

# HUMAN SERVICES

## Summary: FY 2010-11 As Reported by the House Subcommittee House Bill 5882 (H-1)

Analysts: Kevin Koorstra and Bob Schneider

	FY 2009-10 Year-to-Date	FY 2010-11 Executive	FY 2010-11 House	FY 2010-11 Senate	FY 2010-11 Enacted	Difference: Executive from FY 2009-10 YTD	
						Amount	%
<b>IDG/IDT</b>	\$2,426,600	\$1,130,300	\$1,130,300			(\$1,296,300)	(53.4)
<b>Federal</b>							
ARRA	406,411,700	799,179,900	817,002,900			410,591,200	101.0
Non-ARRA	4,551,061,200	5,134,298,100	5,141,780,900			590,719,700	13.0
<b>Local</b>	37,498,800	35,251,800	41,277,000			3,778,200	10.1
<b>Private</b>	10,209,700	9,491,500	9,491,500			(718,200)	(7.0)
<b>Restricted</b>	57,015,400	65,778,800	58,819,700			1,804,300	3.2
<b>GF/GP</b>	852,297,600	959,205,300	929,301,800			77,044,200	9.0
<b>Gross</b>	<b>\$5,916,921,000</b>	<b>\$7,004,335,700</b>	<b>\$6,998,804,100</b>			<b>\$1,081,883,100</b>	<b>18.3</b>
<b>FTEs</b>	10,911.5	11,767.5	11,425.5			514.0	4.7

Notes: (1) FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through January 31, 2010. (2) "ARRA" represents temporary funds received under the federal American Recovery and Reinvestment Act.

### 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.

<b>Major Budget Changes From FY 2009-10 YTD Appropriations</b>	<b>FY 2009-10 YTD (as of 1/31/10)</b>	<b>House Chair's Change From YTD</b>
<b>1. Child Welfare Improvements: Staffing Increases</b>	FTEs	N/A
Increases child welfare staffing levels to meet more stringent caseload to worker ratios as required in the Children's Rights settlement agreement. By the beginning of FY 2011-12, child welfare cases to direct care staff have to be at a ratio of 15:1. Annualizes cost of staff added during FY 2010. Annualization of staff also reduces staff level by 32. Funding added to fund new child protective services staff for only last quarter of FY 2010-11.	<b>Gross</b>	<b>N/A</b>
	Federal	N/A
	GF/GP	N/A
		119.0
		<b>\$6,131,300</b>
		1,550,800
		<b>\$4,580,500</b>

<b>Positions</b>	<b>Funded In FY10</b>	<b>Change from FY10</b>
Children's services admin	49	0
Child protective services workers	935	112
Foster care workers	814	0
Adoption workers	72	0
Education planners	14	0
Permanency planning coord.	55	0
First-line supervisors	375	22
Administrative support staff	247	14
Second-line and technical	59	3
Permanency planning specialists	81	0
POS contract monitoring unit	17	0
<b>TOTAL STAFF</b>	<b>2718</b>	<b>151</b>

