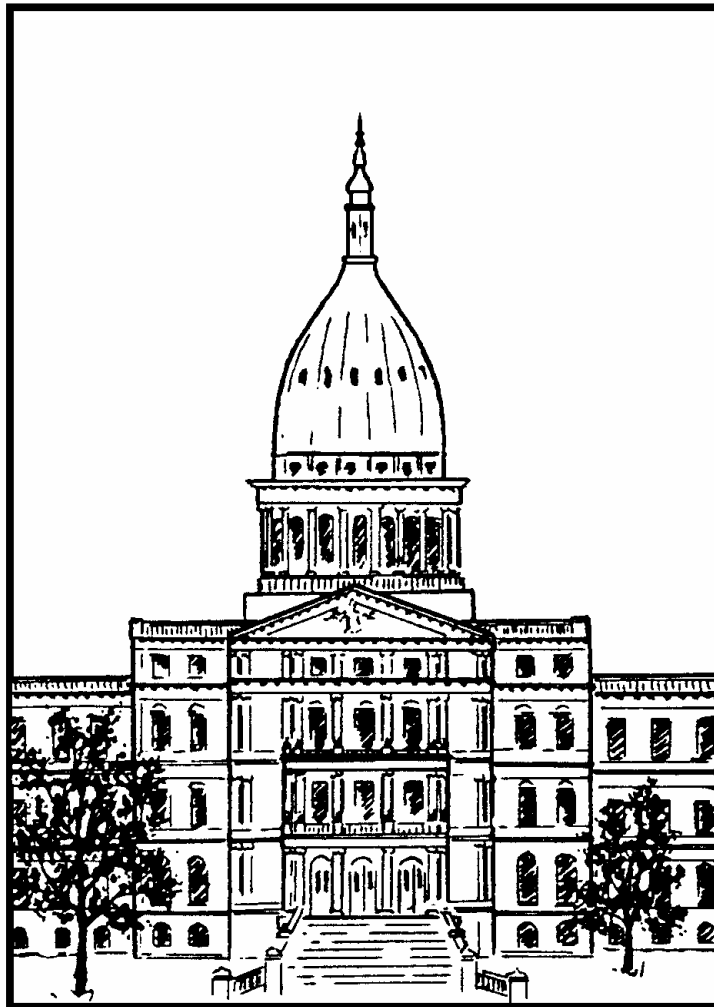


FY 2003-2004 APPROPRIATIONS REPORT FAMILY INDEPENDENCE AGENCY

Public Act 172 of 2003



Prepared by:
Erin Black, Fiscal Analyst
Richard Child, Fiscal Analyst
Tumai Burris, Budget Assistant

December 2003

TABLE OF CONTENTS

	<u>Page</u>
Introduction.....	1
Overview	2
Major Budget Changes.....	4
Major Boilerplate Changes	5
Vetoes: FY 2003-2004.....	8
 Part 1 Line-Item Detail	
Executive Operations.....	10
Family Independence Services Administration	12
Child Support Enforcement.....	14
Child and Family Services	15
Juvenile Justice Services.....	24
Local Office Staff and Operations	26
Disability Determination Services	29
Central Support Accounts.....	30
Public Assistance.....	33
Information Technology	37
 Part 2 Boilerplate Items	
General Sections	38
Executive Operations.....	40
Family Independence Services Administration	40
Child and Family Services	40
Public Assistance.....	42
Juvenile Justice Services.....	44
Local Office Services	45
Disability Determination Services	45
Child Support Enforcement.....	45
FY 2002-03 CSES Penalty Refund Appropriation.....	45

INTRODUCTION

The Family Independence Agency (FIA) budget for FY 2003-2004 is contained in P.A. 172 of 2003 (Enacted **Senate Bill 283**).

This report describes legislative action regarding the Family Independence Agency budget appropriations act. It begins with a brief overview which highlights the major features of the FY 2003-2004 budget. The overview is followed by sections that summarize major budget and boilerplate changes from the prior year. Governor's vetoes are then addressed. The report concludes with detailed descriptions of all budget decisions, including legislative action taken on boilerplate items.

In signing Enrolled Senate Bill 283 into law on August 13, 2003, **the Governor vetoed part of boilerplate section 413 and sections: 415, 416, 418, 420, and 716.** Veto action is described in some detail on page 8 of this document.

Unless otherwise noted, all changes in this report are from the FY 2002-2003 Year-to-Date appropriations as of February 26, 2003 for the Family Independence Agency.

FAMILY INDEPENDENCE AGENCY PUBLIC ACT 172 OF 2003

*Difference: Enacted
from FY 2002-03 YTD*

	FY 2002-03 YTD (as of 2/26/03)	Executive	Senate	House	Enacted	Amount	%
IDG/IDT	\$978,800	\$1,055,800	\$1,055,800	\$1,055,800	\$1,055,800	\$77,000	7.9
Federal	2,773,916,471	2,697,630,071	2,697,630,050	2,702,130,150	2,679,842,950	(94,073,521)	-3.4
Local	66,956,700	65,097,100	65,097,100	65,097,100	65,097,100	(1,859,600)	-2.8
Private	9,856,850	9,472,150	9,472,150	9,472,150	9,472,150	(384,700)	-3.9
Restricted	70,370,500	70,096,800	70,096,800	70,096,800	70,096,800	(273,700)	-0.4
GF/GP	1,115,085,079	1,102,339,379	1,102,339,400	1,102,344,900	1,133,739,400	18,654,321	1.7
Gross	\$4,037,164,400	\$3,945,691,30	\$3,945,691,300	\$3,950,196,900	\$3,959,304,200	(\$77,860,200)	-1.9
FTEs	12,501.1	10,771.6	10,771.6	10,774.6	10,774.6	(1,726.5)	-13.8
	Introduced 03/06/2003	Passed Senate 05/06/2003	Passed House 06/12/2003	Enrolled 07/16/2003	Enacted 08/13/2003		

OVERVIEW

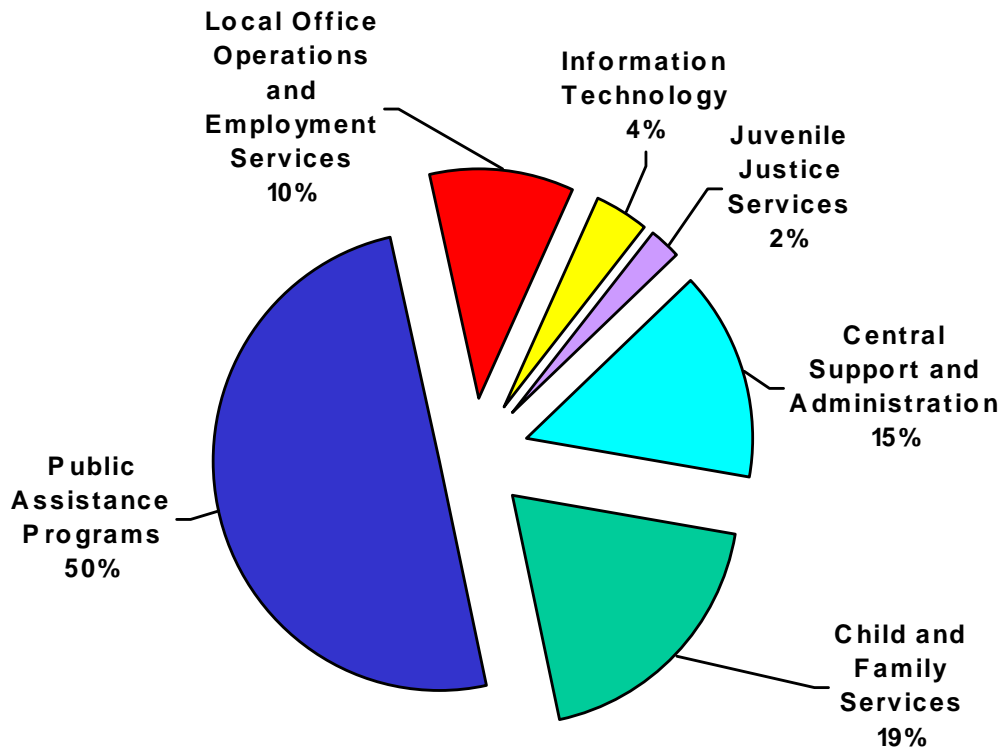
The Family Independence Agency (FIA) budget provides funding for a wide range of programs and services to help improve the quality of life in Michigan by protecting children and vulnerable adults, delivering juvenile justice services, and providing support to strengthen families and individuals striving for independence. The FY 2003-04 enacted budget includes Gross appropriations of \$3.96 Billion and General Fund/General Purpose funding of \$1.13 Billion.

The graph below depicts the composition of the FY 2003-04 Enacted Budget. Approximately 50% of the funding is allocated for Public Assistance Programs including Day Care Services, Family Independence Program grants, State Disability Assistance, SSI State Supplementation, Food Assistance, State Emergency Relief, Low-Income Energy Assistance LIHEAP, and Weatherization.

Child and Family Services delivered to clients both directly by FIA and through local agencies make up 19%. Major service areas include Foster Care, Adoption Subsidies and Support, Family Preservation and Prevention Programs, Child Care Fund, Youth in Transition, Domestic Violence Prevention and Treatment, Refugee Assistance, and Teenage Parent Counseling.

The Local Operations and Employment Services area reflects another 10%, while Juvenile Justice Services, Information Technology funding, and Central Support and Administration add 2%, 4%, and 15% respectively to the Department's budget.

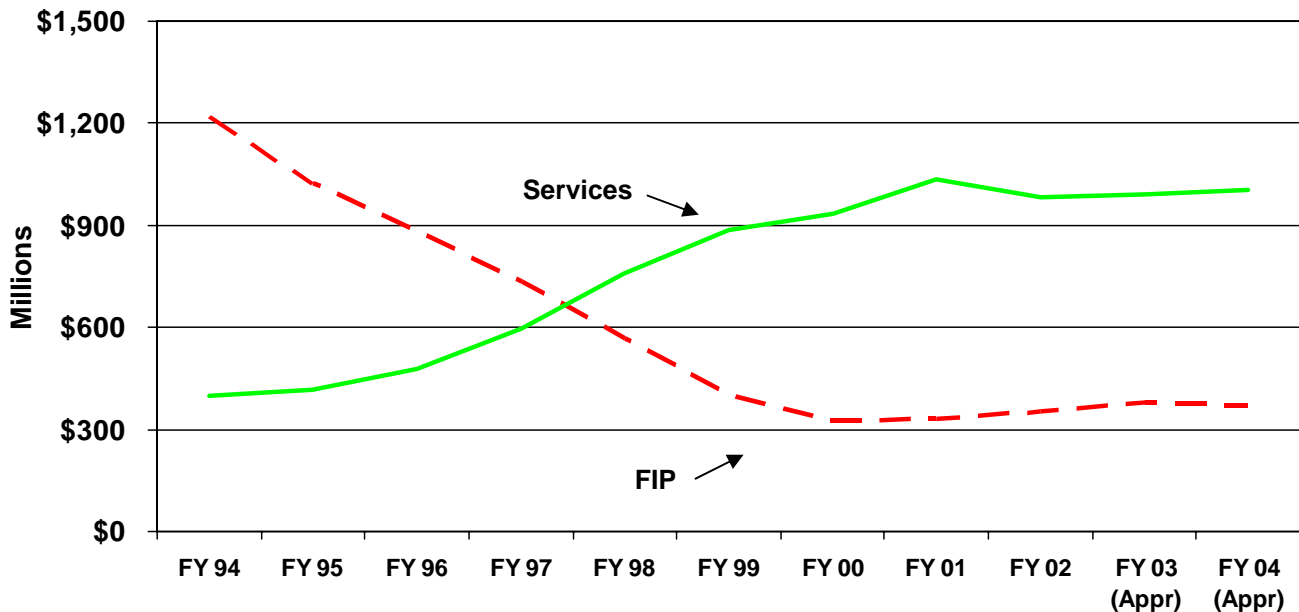
Major Spending Categories



The following graph illustrates recent funding trends for the Family Independence Program (FIP) and the four largest services programs administered by the FIA: foster care, child day care, adoption subsidies and support services, and family preservation and prevention services. The trend between FY 1993-94 and 1999-2000 depicts a sharp decline in FIP spending as the caseload decreased from 223,600 to 72,770 during that period. The caseload began to level-off in FY 2000-01 and even increased to a budgeted level of 74,065 for FY 2003-04, due to a softening economy which has resulted in fewer employment opportunities for FIP clients.

Spending on major services has increased from \$389 million in FY 1993-94 to a little over \$1.0 billion in FY 2000-01. During this time, day care expenditures have risen as families have moved off FIP, foster care and adoption expenditures reflect an increase in caseload spending, and an expansion of programs has led to increased spending in family preservation services. However, as the chart reflects, starting in FY 2001-02, day care caseload spending growth has slowed and many delinquency cases previously funded in foster care program line items are now funded in the Child Care Fund line item.

