



Senate Fiscal Agency
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Senate Bill 426 (as reported without amendment)
Sponsor: Senator Paul Wojno
Committee: Civil Rights, Judiciary, and Public Safety

CONTENT

The bill would amend the Social Welfare Act to allow the Department of Health and Human Services (DHHS) to adjust the juvenile justice and residential per diem rate as needed. The per diem rate would have to remain within the appropriated amount provided in the annual budget. The Department could make changes to provider service agreements to respond to bed shortages, staff retention, and service needs.

Proposed MCL 400.117k

BRIEF RATIONALE

Governor Gretchen Whitmer signed Executive Order 2021-6 on June 9, 2021, which created the Task Force on Juvenile Justice Reform (Task Force) within the DHHS. The Task Force was charged with analyzing Michigan's juvenile justice system and recommending changes to State law, policy, and appropriations aimed to improve youth outcomes. Among other recommendations, the Task Force recommended that "the DHHS be granted statutory authority to adjust per diem rates within [its] appropriated fiscal budget and make changes to provider service agreements to respond in a more flexible way to bed shortages, staff retention challenges, and service needs".¹

PREVIOUS LEGISLATION

(Please note: This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)

Senate Bill 426 is a companion bill to House Bill 4632.

Legislative Analyst: Tyler P. VanHuyse

FISCAL IMPACT

The bill would not have a significant fiscal impact on the DHHS. It would have a limited fiscal impact on local units of government. The bill would allow the DHHS to adjust juvenile justice residential per diem rates as necessary; however, the rates would have to stay within the appropriated amount requiring no additional appropriations. If residential per diem rates were raised, it could have a negative fiscal impact on counties as these costs are shared with counties; however, given the constraints of the rate setting, the impact would be minimal.

Date Completed: 10-3-23

Fiscal Analyst: Humphrey Akujobi

¹ *Michigan Task Force on Juvenile Justice Reform Report and Recommendations*, p. 17, July 22, 2022.