



Senate Fiscal Agency
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Senate Bill 197 (S-1 as passed by the Senate)
 Committee: Appropriations

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

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

- 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 did not assume these savings. 0
- 2. **New Employee Training School.** Governor included \$9.0 million GF/GP to train 400 new corrections officers to fill vacancies, roughly doubling capacity. Senate cut 40% (\$3.6 million) from the one-time increase and 40% (\$3.5 million) from existing line to indicate legislative intent to transition the first part of officer training to colleges. 1,834,000
- 3. **Housing Adjustments, Unfunded FTEs, and MSI Reduction.** Recently opened Detroit Re-Entry Center required \$881,400 GP/GP for additional staffing and an Alger housing unit conversion required an increase of \$506,200 GF/GP. The Governor removed 225.5 vacant, unfunded FTEs (no funding change). Senate cut \$2.7 million (\$0 GF/GP) from Michigan State Industries, which corresponds to the percentage of FTEs removed. (1,290,000)
- 4. **Food Service Reduction and IDG Adjustment.** Governor reflected agreements with MDHS and MDCH to provide food service when MDOC operates a neighboring facility (no GF/GP impact). Senate reduced food service funding by \$2.2 million GF/GP. (2,089,700)
- 5. **IT and Security Increases.** Software required \$250,900 GF/GP and statewide wireless/broadband internet expansion required \$678,200 (\$655,000 GF/GP). Special Equipment Funds upgraded personal protection systems (\$6.0 million Gross, \$0 GF/GP). 6,929,100
- 6. **Post-Closure Costs and Public Safety Initiative.** Governor proposed \$634,100 GF/GP to fund maintenance on closed facilities; Senate rejected this increase. Senate also cut \$2.5 million GF/GP from the public safety initiative. (2,500,000)
- 7. **Internal Adjustments and Reductions.** Governor included several internal adjustments (no overall gross or GF/GP impact) that included removing \$25.6 million from health care, \$19.7 million from prisoner re-entry, and \$9.0 million from leased beds, while adding \$159,200 to unclassified salaries, \$42.2 million to facility line items, \$6.3 million to food service, and \$7.0 million to transportation. Senate rejected the increases proposed under these transfers in four areas (all GF/GP): Operations Support (\$1,956,900), Transportation (\$7,023,100), Woodland (\$6,667,300), and SAI (\$2,295,700). (17,943,000)
- 8. **Retiree Rehire Savings and Legacy Pull Out.** Savings of \$10.0 million in the Governor's proposal is associated with postponing the sunset in Public Act 432 of 2012. Senate reflected 42.75% legacy costs as two separate line items; \$158.2 million for health care legacy cost and \$179.8 million for pension legacy cost. 0
- 9. **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)
- 10. **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
- 11. **Comparison to Governor's Recommendation.** The Senate is \$8,930,400 Gross and \$6,252,800 GF/GP below the Governor.

Total Changes **\$1,861,700**

FY 2013-14 Senate-Passed Gross Appropriation..... \$2,020,377,600

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

1. **Definitions.** Thirty-four definitions were eliminated from the bill, ranging from simple acronyms such as SSA means "the United States social security administration", to broader definitions for concepts such as recidivism or cost per prisoner. Senate retained all definitions. (Sec. 203)
2. **Deletions.** The Governor proposed the elimination of the majority of the current-year boilerplate; the approximately 83 sections or subsections proposed for elimination include: 202, 204, 204a, 206, 207, 208, 209, 211(2 & 3), 212, 214, 215, 217, 224, 236, 237, 238, 239, 301 (from P.A. 305 of 2012), 304, 305, 402, 404, 405, 405a, 406, 407, 410(1 & 2), 411, 412, 413, 414(6), 415, 417, 418, 419, 420, 422, 424, 429, 430, 431, 433, 503, 504, 505, 601, 604, 606, 608, 611, 612, 613, 615, 802, 804, 806, 807, 809, 812, 814, 816, 907, 910, 911, 912, 913, 916, 921, 923, 925, 930, 935, 936, 937, 939, 940, 941, 942, 943, 945, 946, 1009, and 1011. The deletions include a variety of reporting requirements, statements of legislative intent, and guidance on certain programs. Senate retained a number of the sections the Governor proposed for deletion, but did concur with deleting 204, 204a, 207, 211 (2&3), 214, 215, 217, 236, 237, 301 (from P.A. 305 of 2012), 402 (3), 404, 405a, 406, 415, 418, 422, 424, 429, 430, 431, 503, 504, 604, 606, 613, 809, 923, 930, 935, 936, 937, 940, 941, 943, 945, 946, 1009, and 1011. Senate also reduced frequency of some reports from quarterly to annual.
3. **Special Equipment Fund.** Governor revised and shortened the language regarding the revenue from prisoner telephone services, known as the Special Equipment Fund. The section would no longer state that fee schedules for prisoner telephone calls should be the same as calls placed outside correctional facilities, except surcharges necessary for special equipment. The reporting requirement was also removed. Senate retained and added the name of the vendors used to the report requirements. (Sec. 219)
4. **Contingency Funds.** Governor increased contingency fund authorization for State restricted funds from \$5.0 million to \$10.0 million and local funds from \$2.0 million to \$4.0 million. Senate retained current authorization. (Sec. 223)
5. **Legal Services Funding.** Governor added a section which states that funds shall not be used to hire individuals to provide legal services in areas that are the Attorney General's responsibility. Senate concurred. (Sec. 230)
6. **Department Scorecard Website.** Governor added a new section which requires MDOC to maintain a publicly-accessible website that tracks performance metrics. Senate concurred. (Sec. 231)
7. **Colleges Offering New Employee Training.** Senate added legislative intent that the Department share curriculum with community colleges and colleges to implement Public Act 526 of 2012. (Sec. 506)
8. **Cost Per Prisoner Per Day.** Senate language would require department to report per diem costs for each custody level. Two calculations are required, one with and one without statewide legacy costs. (Sec. 904)
9. **Inmate Housing Fund.** Governor revised to eliminate language stating that savings in the fund shall be achieved through competitive bidding; instead the language now states that funds in the inmate housing fund are for costs not specifically budgeted for elsewhere in the article. Senate deleted section. (Sec. 905)
10. **Mentally Ill in Segregation.** Governor revised two sections to include the qualifier "due to serious mental illness" after the statement that prisoners with serious mental illness shall not be confined in administrative segregation. The requirement that those in therapeutic seclusion are monitored at least every 12 hours was also eliminated, although the section would continue to require monitoring at a frequency set forth in the mental health code. Senate rejected Governor's changes and changed the evaluation requirement to "every 8 hours." (Secs. 924 and 929)
11. **Competitive Bidding.** Senate revised section to remove SAI and prisoner stores from RFP requirements, but added the electronic monitoring center, and required RFIs for prisoner clothing manufacturing and a secure detention center with job training programming. A new subsection also requires the Department to disclose to bidders which costs, such as legacy and administrative, will be included in the bid savings evaluation. Additional new language requires the Department to designate an individual to respond to questions about bids within 15 business days. (Secs. 938 and 939)
12. **Use of State-Owned Facilities.** Senate added language to require any for-profit entity using state-owned facilities to pay fair-market value for the use of that facility and to make payments in lieu of taxes to the local jurisdiction equivalent to what the local unit would receive if the facility were privately-owned. (Sec. 940)
13. **Legislative Corrections Ombudsman.** In several sections requiring reports to the Legislature the Senate added the ombudsman to the list of report recipients.

Date Completed: 4-30-13

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