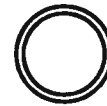




MICHIGAN DEPARTMENT OF HUMAN SERVICES



Budget Presentation

FISCAL YEAR 2015

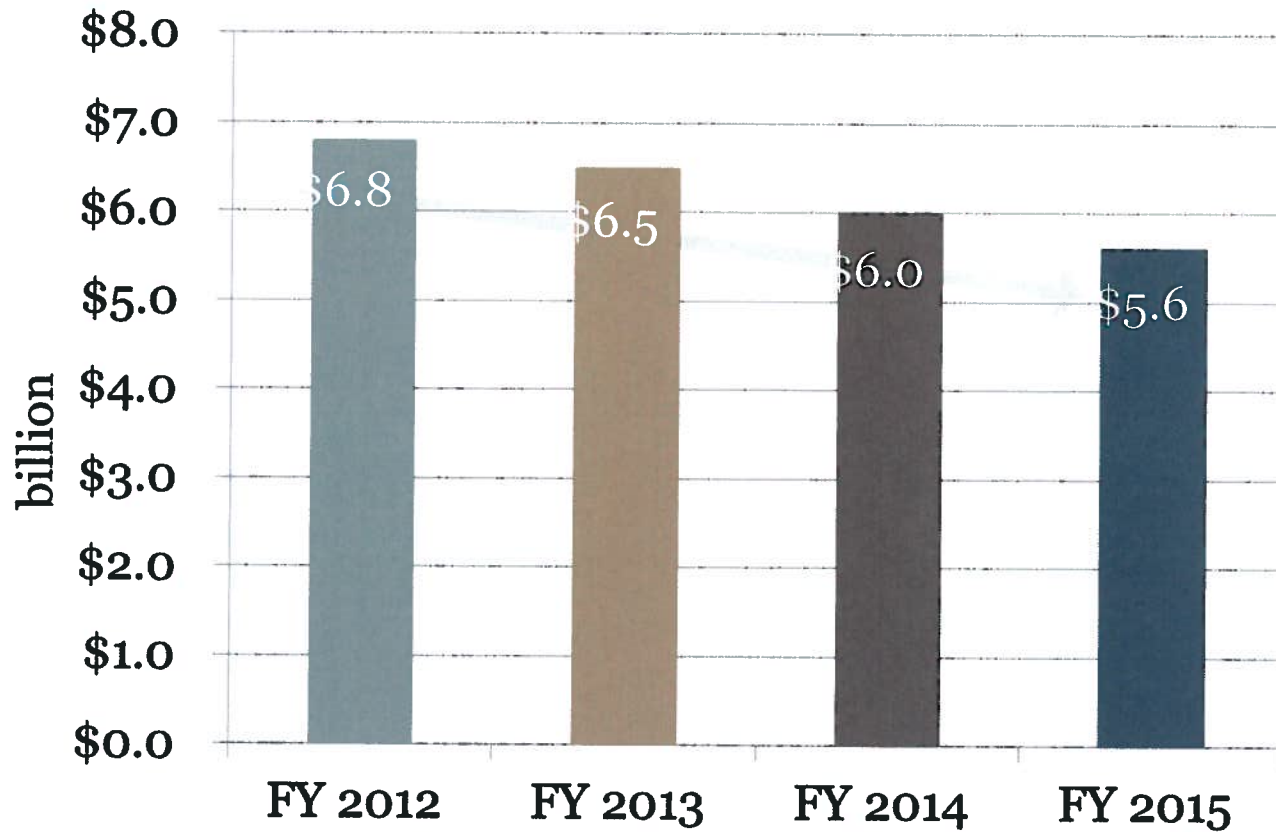
Michigan Department of Human Services

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**Building On Success.
Sustaining Reform.
Partnering for the Future.**

DHS Budgets since 2012*

3



* FY 2012-14 figures are original appropriations.

