

**Summary: Executive Budget Recommendation  
for Fiscal Years 2014-15 and 2015-16  
DEPARTMENT OF HUMAN SERVICES**



Analyst: Kevin Koorstra

|              | FY 2013-14<br>Year-to-Date<br>as of 2/5/14 | FY 2014-15<br>Executive | Difference: FY 2014-15<br>Vs. FY 2013-14 |              | FY 2015-16<br>Executive | Difference: FY 2015-16<br>Vs. FY 2014-15 |              |
|--------------|--|-------------------------|--|--------------|-------------------------|--|--------------|
|              |  |                         | Amount                                   | %            |                         | Amount                                   | %            |
| IDG/IDT      | 18,127,100                                 | 18,545,900              | 418,800                                  | 2.3          | 18,545,900              | 0  | 0.0          |
| Federal      | 4,814,517,900                              | 4,397,966,500           | (416,551,400)                            | (8.7)        | 4,395,966,500           | (2,000,000)                              | (0.0)        |
| Local        | 35,685,600                                 | 38,876,800              | 3,191,200                                | 8.9          | 38,876,800              | 0  | 0.0          |
| Private      | 11,582,800                                 | 18,050,700              | 6,467,900                                | 55.8         | 18,050,700              | 0  | 0.0          |
| Restricted   | 135,470,000                                | 136,237,400             | 767,400                                  | 0.6          | 136,237,400             | 0  | 0.0          |
| GF/GP        | 1,003,000,000                              | 1,011,636,400           | 8,636,400                                | 0.9          | 1,006,736,400           | (4,900,000)                              | (0.5)        |
| <b>Gross</b> | <b>6,018,383,400</b>                       | <b>5,621,313,700</b>    | <b>(397,069,700)</b>                     | <b>(6.6)</b> | <b>5,614,413,700</b>    | <b>(6,900,000)</b>                       | <b>(0.1)</b> |
| FTEs         | 12,150.5                                   | 12,191.5                | 41.0                                     | 0.3          | 12,191.5                | 0.0                                      | 0.0          |

Notes: (1) FY 2013-14 year-to-date figures include mid-year budget adjustments through February 5, 2014. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2015-16 figures are projected budget amounts only and would not be legally binding appropriations.

**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.

| <b>Major Budget Changes From FY 2013-14 YTD Appropriations</b>   | <b>Executive Changes</b>                 |                                     |                                     |            |
|--|--|-------------------------------------|-------------------------------------|------------|
|  | <b>FY 2013-14 YTD<br/>(as of 2/5/14)</b> | <b>FY 2013-14 to<br/>FY 2014-15</b> | <b>FY 2014-15 to<br/>FY 2015-16</b> |            |
| <b>1. Public Assistance Caseload Adjustments</b>   | <b>Gross</b>                             | <b>\$3,131,610,200</b>              | <b>(\$509,540,800)</b>              | <b>\$0</b> |
| Reduces funding for public assistance programs \$509.5 million   | Federal                                  | 2,901,593,400                       | (473,532,200)                       | 0          |
| Gross (\$36.0 million GF/GP) as follows:   | Restricted                               | 64,985,400                          | 0                                   | 0          |
| <ul style="list-style-type: none"> <li>Food Assistance Program (FAP) is reduced \$445.5 million Gross (\$0 GF/GP) from 894,750 cases at \$264 per month to 890,000 cases at \$224 per month.</li> <li>Family Independence Program (FIP) is reduced \$62.8 million Gross (\$34.7 million GF/GP) from 44,400 cases at \$395 per month to 33,200 cases at \$372 per month.</li> <li>State Disability Assistance (SDA) program is reduced \$2.9 million GF/GP from 7,777 cases at \$223 per month to 6,693 cases at \$223 per month.</li> <li>State Supplementation program is increased \$1.6 million GF/GP from 275,000 cases at \$18.95 per month to 281,600 cases at \$18.98 per month.</li> </ul> | GF/GP                                    | \$165,031,400                       | (\$36,008,600)                      | \$0        |

