

FY 2014-15: DEPARTMENT OF HUMAN SERVICES
Summary: Conference Report
Senate Bill 769 (S-1) CR-1*



Analyst: Kevin Koorstra

IDG/IDT	FY 2013-14 YTD as of 2/5/14	FY 2014-15 Executive	FY 2014-15 House	FY 2014-15 Senate	FY 2014-15 Conference	Difference: Conference From FY 2013-14 YTD	
						Amount	%
	\$18,127,100	\$18,545,900	\$18,545,900	\$21,545,900	\$21,545,900	\$3,418,800	18.9
Federal	4,814,517,900	4,397,966,500	4,384,596,300	4,384,205,400	4,551,275,200	(263,242,700)	(5.5)
Local	35,685,600	38,876,800	33,762,000	38,839,400	40,364,300	4,678,700	13.1
Private	11,582,800	18,050,700	18,050,900	18,050,900	20,299,300	8,716,500	75.3
Restricted	135,470,000	136,237,400	126,237,400	136,237,400	126,237,400	(9,232,600)	(6.8)
GF/GP	1,003,000,000	1,011,636,400	1,001,623,400	1,002,000,000	995,452,600	(7,547,400)	(0.8)
Gross	\$6,018,383,400	\$5,621,313,700	\$5,582,815,900	\$5,600,879,000	\$5,755,174,700	(\$263,208,700)	(4.4)
FTEs	12,150.5	12,191.5	11,948.5	12,010.0	12,227.5	77.0	0.6

Notes: (1) FY 2013-14 year-to-date figures include mid-year budget adjustments through February 5, 2014. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Executive figures do not reflect any revisions submitted subsequent to House subcommittee action. (4) Information on House budget action in this document based on House Bill 5313 as passed by the House

Overview

The Department of Human Services (DHS) administers a wide range of programs and services to assist Michigan's most vulnerable families, including public assistance programs that provide direct cash support as well as assistance with food and emergency needs. The DHS is also charged with protecting children and assisting families by administering foster care, adoption, and family preservation programs, and by enforcing child support laws. The DHS is also responsible for delivering juvenile justice services, for Michigan Rehabilitation Services, and for licensing day care, adult foster care, and child welfare agencies in the state.

<u>Major Budget Changes From FY 2013-14 YTD Appropriations</u>		<u>FY 2013-14 Year-to-Date (as of 2/5/14)</u>	<u>FY 2014-15 Conference Change</u>	
1. Public Assistance Caseload Adjustments		Gross	\$3,131,610,200	(\$358,603,500)
<u>Executive</u> reduces funding for public assistance programs \$509.5 million		Federal	2,901,593,400	(316,829,300)
Gross (\$36.0 million GF/GP) as follows:		Restricted	64,985,400	0
<ul style="list-style-type: none">Food Assistance Program (FAP) is reduced \$445.5 million Gross (\$0 GF/GP) from 894,750 cases at \$264 per month to 890,000 cases at \$224 per month.Family Independence Program (FIP) is reduced \$62.8 million Gross (\$34.7 million GF/GP) from 44,400 cases at \$395 per month to 33,200 cases at \$372 per month.State Disability Assistance (SDA) program is reduced \$2.9 million GF/GP from 7,777 cases at \$223 per month to 6,693 cases at \$223 per month.State Supplementation program is increased \$1.6 million GF/GP from 275,000 cases at \$18.95 per month to 281,600 cases at \$18.98 per month.		GF/GP	\$165,031,400	(\$41,774,200)
<u>House</u> and <u>Senate</u> concur. <u>Conference</u> reduces Executive caseload projection \$7.9 million Gross (\$5.8 million GF/GP) based on the May caseload consensus agreement and increases FAP \$158.8 million Gross (\$0 GF/GP) based on Executive revision 2015-2.				

