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BILL ANALYSIS



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House Bills 6214 through 6220 (as passed by the House)
House Bill 6221 (Substitute H-1 as passed by the House)
Sponsor: Representative Hoon-Yung Hopgood (H.B. 6214)
Representative Bert Johnson (H.B. 6215)
Representative Robert Dean (H.B. 6216)
Representative Barb Byrum (H.B. 6217)
Representative Dudley Spade (H.B. 6218)
Representative Pam Byrnes (H.B. 6219)
Representative Marc Corriveau (H. B. 6220)
Representative Tim Melton (H.B. 6221)

House Committee: Families and Children's Services

Senate Committee: Families and Human Services

Date Completed: 9-17-08

CONTENT

The bills would amend the Social Welfare Act to revise provisions regarding the payment of child care subsidies under the Act; and establish reporting and other requirements, including criminal history checks, for day care aides and relative care providers enrolled with the Department of Human Services (DHS).

House Bill 6221 (H-1) would define "day care aide" and "relative care provider" as used in the bills. "Day care aide" would 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 DHS to provide child care for up to six children in the home where the children live.

"Relative care provider" would mean an adult 18 years of age or older who provides care in the relative's home, is enrolled by the DHS to provide child care for up to six children, and is related to the child as "related" is defined in the child care licensing Act (i.e., a parent, grandparent, brother, sister, stepparent, stepsister, stepbrother, uncle, aunt, cousin, great aunt, great uncle, or stepgrandparent related by marriage, blood, or adoption).

House Bills 6215 and 6217 would take effect on January 1, 2009. All of the bills are described in detail below.

House Bill 6214

The bill would require the DHS, beginning January 1, 2009, to conduct an eligibility review once every 180 days for each new case of child care subsidy opened under the Act.

For parents or guardians currently receiving a child care subsidy before that date, the DHS would have to conduct an eligibility review once every 180 days beginning from the parent's or guardian's next review date.

House Bill 6215

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

House Bill 6216

The bill would require the DHS 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 with the DHS, the day care aide or relative care provider and the parent or guardian of each child being cared for by the aide or provider would have to complete and return to the DHS, or agency authorized by the DHS, a health and safety checklist.

House Bill 6217

The bill would prohibit a day care aide or relative care provider enrolled by the DHS and receiving a child care subsidy from the DHS from providing child care for more than four children for whom the aide or provider received a child care subsidy from the DHS at any one time. The DHS would have the authority to grant exceptions for sibling groups from the maximum of four children but not for more than six children for whom the aide or provider received a child care subsidy from the DHS at one time.

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 aide or provider would have to submit time and attendance records every two weeks by telephone or use of the DHS website.

In addition, each parent or guardian receiving a child care subsidy under the Act would have to report the hours his or her child spent in child care to the DHS every two weeks.

Before the DHS paid 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 DHS determined that there had been fraudulent reporting of time, attendance, or hours needed for child care, the person submitting the fraudulent report would be subject to the penalties prescribed under the Act and under CFR 273.16. (That Federal regulation prescribes penalties for

an intentional program violation under certain Federal assistance programs.)

House Bill 6219

The bill would require the DHS to make orientation sessions and training sessions available to all applicants for day care aide and relative care provider. The orientation would have to include topics regarding cardiopulmonary resuscitation (CPR), safe sleep, shaken baby syndrome, health and safety checklists, and attendance reporting.

Beginning October 1, 2008, the DHS would have to implement a pilot program to carry out those provisions relating to new day care aide and relative care provider applicants, in a location to be determined by the Department. After the pilot program had been implemented, any day care aide or relative care provider enrolled in the location of the pilot program would have to attend the orientation session. The DHS would have to terminate the pilot program by July 1, 2009.

By July 1, 2009, the DHS would have to submit a report to the Legislature regarding the pilot program, including recommendations resulting from its implementation.

House Bill 6220

Under the bill, when a parent or guardian applied for a child care subsidy, the DHS would have to make available to him or her information on all available options in choosing child care and other educational resources for the child. The DHS would have to allow public and private organizations to submit information to be included in the information made available.

House Bill 6221 (H-1)

The bill would require the DHS, before 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 in the manner provided under the Michigan Long-Term Care Partnership Workforce background checks model. (Please see **BACKGROUND** for more information on that partnership.)

That requirement would not apply to an individual who had provided child care as a

day care aide or relative care provider during the six-month period immediately preceding the bill's effective date. Within 12 months after that date, the exempt individual would have to provide the Michigan State Police (MSP) with a set of fingerprints. The MSP would have to put the fingerprints into the automated fingerprint identification system database established under the Mental Health Code. The DHS would have to pay the cost of obtaining the fingerprints and inputting the fingerprints.

If an exempt individual were convicted of a crime listed under Section 134a of the Mental Health Code after the bill's effective date, he or she no longer would be exempt and could have his or her child care subsidy revoked or could be denied payment of the subsidy.

