

FY 2013-14: DEPARTMENT OF HUMAN SERVICES
Summary: As Reported by the House Subcommittee
House Bill 4217 (H-1) Draft 1



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	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Enacted	Difference: House From FY 2012-13 YTD	
						Amount	%
IDG/IDT	\$30,581,300	\$30,594,600	\$28,970,900			(\$1,610,400)	(5.3)
Federal	5,507,467,200	4,802,702,800	4,768,780,800			(738,686,400)	(13.4)
Local	39,029,400	37,891,500	31,072,400			(7,957,000)	(20.4)
Private	9,792,600	9,856,000	9,856,000			63,400	0.6
Restricted	88,453,600	151,618,800	90,797,500			2,343,900	2.6
GF/GP	1,028,769,600	1,013,112,400	1,007,624,700			(21,144,900)	(2.1)
Gross	\$6,704,093,700	\$6,045,776,100	\$5,937,102,300			(\$766,991,400)	(11.4)
FTEs	12,314.0	12,282.5	11,262.1			(1,051.9)	(8.5)

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time.

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.

Major Budget Changes From FY 2012-13 YTD Appropriations

1. Public Assistance Caseload Adjustments

Executive reduces funding for public assistance programs \$699.4 million Gross and increases GF/GP by \$186,100 as follows:

- Food Assistance Program (FAP) is reduced \$683.7 million Gross from 1,088,146 cases at \$271 per month to 876,650 cases at \$269 per month.
- Family Independence Program (FIP) is reduced \$15.8 million Gross from 53,298 cases at \$397 per month to 49,226 cases at \$401 per month.
- State Disability Assistance (SDA) program is reduced \$546,600 GF/GP from 8,777 cases at \$257 per month to 8,600 cases at \$257 per month.
- State Supplementation program is increased \$732,700 GF/GP from 271,800 cases at \$19.31 per month to 275,000 cases at \$19.08 per month.

House concurs.

2. Energy Services

Executive eliminates \$59.9 million Gross (\$27.7 million GF/GP) designated as one-time funding for state emergency relief energy services. Provides \$60.0 million in restricted revenues to offset elimination of one-time funding. Restricted revenues generated from proposed legislation to create a new fee payable by every electric utility customer. House replaces one-time funding with funds available from reductions elsewhere in the budget rather than concurring in new restricted revenues.

3. Temporary Assistance for Needy Families (TANF) Fund Source

Executive rolls the federal Temporary Assistance for Needy Families (TANF) block grant fund source into the general "total federal revenues" fund source. House does not concur.

	FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
Gross	\$3,862,229,300	(\$699,359,200)
Federal	3,603,104,200	(699,545,300)
Restricted	81,211,700	0
GF/GP	\$177,913,400	\$186,100
FTE	0.0	1.0
Gross	\$59,900,000	\$100,000
Federal	32,200,000	(7,625,100)
Restricted	0	0
GF/GP	\$27,700,000	\$7,725,100
Gross	\$4,988,881,000	\$0
Federal	4,409,541,200	0
TANF	579,339,800	0
GF/GP	\$0	\$0

