



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 1149 (as introduced 10-20-16)
Sponsor: Senator Peter MacGregor
Committee: Oversight

Date Completed: 11-30-16

CONTENT

The bill would amend the Social Welfare Act to provide for the distribution of appropriations for children in the juvenile justice system as follows:

- **Expenditures for children placed with the Department of Health and Human Services (DHHS) could be paid by the Department or a county, depending on which entity spent the money.**
- **Expenditures for children not placed with the DHHS would have to be paid by a county and reimbursed by the Department.**

The Act provides for the payment of expenses related to juveniles who are in out-of-home placements, such as foster care, county-operated facilities, and private child caring institutions, as well as expenses for in-home care services. The payment structure is largely based on a 50-50 cost share between the State and the counties. Using the Child Care Fund, the State reimburses the per diem costs of community-based programs, residential treatment, or detention for juveniles under court supervision, to the county/circuit court at a 50% rate. Based on this funding mechanism, the counties pay the up-front costs and are reimbursed by the State.

Specifically, Section 117a of the Act includes requirements for the DHHS to distribute money appropriated to counties for the cost of juvenile justice services. Under the bill, the Department would have to distribute money appropriated for purposes described in Section 117a as follows:

- Payment for expenditures for children placed with the DHHS for care, supervision, or placement, including children within the court's jurisdiction under Section 2(a) or 2(b) of the juvenile code, could be paid by the Department or a county, depending on which entity spent the money.
- Payment for expenditures for children not placed with the DHHS for care, supervision, or placement, including children within the court's jurisdiction under Section 2(a) or 2(b) of the juvenile code, would have to be paid by a county and be reimbursed by the Department.

(Section 2(a) of the juvenile code provides for the court's jurisdiction of children who violate the law, run away from home, are disobedient, or are truant. Section 2(b) provides for the court's jurisdiction of children who subject to neglect or abuse.)

The bill generally would retain the existing distribution requirements, as well, subject to several changes. Currently, for a county that is not a "county juvenile agency", the amount distributed must equal 50% of the annual expenditures from the child care fund of the county

(subject to certain limitations). The bill would delete the reference to a county that is not a county juvenile agency. The Act states that this distribution may be reduced by the amount of uncontested liability. The bill would delete that provision. Also, the Act permits the DHHS to reduce the amount distributed to the county by the amount owed to the State for care received in a State-operated facility or for care received under Public Act 220 of 1935 (which provides for the Michigan Children's Institute), or under the Youth Rehabilitation Services Act. Under the bill, this reduction would be subject to a county's approval.

The bill would take effect 90 days after enactment.

MCL 400.117a

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have no fiscal impact on State or local government. The changes in the bill deal with timing of payments or which entity is the first payer of an expenditure; while these changes would affect the timing of revenue, there would be no net change to the overall fiscal structure.

Fiscal Analyst: John Maxwell

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.