

FY 2009-10 Department of Corrections Budget - Governor's Changes from Year-to-Date

FY 2008-09 Year-to-Date

Population	51,841
FTE	17,103.0
Gross	\$2,015,064,200
IDG/IDT	\$1,277,200
Federal	\$10,350,200
Local	\$430,300
Restricted	\$54,894,700
GF/GP	\$1,948,111,800

1 Scott Correctional Facility Closure

Scott will close in May 2009. The FY 2008-09 budget included \$13 million savings as a result of the closure. In FY 2009-10, the remaining annual savings will be realized.

Gross	(\$19,341,100)
GF/GP	(\$19,341,100)
Population	(880)
FTE	(369.7)

2 Savings Through Consolidating Females

Following the closure of Scott Correctional Facility, the MDOC will realize savings by consolidating all female prisoners at the Huron Valley Complex.

Gross	(\$936,000)
GF/GP	(\$936,000)

3 House 200 Prisoners at WJ Maxey Training School

The MDOC proposed to move 200 of the male prisoners currently in mental health treatment programs at the Huron Valley Complex (HVC) to the Department of Human Services' Maxey Training School. Due to the consolidation of female prisoners at HVC, all male prisoners at HVC are being transferred to other facilities. The Woodland East unit at Maxey would be converted to a facility for prisoners with mental illness.

The juvenile offenders at Woodland East would move to the Green Oaks unit, for savings in the DHS budget of \$5.0 million Gross and \$2.5 million GF/GP. As in other MDOC mental health treatment units, treatment services would be provided by the Department of Community Health and custody staffing would be provided by the MDOC.

Gross	\$16,659,000
GF/GP	\$16,659,000

FTE	186.3
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4 FY 2008-09 Executive Order Facility Closures

The MDOC will realize full-year savings in FY 2009-10 as a result of Executive Order facility closures during FY 2008-09. Savings include:

	Deerfield Correctional Facility	Camp Branch	Total
Full-year Savings	(\$28,260,500)	(\$13,950,300)	(\$42,210,800)
FY 2008-09 Savings	<u>(\$14,175,300)</u>	<u>(\$6,755,900)</u>	<u>(\$20,931,200)</u>
Difference (Net FY 2009-10 Savings)	(\$14,085,200)	(\$7,194,400)	(\$21,279,600)

Gross	(\$21,279,600)
GF/GP	(\$21,026,700)
Population	(1,910)
FTE	(363.8)

5 Facility Closures

The MDOC recommended reductions through the closure of unspecified facilities. Approximately three or four prisons and one or two camps would be closed.

Gross	(\$117,992,800)
GF/GP	(\$116,898,900)
Population	(3,886)
FTE	(1,077.2)

6 Double-bunk Parole Violators at RGC

The MDOC intends to double-bunk 496 parole violators at Egeler Reception and Guidance Center. The MDOC requested funding for the additional 248 beds, as well as changing the RGC bed count for 20 additional Duane Waters beds (see item #22).

Gross	\$313,000
GF/GP	\$313,000

Population	268
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7 Double-bunk Unspecified Units

The MDOC requested funding to add double bunks and close single-bunked units at various unspecified facilities.

Gross	\$4,432,100
GF/GP	\$4,432,100
FTE	56.5

8 Training

Due to facility closures, the MDOC will train fewer correctional officers during FY 2009-10.

Gross	(\$9,643,300)
GF/GP	(\$9,643,300)