(Section 134a prohibits a psychiatric facility or intermediate care facility for people with mental retardation from employing, contracting with, or granting clinical privileges to individuals who have been convicted of certain violations.)

Proposed MCL 400.74g (H.B. 6214)
Proposed MCL 400.74f (H.B. 6215)
Proposed MCL 400.74d (H.B. 6216)
Proposed MCL 400.74c (H.B. 6217)
Proposed MCL 400.74h (H.B. 6218)
Proposed MCL 400.74b (H.B. 6219)
Proposed MCL 400.74e (H.B. 6220)
Proposed MCL 400.74a (H.B. 6221)

BACKGROUND

The Michigan Long-Term Care Partnership was created to assist employers in complying with the criminal background checks required under the Mental Health Code, the Public Health Code, and the Adult Foster Care Facility Licensing Act for prospective employees, individuals working under contract, or those seeking clinical privileges in long-term care facilities. The Partnership provides information and resources for agencies, employers, and prospective employees. A person seeking employment, contract work, or clinical privileges must consent to a criminal history check, consent to provide fingerprints for a criminal records check with the FBI, and verify whether he or she has a criminal record. The applicant's information and fingerprints must then be submitted to the Michigan State Police, which must complete

a criminal history check and a criminal records check with the FBI. The findings from those checks must be sent to the licensing agency, which must notify the prospective employer and the applicant of its findings.

Legislative Analyst: Curtis Walker

FISCAL IMPACT

House Bill 6214

Under current law, the Department of Human Services completes an eligibility review for recipients of the child care subsidy on an annual basis. Shortening the period of time between reviews to every six months would likely reduce State expenditure in the child development and care program. Increasing the number of eligibility reviews would more quickly identify program recipients no longer eligible for benefits because of changes in income or employment status. The savings would be mitigated to some extent by increased staff effort to conduct the reviews. The FY 2008-09 Department of Human Services appropriation assumes average per recipient per month cost in the child development and care program of \$605.

House Bill 6215

Modifying current law to require recipients of the child care subsidy to provide proof of eligibility four times per year would likely reduce expenditure in the child development and care program. Increasing the number and frequency of eligibility checks in the program would identify more recipients who are no longer eligible for benefits because of changes in employment or income. The savings associated with this change would be offset by additional staff costs incurred through processing eligibility documents submitted by program recipients.

House Bill 6216

The bill would likely lead to a minor indeterminate increase in administrative cost for the Department of Human Services. The Department would see additional cost associated with developing, distributing, and processing health and safety checklists to parents or guardians receiving child care subsidy payments.

House Bill 6217

The bill would have no fiscal impact on State or local government.

House Bill 6218

In July of this year the Office of the Auditor General released a performance audit of payments made through the Child Development and Care (CDC) program. The audit identified insufficient oversight over billings submitted by program providers. The Auditor General estimated that \$231.0 million in inappropriate payments were made through the program between October 2003 and March 2006.

Provisions in the bill that would require recipients of child care subsidy payments to report necessary hours of child care would give the DHS a way to verify billings submitted by program providers. This additional check would likely reduce inappropriate payments made through the CDC program.

Implementing the requirements in the bill would require changes in the Interactive Voice Response system the Department uses to track program billing. The FY 2008-09 DHS appropriation provide \$853,100 GF/GP for these changes. The budget assumes CDC program savings equivalent to the cost of this change.

House Bill 6219

The bill would create additional cost for the Department of Human Services to provide orientation and training services to applicants for day care aide and relative provider reimbursement through the Child Development and Care program. The Department has estimated that the cost of Statewide implementation of orientation and training services would be \$14.0 million GF/GP. The Department has further indicated a willingness to use available private revenue to fulfill the pilot program requirement included in the bill. If this revenue is available, the pilot program would not lead to any fiscal impact for State or local government.

House Bill 6220

The bill would have no fiscal impact on State or local government.

House Bill 6221 (H-1)

The bill would require the Department to conduct a criminal history check for all individuals seeking enrollment as day care aides or relative providers. The criminal history check would include a fingerprint check through the State Automated Fingerprint Identification System database and a fingerprint check administered by the Federal Bureau of Investigation. The cost of a combined Federal/State criminal history check is \$49.25 per individual.

The bill also would require the Department to complete a criminal history check against the Automated Fingerprint Identification System for all currently enrolled day care aides and relative care providers within one year after the bill took effect. The cost of this effort would be about \$20 per provider.

As of 2006, there were about 35,000 day care aides or relative care providers enrolled in the Child Development and Care program. The total cost to the State associated with the background check would depend upon the proportion of providers who would be newly enrolled when the legislation was enacted and the proportion who remained in the program.

Fiscal Analyst: David Fosdick

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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.