Major Budget Changes From FY 2012-13 YTD Appropriations	FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
4. Child Welfare Caseload Adjustments		
<u>Executive</u> reduces funding for child welfare programs \$23.2 million Gross (\$8.4 million GF/GP) as follows:	Gross	\$614,653,700
	Federal	330,598,300
	Local	18,274,500
	Private	1,600,000
	GF/GP	\$264,180,900
		(\$23,242,300)
<ul style="list-style-type: none"> • Foster care payments are reduced \$15.0 million Gross (\$7.0 million GF/GP) from 7,200 cases at \$24,378 per year to 6,650 cases at \$26,844 per year. • Adoption subsidies are increased \$2.0 million Gross (\$3.8 million GF/GP) from 26,850 cases at \$651 per month to 27,100 cases at \$651 per month. • The County Child Care Fund is reduced \$11.1 million Gross (\$5.3 million GF/GP). • Guardianship assistance payments are increased \$970,700 million Gross (\$166,500 GF/GP). 		
<u>House</u> concurs.		
5. Child Welfare Staffing Enhancement		
<u>Executive</u> annualizes the cost to hire 577.0 additional child welfare staff during FY 2012-13. Staff were requested in order to be in compliance with the case-to-worker ratios required by the Children's Rights settlement agreement. On May 22, 2012, DHS requested 307 new child protective service workers, 174 new direct care workers, and 96 new first-line supervisors. The FY 2013-14 Executive Recommendation revises the staffing request down 81 FTEs for 319 new child protective service workers, 68 new direct care workers, 1 new education planner, 1 new permanency planning conference coordinator, 63 new first-line supervisors, 17 new administrative support workers, 14 new second-line supervisors, and 13 new permanency planning specialists. <u>House</u> revises staffing request down an additional 151.4 FTEs based on October 2012 case-to-worker compliance rates, October 2012 on-board staff, and recent caseload declines.	FTE	577.0
	Gross	\$23,320,300
	Federal	16,027,300
	GF/GP	\$7,293,000
		(232.4)
		\$13,401,700
		9,339,400
		\$4,062,300
6. Permanency Planning Specialists		
<u>House</u> reduces \$3.2 million Gross (\$1.3 million GF/GP) from reducing the number of FTEs allocated in the permanency planning specialists line item from 61.0 to 30.5. Line item currently supports both permanency resource managers and permanency planning assistants. Reduction also includes fringe benefits, payroll taxes, travel, CSS&M, and IT savings.	FTE	61.0
	Gross	\$3,693,200
	Federal	2,128,700
	GF/GP	\$1,564,500
		(30.5)
		(\$3,175,000)
		(1,833,700)
		(\$1,341,300)
7. Private Child Placing Agency Administrative Rate Increase		
<u>House</u> increases \$5.1 million Gross (\$3.8 million GF/GP) to increase private child placing agency administrative rates by \$3.00 per child per day. Includes boilerplate provision that increase will only be provided if state law is amended to eliminate the county matching requirement for the \$3.00 rate increase.	Gross	NA
	Federal	NA
	GF/GP	NA
		\$5,142,400
		1,357,900
		\$3,784,500
8. Family Preservation Programs		
<u>House</u> reduces \$4.2 million in federal TANF funds from families first, child protection and permanency, family reunification, family preservation and prevention services, and family preservation administration line items.	FTE	34.0
	Gross	\$42,385,700
	Federal	42,199,400
	GF/GP	\$186,300
		0.0
		(\$4,150,000)
		(4,150,000)
		\$0
9. One-Time Funding: Family Preservation Expansion		
<u>Executive</u> provides \$2.5 million in federal TANF funds to expand Families Together Building Solutions to Macomb and Muskegon Counties and to expand Supportive Visitation/Home-Based Parent Education Program to additional counties on a one-time basis only. <u>House</u> does not concur.	FTE	NA
	Gross	NA
	Federal	NA
	GF/GP	NA
		0.0
		\$0
		0
		\$0
10. Attorney General Contract		
<u>House</u> reduces Attorney General contract \$1.3 million Gross (\$558,700 GF/GP). Redirects \$754,300 in federal matching funds from Attorney General contract to county prosecuting attorney contracts line item. Attorney General provides legal representation in Wayne County for child abuse or neglect cases.	Gross	\$3,813,000
	Federal	2,192,700
	GF/GP	\$1,620,300
		(\$558,700)
		0
		(\$558,700)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
11. State Juvenile Justice Facility Closures	FTE	176.0	(165.0)
<u>House</u> reduces funding \$20.2 million Gross (\$8.4 million GF/GP) by closing all 3 DHS juvenile justice facilities and reducing administrative staff; maintains \$2.0 million GF/GP for closed site costs. Increases foster care payments line \$10.7 million Gross (\$5.4 million GF/GP) to provide for the transfer of the youth to private residential facilities or other placements.	Gross	\$23,858,000	(\$9,426,600)
	Federal	449,300	398,100
	Local	11,056,900	(6,819,100)
	GF/GP	\$12,351,800	(\$3,005,600)
12. Juvenile Justice Data Analyst	FTE	23.0	1.0
<u>Executive</u> provides \$116,000 GF/GP to hire a juvenile justice data analyst. Data analyst would work with State Court Administrative Office (SCAO), counties, and other stakeholders to compile statewide data on juvenile justice. <u>House</u> concurs.	Gross	\$4,362,400	\$116,000
	Federal	78,300	0
	Local	946,200	0
	GF/GP	\$3,337,900	\$116,000
13. Local Office Staffing Reduction	FTE	5,559.0	(618.0)
<u>House</u> reduces local office staffing 618.0 FTEs and \$64.2 million Gross (\$25.2 million GF/GP). <u>House</u> includes boilerplate language stating intent to only provide 1 administrative support staff for every 9.5 staff members and 1 first line supervisor for every 12 non-child welfare related staff members. Reduction also includes 223.0 fewer direct public assistance case workers, which would increase the number of cases each worker administers by an estimated 7% (number of cases per worker would be 5% lower than caseload peak during March 2011). Reduction also includes fringe benefits, payroll taxes, CSS&M, and IT savings.	Gross	\$291,359,000	(\$64,247,500)
	IDG	7,355,400	(1,623,700)
	Federal	169,487,500	(37,413,500)
	GF/GP	\$114,516,100	(\$25,210,300)
14. Emergency Services Local Office Allocations	Gross	\$16,092,600	(\$600,000)
<u>House</u> reduces emergency services local office allocations \$600,000 GF/GP.	Federal	7,907,100	0
	GF/GP	\$8,185,500	(\$600,000)
15. Executive Operations Contractual Services, Supplies, and Materials (CSS&M)	Gross	\$11,260,700	(\$763,600)
<u>House</u> reduces executive operations CSS&M \$763,600 Gross (\$367,100 GF/GP).	IDG	600,000	0
	Federal	6,643,700	(396,500)
	Restricted	5,400	0
	GF/GP	\$4,011,600	(\$367,100)
16. SSI Advocates	FTE	10.0	(10.0)
<u>Executive</u> increases Supplemental Security Income (SSI) recoveries \$78,200 to support all 10.0 FTEs allocated for SSI advocacy. <u>House</u> eliminates SSI advocate funding.	Gross	\$755,500	(\$755,500)
	Restricted	605,900	(605,900)
	GF/GP	\$149,600	(\$149,600)
17. Pathways to Potential	FTE	NA	0.0
<u>Executive</u> provides \$6.2 million Gross (\$2.2 million GF/GP) to hire new child support specialists to provide child support case management, to hire new child welfare training staff to support a new Crucial Accountability Training program, and to hire new medical consultation staff to address a backlog of medical determination cases. The funding would also provide partial tuition reimbursement for DHS staff seeking a Master's Degree in Social Work. <u>House</u> does not concur.	Gross	NA	\$0
	Federal	NA	0
	GF/GP	NA	\$0
18. Fraud Prevention, Detection, and Recoupment	Gross	NA	\$2,000,000
<u>Executive</u> provides \$500,000 GF/GP for 3 attorneys within the Department of Attorney General to prosecute persons who provide fraudulent information to DHS. Also provides \$1.5 million Gross (\$1.0 million GF/GP) for one-time biometrics fraud detection technology. <u>House</u> concurs.	Federal	NA	500,000
	GF/GP	NA	\$1,500,000
19. Phone Costs	Gross	NA	\$1,154,200
<u>Executive</u> increases \$1.2 million Gross (\$478,100 GF/GP) for Cisco phone charges, \$1.0 million Gross (\$394,400 GF/GP) for \$22 per smartphone per month charge to DTMB, and \$218,100 Gross (\$92,100 GF/GP) for Mobile Worker Initiative. Reduces rent \$218,100 Gross (\$92,100 GF/GP) to pay for Mobile Worker Initiative costs. <u>House</u> does not include funding for the \$22 per smartphone per month charge to DTMB.	Federal	NA	676,100
	GF/GP	NA	\$478,100
20. Multicultural Integration	Gross	\$1,515,500	\$500,000
<u>House</u> provides \$500,000 GF/GP for the multicultural integration line item.	Federal	1,115,500	0
	GF/GP	\$400,000	\$500,000

