

Act No. 223
Public Acts of 1995
Approved by the Governor
December 6, 1995
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**STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1995**

Introduced by Reps. Horton, Johnson, McManus, Green, Whyman, Rocca, Dolan, Gilmer, Gustafson, Gnodtke, Walberg, Kukuk, Cropsey, Kaza, Jersevic, Weeks, Hammerstrom, Hill, Lowe, Gernaat, Ryan, London, Bullard, Bush, Bryant, Jamian, Jellema, McBryde, Dobb, Goschka, DeLange, McNutt, Dalman, Middaugh, Sikkema, Randall, Middleton, Brackenridge, Crissman, Byl, Perricone, Oxender, Llewellyn, Nye and Voorhees
Reps. Bankes, Bodem, Curtis, DeHart, DeMars, Galloway, Geiger, Law, Palamara, Profit, Rhead, Wetters and Willard named co-sponsors

ENROLLED HOUSE BILL No. 5353

AN ACT to amend sections 1, 1b, 6, 17, 32, and 45 of Act No. 280 of the Public Acts of 1939, entitled as amended "An act to protect the welfare of the people of this state; to provide general assistance, hospitalization, infirmary and medical care to poor or unfortunate persons; to provide for compliance by this state with the social security act; to provide protection, welfare and services to aged persons, dependent children, the blind, and the permanently and totally disabled; to administer programs and services for the prevention and treatment of delinquency, dependency and neglect of children; to create a state department of social services; to prescribe the powers and duties of the department; to provide for the interstate and intercounty transfer of dependents; to create county and district departments of social services; to create within certain county departments, bureaus of social aid and certain divisions and offices thereunder; to prescribe the powers and duties of the departments, bureaus and officers; to provide for appeals in certain cases; to prescribe the powers and duties of the state department with respect to county and district departments; to prescribe certain duties of certain other state departments, officers, and agencies; to make an appropriation; to prescribe penalties for the violation of the provisions of this act; and to repeal certain parts of this act on specific dates," section 32 as amended by Act No. 122 of the Public Acts of 1980, being sections 400.1, 400.1b, 400.6, 400.17, 400.32, and 400.45 of the Michigan Compiled Laws; to add sections 14f, 14g, 48, 57, 57a, 57b, 57c, 57d, 57e, 57f, 57g, 57h, and 63a; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

Section 1. Sections 1, 1b, 6, 17, 32, and 45 of Act No. 280 of the Public Acts of 1939, section 32 as amended by Act No. 122 of the Public Acts of 1980, being sections 400.1, 400.1b, 400.6, 400.17, 400.32, and 400.45 of the Michigan Compiled Laws, are amended and sections 14f, 14g, 48, 57, 57a, 57b, 57c, 57d, 57e, 57f, 57g, 57h, and 63a are added to read as follows:

Sec. 1. (1) A department of state government is created that shall be known and designated as the family independence agency, and that shall possess the powers granted and perform the duties imposed in this act. The family independence agency shall consist of a director and the assistants and employees appointed or employed in the family independence agency.

(2) The family independence agency is responsible for the operation and supervision of the institutions and facilities established within the family independence agency. The institutions and facilities may be operated on a coeducational

basis. The family independence agency shall make and enforce its own rules, not inconsistent with the law governing the institutions or facilities under its control, respecting the conduct of the institutions and facilities, discipline in the institutions and facilities, the care of property, and the welfare of the residents.

(3) The family independence agency shall be, in all respects, the legal successor to the powers, duties and responsibilities of the juvenile institute commission.

(4) A reference in this act to "the state department of social services", "the state department", or "department" means the family independence agency.

Sec. 1b. (1) This act shall be read in conjunction with the annual appropriation act appropriating funds for the family independence agency for each fiscal year. The annual appropriation act shall be considered as a time-limited addendum to this act.

(2) A program created in or authorized under this act is subject to the annual appropriation of funds. The inclusion of a program in this act does not create an entitlement to that program, and the family independence agency is not required to operate a program unless the legislature appropriates funds for that program.

Sec. 6. (1) The family independence agency may promulgate all rules necessary or desirable for the administration of programs under this act. Rules shall be promulgated under the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws. Beginning 2 years after the effective date of subsection (2), if the Michigan supreme court rules that sections 45 and 46 of Act No. 306 of the Public Acts of 1969, being sections 24.245 and 24.246 of the Michigan Compiled Laws, are unconstitutional and a statute requiring legislative review of administrative rules is not enacted within 90 days after the Michigan supreme court ruling, this subsection does not apply.

