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BILL ANALYSIS

Senate Bill 124 (S-1 as reported)
Committee: Appropriations

Throughout this document Senate means Appropriations Committee.

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2014-15 YEAR-TO-DATE	FY 2015-16 SEN. FULL COMM.	CHANGES FROM FY 2014-15 YEAR-TO-DATE AMOUNT	PERCENT
FTE Positions	12,201.5	11,968.9	(232.6)	(1.9)
GROSS	**5,721,841,700**	**5,720,733,500**	**(1,108,200)**	**(0.0)**
Less:				
Interdepartmental Grants Received	21,545,900	24,260,300	2,714,400	12.6
ADJUSTED GROSS	**5,700,295,800**	**5,696,473,200**	**(3,822,600)**	**(0.1)**
Less:				
Federal Funds	4,540,108,400	4,538,537,600	(1,570,800)	(0.0)
Local and Private	61,407,600	66,766,300	5,358,700	8.7
TOTAL STATE SPENDING	**1,098,779,800**	**1,091,169,300**	**(7,610,500)**	**(0.7)**
Less:				
Other State Restricted Funds	117,624,300	117,333,400	(290,900)	(0.2)
GENERAL FUND/GENERAL PURPOSE	**981,155,500**	**973,835,900**	**(7,319,600)**	**(0.7)**
PAYMENTS TO LOCALS	**97,343,300**	**96,252,900**	**(1,090,400)**	**(1.1)**

FY 2014-15 Year-to-Date Gross Appropriation	**$5,721,841,700**
Changes from FY 2014-15 Year-to-Date:	
1. **Investment: Child Care Licensing Consultants.** Governor included Federal funding for an additional 39.0 FTEs to meet Federal program standards. Senate concurred.	5,661,500
2. **Investment: Donated Funds Positions.** The Governor included Federal, Local, and Private funding for 200.0 FTE eligibility workers for Medicaid and public assistance determination. Senate concurred.	20,551,200
3. **Michigan Rehabilitation Services (MRS).** Governor provided $1.3 million Gross and $3.6 million GF/GP for the program services. Senate did not concur.	0
4. **MRS Minimum Wage Increase.** Governor provided funding for the minimum wage increase. Senate concurred.	71,700
5. **Guardian Contract.** Governor recognized increased costs associated with guardianship assistance for adult clients. More counties require attorney rather than caseworker representation. Senate concurred.	50,000
6. **Vital Statistics Expenses.** Governor recognized increased costs to retrieve vital statistics from the Department of Community Health. Senate concurred.	300,000
7. **Administrative Hearing Costs.** Governor recognized indirect costs for administrative hearings. Senate concurred.	851,400
8. **Disability Determination and Fraud Prevention.** Governor recognized GF/GP savings from Cooperative Disability Investigation (CDI) expansion and consolidation of Disability Determination Services, and increased IDG for Retirement Disability services. Senate concurred.	85,900
9. **Modified Settlement Agreement (MSA).** Governor increased charges from the MSA monitor. Senate concurred.	260,000

