

# Michigan Department of Human Services FY 2016 Budget Presentation



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# Agenda

- DHS Introduction
- Assistance and Services
- Modified Settlement Agreement
- Accomplishments
- Initiatives
- Michigan Department of Health and Human Services
- FY2016 Budget
- Child Welfare Financing: Principles for Change
- Contacts/Questions

# DHS Mission/Vision

**Mission:**

Improving the quality of life in Michigan by providing services to vulnerable children and adults that will strengthen the community and enable families and individuals to move toward independence.

**Vision:**

Protection. Compassion. Independence.

# DHS Strategic Plan Goals

## Goal No. **1** SELF-SUFFICIENCY

Interrupt generational poverty and support families and individuals on their road to self-sufficiency.

- ▶ Further Develop Partnership. Accountability. Training. Hope (PATH).
- ▶ Expand Pathways to Potential.
- ▶ Develop and Promote Veterans Initiative.
- ▶ Partner to Streamline the Energy Assistance Program.
- ▶ Assist in Implementation of Medicaid Compliance Program (Affordable Care Act).

## Goal No. **2** SAFETY

Ensure the safety, well-being and permanence of children in our care and the safety of adults in our care.

- ▶ Achieve Modified Settlement Agreement (MSA) Compliance.
- ▶ Promote Safe Sleep.
- ▶ Implement Title IV-E Waiver: Protect MiFamily.
- ▶ Implement Elder Abuse Protocol.

## Goal No. **3** STEWARDSHIP

Demonstrate good stewardship of taxpayer dollars.

- ▶ Increase Fraud Detection and Prevention.
- ▶ Exercise Remedies and Enforce Penalties.
- ▶ Streamline Administrative Hearings Processes.
- ▶ Track and Ensure Completion of Audit Corrective Action Plans.

## Goal No. **4** EMPLOYEES

Improve Employee Relations.

- ▶ Strengthen Department Communications.
- ▶ Strengthen Department Leadership.
- ▶ Improve Diversity Awareness and Inclusion.

# Who is Served By DHS?

- 2.5 million people receive assistance.
- Nearly 13,000 children in foster care.
- 955,532 children in child support cases.
- 148,186 Children's Protective Services investigations.
- 37,329 Adult Protective Services referrals.
- 37,826 served through Michigan Rehabilitation Services.



# Protecting the Vulnerable

The DHS mission includes protection and services for vulnerable children and adults:

- Children's Protective Services, Foster Care, Adoption
- Juvenile Justice
- Adult Protective Services, Adult Foster Care and Homes for the Aged
- Domestic Violence and Prevention Services
- Licensing of Child Caring Institutions, Family and Group Child Care Homes and Child Care Centers

# Assistance and Services

The DHS mission also includes supporting families and individuals on their road to self-sufficiency:

- Food assistance, child care, cash benefits, etc. for families and individuals in need
- Provides support services such as employment and training, rehabilitation and independent living supports
- Child support enforcement

# Family Independence Program

- Helps families achieve self-support and independence.
- Reduces dependence on public assistance and increases self-sufficiency.
- FIP provides a monthly cash assistance grant to assist in covering personal needs costs (clothing, household items, etc.), housing, heat, utilities and food.
- Families must meet income and asset requirements as well and other eligibility standards including (but not limited to): time on assistance, work participation requirements, school attendance and child support requirements.

# Food Assistance Program

- Raises the food purchasing power of low-income persons.
- Food Assistance Program (FAP) is a federal safety net program and benefits are 100 percent federally funded with administrative costs shared equally between the state and the federal government.
- Households are eligible for FAP benefits based on criteria such as, but not limited to: assets, net income, household size, and certain expenses.

# State Emergency Relief (SER)

- Prevent serious harm to individuals and families by helping them obtain safe, decent and affordable shelter and other covered services.
- Must face an emergency that threatens health or safety due to factors or conditions beyond their control.
- The SER applicant group must be physically present in Michigan at the time of application.
- Emergency must be resolvable through issuance of SER.
- Covered services include: relocation; emergency shelter; home ownership; home repairs; utility assistance; burial; and heating fuel and electricity.

# Michigan Rehabilitation Services

- MRS partners with individuals to achieve quality employment outcomes and independence for individuals with disabilities.
- Vocational rehabilitation services are specific to an individual's disability, related functional limitation(s) and the essential job functions of a position.
- Eligibility for vocational rehabilitation services is determined by vocational counselors who are required to have a master's degree in rehabilitation counseling or related field.

# Children's Services

- **Prevention/Family Preservation:**

Preventive Services for Families (PSF) is designed to preserve and strengthen family functioning in order to prevent child abuse and neglect.

- **Children's Protective Services:**

The Children's Protective Services (CPS) program is responsible for investigating allegations of abuse and neglect.

