

**FY 2015-16: DEPARTMENT OF HUMAN SERVICES
AND FY 2014-15 SUPPLEMENTAL
Summary: Conference Report
Article X, Senate Bill 124 (S-2) CR-1***



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	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Conference	<i>Difference: Conference From FY 2014-15 YTD</i>	
						<i>Amount</i>	<i>%</i>
IDG/IDT	\$21,545,900	\$24,260,300	\$24,260,300	\$24,260,300	\$11,420,100	(\$10,125,800)	(47.0)
Federal	4,540,108,400	4,542,043,600	4,539,536,800	4,538,537,600	4,383,349,900	(156,758,500)	(3.5)
Local	41,937,700	45,441,300	45,441,300	40,409,400	37,388,000	(4,549,700)	(10.8)
Private	19,469,900	26,356,900	26,356,900	26,356,900	26,710,400	7,240,500	37.2%
Restricted	117,624,300	117,333,400	117,333,400	117,333,400	113,743,800	(3,880,500)	(3.3)
GF/GP	981,155,500	978,891,000	968,456,400	973,835,900	942,202,500	(38,953,000)	(4.0)
Gross	\$5,721,841,700	\$5,734,326,500	\$5,721,385,100	\$5,720,733,500	\$5,514,814,700	(\$207,027,000)	(3.6)
FTEs	12,208.5	12,043.9	12,040.9	11,974.9	11,752.9	(455.6)	(3.7)

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5, House Bill 4110, and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) House actions reflected were taken in Article X of House Bill 4102 (H-1).

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 2014-15 YTD Appropriations

1. Public Assistance Caseload Adjustments

Executive increases funding for public assistance programs by \$11.8 million Gross (reduction of \$2.4 million GF/GP) as follows:

- Food Assistance Program (FAP) is increased \$13.7 million Gross (\$0 GF/GP) adjusting the monthly caseload estimate to 847,700 cases at \$252 per month.
- Family Independence Program (FIP) is reduced \$1.7 million Gross (\$1.7 million GF/GP) from 32,300 cases at \$363 per month to 31,400 cases at \$361 per month.
- State Disability Assistance (SDA) program is reduced \$770,400 Gross (GF/GP reduced \$1.3 million) from 6,450 cases at \$212 per month to 5,800 cases at \$214 per month.
- State Supplementation program is increased \$601,300 GF/GP from 279,100 cases at \$18.75 per month to 280,600 cases at \$18.75 per month.

House and Senate concur.

Conference reduces Executive caseload projection \$26.2 million Gross (\$10.8 million GF/GP) based on the May caseload consensus agreement and decreases FAP by \$141.9 million overall: decreases FAP \$192.9 million Gross (\$0 GF/GP) based on revised caseload projections and increases FAP by \$50.1 million for estimated costs concerning the recent *Barry, et al. vs. Lyons* lawsuit.

	FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
Gross	NA	(\$156,355,500)
Federal	NA	(140,025,500)
Restricted	NA	(3,080,900)
GF/GP	NA	(\$13,249,100)