**Executive Changes**

| <b>Major Budget Changes From FY 2013-14 YTD Appropriations</b>  | <b>FY 2013-14 YTD<br/>(as of 2/5/14)</b> | <b>FY 2013-14 to<br/>FY 2014-15</b> | <b>FY 2014-15 to<br/>FY 2015-16</b> |
|---|--|-------------------------------------|-------------------------------------|
| <b>2. Child Welfare Caseload Adjustments</b>  |  |                                     |                                     |
| Increases funding for child welfare programs \$2.8 million Gross (\$5.8 million GF/GP) as follows:  | <b>Gross \$608,677,500</b>               | <b>\$2,794,000</b>                  | <b>\$0</b>                          |
| • Foster care payments are reduced \$2.4 million Gross (\$1.0 million GF/GP) from 6,250 cases at \$27,655 per year to 6,075 cases at \$28,061 per year.   | Federal 340,844,300                      | (2,769,100)                         | 0                                   |
| • Adoption subsidies are reduced \$2.9 million Gross and are increased \$3.0 million GF/GP from 27,150 cases at \$732 per month to 26,800 cases at \$732 per month.   | Local 14,494,000                         | (231,000)                           | 0                                   |
| • The Child Care Fund is increased \$7.0 million Gross (\$3.6 million GF/GP).   | Private 3,200,900                        | (51,000)                            | 0                                   |
| • Guardianship assistance payments are increased \$1.2 million Gross (\$278,500 GF/GP).   | GF/GP \$250,138,300                      | \$5,845,100                         | \$0                                 |
| <b>3. Foster Care Payments</b>  |  |                                     |                                     |
| Provides \$5.0 million GF/GP for the state to pay 100% of the private child placing agency administrative rates for new cases entering care, rather than the state and counties sharing the costs for these rates under certain circumstances through the Child Care Fund.  | <b>Gross \$187,703,500</b>               | <b>\$5,000,000</b>                  | <b>\$0</b>                          |
|   | Federal 102,652,400                      | 0                                   | 0                                   |
|   | Local 14,494,400                         | 0                                   | 0                                   |
|   | Private 3,200,900                        | 0                                   | 0                                   |
|   | GF/GP \$67,356,200                       | \$5,000,000                         | \$0                                 |
| <b>4. Child Welfare Performance-Base Funding Implementation</b>   |  |                                     |                                     |
| Provides \$1.4 million Gross (\$1.0 million GF/GP) for a Project Team, actuarial study for setting rates, and project evaluation to implement the recommendations from the Child Welfare Performance-Based Funding Task Force.  | FTE 0.0                                  | 3.0                                 | 0.0                                 |
|   | <b>Gross \$0</b>                         | <b>\$1,372,100</b>                  | <b>\$0</b>                          |
|   | Federal 0                                | 372,100                             | 0                                   |
|   | GF/GP \$0                                | \$1,000,000                         | \$0                                 |
| <b>5. Community Support Services</b>  |  |                                     |                                     |
| Provides \$800,000 Gross (\$200,000 GF/GP) for juvenile justice re-entry programming expansion that would provide services six months prior to re-entry.  | FTE 2.0                                  | 1.0                                 | 0.0                                 |
|   | <b>Gross \$1,295,200</b>                 | <b>\$800,000</b>                    | <b>\$0</b>                          |
|   | Federal 0                                | 600,000                             | 0                                   |