Major Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 1/31/10)	House Chair's Change From YTD	
<b>2. Child Welfare Improvements: Other Services</b>		<b>Gross</b>	<b>N/A</b>	<b>\$16,242,200</b>
Increases IT costs to upgrade the child welfare information systems (\$10.5 million), extends foster care, adoption and guardianship benefits to the age of 20 (\$7.2 million), increases strong families/safe children by \$5.9 million in one-time federal funds, and increases GF/GP by \$300,000 to fund the legal expenses of the lawsuit plaintiffs. Also assumes program savings by reducing Needs Assessment funding (\$4.0 million) and use of residential placements to reflect savings from mental health in-home waiver (\$3.6 million)		Federal	N/A	12,935,200
		Local	N/A	(142,900)
		GF/GP	N/A	\$3,449,900
<b>3. Private Adoption Agencies</b>		FTEs	7.2	0.0
Increases funding to restore the special adoption contract (\$1.0 million) and to provide a 36% rate increase to adoption rates to reflect the Children's Rights Settlement Agreement requirement that direct care staff have a case to worker ratio of 15:1 (\$6.7 million).		<b>Gross</b>	<b>\$23,969,700</b>	<b>\$7,785,300</b>
		Federal	9,098,900	2,163,800
		GF/GP	\$14,870,800	\$5,621,500
<b>4. Emergency TANF Funding: Family Independence Program</b>		<b>Gross</b>	<b>\$379,058,900</b>	<b>\$0</b>
Budget assumes the availability of \$280.4 million in one-time Temporary Assistance for Needy Families (TANF) revenue for FY 2009-10 and FY 2010-11 from a prior-year carry-forward and from the projected receipt of \$232.6 million in Emergency TANF Contingency Fund (ETCF) revenue from the federal government through ARRA. Executive proposes to utilize the revenue for both program enhancements and to offset GF/GP funding in FY 2010-11 as well as in a FY 2009-10 supplemental request (2/11/10 SBO letter). FY 2010-11 allocations are outlined in the next several items.		TANF	328,870,100	(197,064,900)
		ETCF	0	186,181,000
		Restricted	34,870,000	0
		GF/GP	\$15,318,800	\$10,883,900
First, the available ETCF revenue would help to avoid further GF/GP costs within the Family Independence Program, which provides cash assistance to low-income families with children. Around \$186.2 million in ETCF revenue will replace regular TANF carryforward in the program, avoiding the need to add \$186.2 million in GF/GP to maintain the program. This cost avoidance results in \$169.6 million in direct GF/GP savings to the budget, while another \$16.6 million in GF/GP is redirect to the other priority areas reviewed in the next budget items.				
<b>5. Redirected Emergency TANF Funding: Field Staff Increases</b>		FTEs	200.0	250.0
Shifts GF/GP savings created through the use of Emergency TANF Contingency Fund revenue in the FIP line item (see item 4 above) to support the maintenance of 200 limited-term eligibility specialist positions added in the FY 2010 budget to assist with high caseload and application levels and to support an additional 250 field staff positions. Of the 250 new positions, funding is available to hire 150 positions the whole fiscal year, and 100 positions are funded for the last half of the fiscal year. The 200 eligibility specialist positions were funded partially with one-time non-matched federal food assistance revenues from the ARRA stimulus. Thus, additional GF/GP is needed to maintain the positions for FY 2010-11.		<b>Gross</b>	<b>\$11,516,200</b>	<b>\$15,363,200</b>
		Federal	8,887,800	1,560,600
		GF/GP	\$2,628,400	\$13,802,600
<b>6. Redirected Emergency TANF Funding: Other Budget Items</b>		<b>Gross</b>	<b>N/A</b>	<b>\$10,106,800</b>
Provides \$4.1 million in Emergency TANF Contingency Fund (ETCF) revenues to fund additional rent costs and facility maintenance needs. The availability of ETCF revenue removes the need to add GF/GP funding for these purposes. Additionally, almost \$2.8 million in GF/GP savings created through the use of ETCF revenue in the FIP line item (see item 4 above) is used for increased printing and postage costs related to the Bridges eligibility system and to higher public assistance caseload levels.		ETCF	N/A	4,068,400
		Other Fed	N/A	3,288,400
		GF/GP	N/A	\$2,750,000

**House Chair's  
Change  
From YTD**

**Major Budget Changes From FY 2009-10 YTD Appropriations**

**FY 2009-10 YTD  
(as of 1/31/10)**

**7. Emergency TANF Funding: JET-Plus Program**

House Chair's recommendation provides \$5.0 million in Emergency TANF Contingency Fund (ETCF) revenue for the Jobs, Education, and Training Plus (JET-Plus) Program. Executive proposal was to use \$13.0 million in additional ETCF funding in a FY 2009-10 supplemental (2/11/10 SBO letter), and then \$20.0 million for FY 2010-11 to restore funding for JET-Plus. The program would provide support services, basic education, specialized training programs, and subsidized employment opportunities with the goal of moving persons receiving public assistance into self-sufficiency. Initial funding for the program in the Department of Energy, Labor and Economic Growth budget was eliminated through previous Executive Order budget reductions. House Chair's recommendation redistributes \$28.0 million of the ETCF funding for other purposes outlined in item 8 below.

