

Act No. 135
Public Acts of 1999
Approved by the Governor*
July 27, 1999
Filed with the Secretary of State
July 27, 1999
EFFECTIVE DATE: July 27, 1999

*Item Veto

Sec. 642.
Entire Section. (Page 18)

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STATE OF MICHIGAN
90TH LEGISLATURE
REGULAR SESSION OF 1999

Introduced by Senators Goschka, Gougeon, McManus and Steil

ENROLLED SENATE BILL No. 365

AN ACT to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 2000; 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:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the family independence agency for the fiscal year ending September 30, 2000, from the funds indicated in this part. The following is a summary of the appropriations in this part:

FAMILY INDEPENDENCE AGENCY

Full-time equated classified positions	13,222.3	
Unclassified positions	6.0	
Total full-time equated positions	13,228.3	
GROSS APPROPRIATION	\$	3,642,987,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	\$	150,000
ADJUSTED GROSS APPROPRIATION	\$	3,642,837,400
Federal revenues:		
Total federal revenues		2,374,089,800
Special revenue funds:		
Total private revenues		7,858,100
Total local revenues		48,539,500
Total other state restricted revenues		123,565,500
State general fund/general purpose	\$	1,088,784,500

Sec. 102. EXECUTIVE OPERATIONS

Total full-time equated positions	953.3
Full-time equated unclassified positions	6.0
Full-time equated classified positions	947.3

	For Fiscal Year Ending Sept. 30, 2000
Other unclassified salaries—6.0 FTE positions	\$ 492,300
Salaries and wages—728.3 FTE positions	33,990,000
Contractual services, supplies, and materials	10,330,300
Demonstration projects—11.0 FTE positions	10,634,600
End user support	7,614,500
Computer service fees	20,076,300
Automated social services information system project—25.0 FTE positions	16,963,800
Data system enhancement—26.0 FTE positions	20,948,500
Child support automation—25.0 FTE positions	36,042,000
Child support distribution computer system	7,164,100
Supplemental security income advocates, salaries and wages—16.0 FTE positions	980,000
Commission on disability concerns—8.0 FTE positions	759,600
Commission for the blind—108.0 FTE positions	17,309,700
GROSS APPROPRIATION	\$ 183,305,700
Appropriated from:	
Interdepartmental grant revenues:	
IDG-ADP user fees	150,000
ADJUSTED GROSS APPROPRIATION	\$ 183,155,700
Appropriated from:	
Federal revenues:	
Total federal revenues	119,518,500
Special revenue funds:	
Total private revenues	1,840,000
Total local revenues	475,000
Total other state restricted revenue	477,300
State general fund/general purpose	\$ 60,844,900

Sec. 103. FAMILY INDEPENDENCE SERVICES ADMINISTRATION

Full-time equated classified positions	359.0
Salaries and wages—299.0 FTE positions	\$ 14,268,100
Contractual services, supplies, and materials	5,776,500
Child support incentive payments	32,409,600
Legal support contracts	97,496,400
State incentive payments	4,449,000
Employment and training support services	28,051,700
Food stamp issuance	5,374,400
High school completion project—5.0 FTE positions	363,400
Wage employment verification reporting—2.0 FTE positions	5,171,000
Urban and rural empowerment/enterprise zones	100
Training and staff development—53.0 FTE positions	9,587,300
Community services block grant	18,100,000
GROSS APPROPRIATION	\$ 221,047,500
Appropriated from:	
Federal revenues:	
Total federal revenues	193,759,500
Special revenue funds:	
Total local revenues - donated	340,000
State general fund/general purpose	\$ 26,948,000

Sec. 104. CHILD AND FAMILY SERVICES

Full-time equated classified positions	104.3
Salaries and wages—53.3 FTE positions	\$ 2,747,200
Contractual services, supplies, and materials	1,782,000
Refugee assistance program—9.0 FTE positions	7,377,100
Foster care payments	289,596,500
Adoption subsidies	140,149,900
Youth in transition—20.0 FTE positions	9,896,900
Interstate compact	300,000

	For Fiscal Year Ending Sept. 30, 2000
Children's benefit fund donations	\$ 21,000
Domestic violence prevention and treatment—1.0 FTE positions.....	8,662,200
Teenage parent counseling—3.0 FTE positions	3,405,200
Family preservation and prevention services—13.0 FTE positions	68,114,000
Black child and family institute	100,000
Rape prevention and services	1,100,000
Children's trust fund administration—4.0 FTE positions.....	330,300
Children's trust fund grants	3,615,000
Attorney general contracts.....	1,708,700
Guardian contract	600,000
County shelters.....	200,000
Prosecuting attorney contracts—1.0 FTE positions	1,061,700
GROSS APPROPRIATION	\$ 540,767,700
Appropriated from:	
Federal revenues:	
Total federal revenues	303,516,600
Special revenue funds:	
Private-children's benefit fund donations	21,000
Private-collections	4,101,300
Local funds - county payback.....	32,676,100
Children's trust fund.....	2,070,300
State general fund/general purpose	\$ 198,382,400

Sec. 105. JUVENILE JUSTICE SERVICES

Full-time equated classified positions	1,081.4
Personnel payroll costs—863.0 FTE positions	\$ 45,063,100
County juvenile officers.....	3,551,000
Child care fund.....	56,752,900
Delinquency services operations.....	15,901,000
Residential care centers—45.0 FTE positions	2,623,600
Genesee valley and Detroit detention centers—133.7 FTE positions	8,876,800
Federally funded activities—26.1 FTE positions	1,802,200
W.J. Maxey memorial fund	45,000
Regional detention services—10.6 FTE positions.....	1,207,300
Juvenile accountability incentive block grant	6,482,000
Juvenile boot camp program	2,300,000
Committee on juvenile justice administration—3.0 FTE positions.....	269,300
Committee on juvenile justice grants	7,000,000
Wayne county block grant	64,516,900
GROSS APPROPRIATION	\$ 216,391,100
Appropriated from:	
Federal revenues:	
Total federal revenues	36,205,200
Special revenue funds:	
Total private revenues.....	45,000
Wayne county block grant revenue	38,610,200
Local funds - county payback.....	14,550,900
State general fund/general purpose	\$ 126,979,800