|   | GF/GP \$1,295,200                        | \$200,000                           | \$0                                 |
| <b>6. Disability Determination Operations</b>   |  |                                     |                                     |
| Provides \$20.6 million Gross (\$0 GF/GP) to hire 71.0 disability examiners and 9.0 clerical support staff. Funding based on final federal Social Security Administration appropriations and hiring allocations. There is sufficient FTE authorization in the line item that a FTE increase is not needed.                      | FTE 546.9                                | 0.0                                 | 0.0                                 |
|   | <b>Gross \$85,975,200</b>                | <b>\$20,639,700</b>                 | <b>\$0</b>                          |
|   | IDG 112,200                              | 0                                   | 0                                   |
|   | Federal 84,257,900                       | 20,639,700                          | 0                                   |
|   | GF/GP \$1,605,100                        | \$0                                 | \$0                                 |
| <b>7. Healthy Michigan Plan Call Center</b>   |  |                                     |                                     |
| Provides \$20.3 million Gross (\$6.4 million GF/GP) to implement a contract to provide call center services for applicants and recipients of the Healthy Michigan Plan/Medicaid Expansion. FY 2013-14 funding for this call center is within the Department of Community Health budget.   | <b>Gross \$0</b>                         | <b>\$20,250,000</b>                 | <b>\$0</b>                          |
|   | Federal 0                                | 13,888,800                          | 0                                   |
|   | GF/GP \$0                                | \$6,361,200                         | \$0                                 |
| <b>8. Donated Funds Positions</b>   |  |                                     |                                     |
| Expand donated funds positions by 150.0 FTEs, \$19.3 million Gross (\$0 GF/GP). These caseworkers would be located based on the requests of hospitals, nursing homes, school-based centers, and workplaces where the entity expends its own funds to draw down federal funding to cover the personnel costs of that caseworker. | FTE 208.0                                | 150.0                               | 0.0                                 |
|   | <b>Gross \$13,757,600</b>                | <b>\$19,290,000</b>                 | <b>\$0</b>                          |
|   | IDG 234,300                              | 0                                   | 0                                   |
|   | Federal 7,573,100                        | 9,645,000                           | 0                                   |
|   | Local 3,349,100                          | 3,182,500                           | 0                                   |
|   | Private 2,601,100                        | 6,462,500                           | 0                                   |
|   | GF/GP \$0                                | \$0                                 | \$0                                 |
| <b>9. Information Technology</b>  |  |                                     |                                     |
| Provides \$8.0 million Gross (\$3.8 million GF/GP) to automate asset verifications and to develop a child support web-based employer portal an information data base. The child support program is designated as one-time funding.  | <b>Gross \$156,676,900</b>               | <b>\$8,000,000</b>                  | <b>(\$3,000,000)</b>                |
|   | IDG 1,134,800                            | 0                                   | 0                                   |
|   | Federal 105,325,600                      | 4,250,000                           | (2,000,000)                         |
|   | GF/GP \$50,216,500                       | \$3,750,000                         | (\$1,000,000)                       |