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<p>9 Administrative and Program Savings due to Facility Closures The MDOC would realize various administrative and programming savings as a result of the FY 2008-09 facility closures as well as the unspecified closures proposed for FY 2009-10. The savings would include:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td style="padding: 2px;">Hospital and Specialty Care Services</td> <td style="text-align: right; padding: 2px;">(\$3,705,000)</td> </tr> <tr> <td style="padding: 2px;">Workers Compensation</td> <td style="text-align: right; padding: 2px;">(\$1,771,200)</td> </tr> <tr> <td style="padding: 2px;">Information Technology</td> <td style="text-align: right; padding: 2px;">(\$608,000)</td> </tr> <tr> <td style="padding: 2px;">Administrative Hearings Officers</td> <td style="text-align: right; padding: 2px;">(\$348,000)</td> </tr> <tr> <td style="padding: 2px;">Total</td> <td style="text-align: right; padding: 2px;">(\$6,432,200)</td> </tr> </table>	Hospital and Specialty Care Services	(\$3,705,000)	Workers Compensation	(\$1,771,200)	Information Technology	(\$608,000)	Administrative Hearings Officers	(\$348,000)	Total	(\$6,432,200)	Gross GF/GP	(\$6,432,200) (\$6,432,200)		
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Information Technology	(\$608,000)													
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Total	(\$6,432,200)													
<p>10 Additional Parole Board Members To reduce the prison population, the Governor proposed to add 5 additional Parole Board members and 3 Parole Board employees. The Parole Board previously consisted of 10 members. The Governor issued Executive Order (EO) 2009-5, Creation of Michigan Parole and Commutation Board, Department of Corrections Executive Reorganization . An amendment to the EO was issued in EO 2009-20. The EO abolishes the Parole Board in MCL 791.231a and creates a Michigan Parole and Commutation Board. This body is equivalent to the Parole Board. The differences are as follows:</p> <ul style="list-style-type: none"> • The board consists of 15 members instead of 10 members. The amendment in EO 2009-20 proposed the following change: Between September 30, 2012 and November 30, 2015, vacancies occurring for reasons other than term expirations would not be filled, and beginning December 1, 2015, the board would revert back to having 10 • The Governor appoints the members and designate the Chairperson. Previously, the MDOC Director appointed the members and designated the Chairperson. • The MDOC Director reports to the Governor monthly on the productivity and caseload of the board. Based upon these reports, the Director is to recommend to the Governor any reduction or increase in the number of Board members necessary, in the Director's opinion. 	Gross GF/GP	\$1,000,500 \$1,000,500												
<p>11 Parole/Probation Officer Workload Increase The parole and probation caseload increased by 3.7% during FY 2007-08, and projected to continue to grow. In order to supervise the additional parolees and probationers, the MDOC requested 78.0 FTE additional parole/probation agents, 3.0 FTE managers, and 3.0 FTE secretaries.</p>	Gross GF/GP	\$7,299,500 \$7,299,500												
<p>12 Re-entry Services In order to serve 8,710 additional parolees, the MDOC requested the following funding for re-entry services:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td style="padding: 2px;">Residential and Housing Services</td> <td style="text-align: right; padding: 2px;">\$5,282,000</td> </tr> <tr> <td style="padding: 2px;">Mentally Ill Offender Re-entry</td> <td style="text-align: right; padding: 2px;">\$3,500,000</td> </tr> <tr> <td style="padding: 2px;">Substance Abuse Treatment</td> <td style="text-align: right; padding: 2px;">\$4,200,000</td> </tr> <tr> <td style="padding: 2px;">Employment and Training Services</td> <td style="text-align: right; padding: 2px;">\$5,000,000</td> </tr> <tr> <td style="padding: 2px;">Support Services (transportation, cognitive-behavioral treatment, etc.)</td> <td style="text-align: right; padding: 2px;">\$4,700,000</td> </tr> <tr> <td style="padding: 2px;">Total</td> <td style="text-align: right; padding: 2px;">\$22,682,000</td> </tr> </table>	Residential and Housing Services	\$5,282,000	Mentally Ill Offender Re-entry	\$3,500,000	Substance Abuse Treatment	\$4,200,000	Employment and Training Services	\$5,000,000	Support Services (transportation, cognitive-behavioral treatment, etc.)	\$4,700,000	Total	\$22,682,000	Gross GF/GP	\$22,682,000 \$22,682,000
Residential and Housing Services	\$5,282,000													
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Employment and Training Services	\$5,000,000													
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Total	\$22,682,000													
<p>13 GPS Tethers This increase would provide full-year funding for the 800 GPS tethers added in FY 2008-09, as well as 2,000 new GPS tethers. By the end of FY 2009-10, the MDOC would have 3,270 GPS tethers available for parolees.</p>	Gross GF/GP	\$16,889,000 \$16,889,000												
<p>14 Polygraph Testing For Parolees with a History of Sex Offenses The MDOC currently gives polygraph exams to parolees who have a history of sex offenses in Detroit, Flint, and Muskegon. This funding increase would allow the program to be expanded statewide. The polygraph tests cost \$450 for the initial exam, \$400 for follow-up exams, and \$350 for follow-ups to deceptive exams.</p>	Gross GF/GP	\$750,000 \$750,000												

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- 15 Intensive Detention Re-entry Program** Gross (\$390,500)
GF/GP (\$390,500)
 The MDOC requested a net budget reduction for the Intensive Detention Re-entry program. This program funds 126 beds at the Ingham and Clinton county jails for parole violators. The following program changes have been requested:

Increase capacity by 24 beds	\$306,600
Contract cost increase	\$69,400
Reduce length of stay	(<u>\$766,500</u>)
Total	(<u>\$390,500</u>)

- 16 Probation Residential Program** Gross \$1,000,000
GF/GP \$1,000,000
 The MDOC requested funding for an intensive residential program for high-risk probationers

- 17 Mental Health Treatment** Gross \$8,000,000
GF/GP \$8,000,000
 Due to increased mental health care needs in the prisons, the MDOC requested an expansion of mental health treatment services. Each funding request is for partial-year funding. The recommendation included:

Service	Current Capacity	Proposed Capacity Increase	Gross & GF/GP Change	FTEs
Outpatient Mental Health Treatment	3,900	1,050	2,703,500	14.0 - MDOC; 30.0 - MDCH
Developmental Disabilities Unit	155	180	969,300	14.0 - MDCH
Residential Treatment Program	450	85	1,200,000	24.0 - MDCH
Crisis Stabilization Unit	14	26	1,519,200	16.0 - MDCH
Residential Treatment Services	120	40	<u>1,608,000</u>	<u>19.0 - MDCH</u>
Total Increase in MDOC Budget			8,000,000	14.0

FTE 14.0

- 18 Hepatitis C Treatment** Gross \$4,185,500
GF/GP \$4,185,500
 In FY 2008-09, \$16.5 million was appropriated to the MDOC for the purpose of providing Hepatitis C (HCV) antibody tests and treatment to prisoners. In FY 2008-09, HCV treatment was not funded for full capacity until the 9th month of the fiscal year. The increase would fund the estimated full-year costs of providing HCV testing and treatment.

- 19 Pharmaceuticals** Gross \$3,482,200
GF/GP \$3,482,200
 The MDOC is projecting pharmaceutical cost increases in FY 2008-09 and FY 2009-10. The MDOC requested \$1,036,500 for pharmaceutical cost increases, \$2,418,700 specifically for psychotropic medication cost increases, and \$27,000 for pharmaceutical delivery equipment at two facilities.

- 20 Nursing Coverage** Gross \$2,149,400
GF/GP \$2,149,400
 The MDOC proposed funding for 24/7 nursing coverage for facilities that lack it. Currently, all Northern region and most Southeastern regional facilities already have 24/7 nursing coverage, and this increase would primarily go to Southwestern region facilities.

FTE 26.0

- 21 Health Care Contract Increase** Gross \$1,896,400
GF/GP \$1,896,400
 The State entered into a contract with Prison Health Services. Like the previous contractor, PHS will provide hospital and specialty care services, and will staff prison clinics with physicians, physicians assistants, and nurse practitioners. The cost of the contract is higher per prisoner than the previous contract. See item #9 for other changes in the contract cost.

- 22 Infirmary Beds** Gross \$1,118,700
GF/GP \$1,118,700
 The MDOC recently expanded Duane Waters Health Center by 20 beds and is currently adding another 40 beds. The MDOC requested funding for 16 resident care aides to staff the expansion.

FTE 16.0

- 23 Medical Service Provider Salaries** Gross \$426,400
GF/GP \$426,400
 The MDOC contracts for Medical Service Providers (physicians, physicians assistants, and nurse practitioners). The MDOC requested funding for a 3% rate increase that was effective April 1, 2008

