

SFA

BILL ANALYSIS

Senate Fiscal Agency

Lansing, Michigan 48909

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Senate Bill 937

Sponsor: Senator Jack Welborn

Committee: Criminal Justice and Urban Affairs

Date Completed: 5-1-90

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SUMMARY OF SENATE BILL 937 as introduced 4-26-90:

The bill would create the "Child and Family Services Act" to do all of the following:

child...to reach his or her full potential" and the proposed Act would have the following purposes:

- Specify certain declarations of the Legislature relative to State policy on children's services and create a joint committee of the Legislature to oversee the progress toward the bill's goals and mandates.
- Elevate the Department of Social Services' (DSS) Office of Children and Youth Services (OCYS) to an autonomous agency within the DSS on October 1, 1990.
- Require the proposed "Child and Family Services Agency" to establish, by January 1, 1992, pilot projects in at least seven counties "to test models of a functionally integrated service system for the provision of child welfare, mental health, and juvenile justice treatment services". (The agency would have to establish a "pilot task force" by January 1, 1991.)
- Elevate the proposed Agency to an independent department of State government on October 1, 1995.
- Repeal certain Acts.
- To consolidate some child and family services and create a coordinating mechanism for others "to provide a continuum of care and avoid fragmentation of services", and to ensure that a core of services to provide that care was available statewide to all Michigan children and families.
- To increase accountability for service delivery and administration.
- To develop and administer "a racially and culturally appropriate" service delivery system to all children who were "abused, neglected, dependent, delinquent, developmentally disabled, or mentally ill, as well as those who have other emotional or physical needs".
- To assist families and children in developing the capacity to control their futures, and to emphasize early intervention and primary prevention services to avoid family and individual dysfunction.
- To strengthen Michigan families and encourage family life, and to ensure that each Michigan child was protected from abuse and neglect.
- To provide, through pilot projects, an opportunity to test models for the consolidation of all child and family services in a single State department.

Declarations and Joint Committee

The bill specifies that it would have to be "liberally construed to promote the physical, cognitive, and psychological well-being" of Michigan's children and families. The Legislature would declare that it is Michigan's policy "to provide an opportunity for every

The "Joint Committee on Children and Families" would consist of five Senators and five Representatives appointed, in the same

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manner as standing committees, for two-year terms. The position of chairperson would have to alternate between the two houses of the Legislature, beginning with the Senate. The Joint Committee would have to meet at least twice annually and could meet during a legislative session and during an interim between sessions. The chairperson or a member designated by the chairperson, upon a majority vote of members, could administer oaths, subpoena witnesses, and examine books and records of a person "involved in a matter properly before" the Committee.

The Joint Committee would have to monitor the progress of pilot projects and, by April 1, 1993, submit an interim report on them to the Legislature. The Committee also would have to review the pilot projects' evaluations and submit to the Legislature, by April 1, 1995, a report recommending legislation to implement statewide one or more features of the pilot projects in a "Department of Child and Family Services".

Child and Family Services Agency

The Agency would be within the DSS, but would be autonomous. The agency would exercise its functions and powers independently of the DSS Director. With the advice and consent of the Senate, the Governor would have to appoint an Agency Director, who would be exempt from Civil Service classification. The Agency Director would serve as the Governor's special assistant on matters relating to families and children.

The bill would transfer all of the powers and duties of the OCYS to the proposed Agency. The powers and duties of the Department of Management and Budget's (DMB's) Office of Criminal Justice relating to juvenile justice services, also would be transferred to the Agency. In addition, the Advisory Committee on Criminal Justice (created by MCL 18.405), the State Child Abuse and Neglect Prevention Board (created by MCL 722.603), and the Domestic Violence Prevention and Treatment Board (created by MCL 400.1402) would be transferred to the proposed Agency. The composition and powers of those entities would not be affected by the bill.

The Agency would operate all State facilities

for children that previously were operated by the DSS. Employees of county offices of the DSS who perform child and family services would be transferred to the proposed Agency in Berrien, Calhoun, Genesee, Ingham, Kalamazoo, Kent, Macomb, Muskegon, Oakland, Saginaw, and Wayne Counties. A proportionate share of support staff needed for child and family services also would have to be transferred in those counties. In other counties, the Agency and county departments of social services would have to enter into performance agreements to govern the administration of child and family services.

The bill would allow the Agency to enter into contracts for the provision of services, and require it to submit an annual State plan for child and family services to the Governor, Joint Committee, and Supreme Court. The Agency also would have to conduct research, enter into interstate agreements, and monitor and evaluate child and family services according to performance objectives and standards. In addition, the Agency would have to establish a special fund for primary prevention and early intervention services. In the first year, 2% of the Agency's budget would have to be dedicated to that fund and allocated solely for those services. Each year thereafter, 2% would have to be added until the total percentage of the budget spent on primary prevention and early intervention services reached 10%.

The "Office of Service and Facility Regulation" and the "Office of Recipient Rights" would be created within the Agency to license, regulate, and monitor child care organization and protect the rights, privileges, and benefits of service recipients.

The proposed Agency would have to develop and implement a statewide information system and recommend to the Civil Service Commission personnel standards and procedures. State employees in child and family services positions would have to transfer to the Agency. The bill would require comparable compensation; allow the transfer of a maximum of 80 hours of annual leave, or more if otherwise provided by law; guaranty the transfer of accumulated benefits without diminishment or impairment; specify the entitlement of a transferred employee to receive insurance benefits not less than those received

prior to transfer; and provide for the retention of a bargaining representative.