Major Budget Changes From FY 2014-15 YTD Appropriations	FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
2. Child Welfare Caseload Adjustments	Gross	N/A
Increases funding for child welfare programs \$2.7 million Gross (\$1.3 million GF/GP) as follows:	Federal	(\$13,766,300)
	Local	(11,232,000)
	Private	(2,767,300)
	GF/GP	391,200
		(\$158,200)
<ul style="list-style-type: none"> Increases foster care caseload costs by \$2.7 million Gross (\$1.1 million GF/GP), in addition to FY 2014-15 supplemental reduction of \$4.2 million Gross (\$4.3 million GF/GP), for a total net reduction of \$1.4 million Gross (increase of \$5.4 million GF/GP) compared to the original FY 2014-15 budget. Because of the data system conversion, caseload forecast retains the consensus estimate for FY 2016 of 6,500 cases and annual cost per case estimate of \$27,085. Adoption subsidies are reduced \$938,600 Gross (reduction of 370,700 GF/GP); caseload forecast retains the consensus estimate of 26,600 cases at \$730 per month. Guardianship assistance payments are increased \$961,000 Gross (\$577,700 GF/GP) for an estimate of 900 cases at \$780 per month. 		
House and Senate concur.		
Conference decreases Executive caseload projection \$16.5 million Gross (\$1.5 million GF/GP) based on the May caseload consensus agreement.		
3. Foster Care Rate Reductions	Gross	N/A
Executive reduces funding by a total of \$8.8 million Gross (\$7.1 million GF/GP) through two changes: (1) \$3.7 million Gross (\$3.3 million GF/GP) reduction from rescinding the FY 2014-15 increase for private residential rate foster care payments. DHS was required by statute to pay 100% of increase; this provision sunsets at the end of FY 2014-15. (2) \$5.1 million Gross (\$3.8 million GF/GP) reduction from rescinding a \$3 per day administrative rate increase for foster care services provided by child placing agencies; private agency daily administrative rates reduced from \$40 to \$37. Conference does not include reductions and retains current-year funding levels for both programs.	Federal	\$0
	GF/GP	0
		\$0
4. Adoption Subsidies Re-Determination of Care Program	Gross	\$1,000,000
Executive continues a FY 2014-15 reduction of \$6.9 million Gross (\$6.5 million GF/GP) contained in EO 2015-5 to reduce the funding for the Adoption Re-Determination of Care Program; program allows eligible adoptive parents to request a redetermination of payments for certain children with special needs after an agreement has been finalized; reduces program funding to \$1.0 million. House eliminates remaining \$1.0 million GF/GP funding for program; Senate reduces program funding to \$600,000 GF/GP. Conference concurs with the House.	Federal	0
	GF/GP	\$1,000,000
		\$0
5. Child Care Fund Administrative Rates – County Hold Harmless Provision	Gross	\$5,000,000
Executive reduces funding by \$3.4 million GF/GP by rescinding the county hold harmless provision requiring DHS to pay 100% of the foster care administrative rate to private agencies for all new cases referred to service providers beginning October 1, 2013; Executive retains \$1.6 million to fund cases transferred back to public sector. House does not include reduction and funds the county hold harmless policy at current-year level; Senate reduces funding by \$3.4 million and directs the \$1.6 million to partially fund hold harmless policy, includes a \$100 placeholder for further adjustments. Conference concurs with the House.	GF/GP	\$5,000,000
		0
6. Transfer AFC, Children’s Day Care Licensure to LARA	FTE	219.0
Conference transfers 219.0 FTEs and \$29.0 million Gross (\$16.1 million GF/GP) to the Department of Licensing and Regulatory Affairs (LARA) based on the Executive Order 2015-4.	Gross	\$28,955,300
	IDG	12,840,200
	GF/GP	\$16,115,100
		(219.0)
		(\$28,955,300)
		(12,840,200)
		(\$16,115,100)
7. TANF Offset of GF/GP	Gross	N/A
Conference appropriates an additional \$10.0 million TANF funding to offset a GF/GP reduction of \$10.0 million in the adoption subsidies line item.	TANF	N/A
	GF/GP	N/A
		10,000,000
		(\$10,000,000)