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<p>24 Wayne County Parolee Apprehension Program Savings The MDOC previously contracted with Wayne County to apprehend Wayne County parole violators for \$2.2 million per year. The MDOC will now be performing this function in-house at a cost of \$1 million per year, resulting in a net savings. In order to run this program with MDOC employees, the MDOC also requested FTE authorization for 12 corrections security representatives.</p>	Gross GF/GP	(\$1,200,000) (\$1,200,000)
	FTE	12.0
<p>25 Consolidate Contiguous Facilities Two adjacent facilities would become one complex at four sites. The following facilities would be consolidated: Chippewa/Straits, Gus Harrison/Parr Highway, Carson City/Boyer Road, and St. Louis/Mid-Michigan. These pairs each already share a warden. The savings would come from a reduction of 4.0 FTE Deputy Wardens, 12.0 FTE Captains, 12.0 FTE Lieutenants, and 11.0 FTE administrative positions.</p>	Gross GF/GP	(\$3,517,100) (\$3,517,100)
	FTE	(39.0)
<p>26 Food Purchasing In FY 2007-08, the MDOC issued a Request for Information for prisoner food services, and concluded that savings could be achieved by purchasing prison food through one vendor. Currently, the State contracts with many different vendors for the purchase of prison food. Historically, each correctional facility also sought opportunity buys from vendors in order to purchase food at a lower cost. The MDOC regionalized facility business office functions in FY 2008-09 in order to realize administrative savings. As a result, the size of the opportunity buys rose above \$25,000, which means they must be approved by the State Administrative Board. Opportunity buys require a short turnaround time for purchasing so they are not compatible with the State Administrative Board approval process.</p>	Gross GF/GP	(\$3,000,000) (\$3,000,000)
	FTE	(9.0)
<p>27 Prisoner Education Programs The MDOC intends to redesign prisoner education programs in consultation with Michigan Works!, DELEG, and community colleges.</p>	Gross GF/GP FTE	(\$2,000,000) (\$2,000,000) (18.0)
<p>28 Electronic Medication Administration The MDOC intends to purchase a system that would electronically record medication distributions and update inmate electronic medical records with the information. The system itself will cost \$350,000, and the \$5 per prisoner per month fee will be an ongoing cost totaling \$1,530,000.</p>	Gross GF/GP	\$1,880,000 \$1,880,000
<p>29 Electronic Medical Records Support The MDOC requested additional staff to support their new electronic medical records system. The requests includes 6 DIT employees and 1 MDOC analyst.</p>	Gross GF/GP FTE	680,300 680,300 1.0
<p>30 Data Warehouse The new managed health care contract requires vendors to submit electronic claims data. This would provide for a data warehouse for these electronic health care claims. The one-time cost to build the system is \$1 million, and the cost to maintain the system would be \$100,000 annually.</p>	Gross GF/GP	\$1,100,000 \$1,100,000
<p>31 CMIS Migration The MDOC has been working to complete the migration from CMIS to the Offender Management Network Information system. The request would fund six DIT programmers, and two MDOC analysts who would assist in developing functional requirements and training MDOC staff. Once the migration is completed, the MDOC will realize \$2 million in annual savings.</p>	Gross GF/GP	\$1,073,300 \$1,073,300
	FTE	2.0
<p>32 Statewide Microsoft Upgrade The State will be upgrading its Microsoft software.</p>	Gross GF/GP	\$1,457,600 \$1,404,100
<p>33 DIT Administrative Reduction The recommendation included a DIT administrative reduction.</p>	Gross GF/GP	(\$53,300) (\$51,300)
<p>34 Substance Abuse Outpatient Treatment Contracts Substance abuse outpatient treatment contracts for prisoners and parolees will be re-bid this year. The MDOC projects a 12% increase in costs.</p>	Gross GF/GP	\$515,300 \$515,300
<p>35 Bus Lease Increase The new lease on the Southwestern region transportation bus is \$27,000 per year more than the old lease.</p>	Gross GF/GP	\$27,000 \$27,000

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36	Trash Removal The new trash removal service contracts at Newberry and Huron Valley are more expensive due to increases in fuel prices and tipping fees.	Gross	\$48,800
		GF/GP	\$48,800
37	Fuel and Utilities The MDOC requested additional funding for fuel and utility increases beyond what was requested for economic increases. In addition to the 3% economic increase, funding was requested to cover previously underfunded increases.	Gross	\$1,011,200
		GF/GP	\$1,011,200
38	Water and Sewer Rate Increases The local water and sewer rates increased at four locations.	Gross	\$188,900
		GF/GP	\$188,900
39	Business Office Regionalization The FY 2008-09 appropriations act required the MDOC to convene a workgroup to identify alternatives to regionalizing business office functions. After receiving the workgroup's recommendations, the MDOC proceeded with the regionalization. The FY 2008-09 appropriation already includes the \$5.1 million savings associated with the regionalization. To reflect this savings and regionalization, the MDOC requested an FTE reduction, and recommended transferring funds from facility line items to regional office line items.	Gross	\$0
		GF/GP	\$0
		FTE	(69.5)
40	Prison Store Revenue Restoration In the FY 2008-09 appropriations act, prisoner store revenues and FTEs were not appropriated, because the MDOC planned to contract for the operation of prisoner stores. However, the act required the MDOC convene a workgroup to identify alternatives to contracting that would allow the stores to be self-supporting. The MDOC eliminated 20 vacant storekeeper positions and now operate self-supporting stores funded with prisoner store revenue. The MDOC requested the revenue and FTEs be reappropriated.	Gross	\$4,800,000
		GF/GP	\$0
		FTE	75.0
41	Eliminate Prison Store Surcharge The FY 2008-09 appropriation includes a 10% surcharge on certain prison store items and expresses intent that the surcharge not be imposed after FY 2008-09. The MDOC requested the surcharge revenue be replaced with GF/GP.	Gross	\$0
		GF/GP	\$1,800,000
42	Parole and Probation Oversight Fee Offset The MDOC receives less parole and probation oversight fees than are appropriated. These fees support parole and probation oversight. The MDOC requested that GF/GP be used to offset a portion of these fees. This offset, along with the adjustment in #44, would result in a parole and probation oversight fee authorization of \$8.3 million.	Gross	\$0
		GF/GP	\$1,000,000
43	State Criminal Alien Assistance Program Funds Additional Federal SCAAP funds are available to offset GF/GP.	Gross	\$0
		GF/GP	(\$400,500)
44	Overappropriated Revenues The MDOC requested that the following overappropriated restricted, Federal, and IDG funds be adjusted to reflect projected revenue.	Gross	(\$8,556,900)
		GF/GP	\$0