The proposed Agency would have to establish a single fiscal management system and a unified funding system. In cooperation with the Supreme Court, the Agency would have to establish a standard parent or guardian fee schedule for certain core services. For those services not covered by the fee schedule, parents and guardians would have to be charged for their "fair share" of costs based upon ability to pay. The Agency also would have to establish a juvenile justice funding system, including the supervision of county child care funds. The Agency would have to distribute appropriated money to each county for the foster care of children in an amount equal to 50% of the county's annual expenditures from its child care fund. (The annual expenditures could not include money spent from a county's child care fund for maintaining children in the Michigan Children's Institute or amounts in excess of an Agency-approved annual budget for foster care services.)

A county could not allocate less money for a program than it had allocated in the fiscal year in which the bill took effect. Funding disputes between counties and the proposed Agency pertaining to necessary increased costs of a new or increased activity or service required of counties would have to be resolved as required by Article IX, Section 29 (part of the "Headlee Amendment") of the State Constitution.

Pilot Projects

Pilot projects in at least seven counties would operate for three years, from January 1, 1992, to December 31, 1994. The proposed Agency and the local unit could agree, however, to extend the project until the proposed Department was established.

By April 1, 1991, the pilot task force would have to draft a request for proposal of participation, which would have to be provided to each county by May 1 of that year. Counties or groups of counties would have until August 1 to submit proposals. The task force would have to review proposals and recommend pilot project participants to the proposed Agency by September 1. The Agency then

would have to notify each county selected to participate by October 1. The Agency and participating counties or groups of counties would have to enter into pilot agreements and begin operating pilot projects by January 1, 1992. The task force then would have to monitor the pilots' progress and make recommendations to the Agency, an independent evaluator appointed by the Governor, and the Joint Committee on needed changes to the projects.

Pilot projects would have to be established by a voluntary agreement between the Agency and the board of commissioners for each county in the local unit (i.e., county or group of counties providing services). In a county that has an elected executive, he or she, rather than the board, would have to enter into the agreement. Based on local needs, the Agency would have to make available in each local unit that participated in a pilot project a group of core services. The Agency's local office in a participating county would be "responsible for functionally integrating children's mental health services and juvenile justice treatment services with other children's services in pilot counties".

Services would have to be provided consistent with standards and rules promulgated by the Agency, but the manner of service delivery and coordination in each local unit would be governed by the pilot agreement and the local plan and budget. The size and composition of the local unit board could be determined locally but would have to meet minimum standards specified in the bill. The board would have to recommend a plan and budget to the board of commissioners of each county in the local unit for approval of expenditures using local funds. The local unit's pilot project proposal would be considered the plan and budget for the first year.

Each local office would have to establish a "central community resource repository and information clearinghouse" for family and child services in the local unit. A local office also would have to distribute a "local service directory" to identify all child and family services available within the local unit regardless of the service provider.

In order to evaluate the effectiveness of various financing alternatives, pilot projects would have

to operate under either a "combined reimbursement" formula or a "differential reimbursement" formula. Combined reimbursement would include payment of all costs, up to the level specified in the pilot agreement, at 72% State and Federal and 28% local, and payment of all costs beyond the specified level at 50% State and Federal and 50% local. Differential reimbursement would include all of the following:

- Payment of foster care, funded relative placements, shelter care, private institutional care, children's psychiatric care, residential care, and all other costs considered out-of-home care up to the level specified in the pilot agreement, at 75% State and Federal and 25% local.
- Payment of costs for local administration, early intervention, primary prevention services, in-home services, and all other services not related to out-of-home care, up to the level specified in the pilot agreement, at 90% State and Federal and 10% local.
- Payment of out-of-home costs beyond the specified level at 50% State and Federal and 50% local.

In order to test the effectiveness of alternative approaches to consolidation of child and family services in each pilot project, the projects would have to be evaluated by the Agency, each county in a local unit, a county not participating in a pilot project (if it wished to participate in the evaluation), and an independent person or organization selected by the Governor. The Governor would have to appoint an independent evaluator by October 1, 1991, and the term of appointment would end after the submission of the final report and recommendation. Each person or organization participating in the pilot project evaluation would have to submit to the Joint Committee, by February 1, 1995, a report that included an assessment of the particular pilot project's experience relative to evaluation criteria specified in the bill, and recommendations pertaining to implementation of one or more of the pilot project operations in the proposed Department.

Department of Child and Family Services

On October 1, 1995, the proposed Child and Family Services Agency would be elevated to a "Department of Child and Family Services" (DCFS). As with the Agency, the DCFS Director would be appointed by the Governor with the advice and consent of the Senate and would serve as the Governor's special assistant on matters concerning child and family services. One year after the creation of the DCFS, employees of county offices of the DSS who performed child and family services would transfer to the proposed new Department and a proportionate share of administrative support staff also would be transferred from county DSS offices to the DCFS.

The same powers and duties that the bill would assign to the proposed Agency would be transferred to the new DCFS, including the Offices of Facility Regulation and Recipient Rights, the provision of services, and personnel administration responsibilities.

Repeals

The bill would repeal Public Act 181 of 1956, which provides for a boys' vocational school; Public Act 229 of 1962 and Public Act 145 of 1963, which provide for a conservation rehabilitation camp for male delinquent youths committed to the DSS; and Public Act 145 of 1965, which transferred Camp LaVictoire from the Department of Corrections to the DSS.

Legislative Analyst: P. Affholter

FISCAL IMPACT

Fiscal analysis is pending.

Fiscal Analyst: J. Walker

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.