Pathways to Potential

4

- **DHS success coaches (caseworkers) began at 21 Phase I schools in Detroit, Flint, Saginaw and Pontiac in fall 2012.**
- **Now Pathways has added elementary, middle and high schools with new expansion into Muskegon, Kalamazoo, Macomb and Midland counties, offering services at 162 schools.**
- **Early success measurements : 9 percent average decrease in chronic absenteeism among the original Phase I schools. Some see dramatically reduced absences, by nearly 50 percent.**
- **Pathways model now guides and defines how DHS does business with all of its clients statewide, including the new Hospital pilot program. Pathways also sets the course for DHS collaboration with private partners, and faith-based organizations across Michigan.**

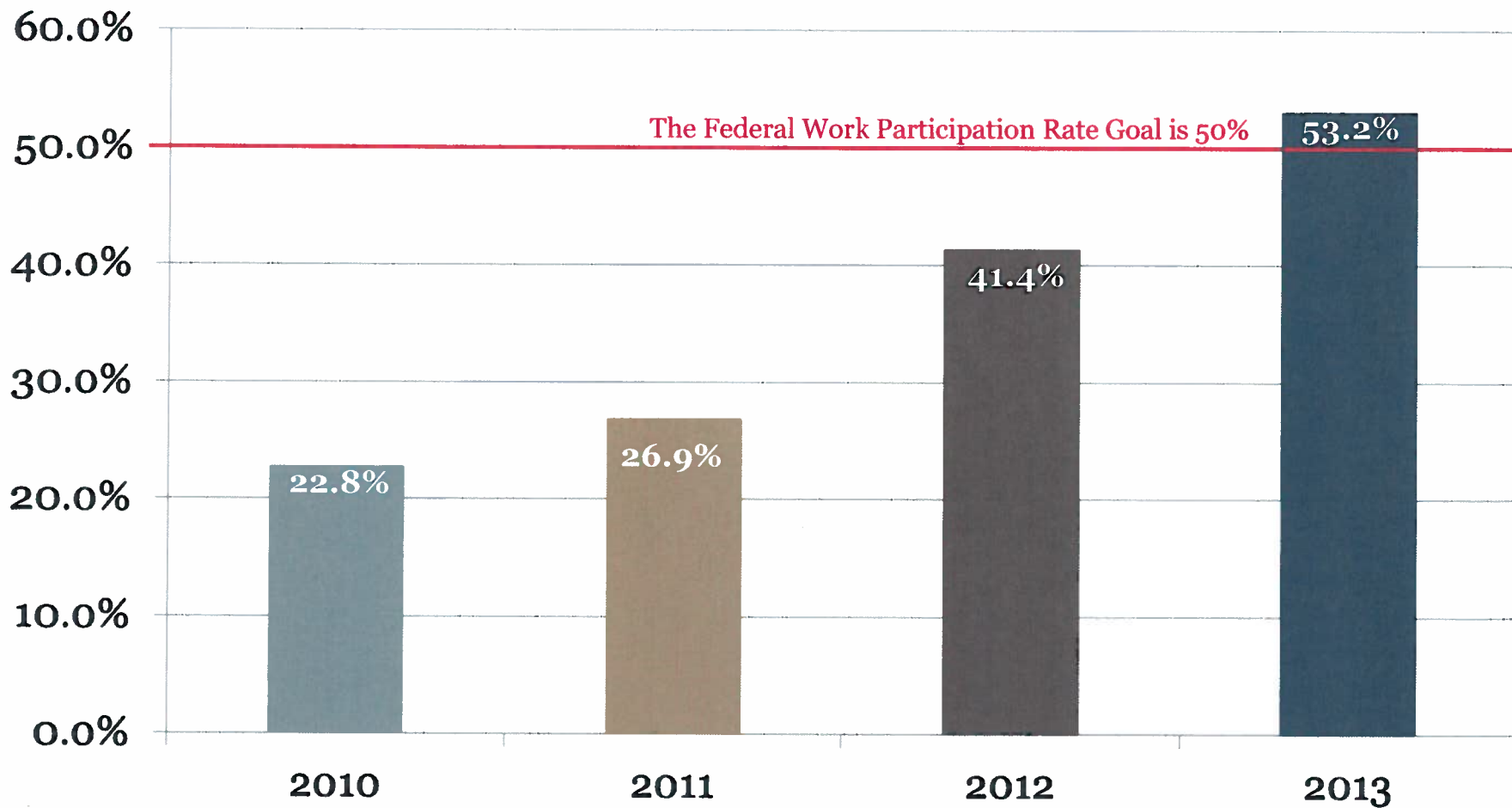
PATH: Partnership, Accountability, Training, Hope.

