

DAY CARE AIDES & RELATIVE PROVIDERS

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House Bill 6214
Sponsor: Rep. Hoon-Yung Hopgood

House Bill 6218
Sponsor: Rep. Dudley Spade

House Bill 6215
Sponsor: Rep. Bert Johnson

House Bill 6219
Sponsor: Rep. Pam Byrnes

House Bill 6216
Sponsor: Rep. Robert Dean

House Bill 6220
Sponsor: Rep. Marc Corriveau

House Bill 6217
Sponsor: Rep. Barb Byrum

House Bill 6221 (Substitute H-1)
Sponsor: Rep. Tim Melton

Committee: Families and Children's Services
Complete to 6-26-08

A SUMMARY OF HOUSE BILLS 6214-6221 AS REPORTED FROM HOUSE COMMITTEE ON 6-25-08

House Bills 6214-6221 would amend the Social Welfare Act (MCL 400.1 to 400.119b) by adding sections 74a-74h to require the Department of Human Services to do all of the following. Most of the bills would take effect January 1, 2009.

Eligibility Review (House Bill 6214)

Under the bill, beginning January 1, 2009, for each new case of child care subsidy opened under the act, the department would be required to conduct an eligibility review once every 180 days. For parents or guardians who were receiving a child care subsidy before January 1, 2009, the department would conduct an eligibility review once every 180 days starting from the parent's or guardian's next review date.

Reporting Requirement (House Bill 6215)

Under the bill, a parent or guardian receiving a child care subsidy from the department would be required to submit, every three months, proof of his or her work, school, or other schedule that demonstrates the continued need for the child care subsidy. The required schedule may be submitted in person, by mail, or by electronic means.

Availability of Health and Safety Checklist (House Bill 6216)

The bill would require the department to develop and make available to parents, day care aides, and relative care providers a health and safety checklist for use by a parent or guardian receiving a child care subsidy. Upon initial application, the day care aide or

relative care provider and the parent or guardian of each child being cared for would complete and return to the department (or agency authorized by the department) a health and safety checklist for use by a parent or guardian receiving a child care subsidy.

Four-Child Limit (House Bill 6217)

The bill would prohibit a day care aide or relative care provider enrolled by the department and receiving a child care subsidy from the department from providing child care for more than four children at any one time, except that the department would have the authority to grant exceptions for sibling groups up to not more than six children at one time.

Monitoring of Time and Attendance Requirement (House Bill 6218)

The bill would require a day care aide or relative care provider to maintain time and attendance records for each child in his or her care. The day care aide or relative care provider would submit the time and attendance records every two weeks by telephone or using the department's website. Each parent or guardian receiving a child care subsidy under the act would be required to report the hours his or her child spent in child care to the department every two weeks.

Before the department could pay a child care subsidy to the provider, it would have to compare the information received from the parent or guardian and the day care aide or relative care provider to determine the accuracy of the reporting. If the department determines that there has been fraudulent reporting or time, attendance, or hours needed for child care, the person submitting the fraudulent report would be subject to the penalties prescribed under the act.

Orientation and Training Sessions Pilot Program (House Bill 6219)

The bill would require the Department of Human Services to make orientation and training sessions available to all applicants for day care aide and relative care provider. The orientation would include but not be limited to topics regarding cardiopulmonary resuscitation, safe sleep, shaken baby syndrome, health and safety checklists, and attendance reporting. Beginning October 1, 2008, the department would have to implement a pilot program to carry out the provisions of the orientation and training session to new day care aide and new relative care provider applicants in a location to be determined by the department. Any day care aide or relative care provider enrolled in the location of the pilot program, after it has been implemented, would be required to attend the orientation session. The department would terminate the pilot program no later than July 1, 2009.

The department would have to submit a report to the legislature no later than July 1, 2009 regarding the pilot program including any recommendations resulting from the implementation of it.

Child Care Options (House Bill 6220)

The bill would require, at the time a parent or guardian applies for a child care subsidy, that the department make available to the parent or guardian information on all options in choosing child care and other educational resources for the child.

Criminal Background Checks (House Bill 6221)

The bill would require the department, prior to enrolling an individual as a day care aide or relative care provider to provide child care, to conduct a criminal history check on the individual as provided under the Michigan Long Term Care Partnership Workforce Background Checks model.

Definition of Day Care Aide and Relative Day Care Provider (House Bill 6221)

The bill would define *day care aide* to mean an individual who is at least 18 years of age or older, is employed by the parent or guardian of the child, and is enrolled by the department to provide child care for up to six children in the home where the children live. *Relative day care provider* would mean an adult 18 years of age or older who provides care in the relative's home, is enrolled by the department to provide child care for up to six children, and is related as "related" is defined in section 1 (1)(s) of Child Organizations, MCL 722.111.

FISCAL IMPACT:

House Bills 6214-6221 would amend the Social Welfare Act (MCL 400.1 to 400.119b) by adding sections 74a-74h to require the Department of Human Services to do all that was mentioned in the summary above. Most of the bills would take effect January 1, 2009.

On June 5, 2008 the Executive Office issued a revision to the fiscal year 2009 budget to modify the IVR and web-based billing system to match hours entered by the day care provider to the hours entered by the client. This modification would be accomplished with a one time IT cost of \$800,000. The budget revision would also create a Central Reconciliation Unit with 20 FTE's that would monitor, reconcile, and address the needs of the customers who would utilize the day care system, at an annual cost of \$1.7 million. The Executive Office assumes the cost savings of increased monitoring and improved automation would offset the costs of the redesign, and so the budget revision is cost neutral. The proposed budget revision includes the costs of House Bills 6214, 6215, 6217, and 6218.

It is likely that even more cost savings could be seen if the program enhancements are effective. The Report to the Legislature on February 19, 2008 required in Section 674 of 2007 Public Act No. 131 included the audit on day care aides and relative care providers performed by the Office of Internal Audit from March 2007 to December 2007. In a random sample of day care aides and relative providers, OIA determined that only 17

percent of the providers were able to demonstrate full compliance with program requirements. The audit also suggested that a significant portion of clients were unable to document their employment status, which was the basis for receiving their day care subsidy.

The creation of a Health and Safety Checklist in House Bill 6216 is not covered in the Executive Budget revision and would add new work for the field staff, costs for printing, and new manuals and forms. Any new costs would likely be met out of existing resources.

The Department of Human Services does not currently require orientation for Day Care Aides and Relative Day Care Aide Providers and indicates it would likely pursue a contract with an outside provider to conduct this work. The Department indicates initial costs for a statewide program would be approximately \$14 million. The Department indicates it will look to leverage federal child care funding earmarked for quality initiatives (administered through the ECIC) and possible school aid money already in the budget.

Modifications to the Michigan Long Term Care Partnership Workforce Background Checks model used prior to enrolling a day care aide or relative care provider in House Bill 6221 would cost \$500,000. The day care aides and relative care providers would be charged \$70 for fingerprinting.

POSITIONS:

According to the proposed minutes of the committee meeting, positions were taken on the bill as follows:

Department of Human Services supports the bills. (6-25-08)

A representative of the American Federation of State, County, and Municipal Employees testified in support of the bills. (6-25-08)

A representative of UAW International Union testified in support of the bills. (6-25-08)

Center of Civil Justice testified that it is neutral on the bills. (6-25-08)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.