



# SENATE BILL No. 1107

September 10, 1996, Introduced by Senators YOUNG, CONROY, V. SMITH, CHERRY, STALLINGS, A. SMITH, HART, O'BRIEN, KOIVISTO, BYRUM, VAUGHN, DINGELL, BERRYMAN, MILLER, PETERS and DE BEAUSSAERT and referred to the Committee on Families, Mental Health and Human Services.

A bill to amend sections 6, 10, 39, 57a, 57d, 57e, 57f, 57g, and 57h of Act No. 280 of the Public Acts of 1939, entitled as amended

"The social welfare act,"

section 6 as amended and sections 57a, 57d, 57e, 57f, 57g, and 57h as added by Act No. 223 of the Public Acts of 1995, being sections 400.6, 400.10, 400.39, 400.57a, 400.57d, 400.57e, 400.57f, 400.57g, and 400.57h of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 6, 10, 39, 57a, 57d, 57e, 57f, 57g, and  
2 57h of Act No. 280 of the Public Acts of 1939, section 6 as  
3 amended and sections 57a, 57d, 57e, 57f, 57g, and 57h as added by  
4 Act No. 223 of the Public Acts of 1995, being sections 400.6,  
5 400.10, 400.39, 400.57a, 400.57d, 400.57e, 400.57f, 400.57g, and

1 400.57h of the Michigan Compiled Laws, are amended to read as  
2 follows:

3       Sec. 6. (1) The family independence agency may promulgate  
4 all rules necessary or desirable for the administration of pro-  
5 grams under this act. Rules shall be promulgated under the  
6 administrative procedures act of 1969, Act No. 306 of the Public  
7 Acts of 1969, being sections 24.201 to 24.328 of the Michigan  
8 Compiled Laws. Beginning ~~2 years after the effective date of~~  
9 ~~subsection (2)~~ MARCH 28, 1998, if the Michigan supreme court  
10 rules that sections 45 and 46 of Act No. 306 of the Public Acts  
11 of 1969, being sections 24.245 and 24.246 of the Michigan  
12 Compiled Laws, are unconstitutional and a statute requiring leg-  
13 islative review of administrative rules is not enacted within 90  
14 days after the Michigan supreme court ruling, this subsection  
15 does not apply.

16       (2) The family independence agency may develop regulations  
17 to implement the goals and principles of assistance programs cre-  
18 ated under this act, including all standards and policies related  
19 to applicants and recipients that are necessary or desirable to  
20 administer the programs. These regulations are effective and  
21 binding on all those affected by the assistance programs. Except  
22 for policies described in subsections (3) and (4), regulations  
23 described in this subsection, setting standards and policies nec-  
24 essary or desirable to administer the programs, are exempt until  
25 ~~the expiration of 12 months after the effective date of this~~  
26 ~~subsection~~ MARCH 29, 1997 from the rule promulgation  
27 requirements of ~~the administrative procedures act of 1969,~~ Act

1 No. 306 of the Public Acts of 1969. ~~being sections 24.201 to~~  
2 ~~24.328 of the Michigan Compiled Laws. Upon the expiration of 12~~  
3 ~~months after the effective date of this subsection~~ BEGINNING  
4 MARCH 29, 1997, regulations described in this subsection are not  
5 effective and binding unless processed as emergency rules under  
6 section 48 of Act No. 306 of the Public Acts of 1969, being  
7 section 24.248 of the Michigan Compiled Laws, or promulgated in  
8 accordance with Act No. 306 of the Public Acts of 1969.

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

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

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

6 (6) Until ~~the expiration of 12 months after the effective~~  
7 ~~date of this subsection~~ MARCH 29, 1998, a bipartisan task force  
8 of legislators appointed in the same manner as members are  
9 appointed to standing committees of the legislature shall meet  
10 regularly with the family independence agency to review proposed  
11 policies and regulations for the family independence program.  
12 Meetings of the bipartisan task force are subject to the open  
13 meetings act, Act No. 267 of the Public Acts of 1976, being  
14 sections 15.261 to 15.275 of the Michigan Compiled Laws.

15 (7) Subsection (2) does not apply to standards and policies  
16 related to ~~the providers~~ EITHER OF THE FOLLOWING:

17 (A) A PROVIDER of services ~~which have~~ THAT HAS a written  
18 contractual relationship or ~~are~~ IS an enrolled medicaid pro-  
19 vider with the family independence agency.

