



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 988 (Substitute S-1 as reported)
Sponsor: Senator Peter MacGregor
Committee: Appropriations

CONTENT

The bill would amend the Social Welfare Act to remove a sunset date on requirements that the Department of Health and Human Services (DHHS) pay the county cost share for certain services provided by private foster care providers. Under current law, the DHHS is responsible for the following until September 30, 2018: 1) 100% of a \$9.20 increase for the administrative rate for existing and new foster care cases; 2) 100% of the administrative rate for new foster care cases; and 3) 100% of the costs of the rate increase that is provided to residential foster care providers.

The bill would eliminate the sunset date on these payment amounts and retain language that these payments are subject to appropriations by the Legislature.

MCL 400.117a

FISCAL IMPACT

By eliminating the sunset date, the bill would require the State to continue payments in future years in amounts similar to those provided in the current fiscal year, with the assumption that the administrative rates and caseload remain constant. If the bill is not enacted, then as of September 30, 2018, counties will be responsible for 50% of these payments. The estimated overall costs that county governments will be required to spend from their Child Care Fund, if the bill is not enacted, is approximately \$8.0 million annually, as follows:

- Administrative rate for new foster cases: \$7.5 million.
- Private residential foster care services rate increase: \$0.5 million.

Date Completed: 5-22-18

Fiscal Analyst: John P. Maxwell

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Bill Analysis @ www.senate.michigan.gov/sfa

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