5

- PATH is the re-designed employment program for Family Independence Program (FIP) applicants and recipients administered by the Workforce Development Agency (WDA) through their local MichiganWorks! PATH launched in Jan. 2013.
- **21-day Application Eligibility Period (AEP)** sets PATH apart, allowing for a more holistic view of a client's employment strengths and weaknesses, and the ability for staff to help overcome barriers. In 2013, more than **19,000 clients completed their AEP** and began their own unique path toward self-sufficiency.
- DHS initiated a program to **honor select clients who complete AEP** through PATH, getting jobs by overcoming unique barriers. The **VISION 100 Governor's Award** highlights individuals and their achievements as they become an inspiration to others. We honored first three winners in August.

PATH Work Participation Rates

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Assistance Achievements

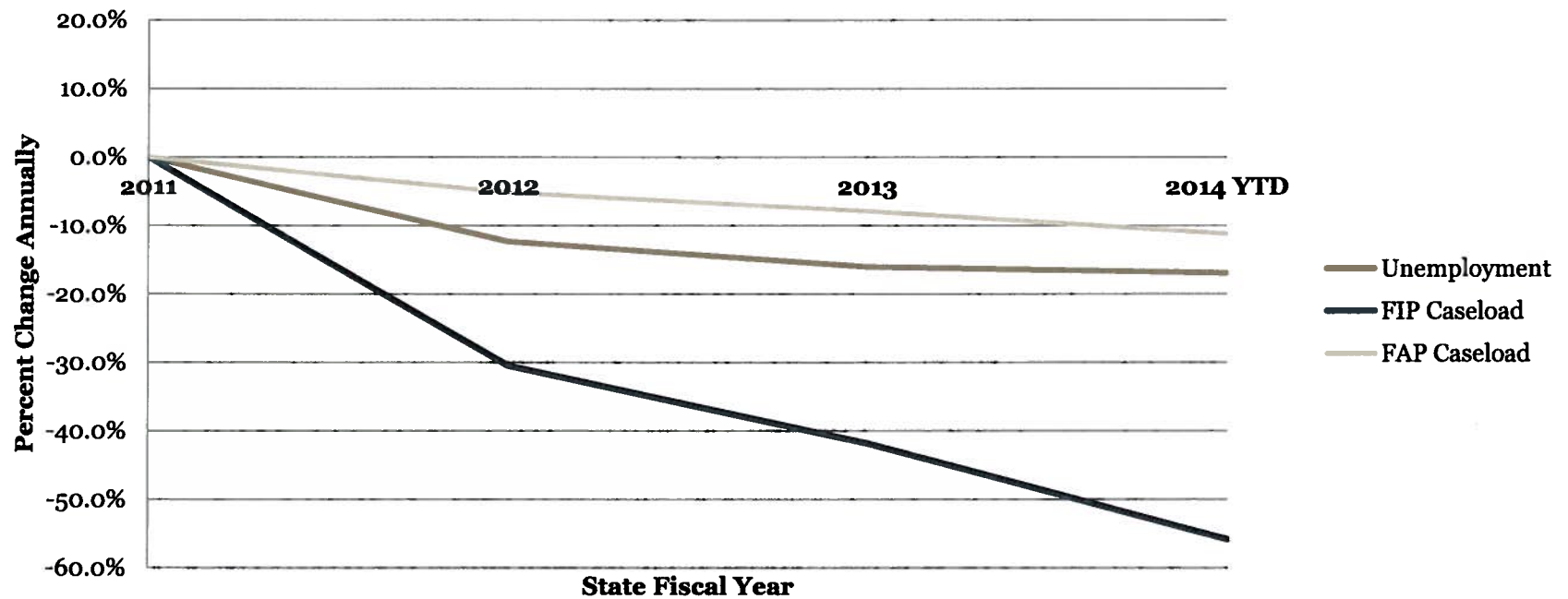
7

- **Cash Assistance:** ↓ Caseloads down **30+ percent** since Jan. 2013. From 58,521 in Jan. 2013 to 39,254.
- **Food assistance:** ↓ Rolls have dropped steadily since Jan. 2011, **down more than 10 percent statewide**, from 980,000+ cases in Jan. 2011 to approx. 877,000 as of Dec. 2013.
- **Reasons?** An improving economy along with enforcing state and federal lifetime monthly time limits on cash assistance has helped reduce public assistance caseloads as DHS continues to support those truly in need.