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
21. National Voter Registration Act		Gross	NA
<u>Executive</u> provides \$717,600 Gross (\$350,600 GF/GP) for printing and postage costs to comply with the National Voter Registration Act. <u>House</u> concurs.	Federal	NA	367,000
	GF/GP	NA	\$350,600
22. Centers for Independent Living Pilot		Gross	\$4,488,600
<u>House</u> provides \$300,000 GF/GP for a pilot guide program administrated by the centers for independent living that provide services within Jackson, Kent, and Midland Counties.	Federal	2,818,600	0
	Private	100,000	0
	GF/GP	\$1,570,000	\$300,000
23. One-Time Funding: Eliminate FY 2012-13 Appropriations		Gross	\$12,546,500
<u>Executive</u> discontinues FY 2012-13 one-time appropriations of \$12.5 million Gross (\$5.4 million GF/GP) for state employee lump sum payments, Seita Scholarship, juvenile justice behavioral health study, and Medicaid eligibility review. <u>House</u> continues to fund Seita Scholarship on a one-time basis.	Federal	7,104,100	(7,104,100)
	Restricted	5,600	(5,600)
	GF/GP	\$5,436,800	(\$4,686,800)
24. Information Technology	FTE	0.0	0.0
<u>Executive</u> reduces SACWIS development costs \$7.5 million Gross (\$3.2 million GF/GP) and discontinues FY 2012-13 one-time appropriations of \$2.5 million Gross (\$1.5 million GF/GP) for Inspector General IT upgrades. Provides \$2.4 million Gross (\$754,300 GF/GP) for new T-1 lines, \$467,900 Gross (\$168,400) for wireless infrastructure, \$407,700 Gross (\$108,500 GF/GP) for Microsoft enterprise agreement, \$351,800 Gross (\$126,600 GF/GP) to increase internet bandwidth, and \$140,600 Gross (\$50,600 GF/GP) for the Center for Shared Solutions within DTMB. Also provides 18.5 FTEs and \$2.0 million Gross (\$1.0 million GF/GP) for one-time BRIDGES improvements. <u>House</u> does not provide funding for wireless infrastructure, internet bandwidth, and one-time BRIDGES improvements.	Gross	\$162,780,500	(\$7,051,700)
	IDG	1,943,600	0
	Federal	107,101,500	(3,299,200)
	GF/GP	\$53,735,400	(\$3,752,500)
25. Adjustments to Current Services Baseline		Gross	NA
<u>Executive</u> increases \$96,700 Gross (\$2.5 million GF/GP) to align line item appropriations with projected spending and available revenues. Offsets \$2.5 million GF/GP increase with \$2.5 million in federal TANF appropriated in Payroll Taxes and Fringe Benefits line item. <u>House</u> concurs with all Executive adjustments but revises state disbursement unit adjustment. Also revises 1st line child welfare supervisors line item based on anticipated federal revenues and electronic benefit transfer (EBT) line item based on anticipated expenditures.	Federal	NA	(2,083,700)
	Restricted	NA	3,000,000
	GF/GP	NA	(\$6,931,200)
26. Employee Economics		Gross	NA
<u>Executive</u> provides \$40.3 million Gross (\$14.5 million GF/GP) for negotiated salary and wage amounts (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments. <u>House</u> concurs.	IDG	NA	13,300
	Federal	NA	24,991,100
	Local	NA	436,700
	Private	NA	189,300
	Restricted	NA	92,600
	GF/GP	NA	\$14,547,600
27. Federal Medical Assistance Percentage (FMAP) Adjustments		Gross	NA
<u>Executive</u> increases GF/GP by \$188,300 from the FMAP federal match rate adjustment from 66.39% to 66.32%. Also increases federal TANF funds to offset child support collections. This rate is used to determine federal cost sharing for foster care payments, adoption subsidies and retained child support collections. <u>House</u> concurs.	Federal	NA	(63,000)
	Restricted	NA	(112,400)
	GF/GP	NA	\$188,300