Major Budget Changes From FY 2014-15 YTD Appropriations	FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
8. Family Independence Program	Gross	N/A
<u>Executive</u> reduces funding by a total of \$1.7 million Gross (\$1.7 million GF/GP) through the following three changes: (1) the elimination of the Extended Family Independence Program (EFIP), which provided \$10 per month benefit for six months as clients exited FIP program (\$116.4 GF/GP savings); (2) elimination of the Short Term Family Support Program, a short-term diversion program for families that could become eligible for ongoing FIP benefits (\$726,200 GF/GP savings); (3) new requirement of pre-assistance cooperation with child support before clients can receive public assistance benefits (\$900,300 Gross/ \$889,200 GF/GP). <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	Federal	N/A
	GF/GP	N/A
		(\$1,742,900)
		(11,100)
		(\$1,731,800)
9. Centers for Independent Living	Gross	\$6,488,600
<u>Executive</u> reduces funding by \$1.5 million GF/GP for Centers for Independent Living which provide core independent living services for persons with disabilities. <u>House</u> concurs with Executive and includes an additional \$200,000 GF/GP reduction. <u>Senate</u> does not include reduction and funds the program at current-year ongoing funding level. <u>Conference</u> does not include reduction and transfers \$5.5 million federal authorization to program from Michigan Rehabilitation Services program.	Federal	2,818,600
	Private	100,000
	GF/GP	\$3,570,000
		5,543,000
		0
		\$0
10. School Success Partnership for NEMSCA	Gross	\$300,000
<u>Executive</u> eliminated the \$300,000 GF/GP program funding. <u>House</u> concurs with Executive; <u>Senate</u> funds program at current-year ongoing funding level. <u>Conference</u> increased funding by \$150,000.	GF/GP	\$300,000
		\$150,000
11. Parent-to-Parent Program	Gross	\$500,000
<u>Executive</u> eliminated the \$500,000 GF/GP program funding. <u>House</u> concurs with Executive; <u>Senate</u> reduces program by \$150,000 GF/GP. <u>Conference</u> concurs with the Senate.	GF/GP	\$500,000
		(\$150,000)
12. Drug Testing Program for FIP Recipients	Gross	N/A
<u>Senate</u> includes \$275,000 GF/GP for a pilot program to implement a suspicion-based drug testing pilot program for FIP recipients in 3 counties (PA 394 of 2014 and PA 395 of 2014). <u>Conference</u> increased funding by \$25,000.	GF/GP	N/A
		\$300,000
13. One-Time Funding: Eliminate FY 2014-15 Appropriations	Gross	\$5,150,000
<u>Executive</u> discontinues FY 2014-15 one-time appropriations of \$5.2 million GF/GP for Child Support Enforcement Operations, Legal Support Contracts, MRS, Flint Catholic Charities, Performance Based Funding Implementation, Private Child Welfare IT Services, Fostering Futures Endowment, JJ In-Home Community Care Grants, Food Banks, Michigan Reading Corps, and Parent-to-Parent Adoption Support Services. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	GF/GP	\$5,150,000
		(\$5,150,000)
14. Eliminate IDG Funding for Swift and Sure Program	FTE	526.0
<u>Executive</u> reduces IDG funding by \$3.0 million to reflect the elimination of funding from the Corrections budget for the Swift and Sure Punishment program within the Michigan Rehabilitation Services Program for re-entry services for former prisoners. <u>House</u> concurs with Executive; <u>Senate</u> eliminates \$3.0 million IDG funding and \$11.1 million federal funding. <u>Conference</u> concurs with the Senate.	Gross	\$149,289,700
	IDG	3,000,000
	Federal	123,368,000
	Local	6,539,100
	Private	1,846,000
	Restricted	1,592,300
	GF/GP	\$12,944,300
		0.0
		(\$14,084,500)
		(3,000,000)
		(11,084,500)
		0
		0
		0
		\$0
15. Office Closures and Consolidations	Gross	N/A
<u>Executive</u> reduces funding by \$5.3 million Gross (\$2.2 million GF/GP) through the closure and consolidation of targeted DHS facilities and use of the community partner network facilities for certain county offices. <u>House</u> concurs with Executive; <u>Senate</u> assumed \$6.1 million Gross (\$2.5 million GF/GP) savings from closures and consolidations. <u>Conference</u> reduces funding \$2.4 million Gross (\$1.0 million GF/GP).	Federal	N/A
	GF/GP	N/A
		(\$2,439,000)
		(1,439,000)
		(\$1,000,000)
16. Other Program Reductions	Gross	N/A
<u>Executive</u> reduces funding by \$2.9 million Gross (\$1.3 million GF/GP) from changing to electronic notifications for MiBridges and Child Support billing coupons by offering clients option of electronic correspondence. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	Federal	N/A
	GF/GP	N/A
		(\$2,865,000)
		(1,550,100)
		(\$1,314,900)

