



Senate Fiscal Agency  
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## BILL ANALYSIS



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Senate Bill 1148 (as introduced 10-20-16)  
Sponsor: Senator Peter MacGregor  
Committee: Oversight

Date Completed: 11-30-16

### **CONTENT**

**The bill would amend provisions of the Social Welfare Act related to the Child Care Fund to do the following:**

- Allow the Department of Health and Human Services (DHHS) or a county to appeal a determination regarding reimbursement of a child care cost.**
- Prohibit the DHHS and a county from seeking reimbursement of expenditures unless they were made under an approved plan and budget or according to Department policy.**

The bill also would repeal Section 117d, which requires the consideration of certain factors in the allocation of State appropriations to a county juvenile justice services program.

The bill would take effect 90 days after enactment.

#### Appeal

The Act provides for the payment of expenses related to juveniles who are in out-of-home placements, such as foster care, county-operated facilities, and private child caring institutions, as well as expenses for in-home care services. The payment structure is largely based on a 50-50 cost share between the State and the counties. Using the Child Care Fund, the State reimburses the per diem costs of community-based programs, residential treatment, or detention for juveniles under court supervision, to the county/circuit court at a 50% rate.

The bill would allow the DHHS or a county to appeal a determination regarding reimbursement of a child care cost made under the Act. The appeal would have to be conducted according to the Administrative Procedures Act.

An appeal from a final order issued in an administrative hearing would have to be made to the Circuit Court of Ingham County, which would have jurisdiction with respect to these cases as in nonjury cases under the authority provided of the Revised Judicature Act.

#### Reimbursement of Expenditures

The Social Welfare Act requires a county annually to develop a plan and budget for funding foster care services and submit the plan and budget to the "office" (the DHHS) for approval. Funds may not be distributed under Section 117a (which provides for distributions to counties for juvenile justice services, including foster care) except for reimbursement of expenditures made under an approved plan and budget.

The bill provides that neither the Department nor the county could seek reimbursement for expenditures unless they were made under an approved plan and budget or according to Department policy.

The bill would delete a provision prohibiting the office from approving plans and a budget that exceed the amount appropriated by the Legislature.

MCL 400.117c et al.

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The bill could have offsetting fiscal impacts on State and local government. To the extent that the Department of Health and Human Services or local governments currently seek reimbursements for expenditures not made under an approved plan and budget, there would be a reduction in reimbursement funds received. Additionally, any increase in administrative costs associated with filing an appeal of determination for a reimbursement could be a fiscal cost to the participating parties.

Fiscal Analyst: John Maxwell

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.