



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 5814

Committee: Appropriations

FY 2007-08 Year-to-Date Gross Appropriation	\$4,577,393,200
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Changes from FY 2007-08 Year-to-Date:

1. **Program Caseload Adjustments.** The House concurred with adjustments for State Disability Assistance (SDA), State Supplementation, Foster Care, Adoption Subsidy and Child Care Fund for FY 2008-09. House reduced base support for the Family Independence Program (FIP) (by \$28.6 million Gross) and Child Day Care Program (by \$31.2 million Gross). (1,850,100)
2. **Program Rate Increases.** House concurred with 2.0% grant adjustments in FIP and SDA proposed by the Governor. House funded 72.0 extra staff (\$5.4 million) increased FIP clothing allowance from \$43 to \$100 (\$7.0 million GF/GP), and provided \$25.6 million GF/GP for increases in Child Day Care payments. 38,796,600
3. **Savings Adjustments.** The House and Governor recognized GF/GP savings through changes in FIP child support pass through payments (\$5.3 million), local office consolidation (\$800,200), and reduced Strong Families/Safe Children Grants (\$2.0 million). The House eliminated 60.0 FTE in Juvenile Justice (\$6.2 million GF/GP). (13,627,700)
4. **Administrative Adjustments.** The Governor and House funded increased costs for new office space (\$2.2 million) and savings through staff and IT changes (\$3.8 million). The House provided \$2.3 million for new line providing training and oversight of child day care providers. (2,406,800)
5. **Fund Shifts.** The Budget replaced \$1.0 million GF/GP for domestic violence with restricted funds, replaced Federal funds with GF/GP for local office salaries (\$3.5 million) and DNA paternity testing (\$185,900). New Medicaid match rates will reduce GF/GP spending by \$6.4 million. 0
6. **Adjustment for Prior Year Changes.** The appropriation was adjusted to support the full cost of a 4% rate increase for adoption services (\$236,000 GF/GP) and full year savings from closing Woodland East juvenile justice facility (\$2.1 million GF/GP). (3,894,400)
7. **Additional Grant Revenue.** Authorization increased for nutrition education (\$14.9 million Federal), family programs (\$1.0 million Private), and creation of Michigan Youth Opportunities Initiative (\$650,000 Federal, \$575,000 Private). 17,125,000
8. **Fund Source Adjustments.** The Budget increased state restricted authorization from bench warrant fees (\$170,000) and decreased restricted authorization for licensing (\$349,800) and private authorization in the foster care program (\$450,000). (629,800)
9. **Grant Increases.** The House provided additional funding to MSU Kinship Care Center (\$200,000), Michigan 2-1-1 (\$100,000), child support arrearage collection (\$500,000), EITC Marriage/Fatherhood Programs (\$250,000), MiCAFE (\$30,000), services to older foster children (\$1.0 million), indigent burial (\$1.4 million) and property improvements at Maxey and Adrian Training Schools (\$3.0 million). 5,080,000
10. **Economic Adjustments.** 3,734,900
11. **Human Resources Savings.** HR optimization costs previously in the DHS budget were transferred to the Civil Service Commission with the Department of Management and Budget. The DHS HR responsibilities, including 44.0 FTEs, were transferred to the Civil Service Commission per Executive Order 2007-30. (4,961,600)
12. **Other Changes.** House and Gov. funded food stamp reinvestment (\$1.3 million), foster care employee background checks (\$1.8 million). The House changed Title IV-E savings assumptions. 4,993,500
13. **Comparison to Gov. Rec.** House is \$38.9 million Gross and \$46.4 million GF/GP under the Gov.

Total Changes	\$42,359,600
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FY 2008-09	\$4,619,752,800
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Changes from FY 2007-08 Year to Date:

1. **Contracting Requirements.** The House modified current law language to permit the Department to avoid bidding out contracts for children's services if there is an available service provider that is nationally accredited. (Sec. 510)
2. **Title IV-E Payment to Local Government.** The House modified boilerplate proposed by the Governor related to Title IV-E reimbursement to local governments. The House would require the Department to pay local units of government the full value of Title IV-E claims up to the first \$5.0 million in eligible Title IV-E costs. The Governor proposed that the Department would retain 50% of the Federal reimbursement for all claims. (Sec. 531)
3. **Private Agency Retention of Licensed Cases.** The House modified current law language to specify that private agencies facilitating the licensure of relative caregivers as foster parents would retain at least 50% of the newly licensed cases. (Sec. 574)
4. **Child Welfare Improvement Reporting Language.** The Governor and House consolidated language in a number of boilerplate sections mandating reports on child welfare initiatives into a new boilerplate section. New language would require the Department to provide the Legislature and State Budget Director a quarterly report that would include all material related to child welfare mandated in budget boilerplate. (Sec. 582)
5. **Indigent Burial Reimbursement.** The Governor included new boilerplate language describing the rates provided funeral directors, cemeteries and crematoriums for indigent burial. The language established maximum reimbursement for indigent burial at \$700. The House modified this language to reflect a rate increase included in the House appropriation. Maximum reimbursement was established by the House at \$909. (Sec. 613)
6. **Food Assistance Program (FAP) Payment Schedule.** The House modified current law language to require the Department to modify the schedule for distribution of FAP benefits to provide payments twice monthly. (Sec. 681)
7. **Reporting of Department Hearing Decisions.** The House included new language that would require the Department to post all decisions reached on hearings involving Medicaid, Family Independence Program, Food Assistance Program, and State Emergency Relief on the Department's website. (Sec. 686)
8. **Licensed Day Care Reporting Requirements.** The House provided new language that would require licensed day care facilities to submit quarterly reports to the Department on the number of vacancies they have for children in their care. (Sec. 690)
9. **Public Juvenile Justice Rate Formula.** The House modified current law boilerplate to specify the per diem rates to be provided to each public provider of secure juvenile justice services. (Sec. 727)
10. **Title IV-D Fund Distribution Change.** New boilerplate provides 75% of any amount exceeding the retained child support a county collected in FY 2004-05 for county Title IV-D efforts. This would only occur if statewide retained child support payments exceeded the amount collected in FY 2004-05. (Sec. 909)
11. **Title IV-D Fee.** New language would require the Department to implement a \$25.00 fee to be deducted from child support collection. The fee would cover the cost of administering the child support program. (Sec. 911)

Date Completed: 4-24-08

Fiscal Analyst: David Fosdick