



Senate Fiscal Agency
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Senate Bill 1215 (Substitute S-1 as reported)
Sponsor: Senator Bev Hammerstrom
Committee: Economic Development, Small Business and Regulatory Reform

CONTENT

The bill would amend the Adult Foster Care Facility Licensing Act to require the Family Independence Agency (FIA) to do the following:

- Issue an initial or renewal license for an adult foster care facility within six months after receiving a "completed application" (as defined in the bill).
- Notify the applicant in writing, or make notice electronically available, within 30 days after receiving an incomplete application.
- Return the license fee and reduce the license fee for the applicant's next renewal, if any, by 15% if the FIA failed to issue or deny a license within the time required.
- Report to the Legislature by December 1 each year, beginning in 2005, on the number of applications received and completed by the deadline, the number requiring additional information, the number rejected, the number of licenses not issued within the six-month period, and the average processing time for licenses granted after the six-month period.

If, on a contractual basis, inspections performed by a local health department delayed the FIA in issuing or denying licenses within the six-month period, the FIA could use its staff to complete the inspections. Beginning October 1, 2005, a "completed application" would not include a health inspection performed by a local health department.

MCL 400.713

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have an indeterminate impact on State government. Each type of facility has a different fee for various types of licensure: six-month temporary or provisional license to a regular annual or biennial license. Fees for initial adult foster care license application range from \$65 to \$170 per facility. Total fee revenue in FY 2001-02 was \$143,081. Using an assumption of 3% growth or 128 applications, if the FIA failed to issue an initial license within six months, the department would be required to return approximately \$13,430 to temporary license applicants. In addition, these applicants would receive a 15% reduction in the license renewal application fee or \$743 for a total of \$14,172 in State costs.

There would be some Department of Information Technology and FIA costs to reconfigure the information systems to provide for monitoring, returning fees, and reporting.

Date Completed: 6-14-04

Fiscal Analyst: Constance Cole

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Analysis available @ <http://www.michiganlegislature.org>

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.