Family Independence Program (FIP) Compared to Major Services Expenditures Fiscal Years 1994 - 2004



Services: Day Care; Foster Care; Adoption; Family Preservation

NOTE: FYs 1993-94 through 2000-02 show expenditures;
FY 2002-03 show YTD appropriations as of August 2003 and FY 2003-04 reflects enacted budget.

Major Budget Changes from FY 2002-03 YTD Appropriations:		FY 2002-03 YTD (as of 3/6/03)	Enacted Change from YTD
1. Employment and Training Support Services - VETOED Provides a \$25,000 increase in the Fatherhood program, and increases the Marriage Initiatives program by \$512,500. Both programs were eliminated in the Executive Recommendation. (See Sec. 415 and Sec. 416)	Gross Federal GF/GP	\$14,064,200 13,339,100 \$725,100	(\$715,500) (715,500) \$0
2. Foster Care Payments Includes \$30.9 million in various base funding reductions, primarily related to a caseload decline as recommended by the Executive and a technical adjustment for removal of supervised independent living contracts.	Gross Federal Local Private GF/GP	\$245,010,600 108,078,000 34,918,000 5,033,900 \$96,980,700	(\$30,943,500) (16,803,700) 0 0 (\$14,139,800)
3. Adoption Subsidy Program Concurs with the Executive, Senate, and House caseload adjustments totaling \$18.0 million and a reduction of \$3.6 million to limit adoption subsidy payments to age 19 instead of age 21 for those who have not completed high school.	Gross Federal GF/GP	\$204,952,800 126,180,200 \$78,772,600	\$14,433,400 9,409,200 \$5,024,200
4. Teen Parent Counseling Reduces funding for the Teen Parent Counseling program by 9.4% (\$390,800). The Executive recommended elimination of the program while the Senate included a 5% reduction and the House a 10% reduction. Concurs with Executive and Senate proposed base adjustments of \$56,400. Sec. 523 requires recipients of Teen Parent Counseling funds to provide at least 10% in matching funds.	Gross Federal GF/GP	\$4,218,500 4,218,500 \$0	(\$447,200) (472,600) \$25,400
5. Family Preservation and Prevention Services Includes \$8.2 million in total reductions as recommended by the Executive. Specifies in Sec. 546 that the \$8.0 million program reduction shall be based on an equal percentage basis for all programs receiving funds except for the 0-3 secondary prevention program that shall be maintained at FY 2002-03 levels.	Gross Federal GF/GP	\$74,469,700 74,183,400 \$286,300	(\$8,184,100) (8,142,700) (\$41,400)
6. Child Care Fund Transfers the Child Care Fund line, recognizes anticipated expenditure growth, and annualizes the TANF claim for in-home services. Does not include proposed increase in state reimbursement for in-home services from 50% to 75% or the transfer to the new Enhanced Child Care Fund line. Includes the consensus caseload adjustments.	Gross Federal GF/GP	\$139,500,000 53,104,400 \$86,395,600	\$29,337,900 11,033,500 \$18,304,400
7. Family Independence Program Recognizes \$34.8 million in savings from the current-year budgeted FIP caseload as proposed by the Governor, but restores \$31.3 million GF/GP for the consensus caseload recommendation. Includes \$440,000 for an increase in the annual child clothing allowance to \$40 per child. Also, the Executive proposed elimination of the \$3.0 million Kinship Care Pilot Program is rejected, but the Conference Committee report reflects a 10% reduction in the program totaling \$300,000.	Gross Federal Restricted GF/GP	\$376,339,600 168,339,400 50,449,300 \$157,550,900	(\$7,000,000) (38,300,000) (238,600) \$31,538,600
8. State Disability Assistance Program Includes \$1.9 million in program base adjustments as proposed by the Governor. Increases funding by \$1.4 million to reflect a portion of the consensus caseload recommendation. An additional \$3.3 million caseload adjustment is appropriated in Sec. 413 from the child support penalty refund.	Gross Restricted GF/GP	\$22,139,900 5,108,800 \$17,035,100	\$1,373,500 0 \$1,373,500

Major Budget Changes from FY 2002-03 YTD Appropriations:		FY 2002-03 YTD (as of 3/6/03)	Enacted Change from YTD
<p>9. State Emergency Relief Concurs with the Executive, Senate, and House base adjustments and a reduction of indigent burial payments by \$167 per burial saving \$952,000. Does not include the \$500,000 increase in the House version to partially restore the emergency shelter per diem rate from \$12.00 to \$12.50.</p>	<p>Gross Federal GF/GP</p>	<p>\$43,132,600 14,795,600 \$28,337,000</p>	<p>(\$1,724,400) (719,200) (\$1,005,200)</p>
<p>10. Low Income Energy Assistance Program Weatherization Assistance Recognizes increased federal funding available for the Low Income Home Energy Assistance Program (\$30.5 million) and the Weatherization Program (\$5.0 million).</p>	<p>Gross Federal GF/GP</p>	<p>\$96,903,600 96,903,600 \$0</p>	<p>\$35,504,900 35,504,900 \$0</p>
<p>11. Day Care Services Concurs with the Executive proposed \$6.2 million base decrease, \$35.0 million increase to cover caseload spending adjustments, and a reduction of \$4.4 million to no longer allow exceptions to the 100 hours of care per two-week pay period limit. An additional \$9.9 million GF/GP is included to reflect the consensus caseload adjustment. The Before- and After-School Program funding is maintained, but with a 10% reduction (\$950,000), as contained in the House version. The Executive recommended elimination of the program and the Senate reduced it by \$1.0 million. Sec. 657 specifies the funding for the program.</p>	<p>Gross Federal GF/GP</p>	<p>\$456,972,300 253,606,100 \$203,366,200</p>	<p>\$33,271,700 44,420,300 (\$11,148,600)</p>
<p>12. Food Stamp Reinvestment Adds \$12.7 million GF/GP for Food Stamp Reinvestment earmarked for reducing food stamp issuance error rates and a set aside in anticipation of additional federal food stamp error penalties.</p>	<p>Gross GF/GP</p>	<p>\$5,700,000 \$5,700,000</p>	<p>\$12,726,300 \$12,726,300</p>
<p>13. Information Technology Cost Reductions Concurs with the Executive reduction of \$34.3 million in the area of information systems associated with Child Support Enforcement System development costs and information technology services and data enhancement programs. The enacted bill includes additional reductions totaling \$11.2 million.</p>	<p>Gross IDG Federal Local Restricted GF/GP</p>	<p>\$178,675,900 150,000 121,472,421 257,600 11,032,200 \$45,763,679</p>	<p>(\$45,479,500) (150,000) (36,449,900) (257,600) (5,620,000) (\$3,002,000)</p>

Major Boilerplate Changes from FY 2002-03:
<p>GENERAL SECTIONS</p> <p>Sec. 206. Contingency Fund Appropriations – DELETED Deletes language that enables the Department to receive additional federal, local, private, and state restricted contingency funds but prohibits expenditure unless funds are transferred to a line item in the act. The Executive had proposed to retain this section.</p>
<p>Sec. 222. Additional Appropriation Authorization – NOT INCLUDED Does not include the Executive proposal to allow the Department to spend a portion of unexpended or unreserved FY 2002-03 GF/GP funds in identified areas for the same purposes in FY 2003-04.</p>
<p>Sec. 261(2). Local Office Restructuring – NEW Requires FIA to implement a plan to save \$2.0 million by restructuring local field offices in counties with more than ten local offices and provide a report on the plan by January 1, 2004.</p>
<p>Sec. 270-274, 276. Reporting Requirements – NEW Includes various new FIA reporting requirements related to uniform reporting standards (Sec. 270), child and family services federal review (Sec. 271), Federal Title IV-E foster care eligibility review (Sec. 272), a report on policy changes (Sec. 273), a report on federal grant activity (Sec. 274), and retention of departmental reports (Sec. 276).</p>

Major Boilerplate Changes from FY 2002-03:

Sec. 275. Prohibits Use of Funds for Advertising – NEW

Prohibits FIA from using funds for billboard advertising unless required in state or federal regulation. Executive does not include this section.

FAMILY INDEPENDENCE SERVICES ADMINISTRATION

Sec. 413. Child Support Enforcement System Penalty Refund – PARTIALLY VETOED

Appropriates up to \$12.7 million of the Child Support Enforcement System penalty refund. The remainder of the refund, \$16.1 million, is appropriated for FY 2002-03 in Sec. 1001, which is discussed below. Veto eliminated allocation for the community-based innovation grants, Project Zero and volunteer services, Medicaid spend down analysis, Effective Family Formation programs, rate increase for adoption/foster care agencies, One Church One Child, Medicaid-eligible teen parent adoption counseling, and the Amer-I-Can Program.

Sec. 415. Fatherhood Initiative – VETOED

Allows the Department to spend up to \$500,000 in TANF to fund a fatherhood initiative program.

Sec. 416. Marriage Initiative – VETOED

Allows the Department to spend up to \$750,000 in TANF to fund a marriage initiative using licensed providers.

Sec. 418. Individual Development Accounts (IDA) Plan – VETOED

Continues current-year language requiring FIA to maintain a plan to provide for the implementation of Individual Development Accounts. Includes House language appropriating \$200,000 to the Michigan IDA Partnership with the intent of appropriating the same amount in each of the next four years.

Sec. 420. Welfare to Career Innovation Grant – VETOED

Directs the Department to allocate \$40,000 in TANF funds to replicate the Kent County model with Cascade Engineering in four other counties.

CHILD AND FAMILY SERVICES

Sec. 523(3). Teenage Parent Counseling Funds – NEW

Requires agencies receiving Teenage Parent Counseling funds to provide at least 10% in matching funds.

Sec. 532(2). Child and Family Agency Contract Compliance and Licensing Review – NEW

Requires FIA to develop a streamlined licensing and contract compliance review process and a report on the new review process by April 1, 2004.

Sec. 533 Prompt Payment to Child Placing Agencies – REVISED

Revises current law that requires payment to child placing agencies within 30 days.

Sec. 537. Foster Care Placement - First Opportunity – REVISED

Requires FIA to offer private nonprofit agencies the first opportunity to provide foster care services for new children under specified circumstances and requires a 3rd party report on service costs for public and private agencies.

Sec. 543. Training to Reduce Underage Youth Criminal Sexual Conduct – NEW

Requires the Department to develop an education and training plan to reduce the incidence of criminal sexual conduct involving underage youth. Also requires a report.

Sec. 544. Accelerated Residential Treatment Pilot Projects – NEW

Directs the Department to consider approval of pilot projects with applications pending for accelerated residential treatment.

Sec. 545. Specialized Foster Care Program Freeze – NEW

Specifies that the Department shall eliminate the current administrative freeze on approval of new specialized foster care programs.

Sec. 546. Family Preservation and Prevention Services Reduction – NEW

Requires the \$8.0 million reduction in the Family Preservation and Prevention Services line item to be based on an equal percentage basis for all programs receiving funds except for the 0-3 secondary prevention program that shall be maintained at FY 2002-03 levels.

PUBLIC ASSISTANCE

Sec. 613. Indigent Burial Charge Limit and Report Requirements – REVISED

Reduces the maximum allowable charge limit of \$1,114 for indigent burials to \$947 per case and removes reporting requirement. House adds a report on the number of burials and cremations, as well as the amount spent for each.

Major Boilerplate Changes from FY 2002-03:

Sec. 657. Before- or After-School Program – REVISED

Requires the Department to continue to offer a before- or after-school program pilot for school-aged children with funding of up to \$8.55 million, instead of \$10.0 million in current law, and provide a report on the pilot.

Sec. 666. Federal Earned Income Tax Credit – REVISED

Directs the Department to develop and implement a plan to increase FIP recipient participation in the federal Earned Income Tax Credit. House adds language that requires the plan to be done in conjunction with the MSU Extension Services and a report by December 31, 2003.

Sec. 668. SMART Moves Program – REVISED

Restores vetoed language authorizing the Department to develop a community-based child care program for children ages 6 to 15. New language states that FIA may expend up to \$250,000 for a pilot program and provides funding priority to programs that provide at least 10% match.

Sec. 669(2). Annual School Clothing Allowance – REVISED

Requires the Department to allocate \$4.7 million for the annual school clothing allowance and notify eligible recipients of participating retailers that offer discounts. House adds intent language for the Department to expand outreach to retailers encouraging them to offer discounts.

Sec. 671. Benefit Bank Internet-Based Information System – NEW

Allows the Department to work with private nonprofit service providers to implement an internet-based information system providing centralized eligibility information and electronic application forms.

Sec. 672. Food Assistance Outreach Efforts – NEW

Provides for a report to the Legislature on the Department's Food Assistance outreach efforts by February 1, 2004.