(2) The family independence agency may develop regulations to implement the goals and principles of assistance programs created under this act, including all standards and policies related to applicants and recipients that are necessary or desirable to administer the programs. These regulations are effective and binding on all those affected by the assistance programs. Except for policies described in subsections (3) and (4), regulations described in this subsection, setting standards and policies necessary or desirable to administer the programs, are exempt until the expiration of 12 months after the effective date of this subsection from the rule promulgation requirements of the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws. Upon the expiration of 12 months after the effective date of this subsection, regulations described in this subsection are not effective and binding unless processed as emergency rules under section 48 of Act No. 306 of the Public Acts of 1969, being section 24.248 of the Michigan Compiled Laws, or promulgated in accordance with Act No. 306 of the Public Acts of 1969.

(3) The family independence agency may develop policies to establish income and asset limits, types of income and assets to be considered for eligibility, and payment standards for assistance programs administered under this act. Policies developed under this subsection are effective and binding on all those affected by the assistance programs. Policies described in this subsection are exempt from the rule promulgation requirements of Act No. 306 of the Public Acts of 1969. Not less than 30 days before policies developed under this subsection are implemented, they shall be submitted to the senate and house standing committees and appropriation subcommittees with oversight of human services.

(4) The family independence agency may develop policies to implement requirements that are mandated by federal statute or regulations as a condition of receipt of federal funds. Policies developed under this subsection are effective and binding on all those affected by the programs. Policies described in this subsection are exempt from the rule promulgation requirements of Act No. 306 of the Public Acts of 1969.

(5) All rules, regulations, and policies established by the family independence agency shall be in writing, shall be provided to the legislature, and shall be made available for inspection by any member of the public at all offices of the family independence agency during regular business hours.

(6) Until the expiration of 12 months after the effective date of this subsection, a bipartisan task force of legislators appointed in the same manner as members are appointed to standing committees of the legislature shall meet regularly with the family independence agency to review proposed policies and regulations for the family independence program. Meetings of the bipartisan task force are subject to the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws.

(7) Subsection (2) does not apply to standards and policies related to the providers of services which have a written contractual relationship or are an enrolled medicaid provider with the family independence agency.

Sec. 14f. Subject to section 5 of article XI of the state constitution of 1963, the family independence agency may contract with a private individual or agency to administer a program created under this act or to perform a duty of the family independence agency under this act.

Sec. 14g. In order to achieve more efficient and effective use of funds for public assistance, to reduce dependency, or to improve the living conditions and increase the incomes of individuals receiving public assistance, the family independence agency may establish and conduct pilot projects in 1 or more county or district offices. The family independence agency may apply different policies in the pilot programs than it applies in the rest of the county or district offices, and may conduct the pilot projects as long as is necessary to provide a reasonable test of the policy being evaluated. Pilot projects shall be consistent with principles and goals set forth in this act.

Sec. 17. (1) The family independence agency shall establish program goals consistent with section 57a and shall report these goals to the governor and the legislature within 6 months after the effective date of this subsection.

(2) The family independence agency shall prepare and on or before the fifteenth day of December in each even-numbered year make a report to the governor, setting forth the operation of the family independence agency during the preceding fiscal biennium of the state, reporting on progress toward the goals established under subsection (1), and containing any findings and recommendations of the family independence agency. The report shall also be submitted to the legislature.

Sec. 32. (1) Subject to section 14g, a person qualified for and receiving assistance under this act in any county in this state who moves or is taken to another county in this state may continue to receive assistance in the county to which the person has moved or is taken, and the county family independence agency of the county from which the person has moved shall transfer all necessary records relating to the person to the county family independence agency of the county to which the person has moved.

(2) For purposes of the family independence program and medical assistance under this act, a resident of this state is a person who is living in this state voluntarily with the intention of making his or her home in this state and not for a temporary purpose and who is not receiving assistance from another state. For purposes of medical assistance, a resident of this state also includes a person and the dependents of a person who, at the time of application, is living in this state, is not receiving assistance from another state, and entered the state with a job commitment or seeking employment in this state. For purposes of determining eligibility to receive assistance under this act, excluding recipients of supplemental security income under title XVI of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1381 to 1382, and 1383 to 1383d or state supplementation under this act, the continued absence of a recipient from this state, unless the absence is temporary or intent to return is established as provided by applicable federal regulations, shall constitute abandonment by the recipient of residence in this state. Any existing rule that has been promulgated under this act that defines temporary absence for the purpose of eligibility for family independence assistance or medical assistance, or that provides for continuation of eligibility if the absence is not temporary, is not applicable.