Major Budget Changes From FY 2014-15 YTD Appropriations	FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
17. Budgetary Savings: Staffing Reductions		
<u>Executive</u> rolls out the \$7.5 million GF/GP staffing reductions line item in FY 2014-15 to various line items within the DHS budget. Savings are annualized through reductions in multiple line items in budget; \$3.0 million TANF federal block grant funding is used to offset \$3.0 million GF/GP. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	FTE 0.0 Gross (\$7,500,000) Federal 0 Local 0 GF/GP (\$7,500,000)	(332.0) (\$6,296,800) (6,291,700) (5,100) \$0
18. Adjustments to Current Services Baseline		
<u>Executive</u> adjusts funding by decreasing federal funding by \$8.7 million and increasing GF/GP spending by \$8.7 million to align line item appropriations with projected spending and available revenues; also adjusts FTE allocations to align with supportable positions (81.7); discontinues \$7.0 million one-time fund source shift from GF/GP to TANF federal funding. <u>House</u> and <u>Senate</u> concur with Executive. <u>Senate</u> includes additional fund source shifts from federal to GF/GP for a gross reduction of \$1.4 million (\$4.4 million GF/GP). <u>Conference</u> agrees with Executive but revises federal and GF/GP fund source shifts to various programs.	FTE N/A Gross N/A Federal N/A Private N/A GF/GP N/A	(81.7) \$0 (15,650,400) (90,000) \$15,740,400
19. Michigan Rehabilitation Services (MRS)		
<u>Executive</u> includes \$1.3 million GF/GP funding to replace the \$1.3 million GF/GP reduction in EO 2015-5 and replaces \$2.3 million federal with \$2.3 million GF/GP. <u>House</u> reduces GF/GP by \$1.7 million and concurs with the fund source shift; <u>Senate</u> keeps gross funding same as current-year and does not include fund source shift. <u>Conference</u> concurs with the Senate.	FTE 526.0 Gross \$149,289,700 IDG 3,000,000 Federal 123,368,000 Local 6,539,100 Private 1,846,000 Restricted 1,592,300 GF/GP \$12,944,300	0.0 \$0 0 0 0 0 0 \$0
20. Child Care Licensing (CCL)		
<u>Executive</u> provides \$5.7 million Gross and 39.0 FTEs to increase the number of CCL consultants and management staff to align the state's consultant-to-caseload ratio with the national average (1 consultant: 98 programs). Current caseload ratio is estimated to be 1:150; program funded through a federally funded IDG from Michigan Department of Education. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	FTE N/A Gross N/A IDG N/A GF/GP N/A	39.0 \$5,661,500 5,661,500 \$0
21. Donated Funds Positions		
<u>Executive</u> provides \$20.6 million Gross (\$0 GF/GP) to expand donated funds positions by 200 FTEs. These caseworkers would be located based on the requests of adult placement and independent living settings, federally qualified health clinics, hospitals with high uncompensated costs, and employer-based sites; the entities would expend their own funds to draw down federal funding to cover the personnel costs of caseworkers. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	FTE 338.0 Gross \$39,690,800 IDG 236,400 Federal 20,551,800 Local 7,644,300 Private 11,258,300 GF/GP \$0	200.0 \$20,551,200 0 10,275,600 4,110,200 6,165,400 \$0
22. Indigent Burial		
<u>House</u> increases funding by \$100,000 GF/GP. <u>Conference</u> does not include increase.	Gross \$4,300,000 Federal 300,000 GF/GP \$4,000,000	\$0 0 \$0
23. Juvenile Justice Vision 20/20		
<u>House</u> includes \$100 GF/GP placeholder for the Juvenile Justice Vision 20/20 program that was originally funded in FY 2014-15; funding was eliminated by E.O. 2015-5. <u>Senate</u> concurs with the House. <u>Conference</u> does not include funding.	Gross \$0 GF/GP \$0	\$0 \$0
24. Family Services Programs		
<u>House</u> reduces federal Temporary Assistance for Needy Families (TANF) funding by \$2.8 million total in the following programs: Family Preservation and Prevention Services by \$1.5 million, Families First by \$500,000, Child Protection and Permanency by \$500,000, and Family Reunification by \$250,000. The \$2.8 million TANF funding was then appropriated in the Family Independence Program line item to offset GF/GP.	Gross N/A Federal N/A GF/GP NA	\$0 0 \$0
25. Departments of Human Service and Community Health Merger Savings		
<u>House</u> eliminates 3.0 unclassified FTE positions and \$284,500 Gross (\$189,500 GF/GP) funding due to the merger between the two departments; also includes \$1.9 million Gross (\$1.0 million GF/GP) reduction for anticipated administrative savings as a result of the merger. <u>Conference</u> reduces 3.0 unclassified FTEs and \$379,000 Gross and GF/GP.	FTE 6.0 Gross \$18,194,300 IDG 1,519,300 Federal 10,013,500 GF/GP \$6,661,500	(3.0) (\$379,000) 0 0 (\$379,000)