Sec. 673. Client Eligibility Termination Notice – NEW

Directs the Department to send notification to clients participating in the State Child Day Care program and the child care providers when client eligibility is reduced or eliminated.

JUVENILE JUSTICE SERVICES

Sec. 705. W. J. Maxey Reporting Requirement – REVISED

Requires an annual report on the W.J. Maxey facility, outlines required assessment and treatment issues, and includes a new comparative analysis of public training schools and private facilities.

Sec. 716. Appraisal and Sale of Excess Maxey Property – VETOED

Directs the Department to work with DMB to obtain an appraisal and pursue the sale of the excess property located at the Maxey facility. Appropriates \$5.0 million for salaries and wages and contractual services, supplies, and materials within the Executive Operations unit contingent upon the property sale.

LOCAL OFFICE STAFF AND OPERATIONS

Sec. 750. Out-Stationed Eligibility Workers – NEW

Requires FIA to maintain out-stationed eligibility specialists at the same locations and staffing levels that exist in FY 2002-03.

CHILD SUPPORT ENFORCEMENT

Sec. 901. Child Support Incentive Payments – REVISED

Allows the Department to retain portions of federal child support incentive payments and expend them for various child support collection efforts. Provides guidelines for counties to avoid penalty payment. Increases the incentive payment amount FIA may retain, identifies minimum payment levels to counties. It also requires the Department to enter into a cooperative agreement with the Attorney General to support child support enforcement activities.

FY 2002-03

Sec. 1001. CSES Penalty Refund Appropriation – NEW

Authorizes up to \$16.1 million of the CSES penalty refund for the child support enforcement system, caseload costs, and the transitional work support program. Sec. 413 in the current-year FIA budget (2002 Public Act 529) is repealed.

VETOES: FY 2003-04

<p>1. Child Support Enforcement System Contingent Refund The Governor vetoed the following portions of boilerplate Section 413: \$1,500,000 applicable to Community-based Innovation Grants; \$1,500,000 earmarked for Project Zero and Volunteer Workers; \$100,000 for Medicaid Spend Down Analysis; \$500,000 earmarked for Effective Family Formation Program, \$650,000 for Uniform Rate Structure for Foster Care; \$161,000 for Rate Increase for Adoption/Foster Care Agencies; \$811,000 for Title IV-E match on the preceding two items; \$2,000,000 for the Amer-I-Can Program; and \$50,000 each for One Church One Child and Adoption Counseling for Medicaid Teens. It should be noted that funds identified in the section are contingent in nature and are therefore not included in the Department's FY2003-04 appropriated amounts.</p>	<p>FTEs Gross GF/GP</p>	<p>0.0 \$0 \$0</p>
<p>2. Fatherhood Initiative (TANF) The Governor vetoed boilerplate Section 415 and applicable funding for a Fatherhood Initiative Program.</p>	<p>FTEs Gross GF/GP</p>	<p>0.0 (\$500,000) \$0</p>
<p>3. Marriage Initiative (TANF) The Governor vetoed boilerplate Section 416 and applicable funding for a Marriage Initiative Program.</p>	<p>FTEs Gross GF/GP</p>	<p>0.0 (\$750,000) \$0</p>
<p>4. Individual Development Accounts Matched Savings (TANF) The Governor vetoed boilerplate Section 418 and applicable funding for IDA matched funds savings programs.</p>	<p>FTEs Gross GF/GP</p>	<p>0.0 (\$200,000) \$0</p>
<p>5. Welfare to Career Program (TANF) The Governor vetoed boilerplate Section 420 and applicable funding for the Welfare- to-Career Program modeled on Cascade Engineering, Inc.</p>	<p>FTEs Gross GF/GP</p>	<p>0.0 (\$40,000) \$0</p>
<p>6. Sale of Excess Maxey Facility Property The Governor vetoed boilerplate Section 716, including \$5.0 million in funding for Executive Salaries and Contractual Services, Supplies and Materials which was to be provided from the sale of excess Maxey property in Whitmore Lake, MI. It should be noted that funds identified in the section are contingent in nature and are therefore not included in the Department's FY2003-04 appropriated amounts.</p>	<p>FTEs Gross GF/GP</p>	<p>0.0 \$0 \$0</p>

BUDGET DECISIONS

DETAILED DESCRIPTIONS

LINE ITEM CHANGES AND BOILERPLATE

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
EXECUTIVE OPERATIONS			
1. Unclassified Salaries No change.	0.0	\$0	\$0
2. Salaries and Wages The Executive proposed annualizing savings & FTEs in early retirement program, including separation costs, 78.0 FTEs, \$6.3 million Gross (\$4.1 million GF/GP). The Legislature concurred with proposals above, and added \$3.6 million GF/GP reduction to be funded by Maxey sale in Boilerplate Section 716.	(78.0)	(\$4,099,900)	(\$6,259,800)
3. Contractual Services, Supplies, and Materials The Executive proposed annualizing telecommunications savings consistent with Executive Order 2003-3, \$47,300 Gross (\$15,000 GF/GP). The Legislature concurred with this proposal and added \$1.4 million GF/GP reduction to be funded by Maxey sale in Boilerplate Section 716.	0.0	(\$1,420,500)	(\$1,452,800)
4. Demonstration Projects The Executive proposed the following action: a) Recognition of annualized savings due to early retirement, including separation costs, 6.0 FTEs, \$305,800 Gross (\$16,300 GF/GP). b) Transferring STOP Violence Against Women Formula Grant to the Domestic Violence Prevention and Treatment Unit, \$400,000 Gross (\$100,000 GF/GP). The Legislature concurred with the above proposals.	(6.0)	(\$116,300)	(\$705,800)
5. Child Support Distribution Computer System The Executive proposed transferring the line item to the newly-formed Child Support Enforcement Unit and the Legislature concurred.	(8.0)	(\$5,832,900)	(\$17,155,600)

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
<p>6. Supplemental Security Income Advocates, Salaries and Wages The Executive proposed the following action:</p> <p>a) Recognition of annualized savings due to early retirement, including separation costs, 4.0 FTEs, \$72,100 Gross (\$59,100 GF/GP).</p> <p>b) Transfer of remaining FTEs and applicable funding to Disability Determination Unit, 12.0 FTEs, \$248,900 Federal.</p> <p>c) Removal of remaining GF/GP funding, \$4,500.</p> <p>The Legislature concurred with the above proposals.</p>	(16.0)	(\$63,600)	(\$325,500)
<p>7. Commission on Disability Concerns The Executive proposed recognition of annualized savings from the early retirement program including separation costs and the Legislature concurred.</p>	(1.0)	(\$3,100)	(\$11,100)
<p>8. Commission for the Blind The Executive proposed the following action:</p> <p>a) Recognition of annualized savings associated with early retirement program including separation costs, \$224,700 Gross (\$33,200 GF/GP).</p> <p>b) Annualizing Fleet savings from Executive Order 2003-3, \$23,900 Gross (\$5,100 GF/GP).</p> <p>c) Recognition of annual rental cost of Victor Building, Gross addition of \$161,900 (\$54,100 GF/GP).</p> <p>d) Economic savings in all other rental costs, \$190,700 Gross (\$60,300 GF/GP).</p> <p>The Legislature concurred with the proposals.</p>	(10.0)	(\$44,500)	(\$470,800)
<p>9. Youth Low Vision Program No change.</p>	0.0	\$0	\$0

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
FAMILY INDEPENDENCE SERVICES ADMINISTRATION			
<p>1. Salaries and Wages The Executive proposed the following action:</p> <p>a) Annualizing FTEs and savings applicable to early retirement program including separation costs, 37.8 FTEs, \$2.0 million Gross (\$292,600 GF/GP).</p> <p>b) Transferring-out FTEs and funding to the newly established Child Support Enforcement Unit, 192.0 FTEs, \$8.5 million Gross (\$2.9 million GF/GP).</p> <p>The Legislature concurred with proposals above.</p>	(229.8)	(\$3,185,300)	(\$10,557,100)
<p>2. Contractual Services, Supplies, and Materials The Executive proposed transferring-out costs applicable to the newly-formed Child Support Enforcement Unit and the Legislature concurred.</p>	0.0	(\$2,218,700)	(\$7,525,600)
<p>3. Child Support Incentive Payments The Executive proposed transferring the line item to the newly-formed Child Support Enforcement Unit and the Legislature concurred.</p>	0.0	\$0	(\$32,409,600)
<p>4. Legal Support Contracts The Executive proposed transferring the line item to the newly-formed Child Support Enforcement Unit and the Legislature concurred.</p>	0.0	(\$2,922,400)	(\$135,742,600)
<p>5. Employment and Training Support Services The Executive proposed the following action:</p> <p>a) Transferring in applicable funding from the Project Zero Program, \$6.3 million TANF.</p> <p>b) Eliminating the Fatherhood Program, \$475,000 TANF, and the Marriage Initiative, \$237,500 TANF.</p> <p>The Senate concurred with item a) above, but retained and increased the Fatherhood Program to \$500,000 TANF and the Marriage Initiative to \$750,000 TANF.</p> <p>The House concurred with the Senate and added \$250,000 TANF for Individual Development Accounts (IDA) program and \$40,000 TANF Welfare to Career Grants.</p> <p>In Conference, the House proposal was adopted, except that \$50,000 of GF/GP was appropriated for the IDA program, and \$200,000 in TANF funds.</p> <p>Note: The Governor vetoed \$1.5 million TANF from this line item, which consisted of \$500,000 Fatherhood Initiative, \$750,000 Marriage Initiative, \$200,000 IDA, and \$40,000 Welfare to Career, thereby eliminating these programs (not reflected in change column amounts).</p>	0.0	\$50,000	\$7,164,900

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
<p>6. Project Zero The Executive proposed rolling-up the content of this line item into the Employment and Training support Services line within this same appropriation unit. Project Zero services are incorporated into normal FIA services. Actions include:</p> <p>a) Removing FTEs and funding applicable to early retirement, 5.8 FTEs, \$295,100 Federal.</p> <p>b) Transferring out Project Coordinators FTEs, salaries, and CSS &M to the Local Office Unit, 32.0 FTEs, \$1.6 million Federal.</p> <p>c) Transferring out Project Coordinators benefits and travel to the Central Support Unit, \$724,400 Federal.</p> <p>d) Transferring out Project Zero administrative/program funds to the Employment and Training Services line within this unit, \$6.3 million Federal.</p> <p>e) Eliminating remaining FTEs and funds, 46.2 FTEs, \$3.1 million Federal.</p> <p>The Legislature concurred with this proposal.</p>	(84.0)	\$0	(\$12,132,500)
<p>7. Wage Employment Verification Reporting No Change.</p>	0.0	\$0	\$0
<p>8. Urban and Rural Empowerment Zones No Change.</p>	0.0	\$0	\$0
<p>9. Training and Staff Development The Executive proposed the following action:</p> <p>a) Removing FTEs and federal funding applicable to early retirement program, 20.9 FTEs, \$499,300 Federal.</p> <p>b) Annualizing savings from early retirement program, including separation costs, \$367,500 Gross (\$124,100 GF/GP).</p> <p>c) Annualizing fleet vehicle and civil service leadership training savings consistent with Executive Order 2003-3, \$158,800 Gross (\$53,400 GF/GP).</p> <p>The Legislature concurred with proposals above.</p>	(20.9)	(\$177,500)	(\$1,025,600)
<p>10. Community Services Block Grant No change.</p>	0.0	\$0	\$0

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
CHILD SUPPORT ENFORCEMENT			
<p>1. Child Support Enforcement (New Line) The Executive proposed the following action:</p> <p>a) Transferring-in salaries and FTEs applicable to the Office of Child Support from the Family Services Administration Unit, 192.0 FTEs, \$8.5 million Gross (\$2.9 million GF/GP).</p> <p>b) Transferring-in CSS & M from the same source as a), \$7.5 million Gross (\$2.2 million GF/GP).</p> <p>c) Transferring-in other costs associated with the FTEs above from the Central Support Unit, \$208,100 for Travel and \$3.3 million for payroll taxes and fringes for a total of \$3.5 million Gross (\$1.2 million GF/GP).</p> <p>The Legislature concurred with proposals above.</p>	192.0	\$6,297,500	\$19,521,900
<p>2. Legal Support Contracts The Executive proposed the following action:</p> <p>a) Transferring-in legal support contracts from the Family Services Administration Unit. This line represents payments made to the local Friend of the Court offices under co-operative reimbursement and payments for child support coordinators and contracts, \$135.7 million Gross (\$2.9 million GF/GP).</p> <p>b) Recognition of cost of living increases in this area, \$4.1 million Federal.</p> <p>The Legislature concurred with proposals above.</p>	0.0	\$2,922,400	\$139,819,500
<p>3. Child Support Incentive Payments The Executive proposed transferring-in the child support incentives line from the Family Services Administration Unit, which represents payments made by the state to the Friends of the Court or Prosecuting Attorneys, \$32.4 million Federal. The Legislature concurred.</p>	0.0	\$0	\$32,409,600
<p>4. Child Support Distribution Computer System The Executive proposed the following action:</p> <p>a) Transferring-in the child support distribution computer system program from the Executive Operations Unit, \$8.0 FTEs, \$17.2 million Gross (\$5.8 million GF/GP).</p> <p>b) Adding funding for projected cost increases due to the State Disbursement Unit now distributing child support collections, \$12.0 million Gross (\$4.1 million GF/GP).</p> <p>c) Recognizing anticipated savings from negotiations with IT vendor ACS, \$3.0 million Gross (\$1.0 million GF/GP).</p> <p>The Legislature concurred with proposals above.</p> <p>Note: Funding for this line supports the state's child support collection and distribution center, commonly known as the State Distribution Unit (SDU).</p>	8.0	\$8,906,400	\$26,195,300