- **Foster Care:**

Foster care identifies and places children in safe homes when they cannot remain with their families because of safety concerns.

# Children's Services

➤ **Adoption:**

The primary focus of Michigan's adoption program is the adoptive placement of state and permanent court wards.

➤ **Juvenile Justice:**

The Michigan Juvenile Justice system focuses on building safer Michigan communities and assisting youth to become healthy and productive citizens through proactive delinquency prevention, efficient law enforcement, effective rehabilitation treatment, statewide data collection and data sharing and comprehensive community reintegration and support services.

# Children's Services

## Guiding Principles:

- **Safety:** Our desired outcome is that children are safe from abuse and neglect. Parents/legal guardians are responsible for keeping their own children safe. DHS and private agency providers can intervene on behalf of the child when a safe home does not exist.
- **Permanency:** The primary goal for the children and families involved with DHS and private agency providers is permanency – a safe, stable home in which to live and grow including life-long relationships with a nurturing caregiver. When the home is not safe and stable option, the goal is to move children from the uncertainty of foster care to the security of a permanent family.
- **Child Well-being:** Implementing interventions that provide protective and positive outcomes to ensure that children thrive in safe, permanent homes with access to necessary resources for long-term stability.

# Children's Services

- 13,036 youth in foster care
- 2,576 youth available for adoption
- 11,636 CPS complaints filed in December
- 665 active Juvenile Justice youth within DHS
- 100 youth in state facilities at end of December

# Modified Settlement Agreement

- Complied or substantially complied with 165 of 211 federal goals in child welfare system modified settlement agreement.
- Department goal is to eventually exit modified settlement agreement, or reduce areas of monitoring where targets have been met.
- DHS continues to work with judge, court monitors and plaintiffs to demonstrate improved outcomes for children.

# Modified Settlement Agreement

- Adoptions and Guardianships – 89% of children available for adoption were adopted in 2013, far exceeding MSA goal of 77%.
- Finalized 508 juvenile guardianships in 2013, exceeding MSA goal of 165.
- Staff Training – 94% of new workers completed initial training within required timeframes and 99% of workers and supervisors completed yearly in-service training as required.
- Caseloads – Significantly lowered caseloads, exceeding interim caseload targets for supervisors, CPS investigators and ongoing workers and meeting the final target for licensing workers. Within 4% of target for foster care, adoption and purchase of service workers.
- Federal Permanency Outcomes – Continue to exceed national standards on permanency outcomes for three of four outcomes.

# DHS Accomplishments

- The Fostering Futures scholarship fundraising led by MET in conjunction with DHS raised more than \$227,000. Fostering Futures created further educational attainment opportunities for almost 400 foster youth attending higher education institutions.
- Reinvented the child support case intake process, increasing productivity by 36 percent, reducing complaints by 90% and reducing customer wait times from weeks to less than 5 minutes.
- Selected as one of 4 states to participate in National Governors Assoc. Learning Lab on Improving Outcomes for Justice-Involved Youth, which make recommendations on improvements to the juvenile justice system.

