



Senate Fiscal Agency  
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# BILL ANALYSIS

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Senate Bill 232 (S-1, Draft 1, as introduced)  
Committee: Appropriations

*Throughout this document Senate means Subcommittee.*

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| <b>FY 2006-07 Year-to-Date Gross Appropriation .....</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>\$4,468,135,300</b> |
| <b>Changes from FY 2006-07 Year-to-Date:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                        |
| 1. <b>Caseloads.</b> The Governor increased Adoption Subsidies by 567 cases, State Disabilities Assistance by 590 cases, Family Independence Program (FIP) by 18,165 cases, provided \$5.0 million for the Child Care Fund; reduced for Foster Care by 38 cases and SSI State Supplementation by 3,333 cases. The Senate increased FIP by 12,929 cases.                                                                                                                                                                                    | 60,095,500             |
| 2. <b>New Programs and Expansions.</b> The Governor recommended: 257 FTEs for Child Welfare Improvements \$39.5 million Gross, \$35.0 million GF, and State-wide expansion of the Jobs, Education and Training Program \$18.1 million Gross, \$16.3 million GF. The Senate proposed \$40.1 million Gross, \$20.1 million GF for private agencies.                                                                                                                                                                                          | 97,753,100             |
| 3. <b>Federal Program Changes.</b> The Governor recognized: increases of \$4.5 million for the Nutrition Program, \$400,000 for the Child Abuse and Neglect Grant, \$1.8 million for new demonstration projects; and a reduction of \$1.3 million in the juvenile services block grant.                                                                                                                                                                                                                                                    | 5,456,700              |
| 4. <b>Fund Shifts.</b> The Governor recommended fund shifts: TANF to \$11.3 million in other Federal; TANF and Title IV-D to \$43.0 million GF; \$4.3 million in FMAP rate increase; an IDG to DCH of \$1.9 million Gross and \$822,700 of Budgetary Savings are eliminated. A \$3.3 million Gross restricted revenue shortfall replaced with \$1.5 million GF/GP.                                                                                                                                                                         | (4,438,500)            |
| 5. <b>Program Reductions.</b> The Governor recommended policy savings of \$28.6 million Day Care Services and \$60.4 million FIP; program cuts \$4.0 million FAP reinvestment, Indigent Burial \$1.5 million. The Senate restored \$500,000 in Indigent Burial.                                                                                                                                                                                                                                                                            | (96,068,900)           |
| 6. <b>IT Adjustments.</b> The Governor recommended IT systems increases of \$14.0 million Gross, \$9.3 million GF for the Integrated Service Delivery System (Bridges) development and \$2.2 million Gross, \$0 GF for Child Support Automation to correct amount of available Federal funds. Also recommended is reduction of \$297,800 Gross, \$119,200 GF.                                                                                                                                                                              | 15,884,300             |
| 7. <b>Staffing Allocations.</b> The Governor recommended increases of \$3.7 million Gross, \$0 GF for 45 FTEs Donated Funds positions and \$240,000 Gross, \$0 GF for 1.0 FTE Children's Trust Fund, and \$118,700 Gross, GF County Juvenile Officers. The Senate reduced 884.0 foster care and juvenile justice staff (\$76.5) million gross, (\$31.3) million GF.                                                                                                                                                                        | (72,593,800)           |
| 8. <b>Legislative Initiatives.</b> The Governor cut \$3.2 million Marriage and Fatherhood and \$17.4 million Gross, \$2.4 million GF in following programs: CAA's TANF; \$2 million FOC incentives, \$3.6 million for Barry County DV services, Boys and Girls Clubs, MiCAFE, Crisis Homeless, YIT rate, Pontiac Center, R.E.A.D.Y Kits, GR Youth Commonwealth, MI After-School, MI 2-1-1, Wayne County prevention, and EITC. The Senate restored all but R.E.A.D.Y Kits, CAA's TANF, YIT rate increase, and Lansing and Washtenaw Crisis. | (3,922,000)            |
| 9. <b>Economic Adjustments.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 35,540,500             |
| 10. <b>Other Changes.</b> The Governor recommended elimination of \$350,000 Gross, \$245,000 GF for audio video equipment and \$1.5 million Gross, GF for early retirement payouts made between FY 2002-03 and FY 2006-07. The Senate restored the video allocation.                                                                                                                                                                                                                                                                       | (2,630,800)            |
| 11. <b>Comparison to Governor's Recommendation.</b> The Senate is \$42.6 million Gross, \$20.7 million GF/GP under the Governor.                                                                                                                                                                                                                                                                                                                                                                                                           |                        |
| <b>Total Changes.....</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>\$35,076,100</b>    |
| <b>FY 2007-08 Senate Appropriations Subcommittee Gross Appropriations .....</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>\$4,503,211,400</b> |