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
CHILD AND FAMILY SERVICES			
<p>1. Salaries and Wages The Executive proposed the following action:</p> <p>a) Transferring out separation costs associated with early retirement to the Central Support Accounts Unit, \$79,200 Gross (\$24,800 GF/GP).</p> <p>b) Removing federal funding and FTEs applicable to FY 2002-03 early retirement program, 6.5 FTEs, \$41,100.</p> <p>c) Annualizing savings applicable to FY 2002-03 early retirement program, \$24,700 Gross (\$7,600 GF/GP)</p> <p>d) Transferring out 1.0 FTE and related funding to Adoption Support Services consistent with staff program function, \$42,200 Gross (\$17,700 GF/GP).</p> <p>The Legislature concurred with the proposals.</p>	(7.5)	(\$50,100)	(\$187,200)
<p>2. Contractual Services, Supplies, and Materials No Change.</p>	0.0	\$0	\$0
<p>3. Refugee Assistance Program The Executive recommended the following action:</p> <p>a) Transferring out separation costs associated with early retirement to the Central Support Accounts Unit, \$59,400 Federal.</p> <p>b) Removing 1.0 FTE and annualizing savings applicable to FY 2002-03 early retirement program, \$4,200 Federal.</p> <p>The Legislature concurred with the proposal.</p>	(1.0)	\$0	(\$63,600)

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
<p>4. Foster Care Payments The Executive recommended the following action:</p> <p>a) Reducing federal funding authority consistent with FY 2002-03 budgetary savings adjustments, \$1.1 million</p> <p>b) Annualizing savings applicable to Difficulty of Care cap instituted with FY 2002-03 budgetary savings adjustment, \$250,000 Gross (\$125,000 GF/GP).</p> <p>c) Recognizing a projected FY 2004 Title IV-E caseload decrease of 200 for a total IV-E caseload of 4,645 and total outstate caseload of 6,709, saving \$4.1 million Gross (\$1.8 million GF/GP).</p> <p>d) Federal Medical Assistance Percentage (FMAP) change from 55.42% to 55.89%, allowing a reduction in GF/GP authority and an increase in federal authority, \$0 Gross (\$370,200 GF/GP).</p> <p>e) Eliminating remaining funding for foster care recruitment pilots, \$250,000 Gross (\$125,000 GF/GP).</p> <p>f) Reducing the total amount authorized for foster care administrative rates; requiring a more uniform rate structure, \$217,400 Gross (\$113,300 GF/GP).</p> <p>The Senate concurred with items a) – f) above and made a technical adjustment to remove the supervised independent living contracts from the 2 foster care payment lines, where the funding authority is located, instead of Youth In Transition line item, \$217,100 Gross (\$43,400 GF/GP).</p> <p>The House concurred with the Senate and added language in Sec. 413 to restore funding and include additional funding to provide uniform rates, related to item f) above.</p> <p>In Conference concurred with the House.</p> <p>Note: Language in Sec. 413 identified above was subsequently vetoed by the Governor.</p>	0.0	(\$2,572,400)	(\$6,087,900)

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
<p>5. Wayne County Foster Care Payments The Executive recommended the following action:</p> <p>a) Reducing federal funding authority consistent with FY 2002-03 budgetary savings adjustments, \$125,000.</p> <p>b) Annualizing savings applicable to Difficulty of Care cap instituted with FY 2002-03 budgetary savings adjustment, \$250,000 Gross (\$125,000 GF/GP).</p> <p>c) Reducing the average SWBC cost per case from \$17,655 to \$12,500 based on actual expenditure figures, saving \$8.4 million Gross (\$4.2 million GF/GP). Historically, delinquency cases funded in the foster care line were more expensive than abuse/neglect cases due to type of placement. Nearly all delinquency cases in Wayne County are now funded in the Child Care Fund line item; causing the cost per case in the foster care line to drop dramatically.</p> <p>d) Recognizing a projected FY 2003 Title IV-E caseload decrease of 446 for an average annual IV-E caseload of 3,000 and total Wayne County caseload of 4,623, saving \$7.7 million Gross (\$3.4 million GF/GP).</p> <p>e) Recognizing a projected FY 2004 Title IV-E caseload decrease of 400 for an average annual IV-E caseload of 2,600 and total Wayne County caseload of 4,223, saving \$7.9 million Gross (\$3.5 million GF/GP).</p> <p>f) Federal Medical Assistance Percentage (FMAP) change from 55.42% to 55.89%, allowing a reduction in GF/GP authority and an increase in federal authority, \$0 Gross (\$155,100 GF/GP).</p> <p>g) Reducing the total amount authorized for foster care administrative rates; requiring a more uniform rate structure, \$235,600 Gross (\$122,700 GF/GP).</p> <p>The Senate concurred with items a) – g) above and made a technical adjustment to remove the supervised independent living contracts from the 2 foster care payment lines, where the funding authority is located, instead of Youth In Transition line item, \$244,900 Gross (\$49,000 GF/GP).</p> <p>The House concurred with the Senate and added language in Sec. 413 to restore funding and include additional funding to provide uniform rates, related to item g) above.</p> <p>In Conference concurred with the House.</p> <p>Note: Language in Sec. 413 identified above was subsequently vetoed by the Governor.</p>	0.0	(\$11,567,400)	(\$24,855,600)

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
<p>6. Adoption Subsidies The Executive recommended the following action:</p> <p>a) Recognizing a projected FY 2003 caseload decrease of 700 (500 Title IV-E and 200 TANF cases) for an average annual caseload of 23,800, saving \$5.6 million Gross (\$2.0 million GF/GP).</p> <p>b) Recognizing a projected FY 2004 caseload increase of 2,700 (2,400 Title IV-E at \$677 per month and 300 TANF at \$644 per month) for an average annual caseload of 26,500, adding \$21.8 million Gross (\$8.8 million GF/GP).</p> <p>c) Including a medical subsidy increase consistent with FY 2004 caseload increase, \$1.8 million Gross (\$474,500 GF/GP).</p> <p>d) Federal Medical Assistance Percentage (FMAP) change from 55.42% to 55.89%, allowing a reduction in GF/GP authority and an increase in federal authority, \$0 Gross (\$817,100 GF/GP).</p> <p>e) Including an adjustment to limit continuance of adoption subsidy payments after the 18th birthday under certain criteria to age 19 instead of 21, saving \$3.6 million Gross (\$1.5 million GF/GP).</p> <p>The Legislature concurred with the proposals above.</p>	0.0	\$5,024,200	\$14,433,400
<p>7. Adoption Support Services The Executive recommended the following action:</p> <p>a) Reducing funding by \$500,000 to recognize phase out of federal Adoption Incentives (\$500,000 in authority remaining). Final awards will be issued in FY 2003 and will not have to be spent until September 2004.</p> <p>b) Transferring in 1.0 FTE and related funding to Adoption Support Services consistent with staff program function, \$57,500 Gross (\$24,400 GF/GP).</p> <p>The Legislature concurred with the above proposals.</p>	1.0	\$24,400	(\$442,500)

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
<p>8. Youth in Transition The Executive proposed the following action:</p> <p>a) Transferring out separation costs associated with early retirement to the Central Support Accounts Unit, \$51,700 Gross (\$12,500 GF/GP).</p> <p>b) Removing federal funding and FTEs applicable to FY 2002-03 early retirement program, \$122,400.</p> <p>c) Annualizing savings applicable to FY 2002-03 early retirement program, \$6,100 Gross (\$1,200 GF/GP).</p> <p>d) Eliminating Supervised Independent Living contracts, \$462,000 Gross (\$92,400 GF/GP).</p> <p>The Legislature concurred with items a) – c) above. Funding in d) was removed from the foster care line items where the contracts are funded.</p>	(3.5)	(\$13,700)	(\$180,200)
<p>9. Interstate Compact No Change.</p>	0.0	\$0	\$0
<p>10. Children's Benefit Fund Donations No Change.</p>	0.0	\$0	\$0
<p>11. Domestic Violence Prevention and Treatment The Executive proposed the following action:</p> <p>a) Transferring out separation costs associated with early retirement to the Central Support Accounts Unit, \$13,900 Gross (\$1,900 GF/GP).</p> <p>b) Removing 1.0 FTE and annualizing savings applicable to FY 2002-03 early retirement program, \$3,800 Federal.</p> <p>c) Transferring in funding authority for salary/wage and fringes for positions associated with STOP grant program from Demonstration Projects line item in Executive Operations, \$400,000 Gross (\$100,000 GF/GP).</p> <p>The Legislature concurred with the above proposals.</p>	(1.0)	\$98,100	\$382,300

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
<p>12. Teenage Parent Counseling The Executive proposed the following action:</p> <p>a) Transferring out separation costs associated with early retirement to the Central Support Accounts Unit, \$52,600 Federal.</p> <p>b) Removing 1.0 FTE and annualizing savings applicable to FY 2002-03 early retirement program, \$3,800 Federal.</p> <p>c) Eliminating the Teen Parent Counseling program line item and FTE authorization, saving \$4.2 million TANF. Redirecting funding authority to the Enhanced Child Care Fund Reimbursement for Community Programs line item.</p> <p>The Legislature concurred with items a) and b) above and included a 9.4% cut in program funding, saving \$390,800 Gross. Represented a 10% cut in TANF funding (\$416,200) and the addition of \$25,400 GF/GP.</p>	(1.0)	\$25,400	(\$447,200)
<p>13. Family Preservation and Prevention Services The Executive proposed the following action:</p> <p>a) Transferring out separation costs associated with early retirement to the Central Support Accounts Unit, \$122,400 Gross (\$400 GF/GP).</p> <p>b) Removing 8.0 FTEs and annualizing savings applicable to FY 2002-03 early retirement program, \$20,700 Federal.</p> <p>c) Suspending funding for Wraparound and Families First conferences, \$41,000 GF/GP.</p> <p>d) Reducing program funding by \$8.0 million TANF. Redirecting funding authority to the Enhanced Child Care Fund Reimbursement for Community Programs line item.</p> <p>The Legislature concurred with items a) – c) above and concurred with the reduction in item d). However, the funds were not redirected to the Enhanced Child Care Fund and boilerplate was included requiring FIA to apply the reduction to the line on an equal percentage basis to all programs, except the secondary prevention program for zero to 3 year olds, which is to receive not less than FY 2002-03 funding.</p>	(8.0)	(\$41,400)	(\$8,184,100)
<p>14. Black Child and Family Institute No Change.</p>	0.0	\$0	\$0
<p>15. Rape Prevention and Services No Change.</p>	0.0	\$0	\$0

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
<p>16. Children's Trust Fund Administration The Executive proposed the following action:</p> <p>a) Transferring out separation costs associated with early retirement to the Central Support Accounts Unit, \$52,000 Restricted.</p> <p>b) Removing 1.0 FTE and annualizing savings applicable to FY 2002-03 early retirement program, \$3,800 Restricted.</p> <p>c) Replacing private funding authorization with restricted – technical adjustment, \$0 Gross.</p> <p>The Legislature concurred with the above proposals.</p>	(1.0)	\$0	(\$55,800)
<p>17. Children's Trust Fund Grants No Change.</p>	0.0	\$0	\$0
<p>18. Attorney General Contract No Change.</p>	0.0	\$0	\$0
<p>19. Guardian Contract No Change.</p>	0.0	\$0	\$0
<p>20. Prosecuting Attorney Contract No Change.</p>	0.0	\$0	\$0