<b>Gross</b>	<b>N/A</b>	<b>\$5,000,000</b>
ETCF	N/A	5,000,000
GF/GP	N/A	\$0

**8. Emergency TANF Funding: Redirected Funding from JET-Plus**

House Chair's proposal redirects some of the funding proposed by Governor for JET-Plus program, using \$14.0 million to offset GF/GP, \$6.0 million to fund Early Childhood Investment Corporation (ECIC) in DHS budget rather than in the School Aid Act, \$5.0 million to fund an in-home care incentive program which will generate \$5.0 million in savings in the child care fund, and \$3.0 million to fund Before- and After-School grants.

<b>Gross</b>	<b>N/A</b>	<b>\$9,000,000</b>
ETCF	N/A	28,000,000
GF/GP	N/A	(\$19,000,000)

**9. Emergency TANF Funding: Employment and Training**

Executive proposes using \$4.8 million in additional Emergency TANF Contingency Fund (ETCF) funding in a FY 2009-10 supplemental (2/11/10 SBO letter) to hire 197 additional field staff positions. House does not concur with hiring the field staff during FY 2009-10, and uses that funding to offset GF/GP in the Employment and Training Support Services line item.

<b>Gross</b>	<b>\$14,735,000</b>	<b>\$0</b>
ETCF	0	4,823,000
Other Fed	7,635,000	0
GF/GP	\$7,100,000	(\$4,823,000)

**10. Funding to School Aid Act**

Appropriates \$42.0 million in TANF funding to the School Act to help fund the School Readiness and At-Risk programs. TANF funding is available by increasing GF/GP in the Family Independence Program (FIP) line item. This \$42.0 million is in addition to the \$6.0 million in Emergency TANF Contingency Fund (ETCF) funding appropriated for ECIC (see item 8 above).

<b>Gross</b>	<b>N/A</b>	<b>\$42,000,000</b>
Federal	N/A	0
GF/GP	N/A	\$42,000,000

**11. Public Assistance Caseloads**

Increases funding for public assistance programs by \$624.0 million over year-to-date levels. By far the largest increase (\$630.0 million) is provided for the Food Assistance Program (FAP) to fund an average caseload of 1,029,000. FAP benefits are 100% federally funded so there is no GF/GP impact. The Family Independence Program (FIP) increases by \$46.9 million to fund an average caseload of 82,700. State Disability Assistance (SDA) increases \$156,700 to fund an average caseload of 10,700. SSI supplementation decreases \$2.3 million to fund 241,614 cases. Child Development and Care decreases \$50.8 million to fund 26,624 cases.

<b>Gross</b>	<b>\$3,416,000,000</b>	<b>\$624,042,600</b>
Federal	3,230,408,200	621,969,700
Restricted	47,298,300	0
GF/GP	\$138,293,500	\$2,072,900

**12. Food Assistance Program Benefit Increase**

Increases FAP benefits for groups not eligible to claim the standard utility allowance by adding \$1.00 in federal LIHEAP funds to their EBT cards. On average, this group of FAP cases will see a monthly benefit increase of \$88.

<b>Gross</b>	<b>\$2,696,807,000</b>	<b>\$266,331,900</b>
Federal	2,694,207,000	266,331,900
Restricted	2,600,000	0
GF/GP	\$0	\$0

**13. Child Welfare Caseloads**

Reduces overall appropriations for child welfare program caseloads by \$16.7 million. Foster care payments decrease by \$20.1 million to fund an average caseload of 7,424. Adoption subsidy payments decrease \$5.7 million to fund an average caseload of 28,105. Child care fund increases by \$9.1 million (or 4.2%) to reflect caseload projection.