# DHS Accomplishments

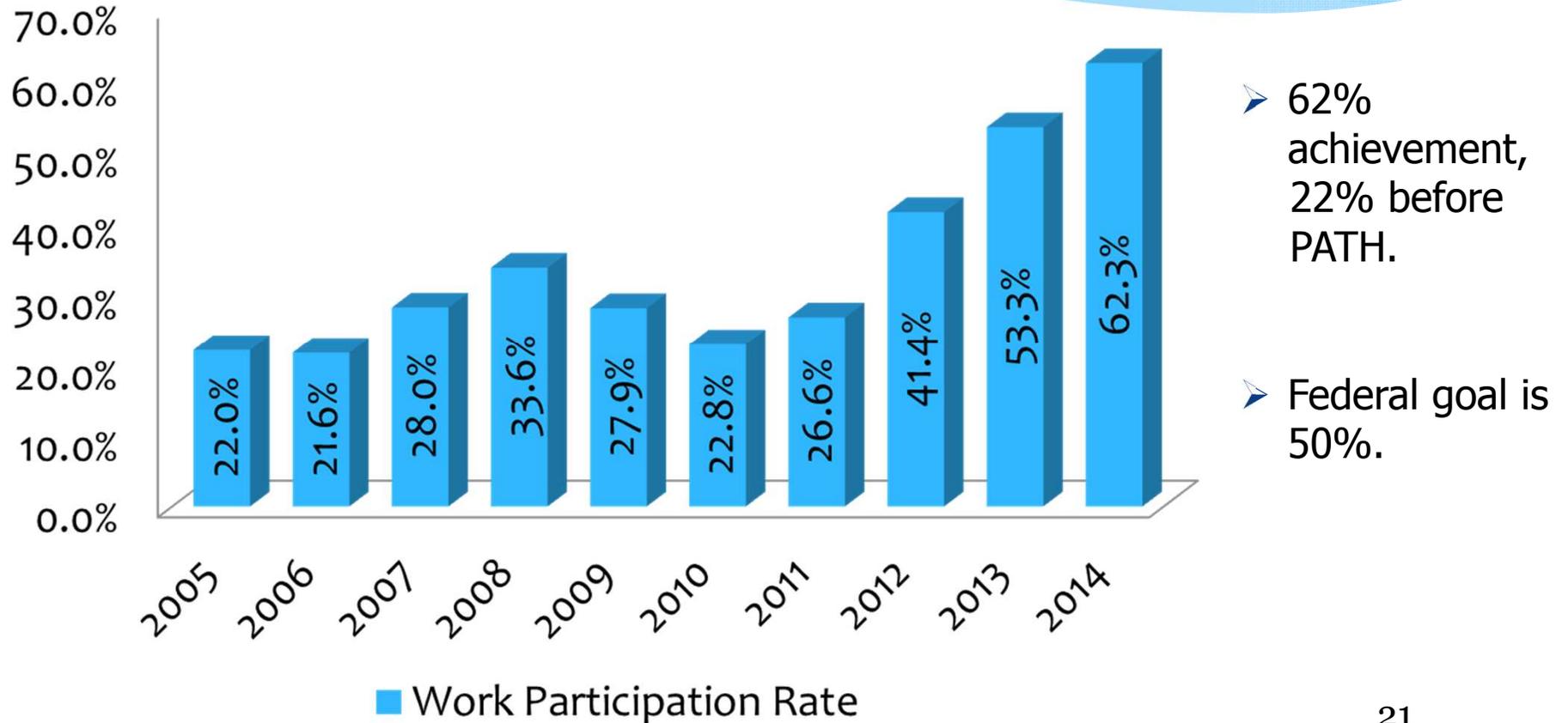
- The Children's Trust Fund brought together more than 500 policymakers, business leaders, advocates and others to raise more than \$500,000.
- Pathways to Potential continued to expand and reduce school attendance issues. Pathways caseworkers are now in 219 schools in 22 counties. Chronic absenteeism in Pathways schools decreased by 33 percent.
- The work participation rate for cash assistance clients increased to 62 percent – up from just over 20 percent in 2010.

# DHS Accomplishments

- Worked with MDCH to successfully implement Healthy Michigan Plan, enrolling more than 550,000 beneficiaries.
- Complied or substantially complied with 165 of 211 federal goals in child welfare system modified settlement agreement.
- Expansion of the Michigan Youth Opportunity Initiative programing to older youths in foster care with the addition of three more sites. An additional 250 new youths were enrolled statewide, resulting in more than 700 youth actively enrolled in 2014.

# P.A.T.H.

(Partnership. Accountability. Training. Hope.)