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
<p>21. Child Care Fund The Executive recommended the following action:</p> <p>a) Transferring in the line from the Juvenile Justice Services Unit, \$160.1 million Gross (\$102.8 million GF/GP).</p> <p>b) Increasing authority to reflect projected growth from FY 2003 to FY 2004, \$8.1 million GF/GP.</p> <p>c) Annualizing TANF claim for in-home services consistent with Executive Order 2003-03 and reducing the same amount of GF/GP, \$0 Gross (\$18.7 million GF/GP).</p> <p>d) Increasing the State reimbursement to counties for eligible Child Care Fund in-home services from 50% - 75%, \$12.5 million GF/GP.</p> <p>e) Transferring \$24.6 million of in-home services funding to the new Enhanced Child Care Fund Reimbursement for Community Programs line item and removes \$12.9 million in TANF funding, \$37.5 million Gross (\$7.5 million GF/GP).</p> <p>The Senate concurred with items a) – c) and e) above and modified d) by adding only \$6.5 million with the remainder going to the Family Services Innovations Grants line item.</p> <p>The House concurred with Executive items a) – d) and modified item e) to transfer or remove an additional \$1.45 million TANF.</p> <p>In Conference items a) – c) were included, TANF funding was reduced by \$19.9 million along with GF/GP increase in item d) to reflect no rate enhancement, and item f) was added.</p> <p>f) Transferring in TANF from the Enhanced Child Care Fund line item, \$8.0 million.</p>	0.0	\$104,700,000	\$168,837,900

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
<p>22. Enhanced Child Care Fund Reimbursement for Community Programs The Executive recommended the following action:</p> <p>a) Redirecting TANF funding authority to the new line item from Teen Parent Counseling (\$4.2 million), Family Preservation and Prevention Services (\$8.0 million), Before and After School Program (\$9.5 million), Fatherhood Program (\$475,000), Marriage Initiative (\$237,500), FIP Kinship Care Pilots (\$3.0 million).</p> <p>b) Transferring in-home services funding from the Child Care Fund (CCF) line item, \$24.6 million Gross (\$7.5 million GF/GP).</p> <p>The Senate concurred with the redirection of Family Preservation and Prevention Services funds in item a) and with item b) above.</p> <p>The House concurred with the Senate and modified b) by transferring an additional \$648,100 TANF from the Child Care Fund. Also, Sec. 413 provided an additional \$5.7 million, bringing the total for ECCF to \$39 million.</p> <p>In Conference the line was not included. Concurred with Senate in a), didn't transfer funds from CCF, and added c).</p> <p>c) Transferring TANF to the CCF line item, \$8.0 million.</p>	0.0	\$0	\$0
<p>23. Child Care Fund Administration The Executive recommended transferring the line from the Juvenile Justice Services Unit and the Legislature concurred.</p>	7.5	\$884,000	\$884,000
<p>24. County Juvenile Officers The Executive recommended transferring the line from the Juvenile Justice Services Unit and the Legislature concurred.</p>	0.0	\$3,266,000	\$3,754,000
<p>25. Community Support Services (New Line) The Executive recommended the following action:</p> <p>a) Creating new line item by transferring in funding and FTEs from Juvenile Justice Operations line item in Juvenile Justice Services Unit, \$1.7 million GF/GP.</p> <p>b) Reducing allocation for Regional Detention Services by limiting eligibility to youth needing detention, who might otherwise be placed in county jail due to lack of detention space in a county, \$212,500 GF/GP.</p> <p>The Legislature concurred with the proposal.</p>	7.0	\$1,479,400	\$1,479,400
<p>26. Family Services Innovation Grants The Senate created this new line with \$6.0 million GF/GP to support innovation grants to private providers.</p> <p>The House did not concur and in Conference the line was not included.</p>	0.0	\$0	\$0

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
JUVENILE JUSTICE SERVICES			
1. Child Care Fund The Executive recommended the following action: a) Increasing allocation to projected FY 2003 spending level of \$160.1 million, \$20.6 million Gross (\$16.4 million GF/GP). b) Transferring the line to the Child & Family Services Unit, \$160.1 million Gross (\$102.8 million GF/GP). The Legislature concurred with the proposals above.	0.0	(\$86,395,600)	(\$139,500,000)
2. Child Care Fund Administration The Executive recommended transferring the line to the Child & Family Services Unit. The Legislature concurred.	(7.5)	(\$884,000)	(\$884,000)

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
<p>3. Juvenile Justice Operations The Executive recommended the following action:</p> <p>a) Removing FTEs associated with the FY 2002-03 early retirement program, 123.7, and transferring out associated separation costs to the Central Support Accounts Unit, \$1.2 million GF/GP.</p> <p>b) Removing local funding applicable to FY 2002-03 budgetary savings adjustment to balance facility youth and staff, \$848,000.</p> <p>c) Restoring funding removed in Executive Order 2002-22 due to lack of funding available in School Aid Fund to cover facility education costs, \$217,000 GF/GP.</p> <p>d) Transferring out funding and FTEs to the new Community Support Services line with the Child & Family Services Unit, 4.0 FTEs, \$363,700 GF/GP.</p> <p>e) Transferring out County Juvenile Officers line to Child & Family Services Unit, \$3.8 million Gross (\$3.3 million GF/GP).</p> <p>f) Transferring out Regional Detention Services to the new Community Support Services line, 3.0 FTEs, \$1.3 million GF/GP and reducing by 1.0 FTE due to early retirement.</p> <p>g) Annualizing savings consistent with Executive Order 2003-3 for vehicles, \$56,200 Gross (\$32,300 GF/GP), and telecommunications, \$55,800 Gross (\$32,100 GF/GP).</p> <p>h) Adding 3% economic increases in state-operated facilities for food, \$60,000 Gross (\$30,000 GF/GP), and for fuel & utilities, \$36,000 Gross (\$18,000 GF/GP).</p> <p>The Legislature concurred with the proposals.</p>	(131.7)	(\$5,939,500)	(\$7,275,100)
<p>4. Federally Funded Activities The Executive proposed transferring out separation costs and annualizing savings applicable to the early retirement program. The Legislature concurred.</p>	0.0	\$0	(\$137,400)
<p>5. Maxey Memorial Fund No Change.</p>	0.0	\$0	\$0
<p>6. Juvenile Accountability Incentive Block Grant No Change.</p>	0.0	\$0	\$0
<p>7. Juvenile Boot Camp Program The Executive recommended eliminating the Juvenile Boot Camp Program line and the Legislature concurred.</p>	0.0	\$0	(\$1,600,000)
<p>8. Committee on Juvenile Justice Administration No Change.</p>	0.0	\$0	\$0
<p>9. Committee on Juvenile Justice Grants No change.</p>	0.0	\$0	\$0

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
LOCAL OFFICE STAFF AND OPERATIONS			
<p>1. Field Staff Salaries and Wages The Executive proposed the following:</p> <p>a) Removing funding and FTEs applicable to early retirement program, 1,303.5 FTEs, \$37.9 million Gross (\$4.0 million GF/GP).</p> <p>b) Transferring base funding to the Payroll Taxes and Fringe Benefits line within Central Support Accounts unit, \$8.1 million Gross (\$3.2 million GF/GP).</p> <p>c) Transferring out to DMB costs and FTEs associated with daily mail delivery service to/from Wayne County and Lansing, 4.0 FTEs, \$146,800 Gross (\$52,800 GF/GP). Service now performed by DMB.</p> <p>d) Transferring in FTEs and applicable wages from the Volunteer Services line within this unit to support a new position called Community Resources Coordinator. This new position will devote 70% of effort to Project Zero activities and 30% to volunteers, adds 37.0 FTEs, \$2.0 million Gross (\$643,100 GF/GP).</p> <p>e) Transferring in FTEs and applicable wages from the Indian Outreach Program in the Volunteer Services line, 8.0 FTEs, \$417,300 Gross (\$132,400 GF/GP).</p> <p>f) Transferring in FTEs and salaries from Family Services and Administration unit for Project Zero coordinators, 32.0 FTEs, \$1.6 million Federal.</p> <p>g) Federal Medical Assistance Percentage (FMAP) change from 55.42% to 55.89%%, allowing a reduction in GF/GP authority and an increase in federal authority, \$0 Gross (\$101,300 GF/GP).</p> <p>The Legislature concurred with proposals above, except that the Senate added \$2 million for the Community Resource Coordinator program in Section 413. The Governor vetoed the funds added by the Senate.</p>	(1,230.5)	(\$6,559,700)	(\$42,664,000)

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
<p>2. Contractual Services, Supplies, and Materials The Executive proposed the following:</p> <p>a) Annualizing telecommunications savings consistent with Executive Order 2003-3, \$659,300 Gross (\$224,300 GF/GP).</p> <p>b) Net transfer out fringes and taxes and support costs applicable to employees who used to perform interagency mail delivery between Wayne County & Lansing, \$75,100 Gross (\$228,000 GF/GP).</p> <p>c) Transferring in of CSS & M costs associated with the Volunteer Services line within this unit, \$37,000 Gross (11,700 GF/GP).</p> <p>d) Transferring in of CSS & M costs associated with the Indian Outreach Program, \$3,900 Gross (\$1,200 GF/GP).</p> <p>e) Transferring in from Family Services and Administrative CSS & M costs applicable to Project Zero coordinators, \$34,500 Federal.</p> <p>The Legislature concurred with proposals above.</p>	0.0	(\$439,400)	(\$659,000)
<p>3. Outstationed Eligibility Workers The Executive proposed transferring out of separation costs associated with the early retirement program and the Legislature concurred.</p>	0.0	\$0	(\$728,000)
<p>4. Food Stamp Reinvestment The Executive proposed additional funding to increase emphasis on the reduction of food stamp errors, while a smaller portion was set aside in anticipation of food stamp error penalties not yet levied by the federal government. The Legislature concurred.</p>	0.0	\$12,726,300	\$12,726,300
<p>5. Wayne County Gifts and Bequests No change.</p>	0.0	\$0	\$0

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
<p>6. Volunteer Services and Reimbursement The Executive proposed the following:</p> <p>a) Transferring out separation costs and annualizing savings applicable to the early retirement program, 34.5 FTEs, \$1.1 million Gross (\$138,900 GF/GP).</p> <p>b) Reducing federal funds related to FY 2002-03 budgetary savings transfer, \$502,600 Federal.</p> <p>c) Transferring of FTEs and funds previously associated with Volunteer Services to the Salary & Wage (\$2.0 million), and the CSS & M lines (\$37,000) in this unit, and the travel line (\$85,800) and the taxes and fringe benefit lines (\$642,000) in the Central Support Unit, 37.0 FTEs, \$2.8 million Gross (\$885,700 GF/GP).</p> <p>d) Transferring of FTEs and funds previously associated with the Indian Outreach Program to the Salary & Wage (\$417,300) and CSS & M (\$3,900) lines in this unit, and the travel line (\$4,000) and taxes and fringe benefit (\$190,700) lines within the Central Support Unit, 8.0 FTEs, \$615,900 Gross (\$195,400 GF/GP).</p> <p>The Legislature concurred with proposals above.</p>	(79.5)	(\$1,220,000)	(\$4,963,600)

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
DISABILITY DETERMINATION SERVICES			
<p>1. Disability Determination Operations The Executive recommended the following action:</p> <p>a) Transferring out separation costs and annualizing savings applicable to the early retirement program, 26.0 FTEs, \$528,100 Gross (\$7,600 GF/GP).</p> <p>b) Transferring in of FTEs and funding from the SSI Advocates Salary & Wage line in the Executive Operations Unit, \$12.0 FTEs, \$248,900 Federal.</p> <p>c) Transferring out to the Occupancy line costs associated with space no longer used by DDS but still in their rental agreement, allowing this cost to earn federal revenue, \$307,000 Federal.</p> <p>d) Economics- decreasing DMB occupancy charges, \$188,700 Federal.</p> <p>e) Economics- increasing DMB Worker's Compensation charges, \$87,100 Federal.</p> <p>f) Creating IDG from DMB Office of Retirement Systems to properly finance shared ORS administrative costs, \$227,000. Offset adjustments are proposed against federal funding, \$0 Gross.</p> <p>The Legislature concurred with the above proposals.</p>	(14.0)	(\$7,600)	(\$687,800)
<p>2. Medical Consultation Program The Executive proposed transferring out separation costs and annualizing savings applicable to the early retirement program. The Legislature concurred.</p>	0.0	(\$73,800)	(\$98,500)
<p>3. Retirement Disability Determination No change.</p>	0.0	\$0	\$0

