



HOUSE BILL No. 4548

EXECUTIVE BUDGET BILL

March 24, 1993, Introduced by Reps. Johnson, Bender, Sikkema, Allen, Gilmer, Stille, Middleton and Bobier and referred to the Committee on Appropriations.

A bill to make appropriations for the department of social services and certain state purposes related to public welfare services for fiscal years ending September 30, 1994 and September 30, 1995; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 101. There is appropriated for the department of social

1 services and certain state purposes related to public welfare services
2 for the fiscal year ending September 30, 1994, from the following
3 funds:

4 DEPARTMENT OF SOCIAL SERVICES

5	Full-time equated classified positions .	13,579.3
6	Full-time equated unclassified positions . . .	6.0
7	Total full-time equated positions . . .	13,573.3
8	GROSS APPROPRIATION	\$7,117,880,300
9	Interdepartmental grant revenues:	
10	Total interdepartmental grants and	
11	intradepartmental transfers	538,800
12	ADJUSTED GROSS APPROPRIATION	\$7,117,341,500
13	Federal revenues:	
14	Total federal revenues	3,822,663,500
15	Special revenue funds:	
16	Total private revenues	9,570,700
17	Total local revenues	372,197,200
18	Total other state restricted revenues	696,049,300
19	State general fund/general purpose	\$2,216,860,800

20 EXECUTIVE OPERATIONS

21	Total full-time equated positions	1,161.1
22	Full-time equated unclassified positions . . .	6.0
23	Full-time equated classified positions . .	1,155.1
24	Director--1.0 FTE positions	\$ 87,700
25	Unclassified salaries--5.0 FTE positions	336,500
26	Salaries and wages--1,088.5 FTE positions . . .	43,899,900
27	Contractual services, supplies, and materials .	6,862,200
28	Demonstration projects--39.6 FTE positions . . .	7,477,900

1	Health and welfare data center equipment	13,853,200
2	ASSIST project--27.0 FTE positions	20,019,400
3	Data system enhancement	16,253,100
4	Inspector general contracts	<u>3,036,800</u>
5	GROSS APPROPRIATION	\$ 111,826,700
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG-ADP user fees	150,000
9	Federal revenues:	
10	Total federal revenues	64,085,200
11	Special revenue funds:	
12	Total private revenues	921,600
13	Total local revenues	200,000
14	Licensing fees	439,000
15	State general fund/general purpose	\$ 46,030,900
16	CENTRAL SUPPORT ACCOUNTS	
17	Full-time equated classified positions . . (200.0)	
18	Compensation savings--(200.0 FTE positions) . .	\$ (8,826,400)
19	Rent	38,040,200
20	Occupancy charge	4,110,100
21	Travel	6,891,600
22	Equipment	3,672,100
23	Workers' compensation	4,313,100
24	Advisory commissions	17,900
25	Payroll taxes and fringe benefits	<u>215,932,800</u>
26	GROSS APPROPRIATION	\$ 264,151,400
27	Appropriated from:	
28	Federal revenues:	

1	Total federal revenues	145,254,200
2	State general fund/general purpose	\$ 118,897,200
3	MEDICAL SERVICES ADMINISTRATION	
4	Full-time equated classified positions . . .	501.6
5	Salaries and wages--501.6 FTE positions	\$ 18,410,800
6	Contractual services, supplies, and materials .	17,677,900
7	Data processing contractual services	100
8	Facility inspection contract - department of	
9	state police	132,800
10	State police computer records	<u>307,900</u>
11	GROSS APPROPRIATION	\$ 36,529,500
12	Appropriated from:	
13	Federal revenues:	
14	Total federal revenues	21,283,600
15	State general fund/general purpose	\$ 15,245,900
16	FAMILY SERVICES ADMINISTRATION	
17	Full-time equated classified positions . . .	421.7
18	Salaries and wages--314.5 FTE positions	\$ 12,091,600
19	Contractual services, supplies, and materials .	6,253,100
20	Child support enforcement system--4.0 FTE	
21	positions	19,538,600
22	Child support incentive payments	30,126,200
23	Legal support contracts	45,192,300
24	State incentive payments	3,879,000
25	Food stamp issuance	5,657,200
26	Immigration legalization assistance program . .	500,000
27	High school completion project--4.0 FTE positions	277,700
28	Wage match contract	1,795,000

1	Supplemental security income advocacy for mental	
2	health--39.2 FTE positions	2,287,400
3	Training and staff development--60.0 FTE	
4	positions	<u>4,652,500</u>
5	GROSS APPROPRIATION	\$ 132,250,600
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	Interdepartmental grant from the department of	
9	mental health	388,800
10	ADJUSTED GROSS APPROPRIATION	\$ 131,861,800
11	Appropriated from:	
12	Federal revenues:	
13	Total federal revenues	111,529,400
14	State general fund/general purpose	\$ 20,332,400
15	CHILD AND FAMILY SERVICES	
16	Full-time equated classified positions	245.0
17	Refugee assistance program--12.0 FTE positions	\$ 6,669,200
18	Adult home help	94,209,500
19	Delinquency prevention and treatment	
20	projects--2.0 FTE positions	8,161,700
21	Intercountry adoptions contracts	754,300
22	County juvenile officers	3,355,700
23	Foster care payments	219,588,000
24	Adoption subsidies	51,052,900
25	Child care fund	32,735,500
26	Children's benefit fund donations	21,000
27	Teenage parent counseling--3.0 FTE positions	2,403,500
28	Family preservation services--4.0 FTE positions	20,331,700

1	Child abuse and neglect programming	6,227,500
2	Privately funded activities	2,706,400
3	Black child and family institute	100,000
4	Intensive community supervision	120,300
5	Attorney general contract	1,000,600
6	Communities first program	500,000
7	County shelters	1,200,000
8	Day care services	106,998,200
9	Operations--86.3 FTE positions	4,710,300
10	Employment and training services--132.7 FTE	
11	positions	62,242,400
12	Adult support services	1,944,900
13	Domestic violence and rape prevention	
14	services--2.0 FTE positions	4,830,400
15	Children's trust fund grants and	
16	services--3.0 FTE positions	<u>2,110,300</u>
17	GROSS APPROPRIATION	\$ 633,974,300
18	Appropriated from:	
19	Federal revenues:	
20	Total federal revenues	323,695,900
21	Special revenue funds:	
22	Private-children's benefit fund donations . . .	20,400
23	Private-intercountry adoption agency	
24	contributions	754,900
25	Private-collections	3,376,600
26	Private-foundation funds	1,510,200
27	Local funds - county payback	24,113,000
28	Local funds	9,811,700

1	Children's trust fund	1,810,300
2	State general fund/general purpose	\$ 268,881,300
3	RESIDENTIAL CARE DIVISION	
4	Full-time equated classified positions	1,056.9
5	Fuel and utilities	\$ 1,404,900
6	Maintenance operating projects	911,900
7	Community residential care programs--123.7 FTE	
8	positions	6,625,600
9	W.J. Maxey memorial fund	45,000
10	Juvenile crime package operations--15.5 FTE	
11	positions	5,220,600
12	Operations--716.1 FTE positions	45,463,900
13	Detention facilities and services--201.6	
14	FTE positions	<u>12,950,700</u>
15	GROSS APPROPRIATION	\$ 72,622,600
16	Appropriated from:	
17	Federal revenues:	
18	Total federal revenues	5,468,300
19	Special revenue funds:	
20	Total private revenues	45,000
21	Local funds - county payback	32,704,900
22	State general fund/general purpose	\$ 34,404,400
23	ASSISTANCE PAYMENTS, SERVICES, AND CLERICAL FIELD	
24	Full-time equated classified positions	10,358.0
25	Family and children's services, salaries	
26	and wages--1759.8 FTE positions	\$ 63,634,400
27	Assistance payments, salaries and wages--4312.2	
28	FTE positions	138,236,500

1	Adult services, salaries and wages--1262.2 FTE	
2	positions	44,940,400
3	Volunteer reimbursement	1,877,000
4	Family based alternatives--50.0 FTE positions .	3,468,000
5	Outstationed eligibility workers--80.0 FTE	
6	positions	4,903,700
7	Local office operations management and	
8	support--2796.4 FTE positions	111,001,900
9	Volunteer services and reimbursement--97.4 FTE	
10	positions	<u>3,496,500</u>
11	GROSS APPROPRIATION	\$ 371,558,400
12	Appropriated from:	
13	Federal revenues:	
14	Total federal revenues	198,583,600
15	Special revenue funds:	
16	Local funds - donated funds	193,100
17	Private-hospital contributions	2,442,000
18	State general fund/general purpose	\$ 170,339,700
19	PUBLIC ASSISTANCE	
20	Full-time equated classified positions . . . 35.0	
21	Aid to families with dependent children payments	\$1,273,328,300
22	Family assistance payments	9,471,500
23	State disability assistance payments	29,130,000
24	State supplementation	62,877,200
25	Personal care services	19,560,800
26	Low income energy assistance program--35.0 FTE	
27	positions	82,700,000
28	State emergency relief	<u>35,986,700</u>