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 Conference Change
2. Energy Assistance		FTE 1.0	0.0
<u>House</u> revises restricted low-income energy assistance funding based on statutory cap and unrolls low-income home energy assistance program line by service type as follows:		Gross \$234,951,600	(\$10,000,000)
<ul style="list-style-type: none"> • Home Heating Credit at \$84.7 million • Crisis Assistance at \$80.2 million • Michigan Energy Assistance Program at \$60.0 million 		Federal 174,951,600	0
<u>Senate</u> does not concur. <u>Conference</u> revises restricted low-income energy assistance funding and does not unroll the line item.		Restricted 60,000,000	(10,000,000)
		GF/GP \$0	\$0
3. Child Welfare Caseload Adjustments		Gross \$608,677,500	\$4,783,000
<u>Executive</u> increases funding for child welfare programs \$2.8 million Gross (\$5.8 million GF/GP) as follows:		Federal 340,844,300	2,708,100
<ul style="list-style-type: none"> • Foster care payments are reduced \$2.4 million Gross (\$1.0 million GF/GP) from 6,250 cases at \$27,655 per year to 6,075 cases at \$28,061 per year. • Adoption subsidies are reduced \$2.9 million Gross and are increased \$3.0 million GF/GP from 27,150 cases at \$732 per month to 26,800 cases at \$732 per month. • The Child Care Fund is increased \$7.0 million Gross (\$3.6 million GF/GP). • Guardianship assistance payments are increased \$1.2 million Gross (\$278,500 GF/GP). 		Local 14,494,000	195,700
<u>House</u> concurs. <u>Senate</u> reduces \$3.0 million GF/GP from an additional \$3.0 million federal TANF offset. <u>Conference</u> increases Executive caseload projection \$2.0 million Gross and reduces \$1.0 million GF/GP based on the May caseload consensus agreement and reduces \$3.0 million GF/GP from an additional \$3.0 million federal TANF offset.		Private 3,200,900	43,200
		GF/GP \$250,138,300	\$1,836,000
4. Adoption Subsidies		Gross \$244,074,500	\$7,900,000
<u>Senate</u> provides \$18.8 million Gross (\$14.1 million GF/GP) to allow adoptive parents ability to request supplemental determination of care payments for children with special needs after an adoption assistance agreement has been finalized. <u>Conference</u> provides \$7.9 million Gross (\$7.5 million GF/GP).		Federal 149,959,100	352,600
		GF/GP \$94,115,400	\$7,547,400
5. Child Care Fund/Foster Care Payments		Gross \$171,036,600	\$5,000,000
<u>Executive</u> provides \$5.0 million GF/GP for the state to pay 100% of the private child placing agency administrative rates for new cases entering care, rather than the state and counties sharing the costs for these rates under certain circumstances through the Child Care Fund. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with funding increase and make a technical adjustment by appropriating the funds within the Child Care Fund.		Federal 85,916,600	0
		GF/GP \$85,120,000	\$5,000,000
6. Private Residential Rates		Gross N/A	\$3,655,300
<u>House</u> provides \$3.7 million Gross (\$3.3 million GF/GP) to increase private residential rates by 2.14% based on 2011-12 Michigan GDP increase to health care and social assistance industry. Sufficient GF/GP is provided to hold counties harmless. <u>Senate</u> does not concur. <u>Conference</u> concurs with increase, but does not specify a specific percentage increase.		Federal N/A	355,300
		GF/GP N/A	\$3,300,000
7. Child Welfare Performance-Base Funding Implementation		FTE 0.0	3.0
<u>Executive</u> provides \$1.4 million Gross (\$1.0 million GF/GP) for a Project Team, actuarial study for setting rates, MiTEAM contract, and project evaluation to implement the recommendations from the Child Welfare Performance-Based Funding Task Force. <u>House</u> concurs with funding and also requires amount to support a technical assistance contract for Kent County private steering consortia on a one-time basis. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with House.		Gross \$0	\$1,372,100
		Federal 0	372,100
		GF/GP \$0	\$1,000,000
8. Community Support Services		FTE 2.0	1.0
<u>Executive</u> provides \$800,000 Gross (\$200,000 GF/GP) for juvenile justice re-entry programming expansion that would provide services six months prior to re-entry. <u>House</u> concurs. <u>Senate</u> and <u>Conference</u> revise fund sourcing based on federal match rate.		Gross \$1,295,200	\$800,000
		Federal 0	630,000
		GF/GP \$1,295,200	\$170,000

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 Conference Change
9. W.J. Maxey Training School	FTE	69.0	0.0
<u>House</u> reduces \$8.1 million Gross (\$3.0 million GF/GP) by closing W.J. Maxey Training School. Net reduction includes \$1.0 million GF/GP for closed site costs and \$1.6 million Gross (\$814,400 GF/GP) to transfer youth to other facilities. <u>Senate</u> and <u>Conference</u> do not concur.	Gross	\$10,592,400	\$0
	Federal	164,100	0
	Local	5,673,300	0
	GF/GP	\$4,755,000	\$0
10. Disability Determination Operations	FTE	546.9	0.0
<u>Executive</u> provides \$20.6 million Gross (\$0 GF/GP) to hire 71.0 disability examiners and 9.0 clerical support staff. Funding based on final federal Social Security Administration appropriations and hiring allocations. There is sufficient FTE authorization in the line item that a FTE increase is not needed. <u>House</u> concurs. <u>Senate</u> and <u>Conference</u> concur and assume additional staff will result in \$2.2 million in GF/GP savings from lower State Disability Assistance caseloads.	Gross	\$85,975,200	\$18,398,700
	IDG	112,200	0
	Federal	84,257,900	20,639,700
	GF/GP	\$1,605,100	(\$2,241,000)
11. Healthy Michigan Plan Call Center	Gross	\$0	\$19,536,300
<u>Executive</u> provides \$20.3 million Gross (\$6.4 million GF/GP) to implement a contract to provide call center services for applicants and recipients of the Healthy Michigan Plan/Medicaid Expansion. FY 2013-14 funding for this call center is within the Department of Community Health budget. <u>House</u> concurs with funding and unrolls Healthy Michigan Plan funding into separate line item. <u>Senate</u> concurs with Executive. <u>Conference</u> unrolls Healthy Michigan Plan funding into separate line item and reduces \$713,700 GF/GP.	Federal	0	13,888,800
	GF/GP	\$0	\$5,647,500
12. Donated Funds Positions	FTE	208.0	200.0
<u>Executive</u> expands donated funds positions by 150.0 FTEs, \$19.3 million Gross (\$0 GF/GP). These caseworkers would be located based on the requests of hospitals, nursing homes, school-based centers, and workplaces where the entity expends its own funds to draw down federal funding to cover the personnel costs of that caseworker. <u>House</u> concurs with donated funds positions increase but transfers FTEs and funding from local fields staff line items instead of increasing gross funding and FTEs authorizations. <u>Senate</u> concurs with Executive. <u>Conference</u> provides funding for 200.0 FTEs.	Gross	\$13,757,600	\$25,720,000
	IDG	234,300	0
	Federal	7,573,100	12,860,000
	Local	3,349,100	4,243,300
	Private	2,601,100	8,616,700
	GF/GP	\$0	\$0
13. Field Staff, Salaries and Wages	FTE	5,548.0	0.0
<u>Senate</u> reduces \$16.6 million Gross (\$6.9 million GF/GP) from eliminating 150.5 field staff positions based on public assistance caseload reductions and assumed efficiencies from automated asset test verifications. Amount also includes corresponding funding reductions in the fringe benefit and information technology line items. <u>Conference</u> does not concur.	Gross	\$295,152,500	\$0
	IDG	4,294,400	0
	Federal	167,327,100	0
	GF/GP	\$123,531,000	\$0
14. Budgetary Savings: Staffing Reductions	FTE	0.0	(51.0)
<u>Executive</u> rolls out the \$3.5 million GF/GP staffing reductions line item to various line items within the DHS budget. The roll out is achieved through the following steps. First, 51.0 FTE positions are removed or held vacant saving \$7.7 million Gross (\$2.8 million GF/GP). Second, \$741,100 in available federal block grant funding from the 51.0 FTE reduction is used to offset GF/GP. <u>House</u> concurs with roll out and includes staffing reductions of \$2.5 million GF/GP for 30.0 fewer non-child welfare field staff supervisor FTEs to achieve a worker to supervisor ratio of 7:1. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with roll out and includes staffing reductions of \$7.5 million GF/GP.	Gross	(\$3,500,000)	(\$11,718,500)
	Federal	0	(4,218,500)
	GF/GP	(\$3,500,000)	(\$7,500,000)

