



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-2768
Fax: (517) 373-1986
TDD: (517) 373-0543

FY 2004-05 Year-to-Date Gross Appropriation	\$4,260,826,400
---	-----------------

Changes from FY 2004-05 Year-to-Date:Items Included by the Senate and House

1. **Caseloads.** The Governor's recommendation includes the following caseload net increases: Family Independence Program – 1,500 cases; Food Assistance Program – 13,700 cases; State Disability Assistance – 1,400 cases; State Supplementation for SSI – 3,600 cases; and Adoption – 1,400 cases. The recommendation includes the following caseload net reductions: Day Care Services - 200 cases; and Foster Care – 200 cases. The Senate, House and Conference reduce the Governor's caseloads: Adoption - 800 cases; Foster care – 400 cases; SDA – 700 cases; FIP – 500 cases; Day Care – 800 cases. Cost per case increases. 123,452,500

2. **Federal Grants to State.** The Governor includes more funds for: Weatherization - \$2,749,200; Nutrition Education - \$900,100; Domestic Violence - \$660,700; Education Vouchers - \$708,700; and Disability Determination - \$291,100. Recognition of less Federal funds (\$5,714,900) for the Juvenile Accountability Incentive Block Grant is included. The Senate, House and Conference concur. (405,100)

3. **TANF Funding Adjustments.** The Governor's reductions include: \$250,000 Marriage and \$200,000 Fatherhood initiatives; \$250,000 Boys and Girls Club; \$78,500 Pontiac Crisis Intervention; \$75,000 Barry County Domestic Violence; and \$100,000 in Individual Development Accounts (IDA). The Senate, House and Conference increases include: \$500,000 each for the Marriage and Fatherhood initiatives, \$250,000 for Boys and Girls Club, \$317,500 more for the clothing allowance, and restores Pontiac project and IDAs. (1,753,500)

4. **Information Technology (IT).** The Governor's recommendation includes \$278,300 for human resource operations hardware/software costs and the following reductions: \$12,320,000 in the Child Support Distribution Computer System appropriation for lower contract costs, but a funds transfer of \$8,500,000 to the IT Services and Projects for caseworker relief effort resulting in a net \$3,820,000 reduction; and \$3,879,400 savings in IT contracts and payments to DIT. The Senate and Conference concur and includes a reduction of \$685,400 Gross, GF. 10,876,000

5. **Economic Adjustments.** 56,456,400

Conference Agreement on Items of Difference

6. **Children and Families.** The Governor's recommended savings include: a day care 30-day wait for reimbursement, \$21.0 million; foster care strategies \$12,821,600; eliminates post-adoption services, \$641,500; 10% in juvenile facilities' operation, \$7,946,900; Friend of the Court Legal Support contracts, \$5,596,600; and licensing need, \$2.0 million. The Governor includes \$150,000 for electronic tethering increased costs. The Senate House and Conference restores the post-adoption services and includes: a day program re-entry pilot, a stop smoking study, a \$1.2 million specialized foster care rate increase, and reduces \$1.8 million in day care, \$1.5 million in state delinquency facilities, \$100,000 for professional training, and 11% for zone office workers. (24,138,300)

7. **Other Changes.** The Governor's reductions include: Indigent Burial 4% rate, (\$246,200); and food for the elderly contract (\$50,000). The Senate and Conference restores and increases the elderly food contract, \$1,530,800 for local FOC legal support and \$833,300 for a SDA to SSI conversion pilot project. 2,710,600

Total Changes	\$167,198,600
---------------------	---------------

FY 2005-06 Enacted Gross Appropriation	\$4,428,025,000
--	-----------------

*Vetoed by the Governor

Changes from FY 2004-05 Year to Date:Items Included by the Senate and House

1. **Contingency Funds.** The Governor's recommendation provides appropriation of additional funds through transfers approved by the legislature. The Senate, House and Conference do not concur. (Sec. 206)
2. **TANF Reporting.** The Governor's recommendation deletes subsection (2) notifying the legislature on TANF or MOE spending. The Senate, House and Conference include current year language. (Sec. 218)
3. **Faith-based Organizations.** The Governor's recommendation does not include language establishing the use of state funds for sectarian activity in program services. The Senate, House and Conference include current year language. (Sec. 220)
4. **Audit Reviews.** The Governor's recommendation does not include required reports on child and family services reviews. The Senate, House and Conference include current year language. (Secs. 271)
5. **Policy Changes.** The Governor does not require the department to report on each policy change made to enact legislation. The Senate and House include current year language; Conference includes regulatory plan. (Sec. 273)

*** The Governor notes that this section is an amendment by reference and is unenforceable.**

6. **Fatherhood Initiative.** The Governor eliminates TANF funds. The Senate, House and Conference include grants. (Sec. 415).
7. **Marriage Initiative.** The Governor eliminates TANF funds. The Senate, House and Conference include grants. (Sec. 416)
8. **Food for Elderly.** The Governor eliminates contracts. The Senate, House and Conference include 100% increase. (Sec. 423)

*** The Governor vetoed \$50,000 for Muskegon and Kent counties food stamp error rate reduction projects.**

9. **Specialized FC.** The Senate, House and Conference include revised language of \$1.2 million for an increased rate to reduce disparity between private and public service provision. (Sec. 545)
10. **Reading Readiness.** The Governor requires collaboration with Central Michigan University to develop and disseminate Read, Educate, and Develop Youth (R.E.A.D.Y.) Kits to parents of young children. The Senate, House and Conference concur. (Sec. 641) New.

Conference Agreement of Items of Difference

11. **Local Office Consolidation.** The Governor eliminates a county office restructuring plan. The Senate, House and Conference includes restructure and consolidate local zone offices. (Sec. 261)
12. **Restructure Local Zone Offices.** The Conference requires a plan to assist local service delivery effectiveness and efficiency through maximizing state resources. (Sec. 262) New.
13. **Regulatory Reform.** Requires that regulatory reform plans not include proposals promulgating rules that exceed the statutory authority. (Sec. 273).
14. **Employment and Training.** Permits TANF funding for effective family formation program. (Sec. 424)
15. **At-Risk Youth Task Force.** The Senate and Conference require a committee that includes faith-based groups to research resources for transitioning to adulthood. (Sec. 552)
16. **Target Agreement on Welfare Reform.** Requires a pilot program to assist long-term cash assistance recipients to achieve self-sufficiency. (Sec. 679)
17. **MiCSES.** Requires retention of incentive payment funds and allocation to counties, recoupment of earned unclaimed Federal funds; provides funds for system fixes and improvements. (Sec. 901 and 902)
18. **MiCSES Database.** Permits collaboration with community health jointly with FOCs to update and maintain health insurance case information. (Sec. 903)
19. **Internal Revenue Fees.** Prohibits department from charging counties for IRS charges related to tax intercept. (Sec. 904)
20. **Child Support Collections.** Funds allocated to counties for FOC local match. (Sec. 905)

Date Completed: 9-30-05

Fiscal Analyst: Constance Cole