



Senate Fiscal Agency
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FY 2009-10 Year-to-Date Gross Appropriation	\$6,286,643,900
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Changes from FY 2009-10 Year-to-Date:

Items Included by the House and Senate

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| 1. Caseload Adjustments. Appropriation concurred with revised program caseloads, agreed to by House, Senate, and Executive in May. Increases totaled \$876.2 Gross and \$48.2 million GF/GP. | 876,180,600 |
| 2. Spending Increases. Senate and House provided \$6.7m Gross/\$4.8m GF/GP for 36.0% increase in adoption rates to private agencies. The bill provided \$3.0m before & after school grants and \$850,000 GF to a private contractor for customer service functions for local DHS offices. Both concurred in transferring all adoption and more foster care cases to private agencies and restoring vetoed adoption contract funding, along with reducing funding added in FY 10 to privatize adoption casework (\$8.7m Gross, \$6.7m GF). | 19,328,800 |
| 3. Economic Adjustments. Economic adjustments were included, with the exception of the NERES. Economics totaled \$38.9 million Gross, \$12.7 million GF/GP. | 38,874,800 |
| 4. Baseline Adjustments/Fund Shifts. The bill recognized base adjustments in items such as facility maintenance and other infrastructure costs, increased Federal funding allocations, and adjusted funds between Federal and GF as necessary. Overall GF cost of \$18.3 million. | 36,866,100 |

Conference Agreement on Items of Difference

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| 5. Child Welfare Improvements. Conference funded the Gov/House staffing of 527.0 FTEs, along with the Governor's revised recommendation for another 189.0 FTEs, but below the Governor from assumed savings by slightly staggering the hiring. (\$45.5m Gross, \$35.5m GF). The bill funded the extension of foster care, adoption and guardianship eligibility to age 20 (\$7.2m Gross/\$3.7m GF/GP) and provided \$10.5m Gross/\$5.2m GF/GP for IT upgrades. | 61,724,100 |
| 6. Annualizing FY 10 Staff and FY 11 Staff. Conference annualized the costs of staff that were added in FY '10 (\$11.8m Gross, \$4.8m GF), and added 175.0 FTEs in Disability Determination, 36.0 FTEs in the Inspector General for front end eligibility, and 100.0 FTEs for eligibility specialists (\$5.7m Gross, -\$2.6m GF). Conference reduced 32.0 FTEs when adjusting for annualized child welfare staff, and 24.0 FTEs and \$2.0 million for Maxey. New disability determination/Inspector General staff should generate public assistance savings. | 15,468,900 |
| 7. JET and JET Plus. Conference funded new JET Plus at \$8.5 million TANF. Conference reduced funding for DELEG's portion of JET by \$11.4 million, freeing up GF for DHS. This is reflected as fund shift savings (no gross impact) in #4 above. | 8,500,000 |
| 8. GF Reductions from Current Year. Conference eliminated \$975,000 from LSAM, \$200,000 MSU Kinship Care, \$12.1 million from CDC providers not undergoing training, \$3.5 million for eliminating Mi Rehabilitative Services, IT savings, and \$3.9 m for child support contracts. | (26,862,200) |
| 9. Back Out FY 2009-10 Changes. Conference removed FY 10 adjustments (-\$45.0m GF). | (369,722,900) |
| 10. Other Changes. Conference did not fund teenage parent counseling, marriage and fatherhood grants, or a grant to Spectrum Health. Conference funded \$5.0 million private for online MiBridges, and \$9.0 million for extending Bridges system support (\$3.5m GF). Conference increased funding for 2-1-1 (\$50,000), \$300,000 GF each for conductive learning and IT funding for LEIN, and \$100,000 for Youthville Detroit. | 15,424,000 |

Total Changes	\$675,782,200
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FY 2010-11 Conference Report Gross Appropriation	\$6,962,426,100
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2009-10 Year to Date:Items Included by the House and Senate

