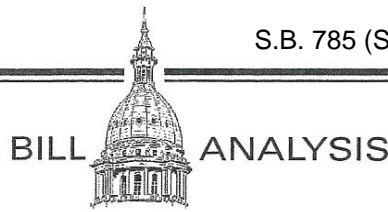




Senate Fiscal Agency
 P.O. Box 30036
 Lansing, Michigan 48909-7536



Telephone: (517) 373-2768
 Fax: (517) 373-1986

Senate Bill 785 (S-1 as reported)
 Committee: Appropriations

Throughout this document Senate means Appropriations Committee.

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SEN. FULL COMM.	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	14,174.3	13,792.9	(381.4)	(2.7)
GROSS	1,962,226,000	2,020,807,400	58,581,400	3.0
Less:				
Interdepartmental Grants Received	225,000	0	(225,000)	(100.0)
ADJUSTED GROSS	1,962,001,000	2,020,807,400	58,806,400	3.0
Less:				
Federal Funds.....	5,568,700	5,523,700	(45,000)	(0.8)
Local and Private	8,533,200	8,692,800	159,600	1.9
TOTAL STATE SPENDING	1,947,899,100	2,006,590,900	58,691,800	3.0
Less:				
Other State Restricted Funds.....	43,950,700	37,133,000	(6,817,700)	(15.5)
GENERAL FUND/GENERAL PURPOSE	1,903,948,400	1,969,457,900	65,509,500	3.4
PAYMENTS TO LOCALS	114,323,600	115,670,600	1,347,000	1.2

FY 2015-16 Year-to-Date Gross Appropriation \$1,962,226,000

Changes from FY 2015-16 Year-to-Date:

1. **Facilities Closure.** Senate recognized savings from the closure of two correctional facilities. (46,972,200)
2. **Corrections Officer Academy.** Governor proposed one-time funding of \$8,506,100 for an officer academy with expected graduating class of 350. Senate reduced funding to 310 officers to reflect reduced need due to facility closures. 7,506,100
3. **Managing Prison Populations.** Governor recommended defunding currently offline housing units that are not planned to be used in FY 2016-17 for a savings of \$4,991,000. Senate does not include savings as housing units will need to remain online after prison closures. 0
4. **Leased Beds and Alternatives to Leased Beds.** Governor recommended moving prisoners into MDOC facilities from beds currently leased from counties for a net savings of \$1,609,000. Senate did not include savings as it recommends that the program continue. 0
5. **Correctional Facilities.** Senate recommended rolling up all line items for individual correctional facilities into a single line item called Correctional facilities. 0
6. **Building Lease.** Senate added funding to allow the Department to lease the North Lake Correctional Facility building in Baldwin, MI for the Department's use. 5,000,000
7. **New Correctional Facility Operations.** Senate increased correctional facilities funding for Department employees needed to run the leased North Lake Correctional Facility building. 26,600,000
8. **Capital Outlay.** Senate added funding for correctional facilities to make infrastructure improvements and repairs. 14,000,000

9. Unrealized Savings from Health Care Contract. Governor and Senate restored \$11,200,000 funding to account for unrealized savings from the new consolidated health care services contract.	11,200,000
10. Clinical and Mental Health Services and Support. Senate recommended unrolling this line item into four separate lines: health care administration, mental health services and support, clinical complexes, and hepatitis c treatment.	0
11. Prisoner Health Care Services. Senate recognized further health care contract savings due to prisoner population declines.	(3,000,000)
12. Hepatitis C Pharmaceuticals. Governor increased funding for Hepatitis C medication by \$17,335,000. Senate did not include increase due to reduced costs for Hepatitis C medication and reduced backlog due to increased funding in FY2015-16.	0
13. Pharmaceutical Costs. Senate recognized savings due to a negotiated 340B drug purchase program by the unified health care services contract vendor.	(5,077,000)
14. Transportation. Senate recognized savings for transportation and custody of prisoners due to moving certain medical procedures in-house. The following procedures are planned to be moved in-house in FY 2015-16: chemotherapy, ultrasound, liver biopsy, PICC line placement, midline catheter placement, nerve block, punch biopsy, central venous catheter, paracentesis, thoracentesis, and penile ring block.	(2,375,000)
15. Mental Health Programming. Governor provided funding of \$1,954,500 for 17.0 additional FTEs along with operating costs increase to address increased caseload and waiting list, as well as transition to a new sex offender treatment program. Senate provided funding for 9.0 FTEs.	1,035,000
16. Criminal Justice Reinvestment. Senate added funding to expand evidence-based programs that can reduce recidivism and incarceration rates among probationers and parolees.	13,500,000
17. Supervising Region Incentive Program. Senate added funding to create an incentive to field operations administration regions that implement supervision practices, procedures, and sanctions directed at parole and probation revocation reduction within the region.	3,000,000
18. Vocational Village. Senate added funding to expand the vocational village initiative.	3,000,000
19. Parole Sanction Certainty Program. Governor eliminated funding of \$500,000 for the program. Senate restored funding and increased funding to expand the program.	940,000
20. Goodwill Flip-the-Script. Governor eliminated funding of \$2,000,000 for the program. Senate restored funding and increased funding to expand the program.	500,000
21. Reentry Service Contracts Rebids. Governor provided \$6,790,000 of increased funding for new reentry services, substance abuse, and sex offender contracts that will be rebid in FY 2016-17. Senate did not include the increase, and instead required the Department to conduct a request for information and have a commission review the results before allowing a funding increase.	0
22. Living in Recovery. Governor recommended funding of \$750,000 for a new program targeting probation violators with a history of relapse to help prevent recidivism. Senate did not include the program.	0
23. Information Technology Services. Governor provided funding to support the transition to a new billing model for DTMB's provision of services, expand broadband capabilities across 27 correctional facilities and 113 field offices, and recognized increased DTMB charges for mobile device access. Senate reduced expansion to 25 correctional facilities and shifted \$440,000 funding for device access fees to the Special Equipment Fund.	3,042,600
24. Ballistic Vests. Governor proposed one-time funding for life cycle replacement of 1,570 vests for probation and parole agents. Senate proposed the vests to be paid for from the Program and Special Equipment Fund.	981,300

