

Human Services Conference Committee Budget Falls Short in Reducing Poverty

A joint House/Senate conference committee has resolved differences between the House and Senate human services budgets for 2018, and while funding for several League priorities was retained—including the “heat and eat” policy for food assistance—overall the budget fails to address long-term disinvestments in children and families living in poverty.

Since 2007, state lawmakers have restricted eligibility for public assistance through more stringent lifetime limits, toughened sanctions and asset tests. The result has been a steep decline in the number of Michigan children eligible for the state’s primary income assistance program while childhood poverty has remained stubbornly high—with nearly 1 of every 4 children in the state living below the poverty line.

ACCESS TO HEALTHY FOOD

The Food Assistance “Heat and Eat” Policy: Effective this year (the 2017 budget year), the Michigan Legislature approved \$6.8 million in state funding to reinstate the “heat and eat” policy that allows Michigan to leverage additional federal funds and increase food assistance benefits for nearly 340,000 Michigan families, seniors and people with disabilities.

The governor recommended that the policy be continued in 2018 as a smart way to leverage more than \$300 million in federal funding to prevent hunger.

- The **Senate** used federal energy assistance money to continue the “heat and eat” policy.
- The **House** agreed with the governor to provide continued state funding for “heat and eat” food assistance benefits. The House also added language that prohibits the state from seeking a waiver to exempt able-bodied adults without dependents from food assistance work requirements in areas with high unemployment.

Highlights of Joint House/Senate Human Services Conference Committee Actions

-  Continued the “heat and eat” policy to preserve food assistance for 340,000 Michigan families, seniors and persons with disabilities.
-  Provided additional funds to help farmers markets accept food assistance.
-  Prohibited the state from seeking waivers from food assistance work requirements for able-bodied adults without dependents.
-  Rejected the governor’s increase in the school clothing allowance for children receiving public income assistance.
-  Rejected the governor’s recommendation for new funding to expand Pathways to Potential services in schools.
-  Approved the governor’s plan to increase funding for homeless shelters.
-  Increased supports for foster parents and expanded statewide an initiative to help older foster children make the transition to independence.
-  Provided funding for 35 new adult services workers—far below the governor’s recommendation of 95.

- **The conference committee: 1) agreed to continue the “heat and eat” policy using federal energy assistance funds; and 2) included House language to eliminate waivers from work requirements for able-bodied adults without dependents.**

The League supported state funding for “heat and eat” as a way to prevent hunger for children, families, seniors and people with disabilities. The League opposed work requirements for persons in areas of high unemployment.

Increasing Access to Healthy Foods:

- The **Senate** included an increase of \$380,000 for the Double Up Food Bucks program in Flint.
- The **House** included a placeholder for a new “Michigan Corner Store Initiative,” which if funded would provide grants to small food retailers to increase the availability of fresh, nutritious foods in lower-income neighborhoods.
- **The conference committee: 1) included a placeholder for the Michigan Corner Store Initiative; 2) provided \$500,000 to help farmers markets purchase wireless equipment that will allow them to accept food assistance payments; and 3) included an increase of \$380,000 for the Double-Up Food Bucks program in Flint.**

The League supported state efforts to improve access to healthy foods in lower-income neighborhoods.

INCOME AND OTHER SUPPORTS TO STABILIZE FAMILIES

Family Independence Program (FIP) Benefits: The number of Michigan families receiving FIP is at its lowest level since 1957, and the governor and Legislature are projecting that it will continue to fall to only 17,000 in 2018. As a result of falling caseloads, the FIP budget is expected to drop from \$98 million this year to only \$76 million in 2018—a reduction of 22%.

With fewer children being served by FIP and benefit levels stalled (maximum of \$492 per month for a family of three with average monthly payments of \$366), children are living in deep poverty, and parents are finding it hard to both care for their children and find and keep work. In recognition of this hardship, the governor proposed an increase in the FIP yearly clothing allowance from \$140 per child to \$200 for a total cost of \$2.7 million in federal Temporary Assistance for Needy Families (TANF) funds.

- The **Senate** rejected the increase in the annual FIP clothing allowance.

- The **House** included under \$900,000 to increase the yearly benefit from \$140 to \$160.
- **The conference committee failed to increase funding for the FIP clothing allowance, leaving it at the current yearly benefit level of \$140 per child.**

The League supported the governor’s recommendation to increase the annual FIP clothing allowance as a small step toward addressing the insufficiency of income assistance programs for children and their parents.

Expand the Pathways to Potential Program: The governor recommended \$5.6 million to expand the Pathways to Potential program that places “success coaches” in schools to identify barriers faced by students and their families and make appropriate referrals for needed services. The program is currently in 259 schools in 34 counties.

- The **Senate** did not fund the expansion but included a \$100 placeholder to ensure continued discussions in the joint House/Senate conference committee.
- The **House** rejected the governor’s recommendation to increase funding for Pathways to Potential.
- **The conference committee rejected the governor’s proposal to expand Pathways to Potential funding, but added budget language requiring the Department of Health and Human Services to dedicate 29 new public assistance field staff to the Pathways to Potential project.**

The League supported the governor’s recommendation to expand Pathways to Potential, which is a promising model for meaningful school/community partnerships and a two-generation approach to school success for all children.

