



Senate Fiscal Agency  
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# BILL ANALYSIS

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House Bill 5882 (as introduced)  
Committee: Appropriations

<b>FY 2009-10 Year-to-Date Gross Appropriation .....</b>	<b>\$5,916,921,000</b>
<b>Changes from FY 2009-10 Year-to-Date:</b>	
1. <b>Caseload Adjustments.</b> The appropriation was adjusted for anticipated changes in program caseloads. Increases were assumed in the Food Assistance Program (\$896.3 million Gross), Family Independence Program (\$56.5 million GF), Child Care Fund (\$9.1 million GF), and State Disability Assistance (\$3.4 million GF). Caseload savings were assumed in the Child Development and Care (-\$15.7 million Gross/-\$7.7 million GF), Foster Care (-\$24.0 million Gross/-\$3.5 million GF) and Adoption Subsidy programs (-\$5.7 million Gross/\$1.0 million GF).	923,253,600
2. <b>Line Item Base Adjustments.</b> The Governor adjusted a number of lines to account for anticipated need and changes in grant revenues. Increased costs were assumed in the Rent line (\$5.7 million Gross/\$4.1 million GF), Bridges eligibility program (\$4.4 million Gross/\$2.8 million GF), and Electronic Benefits Transfer (\$6.6 million Gross/\$3.9 million GF/GP) lines. Increased Federal funds were recognized for the Community Services Block Grant (\$1.4 million), Weatherization (\$9.0 million), Refugee Assistance (\$6.5 million), and Food Stamp administration (\$9.4 million).	37,546,700
3. <b>Child Welfare Improvements.</b> The Governor proposed additional spending items to meet the requirements of the Children's Rights lawsuit settlement agreement. The appropriation recognized 495.0 additional FTE (\$15.5 million Gross/\$11.8 million GF), and child welfare information technology changes (\$10.5 million Gross/\$5.2 million GF). Policy changes to increase eligibility for foster care, adoption and subsidized guardianship services to age 20 accounted for another \$7.2 million Gross/\$3.7 million GF.	35,179,900
4. <b>New Staff.</b> In addition to the Child Welfare staff adjustments linked to the lawsuit settlement, the Governor funded another 382.0 FTE and allocated \$4.2 million GF to retain limited-term staff added in FY 2009-10. Of this total, funds were provided for 175.0 disability-determination reconsideration staff (\$21.9 million Gross / \$91,300 GF), and the restoration of 197.0 staff eliminated in FY 2009-10 (\$15.4 million Gross/\$9.6 million GF).	38,188,300
5. <b>New Programs / Costs.</b> The Governor recognized \$2.0 million in additional restricted revenue for child advocacy centers and sexual assault treatment and services linked to statutory changes. The Governor also allocated \$20.0 million in Emergency TANF contingency revenue for the restoration of the JET Plus job training program in five urban regions of the State (Detroit, Flint, Saginaw, Grand Rapids, Muskegon).	23,164,100
6. <b>GF/GP Savings Items.</b> The Governor recognized GF/GP savings through employment and training reductions in DELEG (\$7.6 million GF), reduced utilization of residential foster care services (\$3.6 million Gross/\$1.8 million GF), elimination of incentive payments to private agencies for relative licensure (\$2.5 million Gross/\$1.2 million GF), elimination of specialized independent living foster care rates (\$1.8 million Gross/\$351,000 GF), greater enrollment in Federal disability programs (\$2.0 million Gross/\$5.3 million GF), and information technology administration changes (\$1.4 million Gross/\$472,400 GF).	(15,815,600)
7. <b>Economic Adjustments.</b>	45,897,700
<b>Total Changes.....</b>	<b>\$1,087,414,700</b>
<b>FY 2010-11 Governor's Recommendation.....</b>	<b>\$7,004,335,700</b>

**Changes from FY 2009-10 Year to Date:**

1. **Multiple Employee Travel Prohibition.** Current language prohibiting the Department sending more than one employee to a conference or seminar outside the State was not included in the Governor's recommendation. (Sec. 219)
2. **Foster Care Standards.** Language describing placement stability measures for children in foster care was not included in the Governor's recommendation. (Sec. 270)
3. **Chief Executive Officer Contracting Language.** The Governor's recommendation included new language that would prohibit the Department from contracting with a non-profit organization that provides its Chief Executive Office with compensation greater than 150% of the Governor's salary and wages. (Sec. 283)
4. **Contingency Funds.** The recommendation included current law boilerplate providing \$200.0 million in Federal authorization, \$5.0 million in state restricted authorization, \$20.0 million in local authorization and \$20.0 million in private authorization for use for transfer. (Sec. 284)
5. **Medicaid Estate Recovery.** The Executive budget recommendation eliminated current law boilerplate requiring the Department to work with the Department of Community Health provide a report to the Legislature estimating collections achieved through a Medicaid estate recovery program. (Sec. 297.)
6. **Foster Care Assignment.** Current law boilerplate requiring the Department to place all foster care children in their home county or within 75 miles of their home was not included in the Executive Recommendation. (Sec. 536)
7. **Foster Care Rates.** Language that specifies the daily administrative rate for privately supervised foster care services, the rate for privately supervised independent living foster care services, and establishing a new public per-diem was not included in the recommendation. (Sec. 546)
8. **Foster Care Contracting Preference.** The Governor's recommendation eliminated current boilerplate establishing contracting preferences for foster care services. The language prohibited the Department from contracting with a for-profit child placing agency, or a non-profit agency that uses a for-profit management group. (Sec. 566)
9. **Relative Caregiver Licensure Grant.** The Governor eliminated boilerplate providing \$2.5 million for contracts with non-profit child agencies for the licensure of relative caregivers as foster parents. The language also provided \$375,000 for family incentive grants for providers for home improvements and physical exams for foster children. (Sec. 574)
10. **Child Welfare Improvement Report.** Current law requires the Department to provide a quarterly report to the Legislature with all required child welfare data included in the appropriation act. The report includes a status update for meeting the requirements of the Children's Rights lawsuit settlement agreement. The Governor's recommendation adjusted the language to require the report every six months. (Sec. 582)
11. **Food Assistance Program Authorization Adjustment.** The Executive recommendation included new boilerplate permitting the Department, with the approval of the State Budget Director and 15 days notice to the Legislature, to increase Federal authorization in the Food Assistance Benefits line to meet projected program caseload. (Sec. 620)
12. **Child Day Care Rates.** The FY 2009-10 DHS appropriation included boilerplate specifying rates paid to providers of child development and care services. The rates were differentiated by provider type and whether the provider had accessed Department training. The Executive recommendation removed boilerplate specifying the rates paid to day care providers and requiring the Department to establish policies for determining eligibility for enhanced reimbursement linked to training requirements. (Sec. 675)
13. **Juvenile Justice Reporting Standards.** Current language requiring the Department to establish a methodology for measuring goals and performance standards for public and privately contracted juvenile justice services was removed. (Sec. 720)
14. **Title IV-D Fee.** Current boilerplate Sec. 911 (2) requires the Department to provide model legislation to the House and Senate appropriations committees establishing a \$25 fee for Title IV-D services. The fee is currently authorized in boilerplate Sec. 911 (1). The language was removed from the Executive recommendation. (Sec. 911)

Date Completed: 2-17-10

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