(3) For purposes of medical assistance eligibility the requirements in subsection (2) apply except as otherwise provided in federal regulations for the administration of the medical assistance program under title XIX of the social security act, 42 U.S.C. 1396 to 1396g and 1396i to 1396v.

(4) The residence of a husband shall not be considered to be the residence of the wife if they are living separate and apart. If a husband and wife are living separate and apart, each may have a separate residence dependent upon proof of the fact and not upon legal presumption. This subsection shall not be construed to prohibit a person from acquiring or retaining a legal residence.

Sec. 45. (1) A county family independence agency is created in each county of this state, which shall possess the powers granted and perform the duties imposed in this act. The county family independence agency shall consist of a county family independence agency board and the director of the county family independence agency, together with assistants and employees as may be necessary to operate the county family independence agency. As used in this act, references to "county department of social services" or "county department" mean the county family independence agency and references to "county social services board" and "county board" mean the county family independence agency board.

(2) The powers and duties of the county family independence agency board include all of the following:

(a) Supervision of and responsibility for the administration of the county infirmary and county medical care facility and child caring institution, except as provided in sections 55(c) and 58.

(b) Conduct, in conjunction with the family independence agency, an annual review of social service programs operating within the county.

(c) Development of policy and supervision of the administration of social service programs authorized by the county board of commissioners or financed solely from county funds or county administered funds.

(d) Development and administration of employment programs and work training projects complementary to and not in conflict with state programs.

(e) Review and submit recommendations on contracts involving programs administered by the family independence agency proposed to be entered into between the family independence agency and public or private agencies within the

county including proposed purchases of service contracts from applicant agencies within the county eligible for funding under title XX of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1397 to 1397f. A contract shall not be entered into between the family independence agency and a public or private agency within the county until the board has been provided an opportunity for review of the contract. The board shall be advised by the family independence agency within 30 days after contracts have been signed with an explanation of the differences between contracts recommended by the board and those actually entered into.

(f) Act as the agent for the county board of commissioners in the development of coordinated or consolidated approaches to the delivery of social services and cooperative service delivery arrangements between the family independence agency and each public and private social service agency within the county.

(g) Represent the county board of commissioners in all negotiations between the county and the family independence agency.

(h) Make annual policy recommendations to the Michigan county social services association on annual departmental appropriations, priorities for utilization of title XX funds, eligibility standards for general public relief and burial, employment programs, work training projects, and other related issues.

(3) The family independence agency shall provide suitable office accommodations for programs funded in whole or in part with state funds. The county family independence agency board shall review and recommend to the director proposed office sites within the county. The director shall notify the board before final site selection with an explanation of the selection of a site other than that proposed by the board.

(4) The salary and expenses of each member of the county board shall be fixed by the county board of commissioners according to the amount of time the member devotes to the performance of official duties. A member of the county board may not serve as the director or an employee of the county family independence agency. The members of the county boards shall be appointed at the annual October session of commissioners, and members shall qualify by taking and filing the oath of office with the county clerk, and shall assume their duties as prescribed by this act not later than November 1 of the year appointed.

(5) The director, employees, and assistants of the county family independence agency shall be appointed by the family independence agency from among persons certified as qualified by the state civil service commission. The county family independence agency board shall review the qualifications of and interview each applicant for the position of county family independence agency director. The county director shall be appointed from among persons certified as eligible and recommended by the family independence agency and by the county board. These appointment provisions do not apply under conditions of reduction in state work force, in which case the administrative employment preference rules for bumping promulgated by the Michigan civil service commission apply. The county board shall advise and make recommendations to the state director regarding the performance of the county director within 6 months after the appointment of the county director and annually after that time. A copy of each evaluation shall be provided to the county director.

(6) Except as prescribed in sections 35 and 64, a writing prepared, owned, used, in the possession of, or retained by the county family independence agency in the performance of an official function shall be made available to the public in compliance with the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

Sec. 48. The director of the family independence agency may organize 2 counties into a single administrative unit for purposes of administrative efficiency. The director of the single administrative unit shall be appointed by the family independence agency from among persons certified as eligible and recommended by the family independence agency and by all of the affected county boards. If the affected county boards are unable to reach agreement on recommended candidates within 3 months after being notified of a vacancy, the director of the single administrative unit shall be appointed by the family independence agency from among persons certified as eligible and recommended by the family independence agency and by 1 or more of the affected county boards.

