



**House  
Legislative  
Analysis  
Section**

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**CHILD & FAMILY SERVICES AGENCY**

**House Bill 5686**

**Sponsor: Rep. Teola P. Hunter**

**Committee: Social Services & Youth**

JUN 26 1990

**Complete to 5-2-90**

***A SUMMARY OF HOUSE BILL 5686 AS  
INTRODUCED 4-26-90***

The bill would create the Child and Family Services Agency Act to establish a Children and Family Services Agency within the Department of Social Services (DSS) to consolidate and coordinate state services for children and families. All powers and duties of the Office of Children and Youth Services in the DSS would be transferred to the agency. The agency would operate all state facilities for children currently operated by the DSS, including detention facilities for juveniles, training schools and camps, and residential treatment centers. The bill would also transfer several powers, boards and committees to the agency, including the following:

- all powers and duties relating to juvenile justice services (from the Office of Criminal Justice in the Department of Management and Budget);
- the Advisory Committee on Juvenile Justice (the composition and powers of the advisory committee would not be affected by the bill);
- the State Child Abuse and Neglect Prevention Board;
- the Domestic Violence Prevention and Treatment Board.

The agency would provide all services related to mental health of children and families currently provided by the Office of Children and Youth Services, and would provide all protective services to children and families that are currently provided by the DSS. The agency would provide all child and family support services and would act as the implementing agency for the Child Protection Law. In addition, maintenance of the county child care fund system would be transferred to the agency.

**Current Child and Family Service Employees.** Employees of certain county offices of the DSS performing child and family services would transfer to the agency, including those in Berrien, Calhoun, Genesee, Ingham, Kalamazoo, Kent, Macomb, Muskegon, Oakland, Saginaw, and Wayne Counties. A local children and family services board would be created in each of these counties for purposes of planning and local input. Child and family service workers employed by the department in other counties would not transfer to the agency. The agency and the county departments of social services would enter into performance agreements to govern the administration of child and family services in those counties. These provisions would take effect one year after the effective date of the bill. State employees occupying positions in children and family service programs would have the opportunity to transfer to the agency. Each state employee transferring from the department to the agency would be given a comparable position with the agency at a rate of compensation that was not less than the employee was being paid by the state immediately before the effective date of the bill.

**Plan for Children and Family Services.** The agency would annually submit to the governor, legislature, and supreme

court a state plan for children and family services. The plan would evaluate services and programs currently provided and projected to be provided and the effectiveness of services to children and families. The agency would also develop, with the assistance of the advisory committee on juvenile justice, the state plan required by the Juvenile Justice and Delinquency Prevention Act. In addition, the agency could develop rules necessary to implement the provisions of the bill.

**Financing.** All services delivered under the bill would be paid for by the person financially responsible for the child, according to the ability to pay, except as otherwise provided by the agency. The agency would establish a single fiscal management system for the funding of children and family services under the bill. It could accept gifts, grants, bequests, and other donations. It would recommend to the governor and the legislature appropriate allocations of public funds for children and family services and programs. Further, it would apply for, accept, and disburse private, state and federal grants and other types of funding available for the types of activities that the agency is required or authorized to engage in under the bill. It would also oversee the administration of the Children's Trust Fund and the Domestic Violence Prevention and Treatment Fund.

The agency would establish a juvenile justice funding system, including supervision of county child care funds. Under the system, the counties would receive money appropriated by the legislature for the foster care of children. The amount distributed to each county would be 50 percent of the annual expenditures from the county child care fund. However, annual expenditures would not include expenditures made for payment of a county's share of the cost of maintaining children committed to the Michigan Children's Institute or of the costs of state wards under the Youth Rehabilitation Services Act. Nor would annual expenditures include expenditures that exceeded the amount of a county's budget for the funding of foster care services. The agency could reduce a distribution under certain circumstances.

The agency could award an annual basic grant of state funds for juvenile justice services to a county having a population under 75,000. Basic grants would be \$15,000 and would only be awarded to those counties that met the requirements of the bill. A county would not be required to contribute matching funds to receive a grant. Grants could only be used to supplement added juvenile justice service costs and would not be used to replace county money currently being expended on juvenile justice services.

**Pilot Projects.** The bill would establish at least seven pilot projects in order to test a variety of models for the consolidation of all social, mental health, and juvenile justice services for children and their families in a single state department. Under the bill, the agency would establish a fund for the development and implementation of new and innovative service delivery strategies. One

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percent of the agency's total budget appropriated by the legislature would be used for these strategies. A service strategy project would not extend beyond three years and a decision would be reached within the three-year period whether to fund the innovation through the regular budget process. The agency would develop specification for the development of plans and budgets to be submitted by local units.

The agency would establish a pilot task force to develop and distribute a request for proposals to participate in a pilot project and to monitor the progress of the pilots and make recommendations to the agency, the independent evaluator, and Joint Committee on Children and Family Services regarding changes needed in the operation of the pilots or in implementation of the pilots on a statewide basis. The requests would set forth the criteria to be used in selection of the project participants and the projects. The task force would consist of the following members:

- the director of DSS;
- the state court administrator;
- the president of United Auto Workers — Local 6000;
- a private provider of services to children and families designated by the Michigan Federation of Private Child and Family Agencies;
- a consumer of children and family services designated by the director of the agency; and
- a representative of each of the following organizations:
  - Michigan Association of Community Mental Health Boards
  - Michigan Association of Counties
  - Michigan County Social Services Association
  - Michigan Probate Judges Association

The selection procedure for project participants would occur as follows. Counties would submit proposals to the task force, and the task force would notify counties of selection for participation by June 1, 1991. The agency and counties would enter into pilot agreements which detailed the provisions of the project and would begin operation of projects by October 1, 1991. Pilot projects would operate for a period of three years, beginning October 1, 1991 and ending September 30, 1994. However, the projects could be extended until a Department of Children and Family Services was established.