**Executive Changes**

| <b>Major Budget Changes From FY 2013-14 YTD Appropriations</b>   | <b>FY 2013-14 YTD<br/>(as of 2/5/14)</b> | <b>FY 2013-14 to<br/>FY 2014-15</b> | <b>FY 2014-15 to<br/>FY 2015-16</b> |
|--|--|-------------------------------------|-------------------------------------|
| <b>10. Michigan Rehabilitation Services (MRS)</b>  | FTE 550.0                                | 0.0                                 | 0.0                                 |
| Provides \$4.4 million GF/GP for MRS to draw down sufficient federal funds that will allow MRS to maintain current services and to prevent the implementation of an Order of Selection (i.e. a wait-list for services). There is sufficient federal authorization in the line item that a federal increase is not needed. \$2.4 million GF/GP is designated as one-time funding.   | <b>Gross \$138,275,900</b>               | <b>\$4,400,000</b>                  | <b>(\$2,400,000)</b>                |
|  | Federal 114,263,900                      | 0                                   | 0                                   |
|  | Local 6,500,000                          | 0                                   | 0                                   |
|  | Private 1,835,000                        | 0                                   | 0                                   |
|  | Restricted 1,582,700                     | 0                                   | 0                                   |
|  | GF/GP \$14,094,300                       | \$4,400,000                         | (\$2,400,000)                       |
| <b>11. Contractual Services, Supplies, and Materials</b>   | <b>Gross \$35,583,600</b>                | <b>\$2,543,300</b>                  | <b>\$0</b>                          |
| Increases \$2.5 million Gross (\$1.5 million GF/GP) to support single audit costs, increased TALX income verification costs, to pilot iPads for child welfare workers in 3 counties, and for the public assistance cost allocation plan.   | IDG 531,200                              | 0                                   | 0                                   |
|  | Federal 21,103,900                       | 1,046,900                           | 0                                   |
|  | Restricted 5,400                         | 0                                   | 0                                   |
|  | GF/GP \$13,943,100                       | \$1,496,400                         | \$0                                 |
| <b>12. Office of Inspector General</b>   | FTE 132.0                                | 20.0                                | 0.0                                 |
| Increases funding to support 20.0 new inspector general field agents. Amount also includes payroll taxes and fringe benefit line item costs for new staff.   | <b>Gross \$7,495,100</b>                 | <b>\$2,438,000</b>                  | <b>\$0</b>                          |
|  | Federal 5,751,900                        | 975,200                             | 0                                   |
|  | GF/GP \$1,743,200                        | \$1,462,800                         | \$0                                 |
| <b>13. Child Support Enforcement</b>   | FTE 185.7                                | 0.0                                 | 0.0                                 |
| Provides \$2.0 million GF/GP to replace lost revenue due to IRS negative offset. When IRS intercepts federal tax returns for child support in error, the state must return the money to the IRS even if it has already been sent to the custodial parent. This issue is nationwide as the IRS has experienced an increase in fraudulent income tax returns. \$1.0 million GF/GP is designated as one-time funding.       | <b>Gross \$134,950,800</b>               | <b>\$2,000,000</b>                  | <b>(\$1,000,000)</b>                |
|  | Federal 125,096,000                      | 0                                   | 0                                   |
|  | GF/GP \$9,854,800                        | \$2,000,000                         | (\$1,000,000)                       |
| <b>14. Other Program Increases or New Programs</b>   | <b>Gross NA</b>                          | <b>\$1,811,800</b>                  | <b>(\$500,000)</b>                  |
| Provides \$1.8 million Gross (\$1.6 million GF/GP) to increase various line items and programs including: domestic violence prevention treatment, Catholic Charities Center for Hope Project, Attorney General contract, Michigan Community Services Commission, and Children's Trust Fund administration. Funding for Catholic Charities Center for Hope Project is designated as one-time funding.                     | Federal NA                               | 189,400                             | 0                                   |
|  | GF/GP NA                                 | \$1,622,400                         | (\$500,000)                         |
| <b>15. Temporary Assistance for Needy Families (TANF) Fund Source</b>  | <b>Gross \$4,814,517,900</b>             | <b>\$0</b>                          | <b>\$0</b>                          |
| Rolls the federal TANF block grant fund source into the general "total federal revenues" fund source.  | Federal 4,268,278,700                    | 546,239,200                         | 0                                   |
|  | TANF 546,239,200                         | (546,239,200)                       | 0                                   |
|  | GF/GP \$0                                | \$0                                 | \$0                                 |
| <b>16. TANF Offset of GF/GP and Other Federal Revenues</b>   | <b>Gross NA</b>                          | <b>\$0</b>                          | <b>\$0</b>                          |
| \$7.9 million in federal TANF is appropriated in the adoption subsidies line item to offset GF/GP. That offset GF/GP is then redirected to the payroll taxes and fringes benefits, local office salaries and wages, and child welfare field staff line items to offset excess other federal revenues in those line items.  | Federal NA                               | (7,893,000)                         | 0                                   |
|  | TANF NA                                  | 7,893,000                           | 0                                   |
|  | GF/GP NA                                 | \$0                                 | \$0                                 |
| <b>17. Youth in Transition</b>   | FTE 5.5                                  | 0.0                                 | 0.0                                 |
| Youth in Transition line item is adjusted in two ways. First, the line is increased by \$608,000 with federal TANF funds to support the Homeless Youth and Runaway contracts. The TANF is from a reduction in TANF funds for family preservation programs. Second, \$600,000 in TANF is used to offset \$600,000 in other federal revenues that cannot be claimed for the fostering futures college scholarship program. | <b>Gross \$14,443,600</b>                | <b>\$608,000</b>                    | <b>\$0</b>                          |
|  | Federal 7,893,100                        | (600,000)                           | 0                                   |
|  | TANF 3,548,500                           | 1,208,000                           | 0                                   |
|  | GF/GP \$3,002,000                        | \$0                                 | \$0                                 |