	FY 2008-09 Authorization	FY 2009-10 Authorization Request	Difference (Change from YTD)	Actual FY 2007-08 Revenue
Tether program participant	\$6,033,300	\$3,033,300	(\$3,000,000)	\$1,703,075
Parole and probation oversight fees (set-aside only)	\$3,825,400	\$3,201,600	(\$623,800)	\$1,446,328
Parole and probation oversight fees	\$10,795,100	\$9,300,000	(\$1,495,100)	\$7,406,942
Federal adult literacy grants	\$308,400	\$0	(\$308,400)	\$0
Federal adult education grants	\$1,893,000	\$893,000	(\$1,000,000)	\$299,000
Federal serious and violent offender reintegration initiative	\$1,010,300	\$10,300	(\$1,000,000)	\$0
Federal Byrne grants	\$729,600	\$0	(\$729,600)	\$0
IDG, Michigan Justice Training Fund	<u>\$698,400</u>	<u>\$298,400</u>	<u>(\$400,000)</u>	<u>\$47,913</u>
Total	\$25,293,500	\$16,736,600	(\$8,556,900)	\$10,903,258

45	Internal Audit Consolidation Internal audit functions are being transferred to the Department of Management and Budget, pursuant to Executive Order 2007-31.	Gross	(\$660,400)
		GF/GP	(\$660,400)

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46	Corrections Officer for Dialysis Unit	The MDOC requested funding for a corrections officer to staff the Ryan Correctional Facility dialysis unit during morning and afternoon shifts.	Gross GF/GP FTE	\$273,400 \$273,400 3.5														
47	Central Office Reductions	The MDOC intends to eliminate 12 positions in its central office.	Gross GF/GP FTE	(\$1,723,100) (\$1,723,100) (12.0)														
48	One-time Cost Removal	The recommendation removed several one-time costs from the FY 2008-09 budget.	Gross GF/GP	(\$367,400) (\$367,400)														
49	FTE Adjustments	The MDOC requested FTE authorization increases for the following line items: Planning, community development, and research: 2.0; and MPRI education program: 15.0 .	Gross GF/GP FTE	\$0 \$0 17.0														
50	Economic Adjustments	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Salaries</td> <td style="width: 20%; text-align: right;">\$9,489,800</td> </tr> <tr> <td>Insurance</td> <td style="text-align: right;">\$6,853,600</td> </tr> <tr> <td>Retirement</td> <td style="text-align: right;">\$15,364,000</td> </tr> <tr> <td>Workers' Compensation</td> <td style="text-align: right;">\$488,500</td> </tr> <tr> <td>Building Occupancy</td> <td style="text-align: right;">(\$60,800)</td> </tr> <tr> <td>Food</td> <td style="text-align: right;">\$1,378,400</td> </tr> <tr> <td>Fuel & Utilities</td> <td style="text-align: right;">\$1,571,400</td> </tr> </table>	Salaries	\$9,489,800	Insurance	\$6,853,600	Retirement	\$15,364,000	Workers' Compensation	\$488,500	Building Occupancy	(\$60,800)	Food	\$1,378,400	Fuel & Utilities	\$1,571,400	Gross GF/GP	\$35,084,900 \$34,590,300
Salaries	\$9,489,800																	
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Total Changes			Gross GF/GP Population FTE	(\$56,669,300) (\$49,712,200) (6,408) (1,335.9)														
FY 2009-10 Governor's Recommendation			Gross GF/GP Population FTE	\$1,958,394,900 \$1,898,399,600 45,433 15,767.1														