Major Boilerplate Changes From FY 2012-13

GENERAL SECTIONS

Sec. 284. Contingency Fund Appropriations – REVISED

Appropriates \$200.0 million in federal, \$5.0 million in state restricted, \$20.0 million in local, \$20.0 million in private, and \$40.0 million in federal TANF contingency funds; appropriations may not be expended until transferred through legislative transfer process. Executive and House strike TANF contingency fund subsection.

Sec. 299. DHS Performance Metrics – NEW

Requires DHS to maintain, on a publically accessible website, a scorecard that identifies, tracks, and updates key metrics. Executive and House include new section.

ADULT AND FAMILY SERVICES

Sec. 404. Centers for Independent Living Pilot Program – NEW

House allocates \$300,000 to centers for independent living providing services in Jackson, Kent, and Midland Counties to pilot guide services to develop accessible, comprehensive, and integrated services for persons with disabilities, also requires pilot guide services to assist persons with disabilities and their families navigate state public assistance.

CHILDREN'S SERVICES

Sec. 506. Medicaid Coverage for Children under State or Court Supervision – REVISED

Requires DHS to guarantee that a child in foster care who is eligible for Medicaid will not have a break in coverage if they move from one county to another. Executive deletes section; House strikes language and replaces with annual report on number of children in foster care that do not receive Medicaid coverage and number of children in foster care that experience a break in Medicaid coverage during the previous fiscal year.

Sec. 515. Kent County Privatization Work Group – REVISED

Requires DHS to convene a work group to identify a plan for implementing a pilot program to privatize all foster care and adoption services within Kent County by September 30, 2013. Executive deletes section; House strikes work group and requires implementation by October 1, 2013.