<b>Gross</b>	<b>\$649,711,300</b>	<b>(\$16,705,800)</b>
Federal	388,094,300	(30,271,700)
Local	14,684,500	5,297,400
Private	2,650,000	(850,000)
GF/GP	\$244,282,500	\$9,118,500

<b>Major Budget Changes From FY 2009-10 YTD Appropriations</b>	<b>FY 2009-10 YTD (as of 1/31/10)</b>	<b>House Chair's Change From YTD</b>
<b>14. CCDF ARRA Funds</b>	<b>Gross \$0</b>	<b>\$0</b>
Increases GF/GP by \$14.7 million to offset one-time Child Care and Development (CCDF) ARRA funds. Michigan is allocated \$58.7 million in CCDF ARRA of which \$7.4 million was appropriated in FY 2008-09 and \$21.1 million was appropriated in FY 2009-10 to offset GF/GP in other areas of the budget. Executive requests \$28.3 million to be used in a FY 2009-10 supplemental request (2/11/10 SBO letter), and the remaining \$1.9 million CCDF ARRA to be used in FY 2010-11.	CCDF 21,076,500	(14,696,100)
	(ARRA)	
	GF/GP (\$21,076,500)	\$14,696,100
<b>15. Electronic Benefit Transfer (EBT)</b>	<b>Gross \$6,433,500</b>	<b>\$6,575,500</b>
Increases contractual payments to administer EBT payments for cash and food assistance. FAP transaction activity has increased, resulting in higher costs related to administering EBT payments.	Federal 3,402,200	2,632,800
	GF/GP \$3,031,300	\$3,942,700
<b>16. Federal Funding Increases</b>	<b>Gross \$62,325,800</b>	<b>\$17,182,800</b>
Increases federal Weatherization funds by \$9.0 million, Community Services Block Grant by \$1.4 million, and adds 3.0 FTEs for administration of those two programs (\$287,000). Also increases refugee services by \$6.5 million.	FTEs 24.0	3.0
	Federal 62,325,800	17,182,800
	GF/GP \$0	\$0
<b>17. Rape Prevention and Services</b>	<b>Gross \$2,600,000</b>	<b>\$700,000</b>
Recognizes \$1.0 million in restricted funding from 2008 PA 546 used to support victims of sexual assault. Removes IDG from Department of Community Health in Crime Victim's Rights Fund revenue based on projected needs of programming also funded with Crime Victim's Rights Fund as well as declining revenue in the Fund. \$1.0 million in GF/GP is added to the FIP line item to free up TANF funds that are redirected to rape and prevention services.	FTEs 0.0	0.5
	IDG 1,300,000	(1,300,000)
	Federal 1,300,000	0
	Restricted 0	1,000,000
	GF/GP \$0	\$1,000,000
<b>18. Child Advocacy Centers</b>	<b>Gross \$0</b>	<b>\$1,000,000</b>
Recognizes restricted funding from restricted fund created in 2008 PA 544 to support child advocacy centers throughout the state. The Domestic Violence and Treatment board will administer the funding to support victims of child sexual abuse.	FTEs 0.0	0.5
	Restricted 0	1,000,000
	GF/GP \$0	\$0
<b>19. Disability Determination, SSI Advocacy, and SSI Recoveries</b>	<b>Gross \$86,039,700</b>	<b>\$19,263,100</b>
Increases federal funding by \$21.9 million to hire 175 FTEs for disability determinations to address backlog of individuals waiting for final determination. Reduces private contract for SSI legal advocacy by \$963,000. These new FTEs are projected to generate \$2.0 million in GF/GP savings from SDA caseload reductions, and \$1.1 million in GF/GP savings from additional SSI recoveries in the SDA line item.	FTEs 556.9	175.0
	IDG 291,600	0
	Federal 82,755,500	21,813,300
	Restricted 702,000	1,050,000
	GF/GP \$2,290,600	(\$3,921,700)
<b>20. Food Assistance Administration</b>	<b>Gross N/A</b>	<b>\$9,400,000</b>
Increases federal funding by \$18.8 million from additional food assistance administration funding. Half of the funding is used to offset GF/GP.	Federal N/A	18,800,000
	GF/GP N/A	(\$9,400,000)
<b>21. Food Stamp Reinvestment</b>	<b>Gross \$2,500,000</b>	<b>(\$2,200,000)</b>
Reduces GF/GP by \$2.5 million and FTEs by 31.8 from food stamp reinvestment line item. Funding is not needed in FY 2010-11 as DHS is in compliance with federal food assistance program error rate thresholds. Executive transfers \$150,000 in GF/GP and 2.8 FTEs from food stamp reinvestment line item to local office field staff.	FTEs 31.8	(29.0)
	Federal 0	150,000
	GF/GP \$2,500,000	(\$2,350,000)
<b>22. Child Care Fund</b>	<b>Gross \$216,872,000</b>	<b>\$1,164,100</b>
Offsets \$7.6 million in GF/GP with TANF cut from the DELEG Executive recommendation from Welfare-to-Work line item. Also increases GF/GP \$1.2 million from a policy change allowing Wayne County to retain all, rather than 50%, of federal Title IV-E earnings related its eligible costs.	Federal 116,569,900	7,600,000
	GF/GP \$100,302,100	(\$6,435,900)