Major Budget Changes From FY 2014-15 YTD Appropriations	FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
26. Program Reductions	Gross	N/A
<u>House</u> reduces \$8.1 million GF/GP funding from the following programs: State Disability Assistance program by \$5.0 million, Homeless Programs by \$1.0 million, Children's Trust Fund Administration by \$179,700, Emergency Services Local Office Allocations by \$500,000, Multicultural Integration by \$250,000, Centers for Independent Living by \$200,000, FIP clothing allowance by \$200,000, W.J. Maxey Training School by \$400,000, Juvenile Justice Administration and Maintenance by \$300,000, and Youth In Transition by \$100,000.	Federal	0
<u>Senate</u> reduces \$3.0 million GF/GP funding in the following programs: Juvenile Justice Administration and Maintenance by \$400,000, Homeless Programs by \$300,000, Electronic Benefit Transfer by \$1.4 million (increase federal funding by \$1.0 million), Youth in Transition by \$130,900 Gross (\$395,900 GF/GP), and Emergency Services Local Office Allocations by \$1.2 million Gross (\$559,300 GF/GP).	GF/GP	(\$1,551,000)
<u>Conference</u> reduces \$1.6 million GF/GP funding from the following programs: Emergency Services Local Office Allocations by \$1.2 million and Juvenile Justice Administration and Maintenance by \$400,000.		
27. Closure of W.J. Maxey Training School	FTE	69.0
<u>Senate</u> includes the elimination of 69.0 unclassified FTE positions and \$7.5 million Gross (\$2.5 million GF/GP) reduction due to the proposed closure of the W.J. Maxey Training School; retains \$1.0 million for closing costs and \$1.8 million to transfer 40 youths to other comparable residential facilities for one year. <u>Conference</u> concurs with the Senate.	Gross	\$10,324,500
	Federal	166,100
	Local	5,744,000
	GF/GP	\$4,414,400
		(69.0)
		(\$7,543,300)
		26,500
		(5,045,800)
		(\$2,524,000)
28. Healthy Michigan Plan Call Center	Gross	\$11,976,300
<u>Executive</u> restores \$7.6 million Gross (\$2.2 million GF/GP) funding for the Healthy Michigan Plan Call Center to replace the funding reduced in E.O. 2015-5; includes additional \$2.1 million GF/GP for a fund source shift to replace federal funding. <u>House</u> restores \$2.0 million Gross (\$1.4 million GF/GP); <u>Senate</u> restores \$7.6 million (736,900 GF/GP) and includes additional \$1.4 million federal for a fund source shift to replace GF/GP funding. <u>Conference</u> concurs with the Senate.	Federal	8,510,700
	GF/GP	\$3,465,600
		\$7,560,000
		6,823,100
		\$736,900
29. Specialized Employment and Training Services Pilot	Gross	N/A
<u>Executive</u> includes \$800,000 Gross (\$400,000 GF/GP) one-time funding for an expanded pilot for specialized employment and training services in partnership with Michigan Works! Agencies to provide training for DHS clients with significant employment barriers. <u>House</u> and <u>Senate</u> do not include funding. <u>Conference</u> concurs with the Executive.	Federal	N/A
	GF/GP	N/A
		\$800,000
		400,000
		\$400,000
30. Disability Determination Program Positions	FTE	545.9
<u>Executive</u> authorizes 16.0 additional FTE positions for Disability Determination Program to reflect supportable FTE positions authorized by the federal Social Security Administration; current federal funding authorization in line item is sufficient to support new positions. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	Gross	\$107,284,100
	IDG	173,300
	Federal	105,097,400
	GF/GP	\$2,013,400
		16.0
		\$0
		0
		0
		\$0
31. Economic Adjustments	Gross	N/A
<u>Executive</u> reflects net cost reduction of \$2.5 million Gross (\$740,800 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially-determined retirement rates, and other economic adjustments. <u>House</u> concurs with Executive; <u>Senate</u> includes a cost reduction of \$2.4 million and removed some funding adjustments due to the closure of the W.J. Maxey Training School. <u>Conference</u> concurs with the Senate.	IDG	N/A
	Federal	N/A
	Local	N/A
	Private	N/A
	Restricted	N/A
	GF/GP	N/A
		(\$2,450,100)
		(33,000)
		(1,618,500)
		(37,800)
		(30,000)
		(3,800)
		(\$727,000)
32. DHS Budget Restructure	Gross	N/A
<u>Executive</u> restructures budget to better align with the organizational structure of the DHS; includes consolidation of budget units and certain line items, as well as recombining program areas differently than current-year. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive with most of the restructuring of the budget, but keep certain individual line items in current-year form; <u>House</u> includes additional staff line items throughout the budget to identify costs of salary, wages, and benefits associated with programs.	GF/GP	N/A
		\$0
		\$0

Major Boilerplate Changes From FY 2014-15

Executive Boilerplate Deletions

In general, the Executive Budget deletes a large majority of boilerplate language included in the FY 2014-15 budget. The list below includes major changes to boilerplate, but is not a comprehensive list of all sections proposed to be deleted.

GENERAL SECTIONS

Sec. 218. Local County Travel Costs – NEW

Requires DHS to allocate up to \$100,000 towards reimbursing counties for out-of-pocket travel costs of the local county department board members and county department directors to attend one Michigan County Social Services Association meeting each year; House includes new language; Conference concurs with House.

Sec. 226. Request for Information or Qualification – DELETED

Requires DHS to issue a Request for Information or Qualification before any contract for new services, programs, or concepts in excess of \$1.0 million is approved, also requires DHS to provide the results of the Request for Information or Qualification before approval. Executive deletes language; House, Senate, and Conference concur with Executive.

Sec. 229. Job Readiness Work Group – REVISED

Requires DHS to conduct a work group with Treasury and the Legislature to align spending on Michigan Works job readiness programs with the declining family independence program caseload; requires report on work group findings. Executive deletes language; House revises language to ask for the report if not received in previous year; Senate concurs with Executive. Conference concurs with House but revises language to require report in December.

Sec. 232. Payroll Taxes and Fringe Benefits Costs Report – NOT INCLUDED

Requires periodic reports by October 31, January 31, April 30, July 31, and September 30 concerning the payroll taxes and fringe benefits costs that were consolidated with salary and wages line items. Senate includes language.