Sec. 57. (1) As used in this section and sections 57a to 57g:

(a) "Adult-supervised household" means either of the following:

(i) The place of residence of a parent, stepparent, or legal guardian of a minor parent.

(ii) A living arrangement not described in subparagraph (i) that the family independence agency approves as a family setting that provides care and control of a minor parent and his or her child and supportive services including, but not limited to, counseling, guidance, or supervision.

(b) "Caretaker" means an individual who is acting as parent for a child in the absence or because of the disability of the child's parent or stepparent and who is the child's legal guardian, grandparent, great grandparent, great-great grandparent, sibling, stepsibling, aunt, great aunt, great-great aunt, uncle, great uncle, great-great uncle, nephew, niece, first cousin, or first cousin once-removed, a spouse of any person listed above, a parent of the putative father, or an unrelated individual aged 21 or older whose appointment as legal guardian of the child is pending.

(c) "Child" means an individual who is not emancipated under Act No. 293 of the Public Acts of 1968, being sections 722.1 to 722.6 of the Michigan Compiled Laws, who lives with a parent or caretaker, and who is either of the following:

(i) Under the age of 18.

(ii) Age 18 or 19, a full-time high school student, and reasonably expected to graduate from high school before the age of 20.

(d) "Family" means 1 or more of the following:

(i) A household consisting of a child and either of the following:

(A) A parent or stepparent of the child.

(B) A caretaker of the child.

(ii) A pregnant woman.

(iii) A parent of a child in foster care.

(e) "Family independence assistance" means financial assistance provided to a family under the family independence program.

(f) "Family independence assistance group" means all those members of a program group who receive family independence assistance.

(g) "Family independence program" means the program of financial assistance established under section 57a.

(h) "Minor parent" means an individual under the age of 18 who is not emancipated under Act No. 293 of the Public Acts of 1968 and who is either the biological parent of a child living in the same household or a pregnant woman.

(i) "Payment standard" means the standard upon which family independence program benefits are based if the family independence assistance group has no net income.

(j) "Program group" means a family and all those individuals living with a family whose income and assets are considered for purposes of determining financial eligibility for family independence assistance.

(k) "Recipient" means an individual receiving family independence assistance.

(l) "Social contract" means a document described in section 57e that is executed by a family in return for the receipt of family independence assistance.

(m) "Substance abuse" means that term as defined in section 6107 of the public health code, Act No. 368 of the Public Acts of 1978, being section 333.6107 of the Michigan Compiled Laws.

(n) "Substance abuse treatment" means outpatient or inpatient services or participation in alcoholics anonymous or a similar program.

(o) "Work first" means the program of employment and training administered by the Michigan jobs commission for applicants and recipients of family independence assistance.

(2) A reference in this act to "aid to dependent children" or "aid to families with dependent children" means "family independence assistance".

Sec. 57a. (1) The family independence agency shall establish and administer the family independence program to provide assistance to families who are making efforts to achieve independence.

(2) The family independence agency shall administer the family independence program to accomplish all of the following:

(a) Provide financial support to eligible families while they pursue self-improvement activities and engage in efforts to become financially independent.

(b) Ensure that recipients who are minor parents live in adult-supervised households in order to reduce long-term dependency on financial assistance.

(c) Assist families in determining and overcoming the barriers preventing them from achieving financial independence.

(d) Ensure that families pursue other sources of support available to them.

(3) The family independence agency shall establish income and asset levels for eligibility, types of income and assets to be considered in making eligibility determinations, payment standards, composition of the program group and the family independence assistance group, program budgeting and accounting methods, and client reporting requirements to meet the following goals:

(a) Efficient, fair, cost-effective administration of the family independence program.

(b) Provision of family independence assistance to families willing to work toward eventual self-sufficiency.

Sec. 57b. (1) An individual who meets all of the following requirements is eligible for family independence assistance:

- (a) Is a member of a family or a family independence assistance group.
- (b) Is a member of a program group whose income and assets are less than the income and asset limits set by the family independence agency.
- (c) In the case of a minor parent, meets the requirements of subsection (2).
- (d) Is a United States citizen, a permanent resident alien, or a refugee.
- (e) Is a resident of this state as described in section 32.
- (f) Meets any other eligibility criterion required for the receipt of federal or state funds or determined by the family independence agency to be necessary for the accomplishment of the goals of the family independence program.

