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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING

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INTERIM DIRECTOR

February 18, 2015

The Honorable Peter MacGregor, Chair
Senate Appropriations Subcommittee on DHS
Michigan State Senate
Lansing, Michigan 48933

The Honorable Earl Poleski, Chair
House Appropriations Subcommittee on DHS
Michigan House of Representatives
Lansing, Michigan 48933

Dear Senator MacGregor and Representative Poleski:

This report is provided pursuant to the Department of Human Services' (DHS') Fiscal Year 2015 Appropriations Act, PA 252 of 2014, Article X, Section 587(2). This section requires that DHS submit a report describing program expansion and expenditures for in-home care programs. Section 587(1) requires that, "from the funds appropriated in part 1 to in-home community care programs including the funds designated as one time basis only, \$1,250,000.00 shall be used to expand or create new in-home care and community-based juvenile justice services to rural counties through a grant-making process. Counties that received funds for the purpose described in PA 59 of 2013, Article X, Section 587 are not eligible to receive the funds in this section. The department shall expend the full amount of funds for the purpose described in this section by September 1 of the current fiscal year."

Since the award of six projects in FY 2014, and changes in the guidelines for implementation of the FY 2015 awards, the department has continued to look for ways to best meet the intent of this allocation while having the largest impact (sustainable, replicable program services) with a small footprint (pilot programs in fewer places). There are two significant, but not insurmountable, guideline changes that impact implementation. First, counties that received funds for FY 2014 were not eligible to request funds in FY 2015. With a total of eight counties that bid in FY 2014, the known pool of interested and eligible counties is very limited. The second adjustment is that the department is required to expend the full amount of the funds described by the first of September of the current fiscal year. The previous in-home grant projects were allowed to carryover the funds.

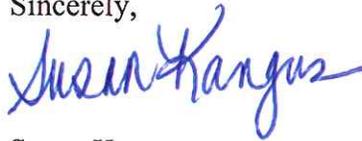
On February 11, 2015, Governor Snyder issued Executive Order 2015-5 which reduced the \$1,250,000 in funding for this initiative as part of a statewide reduction in expenditures. A reduction of \$600,000 has left \$650,000 to implement the initiative. In response to the adjustment in guidelines and the reduction in funding, the department has developed an alternative plan for implementing the rural county in-home grant initiative. The funds will be distributed to successful bidders in the form of grants during the FY 2015 period. DHS will provide resources to assist

grantees in the process of program refinement and resolution of any issues related to implementation and evaluation planning.

Grantees may use funds for program planning; to secure sustainable human resource development and training to enhance probability for program continuation; program delivery and program evaluation. Ultimately this will allow for identification of evidence-based and promising practice models. The most successful program models can then be evaluated for replication.

If you have any questions, please contact Dr. Herman McCall, Juvenile Justice Programs director, at (517) 335-3489.

Sincerely,



Susan Kangas
Chief Financial Officer

cc: Senate and House Appropriations Subcommittees on DHS
Senate and House Fiscal Agencies
Senate and House Policy Offices