

**FY 2015-16: DEPARTMENT OF HUMAN SERVICES**  
**Summary: As Passed by the Senate**  
**Article X, Senate Bill 133 (S-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 Enacted	Difference: Senate From FY 2014-15 YTD	
						Amount	%
<b>IDG/IDT</b>	\$21,545,900	\$24,260,300	\$24,260,300	\$24,260,300		\$2,714,400	12.6
<b>Federal</b>	4,540,108,400	4,542,043,600	4,539,536,800	4,538,537,600		(1,570,800)	0
<b>Local</b>	41,937,700	45,441,300	45,441,300	40,409,400		(1,528,300)	(3.6)
<b>Private</b>	19,469,900	26,356,900	26,356,900	26,356,900		6,887,000	35.4
<b>Restricted</b>	117,624,300	117,333,400	117,333,400	117,333,400		(290,900)	(0.2)
<b>GF/GP</b>	981,155,500	978,891,000	968,456,400	973,835,900		(7,319,600)	(0.7)
<b>Gross</b>	<b>\$5,721,841,700</b>	<b>\$5,734,326,500</b>	<b>\$5,721,385,100</b>	<b>\$5,720,733,500</b>		<b>(\$1,108,200)</b>	<b>0</b>
<b>FTEs</b>	12,208.5	12,043.9	12,040.9	11,974.9		(233.6)	(1.9)

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**

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.

	FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Senate Change
<b>Gross</b>	<b>NA</b>	<b>\$11,816,600</b>
Federal	NA	13,719,100
Restricted	NA	508,700
GF/GP	NA	(\$2,411,200)

**Major Budget Changes From FY 2014-15 YTD Appropriations**

	FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Senate Change
<b>2. Child Welfare Caseload Adjustments</b>		
Increases funding for child welfare programs \$2.7 million Gross (\$1.3 million GF/GP) as follows:	<b>Gross</b>	<b>N/A</b>
	Federal	\$2,730,900
	Local	1,141,900
	Private	254,100
	GF/GP	37,700
	<b>Gross</b>	<b>N/A</b>
	<b>Federal</b>	<b>\$1,297,200</b>
	<b>GF/GP</b>	<b>N/A</b>
<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>Guardianship assistance payments are increased \$961,000 Gross (\$577,700 GF/GP) for an estimate of 900 cases at \$780 per month.</li> </ul>		
<b>3. Foster Care Rate Reductions</b>		
<u>Executive</u> 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. <u>House</u> and <u>Senate</u> do not include reductions and retains current-year funding levels for both programs.	<b>Gross</b>	<b>N/A</b>
	Federal	\$0
	GF/GP	0
	<b>Gross</b>	<b>N/A</b>
	<b>GF/GP</b>	<b>\$0</b>
<b>4. Adoption Subsidies Re-Determination of Care Program</b>		
<u>Executive</u> 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. <u>House</u> eliminates remaining \$1.0 million GF/GP funding for program; <u>Senate</u> reduces program funding to \$600,000 GF/GP.	<b>Gross</b>	<b>\$1,000,000</b>
	Federal	(\$400,000)
	GF/GP	0
	<b>Gross</b>	<b>\$1,000,000</b>
	<b>GF/GP</b>	<b>(\$400,000)</b>
<b>5. Child Care Fund Administrative Rates – County Hold Harmless Provision</b>		
<u>Executive</u> 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; <u>Executive</u> retains \$1.6 million to fund cases transferred back to public sector. <u>House</u> does not include reduction and funds the county hold harmless policy at current-year level; <u>Senate</u> 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.	<b>Gross</b>	<b>\$5,000,000</b>
	GF/GP	(\$3,387,300)
	<b>Gross</b>	<b>\$5,000,000</b>
	<b>GF/GP</b>	<b>(\$3,387,300)</b>
<b>6. Family Independence Program</b>		
<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> and <u>Senate</u> concur with Executive.	<b>Gross</b>	<b>N/A</b>
	Federal	(\$1,742,900)
	GF/GP	(11,100)
	<b>Gross</b>	<b>N/A</b>
	<b>GF/GP</b>	<b>(\$1,731,800)</b>
<b>7. Centers for Independent Living</b>		
<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> do not include reduction and funds the program at current-year ongoing funding level.	<b>Gross</b>	<b>\$6,488,600</b>
	Federal	2,818,600
	Private	100,000
	GF/GP	\$3,570,000
	<b>Gross</b>	<b>\$6,488,600</b>
	<b>Federal</b>	<b>2,818,600</b>
	<b>Private</b>	<b>100,000</b>
	<b>GF/GP</b>	<b>\$3,570,000</b>