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 Conference Change
15. Information Technology			
<u>Executive</u> provides \$5.0 million Gross (\$2.8 million GF/GP) to automate asset verifications and \$3.0 million Gross (\$1.0 million GF/GP) to develop a child support web-based employer portal an information data base. The child support program is designated as one-time funding. <u>House</u> concurs with asset test automation and provides \$300,000 GF/GP to assist private child welfare service providers implement the statewide automated child welfare information system on a one-time basis. <u>Senate</u> concurs with Executive, provides \$2.9 million GF/GP for Juvenile Justice Vision 20/20, reduces \$935,000 Gross (\$336,600 GF/GP) by reducing 1,000 computers, and unrolls the information technology line item into 6 separate line items. <u>Conference</u> provides \$5.0 million Gross (\$2.8 million GF/GP) to automate asset verifications, \$1.0 million GF/GP for Juvenile Justice Vision 20/20, \$300,000 GF/GP to assist private child welfare service providers implement the statewide automated child welfare information system on a one-time basis, reduces \$467,500 Gross (\$168,300 GF/GP) by reducing 500 computers, and concurs with the Senate to unroll the information technology line item into 6 separate line items.	Gross	\$156,676,900	\$5,832,500
	IDG	1,134,800	0
	Federal	105,325,600	1,950,800
	GF/GP	\$50,216,500	\$3,881,700
16. Michigan Rehabilitation Services (MRS)			
<u>Executive</u> provides \$4.4 million GF/GP for MRS to draw down sufficient federal funds that will allow MRS to maintain current services and to prevent the implementation of an Order of Selection (i.e. a wait- list for services). There is sufficient federal authorization in the line item that a federal increase is not needed. \$2.4 million GF/GP is designated as one-time funding. <u>House</u> concurs with ongoing authorization and provides \$100 designated as one-time funding. <u>Senate</u> concurs with Executive and provides \$14.1 million Gross (\$0 GF/GP) to expand the Swift and Sure Probation Program through an interagency agreement with the Department of Corrections and the Judicial Branch. <u>Conference</u> provides \$3.4 million GF/GP, designates \$2.6 million GF/GP as one-time funding, and concurs to expand Swift and Sure Probation Program.	FTE	550.0	0.0
	Gross	\$138,275,900	\$17,484,500
	IDG	0	3,000,000
	Federal	114,263,900	11,084,500
	Local	6,500,000	0
	Private	1,835,000	0
	Restricted	1,582,700	0
	GF/GP	\$14,094,300	\$3,400,000
17. Centers for Independent Living			
<u>House</u> provides \$1.0 million GF/GP to Centers for Independent Living. <u>Senate</u> provides \$1.0 million GF/GP to expand pilot guide services. <u>Conference</u> provides \$500,000 GF/GP.	Gross	\$5,988,600	\$500,000
	Federal	2,818,600	0
	Private	100,000	0
	GF/GP	\$3,070,000	\$500,000
18. Contractual Services, Supplies, and Materials			
<u>Executive</u> increases \$2.5 million Gross (\$1.5 million GF/GP) to support single audit costs, increased TALX income verification costs, to pilot iPads for child welfare workers in 3 counties, and for the public assistance cost allocation plan. <u>House</u> reduces \$232,900 GF/GP for iPad pilot and does not concur with funding for public assistance cost allocation plan. <u>Senate</u> offsets iPad cost with reduction to the information technology line item. <u>Conference</u> does not provide funding for iPad pilot.	Gross	\$35,583,600	\$1,974,600
	IDG	531,200	0
	Federal	21,103,900	944,100
	Restricted	5,400	0
	GF/GP	\$13,943,100	\$1,030,500
19. Office of Inspector General			
<u>Executive</u> increases funding to support 20.0 new inspector general field agents. Amount also includes payroll taxes and fringe benefit line item costs for new staff. <u>House</u> designates half of the increase as one-time funding. <u>Senate</u> provides funding for 8.0 new inspector general field agents. <u>Conference</u> does not increase funding.	FTE	132.0	0.0
	Gross	\$7,495,100	\$0
	Federal	5,751,900	0
	GF/GP	\$1,743,200	\$0
20. Child Support Enforcement			
<u>Executive</u> provides \$2.0 million GF/GP to replace lost revenue due to IRS negative offset. When IRS intercepts federal tax returns for child support in error, the state must return the money to the IRS even if it has already been sent to the custodial parent. This issue is nationwide as the IRS has experienced an increase in fraudulent income tax returns. \$1.0 million GF/GP is designated as one-time funding. <u>House</u> provides \$1.0 million GF/GP on an ongoing basis. <u>Senate</u> provides \$500,000 GF/GP on an ongoing basis and \$700,000 GF/GP on a one-time basis. <u>Conference</u> provides \$500,000 GF/GP on an ongoing basis and \$500,000 GF/GP on a one-time basis.	FTE	185.7	0.0
	Gross	\$134,950,800	\$1,000,000
	Federal	125,096,000	0
	GF/GP	\$9,854,800	\$1,000,000