Sec. 106. LOCAL OFFICE STAFF AND OPERATIONS

Full-time equated classified positions	10,083.6
Field staff, salaries and wages—7,258.6 FTE positions	\$ 285,944,200
Children and adult services, salaries and wages—2,704.5 FTE positions	111,170,000
Contractual services, supplies, and materials	25,042,900
Outstationed eligibility workers—30.0 FTE positions	3,552,900
Wayne county gifts and bequests.....	100,000
Volunteer services and reimbursement—90.5 FTE positions.....	7,065,500
GROSS APPROPRIATION	\$ 432,875,500

Appropriated from:	
Federal revenues:	
Total federal revenues	\$ 266,173,300
Special revenue funds:	
Local funds - donated funds.....	193,100
Private funds - hospital contributions.....	1,750,800
Private - Wayne county gifts	100,000
State general fund/general purpose	\$ 164,658,300

Sec. 107. DISABILITY DETERMINATION SERVICES

Full-time equated classified positions	623.0
Disability determination operations—623.0 FTE positions	\$ 68,990,000
GROSS APPROPRIATION	\$ 68,990,000
Appropriated from:	
Federal revenues:	
Total federal revenues	68,152,000
State general fund/general purpose	\$ 838,000

Sec. 108. CENTRAL SUPPORT ACCOUNTS

Rent.....	\$ 49,521,100
Occupancy charge	5,378,900
Travel.....	7,859,500
Equipment	3,022,900
Workers' compensation.....	4,577,000
Advisory commissions.....	17,900
Payroll taxes and fringe benefits.....	152,030,600
GROSS APPROPRIATION	\$ 222,407,900
Appropriated from:	
Federal revenues:	
Total federal revenues	126,696,900
Special revenue funds:	
Local funds - county payback.....	304,400
Departmentwide lapse revenue	8,024,200
State general fund/general purpose	\$ 87,382,400

Sec. 109. PUBLIC ASSISTANCE

Full-time equated classified positions	23.7
Family independence program.....	\$ 348,960,400
State disability assistance payments	22,341,700
Food stamp program benefits	600,000,000
State supplementation	60,180,300
State supplementation administration.....	1,960,000
Low income energy assistance program—21.7 FTE positions	60,000,000
State emergency relief—2.0 FTE positions.....	38,555,000
Weatherization assistance.....	10,900,000
Day care services.....	614,304,600
GROSS APPROPRIATION	\$ 1,757,202,000
Appropriated from:	
Federal revenues:	
Total federal revenues	1,260,067,800
Special revenue funds:	
Child support collections	66,943,400
Supplemental security income recoveries.....	4,440,000
Public assistance recoupment revenue	3,000,100
State general fund/general purpose	\$ 422,750,700

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 1999-2000 is estimated at \$1,212,350,000.00 in this act and state spending from state sources paid to local units of government for fiscal year 1999-2000 is estimated at \$172,154,500.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

FAMILY INDEPENDENCE AGENCY CHILD AND FAMILY SERVICES

Adoption subsidies.....	\$	57,946,400
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JUVENILE JUSTICE SERVICES

Child care fund.....	51,352,900
County juvenile officers.....	2,452,300
Wayne County block grant	59,244,200

PUBLIC ASSISTANCE

State disability program.....	1,158,700
TOTAL	\$ 172,154,500

(2) If it appears to the principal executive officer of a department or branch that state spending to local units of government will be less than the amount that was projected to be expended under subsection (1), the principal executive officer shall immediately give notice of the approximate shortfall to the state budget director, the house and senate appropriations committees, and the house and senate fiscal agencies.

Sec. 202. The department may receive and expend advances or reimbursements from the department of state police for the administration of the individual and family grant disaster assistance program. An account shall be established in the department for this purpose when a disaster is declared. The authorization and allotment for the account shall be in the amount advanced or reimbursed from the department of state police.

Sec. 203. The state budget director may make administrative transfers of appropriations for the department to adjust amounts between the local funds - county payback line items in part 1. Such transfers shall be made in compliance with section 393(1) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 204. In addition to funds appropriated in part 1 for all programs and services, there is appropriated for write-offs of accounts receivable, deferrals, and for prior year obligations in excess of applicable prior year appropriations, an amount equal to total write-offs and prior year obligations, but not to exceed amounts available in prior year revenues or current year revenues that are in excess of the authorized amount.

Sec. 205. The expenditures and funding sources authorized under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 206. The department may retain all of the state's share of food stamp overissuance collections as an offset to general fund/general purpose costs. Retained collections shall be applied against federal funds deductions in all appropriation units where department costs related to the investigation and recoupment of food stamp overissuances are incurred. Retained collections in excess of such costs shall be applied against the federal funds deducted in the executive operations appropriation unit.

Sec. 207. (1) The department shall submit a report to the chairpersons of the senate and house appropriations subcommittees on the family independence agency budget and to the senate and house fiscal agencies on the details of allocations within program budgeting line items and within the salaries and wages line items in the field services appropriation unit. The report shall include a listing, by account, dollar amount, and fund source, of salaries and wages; longevity and insurance; retirement; contractual services, supplies, and materials; equipment; travel; and grants within each program line item appropriated for the fiscal year ending September 30, 2000.

(2) On a monthly basis, the department shall report on the number of FTEs in pay status by type of staff.

Sec. 208. As used in this act:

(a) "ADP" means automated data processing.

(b) "ASSIST" means automated social services information system.

(c) "Department" means the family independence agency.