# Additional Initiatives

- Healthy Michigan Plan
  - Partnership with MDCH
  - 550,000+ enrollees

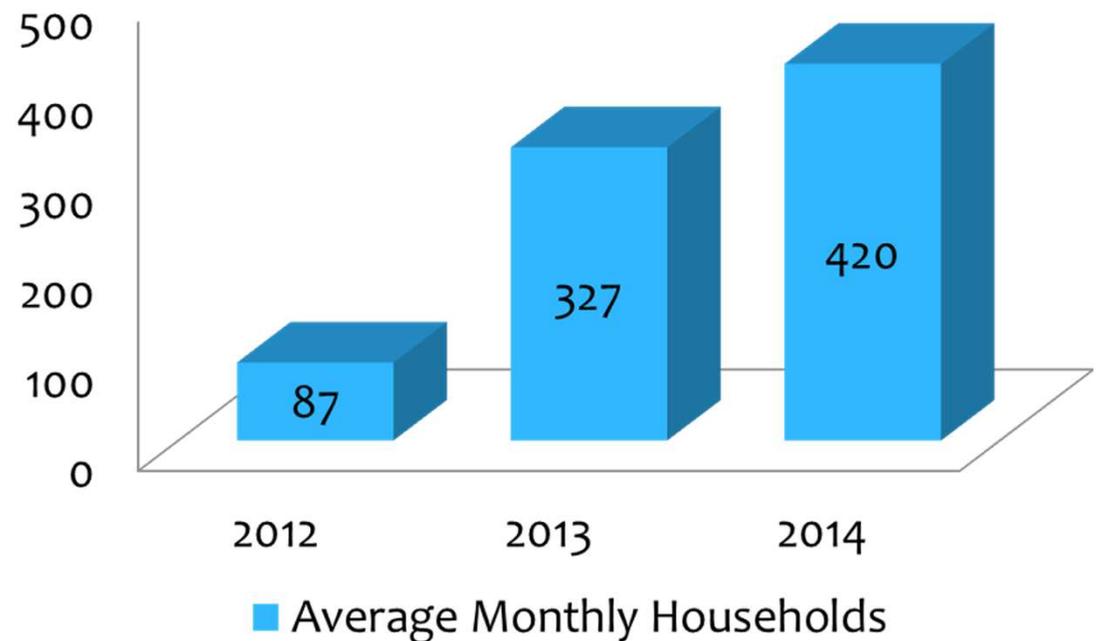


- Better Off Working
  - Securing sustainable employment for clients with significant employment barriers – including those with disabilities.
  - Pilot in Benton Harbor – PATH participants graduated from certified nursing program through our Michigan Career and Technical Institute.
  - 85% success rate – individuals trained and working today.

# Additional Initiatives

- Support older youths transitioning out of foster care
- Expansion of Fostering Futures scholarship program for foster youths

## ➤ Young Adult Voluntary Foster Care

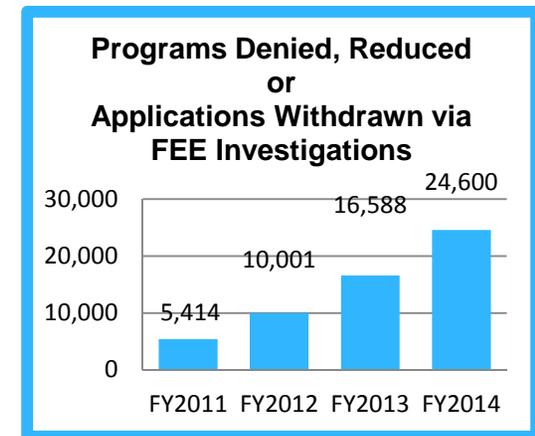
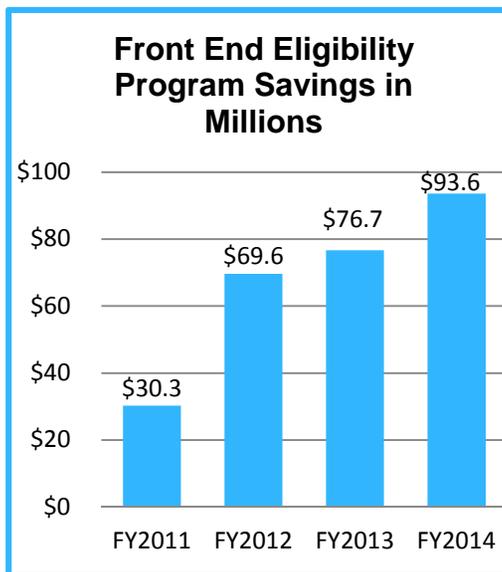
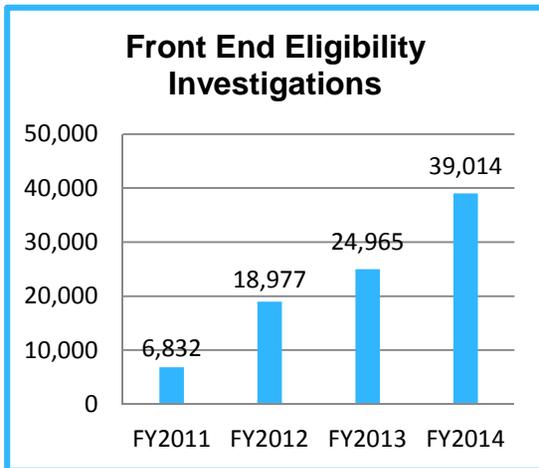


# Fraud Prevention Efforts

- Lottery match program
  - Saved taxpayers \$2M in FY2013 by matching big lottery winners with assistance recipients.
- Cooperative Disability Investigations Unit
  - New collaboration involving DHS Disability Determination Service, DHS Office of Inspector General and SSI to investigate fraud in disability applications.
  - Unit, which started last August, has already achieved five-year cost avoidance for state/federal taxpayers of \$700,000.

# Fraud Prevention Efforts

## Front End Eligibility



# Pathways to Potential

To help families, Pathways to Potential places qualified DHS caseworkers, called success coaches, in schools to address families' barriers to success in key outcome areas:

- Safety
- Health
- Education
- Attendance
- Self-sufficiency

Pathways is in 219 schools in 22 counties  
Chronic absenteeism down 33%.

# Pathways to Potential

## Focus Areas:

- Going into the community where the customer is located.
- Working one-on-one with families to identify and remove barriers.
- Engaging community partners and school employees to help students and families find their pathway to success.