**Executive Changes**

| <b>Major Budget Changes From FY 2013-14 YTD Appropriations</b>   | <b>FY 2013-14 YTD<br/>(as of 2/5/14)</b> | <b>FY 2013-14 to<br/>FY 2014-15</b> | <b>FY 2014-15 to<br/>FY 2015-16</b> |            |
|--|--|-------------------------------------|-------------------------------------|------------|
| <b>18. FY 2013-14 IDG from Michigan Department of Education (MDE) Offset Adjustment</b>  | <b>Gross</b>                             | <b>N/A</b>                          | <b>\$0</b>                          | <b>\$0</b> |
| FY 2013-14 budget increased federal TANF by \$12.5 million to offset a reduction of \$12.5 million in IDG funding from MDE for Child Development and Care program administration. Adjusts that offset through the following steps. First, reduces \$4.1 million in TANF from payroll taxes and fringes benefits and local office salaries and wages line items and transfers those TANF funds to the Bureau of Child and Adult Licensing (BCAL) line item. Second, BCAL activities are not TANF eligible, so the \$4.1 million in TANF funds are then offset with other federal revenues. The other federal revenues that have historically supported BCAL are Title IV-E matching funds and the capped Social Services Block Grant. | IDG                                      | N/A                                 | 0                                   | 0          |
|  | Federal                                  | N/A                                 | 4,127,800                           | 0          |
|  | TANF                                     | N/A                                 | (4,127,800)                         | 0          |
|  | GF/GP                                    | N/A                                 | \$0                                 | \$0        |
| <b>19. Budgetary Savings: Staffing Reductions</b>  | FTE                                      | 0.0                                 | (51.0)                              | 0.0        |
| Rolls out the \$3.5 million GF/GP staffing reductions line item to various line items within the DHS budget. The roll out is achieved through the following steps. First, 51.0 FTE positions are removed or held vacant saving \$7.7 million Gross (\$2.8 million GF/GP). Second, \$741,100 in available federal block grant funding from the 51.0 FTE reduction is used to offset GF/GP.  | <b>Gross</b>                             | <b>(\$3,500,000)</b>                | <b>(\$4,218,500)</b>                | <b>\$0</b> |
|  | Federal                                  | 0                                   | (4,218,500)                         | 0          |
|  | GF/GP                                    | (\$3,500,000)                       | \$0                                 | \$0        |
| <b>20. Adjustments to Current Services Baseline</b>  | FTE                                      | N/A                                 | (72.0)                              | 0.0        |
| Increases \$6.3 million Gross (\$4.5 million GF/GP) to align line item appropriations with projected spending and available revenues. Line items adjusted are adoption support services (\$3.1 million Gross), child welfare medical/psychiatric evaluations (\$2.1 million Gross), and travel (\$993,600 Gross). Also adjusts FTE allocations to align with supportable positions in the donated funds (70.0 FTEs) and SSI advocacy (2.0 FTEs) line items.  | <b>Gross</b>                             | <b>N/A</b>                          | <b>\$6,307,400</b>                  | <b>\$0</b> |
|  | Federal                                  | N/A                                 | 1,759,300                           | 0          |
|  | GF/GP                                    | N/A                                 | \$4,548,100                         | \$0        |
| <b>21. Employee Economics</b>  | <b>Gross</b>                             | <b>N/A</b>                          | <b>\$23,880,300</b>                 | <b>\$0</b> |
| Reflects increased costs of \$23.9 million Gross (\$8.1 million GF/GP) for negotiated salary and wage amounts (2.0% ongoing increase plus 0.5% lump sum payments), actuarially-required retirement rate increases, and other economic adjustments. Insurance costs held flat due to recent state employee health plan revisions.   | IDG                                      | N/A                                 | 282,200                             | 0          |
|  | Federal                                  | N/A                                 | 15,184,400                          | 0          |
|  | Local                                    | N/A                                 | 239,700                             | 0          |
|  | Private                                  | N/A                                 | 56,400                              | 0          |
|  | Restricted                               | N/A                                 | 29,200                              | 0          |
|  | GF/GP                                    | N/A                                 | \$8,088,400                         | \$0        |
| <b>22. Federal Medical Assistance Percentage (FMAP) Adjustments</b>  | <b>Gross</b>                             | <b>N/A</b>                          | <b>\$143,700</b>                    | <b>\$0</b> |
| Increases GF/GP by \$2.1 million from the FMAP federal match rate adjustment from 66.32% to 65.54%. This rate is used to determine federal cost sharing for foster care payments, adoption subsidies and retained child support collections.   | Federal                                  | N/A                                 | (2,287,500)                         | 0          |
|  | Restricted                               | N/A                                 | 343,300                             | 0          |
|  | GF/GP                                    | N/A                                 | \$2,087,900                         | \$0        |
| <b>23. One-Time Funding: Eliminate FY 2013-14 Appropriations</b>   | FTE                                      | 4.0                                 | (4.0)                               | 0.0        |
| Discontinues FY 2013-14 one-time appropriations of \$4.6 million Gross (\$2.8 million GF/GP) for information technology investments, fraud prevention demonstration project, medical consultation, and the juvenile justice behavioral health study.   | <b>Gross</b>                             | <b>\$4,557,300</b>                  | <b>(\$4,557,300)</b>                | <b>\$0</b> |
|  | Federal                                  | 1,734,900                           | (1,734,900)                         | 0          |
|  | GF/GP                                    | \$2,822,400                         | (\$2,822,400)                       | \$0        |