25. Trinity Food Service Contract. Governor and Senate recognized increased costs due to higher per meal rates, menu changes, and a contractual annual Consumer Price Index adjustment.	1,535,000
26. Facility Costs. Governor and Senate recognized increased water and sewage rates in Muskegon, St. Louis, and Kinross Charter Township.	287,800
27. Special Equipment Fund. Governor and Senate reduced funding for prisoner reentry MDOC programs and equipment and special maintenance because of reduced funding as a result of FCC mandated prison rate caps. Increased GF/GP funding to hold education programs harmless.	(4,800,000)
28. Prison Relocation Savings. Governor and Senate recognized additional savings from the relocation of the Kinross facility.	(3,400,000)
29. Prison Store Operations. Governor and Senate recognized a reduced need for storekeeper positions.	(2,400,000)
30. Removal of Five-Year Early-Out Deferred Sick Leave Payments. Department obligations will be satisfied as of FY 2015-16 for employees who opted into the 2010 early retirement program, which deferred sick leave payments over five years.	(1,346,800)
31. Federal Education Revenue. Governor recommended rolling up five Federal deductions that support the Education Program (DED, vocational education equipment; DED-OESE, title I; DED-OVAE, adult education; DED-OSERS; and DED, youthful offender/Specter grant) into a single line item called Federal education funding, which would have total funding of \$1,722,100. Senate retained current deductions.	0
32. Economic Adjustments. Governor and Senate included \$7,819,200 Gross and \$7,639,000 GF/GP for OPEB and \$28,106,500 Gross and \$27,459,700 GF/GP for other economic adjustments.	35,925,700
33. Other Changes. Governor and Senate reflected net reduction in restricted revenue amounts.	(101,100)
34. Comparison to Governor's Recommendation. The Senate is \$8,578,700 Gross and \$10,000,000 GF/GP under the Governor.	
Total Changes	\$58,581,400
FY 2016-17 Senate Appropriations Committee Gross Appropriation	\$2,020,807,400

Boilerplate Changes from FY 2015-16 Year-to-Date:

1. **Deletions.** Governor proposed to eliminate the following sections from current-year boilerplate: 206, 212, 214, 239, 247, 402, 403, 409, 412, 413, 417, 421, 434, 437, 505, 508, 509, 511, 601, 611, 612, 802, 803, 805, 812, 814, 816, 904, 911, 912, 937, 940, 942, 945, 1009, 1011, 1012, and 1201. These deletions include a variety of reporting requirements, statements of legislative intent, and language pertaining to health services, Goodwill Flip-the-Script, the Parole Sanction Certainty pilot, and faith-based initiatives. Senate retained all sections except for Sec. 434, regarding agricultural employment for parolees.
2. **Definitions.** Governor eliminated sixteen definitions from the bill, ranging from simple acronyms such as IDG means "interdepartmental grant", to broader definitions for concepts such as recidivism and cost per prisoner. Eighteen definitions will remain in the bill with such terms as full-time equated, offender target populations, and serious mental illness. Senate retained all definitions.
3. **Section Numbering.** Governor renumbered several sections to maintain consistency across all budget areas. Senate retained current numbering.
4. **Reporting Frequency.** Governor reduced the frequency of reporting for prisoner populations (Sec. 419) and core programming (Sec. 913). Senate retained current reporting frequency.

5. **Program Additions.** Governor and Senate added sections for IT bandwidth increases (Sec. 1000), expanded mental health and sex offender treatment (Sec. 806), and new custody staff training (Sec. 1100). Governor added a section to implement the Living in Recovery program (Sec. 4-805). Senate removed the Living in Recovery program (Sec. 4-805), added sections to require reporting on parole denials (Sec. 422), vendor contracts (Sec. 503), and hepatitis c treatment (Sec. 807), established the Supervising Region Incentive Program (Sec. 602), outlined criminal justice reinvestment (Sec. 604) and the lease agreement for the North Lake Correctional Facility building (Sec. 901), added three counties - Genesee, Kent, and Saginaw - to the parole sanction certainty pilot program (Sec. 421), and required the Department to explore the feasibility of establishing an online career high school education program pilot (Sec. 908).
6. **Reentry Services.** Senate added a section requiring the Department to complete a request for information before increasing spending on reentry services. (Sec. 404)
7. **Capital Outlay.** Senate added language to require the Department to report annually on the unspent balance of all capital outlay projects. (Sec. 508)
8. **Section Names.** Governor removed "Miscellaneous" section and added "Information Technology" and "One-Time Appropriations". Senate retained "Miscellaneous" section.
9. **Updated Amounts for Total Legacy Costs.** Governor and Senate updated total legacy costs section. The pension-related costs are \$187,327,100 and the retiree health care costs are \$150,531,100. (Sec. 214)

Date Completed: 4-21-16

Fiscal Analyst: Ryan M. Bergan