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 Conference Change
21. Other Executive Program Increases or New Programs		Gross	N/A
<u>Executive</u> provides \$1.8 million Gross (\$1.6 million GF/GP) to increase various line items and programs including: domestic violence prevention treatment, Catholic Charities Center for Hope project on a one time basis, Attorney General contract, Michigan Community Services Commission, and Children's Trust Fund administration. <u>House</u> provides \$100 placeholder for Catholic Charities Center for Hope Project. <u>Senate</u> provides less of an increase for Attorney General contract, Michigan Community Services Commission, and Children's Trust Fund administration; also provides \$100 placeholder for Catholic Charities Center for Hope Project. <u>Conference</u> provides less of an increase for Attorney General contract, Michigan Community Services Commission, and Children's Trust Fund administration; also provides \$250,000 for Center for Hope project on a one-time basis.		Federal	\$1,374,200
		GF/GP	189,400
			\$1,184,800
22. Other House Program Increases or New Programs		Gross	N/A
<u>House</u> provides \$5.1 million Gross (\$5.1 million GF/GP) to increase various programs including: before- or after-school, parent to parent, school success partnership, Michigan reading corps, child welfare assessments, 2-1-1, and replaces \$75,000 federal funds with \$75,000 GF/GP for MiCAFE. <u>Senate</u> provides \$2.7 million Gross (\$2.1 million GF/GP) for child welfare assessments, Michigan reading corps, and school success partnership. <u>Conference</u> provides \$1.4 million GF/GP for parent to parent, school success partnership, Michigan reading corps, and replaces \$75,000 federal funds with \$75,000 GF/GP for MiCAFE. <u>Conference</u> designates \$200,000 of the \$700,000 for parent to parent and Michigan reading corps funding as one-time funding.		Federal	\$1,425,000
		GF/GP	0
			\$1,425,000
23. Other Senate Program Increases or New Programs		Gross	N/A
<u>Senate</u> provides \$1.2 million Gross (\$1.1 million GF/GP) to increase various programs including: juvenile justice in-home grants, foster care visitation, food bank funding, and elder abuse prosecuting attorney. <u>Conference</u> provides \$350,000 GF/GP for juvenile justice in-home grants and food bank funding on a one-time basis.		Federal	\$350,000
		GF/GP	0
			\$350,000
24 Temporary Assistance for Needy Families (TANF) Fund Source		Gross	\$4,814,517,900
<u>Executive</u> rolls the federal TANF block grant fund source into the general "total federal revenues" fund source. <u>House</u> , <u>Senate</u> , and <u>Conference</u> do not concur.		Federal	\$0
		TANF	0
		GF/GP	0
			\$0
25. TANF Offset of GF/GP and Other Federal Revenues		Gross	N/A
<u>Executive</u> \$7.9 million in federal TANF is appropriated in the adoption subsidies line item to offset GF/GP. That offset GF/GP is then redirected to the payroll taxes and fringes benefits, local office salaries and wages, and child welfare field staff line items to offset excess other federal revenues in those line items. <u>House</u> concurs with Executive. <u>Senate</u> increases TANF \$6.0 million to offset GF/GP. <u>Conference</u> concurs with Executive.		Federal	(7,893,000)
		TANF	7,893,000
		GF/GP	\$0
			\$0
26. Youth in Transition		FTE	0.0
<u>Executive</u> adjusts the youth in transition line item in two ways. First, the line is increased by \$608,000 with federal TANF funds to support the Homeless Youth and Runaway contracts. The TANF is from a reduction in TANF funds for family preservation programs. Second, \$600,000 in TANF is used to offset \$600,000 in other federal revenues that cannot be claimed for the fostering futures college scholarship program. <u>House</u> and <u>Senate</u> concur. <u>Conference</u> also provides \$500,000 GF/GP to the fostering futures trust fund on a one-time basis.		Gross	\$1,108,000
		Federal	(600,000)
		TANF	1,208,000
		GF/GP	\$500,000

