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ANALYSIS

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FY 2002-03 Year-to-Date Gross Appropriation	\$4,078,842,900
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Changes from FY 2002-03 Year-to-Date:

Items Included by the Senate and House

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| 1. Budget Savings. The budget includes reductions associated with the hiring freeze, and two early retirement programs and two executive orders and offset by additional funds for related early retirement payouts. | (74,283,100) |
| 2. Technology. The budget includes additional funds for legal support contracts, distribution computer system, and Food Stamp error rate. The reductions included are CSES development, SDU and data system enhancements, and Project Zero. | (14,145,600) |
| 3. Children and Youth Services. The budget includes a 1,046 Title IV-E Foster Care caseload reduction, a 500 Adoption Subsidy caseload increase, and a net savings associated with a detention services reduction. | (15,514,600) |
| 4. Economic Adjustments. | 111,000 |
| 5. Other Adjustments. The State Disability Assistance caseload is increased by 500 cases and Homestead Property Tax Credit and the Transitional Work Support funds are eliminated. An increase in Federal grants is offset by one-time Federal contingency fund 2003 transfers. | (46,909,700) |

Conference Agreement on Items of Difference

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| 6. Child Care Fund (CCF). The Conference Committee maintains county reimbursement at 50%, a net increase for out-of-home and in-home services. | 11,963,300 |
| 7. Program Reductions. Anticipated Maxey Training School excess property sale proceeds of \$5 million are appropriated for reductions in Salaries and Wages and Contractual Services, Supplies, and Materials in the Executive Operations Unit. The reductions in burial payments, supervised living contracts, use of Federal Bootcamp Programs funds, and adjustments made to reach target agreements are also included. | (15,288,000) |
| * The Governor vetoed the contingent funds from Maxey excess property sale. | |
| 8. Family Independence Program. The Conference Committee adds \$31.3 million GF/GP to support a caseload reduction of 5,635 to an average 74,065 cases and a decrease of \$18 for the average cost per case, reduces the Kinship Care Program by 10% and includes a \$40 per child School Clothing Allowance. | (7,000,000) |
| 9. Day Care Services. The Conference Committee includes an increase of 2,986 cases and an increase of \$6 in the average cost per case, reduces the Before & After School Programs by 10% and adds \$9.9 million GF/GP for caseload. | 43,018,000 |
| 10. Legislative Initiatives. The Conference Committee includes the Senate Fatherhood and Marriage Initiatives and the House's Individual Development Accounts (IDAs) and Welfare to Career Work Innovation Grants. | (1,490,000) |
| * The Governor vetoed the Initiatives, IDA, and work grants. | |

Total Changes	(\$119,538,700)
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FY 2003-04 Enacted Gross Appropriation	\$3,959,304,200
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*Vetoed by the Governor

Changes from FY 2002-03 Year-to-Date:Items Included by the Senate and House

1. **Hiring Freeze.** The Governor provides for all positions to be included in the freeze. The Senate and House concur. (Sec. 205)
2. **Prevention Services.** The Governor does not include an annual status report. The Senate and House include a status report on prevention services for children. The Conference Committee concurs with the Senate and House. (Sec. 524)

Conference Agreement on Items of Difference

3. **Local Office Consolidations.** The Senate includes current year language. The House amends the section with a consolidation plan mandate for local field offices that have more than 10 offices. The Conference committee concurs with the House for a \$2 million savings. (Sec. 261)
4. **Policy Changes Report.** The Senate provides for an annual report on policy changes. The House does not concur. The Conference Committee concurs with the Senate and includes policy changes on child support and adult and child safety. (Sec. 273)
5. **Billboard Advertising.** The Senate includes a restriction on billboard advertising. The House eliminates "billboards" from language. The Conference Committee provides no funds for billboard advertising unless required by State or Federal law. (Sec. 275)
6. **Penalty Refund.** The Senate includes various program enhancements. The House provides a \$10.2 million appropriation for FY 2003-04 (Sec. 413) and a revised FY 2002-03 appropriation of \$16.1 million and repeals the section. The Conference Committee includes a compromise to Section 413 enhancements and concurs with the House on the repealers. (Secs. 1001 and 1002)
* ***The Governor vetoed 11 items in Section 413.***
7. **Initiatives.** The Conference Committee includes TANF to provide Fatherhood and Marriage Initiatives to enhance family formation and support. (Secs. 415 and 416)
* ***The Governor vetoed Sections 415 and 416.***
8. **Community Action.** The House permits 3.75% of Community Services Block Grant funds for a Bureau of Community Action and Economic Opportunity and a Commission on Community Action and Social Opportunity to advocate for low-income State residents. The Conference Committee concurs with the House. (Sec. 417)
9. **Employment Support.** The House provides \$200,000 in TANF funds for Michigan IDA savings programs, \$40,000 in TANF funds for Welfare Career Innovative Grants in 4 counties across the State. The Conference Committee concurs with the House. (Secs. 418 and 420)
* ***The Governor vetoed Sections 418 and 420.***
10. **Teenage Parent Counseling.** The House amends the language with a 10% match provision for program contractors. (Sec. 523)
11. **Foster Care Services.** The Senate language mandates case to worker ratio not to exceed the department's ratio, if providers are to receive the first opportunity for service provision. The House concurs and adds other government agencies ratio to be considered. The Conference Committee concurs with the Senate. (Sec. 537)
12. **Child Care Fund Incentives.** The Senate provides grants to private providers. The House concurs with the Executive on county incentives and the Senate to reduce need for out-of-home services. The Conference Committee does not include the language. (Sec. 540)
13. **Criminal Sexual Conduct.** The House provides for education and training planning to reduce under age youth conduct and mandates a report on the plan. The Conference Committee concurs. (Sec. 543)
14. **Five-year Assistance Limit.** The Senate permits welfare payments past the Federal 5-year limit. The House mandates continued payments. The Conference Committee concurs with the Senate. (Sec. 648)
15. **Excess Maxey Property.** The House includes pursuit of property sale. The Conference Committee includes proceeds from the sale to be used for salaries and wages and other administrative costs. (Sec. 716)
* ***The Governor vetoed Section 716.***

Date Completed: 8-19-03

Fiscal Analyst: Constance Cole