(d) "FTE" means full-time equated position.

(e) "IDG" means interdepartmental grant.

(f) "Temporary assistance for needy families" (TANF) or "title IV" means title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 601 to 603, 604 to 608, 609 to 619, 620 to 629e, 651 to 660, 663 to 669b, 670 to 673, 673b, 674 to 679, 679b, and 681 to 687.

(g) "Title XX" means title XX of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1397 to 1397f.

Sec. 209. If a legislative objective of this act or the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be implemented without loss of federal financial participation because implementation would conflict with or violate federal regulations, the department shall notify the house and senate appropriations committees and the house and senate fiscal agencies of that fact. Upon receipt of the notification, a joint house and senate committee made up of the members of the house and senate appropriations subcommittees dealing with appropriations for the family independence agency may be appointed to meet with the director of the department to review the substantive, procedural, and legal ramifications of the legislative objective and to develop a plan to attain that legislative objective.

Sec. 210. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services when competitively priced and of comparable quality American goods or services are available.

Sec. 211. The department of civil service shall bill departments and agencies at the end of the first fiscal quarter for the 1% charges authorized by section 5 of article XI of the state constitution of 1963. Payments shall be made for the total amount of the billing by the end of the second fiscal quarter.

Sec. 212. In compliance with governmental accounting standards board (GASB) statement no. 24, accounting and financial reporting for certain grants and other financial assistance, such as federal food stamp distributions via coupons or electronic benefits systems, are hereby appropriated and shall be recognized as general fund - special purpose expenditures in the state's accounting records and financial reports. The level of appropriations under this section shall coincide with anticipated federal food stamps revenues for the fiscal year ending September 30, 2000.

Sec. 213. (1) Beginning October 1, 1999, a hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department or to positions that are funded 80% or more from federal or restricted funds.

(2) The state budget director shall grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services.

Sec. 214. (1) The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both, for the department.

(2) The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.

Sec. 215. (1) The department shall submit to the department of management and budget, the house and senate appropriations committees, the house and senate fiscal agencies, and the house and senate standing committees having jurisdiction over technology issues quarterly reports on the department's efforts to change the department's computer software and hardware as necessary to perform properly in the year 2000 and beyond. These reports shall identify actual progress in comparison to the department's approved work plan for these efforts.

(2) Beginning with the report on April 1, 2000, the department shall submit to the department of management and budget, the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the senate and house standing committees having jurisdiction over technology issues quarterly reports identifying for the immediately preceding quarter significant problems with information systems, occurrences of information system failure as a result of noncompliance with year 2000 standards, and previously unidentified areas of significant impact. These reports shall identify systems needing corrective action and the contractual obligations of accountable parties. These reports shall give the status of the progress made in repairing and testing applications, the status of vendor supplied solutions to problems, information on the activation of manual or contract processes used to correct problems, and an itemization of the additional costs incurred.

(3) The department may present progress billings to the department of management and budget for the costs incurred in changing computer software and hardware as necessary to perform properly in the year 2000 and beyond

and for costs incurred as a result of initiating corrective actions. At the time progress billings are presented for reimbursement, the department shall identify the funding sources that should support the work performed and the department of management and budget shall forward the appropriated funding.

Sec. 216. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Sec. 217. (1) The department shall prepare a semiannual report on the temporary assistance for needy families (TANF) federal block grant. The report shall include projected expenditures for the current fiscal year, an accounting of any previous year funds carried forward, and a summary of all interdepartmental or interagency agreements relating to the use of TANF funds. The report shall be forwarded to the house and senate appropriations subcommittees on the family independence agency budget on or before October 15, 1999 and April 15, 2000.

(2) The state budget director shall give prior written notice to the members of the house and senate appropriations subcommittees for the family independence agency and to the house and senate fiscal agencies of any proposed changes in utilization or distribution of TANF funding or the distribution of TANF maintenance of effort spending relative to the amounts reflected in the annual appropriations acts of all state agencies where TANF funding is appropriated.

Sec. 218. The department shall include in its quality control reporting the number of veterans receiving food stamps, family independence program assistance, and Medicaid.

Sec. 219. (1) In contracting with faith-based organizations for mentoring or supportive services, and in all contracts for services, the department shall ensure that no funds provided directly to institutions or organizations to provide services and administer programs shall be used or expended for any sectarian activity, including sectarian worship, instruction, or proselytization.

(2) If an individual requests the service and has an objection to the religious character of the institution or organization from which the individual receives or would receive services or assistance, the department shall provide the individual within a reasonable time after the date of the objection with assistance or services and which are substantially the same as the service the individual would have received from the organization.

(3) Notwithstanding subsections (1) and (2), the department shall cooperate with faith-based organizations so that they are able to compete on the same basis as any other private organization for contracts to provide services to recipients of department services, including, but not limited to, mentoring or supportive services. The department shall not discriminate against an organization that applies to become a contractor on the basis that the organization has a religious character.

Sec. 221. If the revenue collected by the department from private and local sources exceeds the amount appropriated in part 1, the revenue may be carried forward, with approval from the state budget director, into the subsequent fiscal year.

Sec. 222. Sixty days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate house and senate appropriations subcommittees and the house and senate fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate house and senate appropriations subcommittees and the house and senate fiscal agencies within 30 months.

Sec. 224. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$200,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$20,000,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$20,000,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 225. The department shall implement a pilot program that places reports required by this act on the Internet, with electronic notification to legislative offices of Internet access to the reports. During fiscal year 2000, the department shall continue to distribute all of these reports to the legislature in the current printed format.