(2) A minor parent and the minor parent's child shall not receive family independence assistance unless they live in an adult-supervised household. The family independence assistance shall be paid on behalf of the minor parent and child to an adult in the adult-supervised household. Child care in conjunction with participation in education, employment readiness, training, or employment programs, which have been approved by the family independence agency, shall be provided for the minor parent's child. The minor parent and child shall live with the minor parent's parent, stepparent, or legal guardian unless the family independence agency determines that there is good cause for not requiring the minor parent and child to live with a parent, stepparent, or legal guardian. The family independence agency shall determine the circumstances that constitute good cause, based on a parent's, stepparent's, or guardian's unavailability or unwillingness or on a reasonable belief that there is physical, sexual, or substance abuse, or domestic violence occurring in the household, or other risk to the physical or emotional health or safety of the minor parent or child. If the family independence agency determines that there is good cause for not requiring a minor parent to live with a parent, stepparent, or legal guardian, the minor parent and child shall live in another adult-supervised household. A local office director may waive the requirement set forth in this subsection with respect to a minor parent who is at least 17 years of age, attending secondary school full-time, and participating in a service plan of the family independence agency or a teen parenting program, if moving would require the minor parent to change schools.

Sec. 57c. If a minor parent applies for family independence assistance, the family independence agency shall do all of the following:

- (a) Inform the minor parent of the eligibility requirements of section 57b(2) and the circumstances under which there is good cause for permitting the minor parent to live in an adult-supervised household other than the home of his or her parent or legal guardian.
- (b) Complete a home visit and other appropriate investigation before requiring a minor parent to live with his or her parent, stepparent, or legal guardian.
- (c) If applicable, assist the minor parent to find an adult-supervised household in which to live.

Sec. 57d. (1) The Michigan jobs commission and the family independence agency shall conduct joint orientation sessions for family independence assistance applicants no less frequently than weekly. After the family independence agency makes an initial determination that an adult or a child aged 16 or older who is not attending elementary or secondary school full-time might be eligible for family independence assistance, that individual shall attend a joint orientation session as a condition of eligibility prior to receipt of family independence assistance. After completion of the orientation, the individual and the family independence agency shall develop the family's social contract in accordance with section 57e. If all eligibility criteria are met, the family independence agency shall provide family independence assistance to the family for not more than 2 months.

(2) By the end of 2 months following the orientation session described in subsection (1), the family independence agency shall review the individual's compliance with the social contract. If the individual has failed to cooperate with work first, the family is ineligible for further family independence assistance. If the individual fails to cooperate with any other social contract requirement, the family independence agency shall impose penalties under section 57g. If the individual is complying with the social contract, the family independence agency and the recipient shall revise the social contract if necessary and the family independence assistance group shall continue to receive family independence assistance so long as the recipients meet family independence assistance program requirements.

Sec. 57e. (1) Each family receiving family independence assistance shall execute a social contract outlining the responsibilities of members of the family independence assistance group. The social contract shall be developed jointly by the family independence agency and the adult family members and shall identify compliance goals that are to be met by members of the family independence assistance group. The social contract shall reflect the individual needs and abilities of the particular family, and shall include at least all of the following:

- (a) The obligation of each adult and each child aged 16 or older who is not attending elementary or secondary school full-time to participate in work first unless exempt under section 57f.
- (b) The obligation of each minor parent who has not completed secondary school to attend school.

(c) The obligation of each adult to engage in at least 20 hours per week of employment, work first activities, education or training, community service activities, or self-improvement activities.

(d) The obligation to cooperate in the establishment of paternity and the procurement of child support, if applicable.

(e) The obligation of a recipient who fails to comply with compliance goals due to substance abuse to participate in substance abuse treatment and submit to any periodic drug testing required by the treatment program.

(f) Any other obligation the family independence agency determines is necessary to enable the family to achieve independence.

(2) Beginning 6 weeks after the birth of her child until the child is 3 months old, the family independence agency may permit a mother exempted from work first under section 57f(3)(d) to receive instruction in parenting, nutrition, and child development as fulfillment of her social contract obligation under section (1)(c).

(3) The family independence agency shall monitor each family's compliance with the social contract. If the family fails to comply with the compliance goals set forth in the social contract, the family independence agency shall impose penalties under section 57g.