Sec. 233. DHHS Merger Report – NEW

Requires report by November 1 concerning the merger of DCH and DHS on the impact on client service delivery or access to services, any cost increases or reductions from rent or building occupancy changes, and the number of FTE positions eliminated or added. Senate includes language; Conference includes revised language that requires information on any office closures or consolidations and other costs or savings from the merger.

Sec. 264. DHS Employee Communication With Legislature – RETAINED

Prohibits disciplinary action by DHS against employees for communicating with a legislator or legislative staff. Executive deletes language; House, Senate, and Conference retain language.

Sec. 280. Personnel-Related Costs Report – NEW

Requires report by the fifth business day of each month concerning the specific individual amounts for salaries and wages, payroll taxes, and fringe benefits and a plan for addressing any projected shortfalls. Conference includes new language.

Sec. 291. E-Verify – RETAINED

Requires DHS to use E-Verify to verify that new employees and new contractors are legally present in the United States; requires report on number of employees found to not be legally present in the United States. Executive deletes language; House concurs with Executive; Senate retains language; Conference concurs with Senate.

Sec. 292. Department of Human Services and Department of Community Health Merger – NOT INCLUDED

Requires DHS to report on the status of the proposed merger of the two departments authorized by E.O. 2015-4 by the first day of each month. Report shall include the current status of FTE positions, facilities, services, efficiencies, and estimated savings or costs associated with the merger. House includes new language.

Sec. 294. County Child Care Fund Late Payments Notification to Treasury – NOT INCLUDED

Requires DHS director to provide notification to the County Court Administrator and the County Board of Commissioners' Chairman if the county's Child Care Fund payments or state ward board and care chargeback obligations are 3 months delinquent and that revenue sharing payments may be withheld if county is at least 6 months delinquent. Senate includes language.

Sec. 295. Late Boilerplate Reporting Penalty – DELETED

Reduces appropriations by \$150,000 if DHS fails to provide boilerplate reports and other required data within 30 days after due date. Executive deletes language; House, Senate, and Conference concur with Executive.

Sec. 298. Supervisor-to-Staff Ratio Report – RETAINED

Requires DHS to report the supervisor-to-staff ratios by department divisions and subdivisions. Executive deletes language; House, Senate, and Conference retain language.

Sec. 315. Licensing Adult Assisted Living Services Work Group – REVISED

Requires DHS to conduct a work group in conjunction with Community Health, organizations representing disabled and elderly adults, representatives of assisted living facilities, and the Legislature that explores licensing standards, practices, and performance measures for facilities providing assisted living services. Executive deletes language; House retains language; Senate revises language by including report requirement on the findings of the workgroup; Conference concurs with Senate.

Major Boilerplate Changes From FY 2014-15

Sec. 316. Terminal Leave Payouts – NEW

Prohibits DHS from spending amounts in excess of the annual terminal leave pay outs gross appropriation unless it identifies and requests a legislative transfer from another budgetary line item from the Legislature. Executive includes language; House, Senate, and Conference concur with Executive.

Sec. 317. Child Care Licensure Funding – NOT INCLUDED

Requires DHS to use the additional funds appropriated in part 1 for child care licensing to increase the number of licensing consultants and staff in order to increase the number of monitoring visits to child care license applicants and to already licensed individuals. Executive includes language; House revises new language to require report; Senate concurs with Executive; Conference does not include language (program transferred to LARA).

ADULT PROTECTIVE AND SUPPORT SERVICES

Sec. 401. Centers for Independent Living – REVISED

Requires that all funds appropriated within the independent living line item be used to support Centers for Independent Living in underserved areas and to build capacity; requires report. Executive retains language, House and Senate concur with Executive; Conference revises language to allow funds to be used to leverage federal vocational rehabilitation innovation and expansion funds up to \$5.5 million.

Sec. 405. Order of Selection – REVISED

States legislative intent that MRS not implement an order of selection for vocational and rehabilitative services. Executive deletes language; House retains language; Senate revises language by requiring that if DHS is at risk of entering into an order of selection, the House and Senate shall be notified within two weeks; Conference concurs with Senate.

Sec. 407. Swift and Sure Probation Program – DELETED

Requires DHS to use IDG funding from Corrections to expand Swift and Sure Probation Program through Michigan Rehabilitation Services. Executive deletes language; House, Senate, and Conference concur with Executive.

CHILD WELFARE SERVICES

Sec. 506. Medicaid Coverage for Foster Children Report – DELETED

Requires DHS to report on the number of foster children that experience a break in Medicaid coverage and the number that did not receive Medicaid coverage. Executive deletes language; House, Senate, and Conference concur with Executive.