Sec. 226. The department shall provide a report prepared by the department's internal auditor on the activities of the internal auditor for the prior fiscal year. This report shall include a listing of each audit or investigation performed by the internal auditor pursuant to sections 486(4) and 487 of the management and budget act, 1984 PA 431, MCL 18.1486 and 18.1487. The report shall identify the proportion of time spent on each of the statutory responsibilities listed in sections 485(4), 486(4), and 487 of the management and budget act, 1984 PA 431, MCL 18.1485, 18.1486, and 18.1487, and the time spent on all other activities performed in the internal audit function. The first report shall be due March 1, 2000, and biennially thereafter beginning on May 1 and shall be submitted to the governor, auditor general, the senate and house appropriations committees, the senate and house fiscal agencies, and the director.

EXECUTIVE OPERATIONS

Sec. 301. The department may receive local funds to be applied toward the purchase of local office automation equipment. Local office automation equipment shall only be purchased through appropriate departmentwide automated data processing equipment contracts and shall be the property of the department.

Sec. 302. The department may distribute cash assistance to recipients electronically by using debit cards.

Sec. 303. The appropriation in section 102 for the Michigan commission for the blind includes funds for case services. These funds may be used for tuition payments for blind clients for the school year beginning September 1999.

Sec. 304. The appropriation in section 102 for commissions and boards may be used for per diem payments to members of commissions or boards for a full day of committee work at which a quorum is present for performing official business as authorized by each respective commission or board. The per diem payment for the Michigan commission for the blind shall be at a rate of \$50.00 per day.

FAMILY INDEPENDENCE SERVICES ADMINISTRATION

Sec. 401. (1) From the federal money received for child support incentive payments, up to \$4,365,200.00 shall be retained by the state and expended for legal support contracts, state incentive payments, and salaries and wages for office of child support staff.

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

(3) A county shall be required to pay a penalty due to the state's failure to be in compliance with federal child support enforcement system requirements unless the county, friend of the court, and the department have a written agreement that outlines the county's commitment to participate in the federally required child support enforcement system and the county complies with a timeline for completion established by the department.

Sec. 402. From the funds appropriated in section 103 for legal support contracts and child support incentive payments, the department may fund demonstration projects to enhance friend of the court child support collections efforts for public assistance recipients. Funding shall be from federal title IV-D and federal child support incentives earned. The projects shall be implemented in no more than 3 counties. Priority shall be given to counties with federal title IV-D aid to families with dependent children collections exceeding \$5,000,000.00 in fiscal year 1992.

Sec. 403. Not later than September 30 of each year, the department shall submit for public hearing to the chairpersons of the house and senate appropriations subcommittees dealing with appropriations for the family independence agency the proposed use and distribution plan for community services block grant funds appropriated in section 103 for the succeeding fiscal year.

Sec. 404. The department shall develop plans jointly with the Indian affairs commission for the implementation of programs and the distribution of funds for recognized tribal groups and organizations under the block grant programs that are established by the community services block grant act, subtitle B of title VI of the omnibus budget reconciliation act of 1981, Public Law 97-35, 42 U.S.C. 9901 to 9910a, 9910c, and 9911 to 9912, and that are administered by that bureau. The plans shall comply with the regulations issued by the United States department of health and human services.

Sec. 405. The state general fund/general purpose contribution related to the Wayne County third circuit court cooperative reimbursement contract resides in the judiciary budget. There are no general fund/general purpose funds appropriated for this purpose in the family independence agency budget.

Sec. 406. Any unencumbered balances included in the training and staff development line for child welfare education shall not lapse and shall be carried forward to fiscal year 2001.

Sec. 407. From the funds appropriated in section 103 for employment and training support services, the department shall contract with created for caring for \$112,500.00 to provide employment skills and opportunities support services.

Sec. 408. (1) The family independence agency shall work jointly with the department of career development to implement the enhanced technical vocational training program that shall meet all of the following criteria:

(a) The training program shall be available statewide.

(b) Eligible participants shall include family independence program recipients, work first clients, and child day care recipients referred by the family independence agency.

(c) Training shall be limited to not longer than 12 months in duration.

(d) Training shall be directed to achieving or gaining skills that will lead to a career for the participant.

(e) Training shall be reasonably calculated to lead to full-time, skilled employment.

(f) Participants shall receive any additional support needed to facilitate participation in the training program within reasonable parameters established by the department of career development including, but not limited to, all of the following:

(i) Child day care, including evening or nighttime care if appropriate.

(ii) Transportation.

(iii) Transitional Medicaid.

(2) Eligible family independence program recipients, work first clients, and child day care recipients that commence training will be allowed to complete training, as long as all enhanced technical vocational training program participation requirements are being met.

Sec. 409. (1) From the funds appropriated in part 1, the family independence agency in conjunction with the department of career development shall conduct a study of the effect of the enhanced technical vocational program and report the results of the study to the house and senate appropriations subcommittees of the family independence agency no later than August 31, 2000. The study shall examine all of the following about the participants and former participants in the program:

(a) Whether they have obtained jobs.

(b) What kind of jobs they have obtained.

(c) How long they have retained those jobs and if they have had more than 1 job, how long were they at each job.

(d) Current hourly wages.

(e) Whether they are receiving basic health care benefits, tuition reimbursement, or training from their employers.

(f) Whether they continue to receive any type of public assistance.

(g) Any other information specifically impacting on children that the department considers relevant.

(2) The 2 departments may retain a third party to conduct the study under this section.

Sec. 410. From the funds appropriated in section 103 for employment and training support services, \$3,000,000.00 shall be spent to develop new project zero services and new sites in counties or districts, with a priority to counties or districts not meeting minimum federal work participation requirements.

CHILD AND FAMILY SERVICES

Sec. 501. The following goal is established by state law. During the fiscal year ending September 30, 2000, not more than 3,150 children supervised by the department shall remain in foster care longer than 24 months. The department shall give priority to reducing the number of children under 1 year of age in foster care.

Sec. 502. From the funds appropriated in section 104 for foster care, the department shall provide 50% reimbursement to Indian tribal governments for foster care expenditures for children who are under the jurisdiction of Indian tribal courts and who are not otherwise eligible for federal foster care cost sharing.

