

Legislative Analysis



PRIVATE CHILD PLACING AGENCY ADMINISTRATIVE RATE FINANCING

Mary Ann Cleary, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5507

Sponsor: Rep. Peter MacGregor

Committee: Appropriations

Complete to 5-30-14

A SUMMARY OF HOUSE BILL 5507 AS INTRODUCED 5-1-2014

House Bill 5507 would amend Section 117a of the Social Welfare Act of 1939 (MCL 400.117a) to require the state to pay for 100% of the administrative rate for providers of foster care services provided in section 546(1) of Article X of 2013 PA 59 for new foster cases established after October 1, 2013. This requirement would only apply during Fiscal Year 2013-14 and Fiscal Year 2014-15.

Under current law, the state reimburses counties at 50% of the annual expenditures from the county's child care fund.

This bill also defines "foster care" for subdivisions (4)(c) and (4)(d) as 24-hour substitute care for children placed away from their parents or guardians in placements supervised by the Department of Human Services (DHS) as a result of a court order or a private child placing agency under contract with DHS for foster care services. Placements include foster family homes, relative homes, group homes, emergency shelters, residential facilities, child care institutions, court-operated facilities, treatment foster care homes, independent living, and preadoptive placements.

FISCAL IMPACT:

House Bill 5507 would increase state costs by \$2.5 million during FY 2013-14 and \$5.0 million during FY 2014-15 and would reduce county costs, on the whole, by the same amount. The state funds needed to support this provision during FY 2013-14 have already been appropriated in Senate Bill 608 (2014 PA 34). The Executive recommendation, House passed version, and Senate passed version for the FY 2014-15 DHS budget all include \$5.0 million GF/GP to support this provision.

Fiscal Analyst: Kevin Koorstra

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