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 Conference Change
27. FY 2013-14 IDG from Michigan Department of Education (MDE) Offset Adjustment		Gross	N/A
FY 2013-14 budget increased federal TANF by \$12.5 million to offset a reduction of \$12.5 million in IDG funding from MDE for Child Development and Care program administration. <u>Executive</u> adjusts that offset through the following steps. First, reduces \$4.1 million in TANF from payroll taxes and fringes benefits and local office salaries and wages line items and transfers those TANF funds to the Bureau of Child and Adult Licensing (BCAL) line item. Second, BCAL activities are not TANF eligible, so the \$4.1 million in TANF funds are then offset with other federal revenues. The other federal revenues that have historically supported BCAL are Title IV-E matching funds and the capped Social Services Block Grant. <u>House</u> transfers \$4.1 million in federal Social Service Block Grant funding from payroll taxes and fringes benefits and local office salaries and wages line items to BCAL. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with House.		IDG	N/A
		Federal	N/A
		TANF	N/A
		GF/GP	N/A
			\$0
28. Low-income Home Energy Assistance Program (LIHEAP) Fund Source		Gross	\$4,268,278,700
<u>House</u> rolls out the federal LIHEAP block grant from the general "total federal revenues" fund source into its own federal fund source. <u>Senate</u> and <u>Conference</u> do not concur.		Federal	4,268,278,700
		LIHEAP	0
		GF/GP	\$0
			\$0
29. Social Services Block Grant (SSBG) Fund Source		Gross	\$4,268,278,700
<u>House</u> rolls out the federal SSBG block grant from the general "total federal revenues" fund source into its own federal fund source. <u>Senate</u> and <u>Conference</u> do not concur.		Federal	4,268,278,700
		SSBG	0
		GF/GP	\$0
			\$0
30. Capped Federal Fund Source		Gross	\$4,268,278,700
<u>Conference</u> rolls out capped federal funding from the general "total federal revenues" fund source into its own federal fund source.		Federal	4,268,278,700
		Capped	0
		GF/GP	\$0
			\$0
31. Supervisor and Policy Staff Reductions		FTE	N/A
<u>Senate</u> reduces \$3.6 million Gross (\$1.5 million GF/GP) from eliminating 25.0 supervisor and policy staff positions based on achieving a worker to supervisor ratio of 6 to 1 and eliminating executive direction staff and funding instead of transferring those funds to the office or program policy line item. Amount also includes corresponding funding reductions in the fringe benefit and information technology line items. <u>Conference</u> does not concur.		Gross	N/A
		Federal	N/A
		Local	N/A
		GF/GP	N/A
			\$0
32. Other House Reductions		Gross	N/A
<u>House</u> reduces \$150,000 GF/GP for legislative reporting delays and removes \$100,000 GF/GP for gentle teaching pilot. <u>Senate</u> increases \$400,000 GF/GP to expand the gentle teaching pilot. <u>Conference</u> does not concur.		GF/GP	N/A
			\$0
33. Adjustments to Current Services Baseline		FTE	N/A
<u>Executive</u> increases \$6.3 million Gross (\$4.5 million GF/GP) to align line item appropriations with projected spending and available revenues. Line items adjusted are adoption support services (\$3.1 million Gross), child welfare medical/psychiatric evaluations (\$2.1 million Gross), and travel (\$993,600 Gross). Also adjusts FTE allocations to align with supportable positions in the donated funds (70.0 FTEs) and SSI advocacy (2.0 FTEs) line items. <u>House</u> does not concur with travel increase. <u>Senate</u> adjusts Executive proposal and adjusts an additional 24 line items based on historic expenditure trends; also offsets travel increase with a reduction to the rent line item. <u>Conference</u> adjusts Executive proposal and adjusts an additional 12 line items based on historic expenditure trends; also offsets travel increase with a reduction to the rent line item.		Gross	N/A
		Federal	N/A
		GF/GP	N/A
			(72.0)
			(\$20,036,200)
			(19,272,300)
			(\$763,900)

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 Conference Change
34. Employee Economics	Gross	N/A	\$23,880,300
<u>Executive</u> reflects increased costs of \$23.9 million Gross (\$8.1 million GF/GP) for negotiated salary and wage amounts (2.0% ongoing increase plus 0.5% lump sum payments), actuarially-required retirement rate increases, and other economic adjustments. Insurance costs held flat due to recent state employee health plan revisions. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	IDG	N/A	282,200
	Federal	N/A	15,184,400
	Local	N/A	239,700
	Private	N/A	56,400
	Restricted	N/A	29,200
	GF/GP	N/A	\$8,088,400
35. Federal Medical Assistance Percentage (FMAP) Adjustments	Gross	N/A	\$143,700
<u>Executive</u> increases GF/GP by \$1.7 million from the FMAP federal match rate adjustment from 66.32% to 65.54%. This rate is used to determine federal cost sharing for foster care payments, adoption subsidies and retained child support collections. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur and include \$200 technical revision.	Federal	N/A	(2,287,500)
	Private	N/A	200
	Restricted	N/A	738,200
	GF/GP	N/A	\$1,692,800
36. One-Time Funding: Eliminate FY 2013-14 Appropriations	FTE	4.0	(4.0)
<u>Executive</u> discontinues FY 2013-14 one-time appropriations of \$4.6 million Gross (\$2.8 million GF/GP) for information technology investments, fraud prevention demonstration project, medical consultation, and the juvenile justice behavioral health study. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Gross	\$4,557,300	(\$4,557,300)
	Federal	1,734,900	(1,734,900)
	GF/GP	\$2,822,400	(\$2,822,400)

Major Boilerplate Changes From FY 2013-14

GENERAL SECTIONS

Sec. 205. Time-limited Addendum to Social Welfare Act – NEW

House requires DHS to treat this bill as a time-limited addendum to the Social Welfare Act, pursuant to section 1b of the Social Welfare Act. Senate does not concur. Conference concurs with House.