1	GROSS APPROPRIATION	\$1,513,054,500
2	Appropriated from:	
3	Federal revenues:	
4	Total federal revenues	710,696,900
5	Special revenue funds:	
6	Child support collections	180,100,000
7	Supplemental security income recoveries	8,300,000
8	Public assistance recoupment revenue	6,000,000
9	State general fund/general purpose	\$ 607,957,600
10	MEDICAL SERVICES	
11	Hospital services and therapy	\$1,248,308,400
12	Hospital disproportionate share payments	45,000,000
13	Physician services	319,230,300
14	Medicare premium payments	75,000,000
15	Pharmaceutical services	276,325,800
16	Home health services	20,944,200
17	Transportation	7,266,800
18	Auxiliary medical services	58,634,300
19	Nursing home services	595,312,400
20	Chronic care units and county medical care	
21	facilities	161,678,300
22	Health maintenance organizations	312,361,100
23	Early periodic screening, diagnosis, and	
24	treatment--department of public health	4,800,000
25	Maternal and child health	6,424,500
26	Indigent medical care program	18,690,000
27	School based services	10,000,000
28	Government operated long-term care facilities .	277,089,800

1	University of Michigan hospital	489,000,000
2	Healthy kids	<u>55,846,400</u>
3	GROSS APPROPRIATION	\$3,981,912,300
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues	2,242,066,400
7	Special revenue funds:	
8	Local funds - county payback	283,674,500
9	Local funds	21,500,000
10	Intergovernmental transfer	489,000,000
11	Private contributions	500,000
12	Special purpose-public Act 219 of 1987	10,400,000
13	State general fund/general purpose	\$ 934,771,400

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2 services and certain state purposes related to public welfare services
3 for the fiscal year ending September 30, 1995, from the following
4 funds:

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7 Full-time equated unclassified positions . . . 6.0
8 Total full-time equated positions . . . 13,573.3
9 GROSS APPROPRIATION \$7,117,880,300

10 Interdepartmental grant revenues:

11 Total interdepartmental grants and
12 intradepartmental transfers 538,800
13 ADJUSTED GROSS APPROPRIATION \$7,117,341,500

14 Federal revenues:

15 Total federal revenues 3,822,663,500

16 Special revenue funds:

17 Total private revenues 9,570,700
18 Total local revenues 372,197,200
19 Total other state restricted revenues 696,049,300
20 State general fund/general purpose \$2,216,860,800

21 EXECUTIVE OPERATIONS

22 Total full-time equated positions 1,161.1
23 Full-time equated unclassified positions . . . 6.0
24 Full-time equated classified positions . . 1,155.1
25 Director--1.0 FTE positions \$ 87,700
26 Unclassified salaries--5.0 FTE positions 336,500
27 Salaries and wages--1,088.5 FTE positions . . . 43,899,900
28 Contractual services, supplies, and materials . 6,862,200

1	Demonstration projects--39.6 FTE positions . . .	7,477,900
2	Health and welfare data center equipment . . .	13,853,200
3	ASSIST project--27.0 FTE positions	20,019,400
4	Data system enhancement	16,253,100
5	Inspector general contracts	<u>3,036,800</u>
6	GROSS APPROPRIATION	\$ 111,826,700
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	IDG-ADP user fees	150,000
10	Federal revenues:	
11	Total federal revenues	64,085,200
12	Special revenue funds:	
13	Total private revenues	921,600
14	Total local revenues	200,000
15	Licensing fees	439,000
16	State general fund/general purpose	\$ 46,030,900
17	CENTRAL SUPPORT ACCOUNTS	
18	Full-time equated classified positions . . (200.0)	
19	Compensation savings--(200.0 FTE positions) . .	\$ (8,826,400)
20	Rent	38,040,200
21	Occupancy charge	4,110,100
22	Travel	6,891,600
23	Equipment	3,672,100
24	Workers' compensation	4,313,100
25	Advisory commissions	17,900
26	Payroll taxes and fringe benefits	<u>215,932,800</u>
27	GROSS APPROPRIATION	\$ 264,151,400
28	Appropriated from:	

1 Federal revenues:		
2	Total federal revenues	145,254,200
3	State general fund/general purpose	\$ 118,897,200
4 MEDICAL SERVICES ADMINISTRATION		
5	Full-time equated classified positions . . .	501.6
6	Salaries and wages--501.6 FTE positions	\$ 18,410,800
7	Contractual services, supplies, and materials .	17,677,900
8	Data processing contractual services	100
9	Facility inspection contract - department of	
10	state police	132,800
11	State police computer records	<u>307,900</u>
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19	Salaries and wages--314.5 FTE positions	\$ 12,091,600
20	Contractual services, supplies, and materials .	6,253,100
21	Child support enforcement system--4.0 FTE	
22	positions	19,538,600
23	Child support incentive payments	30,126,200
24	Legal support contracts	45,192,300
25	State incentive payments	3,879,000
26	Food stamp issuance	5,657,200
27	Immigration legalization assistance program . .	500,000
28	High school completion project--4.0 FTE positions	277,700

1	Wage match contract	1,795,000
2	Supplemental security income advocacy for mental	
3	health--39.2 FTE positions	2,287,400
4	Training and staff development--60.0 FTE	
5	positions	<u>4,652,500</u>
6	GROSS APPROPRIATION	\$ 132,250,600
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	Interdepartmental grant from the department of	
10	mental health	388,800
11	ADJUSTED GROSS APPROPRIATION	\$ 131,861,800
12	Appropriated from:	
13	Federal revenues:	
14	Total federal revenues	111,529,400
15	State general fund/general purpose	\$ 20,332,400
16	CHILD AND FAMILY SERVICES	
17	Full-time equated classified positions	245.0
18	Refugee assistance program--12.0 FTE positions	\$ 6,669,200
19	Adult home help	94,209,500
20	Delinquency prevention and treatment	
21	projects--2.0 FTE positions	8,161,700
22	Intercountry adoptions contracts	754,300
23	County juvenile officers	3,355,700
24	Foster care payments	219,588,000
25	Adoption subsidies	51,052,900
26	Child care fund	32,735,500
27	Children's benefit fund donations	21,000
28	Teenage parent counseling--3.0 FTE positions	2,403,500

1	Family preservation services--4.0 FTE positions	20,331,700
2	Child abuse and neglect programming	6,227,500
3	Privately funded activities	2,706,400
4	Black child and family institute	100,000
5	Intensive community supervision	120,300
6	Attorney general contract	1,000,600
7	Communities first program	500,000
8	County shelters	1,200,000
9	Day care services	106,998,200
10	Operations--86.3 FTE positions	4,710,300
11	Employment and training services--132.7 FTE	
12	positions	62,242,400
13	Adult support services	1,944,900
14	Domestic violence and rape prevention	
15	services--2.0 FTE positions	4,830,400
16	Children's trust fund grants and	
17	services--3.0 FTE positions	<u>2,110,300</u>
18	GROSS APPROPRIATION	\$ 633,974,300
19	Appropriated from:	
20	Federal revenues:	
21	Total federal revenues	323,695,900
22	Special revenue funds:	
23	Private-children's benefit fund donations . . .	20,400
24	Private-intercountry adoption agency	
25	contributions	754,900
26	Private-collections	3,376,600
27	Private-foundation funds	1,510,200
28	Local funds - county payback	24,113,000

1	Local funds	9,811,700
2	Children's trust fund	1,810,300
3	State general fund/general purpose	\$ 268,881,300
4	RESIDENTIAL CARE DIVISION	
5	Full-time equated classified positions . .	1,056.9
6	Fuel and utilities	\$ 1,404,900
7	Maintenance operating projects	911,900
8	Community residential care programs--123.7 FTE	
9	positions	6,625,600
10	W.J. Maxey memorial fund	45,000
11	Juvenile crime package operations--15.5 FTE	
12	positions	5,220,600
13	Operations--716.1 FTE positions	45,463,900
14	Detention facilities and services--201.6	
15	FTE positions	<u>12,950,700</u>
16	GROSS APPROPRIATION	\$ 72,622,600
17	Appropriated from:	
18	Federal revenues:	
19	Total federal revenues	5,468,300
20	Special revenue funds:	
21	Total private revenues	45,000
22	Local funds - county payback	32,704,900
23	State general fund/general purpose	\$ 34,404,400
24	ASSISTANCE PAYMENTS, SERVICES, AND CLERICAL FIELD	
25	Full-time equated classified positions .	10,358.0
26	Family and children's services, salaries	
27	and wages--1759.8 FTE positions	\$ 63,634,400
28	Assistance payments, salaries and wages--4312.2	

