

HUMAN SERVICES

Summary: FY 2009-10 Senate Committee-Reported Bill Senate Bill 248

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	FY 2008-09 YTD	FY 2009-10	FY 2009-10	FY 2009-10	FY 2009-10	Difference: Senate from FY 2008-09 YTD	
		Executive	Senate	House Subcommittee	Enacted	Amount	%
IDG/IDT	\$2,416,700	\$2,426,600	\$2,426,600			\$9,900	0.4
Federal	3,313,267,900	3,455,118,700	3,448,402,500			135,134,600	4.1
Local	46,161,100	41,741,300	38,363,100			(7,798,000)	(16.9)
Private	10,174,700	9,822,200	9,822,200			(352,500)	(3.5)
Restricted	61,589,200	56,845,400	56,845,400			(4,743,800)	(7.7)
GF/GP	1,221,206,200	1,026,500,700	1,026,396,000			(194,810,200)	(16.0)
Gross	\$4,654,815,800	\$4,592,454,900	\$4,582,255,800			(\$72,560,000)	(1.6)
FTEs	10,401.8	11,221.5	10,844.8			443.0	4.3

Note: FY 2008-09 figures reflect supplementals, transfers, and Executive Order (EO) actions through January 31, 2009.

Overview

The Department of Human Services (DHS) administers a wide range of programs and services to assist Michigan's most vulnerable families, including public assistance programs that provide direct cash support as well as assistance with food, day care and other emergency needs. The Department is also charged with protecting children and assisting families by administering foster care, adoption and family preservation programs, and by enforcing child support laws. The DHS is also responsible for delivering juvenile justice services and for licensing day care, adult foster care, and child welfare agencies in the state.

Major Budget Changes From FY 2008-09 YTD Appropriations

1. Child Welfare Improvements: Staffing Increases

Executive budget provides \$78.4 million for 850 new child welfare staff to comply with caseload-to-staffing ratios established in the Children's Rights legal settlement. The Senate reduces the staffing increases by 306 positions. The Senate included funding for 49 positions within a new Children's Services Administration, but reduced the number of new child welfare field staff, supervisory staff, and administrative support staff. Executive and Senate staffing levels are compared below. The Senate also concurred with the Executive in providing \$4.0 million for potential services required after a mandated needs assessment, \$1.4 million for the federal monitoring contract, and \$877,500 for a new data collection unit.

	FY 2008-09 YTD	Exec Chg From YTD	Senate Chg From YTD
FTEs	N/A	850.0	544.0
Gross	N/A	\$83,778,600	\$58,015,600
Federal	N/A	20,475,700	13,759,400
GF/GP	N/A	\$63,302,900	\$44,256,200

Positions	Staffing increases	
	Executive	Senate
Children's Services central staff	49	49
Child protective services workers	279	276
Foster care workers	87	41
Permanency/backlog staff	62	(22)
Team decision making facilitators	74	0
Child placing agency monitors	17	17
First-line supervisors	189	156
Second-line supervisors	27	0
Administrative support staff	66	27
TOTAL STAFF	850	544