Sec. 511. Physical and Mental Health Assessment Report – RETAINED

Requires DHS to track and report quarterly the number and percentage of foster children who received physical and mental health assessments. Executive deletes language; House, Senate, and Conference retain language.

Sec. 525. On-Site Evaluations – RETAINED

Requires DHS to use same on-site evaluation process and noncompliance penalties for private-operated and state-operated residential facilities. Executive deletes language; House, Senate, and Conference retain language.

Sec. 532. Licensing and Contract Compliance Review – RETAINED

Requires collaboration between DHS and representatives of private child and family agencies to revise and improve contract compliance and licensing review processes, requires report; restricts licensing reviews to no more than once every two years for nationally-accredited organizations with no outstanding violations. Executive deletes language; House, Senate, and Conference retain language.

Sec. 533. Child Welfare Payment Promptness – RETAINED

Directs DHS to make payments to child placing agencies within 30 days after receiving documentation for out-of-home care and in-home care services; requires report. Executive deletes language; House, Senate, and Conference retain language.

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

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

Sec. 546. Foster Care Agency Administrative Rates – RETAINED

Current-year language 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 language that requires a \$3 increase to the foster care administrative rate and deletes the language that increases funding to each private provider of residential services. House, Senate, and Conference retain language.

Sec. 559. Parent to Parent – REVISED

Allocates \$700,000, including one-time funding, to parent to parent program for adoptive parents; requires report. Executive deletes language; House concurs with Executive; Senate revises language by allocating \$350,000 to program and requires DHS to make payment by December 1; Conference concurs with Senate.

Major Boilerplate Changes From FY 2014-15

Sec. 563. Performance Evaluation Report – DELETED

Requires report on the number and percentage of department employees who had a satisfactory and unsatisfactory performance evaluation. Executive deletes language; House retains language; Senate and Conference concur with Senate.

Sec. 585. Private Agency Staff Training – RETAINED

Requires DHS to make available at least 1 pre-service training class each month for caseworkers of private agencies. Executive deletes language; House, Senate, and Conference retain language.

Sec. 587. In-Home Community Programs Expansion – REVISED

Provides \$650,000 to expand and create new in-home and community-based programs for juvenile justice services in rural counties by September 1, requires report. Executive deletes language; House retains language; Senate revises language by including \$400,000 and changing allocation deadline to December 1; Conference concurs with Senate but revises deadline to January 15.

Sec. 589. Payment of Foster Care Administrative Rate – RETAINED

Requires DHS to pay 100% of the administrative rate for all new cases referred to providers of foster care services beginning October 1, 2013; requires monthly report on the number of foster care cases supervised by private agencies and by DHS. Executive deletes language; House, Senate, and Conference retain language.

Sec. 593. Private Residential Service Providers Staff Ratios – NEW

Allows residential service providers for abuse and neglect cases to implement a staff ratio of 1 staff to 5 children during waking hours. Senate includes language; Conference concurs with Senate.

PUBLIC ASSISTANCE

Sec. 612. Refugee Medical Benefits Asset Test – NOT INCLUDED

Requires DHS to implement an asset test for applicants and recipients of refugee assistance program medical benefits. Executive deletes language; House and Conference concur with Executive; Senate retains language.

Sec. 613. Indigent Burial – REVISED

Provides reimbursements for the final disposition of indigent persons, establishes maximum allowable reimbursements; House revises language to require that the adult burial with services allowance for reimbursement shall be \$720, the adult burial without services allowance shall be \$485, and the infant burial allowance shall be \$165. Also includes legislative intent language that a total increase of \$20 per case be allocated for increases to funeral directors for funeral goods and services. Executive retains current-year language; House includes revised language; Senate concurs with Executive; Conference concurs with House.

Sec. 614. State Disability Assistance (SDA) Recipient Report – NEW

Requires report on the number and percentage of SDA recipients who were determined to be eligible for federal Supplemental Security Income benefits in previous fiscal year. Senate includes language; Conference concurs with Senate.

Sec. 620. Medicaid Eligibility Determination Standards of Promptness – REVISED

Requires DHS to determine Medicaid eligibility in 60 days when disability is an eligibility factor and 45 days for other Medicaid applicants, including patients in nursing homes; requires quarterly reports on Medicaid standards of promptness. Executive revises language by changing the 60 day limit to 90 days and eliminating the quarterly report requirement; House revises language to include the 90 day limit and a semiannual report; Senate retains current-year language; Conference concurs with House.

Sec. 654. Food Assistance Program (FAP) – NEW

Requires DHS to notify FAP recipients that their benefits can be spent with their bridge cards at many farmers' markets and that the Double Up Food Bucks program can provide them with an additional \$20 to buy produce at participating farmers' markets. House includes new language; Conference concurs with House.

