



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

BILL



ANALYSIS

Telephone: (517) 373-2768

Fax: (517) 373-1986

Senate Bill 764 (as introduced)

[Vehicle for Governor's Recommendation line items is Senate Bill 837](#)

Committee: Appropriations

<b>FY 2013-14 Year-to-Date Gross Appropriation .....</b>	<b>\$2,056,646,800</b>
--	------------------------

**Changes from FY 2013-14 Year-to-Date:**

- |   |              |
|---|--------------|
| <p>1. <b>Medicaid Expansion Savings.</b> Expanded eligibility would result in an estimated 80% of inmates and parolees attaining Medicaid eligibility for covered services outside of secure facilities. This would generate savings (all GF/GP) for off-site services such as inpatient hospitalization of inmates and some mental health treatment for parolees.</p>  | (19,080,800) |
| <p>2. <b>Removal of Food Service Legacy Costs.</b> As the funding for food service has been moved to an outside vendor, \$8.2 million GF/GP has been removed to reflect the change in the way the legacy costs are accounted for.</p>   | (8,167,100)  |
| <p>3. <b>Healthcare Related Items.</b> The Governor's budget proposal includes a new treatment protocol for Hepatitis C treatment \$4,900,000 GP/GP which includes using different types of medication for treatment. There is also a suggested \$1,079,700 Gross, \$830,900 GF/GP amount to provide staff overseeing expanded Medicaid and to provide continuing education for MDOC healthcare staff \$402,600 GF/GP.</p>  | 6,382,300    |
| <p>4. <b>Facilities Base Adjustment.</b> The administration has offered up a proposal for increased funding for two base adjustments for on-going activities. One request is for IT upgrades for sentence time calculation enhancements, \$600,000 GF/GP and the other request is for central facility maintenance funding enhancements for preventative maintenance projects, \$500,000 GF/GP.</p>   | 1,100,000    |
| <p>5. <b>Deployment of Regionalization Strategies.</b> Expansion of leasing bed space from local county sheriff departments \$4,000,000 GF/GP and increased funding for \$449,000 the utilization of local resources for the prosecution of crimes committed on the grounds of MDOC.</p>  | 4,449,000    |
| <p>6. <b>Mental Health Diversion.</b> Funds would allow MDOC to implement a Post-Release Transition pilot-project for those individuals with severe mental illness, \$1,000,000 GF/GP.</p>  | 1,000,000    |
| <p>7. <b>Expansion of technology in Prisoner Vocational Training and Parole/Probation Staff.</b> Governor has proposed use of on-going as well as an initial one-time funding request to allow for technology upgrades for parole/parole agents to spend more of their time in the field, \$1,023,000 GF/GP. Funds for the deployment of technology in prisoner education will be used to help reduce the backlog in vocational education programming, \$4,295,300 GF/GP.</p> | 5,318,300    |
| <p>8. <b>Final Neal et al. Settlement Payment.</b> This is the final year of the Neal et al. lawsuit settlement payment which is \$25,000,000 for the final period instead of the \$20,000,000 in prior years. The payment has been moved to one-time from on-going in order to recognize the conclusion of the settlement funding.</p>   | 5,000,000    |
| <p>9. <b>Remove One-Time funding and Uncollected Restricted Funds.</b> Removal of one-time appropriation for custody staff training \$9.0 million GF/GP and Healthy Michigan savings of \$24.2 million GF/GP. Adjustments and elimination of uncollected Restricted funds were removed, \$15,541,300 Gross, \$0 GF/GP.</p>  | (361,600)    |
| <p>10. <b>Economic Adjustments.</b> Includes a negative \$8,198,800 Gross and a negative \$8,013,800 GF/GP for OPEB and \$30,045,800 Gross and \$29,226,000 GF/GP for other economic adjustments.</p>   | 21,847,000   |

Total Changes .....	\$17,487,100
---------------------	--------------

<b>FY 2014-15 Governor's Recommendation .....</b>	<b>\$2,074,133,900</b>
---	------------------------

The changes show the differences between the schedule of programs proposed by the Governor and the prior-year line items.

**Changes from FY 2013-14 Year-to-Date:**

1. **Definitions.** Twenty definitions were eliminated from the bill, ranging from simple acronyms such as GED means "general educational development certificate", to broader definitions for concepts such as recidivism or cost per prisoner. Fifteen definitions would remain in the bill with such terms as: administrative segregation, residential substance abuse treatment, and Medicaid benefit. One definition added was for MDHS meaning the Michigan Department of Human Services. (Sec. 5-203)
2. **Deletions.** The Governor proposed the elimination of the majority of the current-year boilerplate; the approximately 53 sections or subsections proposed for elimination include: 206, 207, 212, 214, 219, 238, 239, 245, 304, 305, 402, 405, 407, 410(1 & 2), 411, 412, 413, 417, 418, 419, 420, 431, 434, 506, 601, 608, 611, 612, 615, 802, 806, 807, 809, 814, 816, 904, 907, 910, 911, 912, 913, 916, 925, 937, 939, 940, 942, 947, 1009, 1011, 1201, and 1202. The deletions include a variety of reporting requirements, statements of legislative intent, and guidance on certain programs.
3. **Modifications.** The Governor revised section 216 regarding out of state travel reporting; the language changes are mainly technical, but would no longer require that the total transportation and related costs be reported. Instead the language would state that the report includes transportation and related costs of each travel occurrence. Governor also revised section 229 with technical change by updating the dates for the fiscal year.
4. **Legacy Costs.** Governor added a new section which section states the total legacy costs as well as the separately stated legacy pension and retiree health care costs. (Sec. 5-246)
5. **Mental Health Diversion Council.** Governor added a new section which directs \$1,000,000 of amount appropriated for the mental health pilot programs to be used in accordance with the directions of the Mental Health Diversion Council. (Sec. 5-421)

Date Completed: 2-18-14

Fiscal Analyst: John Maxwell