Major Budget Changes From FY 2008-09 YTD Appropriations		FY 2008-09 YTD	Exec Chg From YTD	Senate Chg From YTD
2. Child Welfare Improvements: Private Agency Rate Increases		Gross	N/A	\$22,403,800
Senate concurs with Governor in providing a \$10 daily administrative rate increase for child placing agencies and a \$7 per diem increase for residential facilities for to assist with staff increases required under the Children's Rights legal settlement. By October 2010, 80% of private agency foster care workers must have a caseload of no more than 20 children.		Federal	N/A	5,078,900
		Local	N/A	3,654,300
		GF/GP	N/A	\$13,670,600
3. SSI Supplementation		Gross	\$59,480,800	(\$29,776,800)
Senate removes \$29.8 million (GF/GP) for state supplement payments to federal Supplemental Security Income (SSI) recipients, concurring with Executive recommendation. Action would eliminate monthly supplements, which average around \$14, beginning in January 2010 to around 218,400 recipients who live independently. Federal rules currently prohibit states from reducing SSI supplements below certain minimums, so Michigan will seek a federal waiver to implement this change. Reduction will not affect recipients living in institutional settings.		GF/GP	\$59,480,800	(\$29,776,800)
4. Elimination of Scheduled FIP and Day Care Rate Increases		Gross	N/A	N/A
Both Executive and Senate eliminate planned increases for Family Independence Program (FIP) cash assistance payments and day care subsidy payments. FY 2008-09 budget included boilerplate language appropriating \$5.0 million for a \$2 per person per month FIP payment increase and \$10.0 million for day care provider rate increases; increase was contingent upon state's receipt of TANF contingency funds. While TANF funds were received, they will be reallocated to other areas of the budget.		Federal	N/A	N/A
		GF/GP	N/A	N/A
5. State Juvenile Justice Facilities		FTEs	388.0	(109.0)
Senate recommends closing the Nokomis state juvenile justice facility along with the three public community juvenile justice centers. The Nokomis facility currently houses 35 youth. These youth and those housed in community juvenile justice centers would be transferred to private facilities. Action eliminates 75 positions within these facilities, and is assumed to save \$6.9 million (\$2.9 million GF/GP).		Gross	\$39,023,200	(\$10,000,000)
		Federal	143,600	0
		Local	20,025,500	(5,000,000)
		GF/GP	\$16,306,000	(\$5,000,000)
Executive and Senate both recognize savings of \$10.0 million (\$5.0 million GF/GP) from the closure of the Adrian Training School in February 2009 and from further consolidations at the W.J. Maxey Training School through the relocation of youth at the Woodland Center to the Green Oaks Center. Both the Woodland Center and Green Oaks Center will undergo needed renovations funded through the Department of Corrections (DOC), with the DOC then taking over the Woodland Center to house inmates with special mental health needs.				
6. Child Care Fund - Private Placements of Youth		Gross	N/A	N/A
Senate includes new funding for payments to private residential facilities that would take over supervision of youth transferred from Nokomis state juvenile justice facility and the three public community juvenile justice centers.		Local	N/A	N/A
		GF/GP	N/A	N/A
				\$1,070,400
				599,400
				\$471,000

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09</u> <u>YTD</u>	<u>Exec Chg</u> <u>From YTD</u>	<u>Senate Chg</u> <u>From YTD</u>
7. Family Preservation Programs	Gross	\$61,927,200	(\$10,608,800)	(\$4,154,100)
Senate partially restores Executive-proposed reductions for family preservation and prevention programs which are designed to serve at-risk families and prevent out-of-home child placements. Senate fully restores proposed cuts to Zero-to-Three Secondary Prevention program (\$4.0 million) and Family Group Decision Making services (\$2.5 million), but concurs with Executive in reducing Community Protection and Permanency funding (\$4.0 million reduction) and related administrative costs. Resulting TANF savings are redirected to the Family Independence Program, achieving equivalent GF/GP savings.	Federal	61,927,200	(10,608,800)	(4,154,100)
	GF/GP	\$0	\$0	\$0
8. Restoration of TANF Program Reductions	Gross	\$13,016,800	(\$13,016,800)	\$0
Senate restores cuts to Temporary Assistance for Needy Families (TANF) allocations for Marriage and Fatherhood Initiatives (\$4.2 million) and the Teenage Parent Counseling program (\$3.8 million) that were proposed in the Executive budget, and restores funding for Before and After School programs (\$5.0 million) using GF/GP revenue rather than TANF funds.	Federal	12,991,300	(12,991,300)	(5,000,000)
	GF/GP	\$25,500	(\$25,500)	\$5,000,000
9. TANF Funding: Other Program Reductions	Gross	\$4,403,300	(\$4,403,300)	(\$2,100,000)
Executive budget reduces TANF allocations to community action agencies through the Community Services Block Grant (CSBG) program by \$2.6 million; eliminates a \$1.8 million TANF allocation to support \$50 quarterly work incentive payments to FIP program recipients; and eliminates a \$25,000 grant to the Michigan After-School Partnership. TANF savings are redirected to the Family Independence Program to generate GF/GP savings. Senate restores funding for the EITC education grants provided through the CSBG (\$500,000), the \$50 work incentive payment, and the Michigan After-School Partnership to FY 2008-09 appropriated levels.	Federal	4,403,300	(4,403,300)	(2,100,000)
	GF/GP	\$0	\$0	\$0
10. Family Independence Program Clothing Allowance	Gross	N/A	N/A	(\$1,683,500)
Senate reduced the annual FIP clothing allowance from \$88 per child to \$75 per child.	GF/GP	N/A	N/A	(\$1,683,500)
11. Adoption Support Services	Gross	\$17,797,600	\$7,200,000	\$7,200,000
Both the Governor and Senate Increase funding for private adoption agencies to reflect the department's intent to solely use private agencies for adoption casework. Current on-board DHS adoption workers will be redirected to foster care, children's protective services, or other child welfare programs.	Federal	7,294,400	1,985,800	1,985,800
	GF/GP	\$10,503,200	\$5,214,200	\$5,214,200
12. Day Care Quality Assurance	FTEs	N/A	2.0	2.0
Both the Governor and Senate add two additional positions to the day care quality assurance initiative. Additional positions will expand the review process of time and attendance records of day care aides and relative care providers. Annual GF/GP savings in day care subsidies minus staffing costs is assumed to be \$10.0 million by Executive. Senate assumes the annual GF/GP savings to be \$15.0 million.	Gross	N/A	(\$9,961,600)	(\$14,961,600)
	Federal	N/A	38,400	38,400
	GF/GP	N/A	(\$10,000,000)	(\$15,000,000)
13. Indigent Burial Program	Gross	\$5,909,300	(\$1,700,000)	\$0
Governor's recommendation reduces the indigent burial rates as described in Section 613 of budget boilerplate back to the levels established in administrative rules. The maximum reimbursement level per burial is reduced from \$909 to \$700; Rates fall to \$455 from \$579 for funeral directors, \$145 from \$192 for cemeteries or crematoriums, and \$100 from \$138 for vault providers. Senate restores funding to current levels.	Federal	430,900	0	0
	GF/GP	\$5,478,400	(\$1,700,000)	\$0