1	FTE positions	138,236,500
2	Adult services, salaries and wages--1262.2 FTE	
3	positions	44,940,400
4	Volunteer reimbursement	1,877,000
5	Family based alternatives--50.0 FTE positions .	3,468,000
6	Outstationed eligibility workers--80.0 FTE	
7	positions	4,903,700
8	Local office operations management and	
9	support--2796.4 FTE positions	111,001,900
10	Volunteer services and reimbursement--97.4 FTE	
11	positions	<u>3,496,500</u>
12	GROSS APPROPRIATION	\$ 371,558,400
13	Appropriated from:	
14	Federal revenues:	
15	Total federal revenues	198,583,600
16	Special revenue funds:	
17	Local funds - donated funds	193,100
18	Private-hospital contributions	2,442,000
19	State general fund/general purpose	\$ 170,339,700
20	PUBLIC ASSISTANCE	
21	Full-time equated classified positions . . . 35.0	
22	Aid to families with dependent children payments	\$1,273,328,300
23	Family assistance payments	9,471,500
24	State disability assistance payments	29,130,000
25	State supplementation	62,877,200
26	Personal care services	19,560,800
27	Low income energy assistance program--35.0 FTE	
28	positions	82,700,000

1	State emergency relief	<u>35,986,700</u>
2	GROSS APPROPRIATION	\$1,513,054,500
3	Appropriated from:	
4	Federal revenues:	
5	Total federal revenues	710,696,900
6	Special revenue funds:	
7	Child support collections	180,100,000
8	Supplemental security income recoveries	8,300,000
9	Public assistance recoupment revenue	6,000,000
10	State general fund/general purpose	\$ 607,957,600
11	MEDICAL SERVICES	
12	Hospital services and therapy	\$1,248,308,400
13	Hospital disproportionate share payments	45,000,000
14	Physician services	319,230,300
15	Medicare premium payments	75,000,000
16	Pharmaceutical services	276,325,800
17	Home health services	20,944,200
18	Transportation	7,266,800
19	Auxiliary medical services	58,634,300
20	Nursing home services	595,312,400
21	Chronic care units and county medical care	
22	facilities	161,678,300
23	Health maintenance organizations	312,361,100
24	Early periodic screening, diagnosis, and	
25	treatment--department of public health	4,800,000
26	Maternal and child health	6,424,500
27	Indigent medical care program	18,690,000
28	School based services	10,000,000

1	Government operated long-term care facilities .	277,089,800
2	University of Michigan hospital	489,000,000
3	Healthy kids	55,846,400
4	GROSS APPROPRIATION	\$3,981,912,300
5	Appropriated from:	
6	Federal revenues:	
7	Total federal revenues	2,242,066,400
8	Special revenue funds:	
9	Local funds - county payback	283,674,500
10	Local funds	21,500,000
11	Intergovernmental transfer	489,000,000
12	Private contributions	500,000
13	Special purpose-public Act 219 of 1987	10,400,000
14	State general fund/general purpose	\$ 934,771,400

1 GENERAL SECTIONS FOR FY 93/94

2 Sec. 201. In accordance with the provisions of section 30 of
3 article IX of the state constitution of 1963, total state spending in
4 section 101 of this act is \$2,912,910,100.00 and state spending to be
5 paid to local units of government from section 101 is as follows:

6 DEPARTMENT OF SOCIAL SERVICES

7	Child care fund	\$ 32,735,500
8	County juvenile officers	441,700
9	Adoption subsidies	29,304,400
10	Indigent medical program	1,145,700
11	State disability and family assistance program	2,366,300
12	Medicaid inpatient and outpatient indigent	
13	volume adjusters	26,943,500
14	Medicaid to community mental health clients .	83,343,900
15	TOTAL	\$ 176,281,000

16 Sec. 202. The appropriations made and the expenditures authorized
17 under this act and the institutions, departments, agencies,
18 commissions, boards, offices, and programs for which an appropriation
19 is made under this act are subject to the management and budget act,
20 Act No. 431 of the Public Acts of 1984, being sections 18.1101 to
21 18.1594 of the Michigan Compiled Laws.

22 Sec. 203. The department of social services may receive and
23 expend advances or reimbursements from the department of state police
24 for the administration of the individual and family grant disaster
25 assistance program. An account shall be established in the department
26 of social services for this purpose when a disaster is declared. The
27 authorization and allotment for the account shall be in the amount
28 advanced or reimbursed from the department of state police.

1 Sec. 204. The director of the department of management and budget
2 may make administrative transfers of appropriations for the department
3 of social services to adjust amounts between the local funds-county
4 payback line items in section 101. Such transfers shall be made in
5 compliance with section 393 of Act. No. 431 of the Public Acts of
6 1984, as amended, being section 18.1393(1) of the Michigan Compiled
7 Laws.

8 Sec. 205. When a recipient of assistance funded under this act is
9 paid more than the amount to which the recipient is legally entitled,
10 the department of social services shall institute procedures to
11 recover the overpayment. The department may reduce subsequent grants
12 in an amount that will ensure repayment of the overpayment. The
13 director of social services shall establish reasonable limits on the
14 proportion of the payments that may be deducted, so as not to cause
15 undue hardship on recipients. The department shall also pursue
16 recovery of overpayments from recipients and former recipients.

17 Sec. 206. In addition to funds appropriated in section 101 for
18 all programs and services, there is appropriated for write-offs of
19 accounts receivable, deferrals, and disallowances an amount equal to
20 total write-offs to be expended from an equal appropriation in prior
21 year revenues.

22 Sec. 207. The department of social services may retain all of the
23 state's share of food stamp overissuance collections as an offset to
24 general fund/general purpose costs. Retained collections shall be
25 applied against federal funds deducts in all appropriation units where
26 department costs related to the investigation and recoupment of food
27 stamp overissuances are incurred. Retained collections in excess of
28 such costs shall be applied against the federal funds deduct in the

1 executive operations appropriation unit.

2 Sec. 208. (1) Beginning October 1, 1993, there shall be a hiring
3 freeze imposed on the state classified civil service. State
4 departments and agencies shall be prohibited from hiring any new full-
5 time state classified civil service employees or prohibited from
6 filling any vacant state classified civil service positions. This
7 hiring freeze does not apply to internal transfers of classified
8 employees from one position to another within a department or to
9 positions that are funded with 80% or more federal or restricted
10 funds.

11 (2) The director of the department of management and budget shall
12 grant exceptions to this hiring freeze when the director believes that
13 such a hiring freeze will result in rendering a state department or
14 agency unable to deliver basic services. The director of the
15 department of management and budget shall report by the fifteenth of
16 each month to the chairpersons of the senate and house appropriations
17 committees the number of exclusions to the hiring freeze approved
18 during the previous month and the reasons to justify the exclusion.

19 Sec. 209. The department is authorized to transfer funds from
20 other accounts in section 101 into the communities first pilot
21 projects line item in order to support any such pilot projects. Such
22 transfers shall be subject to the provisions of Act. No. 431 of the
23 Public Acts of 1984, being section 18.1393 of the Michigan Compiled
24 Laws.

25 Sec. 210. All savings accruing from reduced contribution rates
26 for the state employees retirement system shall be unallotted from
27 appropriation line items as necessary. Such reductions in
28 contribution rates are contingent upon enactment of amendments to the

1 state employees retirement act of 1943, Act No. 240 of the Public Acts
2 of 1943, being sections 38.1 to 38.48 of the Michigan Compiled Laws,
3 including a defined contribution retirement plan for new state
4 employees within the membership of such plan; changes in funding for
5 the provision of dental and vision benefits; five year reconciliation
6 smoothing; use of a 50 year amortization schedule for unfunded
7 actuarial accrued liabilities; and other amendments to the act. The
8 director of the department of management and budget shall issue
9 instructions to all state agencies regarding contribution changes as
10 they occur.

11 **EXECUTIVE OPERATIONS**

12 Sec. 301. The department shall assess and collect fees in the
13 licensing and regulation of child care organizations as defined in
14 Act. No. 116 of the Public Act of 1973, being Sections 722.111 to
15 722.128 of the Michigan Compiled Laws, and adult foster care
16 facilities as defined in the adult foster care facility licensing act,
17 Act. No. 218 of the Public Acts of 1979, being sections 400.701 to
18 400.737 of the Michigan Compiled Laws. Fees collected by the
19 department shall not exceed the deduct in section 101 and shall be
20 used exclusively for the purpose of licensing and regulating child
21 care organizations and adult foster care facilities.

22 **FAMILY SERVICES ADMINISTRATION**

23 Sec. 401. (1) From the federal money received for child support
24 incentive payments, up to \$7,465,200.00 shall be retained by the state
25 and expended for legal support contracts, state incentive payments,
26 and salaries and wages for office of child support staff.