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**Major Budget Changes From FY 2009-10 YTD Appropriations**

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**23. Juvenile Justice Facility Adjustments**

Annualizes savings from the January 2010 closures of Nokomis Challenge Center (\$1.2 million) and the community juvenile justice centers (\$687,000). Also reduces funding for Maxey Training School by \$1.0 million and by 12 FTEs. Also reduces amount of local school aid funding based on continued declines in the number of youth at the facilities (\$771,900). GF/GP is used to offset this reduction to meet other facility operation needs.

FTEs	204.0	(12.0)
<b>Gross</b>	<b>\$25,764,000</b>	<b>(\$2,933,200)</b>
Federal	1,943,400	(222,000)
Local	13,489,200	(2,178,100)
GF/GP	\$10,331,400	(\$533,100)

**24. Zero to Three and IV-B Carryforward**

Assumes Zero to Three line item will lapse \$2.0 million in TANF funding appropriated in FY 2009-10 and uses one-time federal Title IV-B carryforward to fund program in FY 2010-11. The TANF lapse and IV-B carryforward will be used to offset GF/GP elsewhere in the budget. Program will be restructured to focus on high need families in urban areas.

<b>Gross</b>	<b>\$3,843,800</b>	<b>\$0</b>
TANF	3,843,800	2,000,000
IV-B	0	3,843,800
GF/GP	\$0	(\$5,843,800)

**25. Other Program Increases**

Increases funding to create a customer service resource center (\$1.7 million), child support arrearage contract (\$500,000), and YouthVille Detroit (\$100,000).

<b>Gross</b>	<b>N/A</b>	<b>\$2,300,000</b>
Federal	N/A	330,000
Restricted	N/A	170,000
GF/GP	NA	\$1,800,000

**26. Other Program Eliminations and Reductions**

Reduces child support automation contract (\$1.0 million) and information technology savings (\$400,600). Eliminates earmarks for Barry County domestic violence shelter (\$75,000).

<b>Gross</b>	<b>N/A</b>	<b>(\$1,475,600)</b>
Federal	N/A	(928,200)
GF/GP	N/A	(\$547,400)

**27. Fee Revenue Reduction**

Reduces fee revenues related to boilerplate sections 309 and 911 relating to licensing fees for child care organizations and charging an annual \$25 child support fee charged to the custodial parent, respectively. \$2.1 million in GF/GP is used to offset the reduction in fee revenue.