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14. Legal Support Contracts		Gross	\$139,753,600	(\$1,000,000)	\$0
Senate restores funding that was eliminated in the Executive budget for state supplements for local friend of the court operations, as described in Sections 905 and 906 of budget boilerplate. The state funding is used to help local friend of the courts to draw down additional federal revenue for child support enforcement activities.	Federal	136,115,200	0	0	
	Restricted	2,025,000	0	0	
	d	\$1,613,400	(\$1,000,000)	\$0	
	GF/GP				
15. Other Program Eliminations and Reductions		Gross	\$2,276,500	(\$2,276,500)	(\$1,700,000)
Executive eliminates earmarked funding for the following organizations and programs: Youthville Detroit (\$100,000), Kent County Child Welfare Demonstration Project (\$300,000), Community in Schools (\$200,000), Bridges Toward Responsible Adulthood (\$1.0 million), Black Child and Family Institute (\$100,000), administrative funding for ECIC (\$200,000), Boys and Girls Club (\$250,000), and Camp O'Malley (\$126,500). Senate restores funding for Community in Schools, Boys and Girls Club, and Camp O'Malley.	Federal	800,000	(800,000)	(800,000)	
	GF/GP	\$1,476,500	(\$1,476,500)	(\$900,000)	
16. Local Office Call Center Pilot Project		Gross	N/A	N/A	\$2,000,000
Senate provides \$2.0 million in GF/GP for a pilot project in two counties that would contract with an outside organization to staff and administer a call center for the local county office.		GF/GP	N/A	N/A	\$2,000,000
17. Other New Senate Programs		Gross	N/A	N/A	\$745,000
Senate provides \$500,000 in GF/GP for grants to community based collaborative efforts between schools, local governments, and non-profits for child welfare programs. Senate also provides \$245,000 in GF/GP to incorporate the Law Enforcement Information Network (LEIN) into the Bridges system.		GF/GP	N/A	N/A	\$745,000

Major Senate Boilerplate Changes From FY 2008-09

GENERAL SECTIONS

Sec. 295. Incorporating LEIN Into BRIDGES – REVISED

States legislative intent to have LEIN incorporated into the BRIDGES system by FY 2009-10.

EXECUTIVE OPERATIONS

Sec. 311. Community-Based Human Services Collaboration – NEW

Allocates \$500,000 for grants to community-based collaborative efforts between schools, local governments, and non-profit organizations for the purposes of child welfare.