		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Senate Change
<b>Major Budget Changes From FY 2014-15 YTD Appropriations</b>			
<b>8. School Success Partnership for NEMSCA</b>	<b>Gross</b>	<b>\$300,000</b>	<b>\$0</b>
<u>Executive</u> eliminated the \$300,000 GF/GP program funding. <u>House</u> concurs with <u>Executive</u> ; <u>Senate</u> funds program at current-year ongoing funding level.	GF/GP	\$300,000	\$0
<b>9. Parent-to-Parent Program</b>	<b>Gross</b>	<b>\$500,000</b>	<b>(\$150,000)</b>
<u>Executive</u> eliminated the \$500,000 GF/GP program funding. <u>House</u> concurs with <u>Executive</u> ; <u>Senate</u> reduces program by \$150,000 GF/GP.	GF/GP	\$500,000	(\$150,000)
<b>10. Drug Testing Program for FIP Recipients</b>	<b>Gross</b>	N/A	<b>\$275,000</b>
<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).	GF/GP	N/A	\$275,000
<b>11. One-Time Funding: Eliminate FY 2014-15 Appropriations</b>	<b>Gross</b>	<b>\$5,150,000</b>	<b>(\$5,150,000)</b>
<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> and <u>Senate</u> concur with <u>Executive</u> .	GF/GP	\$5,150,000	(\$5,150,000)
<b>12. Eliminate IDG Funding for Swift and Sure Program</b>	FTE	526.0	0.0
<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 <u>Executive</u> ; <u>Senate</u> eliminates \$3.0 million IDG funding and \$11.1 million federal funding.	<b>Gross</b>	<b>\$149,289,700</b>	<b>(\$14,084,500)</b>
	IDG	3,000,000	(3,000,000)
	Federal	123,368,000	(11,084,500)
	Local	6,539,100	0
	Private	1,846,000	0
	Restricted	1,592,300	0
	GF/GP	\$12,944,300	\$0
<b>13. Office Closures and Consolidations</b>	<b>Gross</b>	N/A	<b>(\$6,099,300)</b>
<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 <u>Executive</u> ; <u>Senate</u> assumed \$6.1 million Gross (\$2.5 million GF/GP) savings from closures and consolidations.	Federal	N/A	(3,599,300)
	GF/GP	N/A	(\$2,500,000)
<b>14. Other Program Reductions</b>	<b>Gross</b>	N/A	<b>(\$2,865,000)</b>
<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> and <u>Senate</u> concur with <u>Executive</u> .	Federal	N/A	(1,550,100)
	GF/GP	N/A	(\$1,314,900)
<b>15. Budgetary Savings: Staffing Reductions</b>	FTE	0.0	(332.0)
<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> and <u>Senate</u> concur with <u>Executive</u> .	<b>Gross</b>	<b>(\$7,500,000)</b>	<b>(\$6,296,800)</b>
	Federal	0	(6,291,700)
	Local	0	(5,100)
	GF/GP	(\$7,500,000)	\$0
<b>16. Adjustments to Current Services Baseline</b>	FTE	N/A	(81.7)
<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 <u>Executive</u> . <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).	<b>Gross</b>	N/A	<b>(\$1,366,800)</b>
	Federal	N/A	(12,573,600)
	Private	N/A	(90,000)
	GF/GP	N/A	\$11,296,800

<b>Major Budget Changes From FY 2014-15 YTD Appropriations</b>	<b>FY 2014-15 Year-to-Date (as of 3/12/15)</b>	<b>FY 2015-16 Senate Change</b>	
<b>17. Michigan Rehabilitation Services (MRS)</b>	FTE	526.0	0.0
<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.	<b>Gross</b>	<b>\$149,289,700</b>	<b>\$0</b>
	IDG	3,000,000	0
	Federal	123,368,000	0
	Local	6,539,100	0
	Private	1,846,000	0
	Restricted	1,592,300	0
	GF/GP	\$12,944,300	\$0
<b>18. Child Care Licensing (CCL)</b>	FTE	N/A	39.0
<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> and <u>Senate</u> concur with Executive.	<b>Gross</b>	<b>N/A</b>	<b>\$5,661,500</b>
	IDG	N/A	5,661,500
	GF/GP	N/A	\$0
<b>19. Donated Funds Positions</b>	FTE	338.0	200.0
<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> and <u>Senate</u> concur with Executive.	<b>Gross</b>	<b>\$39,690,800</b>	<b>\$20,551,200</b>
	IDG	236,400	0
	Federal	20,551,800	10,275,600
	Local	7,644,300	4,110,200
	Private	11,258,300	6,165,400
	GF/GP	\$0	\$0
<b>20. Indigent Burial</b>	<b>Gross</b>	<b>\$4,300,000</b>	<b>\$0</b>
<u>House</u> increases funding by \$100,000 GF/GP.	Federal	300,000	0
	GF/GP	\$4,000,000	\$0
<b>21. Juvenile Justice Vision 20/20</b>	<b>Gross</b>	<b>\$0</b>	<b>\$100</b>
<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.	GF/GP	\$0	\$100
<b>22. Program Reductions</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$2,358,200)</b>
<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	N/A	688,300
<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	N/A	(\$3,046,500)
<b>23. Family Services Programs</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
<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.	Federal	N/A	0
	GF/GP	NA	\$0
<b>24. Departments of Human Service and Community Health Merger Savings</b>	FTE	6.0	(0.0)
<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.	<b>Gross</b>	<b>\$18,194,300</b>	<b>\$0</b>
	IDG	1,519,300	0
	Federal	10,013,500	0
	GF/GP	\$6,661,500	\$0