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

Requires DHS to notify individuals eligible for EFIP that receiving EFIP will count toward the federal and state lifetime cash assistance limits. Executive deletes language; House, Senate, and Conference concur with Executive.

Sec. 673. MiBridges Fraud Workgroup – NEW

Requires DHS to conduct a work group with the Departments of State and State Police to investigate minimizing fraud in the MiBridges benefits programs; requires report. House includes new language; Conference concurs with House.

Sec. 686. Caseworker Policy – RETAINED

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 \$200,000 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 language; House, Senate, and Conference retain language.

Sec. 703. Juvenile Justice Vision 20/20 – NOT INCLUDED

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. Executive deletes language; House and Conference concur with Executive; Senate retains language but eliminates the \$1.0 million allocation and states that DHS shall provide funding.

Major Boilerplate Changes From FY 2014-15

Sec. 709. W.J. Maxey Training School Closure – NEW

Requires DHS to close the W.J. Maxey Training School by October 15, 2015 and that staff be given priority for new staff positions for which they are qualified. Youth currently at the school shall be transferred to another juvenile residential facility and not an adult prison or county jail; requires report. Senate includes language; Conference concurs with Senate.

Sec. 721. Residential Facility of Last Resort – RETAINED

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 language; House, Senate, and Conference retain language.

FIELD OPERATIONS AND SUPPORT 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. Provides that DHS enter into a contract with any agency that places a request for a donated funds position and is eligible under federal law, DHS must provide agency with applicable federal law or rule if denied; requires performance metrics. Executive revises language to eliminate requirement that DHS provide federal statute or regulation for any request denial; House retains current-year language; Senate includes additional language provided in new Section 752; Conference concurs with Senate.

Sec. 751. Healthy Michigan Plan Administration – REVISED

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; requires quarterly report. Executive eliminates language requiring DHS and DCH to establish an accounting structure within MAIN to allow Healthy Michigan Plan administrative expenditures to be identified; House revises language to require the accounting structure be maintained; Senate retains current-year language; Conference concurs with House.

Sec. 752. Donated Funds Positions and Contracts – NOT INCLUDED

Requires DHS to maintain out-stationed eligibility specialists in community-based organizations, community mental health agencies, nursing homes, and hospitals unless these entities request them to be removed; authorizes 200 additional FTEs and places performance metrics on these contracts. Executive includes language; House concurs with Executive; Senate did not include language; Conference concurs with Senate. (See Sec. 750 above).

FY 2014-15 Supplemental Appropriations

1. Child Welfare Caseload Adjustments

Conference reduces funding for child welfare programs by \$8.7 million Gross (GF/GP increased by \$3.1 million) as follows:

- Child Care Fund is reduced \$4.4 million Gross (GF/GP reduced \$2.2 million).
- Adoption Subsidies program is reduced \$10.1 million Gross (GF/GP reduced \$3.7 million) from 26,725 cases at \$730.25 per month to 25,105 cases at \$745.00 per month.
- Guardianship program is increased \$881,800 Gross (\$447,700 GF/GP) from 800 cases at \$780.00 per month to 850 cases at \$825.94 per month.
- Foster Care program is increased \$4.9 million Gross (\$8.6 million GF/GP) from 6,500 cases at annual cost of \$27,085 to 6,446 cases at an annual cost of \$27,645.00.

2. Public Assistance Caseload Adjustments

Conference reduces funding for public assistance programs by \$14.0 million Gross (reduction of \$4.3 million GF/GP) as follows:

- Family Independence Program (FIP) is reduced \$12.9 million Gross (reduction of \$3.6 million GF/GP) from 31,800 cases at \$361.13 per month to 28,730 cases at \$362.75 per month.
- State Disability Assistance (SDA) program is reduced \$1.1 million Gross (reduction of \$756,000 GF/GP) from 6,100 cases at \$214 per month to 5,755 cases at \$210.39 per month.
- State Supplementation program is increased \$66,000 GF/GP from 276,600 cases at \$19.10 per month to 273,696 cases at \$19.06 per month.

Conference increases public assistance caseload costs by \$3.6 million Gross (\$2.7 million GF/GP) for increased costs due to the recent Barry, et al, vs. Lyons lawsuit ruling.

	FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2014-15 Conference Supplemental Change
Gross	NA	(\$8,738,400)
Federal	NA	(10,023,700)
Local	NA	(2,288,800)
Private	NA	485,300
GF/GP	NA	\$3,088,800
Gross	NA	(\$10,316,800)
Federal	NA	(5,002,200)
Restricted	NA	(3,676,200)
GF/GP	NA	(\$1,638,400)