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
CENTRAL SUPPORT ACCOUNTS			
<p>1. Rent The Executive recommended the following action:</p> <p>a) Removing federal funding applicable to FY2002-03 budgetary savings adjustment, \$520,700 Federal.</p> <p>b) Annualizing decrease in rental costs associated with FY 2002-03 budgetary savings adjustment, \$356,200 Gross (\$124,700 GF/GP).</p> <p>The Legislature concurred with the recommendations, but in Conference added \$2.0 million for office consolidation savings specified in Boilerplate Section 261, all GF/GP.</p>	0.0	(\$2,124,700)	(\$2,876,900)
<p>2. Occupancy Charges The Executive recommended the following action:</p> <p>a) An economic base decrease of \$258,100 Gross (\$95,000 GF/GP) based on DMB estimates.</p> <p>b) Transferring from Disability Determination Unit costs of unused space included in their rental agreement, thereby allowing this cost to earn federal revenue, \$307,000.</p> <p>The Legislature concurred with this recommendation.</p>	0.0	(\$95,000)	\$48,900
<p>3. Grand Tower Facilities Reimbursement The Executive recommended reducing funding to anticipated spending levels, \$245,000 Gross (\$85,800 GF/GP). Funds will be used to service the bond debt associated with the purchase of the Grand Tower. Authorization is required in order to claim federal funds.</p> <p>The Legislature concurred with this recommendation, and added \$518,200 savings of Federal TANF funds.</p> <p>Note: Payments from this account are made to the State Building Authority.</p>	0.0	(\$85,800)	(\$763,200)

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
<p>4. Travel The Executive recommended the following action:</p> <p>a) Annualizing fleet savings applicable to Executive Order 2003-3, \$462,300 Gross (\$149,200 GF/GP).</p> <p>b) Transferring out travel related costs to the Child Support Enforcement unit staff, \$208,100 Gross (\$70,800 GF/GP).</p> <p>c) Transferring out travel associated with daily interagency mail service from Wayne County to Lansing, now handled by DMB, \$35,200 Gross (\$11,400 GF/GP).</p> <p>d) Transferring in travel funding previously identified with Volunteer Services within the Local Office Staff unit., \$85,800 Gross (\$27,200 GF/GP).</p> <p>e) Transferring in travel funding previously identified with Project Zero coordinators within the Family Services Administration unit, \$41,500 Federal.</p> <p>f) Transferring in travel funding previously identified with Indian Outreach Program within the Local Office Staff unit, \$4,000 Gross (\$1,300 GF/GP).</p> <p>The Legislature concurred with the recommendations and added 10% GF/GP savings, \$190,800.</p>	0.0	(\$393,700)	(\$765,100)
<p>5. Equipment The Executive recommended no change and the Legislature added a 10% GF/GP savings, \$42,100.</p>	0.0	(\$42,100)	(\$42,100)
<p>6. Workers' Compensation The Executive recommended an economic increase based upon an estimate by DMB risk management operations, \$565,400 Gross (\$217,600 GF/GP).</p> <p>The Legislature concurred with the recommendation and added savings in Federal TANF funds, \$1.2 million.</p>	0.0	\$217,600	(\$640,900)
<p>7. Advisory Commission No Change.</p>	0.0	\$0	\$0

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
<p>8. Payroll Taxes and Fringes The Executive recommended the following changes:</p> <p>a) Annualizing savings associated with early retirement program including one-time separation pay, \$19.3 million Gross (\$6.8 million GF/GP).</p> <p>b) Transferring out taxes and fringe dollars applicable to Child Support Enforcement Unit staff, \$3.3 million Gross (\$1.1 million GF/GP).</p> <p>c) Recognition of savings of taxes and fringes for employees eliminated through early retirement which will not be replaced, \$37.0 million Gross (\$13.3 million GF/GP). Savings here support spending increases below in d) – f).</p> <p>d) Funding annual leave and deferred payout hours for employees who recently took early retirement, \$18.5 million Gross (\$6.6 million GF/GP).</p> <p>e) Funding lump sum and monthly sick leave payout, \$3.8 million Gross (\$1.4 million GF/GP).</p> <p>f) Funding retiree health insurance costs, \$14.7 million Gross (\$5.3 million GF/GP).</p> <p>g) Transferring in separation costs associated with early retirement from all other appropriation units, \$24.2 million Gross (\$8.6 million GF/GP).</p> <p>h) Transferring in benefit dollars associated with Project Zero Coordinators within the Family Services unit, \$682,900 Federal.</p> <p>i) Transferring in benefit dollars from Volunteer Services within the Local Office Staff unit, \$642,000 Gross (\$203,700 GF/GP).</p> <p>j) Transferring in fringes and taxes identified with Indian Outreach Program within Local Office Staff unit, \$190,700 Gross (\$60,500 GF/GP).</p> <p>k) Transferring out fringes and taxes applicable to transfer of employees who performed the interagency daily mail service to/from Wayne County, now handled by DMB, \$54,700 Gross (\$19,600 GF/GP).</p> <p>l) Transferring out fringes and taxes applicable to one employee transferred from the Child Family Services unit Salary and Wages line to the Adoption Support Services line within the same unit, \$15,300 Gross (\$6,700 GF/GP).</p> <p>m) Fund shift of \$52,000 from private to federal authority, \$0 Gross.</p> <p>The Legislature concurred with recommendations.</p>	0.0	\$908,400	\$3,054,800

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
PUBLIC ASSISTANCE			
<p>1. Family Independence Program The Executive recommended the following changes:</p> <p>a) A 10,200 caseload decrease for FY 2004 to a budget level of 69,500 cases at an average monthly costs of \$400 per case. This is compared to a FY 2003 budget level of 79,700 cases, at an average monthly costs of \$389 per case. Net savings total \$38.4 million Federal TANF.</p> <p>b) Elimination of Kinship Care Pilot Program, \$3.0 million Federal TANF.</p> <p>c) Federal Medical Assistance Percentage (FMAP) change from 55.42% to 55.89%%, allowing a reduction in GF/GP authority and an increase in federal authority, \$0 Gross (\$438,600 GF/GP).</p> <p>d) Recognition of increased public assistance recoupment revenue, allowing for a reduction in GF/GP, \$0 Gross (\$200,000 GF/GP).</p> <p>The Senate concurred with the items a), c) and d), but retained Kinship Care Program with 20% reduction and recommended doubling the school clothing allowance to \$50 by adding \$1.3 million TANF.</p> <p>The House concurred with items c) and d), but recommended increasing the caseload in item a) by 900 to 1,000 cases to recognize additional need, retaining Kinship Care Program with 15% reduction, and concurred with Senate on school clothing allowance.</p> <p>In Conference, agreement was reached to concur with items c) and d) and to: adopt June Consensus Caseload Estimate of 74,065 with an average monthly cost of \$407, saving \$7.1 million and requiring the addition of \$31.3 million GF/GP; reduce the Kinship Care Program by 10%, saving \$300,000 TANF; and raise the school clothing allowance to \$40, adding \$440,000 TANF.</p>	0.0	\$31,538,600	(\$7,000,000)
<p>2. Transitional Work Support The Executive proposed eliminating the Transitional Work Support Program which provided medical assistance for families who quickly become self-sufficient and therefore never received Medicaid. The Legislature concurred.</p>	0.0	(\$5,000,000)	(\$5,000,000)

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
<p>3. Homestead Property Tax Credit for Low Income Families The Executive proposed elimination of this line due to recognition of Federal TANF regulations that prohibit the use of TANF for the credit. Note that the credit will continue and be funded by other means. The Legislature concurred with the proposal.</p>	0.0	\$0	(\$50,000,000)
<p>4. State Disability Assistance Payments The Executive proposed the following:</p> <p>a) Adding in \$1.4 million to cover higher projected SDA caseloads, all GF/GP. Caseload estimate is 8,400, an increase of 500 cases from FY 2003 budgeted.</p> <p>b) Adding in \$504,000 for projected increase in cost per case, all GF-GP. Cost per case estimate is \$238.54, an increase of \$5.00 per case from FY 2003 budgeted.</p> <p>The Legislature concurred with the Executive's proposal, and in Conference adopted a caseload estimate of 9,939 with a cost per case of \$241. An additional \$1.4 million is added to Part 1 above, and an additional \$3.3 million is funded in Section 413 CSES penalty refund.</p>	0.0	\$3,278,700	\$3,278,700
<p>5. Food Assistance Program Benefits No change.</p>	0.0	\$0	\$0
<p>6. State Supplementation The Executive proposed adding \$630,400, all GF/GP, to cover projected increase in caseload of 2,300 case from FY 2003 to a total of 214,300 cases. The Legislature concurred.</p>	0.0	\$630,400	\$630,400
<p>7. State Supplementation Administration The Executive proposed removal of unearnable federal revenue and the Legislature concurred.</p>	0.0	\$0	(\$100)
<p>8. Low Income Energy Assistance Program The Executive recommended the following:</p> <p>a) Recognition of projected federal LIHEAP award increase, \$30.6 million Federal. Projection of LIHEAP award is required because Michigan generally does not received final LIHEAP allocation from Health and Human Services until well after the state budget deliberations have been completed.</p> <p>b) Removing FTEs and transferring out separation costs related to the early retirement program, 2.1 FTEs, \$135,900 Federal.</p> <p>The Legislature concurred with the recommendations.</p>	(2.1)	\$0	\$30,464,100

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
<p>9. State Emergency Relief The Executive recommended the following changes:</p> <p>a) Removal of federal funding for FY 2002-03 budgetary savings adjustment, \$529,300.</p> <p>b) Annualizing emergency shelter savings from FY 2003 budgetary savings adjustment which reduced rates by \$1.00 to \$12.00 per night, \$133,300 Gross (\$66,700 GF/GP).</p> <p>c) Annualizing costs associated with the elimination of the emergency furniture payment program, \$109,800 Gross (\$73,500 GF/GP).</p> <p>d) Reduction of 15% in indigent burial rates to \$947 per burial from \$1,114 in FY 2003. The \$947 is distributed as \$603 for funeral directors, \$200 for cemeteries or crematoriums, and \$144 for the provider of the vault, saving \$952,000 Gross (\$865,000 GF/GP).</p> <p>The Senate concurred with the proposals.</p> <p>The House concurred and added \$.50 per night or \$500,000, all federal, to increase the shelter per diem rate, using TANF funds.</p> <p>In Conference, the Senate version was adopted and \$42,900 of TANF for multicultural contracts was reduced and replaced by GF/GP.</p>	0.0	(\$962,300)	(\$1,724,400)
<p>10. Weatherization Assistance The Executive recommended recognition of projected federal funding made available to the State of Michigan for this program and the Legislature concurred.</p>	0.0	\$0	\$5,040,800

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
<p>11. Day Care Services The Executive proposed the following action:</p> <p>a) Removing additional federal authority associated with budgetary savings in FY 2003, \$2.4 million.</p> <p>b) Annualizing the 6% rate reduction for relative providers, \$3.7 million Gross (\$1.3 million GF/GP).</p> <p>c) Annualizing the phase out of program eligibility from an average of 175% of Federal Poverty Guidelines to 150%, and recognizing a related caseload reduction of 1,900 to 63,100, \$3.7 million Gross (\$1.4 million GF/GP).</p> <p>d) Increasing authority to use CCDF discretionary funds to continue TEACH, provider Start-Up, and other projects previously funded with work projects, \$3.5 million Federal.</p> <p>e) Increasing authority for caseload in FY 2003 by 2,500 cases to 65,600 and increasing monthly cost per case by \$16 to \$589, \$30.0 million Federal.</p> <p>f) Increasing caseload funding for FY 2004 by 700 cases to 66,300 at a monthly cost per case of \$589, \$4.9 million Federal.</p> <p>g) Replacing Federal CCDF carryforward of \$34.2 million and GF/GP matching funds of \$21.9 million with TANF, \$0 Gross (\$21.9 million GF/GP).</p> <p>h) Increasing TANF Maintenance of Effort (MOE) due to reduced school aid spending, \$5.0 million Federal reduction offset by GF/GP, \$0 Gross.</p> <p>i) Limiting maximum number of hours per pay period (2 weeks) to 100 hours, eliminating exceptions up to 140 hours, \$4.4 million Gross (\$1.5 million GF/GP).</p> <p>j) Eliminating funding for the Before and After School Program and redirecting funding authority to Enhanced Child Care Fund Reimbursement for Community Programs line in the Child and Family Services Unit, \$9.5 million Federal TANF.</p> <p>The Senate concurred with items a) – i), but retained the Before and After School Program with a \$1.0 million reduction.</p> <p>The House concurred with the Senate, but modified item f) by adding 4 to the caseload and \$30,700 in TANF funds, and retained the Before and After School Program with a 10% reduction, saving \$950,000.</p> <p>In Conference, the House version was adopted and f) was modified by funding the Consensus caseload estimate of 67,986 with an average monthly cost per case of \$579, \$14.8 million Gross (\$9.9 million GF/GP).</p>	0.0	(\$11,148,600)	\$33,271,700

PART 1 LINE ITEMS	Changes from FY 2002-2003 Y-T-D		
	FTE	GF/GP	Gross
INFORMATION TECHNOLOGY			
<p>1. Information Technology Services and Projects The Executive recommended the following action:</p> <p>a) Removal of federal funding applicable to FY 2003 budgetary savings adjustment, \$2.6 million.</p> <p>b) Removal of funding applicable to early retirement program, including separation costs, \$2.5 million Gross (\$354,300 GF/GP).</p> <p>c) Removal of both unearnable local revenue and unearnable Interdepartmental Grant revenue, \$407,600 Gross.</p> <p>d) Recognition of projected technology savings due to DIT negotiation of lower contract rates, \$3.2 million Gross (\$1.1 million GF/GP).</p> <p>The Legislature concurred with the above proposals and included a 15% reduction in funding, \$6.8 million Gross (\$2.3 million GF/GP).</p>	0.0	(\$3,793,414)	(\$15,532,800)
<p>2. Child Support Automation The Executive recommended reduced funding because this system is expected to be completed and certified by the end of FY 2003 and the Legislature concurred.</p>	0.0	(\$5,620,000)	(\$20,571,000)
<p>3. Client Services System The Executive recommended the following action:</p> <p>a) Removal of costs associated with early retirement, including separation costs, \$414,000 Federal.</p> <p>b) Adding GF/GP in place of federal funding to receive federal match dollars, \$0 Gross (\$4.5 million GF/GP).</p> <p>The Legislature concurred with the recommendations and added a 15% reduction in funding, \$1.8 million Gross (\$667,900 GF/GP).</p>	0.0	\$3,784,500	(\$2,260,100)
<p>4. Data System Enhancement The Executive recommended recognition of projected technology savings in area due to DIT negotiation of lower contract rates, \$4.6 million Gross (\$1.9 million GF/GP).</p> <p>The Legislature concurred with the above recommendation and added a 15% reduction in funding, \$2.5 million Gross (\$1.0 million GF/GP).</p>	0.0	(\$2,993,065)	(\$7,115,600)

PART 2 BOILERPLATE ITEMS

GENERAL SECTIONS

Sec. 201. State Spending to Local Units

Specifies the amount of state spending paid to local units of government.