Sec. 503. The department shall continue adoption subsidy payments to families after the eighteenth birthday of an adoptee who meets the following criteria:

- (a) Has not yet graduated from high school or passed a high school equivalency examination.
- (b) Is making progress toward completing high school.
- (c) Has not yet reached his or her twenty-first birthday.

Sec. 504. The department's ability to satisfy appropriation deducts in section 104 for foster care private collections shall not be limited to collections and accruals pertaining to services provided in the current fiscal year but shall include revenues collected in excess of the amount specified in section 104.

Sec. 505. Counties shall be subject to 50% charge back for the use of alternative regional detention services, except for those counties receiving a delinquency block grant, if those detention services do not fall under the basic provision of section 117e of the social welfare act, 1939 PA 280, MCL 400.117e, or if a county operates those detention services programs primarily with professional rather than volunteer staff.

Sec. 506. (1) In order to promote continuity of service for children and families, the department shall, to the maximum extent possible, enter into multiyear contracts for child welfare and juvenile justice services.

(2) The bid specifications and contract award determinations for child welfare and juvenile justice services shall include criteria relative to provider experience, placing emphasis on total years of experience in providing child welfare and juvenile justice services, provision of services to persons of similar characteristics as the target clientele, quality of prior child welfare and juvenile justice services, length of service in the targeted geographic area, and the adequacy of the provider's plan for coordinating the provision of services in the targeted geographic area.

Sec. 507. Funds appropriated in part 1 for the child care fund may be used as local match for the purchase of families first services for clients referred by juvenile courts except for delinquent children in counties receiving a delinquency block grant. For local offices and courts choosing this option, the in-home portion of the county child care fund plan must authorize the transfer of funds from the state child care fund account designated for that county to a local funds - county payback deduct account associated with the family preservation services appropriation.

Sec. 508. (1) In addition to the amount appropriated in section 104, money granted or money received as gifts or donations to the children's trust fund created by 1982 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure in an amount not to exceed \$800,000.00.

(2) The state child abuse and neglect prevention board may initiate a joint project with another state agency to the extent that the project supports the programmatic goals of both the state child abuse and neglect prevention board and the state agency. The department may invoice the state agency for shared costs of a joint project in an amount authorized by the state agency, and the state child abuse and neglect prevention board may receive and expend funds for shared costs of a joint project in addition to those authorized by section 104.

Sec. 509. (1) From the funds appropriated in part 1, the department shall not expend funds to preserve or reunite a family, unless there is a court order requiring the preservation or reuniting of the family, if either of the following would result:

- (a) A child would be living in the same household with a parent or other adult who has been convicted of criminal sexual conduct against a child.
- (b) A child would be living in the same household with a parent or other adult against whom there is a substantiated charge of sexual abuse against a child.

(2) Notwithstanding subsection (1), this section shall not prohibit counseling or other services provided by the department, if the service is not directed toward influencing the child to remain in an abusive environment, justifying the actions of the abuser, or reuniting the family.

Sec. 510. The department shall not be required to put up for bids contracts with service providers if currently only 1 provider in the service area exists.

Sec. 511. In order to be reimbursed for child care fund expenditures, counties are required to submit department developed reports to enable the department to document potential federally claimable expenditures. This requirement is in accordance with the reporting requirements specified in section 117a(7) of the social welfare act, 1939 PA 280, MCL 400.117a.

Sec. 512. From the funds appropriated in section 104 for foster care payments, the department may expend up to \$500,000.00 for foster care pilot projects that include ways to increase foster parent recruitment, improve foster parent retention, and increase delivery of training and supportive services to foster parents.

Sec. 513. The department shall not expend funds appropriated in part 1 to pay for the placement of a child in an out-of-state facility unless all of the following conditions are met:

- (a) There is no appropriate placement available in this state.
- (b) The out-of-state facility meets all of the licensing standards of this state for a comparable facility.
- (c) The out-of-state facility meets all of the applicable licensing standards of the state in which it is located.
- (d) The department has done an on-site visit to the out-of-state facility, reviewed the facility records, and reviewed licensing records and reports on the facility and believes that the facility is an appropriate placement for the child.

Sec. 514. The department shall make a comprehensive report concerning children's protective services (CPS) to the legislature by January 1, 2000, that shall include all of the following:

- (a) Statistical information including, at a minimum, all of the following:
 - (i) The total number of reports of abuse or neglect investigated under the child protection law, 1975 PA 238, MCL 722.621 to 722.638, and the number of cases that were substantiated and the number that were unsubstantiated.
 - (ii) Characteristics of perpetrators of abuse or neglect and the child victims, such as age, relationship, socioeconomic status, race, and ethnicity.
 - (iii) The mandatory reporter category in which the individual who made the report fits, or other categorization if the individual is not within a group required to report under the child protection law, 1975 PA 238, MCL 722.621 to 722.638.
- (b) New policies related to children's protective services including, but not limited to, major policy changes and court decisions affecting the children's protective services system during the immediately preceding 12-month period.

Sec. 515. From the funds appropriated in part 1 for foster care payments and related administrative costs, the department may implement the federally approved title IV-E child welfare waiver managed care demonstration project.

Sec. 516. (1) The department, with the involvement of private nonprofit agencies providing adoption services for special needs children through contracts with the department, shall design and conduct a study of the administration of the public and private agency special needs adoption services and the payment systems to private nonprofit agencies providing adoption services. The study shall include, at a minimum, all of the following:

- (a) For each private nonprofit agency contract, and in aggregate, the number and percentage of adoptions in each of the payment categories specified in contracts with the department for calendar years 1998 and 1999.
- (b) A review of the administrative procedures for authorizing and processing payments to private nonprofit agencies for provision of adoption services including an assessment and identification of methods to simplify and expedite those procedures.