Unemployment Rates vs. Caseloads

8

Improvements in Unemployment Drive Caseloads Lower



Assistance Achievements

9

- **Lottery Match:** ↓ Due to a new law, in 2013 DHS closed more than 900 assistance cases, including 21 cases where **winnings topped \$100,000**. Those case closures could save taxpayers an estimated **\$13 million in total food assistance and Medicaid benefits** through cost avoidance.
- **Disability Backlog** ↓ Disability review case backlogs stood at 3,630 in Oct. 2013. Through use of the LEAN process , reviews were expedited. **Backlog is now eliminated**—caseloads at normal processing levels.

Anti-Fraud Efforts

10

- In Oct. 2013, The DHS Office of Inspector General (OIG) implemented a new electronic case management system, the **Michigan Inspector General System (MIGS)**. Since launching MIGS, suspected fraud referrals are **up 120 percent**.
- In calendar year 2013, OIG investigations resulted in **\$114 million** in fraud found, cost avoidance and recipient disqualification of benefits.
- OIG is using technology to identify and disqualify out-of-state web applicants. Savings to Michigan in 2013: **\$3.05 million**.
- For every dollar spent last year on Front End Eligibility efforts alone, **Michigan taxpayers avoided costs of \$21**.

Child Welfare and Permanency

11

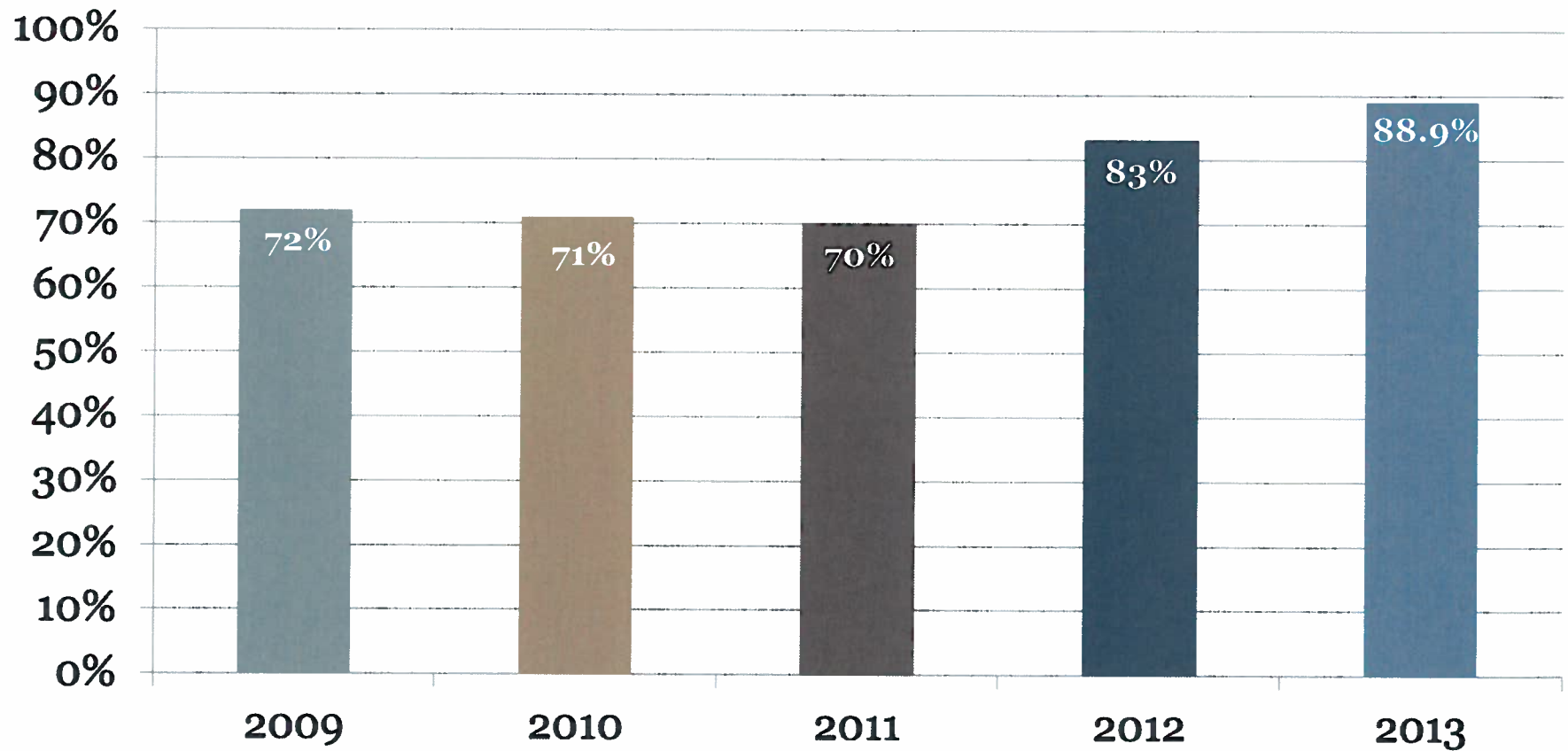
A “Milestone” year

- Children in Michigan no longer languish in foster care. DHS, private partners and the courts worked hard, bringing families together and helping foster children find their forever families.
- DHS committed to create 165 guardianships in 2013. **The actual number attained was 508 guardianships for foster youth**, with 158 enrolled in the Guardianship Assistance Program (GAP).
- Adoption was a major success. Of the 2,651 children *eligible* to be adopted, **2,357** adoptions were finalized.
- That means for Michigan, **89 percent of all eligible children** were able to find a loving home and their new “forever family.”

Permanency Success Improves

12

Percent of Adoptions Completed Each Year



Collaborating for our Future

13

- The Young Adult Voluntary Foster Care (YAVFC) law, signed in 2011, has seen **nearly 1,000** young adults enroll and participate. The law extends voluntary foster care to age 21. Those who stay with the program have a better chance of succeeding with education, work and other aspects of their life.
- DHS now partners with **nine universities statewide** in programs aimed at assisting former foster youth with their higher education. DHS is looking to grow this critical outreach further with more colleges and universities.