Sec. 202. Appropriations Subject to Management and Budget Act

Makes FIA appropriations subject to the Management and Budget Act.

Sec. 203. Acronyms

Defines acronyms used in the FIA Budget.

Sec. 204. 1% Civil Services Charge

Requires the 1% charge billed to the Department by the Civil Service Commission to be paid by the end of the second fiscal quarter.

Sec. 205. Hiring Freeze

Sets out details of a hiring freeze on state classified civil service employees, provides exceptions to the hiring freeze only with the State Budget Director's approval, and requires a monthly report on the number of exceptions.

Sec. 207. Privatization Plan Requirement

Requires the Department, before beginning any effort to privatize services, to submit a project plan and evaluation.

Sec. 208. Internet Reporting

Requires the Department to continue use of the Internet to fulfill reporting requirements.

Sec. 209. American Goods/Services Purchase Requirement

Requires that funds be used to purchase American made goods and/or services if competitively priced and of comparable quality.

Sec. 210. Contracting with Businesses in Depressed and Deprived Areas

Encourages departments to contract with businesses in depressed and deprived areas.

Sec. 211. Disaster Assistance Funds

Authorizes FIA to receive and expend funds from the Department of State Police for disaster assistance.

Sec. 212. Write-Offs and Prior-Year Obligations

Allows the use of prior-year revenues, or current-year revenues in excess of the authorized amount, to write off receivables, deferrals, and prior-year obligations.

Sec. 213. Food Assistance Over Issuance Collections and Error Rate Status

Authorizes FIA to retain food assistance over-issuance collections to offset GF/GP costs and requires FIA to report on error rate status.

Sec. 214. Field Service Allocation Detail

Requires the Department to report details of allocations within program budgeting line items and within salary and wage line items in the local office staff and operations appropriation unit. Further requires a bimonthly report on FTEs by pay status.

Sec. 215. Notification - Legislative Objectives Conflict with Federal Regulation

Requires the Department to provide notice if a legislative objective in the budget or 1939 PA 280 cannot be implemented without loss of federal funds due to conflict with federal regulations.

Sec. 218. TANF and TANF Maintenance-of-Effort (MOE) Reporting

Requires a semi-annual report on TANF projected expenditures, carry-forward, and interdepartmental or interagency fund transfers, as well as notification of proposed changes in TANF utilization or distribution or TANF MOE.

Sec. 220. Faith-Based Contracts

Places restrictions on FIA contracts with faith-based organizations. Requires FIA to provide non-sectarian services for clients who object to sectarian-provided services. Further requires FIA to cooperate with faith-based organizations so they can compete for contracts and requires FIA to follow federal PRWORA faith-based involvement related guidelines.

Sec. 221. Collected Revenue Carry-Forward

Gives authority to carry forward local and private revenues in excess of appropriations.

PART 2 BOILERPLATE ITEMS

Sec. 223. Medicaid Determination Requirements

Requires FIA to determine Medicaid eligibility within 60 days when disability is an eligibility factor and within 45 days for all other applicants, and requires FIA to report on centralized monthly processing of Medicaid spend-down paperwork for specified clients.

Sec. 227. Fund Source Realignment Authority

Provides the State Budget Director with authorization to realign sources of financing in order to maximize TANF MOE countable expenditures.

Sec. 259. Department of Information Technology Agreement

Requires FIA to pay user fees to the new Department of Information Technology based on an established interagency agreement.

Sec. 260. Information Technology Funds Designated Work Projects

Allows amounts appropriated for information technology to be designated as work projects.

Sec. 261. Local Office Restructuring

Requires FIA to consult with members of the Legislature on planned local office restructuring and requires any plan ensure presence in every county, and requires FIA to implement and report on the restructuring of local offices with more than ten offices resulting in a savings of \$2.0 million.

Sec. 264. FIA Employee Communication with Legislature

Permits FIA employees while on personal time to have appropriate communications with legislators and staff as long as the communication does not violate laws, breach confidentiality, violate civil service rules, or represent a formal FIA position without prior approval.

Sec. 269. Title IV-D Child Support Collections Replacement Authorization

Authorizes State Budget Director to reduce federal authorization for Part 1 legal support contracts by 66% of escheated child support collections, and increase GF/GP authorization by the same amount to offset lost federal revenue. Adjustment is needed due to the escheated amounts being counted as Title IV-D program income. (Formerly Section 412).

Sec. 270. Reporting Program Costs and Outcomes - NEW

Requires FIA to report to the Legislature and State Budget Director on the average program cost per recipient, and outcome measurement.

Sec. 271. Reporting Progress of Child and Family Services Reviews - NEW

Requires FIA to report to various legislative committees and the State Budget Director on federal reviews of FIA's compliance with the Adoption and Safe Families Act of 1997 with respect to child and family services.

Sec. 272. Reporting Results of Foster Care Eligibility Reviews - NEW

Requires FIA to report to various legislative committees and the State Budget Director on federal reviews of FIA's compliance with the Adoption and Safe Families Act of 1997 with respect to foster care eligibility.

Sec. 273. Reporting Policy Changes - NEW

Requires FIA to report to various legislative committees on policy changes in specified areas and the annual regulatory plan submitted to the Office of Regulatory Reform.

Sec. 274. Reporting Federal Grants for Which No Application was Made - NEW

Requires FIA to report to various legislative committees and the State Budget Director on each federal grant for which FIA was eligible, but chose not to submit an application.

Sec. 275. Billboard Advertising Prohibited - NEW

Prohibits the use of FIA funds for billboard advertising unless mandated by federal or state regulations.

Sec. 276. Compliance with Federal Record Retention Regulations - NEW

Requires all departments and agencies receiving funds from the FIA budget to receive and retain copies of all reports funded from this budget. Requires FIA to follow all federal and state record retention regulations.

Sec. 277. Auditor General Report Response

Requires FIA to provide a report within 30 days after receiving an Auditor General report indicating FIA's noncompliance with state or federal law, rule, or regulation (Formerly Section 712).

PART 2 BOILERPLATE ITEMS

EXECUTIVE OPERATIONS

Sec. 302. Commission for the Blind Tuition Payments

Allows the Commission for the Blind to use case services funds to pay for tuition payments for blind clients for the school year.

FAMILY INDEPENDENCE SERVICES ADMINISTRATION

Sec. 403. Community Services Block Grant Plan

Requires submission of the Community Services Block Grant plan to the House and Senate Appropriations Subcommittees on the Family Independence Agency by September 30.

Sec. 404. Community Services Block Grant Distribution Plan - Tribal Organizations

Requires FIA to develop and submit a plan based on recommendations from the Department of Civil Rights and Native American organizations to assure that Community Services Block Grant funds are equitably distributed.

Sec. 413. Contingent Appropriation - CSES Refund - PARTIAL VETO

Allocates and restores specified program funds contingent upon receipt of federal child support enforcement system penalty refund. Veto eliminated allocation for the community-based innovation grants, Project Zero and volunteer services, Medicaid spend down analysis, Effective Family Formation programs, rate increase for adoption/foster care agencies, One Church One Child, Medicaid-eligible teen parent adoption counseling, and the Amer-I-Can Program.

Sec. 414. Community Action Agency TANF Allocation

Identifies \$2.4 million in TANF authorized for Community Action Agencies and requires agencies to report data needed to receive TANF funds.

Sec. 415. Fatherhood Initiative – VETOED

Requires the Department to spend \$500,000 in TANF to fund a fatherhood initiative.

Sec. 416. Marriage Initiative - VETOED

Allows the Department to spend up to \$750,000 in TANF to fund a marriage initiative.

Sec. 417. Bureau of Community Action and Economic Opportunity - NEW

Creates Bureau of Community Action and Economic Opportunity and a Commission on Community Action and Social Opportunity using up to 3.75% of Community Services Block Grant funds. Requires FIA to report to the Legislature on the use of these funds.

Sec. 418. Individual Development Accounts Matched Savings Programs – VETOED

Provides \$200,000 to Michigan IDA partnership to allocate to individual development account (IDA) matched savings programs (NEW, FY 2003-04). (Concept was formerly included in Section 624).

Sec. 419. IDAs in Community Development Credit Unions

Requires FIA to contract to provide for the implementation of Individual Development Account programs in Community Development Credit Unions (Formerly Section 625).

Sec. 420. Welfare to Career Innovation Grants – VETOED

Allocates \$40,000 in TANF funds to replicate the Kent County and Cascade Engineering Welfare to Career hiring and training program in four other counties (NEW, FY 2003-04).

CHILD AND FAMILY SERVICES

Sec. 501. Foster Care Age and Time Limit Goals

Establishes a goal to limit the number of children in foster care longer than 24 months and gives priority to reducing the number of children under age one in foster care.

Sec. 502. Indian Tribal Government Foster Care Reimbursement

Requires reimbursement to Indian Tribal governments for 50% of foster care expenditures.

Sec. 503. Adoption Subsidy Payment Continuance

Allows for continuance of adoption subsidy payments after the 18th birthday under certain criteria.

Sec. 504. Appropriation Deducts - Foster Care Private Collections

Allows the Department to satisfy appropriation deducts with excess revenue collections.

Sec. 508. Authorizes Additional CTF Funds and Joint Projects

Appropriates gifts and donations to the Children's Trust Fund, authorizes the Child Abuse and Neglect Prevention Board to initiate joint projects with other state agencies, and allows FIA to utilize interest and investment revenue from the current fiscal year for program and administration activities sanctioned by Child Abuse and Neglect Prevention Board.

PART 2 BOILERPLATE ITEMS

Sec. 509. Family Reunification Funding Requirement

Prohibits the use of funds to reunite or preserve families that would result in the child living with a parent or other adult convicted of criminal sexual conduct, with limited exceptions. Allows the FIA to provide counseling or other services for these families as long as the services are not directed at reunification.

Sec. 510. Limited Competitive Bid Exemption

Waives requirement for competitive bids on service contracts if only one provider exists in the area.

Sec. 513. Children - Out-of-State Facilities

Places restrictions on the placement of children in out-of-state facilities including the need for these facilities to meet Michigan licensing standards.

Sec. 514. Child Protective Services Report

Requires the Department to make a comprehensive report on child protective services to the Legislature by January 1 and states some of the information and statistics to be included in the report.

Sec. 515. Child Welfare Managed Care Demonstration Project

Allows the Department to incur costs and make payments to finish the Title IV-E child welfare waiver managed care demonstration project using foster care funds and requires report on outcome of Child Welfare Waiver Managed Care Project.

Sec. 517. Child Abuse and Neglect Prevention Programs

Authorizes allocation of funds to local collaboratives for neglect and abuse prevention programs.

Sec. 523. Child and Family Services Programs Reporting Requirements

Requires Child and Family Services programs listed to report data elements to receive TANF funds, and requires agencies receiving Teenage Parent Counseling TANF funds to report additional data to FIA. Requires agencies receiving Teenage Parent Counseling funds to provide 10% in matching funds.