Sec. 57f. (1) The family independence agency shall enter into an agreement with the Michigan jobs commission in order to facilitate the administration of work first. The family independence agency shall make information on the program available to the legislature.

(2) Except as otherwise provided in subsection (3), every member of a family independence assistance group shall be referred to and shall participate in work first. If a recipient has cooperated with work first but the work first agency determines that a job is not available, the recipient may enroll in a program that is specifically job-related and of no more than 2 years' duration that is offered by a college or university, community college, state-licensed vocational or technical education program, or state-licensed proprietary school. The particular activities in which the recipient is required or authorized to participate, the number of hours of work required, and other details of work first shall be developed by the Michigan jobs commission and the family independence agency and shall be set forth in the recipient's social contract.

(3) The following individuals are exempt from participation in work first:

(a) A child under the age of 16.

(b) A child aged 16 or older, or a minor parent, who is attending elementary or secondary school full-time.

(c) An individual who is working a minimum number of hours determined by the family independence agency to be necessary to meet federal requirements.

(d) The mother of a child under the age of 3 months.

(e) An individual aged 65 or older.

(f) A recipient of supplemental security income, social security disability, or medical assistance due to disability or blindness.

(g) An individual suffering from a physical or mental impairment that meets federal supplemental security income disability standards, except that no minimum duration is required.

(h) The spouse of an individual described in subdivision (f) or (g) who is the full-time caregiver of that individual.

(i) A parent or caretaker of a child who is suffering from a physical or mental impairment that meets the federal supplemental security income disability standards, except that no minimum duration is required.

(4) In addition to those individuals exempt under subsection (3), the family independence agency may grant a temporary exemption from participation in work first, not to exceed 90 days, to an individual who is suffering from a documented short-term mental or physical illness, limitation, or disability that severely restricts his or her ability to participate in employment or training activities. An individual with a documented mental or physical illness, limitation, or disability that does not severely restrict his or her ability to participate in employment or training activities shall be required to participate in work first at a medically permissible level.

(5) An individual is not disabled for purposes of this section if substance abuse is a contributing factor material to the determination of disability.

Sec. 57g. (1) The family independence agency shall develop a system of penalties to be imposed if a recipient fails to comply with the compliance goals set forth in the family independence assistance group's social contract or commits fraud. Penalties may be cumulative and may include reduction of the grant, removal of an individual from the family independence assistance group, and termination of assistance to the family.

(2) A penalty shall not be imposed if the recipient has demonstrated that there was good cause for the noncompliance. The family independence agency shall determine those circumstances that constitute good cause based on factors that are beyond the control of a recipient.

(3) Recipients who are willing to participate in activities leading to self-sufficiency but who require child care or transportation in order to participate shall not be penalized if the family independence agency determines that child care or transportation is not reasonably available or provided to them.

Sec. 57h. If the family independence agency determines that a recipient's failure to pay the child care provider from child care payments made to the recipient by the family independence agency constitutes money mismanagement, future child care payments shall be paid directly to the child care provider.

Sec. 63a. The family independence agency shall not award contracts to specific organizations that have not been competitively bid unless the award is permissible under state contracting procedures.

Section 2. The family independence program is a successor to the program of aid to families with dependent children administered under section 56 of the social welfare act, Act No. 280 of the Public Acts of 1939, being sections 400.1 to 400.119b of the Michigan Compiled Laws. The family independence agency may operate the aid to families with dependent children program under the federal regulations in effect on September 30, 1995 for up to 180 days after the effective date of this amendatory act and may begin to implement the family independence program on a partial basis until that time as administrative procedures are developed to administer the family independence program. Individuals who are receiving aid to families with dependent children on the effective date of this amendatory act shall continue to receive assistance under the program requirements in effect on September 30, 1995 until the family's eligibility is assessed under family independence program regulations and policies.

Section 3. Sections 40, 55c, 56, 56c, 56d, 56e, 56f, and 56g of Act No. 280 of the Public Acts of 1939, being sections 400.40, 400.55c, 400.56, 400.56c, 400.56d, 400.56e, 400.56f, and 400.56g of the Michigan Compiled Laws, are repealed.

Section 4. This amendatory act shall not take effect unless House Bill No. 5354 of the 88th Legislature is enacted into law.

Clerk of the House of Representatives.

Secretary of the Senate.

Approved -----

Governor.