27 (2) At the end of the current fiscal year, the department may,
28 when it is cost beneficial to the state and counties, withhold from

1 submitting to the federal office of child support administrative
2 expenses eligible for federal financial participation. The department
3 may recoup earned but unclaimed federal funds from the resulting
4 increased federal child support incentive. The recoupment by the
5 department shall be made prior to distribution of the increased
6 incentive to the counties. Any incentive funds retained by the state
7 under this section shall be separate and apart from incentive funds
8 retained in any other section of this act.

9 Sec. 402. From the funds appropriated in section 101 for legal
10 support contracts and child support incentive payments, the department
11 may fund demonstration projects to enhance friend of the court child
12 support collections efforts for public assistance recipients. Funding
13 will be from federal title IV-D and federal child support incentives
14 earned. The projects will be implemented in no more than three
15 counties. Priority will be given to counties with federal title IV-D
16 AFDC collections exceeding \$7 million in fiscal year 1992.

17 Sec. 403. The department of social services shall offset the JOBS
18 federal money going to the Michigan school districts in connection
19 with the education designed for gainful employment (EDGE) program by
20 the amount necessary for the Michigan department of social services to
21 administer the EDGE program. The offset revenue shall be recorded in
22 the local funds-county payback deduct established for the education
23 designed for gainful employment program in section 101.

24 **CHILD AND FAMILY SERVICES**

25 Sec. 501. In accordance with section 471(a)(14) of part E of
26 title IV of the social security act, chapter 531, 49 Stat. 620, 42
27 U.S.C. 671, the following goal is established by state law. During
28 the fiscal year ending September 30, 1994, not more than 3,000

1 children supervised by the department of social services shall remain
2 in foster care longer than 24 months. The department shall give
3 priority to reducing the number of children under 1 year of age in
4 foster care.

5 Sec. 502. From the funds appropriated in section 101 for foster
6 care, the department of social services shall provide 50%
7 reimbursement to Indian tribal governments for foster care
8 expenditures for children who are under the jurisdiction of Indian
9 tribal courts and who are not otherwise eligible for federal foster
10 care cost sharing.

11 Sec. 503. The department of social services shall charge or cause
12 to be charged a fee for intercountry adoption services. These fees
13 shall be based on the cost of providing the services, with reduced
14 fees for low-income families. These fees shall be used to pay for or
15 contract for personnel and related activities. If it becomes apparent
16 that the fees will not generate sufficient income to support the
17 program, the director of social services shall adjust or cause an
18 adjustment of the fees to permit the program to be self-supporting.

19 Sec. 504. To achieve a reduction of costs in the adoption subsidy
20 program, the office of children and family services shall do all of
21 the following:

22 (a) Screen all residential placements which are subsidized by an
23 adoption medical subsidy to assure the placement and treatment are
24 needed and are in the best interest of the child.

25 (b) In cooperation with the department of mental health, develop a
26 model for postplacement including screening of out-of-home placement
27 adoption services, including the screening and monitoring of
28 placements in child caring institutions and psychiatric hospitals.

1 (c) Limit payment for out-of-home placements in child caring
2 institutions and psychiatric hospitals to short-term crisis placements
3 unless the local community mental health board has determined that a
4 long-term placement is needed. Payments for long-term placements
5 shall be limited to a maximum of 6 months.

6 Sec. 505. From the funds appropriated in section 101 for foster
7 care, the office of children and youth services may use funds for
8 programs to serve children in their own homes or in community-based
9 services, if the service is in lieu of the children being placed in
10 foster care or residential care.

11 Sec. 506. The department of social services' ability to satisfy
12 appropriation deductions in section 101 for foster care private
13 collections shall not be limited to collections and accruals
14 pertaining to services provided in the current fiscal year but shall
15 include revenues collected in excess of the amount specified in
16 section 101.

17 Sec. 507. Notwithstanding section 117a or 117c of the social
18 welfare act, Act No. 280 of the Public Acts of 1939, being sections
19 400.117a and 400.117c of the Michigan Compiled Laws, the distribution
20 of collections made to counties by child, parent, guardian, or
21 custodian, on behalf of children in foster care who are wards of the
22 county, shall be made pursuant to section 18 (2) of chapter XIIIA of
23 Act No. 288 of the Public Acts of 1939, being section 712A.18 of the
24 Michigan Compiled Laws.

25 Sec. 508. The funds appropriated in section 101 for communities
26 first pilot projects are intended to support the inter-agency
27 implementation of communities first pilots. Funds may be expended by
28 the departments of social services, public health, mental health and

1 education and the office of services to the aging, as necessary or
2 appropriate for pilot implementation, in accord with interagency
3 agreements negotiated by the affected agencies.

4 Sec. 509. Counties shall be subject to 50% charge back for the
5 use of alternative regional detention services if they do not fall
6 under the basic provision of section 117e of the social welfare act,
7 Act. No. 280 of the Public Acts of 1939 being section 400.117e of the
8 Michigan Compiled Laws; or if a county operates these programs
9 primarily with professional rather than volunteer staff.

10 Sec. 510. Where allowable by applicable federal statute or
11 regulation, the department may receive and expend available federal
12 funding to enhance or expand community-based programs for at-risk
13 children and families. Any such enhancement or expansion shall not
14 result in general fund/general purpose expenditures in excess of
15 existing general fund/general purpose appropriations for these
16 purposes.

17 Sec. 511. (1) The department shall competitively bid all new
18 purchased foster care programs or services.

19 (2) The department shall maintain standard child placing agency
20 administrative rates for general foster care. The department may pay
21 cost increments above the standard rate for specialized foster care.

22 Sec. 512. Funds appropriated in section 101 for the child care
23 fund may be used as the required state match for the purchase of
24 families first services for clients referred by juvenile courts. For
25 local offices and courts choosing this option, the in-home portion of
26 the county child care fund plan must authorize the transfer of funds
27 from the state child care fund account designated for that county to a
28 local funds-county payback deduct account associated with the family

1 preservation services appropriation while the involved county is still
2 beneath their child care fund cap.

3 Sec. 513. (1) In addition to the amount appropriated in section
4 101, money granted or money received as gifts or donations to the
5 children's trust fund created by Act. No. 249 of the Public Acts of
6 1982, being sections 21.171 to 21.172 of the Michigan Compiled Laws,
7 is appropriated for expenditure in an amount not to exceed
8 \$300,000.00.

9 (2) The state child abuse and neglect prevention board may
10 initiate a joint project with another state agency to the extent that
11 the project supports the programmatic goals of both the state child
12 abuse and neglect prevention board and the state agency. The
13 department of management and budget may interaccount bill the state
14 agency for shared costs of a joint project in an amount authorized by
15 the state agency, and the state child abuse and neglect prevention
16 board may receive and expend funds for shared costs of a joint project
17 in addition to those authorized by section 101.

18 Sec. 514. The per diem amounts authorized for the following
19 boards within the department of management and budget are as follows:

20	(a) Child abuse and neglect prevention board	\$	50.00
21	(b) Crime victims compensation board		100.00
22	(c) Utility consumer participation board		100.00

23 **RESIDENTIAL CARE DIVISION**

24 Sec. 601. The amounts appropriated for utilities and that portion
25 of contractual services, supplies, and materials used to pay for
26 utility service to state facilities in section 101 may be expended in
27 a manner consistent with section 253 of the management and budget act,
28 Act No. 431 of the Public Acts of 1984, being section 18.1253 of the

1 Michigan Compiled Laws.

2 **PUBLIC ASSISTANCE**

3 Sec. 701. (1) The department of social services may terminate a
4 vendor payment for shelter when a recipient's rental unit is not in
5 compliance with applicable local housing codes. Compliance shall be
6 considered to be met if the department of social services receives
7 from the landlord a signed statement stating that the rental unit is
8 in compliance with local housing codes, and that statement is not
9 contradicted by the recipient and the local housing authority. The
10 landlord also shall provide to the department a signed statement
11 indicating who currently owns the property and whether any delinquent
12 taxes are owed.

13 (2) Whenever a client agrees to the release of his or her name and
14 address to the local housing authority, the department shall request
15 from the local housing authority information regarding whether the
16 housing unit for which vendoring has been requested meets applicable
17 local housing codes. Vendoring shall be terminated for those units
18 which the local authority indicates in writing do not meet local
19 housing codes, until such time as the local authority indicates in
20 writing that local housing codes have been met.

21 (3) In order to participate in the rent vendoring programs of the
22 department, a landlord shall cooperate in weatherization and
23 conservation efforts directed by an energy provider participating in
24 an agreement with the department, by the department, or by the
25 department of labor when the landlord's property has been identified
26 as needing services.

27 Sec. 702. The department, together with other agencies, may
28 establish special projects to provide special needs shelter payment

1 levels for the program of aid to families with dependent children that
2 will support the development of transitional shelter facilities for
3 homeless families. These facilities are to provide supportive
4 services to families and to support the development of permanent
5 low-income housing.

