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Senate Bill 179 (S-1 as reported)
Committee: Appropriations

Throughout this document Senate means Appropriations Committee.

FY 2010-11 Year-to-Date Gross Appropriation	\$6,948,915,700
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Changes from FY 2010-11 Year-to-Date:

- Changes to Child Welfare Program Areas.** Senate recognized program improvements to remain in compliance with the Children's Rights, Inc. settlement and other program increases: the annualization of 684.0 FTE child welfare staff positions, increased funding for needs assessment, medical and psychological evaluations, and technological improvements. An amendment to the subcommittee bill reinstated the Governor's recommended contract rate increase of 15% for private adoption service providers, foster care payments and the annualization of the shift to private foster care providers. 75,844,900
- Implementation of a 48-Month Time Limit on the Family Independence Program (FIP).** The Senate concurred with the Governor's imposed a 48-month lifetime limit for FIP, the cash assistance program. The time limit would be retroactive so that in FY 2011-12, an estimated 12,623 cases at an average cost of \$511 per case per month would be disenrolled from the program. The GF/GP savings totaled \$65,000,000. (77,400,000)
- Other Cost Reduction Measures.** The Senate reinstated Shawono Center, further reduced capacity of the Maxey Training School, and implemented a flat rate for the State juvenile justice facilities. Other reductions came from the alignment of budgeted costs the elimination of earmarked programs. One-time ARRA funding was not replaced, eliminating JET-Plus, Zero to Three, and transitional housing for victims of domestic violence. Additional Senate reductions include the elimination of the Michigan Community Service Commission, volunteer incentives, a pilot program for homelessness, indigent burial authorization, and the FIP clothing allowance. (78,220,100)
- Child Development and Care.** The Senate reduced authorization for day care subsidies to maximize GF/GP savings in the Social Services Block Grant. Funding for the ECIC was eliminated and shifted to the Great Start Collaborative offices and day care subsidies. (36,500,000)
- Disability Assistance.** Senate changed eligibility for State Disability Assistance program to match Federal disability standards and also eliminated the credit for caregivers. The Senate rejected the Governor's proposal to increase staff for the Supplemental Security Income (SSI) program by 7.0 FTEs as well as the projected recoveries. (22,567,700)
- Staff and Administrative Reductions.** Staff changes included the elimination of 300.0 FTE field staff positions, the additional reduction of 6.0 FTE Central Support staff positions, the elimination of 9.0 FTE positions in Community Action and Economic Opportunity, and the 10% reduction of administrative and staff costs. (31,024,700)
- Economic Adjustments.** The total GF/GP costs of these adjustments were \$6,187,900. 19,102,700
- Other Changes.** Other adjustments include items such as the replacement or elimination of one-time emergency revenues, the increased FMAP rate adjustment, fund shifts and adjustments, and the TANF to FIP shift to maximize TANF MOE. A placeholder for the Chaldean Community Foundation should funding become available was added as an amendment in the full appropriations committee. (11,688,600)
- Comparison to Governor's Recommendation.** The Senate bill is (\$105,062,500) Gross and (\$86,246,800) GF/GP below the Governor's Recommendation.

Total Changes.....	(\$162,453,500)
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FY 2011-12 Senate Appropriations Committee Gross Appropriation	\$6,786,462,200
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Changes from FY 2010-11 Year to Date:

1. **Boilerplate Language.** The Governor's proposed budget removed 137 sections of boilerplate language, including all language requiring reports to the Legislature. The Senate deleted 57 sections of boilerplate language, removed subsections from eight boilerplate sections, and retained 83 sections that the Governor's proposal had eliminated.
2. **Authority to Align TANF MOE Financing.** New boilerplate language authorizing the Department, with the approval of the State Budget Director, to realign sources of financing in order to maximize the TANF MOE countable expenditures. (Sec. 10-206)
3. **Child Support.** The Governor reinstated boilerplate language that had been eliminated in FY 2010-11 enacted budget, authorizing the State to collect an annual \$25 fee from non-custodial parents to process child support payments. The fee would be deducted from the payment made to the custodial parent. (Sec. 10-304). The Senate added language that allows employers to deduct a \$2 administrative fee from non-custodial parents. (Sec. 912)
4. **Medicaid Eligibility and New Penalties.** A \$500.00 penalty was added for each instance that the Department does not process an eligibility application within the given time frame. (Secs. 223 & 224)
5. **Supervisor-to-Staff Ratios.** Language required a new supervisor-to-staff ratio of 1:14. (Sec. 298)
6. **Michigan 2-1-1 Fund Shift.** Shifted funding to Michigan 2-1-1. (Sec. 307)
7. **Adoption Subsidies.** Permitted adoptive parents up to one year to claim subsidies for special needs children and requires an annual report. (Sec. 556)
8. **Medical Subsidies for Adopted Children.** Required the Department to make medical subsidies available to adopted children only in certain circumstances. (Sec. 569)
9. **Relative Caregiver Licensure.** Reduced authorization for funding for Title IV-E licensure assistance from \$2.5 million to \$1.25 million. (Sec. 574)
10. **Service Provider Payments.** Required payments for energy assistance & rent made directly to providers & landlords. (Secs. 603 & 672)
11. **State Disability Assistance.** Changed eligibility standards for recipients of SDA assistance. (Sec. 604)
12. **State Emergency Relief.** Consolidated Sections 610 and 612 and added new restrictions on eligibility. (Sec. 610)
13. **Indigent Burial.** Provided reimbursements for burial in cases where the deceased has not been claimed. (Sec. 613)
14. **Assistance for Felons.** The Senate reinstated food assistance eligibility for those convicted of a felony. (Sec. 619)
15. **FIP Work Requirement Contracts.** Required the Department to eliminate its contract with JET and to make Michigan Works Agencies the exclusive contract provider for work activities. (Sec. 640)
16. **FIP Clothing Allowance.** Reduced authorization and required the Department to issue clothing allowances on gift cards to resale shops and placed an expiration date of one year on the cards. (Sec. 669)
17. **Eligibility Privatization.** Req. Dept. to enter contract with private provider for Medicaid & day care eligibility. (Secs. 620 & 674)
18. **Great Start Collaboratives.** Language allocated \$7.6 million to local Great Start Collaborative offices. (Sec. 680)
19. **Work Requirement Sanctions and Policy.** Language implemented new sanctions and policies for FIP clients who are not in compliance with work requirements. (Sec. 681)
20. **Local Office Deferrals.** Required the Department to allow deferrals for homeless individuals. (Sec. 690)
21. **County Spending Plan.** Changed the deadlines for county spending plans for the Child Care Fund. (Sec. 708)
22. **Wayne County.** Required a new MOU with Wayne County with additional requirements. (Secs. 710 & 722)
23. **Juvenile Justice Study.** Required a study to be carried out by the Michigan Public Health Institute. (Sec. 717)
24. **Transfer of SER and Energy Programs to CAAs.** Required the Department to consolidate energy and emergency programs in the Community Action Agencies. (Sec. 1103)
25. **Boilerplate for FY 2012-13.** FY 2012-13 was addressed in this new section. (Sec. 1201)

Date Completed: 4-21-11

Fiscal Analyst: Frances Carley

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.