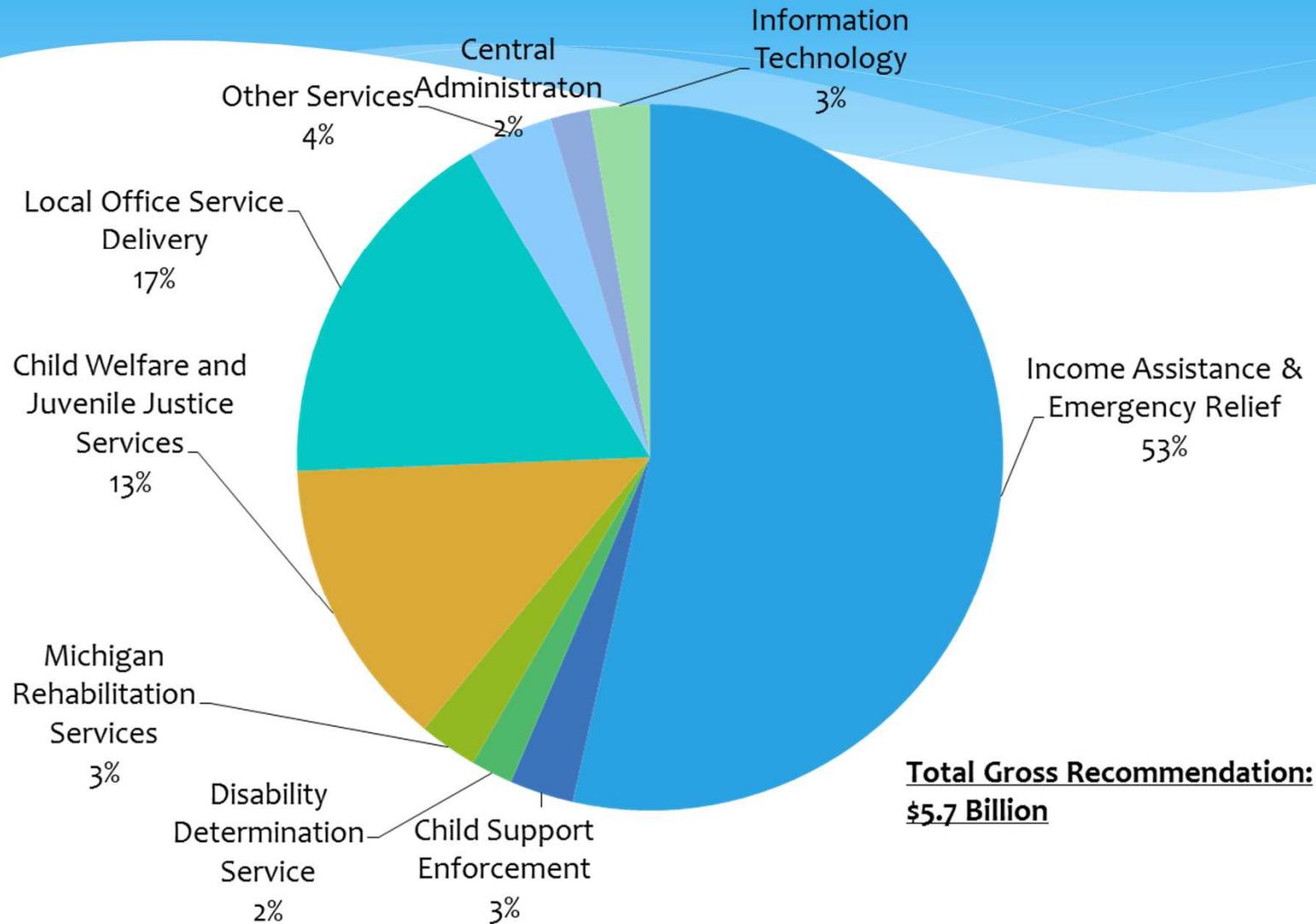
# The Michigan Department of Health and Human Services

- The River of Opportunity
- New way to structure government that puts people first
- Efficient, effective and accountable government that collaborates to provide good service
- Builds on the Pathways to Potential Program, placing caseworkers in schools so they can focus on the whole person/family
- Executive Order issued three weeks ago: Creates Michigan Department of Health and Human Services (MDHHS)