6 Sec. 703. Family assistance shall be provided in instances where
7 aid to families with dependent children eligibility could not be met.
8 The eligibility policies established by the department for state
9 family assistance families shall be utilized for determining family
10 assistance eligibility.

11 Sec. 704. County departments of social services shall require
12 each recipient of state disability and state family assistance who has
13 applied with the social security administration for supplemental
14 security income to sign a contract to repay any assistance rendered
15 through the state disability assistance and state family assistance
16 programs upon receipt of retroactive supplemental security income
17 benefits.

18 Sec. 705. The department of social services' ability to satisfy
19 appropriation deductions in section 101 for supplemental security
20 income recoveries shall not be limited to recoveries and accruals
21 pertaining to state disability assistance, state family assistance, or
22 aid to families with dependent children grant payments provided only
23 in the current fiscal year, but shall include all supplemental
24 security income recoveries received during the current fiscal year.

25 Sec. 706. Adult foster care facilities providing domiciliary care
26 or personal care to residents receiving supplemental security income
27 or homes for the aged serving residents receiving supplemental
28 security income shall not require those residents to reimburse the

1 home or facility for care at rates in excess of those legislatively
2 authorized.

3 Sec. 707. (1) The department, as it determines is appropriate,
4 shall enter into agreements with energy providers by which cash
5 assistance recipients and the energy providers agree to permit the
6 department to make direct payments to the energy providers on behalf
7 of the recipient. The payments may include heat and electric payment
8 requirements from recipient grants and amounts in excess of the
9 payment requirements.

10 (2) Assuming available fiscal year 1993-94 federal LIEAP funds of
11 \$77.7 million plus carryforward, the energy caps shall be \$160.00 for
12 natural gas, wood, and electric heat service, \$300.00 for deliverable
13 fuel heat services, and \$250.00 for electric service. If a smaller
14 federal LIEAP award is available, the program will be modified to
15 ensure that expenditures do not exceed the general fund-general
16 purpose energy assistance related appropriations in both the
17 departments of social services and treasury. If a larger federal
18 LIEAP award is available, the caps may be adjusted upward to reflect
19 available revenue.

20 Sec. 708. Determined pursuant to section 106(1) (b) (iii) of the
21 social welfare act, Act. No. 280 of the Public Acts of 1939, being
22 Section 400.106 of the Michigan Compiled Laws, the protected income
23 level for medicaid coverage shall be 100% of the related public
24 assistance standard.

25 Sec. 709. (1) The department of social services shall operate a
26 state disability assistance program. Persons eligible for this
27 program shall include needy persons 18 years of age or older, or
28 emancipated minors, who meet 1 or more of the following requirements:

1 (a) A recipient of supplemental security income, social security,
2 or medical assistance due to disability.

3 (b) A person with a physical and/or mental impairment,
4 demonstrated by symptoms, laboratory findings, or the results of
5 generally accepted medical or psychological procedures or tests, which
6 renders the person incapable of the demands of any remunerative work
7 for a period of 90 days or more, without regard to the availability of
8 work in the community.

9 (c) A resident of an adult foster care facility, a home for the
10 aged, or a substance abuse treatment center.

11 (d) A person receiving 30-day postresidential substance abuse
12 treatment.

13 (e) A person diagnosed as having acquired immunodeficiency
14 syndrome or acquired immunodeficiency syndrome related complex.

15 (f) A person receiving special education services through the
16 local intermediate school district.

17 (g) A caretaker of a disabled person as defined in subdivision
18 (a), (b), (e), or (f) above.

19 (2) Applicants and recipients for the state disability assistance
20 program shall be considered needy if they:

21 (a) Possess non-exempt resources of \$250.00 or less.

22 (b) Own 1 automobile with an equity value of \$1,500.00 or less.

23 (c) Has a monthly budgetable income that is less than the payment
24 standards.

25 Sec. 710. The level of reimbursement provided to state disability
26 assistance recipients in licensed adult foster care facilities shall
27 be the same as the prevailing supplemental security income rate under
28 the personal care category.

1 Sec. 711. A provider utility shall be entitled to recover in its
2 rates all qualifying costs incurred pursuant to an agreement between
3 the provider utility and the department for the payment of all or part
4 of assisted households' heating and electric service bills.
5 Qualifying costs shall include prudently incurred costs for
6 incentives, forgiveness, and energy conservation program development
7 and operation costs and the cost of capital incurred for assisted
8 household arrearages held by the provider utility. All such
9 qualifying costs incurred from program years beginning after October
10 1, 1993 shall be subject to deferred accounting and recovery through a
11 general rate case application or shall be subject to timely recovery
12 through separate limited purpose rate proceedings.

13 **MEDICAL SERVICES**

14 Sec. 801. An institutional provider that is required to submit a
15 cost report under the medicaid program shall submit cost reports
16 completed in full within 90 days after the end of its fiscal year.

17 Sec. 802. The department of social services shall continue to
18 implement the physician sponsor plan and shall require aid to families
19 with dependent children recipients residing in counties offering
20 managed care options to choose the particular managed care plan in
21 which they wish to be enrolled. Persons not expressing a preference
22 shall be randomly assigned to a managed care program.

23 Sec. 803. Medicaid reimbursement for medicaid services shall not
24 exceed, solely or in combination with other resources, including
25 medicare, those amounts established for medicaid-only patients. The
26 medicaid payment rate shall be accepted as payment in full. Other
27 than an approved medicaid copayment, no portion of a provider's charge
28 may be billed to the recipient or any person acting on behalf of the

1 recipient. Nothing in this section shall be deemed to affect the level
2 of payment from a third party source other than medicaid. The
3 department shall require a non-enrolled provider to accept medicaid
4 payment as payment in full.

5 Sec. 804. From the funds appropriated in section 101 for medical
6 services payments, the department of social services shall provide for
7 an inpatient hospital prior authorization and on-site review system.

8 Sec. 805. The department may require medicaid recipients to
9 receive psychiatric services through a managed care system.

10 Sec. 806. The department may develop a plan to deliver medicaid
11 psychiatric services through a managed care system. In developing
12 this plan, the department shall consult with the department of mental
13 health, community mental health boards, medicaid recipients or
14 representatives of medicaid recipients, providers and other interested
15 parties. The department shall submit its plan to the senate and house
16 appropriations subcommittees on social services.

17 Sec. 807. The cost of remedial services incurred by residents of
18 licensed adult foster care homes and licensed homes for the aged shall
19 be used in determining financial eligibility for the medically needy.
20 Remedial services means those services which produce the maximum
21 reduction of physical and mental limitations and restoration of an
22 individual to his or her best functional level. At a minimum,
23 remedial services include basic self-care and rehabilitation training
24 for a resident.

25 Sec. 808. (1) From the funds appropriated in section 101 for the
26 indigent medical care program, the department shall establish a
27 program which provides for the basic health care needs of indigent
28 persons as delineated in the following subsections.

1 (2) Eligibility for this program is limited to the following:

2 (a) Persons currently receiving cash grants under either the
3 family assistance or state disability assistance programs who are not
4 eligible for any other public or private health care coverage.

5 (b) Any other resident of this state who currently meets the
6 income and asset requirements for the state disability assistance
7 program or the state family assistance program and is not eligible for
8 any other public or private health care coverage.

9 (3) All potentially eligible persons, except those defined in
10 subsection (2)(a), who shall be automatically enrolled, may apply for
11 enrollment in this program at local department of social services
12 offices or other designated sites.

13 (4) The program shall provide for the following minimum level of
14 services for enrolled individuals:

15 (a) Physician services provided in private, clinic, or outpatient
16 office settings.

17 (b) Diagnostic laboratory and X-ray services.

18 (c) Pharmaceutical services.

19 Sec. 809. (1) The department of social services is authorized to
20 pursue reimbursement for eligible services provided in Michigan
21 schools from the federal medicaid program. The department and the
22 department of management and budget are authorized to negotiate and
23 enter into agreements together with the department of education, with
24 local and intermediate school districts regarding the sharing of
25 federal medicaid funds received for these services. The department is
26 authorized to receive and disburse funds to participating school
27 districts pursuant to such agreements and state and federal law.

28 (2) From the funds appropriated in section 101 for medicaid school

1 services payments, the department is authorized to:

2 (a) Finance activities within the medical assistance
3 administration related to this project. Medical services
4 administration administrative costs for this project will not exceed
5 \$125,000.

6 (b) Fund from section 101 new costs in the departments of
7 education, public health, and management and budget for expenses
8 incurred by those departments related to this program. These costs
9 will not exceed \$75,000.

10 (c) Reimburse participating school districts pursuant to the fund
11 sharing ratios negotiated in the state-local agreements authorized in
12 section 809(1) above.

