

Legislative Analysis



CHILD PLACING AGENCY ADMINISTRATIVE RATE FINANCING

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House Bill 4961

Sponsor: Rep. Peter MacGregor

Committee: Appropriations

Complete to 9-5-13

A SUMMARY OF HOUSE BILL 4961 AS INTRODUCED 9-4-13

House Bill 4961 would amend Section 117a of the Social Welfare Act (MCL 400.117a) to require that the Department of Human Services (DHS) pay for the full amount of the \$3 administrative rate increase for private providers of foster care services as provided in Section 546(4) of the DHS FY 2013-14 Appropriations Act (Article X of 2013 PA 59).

Under current law, the state is required to fund 50% of the cost of care for eligible child welfare and juvenile justice services funded through County Child Care Funds.

FISCAL IMPACT:

This bill would increase state costs by approximately \$500,000 and decrease county costs by the same amount. The FY 2013-14 DHS budget provides funding to support this change.

The FY 2013-14 DHS budget provides \$5.1 million Gross (\$3.8 million GF/GP) to increase private child placing agency administrative rates from \$37 per child per day to \$40. The FY 2013-14 DHS budget also includes boilerplate section 546(4) which states that the \$3 rate increase would only be provided if the Social Welfare Act is amended to eliminate the county matching requirement for this increase.

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