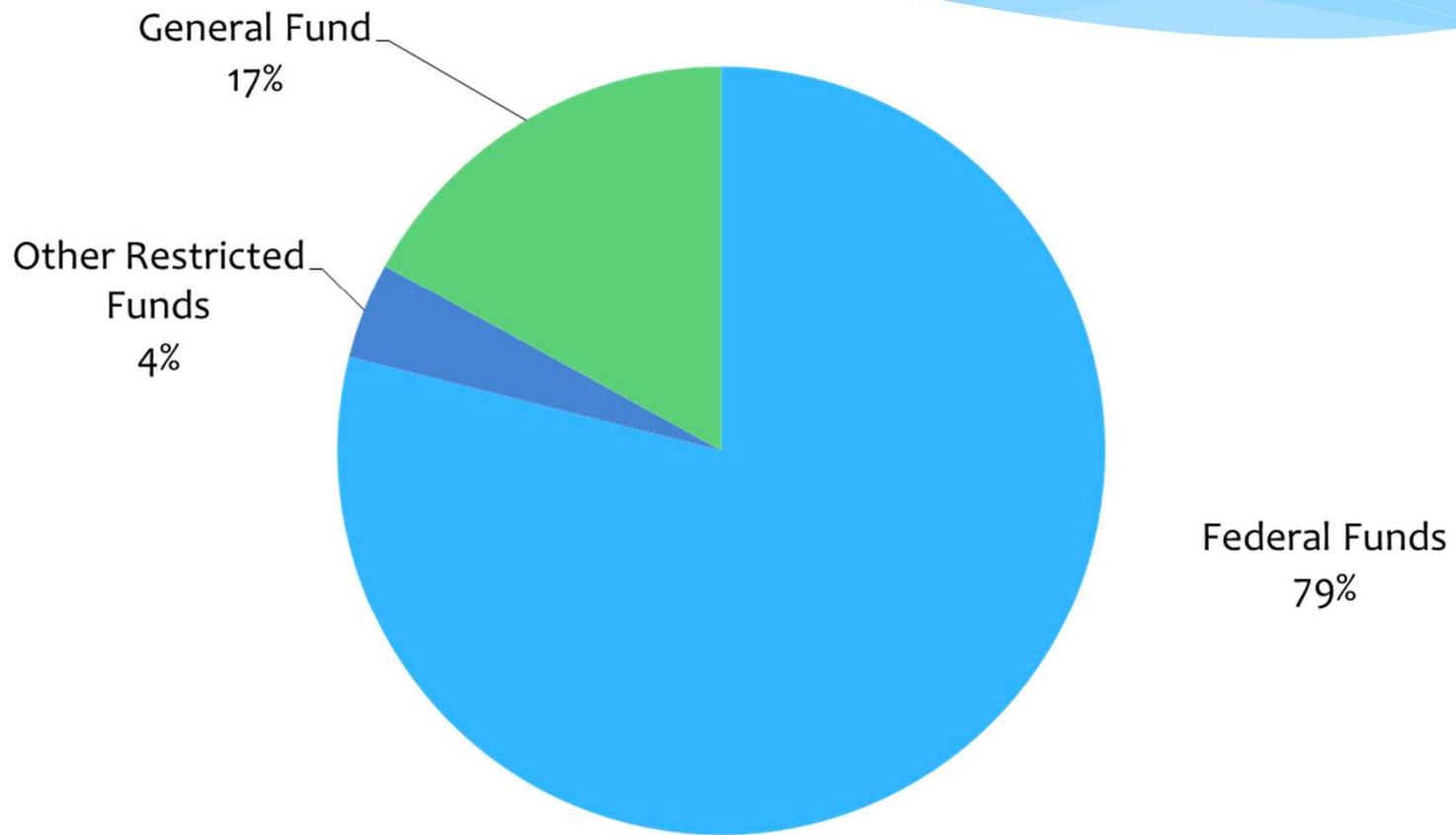
# MDHHS Principles

- Treat each person as a whole person with respect
- Deliver services in a smarter way with less fragmentation
- Support dignity in all stages of life
- Improve program outcomes through integration and coordination
- Interrupt generational poverty and support families and individuals on their road to self-sufficiency
- Ensure the safety, well-being and permanency of the children in our care and the safety of the elderly and adults in our care
- Improve the health of Michiganders in a cost effective manner
- Self-determination and that customers will have a voice in how their own services are provided