Sec. 524. Prevention Services Report

Requires the Department to submit an annual report on the status of the prevention services program.

Sec. 531. Local Title IV-E Claim Requirements

Outlines requirements for FIA to make federal Title IV-E claims for eligible costs incurred by local units of government.

Sec. 532. Licensing and Contract Compliance Review

Requires collaboration between FIA and representatives of private child and family agencies in the review of contract compliance and licensing policies, practices, and procedures in attempt to identify duplication. Requires FIA to develop a streamlined licensing contract compliance review process and report on its implementation.

Sec. 533. Payment Promptness - Title IV-E Services

Requires FIA to make payments to child placing agencies within 30 days after receiving documentation for Title IV-E related services.

Sec. 536. Foster Care Assignment System

Prohibits FIA from implementing a geographically-based foster care assignment system unless in the best interests of the foster children.

Sec. 537. Foster Care Placement - First Opportunity

Requires FIA to offer private nonprofit agencies the first opportunity to provide foster care services for new children under specified circumstances and requires a 3rd party report on service costs for public and private agencies.

Sec. 539. Residential Treatment Placement Process

Requires FIA to collaborate with private agencies to ensure appropriate residential treatment placement process.

Sec. 541. Child Care Fund Reimbursement Reporting Requirements

Places reporting requirements on counties seeking Child Care Fund reimbursement, so the FIA can document TANF-eligible expenditures (Formerly Section 707).

Sec. 542. County Spending Plan Required

Directs that in order for counties to receive allocations from the Child Care Fund, they must submit a service spending plan by for FIA approval by December 15, 2003 (Formerly Section 709).

PART 2 BOILERPLATE ITEMS

Sec. 543. Criminal Sexual Conduct Involving Underage Youth - NEW

Requires FIA to develop a plan to provide education and training to reduce the incidences of criminal sexual conduct involving underage youth that must be designed to reach state and local law enforcement officials, schools and education agencies, health care, counseling and pregnancy prevention services, and others.

Sec. 544. Approval of Pending Pilot Project Applications for Accelerated Residential Treatment - NEW

Requires FIA to consider approval of pilot projects with applications pending for accelerated residential treatment.

Sec. 545. Eliminate Freeze on Approval of New Specialized Foster Care Programs - NEW

Requires FIA to eliminate the administrative freeze on approval of new specialized foster care programs.

Sec. 546 Reduction in Funding for Family Preservation and Prevention Services - NEW

Requires FIA to apply the \$8.0 million reduction to this line on an equal percentage basis to all programs, except that the secondary prevention program for zero to 3 year olds shall receive not less than FY 2002-03 funding, and the domestic violence Families First programs' equal percentage reduction shall be applied on the FY 2002-03 appropriation prior to Executive Order 2003-3.

PUBLIC ASSISTANCE

Sec. 601. Shelter Vendor Payments

Authorizes termination of shelter vendor payments if the rental unit is not in compliance with local housing codes, or when the landlord is delinquent on property taxes. Also requires landlord cooperation with weatherization and conservation efforts.

Sec. 603. Energy Provider Agreements and Standard Utility Allowance Adjustments

Allows the Department to make direct payments to energy providers, establishes energy caps for LIEAP, requires extended payment plans with utility companies, and expresses legislative intent that the Department review and adjust the state food assistance standard utility allowance based on current energy costs.

Sec. 604. State Disability Assistance (SDA) Program

Establishes requirements for the State Disability Assistance (SDA) program.

Sec. 605. SDA Reimbursement

Requires payments for SDA recipients in adult foster care facilities to be the same as the SSI rate for personal care.

Sec. 606. Retroactive SDA Recipient Payment

Requires SDA recipients who apply for SSI to sign agreements to repay the FIA upon receipt of retroactive SSI payments.

Sec. 607. Appropriation Deductions - Recovery and Recoupment Revenues

Allows all public assistance recoveries and recoupment revenues received to be used to satisfy deducts.

Sec. 608. Adult Foster Care Facility Payment Limits

Prohibits adult foster care facilities and homes for the aged from requiring payments by SSI recipients above legislatively-authorized rates.

Sec. 609. SSI State Supplementation

Prohibits reduction of the SSI state supplementation for recipients in institutional settings during the fiscal year.

Sec. 610. State Emergency Relief Exemption

Requires consideration of expenses for finding employment as good cause for persons applying for SER assistance.

Sec. 611. Indigent Burial - Additional Payments

Prohibits the Department from requiring state indigent burial payments to be accepted as payment in full, and allows providers to collect additional payment up to \$2,600.

Sec. 612. State Emergency Relief Housing Affordability Eligibility

Establishes a housing affordability standard under the SER program of 75% of total net income.

Sec. 613. Indigent Burial Charge Limit and Report Requirements

Establishes a maximum allowable charge limit for indigent burials and requires reporting.

PART 2 BOILERPLATE ITEMS

Sec. 614. Ten-Day Burial Billing Requirement

Allows providers of indigent burial services to bill the Department within ten days of the burial or cremation.

Sec. 615. Illegal Alien Public Assistance Prohibition

Prohibits provision of public assistance to illegal aliens except homeless shelter and food bank services.

Sec. 616. Weatherization Program

Requires 25% of households served by the Weatherization Program to be FIP, SDA, Food Assistance, or SSI recipients, and allows unencumbered program balances to be carried forward to FY 2004-05.

Sec. 617. FIP Minor Parent Household Restriction

Prohibits minor parents on public assistance from living in an arrangement where their sexual partner is the supervising adult.

Sec. 618. Assistance Adjustment Notification

Identifies situations when FIA may adjust assistance without prior notice.

Sec. 619. Title IV-A and Food Assistance Benefit Exemption

Exempts individuals convicted of a drug felony after August 22, 1996, from the federal prohibition on receiving Title IV-A and food assistance benefits; however, benefits must be paid to a third party.

Sec. 621. Multicultural Support Services Funding Distribution

Allows use of funds to support multicultural assimilation and support services based on assessed community needs.

Sec. 627. EQUIP Grants

Requires the Department to contract to provide Enhance Quality Improvement Program (EQUIP) grants.

Sec. 631. Domestic Violence Victim Support Policy

Requires FIA to maintain policies to identify victims of domestic violence as they enter the system, refer these clients to counseling, and waive FIP requirements for these clients under certain circumstances.

Sec. 632. Food Assistance Allotment

Requires the Department to calculate the food assistance allotment for applicants who are United States citizens and who live in a household with legal immigrants in a manner that maximizes food assistance available to these United States citizens under federal law.

Sec. 635. Child Day Care Provider Central Registry Notification

Requires the Department, within six business days of receiving all information necessary to process an application for payments for child day care, to determine whether the child day care provider is listed on the Child Abuse and Neglect Central Registry. If the provider is listed on the Central Registry, the Department shall immediately send written notice denying the applicant's request for child day care payments.

Sec. 640. Child Day Care Provider Payments

Requires the Department to provide infant and toddler incentive payments to child day care providers caring for children 0 – 2½ years of age who meet licensing or training requirements.

Sec. 643. Homeless Shelter Reporting

Requires shelter programs to report data elements needed to receive TANF funds.

Sec. 645. State Emergency Relief Domestic Violence Homeless Criteria

Allows individuals living with others to escape domestic violence to be defined as homeless for the purposes of SER.

Sec. 648. Beyond Federal Five-Year Limit

Allows the Department to continue to make assistance payments to eligible recipients beyond the federal five-year limit.

Sec. 653. Domestic Violence Exemption - Food Assistance Requirements

Exempts an individual who is the victim of domestic violence for up to an additional three months from the three-month-in-36-month limit on receiving food assistance.

Sec. 657. Before- or After-School Program

Requires the Department to continue to offer a before- or after-school program pilot for school-aged children and provide a report on the pilot.

Sec. 660. Food Bank Council TANF Reporting

Requires the Food Bank Council to report data elements needed to receive TANF funds.

PART 2 BOILERPLATE ITEMS

Sec. 665. Public Transit

Requires the Department to continue to partner with the Department of Transportation to use TANF and other sources to support public transportation needs of TANF eligible individuals and requires report on new transportation initiatives.

Sec. 666. Federal Earned Income Tax Credit Participation

Requires the Department to develop and implement a plan with Michigan State University Extension Service to increase FIP recipient participation in the federal Earned Income Tax Credit and report on plan details.

Sec. 667. Child Day Care Provider Background Checks

Allows FIA to expend funds necessary to perform child day care provider checks from fees collected.

Sec. 668. Child Care Program Pilot

Allows FIA, in collaboration with Michigan Alliance of Boys and Girls Clubs, to conduct a child care program pilot. Allocations are made only to agencies who report necessary data for meeting TANF eligibility requirements, and priority is given to agencies providing at least 10% in matching funds.

Sec. 669. Electronic Debit Cards and Annual School Clothing Allowance

Requires FIA to distribute cash and food assistance to recipients using debit cards. Allocates funds for eligible children ages four to eighteen years of age to receive a school clothing allowance, and encourages Department to expand outreach to retailers offering discounts (Formerly Section 301).

Sec. 670. Kinship Care

Expresses legislative intent to reduce the discrepancy between funding for a kinship care case and a similar family size Family Independence Program (FIP) case (Formerly Section 520).

Sec. 671. Internet-based Benefit Information System - NEW

Allows FIA to work with private nonprofit service providers to implement an Internet-based information system providing centralized benefit eligibility information and electronic application forms and application submission.

Sec. 672. Reporting Food Assistance Outreach Efforts - NEW

Requires FIA to report to various legislative committees and the State Budget Director on FIA's food assistance outreach efforts.

Sec. 673. Notification of Day Care Eligibility Reduction or Elimination - NEW

Requires FIA to immediately notify the client and the day care provider when the client's eligibility is reduced or eliminated.

JUVENILE JUSTICE SERVICES

Sec. 702. Juvenile Justice Facility Expansion

Requires that expansion of facilities funded under the Juvenile Justice Services unit comply with due notice of the open meetings act.

Sec. 703. Maximum Security Facility Requirement

Prohibits a juvenile placed in a state operated maximum security delinquency facility to leave the facility except under limited circumstances.

Sec. 704. Juvenile Justice Facility Location

Prohibits new delinquency facilities from being located within 1,500 feet of property in use for a K-12 educational program.

Sec. 705. W. J. Maxey Reporting Requirement

Requires FIA to provide an annual report on the W. J. Maxey facility, and outlines required assessment and treatment issues. Requires FIA to complete and provide a report comparing public training schools and private facilities.

Sec. 706. Alternative Regional Detention Services County Charge-Back

Requires a county charge-back for 50% of the costs of alternative regional detention services in certain circumstances.

Sec. 713. Juvenile Justice Release Coordination and Health Care Rate

Requires FIA to work cooperatively with other state departments to coordinate and improve the delivery of services to individuals leaving the juvenile justice system, especially those aging-out identified as continuing to pose a serious risk, and requires FIA to reimburse health care providers for actual charges less than or equal to the Medicaid reimbursable rate scale for services rendered.

PART 2 BOILERPLATE ITEMS

Sec. 714. County Information Networks - Technical Assistance

Requires FIA to provide technical assistance for counties to develop information networks like SHOCAP, JJOLT, and JVRS, and requires report.

Sec. 715. Early Intervention Initiatives Report

Identifies legislative intent related to juvenile justice system and requires FIA to present and report on early intervention initiatives based on recommendations from 2001 Joint House and Senate Task Force on Juvenile Justice.

Sec. 716 Sale of Excess Maxey Facility Property – VETOED

Requires FIA to work with the Department of Management and Budget to obtain an appraisal of the excess Maxey Facility property and pursue its sale, and identifies areas to receive funding from sale (NEW, FY 2003-04).

LOCAL OFFICE SERVICES

Sec. 750. Out-stationed Eligibility Specialists - NEW

Requires FIA to maintain out-stationed eligibility specialists in community-based organizations and hospitals in the same locations and at staffing levels no less than in FY 2002-03.

DISABILITY DETERMINATION SERVICES

Sec. 801. Retirement Disability Determination Agreement

Requires FIA to provide retirement disability determination services for state employees, state police, judges, and school teachers as specified in an agreement between FIA and DMB.

CHILD SUPPORT ENFORCEMENT

Sec. 901. Child Support Incentive Payments and Enforcement System Requirements

Requires FIA to retain portions of federal child support incentive payments and expend them for various child support collection efforts, including legal support contracts, and also for child support program expenses. Requires FIA to enter into cooperative agreement with the State Attorney General to support activities of that office (Formerly Section 401).

FY 2002-03

Sec. 1001. CSES Penalty Refund Appropriation – NEW

Authorizes up to \$16.1 million of the CSES penalty refund for the child support enforcement system, caseload costs, and the transitional work support program. Sec. 413 in the current-year FIA budget (2002 Public Act 529) is repealed.