## **Major Boilerplate Changes From FY 2013-14**

### ***Executive Boilerplate Deletions***

In general, the Executive Budget deletes a large majority of boilerplate language included in the FY 2013-14 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. 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.

##### ***Sec. 264. DHS Employee Communication With Legislature – DELETED***

Prohibits disciplinary action by DHS against employees for communicating with a legislator or legislative staff.

##### ***Sec. 284. Contingency Fund Appropriations – REVISED***

Appropriates \$200.0 million in federal, \$5.0 million in state restricted, \$20.0 million in local, and \$20.0 million in private contingency funds; appropriations may not be expended until transferred through legislative transfer process; prohibits increasing TANF authorization with contingency funds. Strikes prohibition of using contingency funds to increase TANF authorization.

##### ***Sec. 290. Welfare Fraud Hotline – DELETED***

Requires DHS to include the welfare fraud hotline phone number on any public advertisement for state assistance.

##### ***Sec. 291. E-Verify – DELETED***

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.

#### **ADULT AND FAMILY 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.

##### ***Sec. 425. Vehicle Repairs – DELETED***

Limits car repair allocations to not more than \$500 per year per individual, but allows DHS to approve exceptions up to \$900 per year; requires report on number of repairs and exceptions.

#### **CHILD AND FAMILY SERVICES**

##### ***Sec. 513. Child Placements in Out-of-State Facilities – DELETED***

Restricts placement of children in out-of-state facilities unless specified criteria are met as determined by the interstate compact office and deputy director of children's services; requires report on number of children in out-of-state placements, costs of placements, and per diems of residential facilities; states intent for DHS and State Court Administrative Office to identify data needed to calculate recidivism rates; requires report on status of legislative intent.