13 (d) Deposit funding earned through this effort in the general
14 fund.

15 (3) The department may receive and expend additional federal
16 funding received by the department through this program.

17 (4) If the state receives a lesser amount of allowable medicaid
18 matching funds from the federal government for claims than is
19 indicated in section 101, the amount distributed to participating
20 schools will be reduced proportionately.

21 (5) The department shall not make distributions from the funds
22 provided for this purpose in section 101 until it has filed the
23 necessary state plan amendments and made required notifications.
24 Prior to the final federal approval of the state plan amendment for
25 this program, and with the concurrence of the department of management
26 and budget, the department may pay enrolled school districts for the
27 following services provided by or through the school districts and for
28 which the department has received indications of approvability from

1 the federal health care financing administration: a) medical services;
2 b) occupational therapy; c) physical therapy; d) speech therapy; e)
3 nursing services; and f) developmental testing. Payments for all
4 other services may be paid only upon written approval of the federal
5 health care financing administration.

6 Sec. 810. The department is authorized to make payments on behalf
7 of children enrolled under the healthy kids program from the line-item
8 appropriation associated with the program, or from other medical
9 services line-item appropriations provided for specific health care
10 services.

1 GENERAL SECTIONS FOR FY 94/95

2 Sec. 1201. In accordance with the provisions of section 30 of
3 article IX of the state constitution of 1963, total state spending in
4 section 102 of this act is \$2,912,910,100.00 and state spending to be
5 paid to local units of government from section 102 is as follows:

6 DEPARTMENT OF SOCIAL SERVICES

7	Child care fund	\$ 32,735,500
8	County juvenile officers	441,700
9	Adoption subsidies	29,304,400
10	Indigent medical program	1,145,700
11	State disability and family assistance program	2,366,300
12	Medicaid inpatient and outpatient indigent	
13	volume adjusters	26,943,500
14	Medicaid to community mental health clients .	83,343,900
15	TOTAL	\$ 176,281,000

16 Sec. 1202. The appropriations made and the expenditures
17 authorized under this act and the institutions, departments, agencies,
18 commissions, boards, offices, and programs for which an appropriation
19 is made under this act are subject to the management and budget act,
20 Act No. 431 of the Public Acts of 1984, being sections 18.1101 to
21 18.1594 of the Michigan Compiled Laws.

22 Sec. 1203. The department of social services may receive and
23 expend advances or reimbursements from the department of state police
24 for the administration of the individual and family grant disaster
25 assistance program. An account shall be established in the department
26 of social services for this purpose when a disaster is declared. The
27 authorization and allotment for the account shall be in the amount
28 advanced or reimbursed from the department of state police.

1 Sec. 1204. The director of the department of management and budget
2 may make administrative transfers of appropriations for the department
3 of social services to adjust amounts between the local funds-county
4 payback line items in section 102. Such transfers shall be made in
5 compliance with section 393 of Act. No. 431 of the Public Acts of
6 1984, as amended, being section 18.1393(1) of the Michigan Compiled
7 Laws.

8 Sec. 1205. When a recipient of assistance funded under this act
9 is paid more than the amount to which the recipient is legally
10 entitled, the department of social services shall institute procedures
11 to recover the overpayment. The department may reduce subsequent
12 grants in an amount that will ensure repayment of the overpayment.
13 The director of social services shall establish reasonable limits on
14 the proportion of the payments that may be deducted, so as not to
15 cause undue hardship on recipients. The department shall also pursue
16 recovery of overpayments from recipients and former recipients.

17 Sec. 1206. In addition to funds appropriated in section 102 for
18 all programs and services, there is appropriated for write-offs of
19 accounts receivable, deferrals, and disallowances an amount equal to
20 total write-offs to be expended from an equal appropriation in prior
21 year revenues.

22 Sec. 1207. The department of social services may retain all of
23 the state's share of food stamp overissuance collections as an offset
24 to general fund/general purpose costs. Retained collections shall be
25 applied against federal funds deducts in all appropriation units where
26 department costs related to the investigation and recoupment of food
27 stamp overissuances are incurred. Retained collections in excess of
28 such costs shall be applied against the federal funds deduct in the

1 executive operations appropriation unit.

2 Sec. 1208. (1) Beginning October 1, 1994, there shall be a hiring
3 freeze imposed on the state classified civil service.. State
4 departments and agencies shall be prohibited from hiring any new full-
5 time state classified civil service employees or prohibited from
6 filling any vacant state classified civil service positions. This
7 hiring freeze does not apply to internal transfers of classified
8 employees from one position to another within a department or to
9 positions that are funded with 80% or more federal or restricted
10 funds.

11 (2) The director of the department of management and budget shall
12 grant exceptions to this hiring freeze when the director believes that
13 such a hiring freeze will result in rendering a state department or
14 agency unable to deliver basic services. The director of the
15 department of management and budget shall report by the fifteenth of
16 each month to the chairpersons of the senate and house appropriations
17 committees the number of exclusions to the hiring freeze approved
18 during the previous month and the reasons to justify the exclusion.

19 Sec. 1209. The department is authorized to transfer funds from
20 other accounts in section 102 into the communities first pilot
21 projects line item in order to support any such pilot projects. Such
22 transfers shall be subject to the provisions of Act. No. 431 of the
23 Public Acts of 1984, being section 18.1393 of the Michigan Compiled
24 Laws.

25 Sec. 1210. Increases in employee wage compensation which accrue
26 as a result of savings in group insurance costs in accordance with
27 terms of valid collective bargaining agreements shall be paid from
28 appropriation lines in section 102 in which authorization for salary

1 and wage payments are included. If a transfer of appropriations is
2 necessary to adjust for these increased wage levels, the director of
3 the department of management and budget may authorize administrative
4 transfers for this purpose consistent with section 393(1) of Act 431
5 of the Public Acts of 1984, as amended, being section 18.1393(1) of
6 the Michigan Compiled Laws.

7 Sec. 1211. All savings accruing from reduced contribution rates
8 for the state employees retirement system shall be unallotted from
9 appropriation line items as necessary. Such reductions in
10 contribution rates are contingent upon enactment of amendments to the
11 state employees retirement act of 1943, Act No. 240 of the Public Acts
12 of 1943, being sections 38.1 to 38.48 of the Michigan Compiled Laws,
13 including a defined contribution retirement plan for new state
14 employees within the membership of such plan; changes in funding for
15 the provision of dental and vision benefits; five year reconciliation
16 smoothing; use of a 50 year amortization schedule for unfunded
17 actuarial accrued liabilities; and other amendments to the act. The
18 director of the department of management and budget shall issue
19 instructions to all state agencies regarding contribution changes as
20 they occur.

21 **EXECUTIVE OPERATIONS**

22 Sec. 1301. The department shall assess and collect fees in the
23 licensing and regulation of child care organizations as defined in
24 Act. No. 116 of the Public Act of 1973, being Sections 722.111 to
25 722.128 of the Michigan Compiled Laws, and adult foster care
26 facilities as defined in the adult foster care facility licensing act,
27 Act. No. 218 of the Public Acts of 1979, being sections 400.701 to
28 400.737 of the Michigan Compiled Laws. Fees collected by the

1 department shall not exceed the deduct in section 102 and shall be
2 used exclusively for the purpose of licensing and regulating child
3 care organizations and adult foster care facilities.

4 **FAMILY SERVICES ADMINISTRATION**

5 Sec. 1401. (1) From the federal money received for child support
6 incentive payments, up to \$7,465,200.00 shall be retained by the state
7 and expended for legal support contracts, state incentive payments,
8 and salaries and wages for office of child support staff.

9 (2) At the end of the current fiscal year, the department may,
10 when it is cost beneficial to the state and counties, withhold from
11 submitting to the federal office of child support administrative
12 expenses eligible for federal financial participation. The department
13 may recoup earned but unclaimed federal funds from the resulting
14 increased federal child support incentive. The recoupment by the
15 department shall be made prior to distribution of the increased
16 incentive to the counties. Any incentive funds retained by the state
17 under this section shall be separate and apart from incentive funds
18 retained in any other section of this act.

19 Sec. 1402. From the funds appropriated in section 102 for legal
20 support contracts and child support incentive payments, the department
21 may fund demonstration projects to enhance friend of the court child
22 support collections efforts for public assistance recipients. Funding
23 will be from federal title IV-D and federal child support incentives
24 earned. The projects will be implemented in no more than three
25 counties. Priority will be given to counties with federal title IV-D
26 AFDC collections exceeding \$7 million in fiscal year 1992.

27 Sec. 1403. The department of social services shall offset the
28 JOBS federal money going to the Michigan school districts in

1 connection with the education designed for gainful employment (EDGE)
2 program by the amount necessary for the Michigan department of social
3 services to administer the EDGE program. The offset revenue shall be
4 recorded in the local funds-county payback deduct established for the
5 education designed for gainful employment program in section 102.