**Changes from FY 2006-07 Year to Date:**

1. **Payments to Local Units of Government.** The Governor proposed a \$10.0 million increase. The Senate concurred with the Governor's proposal. (Sec. 201)
2. **Privatization Evaluation.** The Governor's proposal did not include the mandate for a project plan. The Senate did not concur. (Sec. 207)
3. **Faith-based Organizations.** The Governor's recommendation did not provide contract restrictions for religious organizations and non-sectarian services. The Senate did not concur. (Sec. 220)
4. **Rapid Re-determination.** The Governor did not require Medicaid rapid re-determination for nursing home patients within 45 days. The Senate did not concur. (Sec.225)
5. **Department Local Office Consolidations.** The Governor's proposal does not include a mandate to develop and implement a plan to restructure county offices. The Senate did not concur. (Sec. 261)
6. **Revenue Maximization Contract.** The Governor's recommendation includes changes to increase revenues, a quarterly report on project efforts and savings achieved. The Senate did not concur. (Sec. 278)
7. **Legislative Initiatives.** The Governor's recommendation eliminates language sections related to the initiatives. The Senate did not concur. (Secs. 304, 306, 307, 419, 420, 423(1)(2) (3), 424, 560, 565, 657, 658,668, 676(2), 753)
8. **Foster Care Performance Based Contracts.** The Governor's proposal includes continued implementation and a report of the agencies' permanency achievement status. The Senate proposed the use of contracts. (Sec. 515)
9. **Fatherhood and Marriage.** The Governor's recommendation rennumbers Secs. 415 and 416, eliminates "responsible fatherhood" and "healthy marriage promotions" funds. The Senate did not concur. (Secs. 568 and 569)
10. **Private FC Direct Services.** The Senate recommended licensed, non-profit private agencies' contracted service delivery. (Sec. 566)
11. **Title IV-E Funds.** The Senate recommended a policy review of residential facilities' eligibility with a goal of maximizing funds available for the State. (Sec. 567)
12. **Child Welfare Improvements.** The Senate proposed private sector competition for direct service funds. (Sec. 568)
13. **Jobs, Education and Training (JET).** The Governor's recommendation includes language stating that FY 2007-08 State-wide expansion of the JET pilot program funds shall not be allocated until program savings have been achieved. (Sec. 682)
14. **Delinquency Direct Services.** The Senate recommended licensed, non-profit private agencies' be contracted to provide service delivery. (Sec. 724)
15. **Family Resource Centers.** The Governor's recommendation mandates a August 2008 report that includes budget implications and outcomes. The Senate did not concur. (Sec. 751)
16. **Private Agencies' Staff Training.** The Governor's proposal rennumbers Section 421 language that permits agencies to conduct their own training. The Senate concurred. (Sec. 754)
17. **Lead Testing.** The Governor's proposal does not include a mandate to provide lead testing in day care facilities. The Senate did not concur. (Sec. 1003)
18. **Performance Based Licensing System.** The Governor's recommendation mandates implementation of a model to assure compliance with policies and statutory mandates. The Senate revised the section. (Sec. 1005)

Date Completed: 4-18-07

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