20 (B) PROGRAMS PROVIDING MEDICAL ASSISTANCE, INCLUDING  
21 LONG-TERM CARE, FOR INDIVIDUALS WHO ARE ELDERLY, MENTALLY ILL, OR  
22 DISABLED.

23 Sec. 10. (1) The ~~state department~~ FAMILY INDEPENDENCE  
24 AGENCY is designated as the state agency to cooperate with the  
25 federal government in the administration of the social security  
26 act, ~~passed by the congress of the United States of America,~~  
27 ~~approved August 14, 1935, herein referred to as the "social~~

1 ~~security act~~ CHAPTER 531, 49 STAT. 620, including title ~~4~~ IV,  
2 title ~~6~~ VI, AND title ~~16~~, and title ~~19~~ and any amendments  
3 ~~thereto or supplemental thereof~~ XVI. The ~~state department~~  
4 FAMILY INDEPENDENCE AGENCY may administer the food stamp act of  
5 ~~1964~~ 1977, ~~as amended, being 7 U.S.C. sections~~ PUBLIC LAW  
6 88-525, 7 U.S.C. 2011 to ~~2026~~ 2012 and ~~Public Law 93-86,~~ 2013  
7 TO 2032, and any other law ~~which~~ THAT the governor or the leg-  
8 islature of the state may designate. The ~~department~~ FAMILY  
9 INDEPENDENCE AGENCY may cooperate with the proper departments or  
10 agencies of the federal government and with all other departments  
11 or agencies of the state and local governments, and supervise the  
12 administration by local governmental departments or agencies of  
13 any plans established by the state in cooperation with the fed-  
14 eral government under these provisions and the rules promulgated  
15 ~~pursuant thereto~~ UNDER THEM. The director shall make reports  
16 ~~,~~ in ~~such~~ THE form and containing ~~such~~ THE information ~~,~~  
17 required under the social security act, and shall comply with the  
18 requirements made to assure the correctness and verification of  
19 the reports.

20 (2) The director, with the approval of the governor, may  
21 cooperate with the federal government, or any of its agencies or  
22 instrumentalities, in handling the welfare and relief problems  
23 and needs of the people of this state, to the extent authorized  
24 by the laws of this state.

25 (3) The director may adopt any plan required or desirable to  
26 participate in the distribution of federal ~~moneys~~ MONEY or the  
27 assistance of the federal government, and may accept on behalf of

1 the state any allotment of federal ~~moneys~~ MONEY. BEFORE  
2 SUBMITTING ANY PLAN, THE DIRECTOR SHALL SUBMIT IT TO THE LEGISLA-  
3 TURE FOR REVIEW. THE INFORMATION PROVIDED TO THE LEGISLATURE  
4 SHALL INCLUDE INFORMATION ON ELIGIBILITY CRITERIA, GRANT LEVELS,  
5 FUNDING, AND NUMBERS OF INDIVIDUALS PROPOSED TO BE SERVED. The  
6 state treasurer may forward state ~~moneys~~ MONEY to the federal  
7 social security administration for federal administration of the  
8 state supplemental program of title ~~+6~~ XVI in accordance with  
9 an agreement ~~pertaining thereto~~ WITH THE FEDERAL  
10 ADMINISTRATION. The director may promulgate rules and enter into  
11 any agreement or agreements with federal, state, or local units  
12 of government or private agencies necessary to enable the state  
13 or ~~such~~ LOCAL units to participate in any plan the director  
14 ~~deems~~ CONSIDERS desirable for the welfare of the people of this  
15 state.

16 (4) For the purpose of assuring full federal approval of the  
17 activities of the ~~department~~ FAMILY INDEPENDENCE AGENCY and  
18 ~~local departments~~ COUNTY FAMILY INDEPENDENCE AGENCIES with  
19 respect to the operation of a plan, the director may do all  
20 things reasonable and proper to conform with federal requirements  
21 pertaining to methods and standards of administration. In making  
22 rules with respect ~~thereto, there shall be included such~~ TO  
23 FEDERALLY-FUNDED PROGRAMS, THE DIRECTOR SHALL INCLUDE THOSE  
24 methods and standards of administration for the conduct of the  
25 work of local units, including ~~the~~ necessary supervision,  
26 ~~thereof,~~ as may be required for the receipt of aid from the  
27 federal government.