CHILD AND FAMILY SERVICES

Sec. 513. Child Placements in Out-of-State Facilities – REVISED

Revises language restricting DHS placement of children in out-of-state facilities unless by adding allowing out-of-state placement if there is documentation that no appropriate in-state facility is available. Also eliminates an audit requirement.

Sec. 546. Foster Care Rates – REVISED

Establishes a blended administrative rate of \$27.00 per day for private child placing agencies under contract with DHS. Requires reporting on the per diem costs of foster care services delivered by DHS.

Sec. 547. Rate Increase for Independent Living Services – DELETED

Provides a 4% rate increase for private providers of independent living services over the daily rate received in FY 2007-08.

Sec. 579. Youth in Transition Allocation to Wayne County – DELETED

Earmarks \$250,000 in Youth in Transition funding to Wayne County for services to delinquent state wards.

Sec. 578. Mental Health Assessment – NEW

Requires DHS to use a standardized assessment tool to determine the mental health needs of every child supervised by DHS.

Sec. 584. Adoption Subsidy 4% Rate Increase for Specialized Services – DELETED

Appropriates \$410,000 for a 4% increase in per diem rates paid to residential facilities that serve adopted youth under the medical subsidy program.

Major Senate Boilerplate Changes From FY 2008-09

PUBLIC ASSISTANCE

Sec. 620. Food Assistance Authorization Adjustment – DELETED

Permits DHS, upon approval of the State Budget Director, to increase Federal authorization in the food assistance program. Requires DHS to provide 15 days notice to the Legislature prior to any adjustment.

Sec. 669. Debit Card and Clothing Allowance – REVISED

Requires DHS to distribute food and cash assistance to recipients using debit cards; allocates \$12.8 million for children's annual clothing allowance; requires DHS to notify FIP recipients that allowance is to be used for clothing.

Sec. 686. Caseworker Policy Changes – NEW

Requires DHS to ensure that individuals presenting out-of-state identification are not enrolled in benefit programs in other states; to explore changes that would permit caseworkers to confirm resident addresses in FIP and SDA cases; to explore changes that will ensure individuals with homes worth more than \$500,000 cannot access assistance; and to collect up to date phone numbers from Medicaid recipients during eligibility determination and provide this information to DCH.

JUVENILE JUSTICE SERVICES

Sec. 717. Juvenile Justice Mental Health Report – NEW

Permits DHS to contract with a state university to study a sample of the juvenile detainees. The study will report on the number of youth with an emotional disorder, substance abuse, and dual diagnoses. The report will identify the population that receive treatment and if the youth received service elsewhere before entering the juvenile justice system.

Sec. 726. Residential Provider Contracts and Rates – DELETED

Provides direction on contracts with for-profit residential facilities. Revision clarifies that DHS shall not maintain contracts with for-profit providers or providers using for-profit management organizations unless the provider was licensed by DHS on or before August 1, 2007, and any relationship with a for-profit management organization existed before August 1, 2007. Language also establishes floor funding of \$130 per day for these providers.

Sec. 732. Medium Security and Community Juvenile Justice Staffing – NEW

Requires DHS to ensure that staff currently employed in state run medium security and community juvenile justice centers closed FY 2009-10 are given priority for new child welfare improvement staffing increases.

Sec. 733. County Children's Rights Grant Placeholder – NEW

Creates \$100 placeholder for a grant program to counties to offset increased costs associated with the Children's Rights legal settlement.

LOCAL OFFICE STAFF AND OPERATIONS

Sec. 755. Title IV-E Eligibility Specialists – DELETED

Allocates \$8.15 million for up to 200 new Title IV-E Eligibility Specialist positions in local DHS offices aimed at increasing percentage of Title IV-E eligible placements.

Sec. 756. Call Center Pilot Project – NEW

Provides \$2.0 million in GF/GP for a private organization(s) to staff and administer a call center in two counties. Requires DHS to provide a report on any changes in administrative costs or increased productivity.

COMMUNITY ACTION AND ECONOMIC OPPORTUNITY

Sec. 1103. Weatherization Program – DELETED

Requires 25% of households serviced by Weatherization Program to be FIP, SDA, FAP, or SSI recipients.