days that a participant was being housed in a hospital or medical facility or in a sheriff's contracted residential program. Conference did not include funding.	0
27. Criminal Justice Reinvestment. Senate reduced this line to recognize savings. The line is currently used to address shortfalls in the offenders with special needs and offender success community partners contracts. Conference did not include savings.	0
28. Inmate Religious Facilities. Senate included \$2,842,100 to ensure that all inmates have a place of worship at each facility that allows separate time for inmates of each faith and all necessary facilities and items needed for services. Conference did not include.	0
29. FY 2018-19 One-Time Gross Appropriations. Conference included \$9,227,700 GF/GP one-time for new custody staff training (item #9 above) and \$2,400,000 GF/GP one-time for higher custody level programming (item #10 above).	0
Total Changes	\$15,137,000
FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$2,017,056,200
Amount Over/(Under) GF/GP Target:	\$0

Boilerplate Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. **Recidivism rates.** Governor changed the measurement of recidivism rates (Sec. 408). Senate and House retained the current definition. Conference retained the current definition.
2. **Updated amounts for total legacy costs.** Governor updated total legacy costs section. The pension-related costs are \$147,129,800 and the retiree health care costs are \$172,012,000. (Sec. 214). Senate and House concurred.

Conference Agreement on Items of Difference

3. **Deletions.** Governor proposed to eliminate the following sections from current-year boilerplate: 206, 216, 217, 239, 248, 308, 309, 310, 405, 406, 411, 412, 413, 417, 421, 437, 601, 602, 604(2), 611, 612, 802, 803, 812, 816, 902, 904, 905, 908, 913(2), 937, 940, 942, 943, 944, 945, 1011, 1013, and 1201. These deletions include a variety of reporting requirements, record retention requirements, statements of legislative intent, and language pertaining to health services, the Consensus Revenue Estimating Conference, Goodwill Flip-the-Script, the Supervising Region Incentive Program, a federally qualified health centers pilot, the Substance Abuse Parole Certain Sanction program, parole board policies, future facility and staff transition costs, per prisoner/per day costs, the leased beds program, an online high school pilot program, religious programming and faith-based initiatives, one-time reports, contracting requirements, and anticipated appropriations. Senate retained all sections except 902 and 945. House retained all sections except 216, 239, 248, 310, 413, 601, 604(2), 902, 905, 908, 937, 945, and 1201. Conference retained all sections except 413, 601, 902, 937, and 945.

4. **Definitions.** Governor removed eight definitions from the bill. These included acronyms that are no longer referenced in the bill, as well as the definitions of "cost per prisoner" and "offender who would likely be sentenced to imprisonment". Senate retained all definitions except for "RSAT" and updated the definition of "cost per prisoner". House retained all definitions. Conference retained all definitions.
5. **Reporting requirements.** Governor reduced the frequency of reporting for prisoner populations (Sec. 419), parole review (Sec. 422), correctional officer to prisoner ratios (Sec. 912), and Holmes Youthful Trainee status (Sec. 930). Senate retained the current reporting frequency for all, and added the number of beds in currently closed housing units by facility to the prisoner population report (Sec. 419). House retained current reporting frequency for all. Conference retained current reporting frequency for all.
6. **Enhanced food technology program.** Senate included 2 new sections to implement the enhanced food technology program (Sec. 901 and 902). Also included related sections concerning employee payment for meals (Sec. 302), food safety inspections and reporting (Sec. 903), reporting the per-meal costs for food service (Sec. 303), and collaboration with the Michigan Restaurant Association for job placement (Sec. 423). Conference removed Sec. 302 and 303, and combined reporting requirements into a new Sec. 903a.
7. **Report on state employee operation of food service.** House required MDOC to provide monthly status reports on the implementation of utilization of state employees for prison food service operations (Sec. 945). Conference did not include the section, but did incorporate relevant reporting requirements into a new Sec. 903a.
8. **PTSD study.** House included a section requiring MDOC to conduct a study of the prevalence of post-traumatic stress disorder and other psychological issues among correctional officers (Sec. 312). Conference included the section.
9. **County jail reimbursement program.** Senate modified boilerplate to allow reimbursement for days that a participant was being housed in a hospital or medical facility or in a sheriff's contracted residential program, and added new reporting requirements related to the program (Sec. 414). Conference included the modifications.
10. **Residential probation diversions.** Senate increased per diem reimbursement for residential probation diversion facilities from \$47.50 for nonaccredited facilities and \$48.50 for accredited facilities to \$55.00 for nonaccredited facilities and \$56.00 for accredited facilities (Sec. 410). Conference changed to a single per diem reimbursement for all facilities of \$52.50.
11. **Detailed report on health care expenditures.** House required reports on health care expenditures itemized for physical health care, mental health care, and pharmacy services, and sorted by care provided directly by MDOC and care provided through a third-party vendor (Sec. 802(2)). Conference included the report with modified language.
12. **Contracting for registered nurses.** Senate added a section requiring the Department to negotiate with the current health care vendor to contract for registered nurses instead of hiring them directly (Sec. 801). Conference did not include.
13. **Inmate religious facilities.** Senate included a section to implement funding for inmate religious facilities (Sec. 1010). Conference did not include.

Date Completed: 6-5-18

Fiscal Analyst: Ryan M. Bergan

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.