1       Sec. 39. (1) All ~~old age~~ assistance ~~, aid to dependent~~  
2 ~~children, aid to the blind, and aid to the permanently and~~  
3 ~~totally disabled,~~ given under this act shall be paid directly to  
4 the ~~applicant or~~ recipient except ~~that (1) if~~ FOR THE  
5 FOLLOWING:

6       (A) IF a legal guardian has been ~~duty~~ appointed for ~~such~~  
7 ~~applicant or~~ THE recipient, the assistance may be paid to ~~such~~  
8 THE guardian for the benefit of ~~such applicant or~~ THE  
9 recipient. ~~, or (2) if~~

10       (B) IF the ~~state department~~ FAMILY INDEPENDENCE AGENCY has  
11 entered into a contractual arrangement or agreement or has autho-  
12 rized goods or services from a provider including hospitalization  
13 or medical care ~~in~~ ON behalf of the ~~applicant or~~ recipient, a  
14 portion of the assistance as determined by the ~~state department~~  
15 FAMILY INDEPENDENCE AGENCY may be paid directly to the contractor  
16 or provider. ~~, or (3) if~~

17       (C) IF necessary, as determined by the ~~state department~~  
18 FAMILY INDEPENDENCE AGENCY and in conformance with the rules of  
19 the department of health ~~, education and welfare~~ HUMAN SERV-  
20 ICES, IF APPLICABLE, and ~~such~~ rules ~~as shall be~~ developed by  
21 the ~~state department~~ FAMILY INDEPENDENCE AGENCY, the assistance  
22 may be paid to a third party interested in and acting responsibly  
23 ~~in~~ ON behalf of ~~such applicant or~~ THE recipient for the bene-  
24 fit of ~~such applicant or~~ THE recipient. ~~(4)~~

25       (D) AT THE REQUEST OF A RECIPIENT, A PORTION OF THE ASSIST-  
26 ANCE SHALL BE PAID AS RENT DIRECTLY TO A VENDOR PROVIDING LIVING  
27 ACCOMMODATIONS.

1 (2) Any assistance checks not indorsed during the lifetime  
2 of the recipient ~~shall be null and~~ ARE void and shall be  
3 returned to the ~~state department~~ FAMILY INDEPENDENCE AGENCY and  
4 canceled.

5 Sec. 57a. (1) The family independence agency shall estab-  
6 lish and administer the family independence program to provide  
7 assistance to families who are making efforts to achieve  
8 independence.

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

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

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

17 (c) Assist families in determining and overcoming the barri-  
18 ers preventing them from achieving financial independence.

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

21 (3) The family independence agency shall establish income  
22 and asset levels for eligibility, types of income and assets to  
23 be considered in making eligibility determinations, payment stan-  
24 dards, composition of the program group and the family indepen-  
25 dence assistance group, program budgeting and accounting methods,  
26 and client reporting requirements to meet the following goals:

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

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

5 (4) IN ESTABLISHING ELIGIBILITY POLICIES UNDER  
6 SUBSECTION (3), THE FAMILY INDEPENDENCE AGENCY SHALL NOT COUNT AS  
7 INCOME ANY CASH ASSISTANCE PROVIDED TO A RECIPIENT FOR CHILD  
8 CARE, TRANSPORTATION, OR FOOD.

9 (5) IF AN APPLICANT FOR OR RECIPIENT OF FAMILY INDEPENDENCE  
10 ASSISTANCE DISPUTES THE FINDING OF A FAMILY INDEPENDENCE SPECIAL-  
11 IST REGARDING ELIGIBILITY, AMOUNT OF ASSISTANCE, ENTITLEMENT TO  
12 SERVICES, OR COMPLIANCE WITH REQUIREMENTS OF THE PROGRAM, THE  
13 FAMILY INDEPENDENCE AGENCY SHALL PROVIDE A HEARING AS DESCRIBED  
14 IN SECTION 9.