<b>Gross</b>	<b>N/A</b>	<b>(\$657,200)</b>
Restricted	N/A	(2,782,200)
GF/GP	N/A	\$2,125,000

**28. Medicaid Match Rate Adjustments**

Shifts \$3.5 million in GF/GP appropriations to federal funding as a result of projected adjustments to the Federal Medical Assistance Percentage (FMAP) rate. This rate is used to determine federal cost sharing within several DHS programs, including foster care, adoption subsidies, and day care. Around \$7.3 million in GF/GP savings is attributable to the increase in the base FY 2009-10 FMAP rate from 63.19% to 65.79%. These savings are offset by \$3.8 million in new GF/GP costs that result from the ARRA-related FMAP rate increase of 6.2 percentage points being available for only 3 quarters of the year in FY 2010-11. One quarter is available through ARRA and the Executive Recommendation assumes the federal government will extend the enhanced FMAP for two additional quarters.

<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
Federal	N/A	5,547,400
Restricted	N/A	(2,085,900)
GF/GP	N/A	(\$3,461,500)

**29. Economic Adjustments**

Increases funding by \$45.9 million to cover the cost of a 3% salary and wage increase for state employees, as well as adjustments for insurance, retirement, and worker's compensation costs. Increase includes economic adjustments for staff within DTMB for IT support and within DELEG for State Office of Administrative Hearings and Rules. The adjustments include funding to cover a 3% salary and wage increase for not exclusively represented employees (NEREs) which was recently rejected by the State Civil Service Commission.

<b>Gross</b>	<b>N/A</b>	<b>\$45,897,700</b>
IDG	N/A	3,700
Federal	N/A	29,934,300
Local	N/A	801,800
Private	N/A	158,000
Restricted	N/A	26,200
GF/GP	N/A	\$14,973,700

**Major Boilerplate Changes From FY 2009-10**

**GENERAL SECTIONS**

**Sec. 205. Hiring Freeze – DELETED**

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

## **Major Boilerplate Changes From FY 2009-10**

### **Sec. 287. *Death Notification to Children's Ombudsman* – REVISED**

New language requires DHS to notify Children's Ombudsman in certain instances when the child was under court jurisdiction, had involvement with Child Protective Services, or when death may have resulted from abuse or neglect.

## **EXECUTIVE OPERATIONS**

### **Sec. 305. *Youthville Detroit* – NEW**

Allocates \$100,000 from Demonstration Projects line item to support Youthville Detroit organization.

### **Sec. 309. *Licensing Fees for Child Care and Adult Foster Care Organizations* – DELETED**

Provides that DHS shall assess fees on child care organizations and adult foster care facilities, with revenue used to finance licensing and regulatory activities.

## **ADULT AND FAMILY SERVICES**

### **Sec. 418. *Individual Development Account (IDA) Matched Savings Programs* – DELETED**

Provides \$200,000 to Michigan IDA partnership to allocate to IDA matched savings programs.

## **CHILDREN'S SERVICES**

### **Sec. 503. *Adoption Subsidy Payment Continuance* – REVISED**

Revises guidelines for the continuance of adoption subsidy payments for families with adopted children who have not earned a high school diploma or GED, but are making progress toward completion. Concurs with new Executive language that allows payments to continue until the child's twentieth birthday if he or she was adopted at age 16 or later.

### **Sec. 517. *Zero to Three Program* – REVISED**

Concurs with Executive in revising program criteria for the Zero to Three Program by eliminating references to funding for "multipurpose collaborative bodies", eliminating language specifying the program is to be administered through the Children's Trust Fund, and eliminating various program guidelines.

### **Sec. 546. *Foster Care Rates* – REVISED**

Maintains language establishing an administrative rate of \$37.00 per day for foster care services and \$28.00 per day for general independent living services for private child placing agencies, and setting rates for specialized independent living to be at least as high as the rates in FY 2008-09. Eliminates language regarding the sharing of per diem costs between the state and counties on a 75/25 basis for children not eligible for Title IV-E funding. Governor's FY 2010 signing letter stated the cost sharing mandated by this section was unenforceable to the degree that it conflicts with existing state statute.

