



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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Senate Bill 179 (as introduced)

[Vehicle for Governor's Recommendation line items is Senate Bill 199](#)

Committee: Appropriations

<b>FY 2010-11 Year-to-Date Gross Appropriation .....</b>	<b>\$6,948,915,700</b>
<b>Changes from FY 2010-11 Year-to-Date:</b>	
1. <b>One-Time Revenues.</b> The Governor adjusted the budget to reflect the expiration of emergency and one-time funding from American Recovery and Reinvestment Act (ARRA), Temporary Assistance for Needy Families (TANF), Title IV-D child support incentive, and the Federal Medical Assistance Percentage (FMAP). The shift resulted in increased General Fund/General Purpose (GF/GP) spending of \$188,188,200.	(6,582,500)
2. <b>Fund Adjustments and Realignments.</b> The Governor recognized the need to refinance and realign several line items.	(6,178,200)
3. <b>Increase in the Base FMAP Rate.</b> In FY 2011-12, the State's base FMAP rate will increase from 65.70% to 66.14%, providing a GF/GP savings of \$855,200.	0
4. <b>Increases in Child Welfare Program Areas.</b> The Governor 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 increased contract rate of 15% for private adoption service providers, and the annualization of the shift to private foster care providers.	73,996,800
5. <b>Increases in Other Program Areas.</b> The Governor authorized increased spending for several program areas, including the youth re-entry program, outstationed eligibility workers, an additional 7.0 FTE staff for the SSI recovery unit, and increased rates for licensed child care providers and the contract with the attorney general. The Governor also recognized increased Federal revenue and grants.	14,225,800
6. <b>Implementation of a 48-Month Time Limit on the Family Independence Program (FIP).</b> The Governor 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)
7. <b>Other Cost Reduction Measures.</b> The Governor realized cost significant savings through the closure of Shawono Center, the reduced capacity of the Maxey Training School, and the elimination of several earmarked programs. Other reductions came from the alignment of budgeted costs versus actual spending in several program areas. One-time ARRA funding was not replaced, eliminating JET-Plus, Zero to Three, and transitional housing for victims of domestic violence.	(58,605,800)
8. <b>TANF Maintenance of Effort (MOE) Maximization.</b> The TANF fund shift to Higher Education scholarships was made permanent. This fund shift has been done through mid-year supplementals in the past. In turn, GF/GP is transferred from Higher Education to the Department. This shift maximizes MOE spending and results in \$63,726,400 additional GF/GP costs for the Department.	0
9. <b>Economic Adjustments.</b> The total GF/GP costs of these adjustments were \$6,187,900.	19,102,700
10. <b>Other Changes.</b> Staff changes included the elimination of 300.0 FTE field staff positions.	(15,949,800)
<b>Total Changes .....</b>	<b>(\$57,391,000)</b>
<b>FY 2011-12 Governor's Recommendation .....</b>	<b>\$6,891,524,700</b>

The changes show the differences between the schedule of programs proposed by the Governor and prior-year line items.

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**Changes from FY 2010-11 Year to Date:**

1. **Elimination of Most Boilerplate Language.** The Governor's proposed budget removed 137 sections of boilerplate language, including all language requiring reports to the Legislature.
2. **Authority to Align TANF MOE Financing.** New boilerplate language authorized 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 Annual Fee.** The Governor reinstated boilerplate language that had been eliminated in the 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)
4. **Full-Time Equivalent (FTE) Staff Positions.** Language sections requiring the Department to report on the number of FTE positions and salaries was deleted. (current year Sec. 216)
5. **Contracts for Faith-Based Organizations.** Language providing equal opportunity for faith-based organizations to compete for services, programs and contracts was deleted. (current year Sec. 220)
6. **Performance-Based Contract Requirements.** Language requiring all human services contracts to be performance-based with measurable goals and outcomes and an annual report was deleted. (current year Sec. 279)
7. **Child Death Review Board.** Language requiring communication among entities on the child death review board and required the notification of the children's ombudsman within 1 day under certain circumstances was deleted. (current year Sec. 287)
8. **Michigan Home Based Child Care Council (MHBCCC).** Language requiring an annual report on the union dues that the Department has collected, processed and distributed on behalf of the MHBCCC was deleted. (current year Sec. 291)
9. **Out-of-State Placement Provisions.** Language placing conditions on the placement of a child in an out-of-state facility was deleted. (current year Sec. 513)
10. **Proximity of Child Placement.** Language requiring the Department to place all children within their own county or a 75-mile radius of the home from which the child entered custody except under certain circumstances was deleted. (current year Sec. 536)
11. **Private Per Diem Administrative Rates.** Language requiring a minimum \$37 per diem administrative rate for private foster care providers and a minimum \$28 rate for independent living service providers was deleted. (current year Sec. 546)
12. **Indigent Burial Rates.** Language providing a maximum reimbursement limit for indigent burials was deleted. (current year Sec. 613)
13. **Assistance for Illegal Immigrants.** Language prohibiting the Department to provide public assistance to illegal immigrants, except when required by Federal law, was deleted. (current year Sec. 615)
14. **Sanctions Policy for Child Development and Care.** Language requiring the implementation of a sanctions policy for criminal or fraudulent behavior for the Child Development and Care program was deleted. (current year Sec. 671)
15. **Waste, Fraud and Abuse in Child Development and Care.** Language requiring the Department to continue efforts to reduce waste, fraud and abuse in Child Development and Care, and allowed for private contracting for management and information technology services was deleted. (current year Sec. 674)
16. **Child Development and Care Training Requirements and Rates.** Language establishing a training requirement for child care providers and maximum hourly rates was deleted. (current year Sec. 675)
17. **Juvenile Justice Performance Measures.** Language requiring performance standards for juvenile justice residential programs and the collection of data from public and private entities and the courts to measure outcomes was deleted. (current year Sec. 705)

Date Completed: 2-25-11

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