Increased Support for Homeless Shelters: An estimated 100,000 people in Michigan are either homeless or imminently at risk of homelessness, and families with children make up half of the homeless population. More than half of the state’s homeless are African-American, and the senior homeless population continues to grow significantly each year.¹

In recognition of the problem, the governor increased the daily rate provided to emergency homeless shelters from \$12 per night per person to \$16, at a total cost of \$3.7 million in state general funds. The governor indicated that he intends to recommend another \$4 per person increase in the 2019 budget year.

- The **Senate** rejected the governor’s increase in payments to homeless shelters, but included a \$100 placeholder to ensure continued discussions in the joint House/Senate conference committee.

- The **House** agreed with the governor to increase funding for homeless shelters, using both state general funds and federal TANF dollars.
- **The conference committee included the rate increase for homeless shelters, using both state general funds and federal TANF dollars.**

The League supported increased funding for emergency homeless shelters, as well as policy and budget changes that could prevent homelessness such as: 1) increases in income assistance payments; 2) housing policies that could prevent homelessness; and 3) tax changes that benefit workers with low wages including a restoration of the Michigan Earned Income Tax Credit.

CHILD AND ADULT SAFETY

Child Abuse and Neglect Programs: More than 1 of every 100 children in Michigan lives in a family that has been investigated for potential child abuse or neglect and over 37,000 are confirmed victims.² As of February 2017, the Department of Health and Human Services was responsible for the supervision of 12,800 children in out-of-home care, with the majority placed with relatives, in licensed foster homes, child caring institutions or emergency shelters.³

While most families with low incomes are not more likely to abuse or neglect their children, living in poverty can limit the ability of parents to provide for their children’s basic needs. The vast majority (81%) of confirmed victims in Michigan’s child welfare system are there because of “neglect,” which can include a failure to provide adequate food, clothing, shelter or medical care.

More than a decade ago, the state was sued by a national child advocacy organization for its failure to move children quickly into safe, stable and permanent homes; provide children in foster care with adequate medical, dental and mental health services; and prepare children who age-out of the foster care system. To comply with a court settlement agreement resulting from that lawsuit, the state has increased resources for “tail-end” child welfare services, but relatively little has been done to prevent child neglect, including efforts to move children out of poverty.

For 2018, the governor recommended an additional \$3.6 million for: 1) regional resource teams to recruit, train and support foster families; and 2) to expand the

Michigan Youth Opportunities Initiative (MYOI) to all Michigan counties (currently in 64 of Michigan’s 83 counties). The MYOI helps young people who are in or have recently exited foster care make a successful transition to independent living through housing, education, employment and community engagement services.

The governor also cut “one-time” funding of \$6.1 million—approved in the 2017 budget year—to expand the Parent Partner and Family Reunification programs. Funds are being used this year in Genesee and Macomb counties to prevent the need for foster care, ensure that children are more quickly reunified with their families when it is safe to do so and assist parents after children are returned home.

- The **Senate** rejected the governor’s recommendation to increase funding for regional resource teams and the Michigan Youth Opportunities Initiative by \$3.6 million, but included a \$100 placeholder to ensure further discussion in the joint House/Senate conference committee. The Senate agreed with the governor to reduce prevention funding by \$6.1 million.
- The **House** agreed with the governor on regional resource teams and the Michigan Youth Opportunities Initiative, increasing funding by \$3.6 million. The House also reduced prevention funding by \$6.1 million, and further cut funding for the Fostering Futures program by \$750,000.
- **The conference committee: 1) adopted the governor’s proposal to include \$3.6 million for foster parent support through regional resource teams, as well as additional funding for the Michigan Youth Opportunities Initiative; 2) included \$1 million in state funding to increase payments for licensing relatives as caregivers (not in the governor’s budget); 3) cut family preservation programs by \$6.1 million; and 4) retained funding for the Fostering Futures program.**

The League strongly advocated for increased funding for services that can strengthen families, prevent child neglect and reduce the need for out-of-home placements for children. The state’s efforts to improve its child welfare system as required by the court settlement agreement are important, but more needs to be done to prevent child abuse and neglect by strengthening families—including

ensuring parents can meet their children’s basic needs and have access to mental health and other services.

Adult Services: As Michigan’s population ages, the need for services for seniors and people with disabilities continues to grow. A 2014 audit found that Michigan was unable to respond quickly to reports of abuse, neglect or exploitation of adults—in large part because of staffing shortages.

In response, the governor recommended \$11.3 million to hire 95 new workers who could assist adults with high needs by providing protective services, independent living services and adult community placement assistance.

- The **Senate** reduced the number of new adult services workers to 71 (with a delay in their hiring), resulting in total spending of \$1.9 million in the 2018 budget year.

- The **House** cut the number of new adult services workers in half to 47, at a cost of \$5.6 million.
- **The conference committee approved only 35 new adult services staff for 2018, at an additional cost of \$4.2 million.**

The League supported the governor’s expansion in funding for adult services workers to ensure that seniors and people with disabilities are safe. Between 2002 and 2015, the number of adults needing protection from the state more than tripled, while the number of staff fell by 14%.

ENDNOTES

1. *Ending Homelessness in Michigan: 2015 Annual Report*, Michigan Coalition Against Homelessness and the Michigan State Housing Development Authority.
2. *2017 Kids Count in Michigan Data Book: A Michigan Where All Kids Thrive*, Michigan League for Public Policy.
3. *Children’s Services Agency: Foster Care Overview*, Presentation to the House Committee on Families, Children and Seniors, Michigan Department of Health and Human Services (March 9, 2017).