



Senate Fiscal Agency
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BILL ANALYSIS

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FY 2007-08 Year-to-Date Gross Appropriation	\$4,611,911,900
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Changes from FY 2007-08 Year-to-Date:

Items Included by the House and Senate

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| 1. Program Increases. The budget included additional Federal and private authorization for efforts aimed at older foster children (\$2.2 million) and nutrition education (\$14.9 million). | 17,125,000 |
| 2. Program Savings. The budget recognized GF/GP savings from information technology changes (\$5.3 million Gross), local office consolidation (\$800,000), newly licensed foster cases (\$2.7 million) and changes in child support pass through structure (\$5.3 million). | (21,420,700) |
| 3. FY 2007-08 Adjustments. The budget adjusted foster care costs (\$17.0 million Gross), and recognized additional savings from the Maxey Woodland East closure (\$2.1 million GF/GP) and adjustments for prior year rate adjustments (\$3.8 million GF/GP). | 20,987,400 |
| 4. Increase in Admin. Cost. Administrative cost from to rent and moving expenses (\$3.0 million Gross) and mandatory reinvestment of food stamp admin. funds (\$1.3 million GF/GP) are recognized. | 4,680,100 |
| 5. Legislative Increases. The House & Senate concurred on GF/GP increases for indigent burial (\$1.4 million) and independent living foster care (\$168,400) and MiCAFE (\$30,000). TANF was also provided to MSU kinship care (\$200,000) and EITC contracts (\$250,000). | 2,337,600 |
| 6. Economic Adjustments. | 3,734,900 |
| 7. Adjust for FY 2007-08 Transfers and Supplemental: | (34,518,700) |

Conference Agreement on Items of Difference

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| 8. Caseload. Conference recognized caseload savings in FIP (\$15.2 million), child day care (\$16.8 million), and foster care (\$9.5 million). Minor positive adjustments were made in adoption subsidy, SSI supplementation, child care fund and SDA. | (28,478,000) |
| 9. Increased Expenditure. The Conference increased expenditure across several programs. Positive increases using TANF freed up from FY 2007-08 Federal TANF contingency fund payments was provide for FIP grants (\$2.5 million), FIP clothing allowance (\$5.6 million) and FIP work incentive payments (\$1.8 million), GF/GP was used to concur with executive proposals to increase SDA grants by 2.0% (\$700,000) and to fully account for a rate increase to day care providers in FY 2007-08 (\$10.0 million). Additional GF/GP was provided for targeting older foster children (\$200,000), Communities in Schools (\$200,000), and improvements to the Adrian Training School (\$500,000). | 20,080,800 |
| 10. GF/GP Savings. The Conference recognized GF/GP savings from increased Title IV-E claims (\$3.5 million), reductions in juvenile justice staff (\$4.1 million), \$2.0 million in identified lapsed funds, a cut to Strong Families / Safe Children (\$2.0 million) and HMO savings (\$1.3 million). | (20,319,300) |
| 11. Additional Staff. The Conference addition staff for facility licensing (7.0 FTE), child protective services (5.0 FTE), foster care and adoption contract monitoring (5.0 FTE), and interstate compact monitoring (3.0 FTE). | 1,926,500 |
| 12. Other. | 2,559,600 |
| Total Changes..... | (\$31,304,800) |

FY 2008-09 Conference Report Gross Appropriation	\$4,580,607,100
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2007-08 Year to Date:Items Included by the House and Senate

1. **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)
2. **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)
3. **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)

Conference Agreement on Items of Difference

4. **Bridges and Law Enforcement Information Network (LEIN).** Conference 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)
5. **TANF Contingency Fund.** New conference language appropriates \$21.9 million in TANF, if these funds become available through the grant of TANF contingency funds to the State. The language specified these funds may be used for FIP grant increases from \$1 per person per month to \$3 per person per month, a \$10.0 million child day care rate increases, lawsuit-related legal expenses \$4.9 million, and strong family safe children program costs \$2.0 million. (Sec. 296)
6. **Kent County Child Welfare Pilot Project.** The Conference concurred with new Senate boilerplate that required 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)
7. **Title IV-E Payment to Local Government.** The Conference included House modified boilerplate related to Title IV-E reimbursement to local governments. The language would require the Department to pay local units of government the full value of Title IV-E claims up to the first \$5.0 million in eligible Title IV-E costs. The Governor proposed that the Department would retain 50% of the Federal reimbursement for all claims. (Sec. 531)
8. **Foster Care Administrative Rate.** The Conference modified current law boilerplate to provide a single \$27 per diem rate for all private child placing agencies contracted with the Department. The language requires a report on the per diem cost for foster care services administered by the Department. (Sec. 546)
9. **FIP Incentive Payment.** The Conference modified Senate language describing a \$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)
10. **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: 6-27-08

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