10. **Remove $3 Administrative Rate Increase.** Governor eliminated a temporary rate increase from $37 to $40 for private child placing agencies ($5.1 million). Senate did not concur.	0
11. **Private Residential Facility Rate Increase.** Governor eliminated a temporary rate increase for private residential facilities ($3.7 million). Senate did not concur.	0
12. **Cost Share for Foster Care Case Assignment.** Governor reinstated the 50-50 cost share between the counties and State for the $37 administrative rate for private child placing agencies and retained $1.6 million for transfers to the public sector. Senate redirected the $1.6 million to hold the counties harmless and added a $100 placeholder.	(3,387,300)
13. **Kent County Performance Based Pilot Program and Case Rate.** Governor held Kent County harmless for the foster care administrative rate. Senate added a $100 placeholder.	1,737,500
14. **Kent County Lead Agency.** Senate added placeholder for lead agency pilot program costs.	100
15. **Redetermined Adoption Assistance.** Governor retained $1.0 million for redetermined subsidies for special needs adopted children. Senate reduced the funding to $0.6 million.	(7,300,000)
16. **Grants for In-Home Juvenile Justice Programs.** Governor retained $0.4 million for grants. Senate concurred.	(600,000)
17. **Parent-to-Parent Program.** Governor eliminated peer mentoring program for adoptive parents. Senate retained $0.4 million for the program.	(150,000)
18. **Swift-and-Sure Program with MRS.** Governor eliminated $3.0 million IDG from the Department of Corrections. Senate concurred and removed Federal authorization.	(14,084,500)
19. **Centers for Independent Living.** Governor reduced funding for pilot program and expansion by $1.5 million. Senate did not concur.	0
20. **School Success Partnership for NEMCSA.** Governor eliminated program funding for $0.3 million. Senate did not concur.	0
21. **JJ Vision 20/20 Project.** Governor eliminated program. Senate retained $100 placeholder.	(999,900)
22. **Child Support.** Governor required cooperation with child support for public assistance eligibility. Senate concurred.	(900,300)
23. **Local Offices.** Governor recognized savings from Rent and Building Occupancy Charges. Senate assumed additional savings.	(6,099,300)
24. **Automated Asset Test.** Governor eliminated automated asset tests for eligibility determination. Senate concurred.	(5,000,000)
25. **Electronic Notifications.** Governor reduced paper notifications for MiBridges and MICSES clients. Senate concurred.	(2,865,000)
26. **Extended Family Independence Program (EFIP).** Governor eliminated $10 per month program. Senate concurred.	(116,400)
27. **Short-Term Family Support.** Governor eliminated $1,513 payment that served 40 cases annually. Senate concurred.	(726,200)
28. **SSI Advocates.** Governor eliminated 8.0 FTEs due to Disability Determination Services consolidation. Senate concurred.	(795,800)
29. **PATH Coordinators.** Governor reduced welfare-to-work coordinators by 9.0 FTEs. Senate concurred.	(1,002,400)
30. **Peer Coaches.** Governor reduced non-MSA child welfare services workers by 10.0 FTEs. Senate concurred.	(1,035,700)
31. **Recoupment Positions.** Governor reduced positions by 1.0 FTE. Senate concurred.	(124,100)
32. **Non-Family Independence Specialists (FIS).** Governor reclassified positions at a lower pay rate. Senate concurred.	(550,000)
33. **Travel Reimbursements.** Governor reduced travel reimbursements for child welfare staff training. Senate concurred.	(300,000)

34. **Child Welfare Training Institute.** Governor recognized prior year funding lapse. Senate concurred.	(100,000)
35. **Laptops for Executives.** Governor eliminated 52 laptops for executives who also have a tablet. Senate concurred.	(85,900)
36. **W.J. Maxey Training School.** Governor recognized prior year funding lapse. Senate did not concur due to the proposed closure of the facility.	0
37. **Child Welfare Caseload Adjustments.** Adjusted baseline projections.	(1,426,400)
38. **Public Assistance Caseload Adjustments.** Adjusted baseline projections.	8,163,500
39. **One-Time Appropriations.** Governor removed FY 2014-15 one-time funding and included new funding for employment and training services pilot program ($800,000 Gross and $400,000 GF/GP). Senate did not concur with new program.	(5,150,000)
40. **Budgetary Savings.** Governor and Senate annualized 332.0 FTE reduction in FY 2014-15.	(6,296,800)
41. **Fund Source Adjustments.** Governor included fund source adjustments totaling $0 Gross/$8.7 million GF/GP. Senate reduced GF/GP increases in non-salary and wages lines.	(1,497,700)
42. **Closure of W.J. Maxey Training School.** Senate closed the public juvenile justice facility.	(7,543,300)
43. **Drug Testing for Family Independence Program (FIP).** Senate funded a pilot program.	275,000
44. **Michigan 2-1-1.** Senate included a placeholder for the program.	100
45. **Juvenile Justice Administration and Maintenance.** Senate reduced funding due to prior year lapses and the closure of Maxey Training School.	(400,000)
46. **Homeless Programs.** Senate reduced funding for prior year lapses.	(300,000)
47. **Emergency Services Local Office Allocations.** Senate continued FY 2014-15 reduction.	(1,151,000)
48. **Supplemental and Executive Order Reductions in FY 2014-15.**	33,333,000
49. **Economic Adjustments.** Includes a negative $12,511,600 Gross and negative $4,020,200 GF/GP for OPEB and $10,061,300 Gross and $3,293,200 GF/GP for other economic adjustments.	(2,450,100)
50. **Other Changes.** Restructure of budget bill, FMAP adjustment to 65.60%, program and legislative transfers, align FTE counts with actual appropriations.	(11,000)
51. **Comparison to Governor's Recommendation.** The Senate is $13.6 million Gross under and $5.1 million GF/GP under the Governor.	
Total Changes	($1,108,200)
FY 2015-16 Senate Appropriations Committee Gross Appropriation	**$5,720,733,500**

