



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5814 (as introduced)
Committee: Appropriations

FY 2007-08 Year-to-Date Gross Appropriation	\$4,577,393,200
Changes from FY 2007-08 Year-to-Date:	
1. Program Caseload Adjustments. The Governor increased GF/GP to support increases in average caseload in the Family Independence Program (FIP) by 1,000 cases, State Disability Assistance (SDA) by 850 cases, State Supplementation by 2,840 cases, Foster Care by 590 cases, Adoption Subsidy by 1,086 cases and increased Child Care Fund by 15% over current year expenditure. The Governor reduced Child Day Care Caseload funding by 745 cases.	57,961,300
2. Program Rate Increases. The Governor provided a 2% increase in FIP and SDA grants (\$7.5 million and \$696,900 GF/GP). The Governor recommended increasing the FIP clothing allowance from \$43 to \$75 (\$3.9 million GF/GP), and provided a \$10.0 million GF/GP increase in Child Day Care rates.	22,101,800
3. Program Adjustments. The Governor recognized GF/GP savings from using Federal funds to provide child support pass-through payments in FIP (\$5.3 million) and consolidating local offices (\$800,200). The Governor reduced Strong Families/Safe Children grants by \$2.0 million and eliminated a grant to Camp O'Malley in Grand Rapids (\$126,500 GF/GP).	(8,516,500)
4. Administrative Adjustments. The Governor recognized a GF/GP cost associated with leasing new office space (\$2.2 million). The Governor recognized GF/GP savings through a Department re-organization (\$1.0 million), and reduced IT expenditure (\$2.8 million).	(3,577,300)
5. Fund Shifts. The Governor replaced \$1.0 million GF/GP for domestic violence with restricted funds, provided GF/GP to replace lost Federal funds for local office salaries and wages (\$3.5 million) and DNA paternity testing (\$185,900). The Governor also recognized GF/GP savings associated with a change in the Federal Medicaid match rates.	0
6. Adjustment for Prior Year Changes. The Governor provided funds to support the full cost of a 4% rate increase for adoption services (\$236,000 GF/GP) and recognized full year savings from closing the Woodland East juvenile justice facility (\$2.1 million GF/GP).	(3,894,400)
7. Additional Grant Revenue. The Governor increased authorization for nutrition education (\$14.9 million Federal), family programs (\$1.0 million Private), and the creation of the Michigan Youth Communities Initiative (\$650,000 Federal, \$575,000 Private).	17,125,000
8. Restricted Fund Source Adjustments. The Governor increased state restricted authorization from bench warrant fees (\$170,000) and decreased authorization in the Bureau of Child and Adult Licensing (\$349,800).	(179,800)
9. Economic Adjustments.	3,734,900
10. Human Resources Savings. HR optimization costs previously in the Department budget were transferred to the Civil Service Commission with the Department of Management and Budget. The Department's HR responsibilities, including 44.0 FTEs, were also transferred to the Civil Service Commission per Executive Order 2007-30.	(4,961,600)
11. Other Changes. The Governor provided \$1.3 million GF/GP for food stamp reinvestment to comply with Federal sanctions and funded two additional FTEs for mandated background checks for foster care employees.	1,502,800
Total Changes.....	\$81,296,200
FY 2008-09 Governor's Recommendation.....	\$4,658,689,400

Changes from FY 2007-08 Year to Date:

1. **Medicaid Eligibility Nursing Home Residents.** The Governor modified current law language requiring the Department to act upon application for Medicaid services by nursing home residents within 45 days upon receipt of application. New language would provide the Department 60 days in cases involving disability. (Sec. 224)
2. **Fatherhood Initiative.** The Governor removed boilerplate requiring the Department to only provide Federal Promotion of Responsible Fatherhood funds to programs that met certain criteria. (Sec. 415)
3. **Marriage Initiative.** The Governor removed boilerplate requiring the Department to only provide Federal Marriage Promotion Grant funds to programs that met certain criteria. (Sec. 415)
4. **Private Foster Care Contracting.** The Governor modified current law boilerplate to remove a mandate to the Department to include requirements in contracts with private non-profit foster care agencies that service providers be accredited. (Sec. 515)
5. **Title IV-E Payment to Local Government.** New boilerplate language requires the Department to provide Title IV-E reimbursement to local governments for eligible costs. The language further states that the Department is to retain 50% of earned Federal revenues. (Sec. 531)
6. **Foster Care Case Rate.** The Governor replaces current law language describing case rates paid to providers of foster care services with language stating that these agencies will be paid a single rate of \$27.00. (Sec. 546)
7. **Child Welfare Improvement.** Current law boilerplate describing child welfare improvements mandated by the Legislature in FY 2007-08 was not included in the Governor's recommendation. (Sec. 568)
8. **Child Welfare Improvement Reporting Language.** The Governor 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)
9. **Indigent Burial Reimbursement.** New boilerplate language established a maximum allowable amount of reimbursement for indigent burial of \$700.00. The distribution of the \$700 would be \$455.00 for funeral directors, \$145.00 for cemeteries or crematoriums, and \$100.00 for vault providers. (Sec. 613)
10. **Food Assistance Program (FAP) Payment Schedule.** Current law language that provided \$600,000 for implementing a staggered schedule for distribution of FAP benefits to 19 days per month was not included in the Governor's recommendation. (Sec. 681)
11. **Supplemental Security Income (SSI) Advocacy Payment.** The Governor removed language establishing payment rates for the Legal Services Association of Michigan for SSI advocacy services. (Sec. 683)
12. **High Security Juvenile Justice Services.** The Governor removed current year boilerplate describing the performance and payment standards associated with providing high security juvenile justice services. (Sec. 720)
13. **Medium Security Juvenile Justice Services.** The Governor removed current year boilerplate describing the payment standards associated with providing medium security juvenile justice services. (Sec. 721)
14. **Juvenile Justice Day Programs.** The Governor removed current year boilerplate describing the payment standards associated with juvenile justice day programs. (Sec. 722)
15. **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)
16. **Title IV-D Escheats.** New boilerplate included in the Governor's recommendation would permit the State Budget Director to adjust financing sources for escheated Title IV-D child support collections provided for legal support contracts. (Sec. 910)
17. **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: 3-12-08

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