



Senate Fiscal Agency
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BILL ANALYSIS

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FY 2003-04 Year-to-Date Gross Appropriation	\$4,109,439,900
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Changes from FY 2003-04 Year-to-Date:

Items Included by the House and Senate

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| 1. Caseloads. The Conference Report includes caseload and cost per case adjustments: Family Independence Program - 2,935 cases; Food Assistance Program - 99,900 cases (includes waiver for 75,000 cases); Day Care Services - 828 cases; State Disability Assistance - 1,461 cases; State Supplementation for SSI - 4,900 cases; Adoption Subsidies - (754) cases; and Foster Care - 568 cases | 180,208,700 |
| 2. Child Support Services. The Conferees concur with the Executive proposal of paternity testing on babies born out-of-wedlock to avoid Federal penalties. | 4,530,700 |
| 3. Medical History Determination. The Conference Report includes the Executive's increased cost for Social Security disability applicants' medical histories. | 1,600,000 |
| 4. Juvenile Justice Services. The Report includes 20% contracts reduction and \$1,115,200 savings for Sequoyah closure. | (1,775,200) |
| 5. Budgetary Savings. The Conferees agree in the Executive's proposal for a 7% increase for employee-related economics, but due to pressures of reduced State revenue the recommendation reduces the increase by 5% for savings. | (25,007,300) |
| 6. Economic Adjustments. The Conferees include the Executive's 7% economic increase. | 63,529,300 |
| 7. Other Changes. The Conferees concur with replacing penalty revenues with \$14,063,400 GF, a Food Assistance Reinvestment Program reduction, and a net increase from the transfer of E.O. 2003-18. Two new positions for fraud detection, a 1% CSS&M reduction, retirement and split pay savings, and elimination of the Grand Tower facility bond reimbursement line are included. | (3,248,000) |

Conference Agreement on Items of Difference

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| 8. Foster Care and Adoption. The Conference Report includes a permanency placement initiative, Adoption Subsidies savings of \$12.3 million, adds a 3% increase for Foster Care and Adoption private agencies and a 1% increase for foster care and adoptive parents. | (6,460,100) |
| 9. Initiatives. The Conference Report includes: Homeless prevention - \$100,000; MiCAFE - \$50,000; IDA Program - \$200,000; Earned Income Tax Credit Education - \$500,000; Fatherhood - \$200,000; Marriage - \$250,000; Pontiac Crisis Intervention - \$78,500; and Michigan Housing and Community Development Fund - \$2,000,000; and Barry County domestic violence services- \$75,000. | 3,453,500 |
| 10. Cash Assistance. The Conferees make TANF adjustments: reduce Kinship Care to \$1million; a \$5 million Before-and After-School Program; a Clothing Allowance \$2.1 million increase with eligibility determined by the department; \$250,000 for Boys and Girls Clubs; and includes a \$14.5 million fund shift. Also a \$459,700 LIHEAP increase; a \$15 million Day Care fraud savings; and a \$3.2 million increase for Community Services Block Grant. | (13,494,900) |
| 11. Information Technology. The Report includes reductions in desk-top services, \$12 million in the Child Support Enforcement System, and a \$8.7 million Gross (7%), \$2 million GF DIT reduction. | (21,249,900) |

Total Changes.....	182,086,800
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FY 2004-05 Conference Report Gross Appropriation	\$4,291,526,700
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2003-04 Year to Date:Items Included by the House and Senate

1. **Local Office Consolidation.** The Report includes a five-year plan for county office restructuring. (Sec. 261)
2. **Individual Development Accounts.** The Report allows expansion of IDA savings programs. (Sec. 418)
3. **Michigan Children's Institute.** The Report requires discontinuation of the consent or denial reviews. (Sec. 501)
4. **Before- and After-School.** The language requires a state-wide, competitively bid program, with a 25% match to the allocation. (Sec. 657)
5. **Boys and Girls Clubs.** The language allows spending of \$250,000 in TANF funds. (Sec. 668)

Conference Agreement on Items of Difference

6. **Travel Restrictions.** The Report includes target agreement limiting State employee travel. (Sec. 217)
7. **Evaluate Efficiency Using Contracts.** The Report requires FIA to contract with private firms to maximize federal funds and program efficiencies and savings, including fraud detection. (Sec. 278)
8. **Fraud Detection.** The Report appropriates 2 positions to detect child day care program fraud. (Sec. 303)
9. **Community Services Block Grant.** The Report adds \$500,000 in TANF for tax credit education programs. (Sec. 414)
10. **Fatherhood Initiative.** The Report includes \$200,000 in TANF funds and access to available Federal HHS grants. (Sec. 415)
11. **Marriage Initiative.** The Report includes \$250,000 in TANF funds and access to available Federal HHS grants. (Sec. 416)
12. **Community Action and Economic Opportunity Bureau.** The Conferees approves reporting on the Bureau and the Commission on Community Action and Social Opportunity implementation. (Sec. 417)
13. **Private Agency Staff Training.** The Report requires FIA to allow private agencies to train their staff with FIA providing training materials. (Sec. 421)
14. **Food for Elderly.** The language allows food stamp funds for hot line State match and Civil Justice Center contract. (Sec. 423)
15. **Permanency Placements.** The Report requires private nonprofit agencies' contracts for managed care approach to foster care placements. (Sec. 515)
16. **Foster Care Cases' Ratio.** The Report requires that private nonprofit agencies have first opportunity to provide services when the cases-to-worker ratio is no greater than 20 cases. (Sec. 537)
17. **Foster Care Rate Increase.** The language includes a 3% rate increase for private Foster Care and adoption agencies and a 1% rate increase for Foster Care and adoptive parents. (Sec. 545)
18. **Disproportionate Cultural Representation Study.** The language requires a study and report of the representation of children of color in the State's child welfare and juvenile justice systems. (Sec. 548)
19. **Clothing Allowance.** The language provides \$6,850,000 with eligibility defined by the Department. (Sec. 669)
20. **Child Care Rate Structure.** The Report requires exploration of costs using the market rate survey to implement a new day care rate structure; March 1 report. (Sec. 675)
21. **Juvenile Facilities.** The language requires notification to the legislature prior to any status change. (Sec. 719)
22. **Family Resource Centers.** The language requires implementation based on specific criteria. (Sec. 751)
23. **Child Advocacy Centers.** The Report requires FIA to research possible funding for centers in the State. (Sec. 752)
24. **Lead Testing.** The Report requires testing with available Federal funds prior to day care licensure. (Sec. 1003)

Date Completed: 9-8-04

Fiscal Analyst: Constance Cole

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.