### **Sec. 547. *Foster Care Public Administrative Per-Diem* – DELETED**

Establishes a \$40.00 administrative rate per day for publicly supervised foster care cases. Provides that the per diem would be shared between the state and counties at a rate of 75% state and 25% county for children not eligible for Title IV-E funding. Governor's FY 2010 signing letter stated the cost sharing mandated by the section was unenforceable to the degree that it conflicts with existing state statute.

### **Sec. 565. *Family Preservation Funding for Wayne County* – REVISED**

Reduces Wayne County allocation of family preservation funding from \$2.0 million to \$1.6 million. Funding supports home-based programs as part of county expansion of community-based services for delinquent and abused/neglected youth.

### **Sec. 570. *Guardianship Assistance Program* – REVISED**

Establishes guidelines for the program, including reporting on the program and recommended modifications. Concurs with Executive in eliminating certain stipulations on the use of funds and makes technical adjustment to program name.

### **Sec. 573. *Special Adoption Contracts* – NEW**

Restores language vetoed in FY 2010 that provides \$1.0 million to support contracts with adoption agencies that place long-term permanent wards who have been wards for over one year after termination of parental rights. Agencies would receive \$16,000 for each finalized placement.

### **Sec. 581. *Adoption Agency Contract Rates* – NEW**

Restores language vetoed in FY 2010 that establishes a rate structure for adoption agencies, increasing rate payments by 36% over the existing rate schedule. Language specifies the new funding is intended to assist agencies in adding new adoption workers in order to comply with new Children's Rights settlement caseload requirements of 15 cases per worker.

### **Sec. 586. *Purchase of Services (POS) Monitors and Caseload Ratios* – REVISED**

Requires DHS to request a modification of Children's Rights settlement agreement to permit department to ensure that 95% of purchase of service monitors have caseloads of no more than 90 cases. Also requires new evaluation of the effectiveness of the purchase of service monitoring function.

## **Major Boilerplate Changes From FY 2009-10**

### ***Sec. 587. In-Home Care Incentive Program – NEW***

Restores language vetoed in FY 2010 that establishes a Child Care Fund In-Home Care Incentive Program to encourage counties to utilize in-home care services rather than out-of-home placements. Program would provide 75% state reimbursement for any increased costs in this area.

### ***Sec. 588. Reports from Children's Rights Lawsuit Settlement Monitor – NEW***

Concurs with Executive language which requires DHS to transmit all reports from the court-appointed settlement monitor to the Appropriations Subcommittees and other stakeholders concurrent with their public release. Requires monthly reporting on subsidized guardianship program and foster care waiver program for children with serious emotional disturbances.

## **PUBLIC ASSISTANCE**

### ***Sec. 613(2). Indigent Burial Pilot Program – NEW***

Restores language vetoed in FY 2010 budget which permits the DHS to establish a regional or statewide indigent burial pilot program that would reimburse funeral directors for the cremation of deceased indigent persons not claimed by a responsible party.

### ***Sec. 640. Child Care Infant and Toddler Incentive – DELETED***

Allows DHS to continue to provide infant and toddler incentive payments to child development and care providers serving children two-and-half years old or younger and meeting licensing and training requirements. Rate structure established in section 675 is revised to include the infant and toddler incentive.

### ***Sec. 657. Before- and After-School Program – NEW***

Restores language vetoed in FY 2010 budget which allocates \$3.0 million for a Before- and After-School program targeting children from kindergarten to ninth grade. Establishes program guidelines and eligibility criteria. Language requires applicants to demonstrate how program facilitates parental involvement, and requires evaluation of academic accomplishments and attendance records.

### ***Sec. 670. FIP Program Supplement – DELETED***

Allocates an additional \$5.6 million for children's clothing expenses; requires DHS to notify FIP recipients that allowance is to be used for clothing. Concurs with Executive in incorporating the special supplement into the standard clothing allowance in section 669.