		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Senate Change
<b>Major Budget Changes From FY 2014-15 YTD Appropriations</b>			
<b>25. Closure of W.J. Maxey Training School</b>	FTE	69.0	(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.	<b>Gross</b>	<b>\$10,324,500</b>	<b>(\$7,543,300)</b>
	Federal	166,100	26,500
	Local	5,744,000	(5,045,800)
	GF/GP	\$4,414,400	(\$2,524,000)
<b>26. Healthy Michigan Plan Call Center</b>	<b>Gross</b>	<b>\$11,976,300</b>	<b>\$7,560,000</b>
<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.	Federal	8,510,700	6,823,100
	GF/GP	\$3,465,600	\$736,900
<b>27. Specialized Employment and Training Services Pilot</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
<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.	Federal	N/A	0
	GF/GP	N/A	\$0
<b>28. Disability Determination Program Positions</b>	FTE	545.9	16.0
<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> and <u>Senate</u> concur with Executive.	<b>Gross</b>	<b>\$107,284,100</b>	<b>\$0</b>
	IDG	173,300	0
	Federal	105,097,400	0
	GF/GP	\$2,013,400	\$0
<b>29. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$2,450,100)</b>
<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.	IDG	N/A	(33,000)
	Federal	N/A	(1,618,500)
	Local	N/A	(37,800)
	Private	N/A	(30,000)
	Restricted	N/A	(3,800)
	GF/GP	N/A	(\$727,000)
<b>30. DHS Budget Restructure</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
<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> and <u>Senate</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

### 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 – NOT INCLUDED

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.

##### 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 and Senate concur with Executive.

##### Sec. 229. Job Readiness Work Group – DELETED

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.

## **Major Boilerplate Changes From FY 2014-15**

### **Sec. 232. Payroll Taxes and Fringe Benefits Costs Report – NEW**

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.

### **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 and Senate retain 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.

### **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 – NEW**

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 and Senate 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 and Senate 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.

### **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 and Senate concur with Executive.

### **Sec. 317. Child Care Licensure Funding – NEW**

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.

## **ADULT PROTECTIVE AND SUPPORT SERVICES**

### **Sec. 404. Centers for Independent Living Guide Services – DELETED**

Provides \$1.5 million for Centers for Independent Living guide services to assist persons with disabilities. Executive deletes language; House and Senate concur with Executive.

### **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.

### **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 and Senate concur with Executive.

## **Major Boilerplate Changes From FY 2014-15**

### **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 and Senate 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 and Senate 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 and Senate 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 and Senate 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 and Senate 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 and Senate 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 and Senate retain language.

#### **Sec. 556. Special Needs Adoption Subsidy – REVISED**

Requires report on number of complaints filed by adoptive parents for not being notified that their adoptive child has special needs; allows 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. Executive deletes language; House concurs with Executive; Senate revises language by eliminating requirement that redetermined adoption assistance rates shall be at least 95% of the maximum amount child is eligible to receive and language allowing hearing request after denial.

#### **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.

#### **Sec. 563. Performance Evaluation Report – DELETED**

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

#### **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 and Senate 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.

#### **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 and Senate retain language.

## **Major Boilerplate Changes From FY 2014-15**

### **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.

## **PUBLIC ASSISTANCE**

### **Sec. 612. Refugee Medical Benefits Asset Test – RETAINED**

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

### **Sec. 613. Indigent Burial – RETAINED**

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 the 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.

### **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.

### **Sec. 620. Medicaid Eligibility Determination Standards of Promptness – RETAINED**

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.

### **Sec. 654. Food Assistance Program (FAP) – NOT INCLUDED**

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.

### **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 and Senate concur with Executive.

### **Sec. 673. MiBridges Fraud Workgroup – NOT INCLUDED**

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

### **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 and Senate retain language.

### **Sec. 703. Juvenile Justice Vision 20/20 – RETAINED**

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

### **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.

### **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 and Senate retain language.



## **Major Boilerplate Changes From FY 2014-15**

### **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.

#### ***Sec. 751. Healthy Michigan Plan Administration – RETAINED***

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.

#### ***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 (See Sec. 750 above).