



Senate Fiscal Agency
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House Bill 5814 (S-1 as reported)
Committee: Appropriations

Throughout this document Senate means Subcommittee.

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

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| 1. Program Caseload Adjustments. The Senate concurred with adjustments for State Disability Assistance (SDA), State Supplementation, Foster Care, Adoption Subsidy, Child Day Care (CDC) Program, and Child Care Fund for FY 2008-09. Senate reduced base support for the Family Independence Program (FIP) by \$12.1 million GF/GP. | 45,899,800 |
| 2. Program Rate Increases. Senate concurred with Governor on 2.0% grant adjustments in the SDA. Provided increases in FIP clothing allowance and FIP grants at lower levels from the Gov. (saving \$6.8 million), increased rates for independent living foster care by 4.0% (\$100,000 GF/GP) and provided \$14.9 million GF/GP for increases in CDC payments, rejecting \$10.0 million of proposed increase. | 12,682,100 |
| 3. Savings Adjustments. The Senate and Governor recognized GF/GP savings through changes in FIP child support pass through payments (\$5.3 million) and local office consolidation (\$800,200). The Senate and House eliminated 60.0 FTEs in juvenile justice (\$6.2 million GF/GP). | (11,627,700) |
| 4. Administrative Adjustments. The Governor and Senate recognized increased costs for new office space (\$2.2 million) and savings through staff and IT changes (\$3.8 million). | (4,667,300) |
| 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 4.0% 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. Senate Priorities. The Senate funded \$5.0 million for a contract in child day care (\$1.0 million savings), \$300,000 to privatize children's services in Kent County (with \$300,000 savings), and \$1.0 million for incentive payments to FIP recipients meeting work requirements. The Senate provided increases for indigent burial (\$1.4 million), MSU kinship care center (\$200,000), Michigan 2-1-1 (\$100,100), child support collection (\$500,000), EITC marriage/fatherhood programs (\$250,000), Youthville (\$100,000), Camp O'Malley in Grand Rapids and MiCAFE (\$30,000). | 6,446,400 |
| 10. Economic Adjustments. | 3,734,900 |
| 11. Human Resources Savings. Human Resources optimization costs were transferred to the Department of Management and Budget. | (4,961,600) |
| 12. Other Changes. Senate and Governor funded food stamp reinvestment (\$1.3 million). The Senate changed Title IV-E savings assumptions (saving \$3.5 million GF/GP). | 4,740,600 |
| 13. Comparison to Governor's Recommendation. Senate is \$16.4 million Gross and \$22.5 million GF/GP under the Governor's recommendation. | |

Total Changes	\$64,848,000
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FY 2008-09 Senate Appropriations Subcommittee Gross Appropriation	\$4,642,241,200
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Changes from FY 2007-08 Year to Date:

1. **Expenditure Website.** New Senate language requires the Department to maintain and update a website, available to the public, detailing all expenditures made in the fiscal year. (Sec. 206)
2. **Multiple Employee Travel Restriction.** New Senate language forbids more than one Department employee from traveling to an out-of-state conference or training seminar unless the travel is Federal or privately funded and requires more than one Department employee to attend. (Sec. 219)
3. **Bridges and Law Enforcement Information Network (LEIN).** New Senate language states legislative intent to mandate in FY 2009-10 that the Department work on incorporating the Bridges eligibility system into the LEIN system operated by the Department of State Police. (Sec. 295)
4. **Kent County Child Welfare Pilot Project.** New Senate boilerplate requires the Department to implement a child welfare service pilot project in Kent County in FY 2008-09. The pilot would provide for the purchase of all child welfare services, excluding child protection services, from child placing agencies. Language includes statement of legislative intent to expand the pilot to additional counties in FY 2009-10. (Sec. 516)
5. **Foster Care Reimbursement.** Senate language specifies that the Department will pay all providers of foster care services a \$27 administrative rate. Additional language specified that the Department will continue to reimburse foster care providers for therapy and counseling services in addition to the \$27 administrative rate. (Sec. 546)
6. **Private Agency Retention of Licensed Cases.** The Senate and House modified current law language to specify that private agencies facilitating the licensure of relative caregivers as foster parents would retain at least 50.0% of the newly licensed cases. (Sec. 574)
7. **Child Welfare Improvement Reporting Language.** The Senate and House concurred with an Executive proposal to consolidate 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)
8. **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 Senate and House modified this language to reflect an appropriated rate increase. New language establishes maximum reimbursement at \$909. (Sec. 613)
9. **Child Day Care Provider Management Contract.** New Senate language provides \$5.0 million for a contract with a private entity to implement and maintain a provider management and payment system for the child day care program. Language specifies the Department will still determine recipient eligibility and benefit size. Language further states that if the Department cannot find a contractor who can implement system changes to reduce expenditure by \$15.0 million then a contract will not be awarded. (Sec. 679)
10. **FIP Incentive Payments.** New Senate language provides \$50 incentive payments to FIP recipients who have met Federal requirements related to employment activity for three successive months. Recipients meeting these requirements may also opt to have \$25 placed in their Individual Development Account (IDA). (Sec. 693)
11. **Title IV-D Fee.** New language proposed by the Governor 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. New Senate language added to this section would require the Department to provide model legislation authorizing this fee in statute by December 31, 2008. (Sec. 911)

Date Completed: 5-22-08

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