### ***Sec. 675. Day Care Services Rate Structure – REVISED***

Outlines the rate structure to be used by DHS in reimbursing child development and care providers that provide services to eligible families, including two tiers for enrolled providers with the higher tier being available to the enrolled providers who complete annual training. Language is revised to add infant and toddler incentive bonus for enrolled providers, which is also tiered to completion of training.

### ***Sec. 683. SSI Advocacy Contract with Legal Services Association of Michigan – REVISED***

Allocation for SSI advocacy services provided through the Legal Services Association of Michigan (LSAM) is reduced from \$1,275,000 to \$312,000. New language requires DHS to make sufficient referrals to LSAM to ensure that at least 40 cases per month are accepted for service.

## **JUVENILE JUSTICE SERVICES**

### ***Sec. 726(2). Residential Provider Per Diem Rates and Rate Floor – REVISED***

Provides for a \$7 increase in the daily per diem rate for providers of residential services for both juvenile justice and abuse/neglect youth over the rates paid on January 1, 2010 to recognize increased requirements under Children's Rights settlement. Increases floor funding from \$130 per day to \$137 per day for these providers. New provision prohibits providers from using revenue to increase compensation for executive staff.

### ***Sec. 730. Adjustments to Juvenile Justice Per Diem Rate – DELETED***

Provides that DHS shall review and may adjust per diem rates for private providers of juvenile justice services in recognition of added complex services.

## **LOCAL OFFICE SERVICES**

### ***Sec. 754. Customer Service Resource Center – NEW***

Provides \$1.7 million to establish a customer service resource center that would assist in screening calls to county offices with the goal of allowing caseworkers to devote more time to eligibility determination and case management. Language prohibits privatization of these services without approval from the House and Senate Appropriations Committees indicating a cost savings of at least 10% of the costs of using state employees to provide the service. An allocation of \$850,000 for this purpose was vetoed in FY 2010 budget.

### ***Sec. 756. Limited-Term Eligibility Specialists – NEW***

Provides that funding appropriated for limited-term field staff, salaries and wages be expended to support 100 new limited-term eligibility specialist positions beginning April 1, 2011. Authorization is contingent, however, on establishment of customer service resource center as required in section 754.

## **Major Boilerplate Changes From FY 2009-10**

### ***Sec. 757. Need for and Allocation of Bilingual Caseworkers – NEW***

Requires DHS to collect county data to evaluate whether interpreter services are provided at a sufficient level and whether the allocation of current interpreters across counties is appropriate.

## **CHILD SUPPORT ENFORCEMENT**

### ***Sec. 904. Prohibition Against Charge-back to Counties for Services – DELETED***

Prohibits DHS from charging back to counties any fees paid to Internal Revenue Service or Department of Treasury related to tax intercept and offset programs for child support enforcement.

### ***Sec. 908. Contract with Collection Agency for Child Support – NEW***

Restores language vetoed in FY 2010 budget that allocates \$500,000 for a contract with a private vendor to collect child support arrearages. Contractor would be allowed to retain at least 15% of the collected arrearages collected as a fee for services.

### ***Sec. 909. Sharing of Retained Child Support Collections with Counties – DELETED***

Appropriates 75% of the amount that statewide retained child support collections exceed \$38.3 million to eligible counties to support and not supplant county Title IV-D federal child support funding. Payments would go to counties whose retained child support collections in the current fiscal year exceed FY 2005 levels.

### ***Sec. 911. Child Support Annual Fee – DELETED***

Requires DHS to implement a \$25 annual fee to be deducted from support collected on behalf of individuals served by the program. Elimination of this authorization to charge the fee would require DHS to pay the federal government its share of the fee revenue from state funding.

## **COMMUNITY ACTION AND ECONOMIC OPPORTUNITY**

### ***Sec. 1105. Quarterly Report on Weatherization Services – NEW***

Requires quarterly reporting from DHS on the number of homes weatherized through programs administered by the Bureau of Community Action and Economic Opportunity.