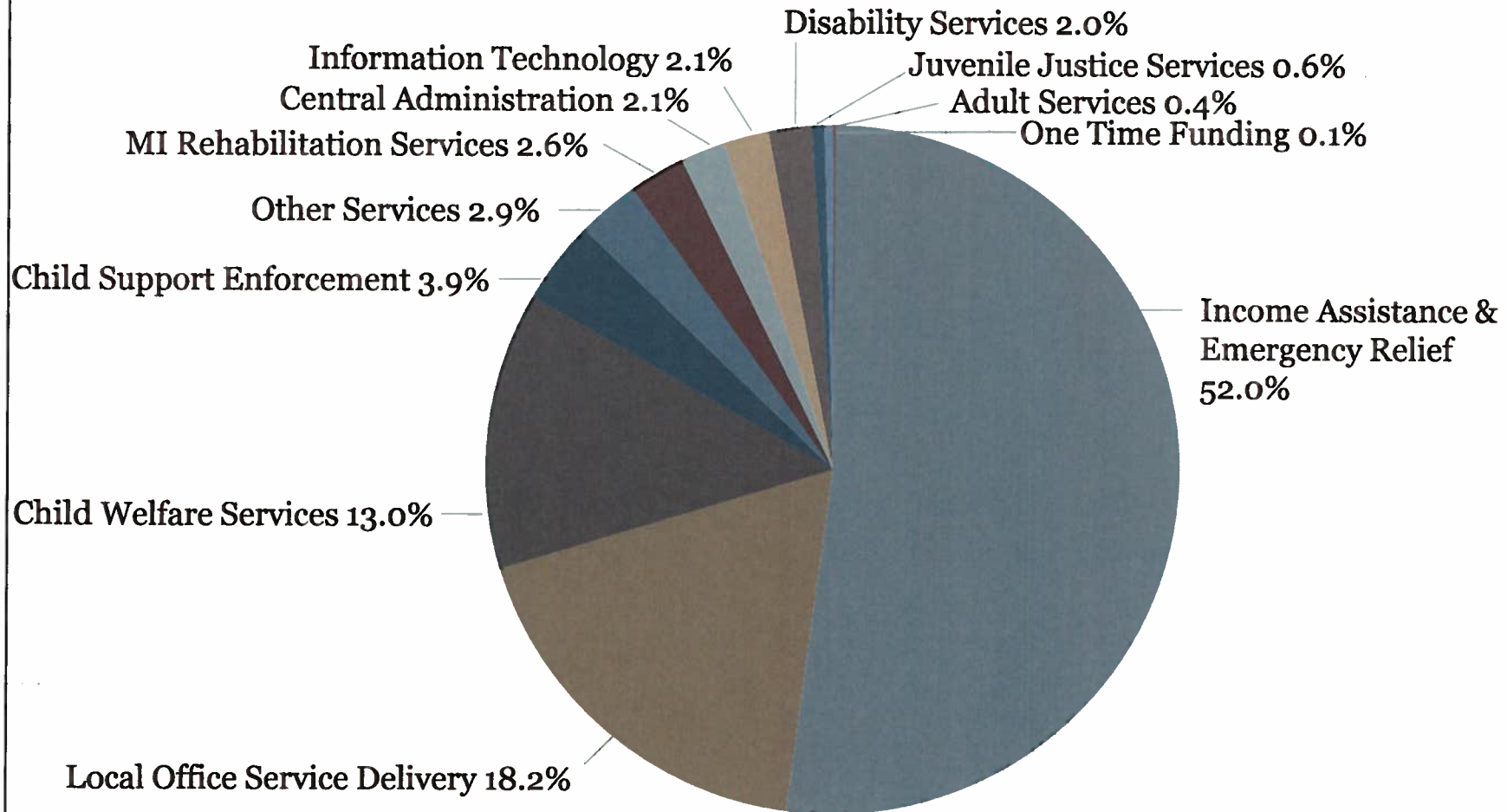
Child Welfare Highlights

14

- DHS is making steady progress in meeting standards contained in the Modified Settlement Agreement (MSA) in federal court. **Court monitors have cited key achievements** in timeliness for reunifications, adoptions, permanency for children and youth in foster care for long periods of time and for overall placement stability.
- The upcoming **MiSACWIS** launch gives Michigan a **cutting-edge tool** uniting DHS, private agency partners and courts with real-time case information statewide.
- The Aug. 2013 launch of **Protect MiFamily** gives DHS, through its private partners, the ability to **reinvest federal funds** typically reserved for foster care placement. Pilot counties are now using those resources with select families to help preserve those families and prevent abuse and neglect.

Governor's 2015 Recommendation

15



Total: \$5.6 Billion

DHS 2015 Budget Priorities

16

- **Pathways To Potential Expansion.**

150 donated funds positions.

Hospitals, businesses and other entities
provide match to draw down federal funds.

\$19.3 Million gross/\$0 GF

DHS 2015 Budget Priorities

17

- **OIG/FEE Investment in Agents**

20 new agents for:

- Fraud prevention.
- Child Support enforcement.
- Front-end eligibility fraud prevention.

\$2.4 Million gross/\$1.5 Million GF

DHS 2015 Budget Priorities

18

- **Juvenile Justice Re-Entry Expansion**

Leverage Michigan Rehabilitation Services, Community Mental Health and local resources to provide critical re-entry services.

Provide services to youth six months before re-entry.

Projected taxpayer savings in keeping youth from re-offending = 5x the cost of the program itself – **a tremendous return on investment, and a significant improvement in the lives of these youth.**

\$800,000 Gross, \$200,000 GF

DHS 2015 Budget Priorities

19

- **Asset Test Automation**

Client case decision expedited.

Worker relief and fraud prevention.

Manual calls by workers to verify assets are replaced by the new automated system.

\$5 million gross/\$2.75 million GF

DHS 2015 Budget Priorities

20

- **Performance-Based Funding/Child Welfare**

A new funding model for Michigan's child welfare system is underway.

Report to legislature by March 1, 2014.

Budget request covers:

- Funding Project Team going forward.
- Actuarial study for setting rates.
- Complete project evaluation.

\$1.37 million gross/\$1 million GF



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