Sec. 206. New Programs or Program Increases – NEW

House requires DHS to list specific benchmarks and status updates on each new program or program increases; states legislative intent that all proposed new programs or spending increases for FY 2015-16 include benchmarks and performance measures. Senate does not concur. Conference concurs with House for new programs or increases in excess of \$500,000.

Sec. 228. Requests for Information (RFI) and Requests for Proposal (RFP) – NEW

Senate requires DHS to finalize RFI process by October 1 and RFP process by January 1; requires RFPs to remain open for 30 days. Conference requires DHS to submit all required information for RFI process to DTMB by October 1 and RFP process to DTMB by January 1.

Sec. 230 Requests for Proposal for Income Verification Contract – NEW

Senate requires DHS to issue a RFP for the income verification contract by January 1. Conference requires RFP by February 1.

Sec. 234. Michigan Strategic Fund Interagency Agreement – NEW

Conference requires DHS to include specific outcome and performance reporting requirements in the interagency agreement with the Michigan Strategic Fund for TANF funded job readiness and welfare-to-work programming; lists required reporting requirements.

CHILD AND FAMILY SERVICES

Sec. 501. Foster Care Age and Time Limit Goals – REVISED

Establishes a goal to limit the number of children in foster care longer than 24 months, requires annual report. Executive retains. House revises goal from 31% to 25%. Senate revises goal from 31% to 30% and revises reporting requirement. Conference revises goal from 31% to 27% and revises reporting requirement.

Sec. 503. Child Welfare Performance-Based Funding – NEW

Conference requires DHS, in accordance with the final report of the child welfare performance-based funding task force, to issue an RFP for an independent actuary designated as a fellow of the society of actuaries to recommend prospective case rates for out-of-home child welfare services by DHS and private providers; requires prospective case rates for private providers to include adoption incentive payments and to cover full cost of contractual costs; requires DHS to complete full cost analysis by September 30; requires DHS to contract for a 5-year independent third party evaluation; requires DHS to create a readiness model; requires phase II implementation to only include additional counties where DHS, private agencies, the county, and the court to agree to implement the performance-based funding model; requires DHS to implement the recommendations and provide quarterly reports.

Major Boilerplate Changes From FY 2013-14

Sec. 508. Children Trust Fund (CTF) Revenues and Joint Projects – REVISED

Appropriates gifts and donations to CTF; requires collaboration between DHS and Child Abuse and Neglect Prevention Board on policy matters to seek to avoid administrative delays to distribute grants. Executive revises administrative delays to "within 31 days of project start date". House concurs with revision and mandates distribution "within 31 days of project start date". Senate retains current law. Conference concurs with House.

Sec. 509. Gentle Teaching Pilot – REVISED

Appropriates \$100,000 to implement a pilot program for gentle teaching methods; requires report on the results of the pilot and a cost estimate to implement pilot statewide. Executive and House delete. Senate revises language to expand program statewide. Conference revises language to allocate \$100,000 to implement a pilot program for secondary trauma training.

Sec. 515. Kent County Privatization Implementation – REVISED

Requires DHS to privatize all foster care and adoption services within Kent County, based on work group findings. Executive deletes. House deletes and moves portions to new Sec. 561. Senate adds report on implementation. Conference adds notification requirement to legislature when all foster care cases and pending foster family licensing applications have been transferred, requires private agencies to be paid through the rates established in Sec. 546 until an actuary has recommended and DHS has amended contracts for performance-based funding, prohibits delay of implementation, reduces state funds \$25,000 for each week of noncompliance; states intent that case transfer shall not require placement of foster children in new foster homes but that DHS will allow the private agencies to borrow foster homes certified through DHS; concurs with Senate report.

Sec. 522. Fostering Futures Scholarship Program – REVISED

Allocates \$750,000 to the campus coach program for youth transition from foster care who are attending college, requires 100% of funding be used for scholarships. Executive strikes "for the campus coach program". House concurs with Executive and adds "through the fostering futures scholarship program"; requires report. Senate concurs with House and revises report. Conference concurs with House.

Sec. 540. Psychotropic Medication For Youth in Out-of-Home Placements – REVISED

Requires DHS to determine within 30 days whether to change prescribed psychotropic medication for state wards if the placement administration determines that the medication should be changed, or to seek parental consent within 7 business days for a temporary court ward. Executive and House delete. Senate retains. Conference revises to 7 business days for state wards, and requires court petition on the eighth business day if parental consent is not provided by the seventh business day.

Sec. 546. Foster Care Agency Administrative Rates – REVISED

Establishes foster care administrative rate of \$37 for private child placing agencies under contract with DHS; establishes general independent living administrative rate of \$28; reinstates specialized independent living administrative rates provided in FY 2010-11; increases administrative rate for foster care services by \$3, provided that the county match rate is eliminated for this increase; requires providers to submit quarterly expenditure reports, if required by federal guidelines. Executive deletes. House requires at least monthly payment of \$3 rate and increases residential provider rates 2.14%, provided that the county match rate is eliminated for this increase. Senate deletes \$3 increase and quarterly expenditure reporting. Conference revises specialized independent living rate to independent living plus based on statewide per diem rates and concurs with House but does not specify a specific rate increase for residential providers.