15 Sec. 57d. (1) The Michigan jobs commission and the family  
16 independence agency shall conduct joint orientation sessions for  
17 family independence assistance applicants no less frequently than  
18 weekly. After the family independence agency makes an initial  
19 determination that an adult or a child aged 16 or older who is  
20 not attending elementary or secondary school full-time might be  
21 eligible for family independence assistance, that individual  
22 shall attend a joint orientation session as a condition of eligi-  
23 bility ~~prior to~~ BEFORE receipt of family independence  
24 assistance. AT THE ORIENTATION SESSION, THE FAMILY INDEPENDENCE  
25 AGENCY SHALL PROVIDE EACH APPLICANT WITH VOTER REGISTRATION FORMS  
26 AND INFORMATION REGARDING CHILD CARE AND TRANSPORTATION SERVICES  
27 OR RESOURCES AVAILABLE TO RECIPIENTS WHO ARE PARTICIPATING IN

1 WORK FIRST ACTIVITIES. After completion of the orientation, the  
2 individual and the family independence agency shall develop the  
3 family's social contract in accordance with section 57e. If all  
4 eligibility criteria are met, the family independence agency  
5 shall provide family independence assistance to the family for  
6 not more than 2 months.

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

20 Sec. 57e. (1) Each family receiving family independence  
21 assistance shall execute a social contract outlining the respon-  
22 sibilities of members of the family independence assistance group  
23 AND SERVICES THAT ARE TO BE PROVIDED BY THE FAMILY INDEPENDENCE  
24 AGENCY. BEFORE DEVELOPING THE SOCIAL CONTRACT WITH THE FAMILY,  
25 THE FAMILY INDEPENDENCE AGENCY SHALL ADMINISTER A SKILLS INVEN-  
26 TORY TEST TO EACH ADULT TO DETERMINE THE INDIVIDUAL'S SKILLS IN  
27 BUDGETING, PARENTING, HOUSEHOLD MANAGEMENT, AND OTHER BASIC

1 LIVING SKILLS. THE FAMILY INDEPENDENCE AGENCY SHALL ALSO  
2 ADMINISTER A TEST TO DETERMINE THE INDIVIDUAL'S EMPLOYMENT READI-  
3 NESS AND JOB SKILLS. THE FAMILY INDEPENDENCE AGENCY SHALL PRO-  
4 VIDE REMEDIAL EDUCATION TO EACH RECIPIENT WHOSE SKILLS INVENTORY  
5 TEST RESULTS INDICATE A DEFICIENCY IN BUDGETING, PARENTING,  
6 HOUSEHOLD MANAGEMENT, OR OTHER BASIC LIVING SKILLS. THE SOCIAL  
7 CONTRACT SHALL PROVIDE FOR A REASONABLE LEVEL OF TRAINING TO  
8 ENABLE THE FAMILY TO ACHIEVE INDEPENDENCE. The social contract  
9 shall be developed jointly by the family independence agency and  
10 the adult family members and shall identify compliance goals that  
11 are to be met by members of the family independence assistance  
12 group. The social contract shall reflect the individual needs  
13 and abilities of the particular family, and shall include at  
14 least all of the following:

15 (a) The obligation of each adult and each child aged 16 or  
16 older who is not attending elementary or secondary school  
17 full-time to participate in work first unless exempt under sec-  
18 tion 57f.

19 (b) The obligation of each minor parent who has not com-  
20 pleted secondary school to attend school.

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

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

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

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

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

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

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

24 (2) Except as otherwise provided in subsection (3), every  
25 member of a family independence assistance group shall be  
26 referred to and shall participate in work first. ~~If a recipient~~  
27 ~~has cooperated with work first but the work first agency~~

1 ~~determines that a job is not available, the recipient may enroll~~  
2 ~~in a program that is specifically job related and of no more than~~  
3 ~~2 years' duration that is offered by a college or university,~~  
4 ~~community college, state licensed vocational or technical educa-~~  
5 ~~tion program, or state licensed proprietary school.~~ The particu-  
6 lar activities in which the recipient is required or authorized  
7 to participate, the number of hours of work required, and other  
8 details of work first shall be developed by the Michigan jobs  
9 commission and the family independence agency and shall be set  
10 forth in the recipient's social contract.

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

13 (a) A child under the age of 16.

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

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

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

20 (e) An individual aged 65 or older.

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

24 (g) An individual suffering from a physical or mental  
25 impairment that meets federal supplemental security income dis-  
26 ability standards, except that no minimum duration is required.

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

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

7 (J) AN INDIVIDUAL WHO IS A FULL-TIME STUDENT IN A COLLEGE,  
8 COMMUNITY COLLEGE, TECHNICAL OR VOCATIONAL PROGRAM, OR  
9 STATE-LICENSED PROPRIETARY SCHOOL.