6 CHILD AND FAMILY SERVICES

7 Sec. 1501. In accordance with section 471(a)(14) of part E of
8 title IV of the social security act, chapter 531, 49 Stat. 620, 42
9 U.S.C. 671, the following goal is established by state law. During
10 the fiscal year ending September 30, 1995, not more than 3,000
11 children supervised by the department of social services shall remain
12 in foster care longer than 24 months. The department shall give
13 priority to reducing the number of children under 1 year of age in
14 foster care.

15 Sec. 1502. From the funds appropriated in section 102 for foster
16 care, the department of social services shall provide 50%
17 reimbursement to Indian tribal governments for foster care
18 expenditures for children who are under the jurisdiction of Indian
19 tribal courts and who are not otherwise eligible for federal foster
20 care cost sharing.

21 Sec. 1503. The department of social services shall charge or
22 cause to be charged a fee for intercountry adoption services. These
23 fees shall be based on the cost of providing the services, with
24 reduced fees for low-income families. These fees shall be used to pay
25 for or contract for personnel and related activities. If it becomes
26 apparent that the fees will not generate sufficient income to support
27 the program, the director of social services shall adjust or cause an
28 adjustment of the fees to permit the program to be self-supporting.

1 Sec. 1504. To achieve a reduction of costs in the adoption
2 subsidy program, the office of children and family services shall do
3 all of the following:

4 (a) Screen all residential placements which are subsidized by an
5 adoption medical subsidy to assure the placement and treatment are
6 needed and are in the best interest of the child.

7 (b) In cooperation with the department of mental health, develop a
8 model for postplacement including screening of out-of-home placement
9 adoption services, including the screening and monitoring of
10 placements in child caring institutions and psychiatric hospitals.

11 (c) Limit payment for out-of-home placements in child caring
12 institutions and psychiatric hospitals to short-term crisis placements
13 unless the local community mental health board has determined that a
14 long-term placement is needed. Payments for long-term placements
15 shall be limited to a maximum of 6 months.

16 Sec. 1505. From the funds appropriated in section 102 for foster
17 care, the office of children and youth services may use funds for
18 programs to serve children in their own homes or in community-based
19 services, if the service is in lieu of the children being placed in
20 foster care or residential care.

21 Sec. 1506. The department of social services' ability to satisfy
22 appropriation deductions in section 102 for foster care private
23 collections shall not be limited to collections and accruals
24 pertaining to services provided in the current fiscal year but shall
25 include revenues collected in excess of the amount specified in
26 section 102.

27 Sec. 1507. Notwithstanding section 117a or 117c of the social
28 welfare act, Act No. 280 of the Public Acts of 1939, being sections

1 400.117a and 400.117c of the Michigan Compiled Laws, the distribution
2 of collections made to counties by child, parent, guardian, or
3 custodian, on behalf of children in foster care who are wards of the
4 county, shall be made pursuant to section 18 (2) of chapter XIIA of
5 Act No. 288 of the Public Acts of 1939, being section 712A.18 of the
6 Michigan Compiled Laws.

7 Sec. 1508. The funds appropriated in section 102 for communities
8 first pilot projects are intended to support the inter-agency
9 implementation of communities first pilots. Funds may be expended by
10 the departments of social services, public health, mental health and
11 education and the office of services to the aging, as necessary or
12 appropriate for pilot implementation, in accord with interagency
13 agreements negotiated by the affected agencies.

14 Sec. 1509. Counties shall be subject to 50% charge back for the
15 use of alternative regional detention services if they do not fall
16 under the basic provision of section 117e of the social welfare act,
17 Act. No. 280 of the Public Acts of 1939 being section 400.117e of the
18 Michigan Compiled Laws; or if a county operates these programs
19 primarily with professional rather than volunteer staff.

20 Sec. 1510. Where allowable by applicable federal statute or
21 regulation, the department may receive and expend available federal
22 funding to enhance or expand community-based programs for at-risk
23 children and families. Any such enhancement or expansion shall not
24 result in general fund/general purpose expenditures in excess of
25 existing general fund/general purpose appropriations for these
26 purposes.

27 Sec. 1511. (1) The department shall competitively bid all new
28 purchased foster care programs or services.

1 (2) The department shall maintain standard child placing agency
2 administrative rates for general foster care. The department may pay
3 cost increments above the standard rate for specialized foster care.

4 Sec. 1512. Funds appropriated in section 102 for the child care
5 fund may be used as the required state match for the purchase of
6 families first services for clients referred by juvenile courts. For
7 local offices and courts choosing this option, the in-home portion of
8 the county child care fund plan must authorize the transfer of funds
9 from the state child care fund account designated for that county to a
10 local funds-county payback deduct account associated with the family
11 preservation services appropriation while the involved county is still
12 beneath their child care fund cap.

13 Sec. 1513. (1) In addition to the amount appropriated in section
14 102, money granted or money received as gifts or donations to the
15 children's trust fund created by Act. No. 249 of the Public Acts of
16 1982, being sections 21.171 to 21.172 of the Michigan Compiled Laws,
17 is appropriated for expenditure in an amount not to exceed
18 \$300,000.00.

19 (2) The state child abuse and neglect prevention board may
20 initiate a joint project with another state agency to the extent that
21 the project supports the programmatic goals of both the state child
22 abuse and neglect prevention board and the state agency. The
23 department of management and budget may interaccount bill the state
24 agency for shared costs of a joint project in an amount authorized by
25 the state agency, and the state child abuse and neglect prevention
26 board may receive and expend funds for shared costs of a joint project
27 in addition to those authorized by section 102.

28 Sec. 1514. The per diem amounts authorized for the following

1 boards within the department of management and budget are as follows:

2	(a) Child abuse and neglect prevention board	\$ 50.00
3	(b) Crime victims compensation board	100.00
4	(c) Utility consumer participation board	100.00

5 **RESIDENTIAL CARE DIVISION**

6 Sec. 1601. The amounts appropriated for utilities and that
7 portion of contractual services, supplies, and materials used to pay
8 for utility service to state facilities in section 102 may be expended
9 in a manner consistent with section 253 of the management and budget
10 act, Act No. 431 of the Public Acts of 1984, being section 18.1253 of
11 the Michigan Compiled Laws.

12 **PUBLIC ASSISTANCE**

13 Sec. 1701. (1) The department of social services may terminate a
14 vendor payment for shelter when a recipient's rental unit is not in
15 compliance with applicable local housing codes. Compliance shall be
16 considered to be met if the department of social services receives
17 from the landlord a signed statement stating that the rental unit is
18 in compliance with local housing codes, and that statement is not
19 contradicted by the recipient and the local housing authority. The
20 landlord also shall provide to the department a signed statement
21 indicating who currently owns the property and whether any delinquent
22 taxes are owed.

23 (2) Whenever a client agrees to the release of his or her name and
24 address to the local housing authority, the department shall request
25 from the local housing authority information regarding whether the
26 housing unit for which vendoring has been requested meets applicable
27 local housing codes. Vendoring shall be terminated for those units
28 which the local authority indicates in writing do not meet local

1 housing codes, until such time as the local authority indicates in
2 writing that local housing codes have been met.

3 (3) In order to participate in the rent vendoring programs of the
4 department, a landlord shall cooperate in weatherization and
5 conservation efforts directed by an energy provider participating in
6 an agreement with the department, by the department, or by the
7 department of labor when the landlord's property has been identified
8 as needing services.

9 Sec. 1702. The department, together with other agencies, may
10 establish special projects to provide special needs shelter payment
11 levels for the program of aid to families with dependent children that
12 will support the development of transitional shelter facilities for
13 homeless families. These facilities are to provide supportive
14 services to families and to support the development of permanent
15 low-income housing.

16 Sec. 1703. Family assistance shall be provided in instances where
17 aid to families with dependent children eligibility could not be met.
18 The eligibility policies established by the department for state
19 family assistance families shall be utilized for determining family
20 assistance eligibility.

21 Sec. 1704. County departments of social services shall require
22 each recipient of state disability and state family assistance who has
23 applied with the social security administration for supplemental
24 security income to sign a contract to repay any assistance rendered
25 through the state disability assistance and state family assistance.
26 programs upon receipt of retroactive supplemental security income
27 benefits.

28 Sec. 1705. The department of social services' ability to satisfy

1 appropriation deductions in section 102 for supplemental security
2 income recoveries shall not be limited to recoveries and accruals
3 pertaining to state disability assistance, state family assistance, or
4 aid to families with dependent children grant payments provided only
5 in the current fiscal year, but shall include all supplemental
6 security income recoveries received during the current fiscal year.

7 Sec. 1706. Adult foster care facilities providing domiciliary
8 care or personal care to residents receiving supplemental security
9 income or homes for the aged serving residents receiving supplemental
10 security income shall not require those residents to reimburse the
11 home or facility for care at rates in excess of those legislatively
12 authorized.