Sec. 556. Special Needs Adoption Subsidy Report – REVISED

Requires report on number of complaints filed by adoptive parents for not being notified that their adoptive child has special needs. Executive deletes. House retains. Senate adds language allowing adoptive parents to claim a new or revised determination of care rate caused by a condition that existed but was not identified prior to the final adoption assistance agreement; defines determination of care rate. Conference adds language to allow adoptive parents to request a redetermination of their adoption assistance when extraordinary care or expense is required for a condition that existed or the cause of which existed before the adoption was finalized, allows current adoptive parents to request redetermination between January 1, 2015 and March 31, 2015, allows new adoptive parents one request for redetermination; allows adoptive parent to request administrative hearing; requires DHS to notify in writing current adoptive parents of right to request redetermination; states that state statute amended subsequent to this act shall control; defines "certification".

Sec. 559. Parent to Parent – NEW

House allocates \$1.0 million to parent to parent program for adoptive parents. Senate does not include. Conference allocates \$700,000, including one-time funding, to parent to parent program for adoptive parents; requires report.

Sec. 562. Time and Travel Reimbursements for Foster Parents – NEW

Senate requires DHS to provide time and travel reimbursements for foster parents who transport foster children to parent-child visitation, requires DHS to provide written notification of right to request reimbursements to foster parents, requires reimbursement within 60 days. Conference concurs.

Sec. 565. Treatment Service Plans – NEW

Senate requires DHS and private agencies to provide signed copies of the parent agency treatment plan agreement that includes parent-child visitation plan, requires DHS and private agencies to document if parent does not sign agreement, requires information in this section to be made available to Foster Care Review Board upon request. Conference concurs.

Major Boilerplate Changes From FY 2013-14

Sec. 566. MiTEAM Meetings – NEW

Senate requires MiTEAM meetings to include a review of any psychotropic medication currently prescribed, prescribed in the past, or recommended. Conference concurs.

Sec. 567. Medical Passports – NEW

Senate requires foster care caseworks to complete medical passports and requires medical passport to be transferred within 2 weeks from date of placement or return home; requires report. Conference concurs.

Sec. 568. Adoption Subsidy Negotiations – NEW

In Sec. 558, House prohibits using income of adoptive parent to determine eligibility of adoption subsidy. Senate requires DHS to pay a minimum adoption assistance rate that is not less than the family foster care rate, including the determination of care rate; defines determination of care rate. Conference requires DHS to pay a minimum adoption subsidy rate that is not less than 95% of the family foster care rate, including the determination of care rate; defines determination of care rate; allows adoptive parents to reject support subsidy; states that state statute amended subsequent to this act shall control.

Sec. 569. Private Agency Adoption Completion Payment Rate – NEW

Conference requires DHS reimburse private child placing agencies that complete adoptions at the rate according to the date in which the petition for adoption and required support documentation was accepted by the court and not according to the date the court's order placing for adoption was entered.

Sec. 574. Contracts to License Relative Caregivers – REVISED

Allocates \$2.5 million to private child placing agencies to facilitate licensure of relative caregivers as foster parents and allows private agencies to retain supervision of at least 50% of the newly licensed cases; provides \$375,000 for family incentive grants to help with home improvements needed by foster families. Executive strikes 50% private agency retention and adds requirement that agencies license within 180 days or have an approved waiver to receive full reimbursement. House concurs with new Executive language but keeps 50% private agency retention. Senate retains current law. Conference concurs with House and states that agencies completing licensure after 180 days shall receive up to \$2,300.

Sec. 587. Juvenile Justice In-Home and Community-Based Programs – REVISED

Provides \$1.0 million to expand and create new in-home and community-based programs for juvenile justice services in rural counties, requires report. Executive deletes. House retains. Senate provides \$1.5 million and prohibits counties that received funds in the previous fiscal year from receiving funds appropriated in the current fiscal year. Conference concurs with Senate but provides \$1.0 million ongoing and \$250,000 on a one-time basis.

Sec. 589. Restrictions on Transfer of Foster Care Cases to Private Supervision – REVISED

Prohibits DHS from transferring foster care cases to private agencies where the case requires a county contribution for the private agency administrative rate, unless agreed to by the county; requires monthly report on the number of foster care cases supervised by private agencies and by DHS. Executive deletes. House replaces transfer prohibition with requirement that DHS pay for 100% of the administrative rate for new foster care cases beginning October 1, 2013. Senate deletes. Conference concurs with House.

PUBLIC ASSISTANCE

Sec. 602. Multiple Disability Applications – NEW

Senate requires DHS to conduct a full evaluation of an individual's assistance needs if the individual has applied for disability 2 times within a 1-year period, and subject to federal approval, prohibits an individual from applying for disability more than 2 times within a 1-year period. Conference concurs.

Sec. 621. Energy Self-Sufficiency Program – DELETED

Establishes requirements and guidelines for the energy self-sufficiency program. Executive, House, Senate, and Conference delete.