(2) Based on the study required in subsection (1), the department shall by June 1, 2000 prepare a comprehensive report addressing its findings, any actions taken as a result of its review, and any recommendations for changes in the administration of this program including financial and administrative resources necessary to increase timely adoptions for these children. The report shall be submitted to the house and senate standing committees dealing with human services and the house and senate appropriations subcommittees dealing with appropriations for the family independence agency.

Sec. 517. (1) From the funds appropriated in section 104 for family preservation and prevention services, the department is authorized to allocate funds to multipurpose collaborative bodies to address issues raised in the Binsfeld children's commission report issued in July 1996. Priority for activities and services will be given to at-risk children and families in unsubstantiated child protective services cases or low-risk substantiated cases.

(2) From the funds appropriated in section 104 for family preservation and prevention services, up to \$2,000,000.00 may be used to fund community based collaborative prevention services designed to do any of the following:

- (a) Foster positive parenting skills especially for parents of children under 3 years of age.
- (b) Improve parent/child interaction.
- (c) Promote access to needed community services.
- (d) Increase local capacity to serve families at risk.
- (e) Improve school readiness.
- (f) Support healthy family environments that discourage alcohol, tobacco, and other drug use.

(3) The appropriation provided for in subsection (2) is to fund secondary prevention programs as defined in the children's trust fund's pre-application materials for fiscal year 1999-2000 direct services grants.

(4) Projects funded through the appropriation provided for in subsection (2) shall meet all of the following criteria:

(a) Be awarded through a joint request for proposal process established by the department in conjunction with the children's trust fund and the state human services directors.

(b) Be secondary prevention initiatives. Funds are not intended to be expended in cases in which neglect or abuse has been substantiated.

(c) Demonstrate that the planned services are part of a community's integrated comprehensive family support strategy endorsed by the local multipurpose collaborative body.

(d) Provide a 25% local match of which not more than 10% is in-kind goods or services unless the maximum percentage is waived by the state human services directors.

(5) As used in this section, "state human services directors" means the director of the department of community health, the director of the department of education, and the director of the family independence agency.

Sec. 518. (1) It is the intent of the legislature that the funds appropriated in section 104 for family preservation and prevention services in the 1999-2000 fiscal year reflect strong families/safe children allocations to local multipurpose collaborative bodies that are no less than the allocations in effect on April 1, 1997.

(2) In order to maintain this level of funding, the department may use up to \$8,000,000.00 in TANF funds provided that the local multipurpose collaborative bodies submit data to the department that will enable the department to document potential federal claimable expenditures.

(3) No later than March 1, 2000, each local multipurpose collaborative body shall submit a report to the department that includes the number of people receiving strong families/safe children services, the local goals for this program, and a measure of the effectiveness in meeting these goals.

Sec. 520. From the funds appropriated in section 104 for foster care payments and adoption subsidies, the department shall increase the rate of payments for foster parents, parents receiving adoption subsidies, and agencies' administrative rate by 2.7% beginning on January 1, 2000. The increase described in this section shall be paid to all private foster care providers who contract with the family independence agency. Funding provided to a county juvenile agency for the increase described in this section shall only be used to increase payments to foster care providers.

PUBLIC ASSISTANCE

Sec. 601. (1) The department may terminate a vendor payment for shelter upon written notice from the appropriate local unit of government that a recipient's rental unit is not in compliance with applicable local housing codes or when the landlord is delinquent on property tax payments. A landlord shall be considered to be in compliance with local housing codes when the department receives from the landlord a signed statement stating that the rental unit is in compliance with local housing codes and that statement is not contradicted by the recipient and the local housing authority. The department shall terminate vendor payments if a taxing authority notifies the department that taxes are delinquent.

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

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

Sec. 602. The department, together with other agencies, may establish special projects to provide special needs shelter payment levels for the family independence program that will support the development of transitional shelter facilities for homeless families. These facilities are to provide supportive services to families and to support the development of permanent low-income housing.

Sec. 603. (1) The department, as it determines is appropriate, shall enter into agreements with energy providers by which cash assistance recipients and the energy providers agree to permit the department to make direct payments to the energy providers on behalf of the recipient. The payments may include heat and electric payment requirements from recipient grants and amounts in excess of the payment requirements.

(2) The department shall establish caps for natural gas, wood, electric heat service, deliverable fuel heat services, and for electric service based on available federal funds.

(3) The department shall negotiate with positive billing utility companies to develop extended payment plans. Such plans shall allow clients who terminate from positive billing due to increased income to make monthly payments in order to gradually liquidate utility arrears.

Sec. 604. (1) The department shall operate a state disability assistance program. Except as provided in subsection (3), persons eligible for this program shall include needy citizens of the United States or aliens exempted from the supplemental security income citizenship requirement who are at least 18 years of age or emancipated minors meeting 1 or more of the following requirements:

(a) A recipient of supplemental security income, social security, or medical assistance due to disability or 65 years of age or older.

(b) A person with a physical or mental impairment which meets federal supplemental security income disability standards, except that the minimum duration of the disability shall be 90 days. Substance abuse alone is not defined as a basis for eligibility.

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

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

(e) A person diagnosed as having acquired immunodeficiency syndrome.

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

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

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

(a) Meet the same asset test as is applied to applicants for the family independence program.

(b) Have a monthly budgetable income that is less than the payment standards.

(3) Except for a person described in subsection (1)(c) or (d), a person is not disabled for purposes of this section if his or her drug addiction or alcoholism is a contributing factor material to the determination of disability. "Material to the determination of disability" means that, if the person stopped using drugs or alcohol, his or her remaining physical or mental limitations would not be disabling. If his or her remaining physical or mental limitations would be disabling, then the drug addiction or alcoholism is not material to the determination of disability and the person may receive state disability assistance. Such a person must actively participate in a substance abuse treatment program, and the assistance must be paid to a third party or through vendor payments. For purposes of this section, substance abuse treatment includes receipt of inpatient or outpatient services or participation in alcoholics anonymous or a similar program.

