



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 1090 (as introduced)

Committee: Appropriations

FY 2005-06 Year-to-Date Gross Appropriation	\$4,427,975,000
Changes from FY 2005-06 Year-to-Date:	
1. Caseloads. The Governor recommended the following caseload net increases: Adoption Subsidies – 1,000 cases; State Disability Assistance – 400 cases; and State Supplementation for SSI – 2,400 cases. The recommendation included net reductions for Day Care Services – 2,200 cases and FIP – 1,360 cases. No changes were recommended for Foster Care. Additional funds included \$2.6 million for Food Assistance Program cost-per-case, \$1.9 million for the Child Care Development Fund for day care services provided through the Early Childhood Investment Corporation (ECIC) by DCH, and \$4.2 million for the Child Care Fund expenditures reimbursed to local government.	21,802,900
2. Program Enhancements. The Governor recommended \$1.8 million Gross, \$1.5 million GF for 51.2 Child Protective Services FTE positions, and \$2.5 million Gross, \$215,000 GF for 38.0 FTE positions to reduce Medicaid payment errors.	4,319,900
3. Technology. The Governor recommended an increase of \$5.5 million and \$4.8 million for the Integrated Service Delivery or BRIDGES Program and the SDU contract, respectively, and \$3.9 million Federal funds savings through a contract reduction, and removal of \$18.8 million in one-time Arrearage Settlement Program revenue.	(12,449,500)
4. Program Transfers. The Governor recommended the transfer from the Department of Labor and Economic Growth of the Michigan Community Service Commission, a volunteer services program.	9,391,900
5. Federal TANF Funded Programs. The Governor recommended the elimination of \$1.2 million in TANF funds for the Fatherhood Initiative, Marriage Initiative, Earned Income Tax Credit outreach and the Effective Family Formation services, assuming possible replacement with alternative Federal or State funding. The funds for the Boys and Girls Clubs were replaced with General Funds.	0
6. Fund Shifts. The Governor recommended fund shifts: from Federal to GF of \$78.0 million in TANF funds, 64% of the GF would be used for the FIP State Plan to assist the disabled and help reduce the work participation rate, \$15.3 million in Title XX Social Services Block Grant, \$927,600 in the FMAP rate, and \$2.4 million in IDG DCH funding; to reduce GF by Federal CCDF of \$6.6 million.	0
7. Other Revenue Increases. The Governor recommended Federal increases of \$237,800 in the Children's Trust Fund Grant and \$2.4 million for disability determination medical examinations. Included is \$600,000 in local revenue for Court Bench Warrant Fees.	3,282,800
8. Savings in State Funds. The Governor recommended \$10.98 million in Welfare Reform Jobs, Education and Training (JET) Pilot, a net \$3.6 million from the Front-End Eligibility Pilot, and \$5.0 million through a reduced ½-day child care program.	(23,086,300)
9. Economic Adjustments.	41,246,300
10. Other Changes. The Governor recommended the elimination of the Smoking Cessation Pilot, the Pontiac School-Based Crisis Intervention Project, and reductions in the Human Services Optimization related positions.	(678,500)
Total Changes.....	\$43,829,500
FY 2006-07 Governor's Recommendation.....	\$4,471,804,500

Changes from FY 2005-06 Year to Date:

1. **Contingency Funds.** The Governor recommended additional funds through transfers approved by the Legislature. (Sec. 206)
2. **Privatization.** The Governor's proposal did not include the language that requires the Department to notify the Legislature prior to any effort to privatize services. (Sec. 207)
3. **TANF Reporting.** The Governor's proposal deleted subsection (2) notifying the Legislature on TANF and MOE spending. (Sec. 218)
4. **Faith-Based Organizations.** The Governor's proposal did not include language establishing the use of State funds for sectarian activity in program services. (Sec. 220)
5. **Medicaid Eligibility.** The Governor's proposal did not include language on a 60-day standard of promptness for determinations and a 45-day standard on nursing home patient applications. (Sec. 223) and (Sec. 224)
6. **Local Office Consolidation.** The Governor's recommendation did not include the county office restructuring and consolidation plan. (Sec. 261)
7. **Restructure Local Zone Offices.** The Governor's proposal did not require a plan to assist local service delivery effectiveness and efficiency through maximizing state resources. (Sec. 262)
8. **Policy Changes and Regulatory Reform.** The Governor's recommendation did not require the Department to report on each policy change made to enact legislation and funds for a regulatory reform plan. (Sec. 273)
9. **Federal Grant Reporting.** The Governor's recommendation did not require the Department to report on grant eligibility and the reason for no application submission. (Sec. 274)
10. **Fatherhood and Marriage Initiatives.** The Governor's proposal did include new language regarding funding contingent on available Federal funding. Section 416 is deleted. (Sec. 415)
11. **Food Stamp Error Rate.** The Governor's recommendation did not require a rate reduction project in two counties. The language and \$50,000 funding was vetoed in FY 2006. (Sec. 423 subsection 3)
12. **Employment and Training.** The Governor's recommendation did not include TANF funding for the Effective Family Formation Program. (Sec. 424)
13. **Child Protective Services.** The Governor's proposal did not require a report to the Legislature. (Sec. 514)
14. **Foster Care Contracts.** The Governor's recommendation did not require implementation of a performance-based managed care approach to program service contracting. (Sec. 515)
15. **Specialized Foster Care.** The Governor's recommendation did not include language regarding implementation of a new system and a reporting requirement. (Sec. 545)
16. **Disproportionate Representation.** The Governor's proposal did not require convening a task force to study the issues. (Sec. 548)
17. **Food Assistance Program.** The Governor's recommendation provided State Budget Director approval for increased Federal authority for needed State spending. (Sec. 620)
18. **Kinship Care.** The Governor's proposal did not include legislative intent regarding grant discrepancy. (Sec. 670)
19. **Early Childhood Investment Corporation (ECIC).** The Governor did not require report to the Legislature on cost and revenue implications. (Sec. 678)
20. **Juvenile Justice Services.** The Governor's proposal eliminated language on crime reduction, high, medium and low security and day program goals, and service providers' requirements. (Secs. 714, 715, and 720 through 723)
21. **Child Support Incentives.** The Governor's proposal included new language clarifying use of revenue. (Sec. 901)
22. **Child Support Technology.** The Governor's proposal did not include language on improvements, the database, fee charge back, contract and payments local match. (Secs. 902 through 904)

Date Completed: 04-18-06

Fiscal Analyst: Constance Cole

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

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