##### ***Sec. 524. Strong Families/Safe Children Spending Plan – DELETED***

Requires counties to submit service spending plans for strong families/safe children, requires DHS to approve spending plans within 30 days after receipt of properly completed spending plan.

##### ***Sec. 525. On-Site Evaluations – DELETED***

Requires DHS to use same on-site evaluation process and noncompliance penalties for private-operated and state-operated residential facilities.

##### ***Sec. 532. Licensing and Contract Compliance Review – DELETED***

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.

##### ***Sec. 533. Child Welfare Payment Promptness – DELETED***

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 on implementation and operation.

##### ***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.

##### ***Sec. 546. Foster Care Agency Administrative Rates – DELETED***

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.

## **Major Boilerplate Changes From FY 2013-14**

### ***Sec. 585. Private Agency Staff Training – DELETED***

Requires DHS to make available at least 1 pre-service training class each month for caseworkers of private agencies.

### ***Sec. 587. In-Home Community Programs Expansion – DELETED***

Provides \$1.0 million to expand and create new in-home and community-based programs for juvenile justice services in rural counties, requires report.

### ***Sec. 589. Restrictions on Transfer of Foster Care Cases to Private Supervision – DELETED***

Prohibits DHS from transferring foster care cases to private agency supervision where the case requires a county contribution for the private agency administrative rate, unless agreed to by the county; requires monthly report on the number of foster care cases supervised by private agencies and by DHS.

## **PUBLIC ASSISTANCE**

### ***Sec. 610. State Emergency Relief (SER) – DELETED***

Requires consideration of expenses for finding employment as good cause for persons applying for SER assistance; establishes housing affordability standard under SER of 75% of total net income; prohibits SER payments to individuals found guilty of fraud, out-of-state residents, and illegal immigrants; requires SER rent assistance to be paid directly to the landlord.

### ***Sec. 611. State Supplementation Rate Restriction – DELETED***

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.

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

Requires DHS to implement an asset test for applicants and recipients of refugee assistance program medical benefits.

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

Provides reimbursements for the final disposition of indigent persons, establishes maximum allowable reimbursements, accounts for religious preferences that prohibits cremation.

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

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 report on outcomes of LEAN process to achieve eligibility standards of promptness.

### ***Sec. 621. Energy Self-Sufficiency Program – DELETED***

Establishes requirements and guidelines for the energy self-sufficiency program.

### ***Sec. 645. Domestic Violence Homeless Criteria for State Emergency Relief – DELETED***

Allows individuals living with others to escape domestic violence to be defined as homeless for purpose of SER.

### ***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.

### ***Sec. 686. Caseworker Policy – DELETED***

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 \$250,000 from receiving assistance; requires caseworkers to collect up-to-date phone numbers from Medicaid recipients during eligibility determination and provide this information to DCH.

### ***Sec. 695. Jewish Federation of Metropolitan Detroit – DELETED***

Appropriates \$500,000 to the Jewish Federation of Metropolitan Detroit to assist low-income individuals achieve self-sufficiency.

### ***Sec. 695. Services for Special Populations – NEW***

Requires grants for services for special populations be competitively awarded; establishes contractor requirements and metrics; requires annual report.

### ***Sec. 696. Chaldean Community Foundation – DELETED***

Appropriates \$1.0 million to the Chaldean Community Foundation to provide translation services, health care, and youth services.

## **JUVENILE JUSTICE SERVICES**

### ***Sec. 708. County Spending Plan Required – DELETED***

Specifies that in order for counties to receive allocations from the Child Care Fund, they must submit a service spending plan for DHS approval by October 1 of each year; approval must be obtained prior to December 15; requires report on number of plans not submitted by the deadline and number of plans not approved by the deadline.