10 (4) In addition to those individuals exempt under subsection  
11 (3), the family independence agency may grant a temporary exemp-  
12 tion from participation in work first, not to exceed 90 days, to  
13 an individual who is suffering from a documented short-term  
14 mental or physical illness, limitation, or disability that  
15 severely restricts his or her ability to participate in employ-  
16 ment or training activities. An individual with a documented  
17 mental or physical illness, limitation, or disability that does  
18 not severely restrict his or her ability to participate in  
19 employment or training activities shall be required to partici-  
20 pate in work first at a medically permissible level.

21 (5) An individual is not disabled for purposes of this sec-  
22 tion if substance abuse is a contributing factor material to the  
23 determination of disability.

24 Sec. 57g. (1) The family independence agency shall develop  
25 a system of penalties to be imposed if a recipient fails to  
26 comply with the compliance goals set forth in the family  
27 independence assistance group's social contract or commits

1 fraud. Penalties may be cumulative and may include reduction of  
2 the grant, removal of an individual from the family independence  
3 assistance group, and termination of assistance to the family. A  
4 PENALTY SHALL NOT BE IMPOSED UNLESS THE RECIPIENT HAS RECEIVED  
5 NOTICE AND AN OPPORTUNITY FOR A HEARING AS PROVIDED IN  
6 SECTION 57A(5).

7 (2) A penalty shall not be imposed if the recipient has  
8 demonstrated that there was good cause for the noncompliance.  
9 The family independence agency shall determine those circum-  
10 stances that constitute good cause based on factors that are  
11 beyond the control of a recipient, INCLUDING, BUT NOT LIMITED TO,  
12 ALL OF THE FOLLOWING:

13 (A) ILLNESS, INJURY, OR INCAPACITY OF THE RECIPIENT OR THE  
14 RECIPIENT'S SPOUSE, CHILD, PARENT, OR OTHER DEPENDENT RELATIVE  
15 WHO LIVES WITH THE RECIPIENT.

16 (B) COURT-REQUIRED APPEARANCE OR TEMPORARY INCARCERATION.

17 (C) MEDICAL OR DENTAL APPOINTMENTS FOR THE RECIPIENT OR HIS  
18 OR HER DEPENDENT.

19 (D) DEATH OF A RELATIVE OR FRIEND.

20 (E) OBSERVANCE OF A RELIGIOUS HOLIDAY.

21 (F) FAMILY EMERGENCY.

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

1 (4) A RECIPIENT WHO REFUSES TO CROSS A PICKET LINE IN ORDER  
2 TO PARTICIPATE IN WORK FIRST ACTIVITIES SHALL NOT BE PENALIZED.  
3 THE FAMILY INDEPENDENCE AGENCY SHALL ASSIST THE INDIVIDUAL TO  
4 FIND AN ALTERNATIVE METHOD OF FULFILLING THE INDIVIDUAL'S SOCIAL  
5 CONTRACT OBLIGATIONS.

6 (5) IF FAMILY ASSISTANCE IS TERMINATED UNDER THIS SECTION,  
7 THE FAMILY INDEPENDENCE AGENCY SHALL PROVIDE BABY FOOD, DIAPERS,  
8 AND FORMULA FOR EACH MEMBER OF THE FAMILY INDEPENDENCE GROUP WHO  
9 IS UNDER THE AGE OF 2 YEARS.

10 Sec. 57h. (1) If the family independence agency determines  
11 that a recipient's failure to pay the child care provider from  
12 child care payments made to the recipient by the family indepen-  
13 dence agency constitutes money mismanagement, future child care  
14 payments shall be paid directly to the child care provider.

15 (2) THE FAMILY INDEPENDENCE AGENCY SHALL MAKE CHILD CARE  
16 PAYMENTS FOR CHILD CARE PROVIDED BY NONFAMILY MEMBERS OUTSIDE THE  
17 PARENT'S HOME ONLY IF THE CHILD CARE PROVIDER IS LICENSED OR REG-  
18 ISTERED UNDER ACT NO. 116 OF THE PUBLIC ACTS OF 1973, BEING  
19 SECTIONS 722.111 TO 722.128 OF THE MICHIGAN COMPILED LAWS.