13 Sec. 1707. (1) The department, as it determines is appropriate,
14 shall enter into agreements with energy providers by which cash
15 assistance recipients and the energy providers agree to permit the
16 department to make direct payments to the energy providers on behalf
17 of the recipient. The payments may include heat and electric payment
18 requirements from recipient grants and amounts in excess of the
19 payment requirements.

20 (2) Assuming available fiscal year 1994-95 federal LIEAP funds of
21 \$77.7 million plus carryforward, the energy caps shall be \$160.00 for
22 natural gas, wood, and electric heat service, \$300.00 for deliverable
23 fuel heat services, and \$250.00 for electric service. If a smaller
24 federal LIEAP award is available, the program will be modified to
25 ensure that expenditures do not exceed the general fund-general
26 purpose energy assistance related appropriations in both the
27 departments of social services and treasury. If a larger federal
28 LIEAP award is available, the caps may be adjusted upward to reflect

1 available revenue.

2 Sec. 1708. Determined pursuant to section 106(1) (b) (iii) of the
3 social welfare act, Act. No. 280 of the Public Acts of 1939, being
4 Section 400.106 of the Michigan Compiled Laws, the protected income
5 level for medicaid coverage shall be 100% of the related public
6 assistance standard.

7 Sec. 1709. (1) The department of social services shall operate a
8 state disability assistance program. Persons eligible for this
9 program shall include needy persons 18 years of age or older, or
10 emancipated minors, who meet 1 or more of the following requirements:

11 (a) A recipient of supplemental security income, social security,
12 or medical assistance due to disability.

13 (b) A person with a physical and/or mental impairment,
14 demonstrated by symptoms, laboratory findings, or the results of
15 generally accepted medical or psychological procedures or tests, which
16 renders the person incapable of the demands of any remunerative work
17 for a period of 90 days or more, without regard to the availability of
18 work in the community.

19 (c) A resident of an adult foster care facility, a home for the
20 aged, or a substance abuse treatment center.

21 (d) A person receiving 30-day postresidential substance abuse
22 treatment.

23 (e) A person diagnosed as having acquired immunodeficiency
24 syndrome or acquired immunodeficiency syndrome related complex.

25 (f) A person receiving special education services through the
26 local intermediate school district.

27 (g) A caretaker of a disabled person as defined in subdivision
28 (a), (b), (e), or (f) above.

1 (2) Applicants and recipients for the state disability assistance
2 program shall be considered needy if they:

3 (a) Possess non-exempt resources of \$250.00 or less.

4 (b) Own 1 automobile with an equity value of \$1,500.00 or less.

5 (c) Has a monthly budgetable income that is less than the payment
6 standards.

7 Sec. 1710. The level of reimbursement provided to state
8 disability assistance recipients in licensed adult foster care
9 facilities shall be the same as the prevailing supplemental security
10 income rate under the personal care category.

11 Sec. 1711. A provider utility shall be entitled to recover in its
12 rates all qualifying costs incurred pursuant to an agreement between
13 the provider utility and the department for the payment of all or part
14 of assisted households' heating and electric service bills.
15 Qualifying costs shall include prudently incurred costs for
16 incentives, forgiveness, and energy conservation program development
17 and operation costs and the cost of capital incurred for assisted
18 household arrearages held by the provider utility. All such
19 qualifying costs incurred from program years beginning after October
20 1, 1994 shall be subject to deferred accounting and recovery through a
21 general rate case application or shall be subject to timely recovery
22 through separate limited purpose rate proceedings.

23 **MEDICAL SERVICES**

24 Sec. 1801. An institutional provider that is required to submit a
25 cost report under the medicaid program shall submit cost reports
26 completed in full within 90 days after the end of its fiscal year.

27 Sec. 1802. The department of social services shall continue to
28 implement the physician sponsor plan and shall require aid to families

1 with dependent children recipients residing in counties offering
2 managed care options to choose the particular managed care plan in
3 which they wish to be enrolled. Persons not expressing a preference
4 shall be randomly assigned to a managed care program.

5 Sec. 1803. Medicaid reimbursement for medicaid services shall not
6 exceed, solely or in combination with other resources, including
7 medicare, those amounts established for medicaid-only patients. The
8 medicaid payment rate shall be accepted as payment in full. Other
9 than an approved medicaid copayment, no portion of a provider's charge
10 may be billed to the recipient or any person acting on behalf of the
11 recipient. Nothing in this section shall be deemed to affect the level
12 of payment from a third party source other than medicaid. The
13 department shall require a non-enrolled provider to accept medicaid
14 payment as payment in full.

15 Sec. 1804. From the funds appropriated in section 102 for medical
16 services payments, the department of social services shall provide for
17 an inpatient hospital prior authorization and on-site review system.

18 Sec. 1805. The department may require medicaid recipients to
19 receive psychiatric services through a managed care system.

20 Sec. 1806. The department may develop a plan to deliver medicaid
21 psychiatric services through a managed care system. In developing
22 this plan, the department shall consult with the department of mental
23 health, community mental health boards, medicaid recipients or
24 representatives of medicaid recipients, providers and other interested
25 parties. The department shall submit its plan to the senate and house
26 appropriations subcommittees on social services.

27 Sec. 1807. The cost of remedial services incurred by residents of
28 licensed adult foster care homes and licensed homes for the aged shall

1 be used in determining financial eligibility for the medically needy.
2 Remedial services means those services which produce the maximum
3 reduction of physical and mental limitations and restoration of an
4 individual to his or her best functional level. At a minimum,
5 remedial services include basic self-care and rehabilitation training
6 for a resident.

7 Sec. 1808. (1) From the funds appropriated in section 102 for the
8 indigent medical care program, the department shall establish a
9 program which provides for the basic health care needs of indigent
10 persons as delineated in the following subsections.

11 (2) Eligibility for this program is limited to the following:

12 (a) Persons currently receiving cash grants under either the
13 family assistance or state disability assistance programs who are not
14 eligible for any other public or private health care coverage.

15 (b) Any other resident of this state who currently meets the
16 income and asset requirements for the state disability assistance
17 program or the state family assistance program and is not eligible for
18 any other public or private health care coverage.

19 (3) All potentially eligible persons, except those defined in
20 subsection (2)(a), who shall be automatically enrolled, may apply for
21 enrollment in this program at local department of social services
22 offices or other designated sites.

23 (4) The program shall provide for the following minimum level of
24 services for enrolled individuals:

25 (a) Physician services provided in private, clinic, or outpatient
26 office settings.

27 (b) Diagnostic laboratory and X-ray services.

28 (c) Pharmaceutical services.

1 Sec. 1809. (1) The department of social services is authorized to
2 pursue reimbursement for eligible services provided in Michigan
3 schools from the federal medicaid program. The department and the
4 department of management and budget are authorized to negotiate and
5 enter into agreements together with the department of education, with
6 local and intermediate school districts regarding the sharing of
7 federal medicaid funds received for these services. The department is
8 authorized to receive and disburse funds to participating school
9 districts pursuant to such agreements and state and federal law.

10 (2) From the funds appropriated in section 102 for medicaid school
11 services payments, the department is authorized to:

12 (a) Finance activities within the medical assistance
13 administration related to this project. Medical services
14 administration administrative costs for this project will not exceed
15 \$125,000.

16 (b) Fund from section 102 new costs in the departments of
17 education, public health, and management and budget for expenses
18 incurred by those departments related to this program. These costs
19 will not exceed \$75,000.

20 (c) Reimburse participating school districts pursuant to the fund
21 sharing ratios negotiated in the state-local agreements authorized in
22 section 1809(1) above.

23 (d) Deposit funding earned through this effort in the general
24 fund.

25 (3) The department may receive and expend additional federal
26 funding received by the department through this program.

27 (4) If the state receives a lesser amount of allowable medicaid
28 matching funds from the federal government for claims than is

1 indicated in section 102, the amount distributed to participating
2 schools will be reduced proportionately.

3 (5) The department shall not make distributions from the funds
4 provided for this purpose in section 102 until it has filed the
5 necessary state plan amendments and made required notifications.
6 Prior to the final federal approval of the state plan amendment for
7 this program, and with the concurrence of the department of management
8 and budget, the department may pay enrolled school districts for the
9 following services provided by or through the school districts and for
10 which the department has received indications of approvability from
11 the federal health care financing administration: a) medical services;
12 b) occupational therapy; c) physical therapy; d) speech therapy; e)
13 nursing services; and f) developmental testing. Payments for all
14 other services may be paid only upon written approval of the federal
15 health care financing administration.

16 Sec. 1810. The department is authorized to make payments on
17 behalf of children enrolled under the healthy kids program from the
18 line-item appropriation associated with the program, or from other
19 medical services line-item appropriations provided for specific health
20 care services.

final page