



Senate Fiscal Agency
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BILL ANALYSIS



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FY 2012-13 Year-to-Date Gross Appropriation \$2,018,515,900

Changes from FY 2012-13 Year-to-Date:

Items Included by the Senate and House

- 1. **Medicaid Expansion Savings.** Governor proposed expanded eligibility which would result in an estimated 80% of inmates and parolees attaining Medicaid eligibility for covered services outside of secure facilities, yielding GF/GP savings of \$24.2 million. Senate, House, and Conference did not assume these savings. 0
- 2. **Special Equipment Fund.** Senate and House both concurred with Governor in including \$6.0 million (\$0 GF/GP) for special equipment from prisoner telephone contract revenue. 6,000,000
- 3. **Detroit Detention Center.** Senate and House both included \$8.1 million in restricted local revenue (\$0 GF/GP) from the City of Detroit for the operation of a detention center. 8,126,600
- 4. **Other Adjustments.** Conference includes minor adjustments in housing staff, food service IDGs, and post-closure maintenance costs, as well as investments in IT. 3,050,500
- 5. **Remove One-Time.** Employee lump sum funding of \$13.2 million (\$12.9 million GF/GP), \$1.1 million GF/GP in IT projects, and \$17.6 million (\$0 GF/GP) in Special Equipment Fund security projects contained in a supplemental were removed. (31,955,400)
- 6. **Economic Adjustments.** Includes \$6,670,200 Gross and \$6,524,300 GF/GP for OPEB and \$42,206,500 Gross and \$41,299,100 GF/GP for other economic adjustments. 48,876,700

Conference Agreement on Items of Difference

- 7. **Internal Adjustments.** Governor included internal adjustments (no overall gross or GF/GP impact) that removed \$25.6 million from health care, \$19.7 million from prisoner re-entry, and \$9.0 million from leased beds, and added \$42.2 million to facility line items, \$6.3 million to food service, and \$7.0 million to transportation. House concurred, but Senate rejected \$17.9 million of the increases. Conference concurred with House. 0
- 8. **New Employee Training School.** The Governor proposed an increase for this item of \$9.0 million in one-time GF/GP funding, which the House rejected. The Senate cut 40% from both the base and the one-time funds, for a total decrease of \$7.2 million GF/GP. Conference concurred with the Governor in increasing \$9.0 million in one-time funding. 9,032,500
- 9. **Public Safety Initiative.** The House removed \$250,000 GF/GP from this line item and diverted it into a new line item titled Second Chance Employment – Goodwill's oil filter recycling project; Senate reduced by \$2.5 million. Conference concurred with House. 0
- 10. **Food Service.** The Senate reduced the food service line item by \$2.2 million; the House did not include this reduction. Conference reduced by \$6.0 million GF/GP to reflect savings from competitive bidding contract. (6,000,000)
- 11. **H.I.R.E. Job Training Program.** Conference included \$1.0 million GF/GP for a pilot program called "Helping Individuals Return to Employment." 1,000,000
- 12. **Legacy Cost Separation.** The Senate bill structure reflected legacy costs totaling \$338.0 million as two separate line items (no overall Gross or GF/GP impact). The House and Conference did not adopt this alternative bill structure. 0

Total Changes **\$38,130,900**

FY 2013-14 Conference Report Ongoing/One-Time Gross Appropriation \$2,056,646,800

Amount Over/(Under) GF/GP Target: \$ \$0

Changes from FY 2012-13 Year-to-Date:Conference Agreement on Items of Difference

1. **Deletions.** The Governor proposed deletion of 78 sections. The Senate concurred in deleting 38 of those sections, while the House concurred in deleting 18 sections. Conference deleted 35 sections.
2. **Special Equipment Fund – Programming.** Senate requires report to list the name of the vendors the products or services were purchased from. House requires \$2.0 million from the fund to be used for programming, particularly for those past their earliest release date. Conference includes both the House and Senate changes. (Sec. 219)
3. **Cost Saving Strategy Approach.** House added new language requiring the Department to implement and adhere to supply chain transformation (SCT) and continuous quality improvement (CQI) strategies and report on the results of those strategies. Conference removed sections 242 and 244, but retained 245 which is the report.
4. **Data to CSG.** House added language requiring the Department to provide data to the Justice Center of the Council of State Governments for their analysis of offender flow; Senate and Conference did not include. (Sec. 429)
5. **Agricultural Employment.** House added language requiring the Department to collaborate with Michigan colleges on programs to employ parolees in agricultural settings; Senate did not include, but Conference included. (Sec. 434)
6. **New Employee Training at Colleges.** Senate stated intent that the Department work with colleges interested in offering employee training academies. The House did not include, but Conference concurred with Senate. (Sec. 506)
7. **Per Diem Calculations.** Senate required the Department to calculate and report per prisoner/per day cost for each custody level, both with and without legacy costs included; House did not include. Conference included but revised to not require the calculation to be done with and without legacy costs. (Sec. 904)
8. **Facility Closure Study.** House required the Department to conduct a local impact study, a cost analysis, and to notify the legislature 90 days before recommending a closure; Senate and Conference did not include. (Sec. 921)
9. **Mentally Ill in Segregation.** Current law states mentally ill prisoners held in therapeutic seclusion must be evaluated every 12 hours or at a frequency defined in the mental health code, whichever requires more frequent monitoring. Senate struck that language and replaced with "every 8 hours." House retained current law. Conference revised to state that mentally ill prisoners held in administrative segregation must be evaluated by a medical professional every 12 hours. (Secs. 924 and 929)
10. **Competitive Bidding.** Senate added new language requiring the designation of an individual to answer questions legislators and the public have about competitive bid processes and added new language requiring the competitive bidding of the electronic monitoring center and requests for information regarding prisoner clothing manufacturing and a secure detention center with job training programming. Senate also requires that any contract that allows a for-profit business to utilize state-owned property must pay fair market value for the use of the property and make payments in lieu of taxes to the local jurisdiction(s). House did not include these additions, but did retain current law contained in Sec. 939. Conference retained section 940 requiring payments in lieu of taxes, but removed section 939 regarding the designated individual. Conference also revised Sec. 939 to require RFPs for prisoner clothing, prison stores, and up to 1,750 beds, and to require RFIs for the electronic monitoring center and a secure detention center with job training (Secs. 938, 939, and 940).
11. **Prisoner Clothing Manufacturing – Pilot.** House added language allowing the Department to divert 15% of funds used internally for prisoner clothing production to a non-profit agency that intends to employ parolees; Senate did not include, but Conference included. (Sec. 947)
12. **Legislative Corrections Ombudsman.** House and Senate added the Ombudsman to the list of recipients of legislative reports in a number of sections, although the Senate made this revision in more sections than the House. Conference concurred with the Senate.

Date Completed: 5-24-13

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