1. **Private Child Placing Agency Overdue Foster Care Payments.** New boilerplate required the Dept. to pay private child placing agencies or child caring institutions all verified overdue payments for foster care services provided to youth under contract with the Dept. (Sec. 289)
2. **Fee Language Child Care and Adult Foster Care Facilities.** The Senate and House bills removed current law boilerplate section 309. This language required the Dept. to impose fees upon adult foster care & child care facilities. Revenue from the fees was required to be allocated exclusively for purpose of licensing and regulating child care organization & adult foster care facilities. (Sec. 309)
3. **Adoption Rate Increase.** The Senate and House included language providing a 36% rate increase for private providers to meet the 36% increase in caseworkers needed to meet the ratio required in the Children's Rights Settlement. This language was vetoed in FY 2009-10. Language added by the House on salaries at the private agencies was not included. (Sec. 581)
4. **Food Assistance Authorization Adjustment.** The Senate and House bills did not include requested language included in the Executive recommendation that would permit the Department to adjust Federal authorization in the food assistance payments line to account for increases in program caseload. (Sec. 620)

Conference Agreement on Items of Difference

5. **Hiring Freeze.** Conference concurred with the House to eliminate hiring freeze language. (Sec. 205)
6. **Funding Prohibition Michigan Home Based Child Care Council.** New Senate boilerplate forbade the Dept. from making any payment from appropriated funds to the Michigan Home Based Child Care Council. Conference did not include this language, but instead included a reporting requirement on MHBCCC union dues collected. (Sec. 291)
7. **Prohibition for Collection of Dues On Behalf of Michigan Home Based Child Care Council.** New Senate language forbade the Dept. from utilizing any appropriated funds for the processing or dispersal of union dues on behalf of Child Care Providers Together Michigan. Conference did not include this language, but instead included language requiring a report detailing child care providers receiving DHS payments. (Sec. 292)
8. **Permissive Use of Part 1 Funds for Various Purposes.** Conference included language in several sections allowing the Department to use part 1 funds for: marriage and family therapy, marriage initiative, fatherhood initiative, teen parent counseling, and Boys and Girls Club. (Sections 293, 415, 416, 523, 679)
9. **Bridges/LEIN Integration.** Modified current law boilerplate provided \$300,000 in GF/GP for the integration of the Bridges system into the Law Enforcement Information Network computer system operated by the State Police. Language mandated completion of the project by July 1, 2011 & provided new reporting requirements. (Sec. 295)
10. **Privatizing/Cost-Benefit Analysis.** Conference did not include new House language prohibiting the Department from privatizing services without first conducting a cost-benefit analysis, and determining savings of at least 10%.
11. **Foster Care Administrative Rates/Public Per Diem.** Conference did not include Senate language proposing a public per diem and adjusting the cost share for admin rates between State & Local gov'ts. (Sections 546 and 547)
12. **Wayne County Home-Based Programs.** Conference concurred with House to reduce the earmark to Wayne County from \$2.0 million to \$1.6 million, which provides home-based programs as part of the county expansion of community-based services to serve the county's adjudicated delinquent and abused and neglected youth. (Sec. 565)
13. **Indigent Burial.** Conference concurred with the Senate proposal to permit the Dept. to implement a pilot project to provide reimbursement to designated funeral directors for the cremation of indigent persons. (Sec. 613 (2))
14. **Child Development and Care Sanction Policy/EBT Fraud.** Conference required implementation of a sanctions policy that applies to criminal & fraudulent behavior in CDC program and report on EBT fraud. (Sec. 671, 672)
15. **Customer Service Resource Center.** Conference included language requiring the Dept. to allocate \$850,000 for a customer service resource center. However, unless the call center bidding is complete by Jan 1, 2011 and operational by April 1, 2011, 100.0 eligibility FTEs can't be hired. (Sec. 754)

Date Completed: 9-28-10

Fiscal Analyst: Kathryn Summers