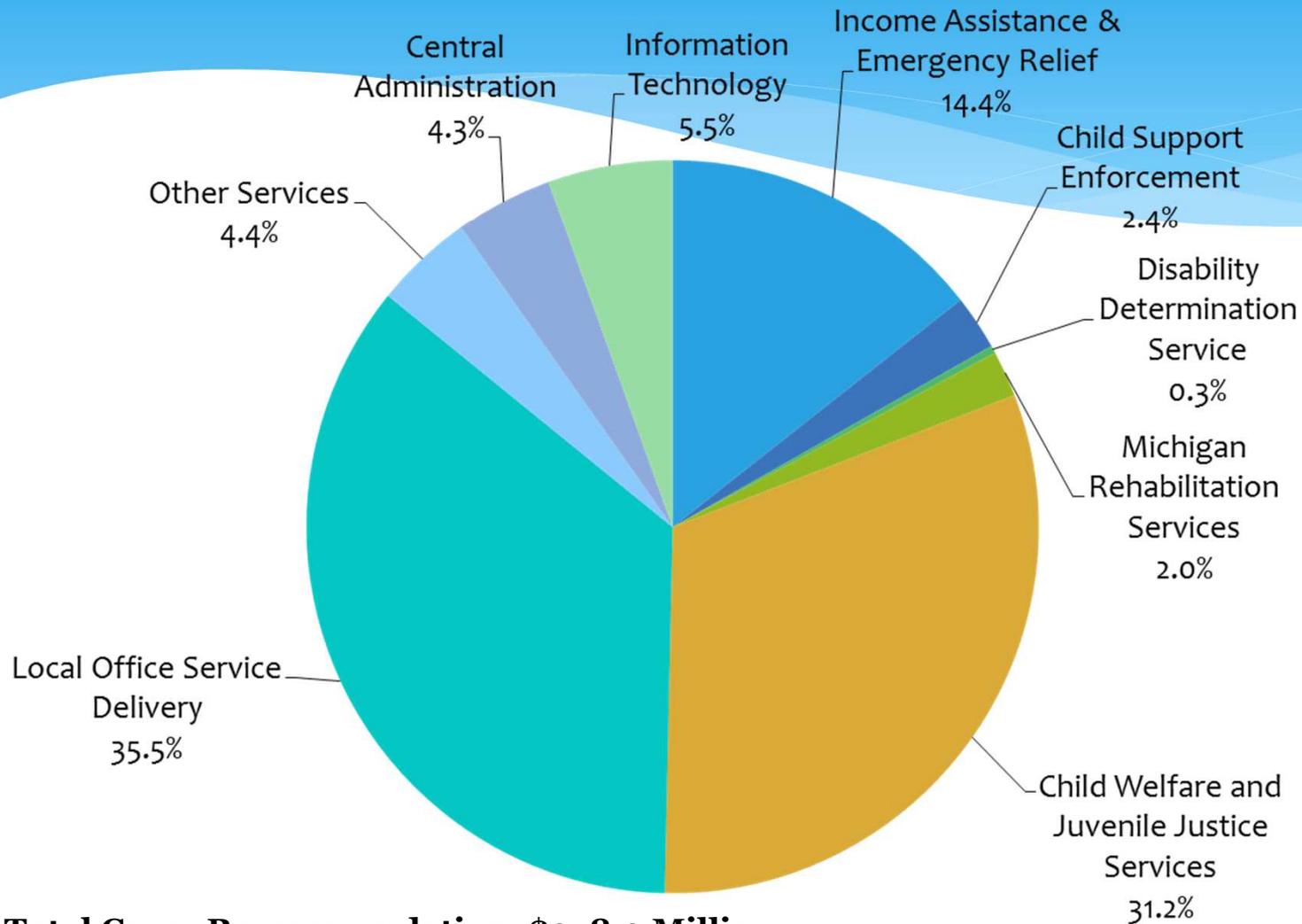
# 2016 Executive Recommendation



# 2016 Executive Recommendation Types of Funding



# 2016 Executive Recommendation General Fund



**Total Gross Recommendation: \$978.9 Million**

# Funding by Category

## 2016 Executive Recommendation

	<b><u>Gross</u></b>	<b><u>GF</u></b>
Income Assistance & Emergency Relief	\$3,068.7	\$141.0
Child Support Enforcement	\$167.8	\$23.5
Disability Determination Service	\$110.0	\$3.2
Michigan Rehabilitation Services	\$153.8	\$19.8
Child Welfare and Juvenile Justice Services	\$765.1	\$305.3
Local Office Service Delivery	\$982.5	\$347.3
Other Services	\$225.7	\$42.6
Central Administration	\$103.8	\$42.1
Information Technology	\$156.8	\$53.9
<b>Total 2016 Executive Recommendation</b>	<b>\$5,734.3</b>	<b>\$978.9</b>

# Baseline Adjustments

	GROSS	GF
➤ Caseload adjustments	\$6,737,100	\$8,089,000
➤ Budgetary Savings - Staffing Reductions	(\$6,296,800)	\$0
➤ Fund Shift to Reflect Anticipated revenues	0	\$8,740,400
➤ Increase funding for MRS match	\$1,300,000	\$1,300,000
➤ FMAP adjustments	(\$11,000)	(\$166,000)
➤ Remove funding from one-time line items	(\$5,150,000)	(\$5,150,000)
➤ Economics	(\$2,478,700)	(\$740,800)
➤ Other Adjustments	\$1,619,000	\$157,800
➤ <b>Total Baseline Adjustments</b>	<b>(\$4,280,400)</b>	<b>\$12,896,400</b>