Local units (counties or groups of counties operating a pilot project) would be responsible for functionally integrating children's mental health services and all juvenile justice services with other services to children and families. This would be accomplished by contractual arrangements with community mental health boards and probate courts or by the transfer of functions and allocation of funds. Each local unit would have a local unit board to assess the needs of children and families in the local area. It would also prepare and submit the plan and budget of the pilot project for the next fiscal year and would coordinate the provision of services to children and families by all departments and agencies and county government at the local level to avoid fragmentation and duplication. The pilot projects would be evaluated by the agency, each county in a local unit, a county that was not involved in a pilot project but wished to participate in evaluating a particular project, and an independent person or organization appointed by the governor. The local director and the local unit board would submit to the agency, independent evaluator, and the Joint Committee on Children and Family Services annual reports summarizing the progress of the project. By October 1, 1994 each person or organization participating in the evaluation process would submit to the Joint Committee on

Children and Family Services a report that included an assessment of the particular pilot project's experience and recommendations as to implementation of one or more of the pilot project operations in a state department of children and family services.

Funding of Pilot Projects. The bill would establish three funding formulas for pilot projects, as follows:

- Formula A would include payment of family foster care, funded relative placements, private institutional care, shelter care, residential care, and all other costs related to out-of-home care up to the level specified in the pilot agreement, at a ratio of 75 percent state and federal and 25 percent local. The formula would also include payment of costs for local administration, in-home services, early intervention, and primary prevention services up to the level specified in the pilot agreement, at a ratio of 90 percent state and federal and 10 percent local. Payment of out-of-home costs beyond the level specified in the pilot agreement would be a 50-50 split.
- Formula B would include all of the provisions of Formula A plus payment for costs of mental health services at a ratio of 90 percent state and federal and 10 percent local, but would exclude mental health residential services from out-of-home care payments made up to the level specified in the pilot agreement, at a ratio of 75 percent state and federal and 25 percent local, and from payments of out-of-home costs other than mental health services beyond the level specified in the pilot agreement at a ratio of 50 percent state and federal and 50 percent local.
- Formula C would include state funding at the same level provided in the state fiscal year 1988-89. The funding formula is a block grant approach that would permit the local unit to spend the money on children and family services without regard to categorical restrictions. The local unit would not reduce its total of spending on children and family services below the level spent during the state's fiscal year 1988-89, but it could allocate funds among services in any way it chose, as long as the services were provided in accordance with the plan and budget for the local unit approved by the agency.

Joint Committee on Children and Family Services. The bill would create a joint legislative committee, composed of six members each of the House and Senate, to oversee and report to the legislature on the progress being made with respect to the goals and mandates of the act. The committee would meet at least twice a year and would report its activities and recommendations to the legislature at each session. The committee would also review the evaluations of the pilot projects established under the bill and no later than January 1, 1995, would submit to the legislature a report containing recommendations regarding legislation to implement one or more features of the pilot projects statewide in a department of children and family services.

Office of Service and Facility Regulation. The bill would create an Office of Service and Regulation as a separate division within the agency. The office would investigate complaints of neglect or abuse by service providers licensed, inspected, or approved by the office or funded by the agency and would be engaged only in licensing and regulating the following types of facilities:

- child care organizations;
- local infirmaries and places of detention for juveniles;
- all institutions for children maintained by the agency; and

- programs administered, reimbursed, or contracted by the agency.

Office of Recipient Rights. The bill would create an office of Recipient Rights within the Office of Service and Facility Regulation. The office would protect the rights, benefits, and privileges of recipients of agency services guaranteed by the U.S. and state constitutions, the bill, and other provisions of law. The provider of services would notify recipients of services and in the case of minors, the recipient's parent or guardian, of the rights guaranteed by the bill.

Children's Cabinet Council. The bill would create a Children's Cabinet Council in the governor's office to advise the governor on issues and concerns of children and their families. In addition, the council would coordinate provision of services to children and families by state departments and agencies and would annually prepare and submit to the legislature, governor, and Department of Management and Budget, a list of budget priorities for services provided by all departments and agencies of state government to children and families. Further, the council would annually prepare and submit to the governor and legislature a report that summarized the total expenditures made by the state for services to children and families during the preceding fiscal year and would hold public hearings throughout the state to receive consumer input on the status of services to children and families. The council would also review matters brought to it by the children's advocate (see below) or that came to its attention by any other means. The council would be chaired by the director of the Children and Family Services Agency and would include the following:

- the director of the Department of Mental Health;
- the director of the DSS;
- the director of the Department of Public Health;
- the superintendent of public instruction;
- the director of the Department of Labor;
- the director of the office of substance abuse services;
- the director of the Department of State Police;
- the director of the Department of Corrections;
- the director of the Department of Management and Budget;
- the state court administrator; and
- the executive director of the Department of Civil Rights.

Office of Children's Advocate. The bill would create an Office of Children's Advocate within the legislative council. The advocate would monitor the compliance of agencies and departments of state government with the bill, and act as a problem solver for all children and families and assist them in directing and communicating their concerns, problems, and needs to the appropriate governmental agency or department. The advocate would also submit an annual report to the legislative council and the legislature on its activities, the status of coordination of services, and the types of problems encountered by consumers of the services. The report would include recommendations as to the legislative action needed to improve coordination of services and correct the problems experienced by consumers of the services.

Repeals. The bill would repeal sections of the Youth Training and Rehabilitation Act regarding Boy's Vocational School, Conservation Rehabilitation Camp for Male Delinquent Youth, and Camp LaVictoire.

The bill would take effect June 1, 1990.