Sec. 657. Extended Family Independence Program (EFIP) Notifications – REVISED

Requires DHS to notify individuals eligible for EFIP that receiving EFIP will count toward the federal and state lifetime cash assistance limits. Executive deletes. House adds that notification be included on both the public assistance application and the form that notifies the person of eligibility of EFIP. Senate retains current law. Conference concurs with House.

Sec. 695. Jewish Federation of Metropolitan Detroit – DELETED

Appropriates \$500,000 to the Jewish Federation of Metropolitan Detroit to assist low-income individuals achieve self-sufficiency. Executive deletes. House retains. Senate and Conference delete.

Sec. 695. Multicultural Integration Funding – NEW

Executive requires grants for services for special population to be competitively awarded; establishes contractor requirements and metrics; requires annual report. House does not include. Senate concurs with Executive with technical adjustments. Conference permits requirement of each provider to provide data and information on performance related metrics; requires report; requires workgroup on including accreditation and moving toward competitive bidding.

Sec. 696. Chaldean Community Foundation – DELETED

Appropriates \$1.0 million to the Chaldean Community Foundation to provide translation services, health care, and youth services. Executive deletes. House retains. Senate and Conference delete.

Major Boilerplate Changes From FY 2013-14

JUVENILE JUSTICE SERVICES

Sec. 701. Residential Facility Contracts – NEW

Senate prohibits signed contracts with private residential facilities to be altered without written consent from a representative of the private residential facility. Conference concurs with Senate and adds “unless required from changes to federal or state law or at the request of a provider”.

Sec. 702. Medicaid Waiver for Secure Residential Treatment – NEW

Senate requires DHS, in conjunction with the DCH, to submit a waiver request to expand Medicaid coverage to child in need of secure residential treatment; requires DHS to submit copy of waiver request to Legislature; requires report on status of waiver request. Conference concurs.

Sec. 703. Juvenile Justice Vision 20/20 – NEW

Senate provide \$2.9 million to Juvenile Justice Vision 20/20, allows unexpended or unencumbered funding to be available in succeeding fiscal years; requires report. Conference provide \$1.0 million to Juvenile Justice Vision 20/20, allows unexpended or unencumbered funding to be available in succeeding fiscal years; allow funds to be expended after successful implementation and operation of existing pilot database; requires DHS member to serve as executive team member; requires report.

LOCAL OFFICE SERVICES

Sec. 750. Donated Funds Positions – REVISED

Requires DHS to maintain out-stationed eligibility specialists in community-based organizations, community mental health agencies, nursing homes, and hospitals unless the out-stationed location requests the program discontinued. Executive deletes. House retains. Senate deletes current language, requires DHS to enter into a contract with any agency that places a request for a donated funds position, allows DHS to require performance objectives. Conference retains and requires DHS to enter into a contract with any agency that places a request for a donated funds position and is eligible under federal law, requires DHS to provide agency with applicable federal law or rule if denied; requires performance metrics; requires DHS to only fill additional positions after a new contract has been signed and requires position to be abolished when contract expires or is terminated.

Sec. 751. Healthy Michigan Plan Administration – NEW

In Sec. 233, House requires DHS, in conjunction with the Department of Community Health, to establish an accounting structure in the state accounting system (Michigan administrative information network, or MAIN) to separately track expenditures for administration of the Healthy Michigan Plan. Senate requires quarterly report. Conference concurs with both House and Senate.

INFORMATION TECHNOLOGY

Sec. 1001. DHS Computer Reduction – REVISED

Requires DHS to reduce number of computers by 3,000. Executive deletes. House replaces section with requirement that the number of computers shall not exceed the number of authorized FTEs, requires report. Senate requires 1,000 computer reduction, Conference requires 500 computer reduction.

COMMUNITY ACTION AND ECONOMIC OPPORTUNITY

Sec. 1107. Weatherization Services Priority – NEW

Senate requires DHS and community action agencies to give priority for weatherization services to clients who have a child with a documented blood lead level above 5 micrograms per deciliter. Conference concurs, subject to federal approval.

Sec. 1108. School Success Partnership – NEW

In Sec. 1106, House allocates \$500,000 to the Northeast Michigan Community Services Agency for the school success partnership program; requires report. Senate allocates \$300,000. Conference allocates \$300,000; requires report.

ONE-TIME BASIS ONLY

Sec. 1201. Kent County Private Steering Consortia – NEW

House allocates \$100,000 to the Kent County private steering consortia for technical assistance for implementing performance-based funding. Senate does not concur. Conference concurs with House.

Sec. 1202. Catholic Charities Center for Hope – NEW

In Sec. 1201, Senate allocates, if funding becomes available, funding to center for hope to restore and renovate the building where the center for hope is located. Conference allocates \$250,000 to restore and renovate the building where the center for hope is located; requires report; requires reimbursement of state funds if funds are misspent.

Sec. 1203. Private Agency Information Technology – NEW

In Sec. 1202, House allocates \$300,000 to assist private child welfare service providers meet the implementation requirements of the statewide automated child welfare information system. Senate does not concur. Conference concurs with House.

Sec. 1204. Fostering Futures Trust Fund – NEW

Conference allocates \$500,000 to the Fostering Futures Trust Fund, if 2008 PA 525 is amended to create the trust fund.

Sec. 1205. Michigan Reading Corps – NEW

In Sec. 231, House allocates \$350,000 to the Michigan Reading Corps; requires report. In Sec. 231, Senate allocates \$125,000. Conference allocates \$350,000; requires report; requires reimbursement of state funds if funds are misspent.