Boilerplate Changes from FY 2014-15 Year-to-Date:

1. **Internet Reporting.** New Governor's language allowed the Department to fulfill the reporting requirement either through email, the internet, or intranet. Senate did not concur. (Sec. 208)
2. **Terminal Leave Pay Outs.** New Governor's language required spending to align with Gross appropriation in the line. Senate concurred. (Sec. 316)
3. **Child Care Licensing Consultants.** New Governor's language required the Department to pay for additional Child Care Licensing Consultants from an IDG from the Michigan Department of Education. Senate concurred. (Sec. 317)
4. **Donated Funds Positions.** New Governor's language increased the outstationed eligibility specialists to staff adult placement and independent living settings, health clinics, hospitals with high uncompensated care, and other sites. Senate revised the language and moved it from Sec. 752 to Sec. 750. (Sec. 750)
5. **Kent County Privatization.** Governor replaced current language with revised reporting requirements. Senate concurred. (Sec. 515)

6. **Reporting Revisions.** Governor added State Budget Office to agencies receiving reports. Senate concurred. (Secs. 279, 505, 515, 523, 583, and 677)
7. **Payroll Taxes and Fringe Benefits Report.** New Senate language required periodic status reports. (Sec. 232)
8. **Merger with the Department of Community Health.** New Senate language required annual report. (Sec. 233)
9. **County Revenue Sharing.** New Senate language required DHS to notify counties of delinquent payments. (Sec. 294)
10. **Residential Staffing Ratio.** New Senate language allows DHS to implement a ratio of 1 staff to 5 children. (Sec. 593)
11. **Federal Disability Eligibility.** New Senate language required report on Federal disability eligibility. (Sec. 614)
12. **Closure of W.J. Maxey Training School.** New Senate language closed the public juvenile justice facility. (Sec. 709)
13. **Benchmarks for Program Increases.** Revised current language on increases of $500,000 or more. (Sec. 206)
14. **Workgroups.** Governor removed workgroups on transportation services, TANF utilization in Michigan Works!, assisted living services, and Medicaid. Senate revised language on Medicaid. (Secs. 227, 229, 315, and 603)
15. **Michigan Rehabilitation Services (MRS).** Governor removed language on MRS audit and reporting, and the order of selection for services. Senate did not concur and revised current year language. (Secs. 403 and 405)
16. **Private Agency Rates.** Governor removed increases for administrative rate and residential services. Senate did not concur. (Sec. 546)
17. **Foster Care Case Assignment.** Governor removed language requiring the Department to pay 100% of the administrative rate for child placing agencies. Senate did not concur. (Sec. 589)
18. **Redetermined Adoption Assistance.** Governor removed language to provide redetermined subsidies for special needs adopted children. Senate revised the language. (Sec. 556)
19. **Performance Based Contracting.** Governor removed language describing a prospective payment system for child welfare services. Senate revised the language. (Sec. 503)
20. **Adoption.** Governor removed language requiring a minimum adoption rate. Senate did not concur. (Sec. 568)
21. **Centers for Independent Living.** Senate revised language on ongoing operations and removed language on pilot program. (Secs. 401 and 404)
22. **Assisted Living.** Senate added a reporting requirement. (Sec. 537)
23. **Child Welfare Training Institute.** Senate added data for the reporting requirement. (Sec. 558)
24. **Parent-to-Parent Program.** Senate added requirement for funds to be expended by Dec. 1. (Sec. 559)
25. **Parent-Child Visitations.** Senate added reporting requirement. (Sec. 564)
26. **Foster Child Medical Passport.** Senate removed references to school records and updated requirement. (Sec. 567)
27. **In-Home JJ Grants.** Senate added requirement to expend funds by Dec. 1. (Sec. 587)
28. **LEIN Reporting.** Senate changed the reporting date. (Sec. 617)
29. **JJ Vision 20/20.** Senate updated language to remove specific appropriation amount. (Sec. 703)
30. **Behavioral Health Study.** Senate updated language to require an implementation plan. (Sec. 711)
31. **School Success Partnership.** Senate added requirement for funds to be expended by Dec. 1. (Sec. 1108)
32. **Private Child Welfare Agencies.** Governor removed language on facility and license reviews, payment standards, and training. Senate did not concur. (Secs. 525, 532, 533, and 585)
33. **Marriage and Family Language.** Governor removed language on marriage and family initiatives. Senate did not concur. (Secs. 293, 415, and 416)

Date Completed: 4-22-15 Fiscal Analyst: Frances Carley