



Senate Fiscal Agency
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BILL



ANALYSIS

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| FY 2011-12 Year-to-Date Gross Appropriation..... | \$6,748,089,800 |
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Changes from FY 2011-12 Year-to-Date:Items Included by the House and Senate

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| 1. Administration. The budget included IT upgrades and other financial adjustments. | (25,021,800) |
| 2. Public Assistance and Adult Services. The budget included increased LIHEAP funding and eliminated placeholders for Disability Determination staff and funding. | (18,852,600) |
| 3. Child Welfare. The budget included parent support programs, Serious Emotional Disturbance programs, and a single contract for drug testing foster care parents. | 2,731,800 |
| 4. Caseload and Economic Adjustments. Total GF/GP savings for caseload adjustments were \$39,865,300 and GF/GP costs for economic adjustments were \$28,202,100. Supplementals for energy assistance and the transfer of child care programs are included. | (162,492,400) |
| 5. One-Time Appropriations. The budget included lump-sum employee payouts. | 10,541,900 |

Conference Agreement on Items of Difference

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| 6. Child Welfare Per Diem Rates. Conference funded the Governor's \$3 per diem increase for foster care parents, and included a 7.5% per diem increase for residential facilities, and reimbursements for aftercare services and training for private facilities. Conference also restored the per diem for specialized independent living services to FY 2010-11 levels. | 23,539,900 |
| 7. Other Child Welfare Adjustments. Conference increased funding for Psychotropic Oversight Contracts and rejected the program to establish paternity at birth, Summer Youth Employment, one-time funding for child welfare, and funding for Families First. | 559,100 |
| 8. Public Assistance and Adult Services. Conference increased funding for volunteer mileage reimbursements, food banks, and elder abuse prosecuting attorneys. Reductions for Michigan 2-1-1 and the SSI State Supplement were included. Conference reduced by half the Governor's Adult Services staff and rejected increased security at local offices and 1.0 FTEs for an SSI advocate. Several private fund sources were eliminated. | 1,377,500 |
| 9. Juvenile Justice Facilities. Conference reduced authorization at the three facilities by \$2.0 million Gross/\$1.0 million GF/GP. | (2,000,000) |
| 10. Vulnerable Heat and Warmth Fund. Conference eliminated the fund. Funding for heating assistance was provided under the FY 2012-13 One-Time Appropriations section. | (35,000,000) |
| 11. FY 2012-13 One-Time Appropriations. One-time funding was approved for Inspector General IT projects (\$2.5 million), Before and After School Programs (\$1.0 million), the Seita Scholarship (\$750,000), a juvenile justice study (\$500,000), and a Medicaid eligibility review (\$250,000). Total GF/GP costs of these programs were \$31.7 million. As part of the target agreement, energy assistance received \$59.9 million (\$27.7 million GF/GP). | 64,900,000 |
| 12. Other Targets. The target agreement funded 577.0 child welfare FTEs (\$23.3 million), Chaldean Community Foundation (\$900,000), and Unclassified S&W (\$52,100). | 24,272,400 |
| 13. Reduced Authorization. Conference rebased multiple line items due to transfers, actual spending, and lapsed GF/GP in prior years. GF/GP savings totaled \$26,609,800. | (78,813,400) |
| 14. Other Changes. Conference created separate fund sources for Federal TANF funding, swapped \$10.9 million TANF for GF/GP savings, and reduced GF/GP in Multicultural Integration line item. | 0 |

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| Total Changes | (\$194,257,600) |
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| FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation | \$6,553,832,200 |
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2011-12 Year-to-Date:Items Included by the House and Senate

1. **Conditions for Private Service Providers.** Language requiring the same penalties for private child welfare service providers as the public, which was deleted by the Governor, was retained by the Senate and House. (Sec. 207)
2. **Per Diem Rates for Child Welfare Services.** Conference retained current law on administrative per diems for child welfare providers and added Senate language to reinstate SIL per diems at the FY 2010-11 levels. (Sec. 546)
3. **Title IV-E Waiver.** Conference included new language from the Department that would permit the State to submit a waiver request to the Federal government to use Title IV-E funding for a demonstration project. (Sec. 526)

Conference Agreement on Items of Difference

4. **Medicaid Eligibility Determination.** New Conference language required the Department to implement a "lean process" to increase efficiency at two offices with \$250,000 in one-time funding, and would allow the temporary hire of physicians to reduce the backlog. Senate language requiring continued Medicaid coverage for children was included. (Secs. 225, 506, and 1207)
5. **Vehicle Purchase and Repair.** Conference revised House language that allowed the Department to contract with a nonprofit entity for vehicle repairs and capped repairs at \$500 with exceptions up to \$900. (Secs. 424 and 425)
6. **Actuarially Sound Rates.** Senate language requiring the Department to set actuarially sound rates for public, child welfare and juvenile justice services was revised and funding was removed. (Sec. 503)
7. **Psychotropic Medication.** Senate language requiring a standard of promptness for determining changes in psychotropic medication was revised for Conference. (Sec. 540)
8. **Juvenile Justice Behavioral Study.** House language allocating \$500,000 to the study was included. (Sec. 1205)
9. **Juvenile Justice RFP.** House language requiring the Department to post a request for proposals for a private residential facility to be a provider of last resort if demand exceeds capacity in the public facilities. (Sec. 721)
10. **Other Juvenile Justice Language.** Senate and House language including the closure of the public facilities, a work group on privatizing Maxey Training School, and a revised cost-share for the counties were not included. Senate language permitting the rewrite of the MOU with Wayne County was included. (Secs. 705, 710, 720, and 724)
11. **Other One-Time Appropriations.** House language funding the Inspector General and Before-and-After School Programs was revised and included. Other language was not included. (Secs. 1201, 1202, 1203, 1204 and 1206)
12. **Child Protective Services Work Group.** Senate language requiring a work group to consider a dual-tract CPS intake system and new definition of child abuse was included. (Sec. 517)
13. **Child Welfare and Juvenile Justice Assessments.** Senate language requiring a work group to determine statewide child welfare and juvenile justice assessment tools and tracking was included. (Secs. 511)
14. **Contracts and TANF Fund.** New Conference language requiring the Department to notify the Legislature of contract changes that increase rates and language creating a fund for TANF dollars was included. (Secs. 240 and 287).
15. **Child Welfare Staffing.** New Conference language created a contingency fund for 577.0 FTEs. (Sec. 527)
16. **Fraud Prevention.** Senate language requiring a report on the number of cases removed from assistance due to the LEIN interface was included. House language requiring the Department to inform the public of the welfare fraud hotline in any public advertisement for state assistance was included. (Secs. 290, 617, and 672)
17. **E-Verify System.** House language requiring the Department to use the E-Verify system when hiring new employees and new employees of contractors and sub-contractors was included. (Sec. 291)
18. **Kent County Child Welfare Privatization.** Conference revised Senate language requiring the privatization of most child welfare services in Kent County in order to require a work group and pilot program. (Sec. 515)
19. **FY 2013-14 Appropriations.** The Conference included Senate boilerplate stating legislative intent that FY 2013-14 appropriations are anticipated to be the same as FY 2012-13 appropriations with needed adjustments. (Sec. 1301)

Date Completed: 5-29-12

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