(4) A refugee or asylee who loses his or her eligibility for the federal supplemental security income program by virtue of exceeding the maximum time limit for eligibility as delineated in section 402 of title IV of the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 8 U.S.C. 1612, and who otherwise meets the eligibility criteria under this section shall be eligible to receive benefits under the state disability assistance program.

Sec. 605. The level of reimbursement provided to state disability assistance recipients in licensed adult foster care facilities shall be the same as the prevailing supplemental security income rate under the personal care category.

Sec. 606. County family independence agencies shall require each recipient of state disability assistance who has applied with the social security administration for supplemental security income to sign a contract to repay any

assistance rendered through the state disability assistance program upon receipt of retroactive supplemental security income benefits.

Sec. 607. The department's ability to satisfy appropriation deductions in section 109 for state disability assistance/supplemental security income recoveries and public assistance recoupment revenues shall not be limited to recoveries and accruals pertaining to state disability assistance, or family independence assistance grant payments provided only in the current fiscal year, but shall include all related net recoveries received during the current fiscal year.

Sec. 608. Adult foster care facilities providing domiciliary care or personal care to residents receiving supplemental security income or homes for the aged serving residents receiving supplemental security income shall not require those residents to reimburse the home or facility for care at rates in excess of those legislatively authorized. To the extent permitted by federal law, adult foster care facilities and homes for the aged serving residents receiving supplemental security income shall not be prohibited from accepting third-party payments in addition to supplemental security income provided that the payments are not for food, clothing, shelter, or result in a reduction in the recipient's supplemental security income payment.

Sec. 609. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced during the fiscal year beginning October 1, 1999 and ending September 30, 2000.

Sec. 610. In developing good cause criteria for the state emergency relief program, the department shall grant exemptions if the emergency resulted from unexpected expenses related to maintaining or securing employment.

Sec. 611. (1) The department shall not require providers of burial services to accept state payment for indigent burials as payments in full. Providers shall be permitted to collect additional payment, not to exceed \$2,300.00, from relatives or other persons on behalf of the deceased.

(2) Of the additional payments collected in subsection (1), 75% shall be distributed to funeral directors and 25% to cemeteries or crematoriums if cemeteries provide the vaults.

(3) Any additional payment collected pursuant to subsection (1) shall not increase the maximum charge limit for state payment as established by law.

Sec. 612. For purposes of determining housing affordability eligibility for state emergency relief, a group is considered to have sufficient income to meet ongoing housing expenses if their total housing obligation does not exceed 75% of their total net income.

Sec. 613. From the funds appropriated in section 109 for state emergency relief, the maximum allowable charge limit for indigent burials shall be \$1,460.00. It is the intent of the legislature that this charge limit reflect a maximum payment to funeral directors of \$910.00 for funeral goods and services and a maximum payment to cemeteries or crematoriums of \$350.00 for cemetery goods and services. In addition, a maximum payment of \$200.00 shall be distributed to either the funeral director or cemetery, whoever provides the burial vault.

Sec. 614. The funds available pursuant to this section shall be available if the deceased was an eligible recipient and an application for emergency relief funds was made within 10 days of the burial or cremation of the deceased person. Each provider of burial services shall be paid directly by the department.

Sec. 615. Except as required by federal law or regulations, funds appropriated in section 109 shall not be used to provide public assistance to a person who is an illegal alien. This section shall not prohibit the department from entering into contracts with food banks or emergency shelter providers who may, as a normal part of doing business, provide food or emergency shelter to individuals.

Sec. 616. (1) The appropriation in section 109 for the weatherization program shall be expended in such a manner that at least 25% of the households weatherized under the program shall be households of families receiving family independence assistance, state disability assistance, or supplemental security income.

(2) Any unencumbered balances of the weatherization program shall not lapse and may be carried forward to fiscal year 2001.

Sec. 617. In operating the family independence program with funds appropriated in section 109, the department shall not approve as a minor parent's adult supervised household a living arrangement in which the minor parent lives with his or her partner as the supervising adult.

Sec. 618. (1) Except as otherwise provided in subsection (2), the department shall provide not less than 10 days' notice before reducing, terminating, or suspending assistance provided under the social welfare act, 1939 PA 280, MCL 400.1 to 400.122.

(2) The department may reduce, terminate, or suspend assistance provided under the social welfare act, 1939 PA 280, MCL 400.1 to 400.122, without prior notice in 1 or more of the following situations:

- (a) The only eligible recipient has died.
- (b) A recipient member of a program group or family independence assistance group has died.
- (c) A recipient child is removed from his or her family home by court action.
- (d) A recipient requests in writing that his or her assistance be reduced, terminated, or suspended.
- (e) A recipient has intentionally violated 1 or more of the requirements of the social welfare act, 1939 PA 280, MCL 400.1 to 400.122.
- (f) A recipient has been approved to receive assistance in another state.
- (g) A change in either state or federal law that requires automatic grant adjustments for classes of recipients.

(3) If a recipient appeals the department's determination to reduce, terminate, or suspend his or her assistance within 10 days from the mailing of the notice of negative action, the department shall not reduce, terminate, or suspend that assistance until there is a final determination of that appeal upholding the department's determination to reduce, terminate, or suspend that assistance.

Sec. 619. The department shall exempt from the denial of title IV-A assistance and food stamp benefits, contained in section 115 of title I of the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 21 U.S.C. 862a, any individual who has been convicted of a felony that included the possession, use, or distribution of a controlled substance, after August 22, 1996, provided that the individual is not in violation of his or her probation or parole requirements. Benefits shall be provided to such individuals as follows:

- (a) A third-party payee or vendor shall be required for any cash benefits provided.
- (b) An authorized representative shall be required for food stamp receipt.