# 2016 Investments

Gross

GF

<ul style="list-style-type: none"> <li>➤ Specialized Employment and Training Services (MCTI Pilot Expansion) Expanding specialized employment/training services like Benton Harbor MCTI program.</li> </ul>	\$800,000	\$400,000
<ul style="list-style-type: none"> <li>➤ Donated Funds Positions - Adult Services and Community Outreach (200.0 FTE's)</li> </ul>	\$20,551,200	\$0
<ul style="list-style-type: none"> <li>➤ Child Care Licensing Consultants -- 39 FTEs                             <ul style="list-style-type: none"> <li>➤ 35 new consultants, 3 managerial &amp; administrative staff</li> </ul> </li> </ul>	\$ 5,661,500	\$0

# 2016 Reductions

	Gross	GF
➤ Reduce adoption redetermination funding	(\$6,900,000)	(\$6,547,400)
➤ Eliminate \$3 rate increase for private agencies	(\$5,142,400)	(\$3,784,500)
➤ Eliminate private residential rate increase	(\$3,655,300)	(\$3,300,000)
➤ Eliminate hold-harmless for counties for new private agency cases	(\$1,650,000)	(\$1,650,000)
➤ Eliminate IDG for Swift and Sure program	(\$3,000,000)	\$0

# 2016 Reductions

	Gross	GF
Reduce funding for Centers for Independent Living	(\$1,500,000)	(\$1,500,000)
Eliminate JJ 20/20 Vision Project Funding	(\$1,000,000)	(\$1,000,000)
Elimination of Short Term Family Support – one-time benefit of about \$1500 for about 40 families annually	(\$726,200)	(\$726,200)
Reduce funding for In-Home Care Grants to Rural Counties	(\$600,000)	(\$600,000)

# 2016 Reductions

	Gross	GF
➤ Reduce funding for Parent to Parent program	(\$500,000)	(\$500,000)
➤ Eliminate earmark for Northeast Michigan Community Action - School Success Partnership	(\$300,000)	(\$300,000)
➤ Total Administrative Reductions Facilities, Staffing, Mailings, etc.	(\$18,490,200)	(\$9,833,500)
➤ Total Reductions	(\$43,580,500)	(\$29,858,000)
➤ Drug Testing Pilot – PA394 Subject to appropriation		

# Child Welfare Financing

- Performance-based.
- Create a simplified funding model for child welfare.
- Remove financial barriers and incentives for placement and treatment decisions.
- Incentivize positive outcomes for children and families.

# Contact Information

- Nick Lyon, Interim Director 517-335-0267
- Steve Yager, Deputy Director – Children’s Services 517-241-7251
- Terry Beurer, Deputy Director – Field Operations 517-241-2352
- Susan Kangas, Deputy Director – Financial Services 517-373-7787
- Angela Madden, Bruce Noll – Legislative Services 517-241-5012
- David Russell, Acting Director – Office of Inspector General 517-335-7789
- Erin Frisch, Director – Office of Child Support 517-241-7460
- Seth Persky, Director – Office of Family Advocate 517-335-3969
- Bill Hardiman, Director – Interagency Collaboration 517-241-2205

# DHS Service Statistics

- 89,957 Family Independence Program/cash assistance recipients – 227,490 in FY 2011
- 1,680,721 Food Assistance Program recipients – 1,928,478 in FY 2011
- 13,971 State Disability Assistance recipients – 21,654 in FY 2011
- 80,094 Eligible Child Development and Care recipients
- 355,574 State Emergency Relief recipients
- 2,450,783 total recipients of DHS assistance
- 2,160 adoptions finalized by DHS and partners
- 87,715 Children’s Protective Services cases investigated in FY 2013
- 21,390 Adult Protective Services cases investigated
- 219 schools have Pathways to Potential
- 22 counties now have caseworkers in schools through Pathways
- 33% decreased chronic absenteeism for the 2013-14 school year in Pathways schools
- 550,000 beneficiaries enrolled in Healthy Michigan
- 13,000 children placed in foster care – down from 18,943 in FY 2007
- 62% work participation rate for cash assistance clients – up from 22.8% in FY 2010
- 80 counties in expanded School-Justice Partnership
- \$227,000 raised for Fostering Futures Scholarships
- 400 additional foster youths with higher education opportunity through Fostering Futures
- 296 disciplinary actions taken from Adult Licensing complaints investigated
- 346,551 children in child care facilities licensed by Bureau of Children and Adult Licensing (BCAL)
- 6,618 Michigan Rehabilitation Services employment outcomes
- 36% increase in productivity of child support case intake process
- 90% reduction of complaints in child support case intake process
- 6,498 complaints handled by BCAL
- 1 of 4 states participating in National Governors Association Learning Lab on Improving Outcomes for Justice-Involved Youth
- \$500,000 raised for Children’s Trust Fund through annual Pam Posthumus Signature Auction
- \$126M savings as a result of efforts to prevent fraud

# Questions?

Thank you!