Sec. 520. Foster Family Group Home Request for Proposals – NEW

House requires DHS post a request for proposals for foster family group homes by December 31, 2013.

Sec. 524. Strong Families/Safe Children Spending Plans – NEW

House requires counties to submit strong families/safe children services spending plans by October 1 of the current fiscal year and for DHS to approve the services spending plans within 30 days after the receipt of a properly completed services spending plan.

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

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 section.

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. Executive deletes section; House provides a \$3 foster care administrative rate increase, provided that state law is amended to eliminate the county match rate for the \$3 rate increase.

Sec. 557. Nonrecurring Adoption Expenses – NEW

House allows DHS to provide reimbursement for nonrecurring adoption expenses in excess of the limit described in section 115/ of the social welfare act.

Sec. 560. Attorney General Contract – NEW

House requires DHS to reimburse Attorney General for not more than 67% of the representation in litigation and appellate work involving child abuse and neglect cases in Wayne County.

Sec. 587. In-Home Grant Program – NEW

House requires DHS to allocate \$5 million for counties that develop new or enhanced in-home and community-based juvenile justice services; requires establishment of program requirements by January 1, 2014; requires annual report.

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

Prohibits DHS from transferring foster care cases currently under DHS supervision to private agency supervision where the case requires a county contribution for the private agency administrative rate; requires monthly report on the number of foster care cases supervised by private agencies and by DHS. Executive deletes section; House strikes transfer prohibition and replaces with requirement for private agencies to be first contacted to provide case management when a new foster case opens.

PUBLIC ASSISTANCE

Sec. 609. SSI State Supplementation – DELETED

Prohibits reduction of SSI state supplementation for recipients in institutional settings during the fiscal year, requires 30 day notice to the Legislature for any proposed reduction to the state supplementation level. Executive and House delete section.

Major Boilerplate Changes From FY 2012-13

Sec. 611. State Supplementation Rate Restriction – REVISED

Prohibits state supplementation levels for living independently or living in the household of another from exceeding the minimum level required under federal law or regulations. Executive deletes section; House strikes "living independently or living in the household of another."

Sec. 613. Cremation of Unclaimed Bodies – REVISED

Provides reimbursements for the cremation of indigent persons if a person with the right to control the disposition of the body does not claim the body or refuses to exercise that right. Executive and House revises to allow DHS to provide indigent burial services and strikes reference to cremation of unclaimed persons.

Sec. 656. Public Assistance Application Data – NEW

House requires DHS to provide quarterly information on applications received, approved, denied, or pending; requires information to be available statewide and for each county and to be available for each separate public assistance program.

Sec. 686. Caseworker Policy Changes – REVISED

Requires DHS to ensure that individuals presenting out-of-state identification are not enrolled in benefit programs in other states; requires caseworkers to confirm resident addresses in FIP and SDA cases; prohibits individuals with homes worth more than \$500,000 from receiving assistance; requires caseworkers to collect up-to-date phone numbers from Medicaid recipients during eligibility determination and provide this information to DCH. Executive deletes section; House revises property assets from \$500,000 to \$250,000.

JUVENILE JUSTICE SERVICES

Sec. 719. Legislative Notification of Juvenile Justice Changes – DELETED

Requires DHS to notify Legislature at least 30 days before closing or making any change in the status of a state juvenile justice facility, including licensed bed capacity and operating bed capacity. Executive and House delete section.

Sec. 720. Placement and Status Report – NEW

House requires DHS to report quarterly on the current placement and status of youth transferred from the closed state juvenile justice facilities.

Sec. 721. Residential Facility of Last Resort – REVISED

If demand exceeds capacity at state-operated facilities, requires DHS to post a request for proposals to contract with not less than 1 private provider to be a residential facility of last resort instead of increasing available occupancy at state-operated facilities. Executive deletes section; House strikes requirement to post a request for proposals only if demand exceeds the capacity at the state-operated facilities.

Sec. 722. Juvenile Justice Facility Staffing – NEW

House requires DHS to ensure that staff employed at the juvenile justice facilities closed in the current fiscal year are given priority for staff positions that they are qualified to fulfill.

LOCAL OFFICE SERVICES

Sec. 755. Local Office Staffing Ratios – NEW

House states legislative intent for DHS to have a supervisor ratio, excluding the ratios required by the Children's Rights settlement agreement, of 1 supervisor for 12 staff members; and states legislative intent for DHS to have an administrative support staff ratio of 1 administrative support staff for 9.5 staff members.