### ***Sec. 709. Child Care Fund Financial Review – DELETED***

Requires DHS to conduct financial reviews of County Child Care Fund claims; requires report on number of items disallowed.

## **Major Boilerplate Changes From FY 2013-14**

### ***Sec. 721. Residential Facility of Last Resort – DELETED***

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.

## **LOCAL OFFICE SERVICES**

### ***Sec. 750. Out-Stationed Eligibility Specialists – DELETED***

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.

| <b><u>Supplemental Recommendations for FY 2013-14 Appropriations</u></b>   |              | <b><u>FY 2013-14<br/>Recommendation</u></b> |
|--|--------------|---|
| <b><i>1. Food Assistance Program (FAP) Caseload Adjustments</i></b>  | <b>Gross</b> | <b>(\$381,800,600)</b>                      |
| Reduces \$381.8 million Gross (\$0 GF/GP) for FAP caseload adjustments.  | Federal      | (381,800,600)                               |
|  | GF/GP        | \$0   |
| <b><i>2. Other Caseload Adjustments</i></b>  | <b>Gross</b> | <b>(\$43,441,400)</b>                       |
| Reduces \$43.4 million Gross (\$21.9 million GF/GP) for other caseload adjusted programs. Programs include Family Independence Program, State Disability Assistance, SSI State Supplementation, Adoption Subsidies, Child Care Fund, Foster Care, and Guardianship Assistance. Adjustment also reduces TANF by \$17.0 million, of which \$13.5 million is redirected to other adjustments within the supplemental request. | Federal      | (21,712,200)                                |
|  | Local        | 110,200                                     |
|  | Private      | 24,300                                      |
|  | GF/GP        | (\$21,863,700)                              |
| <b><i>3. TANF Offset of Other Federal Revenues</i></b>   | <b>Gross</b> | <b>\$0</b>                                  |
| Provides \$12.7 million in federal TANF funds to offset other federal revenues in various line items. Also reorganizes federal TANF and GF/GP to avoid exceeding the federal TANF administrative cap.  | Federal      | (12,693,600)                                |
|  | TANF         | 12,693,600                                  |
|  | GF/GP        | \$0   |
| <b><i>4. Adoption Support Services</i></b>   | <b>Gross</b> | <b>\$3,185,800</b>                          |
| Provides \$3.2 million Gross (\$2.1 million GF/GP) align the line item with projected spending and available revenue. The number and amount of private adoption finalizations have increased by 5%.  | Federal      | 1,099,100                                   |
|  | GF/GP        | \$2,086,700                                 |
| <b><i>5. Foster Care Payments</i></b>  | <b>Gross</b> | <b>\$2,500,000</b>                          |
| Provides \$2.5 million GF/GP for the state to pay 100% of the private child placing agency administrative rates for new cases entering care, rather than the state and counties sharing the costs for these rates under certain circumstances through the Child Care Fund.   | GF/GP        | \$2,500,000                                 |
| <b><i>6. Youth in Transition</i></b>   | <b>Gross</b> | <b>\$0</b>                                  |
| Provides \$600,000 in TANF to offset \$600,000 in other federal revenues that cannot be claimed for the foster futures college scholarship program.  | Federal      | (600,000)                                   |
|  | TANF         | 600,000                                     |
|  | GF/GP        | \$0   |
| <b><i>7. Disability Determination Operations</i></b>   | <b>Gross</b> | <b>\$500,000</b>                            |
| Provides \$500,000 Gross (\$0 GF/GP) based on final federal Social Security Administration appropriations and hiring allocations.  | Federal      | 500,000                                     |
|  | GF/GP        | 0   |
| <b><i>8. Parent to Parent</i></b>  | <b>Gross</b> | <b>\$200,000</b>                            |
| Provides \$200,000 Gross (\$0 GF/GP) in federal TANF for Parent to Parent.   | Federal      | 200,000                                     |
|  | GF/GP        | 0   |