Sec. 620. Funds appropriated under this act shall not be used to pay for the purchase, installation, repair, or maintenance of any air-conditioning unit or equipment unless either of the following conditions is met:

- (a) The recipient requesting the payment provides to the department a certificate from a physician stating that the air-conditioning is medically required.
- (b) The recipient is 55 years of age or older.

Sec. 621. The department shall conduct a feasibility study and develop a plan for the state to implement a vehicle donation program. As part of the feasibility study, the department shall review similar programs implemented in other states. It is the intent of the legislature that the vehicle donation program provide a transportation option to family independence program recipients to alleviate a barrier to employment.

Sec. 624. (1) The department shall ensure that all family independence agency clients are informed in writing of additional programs for which they may potentially be eligible. Notification of programs should at a minimum include information on transitional Medicaid, LIF Medicaid, Healthy Kids, and MICHild, transitional child day care services, extended payment plans with positive billing utility companies as negotiated under section 603(3) of this bill including emergency assistance with utility arrearages, tax credits available to low income households, opportunities for skills development, training and education, training programs administered by the department of career development, individual development account opportunities, and instructions on the application process for each program benefit.

(2) At the client's discretion, the department shall grant an exit interview to discuss issues pertaining to self-sufficiency including all of the information outlined in subsection (1). Clients shall be notified of their right to an exit interview.

Sec. 625. Funds appropriated in part 1 may be used to support multicultural assimilation and support services. The department shall distribute all of the funds described in this section based on assessed community needs.

Sec. 626. (1) From the funds appropriated in part 1, the family independence agency in conjunction with the department of career development shall study the outcomes for recipients who have participated in work first, as well as those who completed work first in the previous fiscal year and shall submit quarterly reports on the progress and findings to the appropriate house and senate appropriations subcommittees and the house and senate fiscal agencies by February 28, 2000, and each quarter thereafter. The quarterly reports shall include all of the following:

- (a) The number and percentage having obtained jobs.

- (b) Average hourly wages.
- (c) The number of participants served.
- (d) The number of clients referred to work first who failed to report.
- (e) The number placed in employment training and education programs.

(2) From the funds appropriated in part 1, the family independence agency in conjunction with the department of career development shall study the outcomes for recipients who have participated in work first, as well as those who completed work first in the previous fiscal year and shall submit an annual report on the progress and findings to the appropriate house and senate appropriations subcommittees and the house and senate fiscal agencies by March 15, 2000. In addition to the data required in subsection (1), the annual report shall include all of the following:

- (a) The kind of jobs they have obtained.
 - (b) How long they have retained those jobs.
 - (c) The number and percentage receiving basic health care benefits, tuition reimbursement, or training from their employers.
 - (d) The number and percentage continuing to receive other types of public assistance.
 - (e) Any other information specifically impacting on children that the departments consider relevant.
 - (f) The number of noncustodial parent work first participants or former participants who make child support payments.
 - (g) Any other information the departments consider relevant.
- (3) The 2 departments may retain a third party to conduct the studies under this section.

Sec. 629. From the funds appropriated in section 109, \$100,000.00 shall be used to leverage additional funds and to promote private or nonprofit sector matching funds in individual development accounts for family independence program recipients pursuant to the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 110 Stat. 2105. These funds may be used to support individual development accounts for both home purchase and education.

Sec. 630. The department shall maintain a plan to provide for the implementation of individual development accounts pursuant to section 57k of the social welfare act, 1939 PA 280, MCL 400.57k, by individuals who apply for or receive public assistance from the department.

Sec. 631. (1) From the funds appropriated in section 109, the department, in collaboration with the center on urban affairs at Michigan State University, the Michigan credit unions league, and the national federation of community development credit unions, shall begin the work of implementing individual development account programs in the growing number of low-income designated credit unions (i.e., CDCUs) located in Michigan's poorest communities. This will include:

- (a) Development and testing of training and technical assistance initiatives and related materials, and other capacity building services to Michigan CDCUs.
 - (b) Funding for a 2-year VISTA volunteer program to staff each of 20 sites.
 - (c) Other related supports to assist CDCUs to become self-supporting institutions to assist impoverished Michigan residents to become economically independent.
- (2) Eligible participants shall meet 1 of the following criteria:
- (a) Make less than 80% of the average for all wage earners as established by the bureau of labor statistics.
 - (b) Have annual household income that falls at or below 80% of the median household income for the nation as established by the census bureau.
 - (c) Meet the definition of low-income members as determined by order of the national credit union association (NCUA) board.

Sec. 636. From the funds appropriated in section 109 for state emergency relief, the department shall fund a pilot project instituting a program that would allow indigent persons to secure a birth certificate or a state identification card at no cost to the individual.

Sec. 639. (1) From the funds appropriated in section 109 for day care services, the department shall expend \$800,000.00 for day care provider training programs administered under contract with the Michigan community coordinated child care association. Training shall be made available to all day care providers including those who work out of centers, group homes, family homes, and the homes of relatives, and in-home aides.

(2) From the funds appropriated in subsection (1), the Michigan community coordinated child care association shall administer a training pilot project targeting in-home aides and persons providing child care to relatives. Providers who verify that they have received day care payments for at least 3 months from the department and who successfully complete at least 15 hours of approved child care training shall be eligible to receive a 1-time lump sum payment of up to \$150.00 for training received after October 1, 1999. The total paid in lump sum payments and training costs shall not exceed \$300,000.00. Approved training may include programs operated by the Michigan community coordinated child care association, the Michigan association for the education of young children, community colleges, universities, or university extension programs.

(3) On or before March 1, 2000, the department shall provide the house and senate appropriations subcommittees on the family independence agency budget a progress report on the pilot project authorized in subsection (2).

Sec. 640. From the funds appropriated in section 109 for day care services, the department shall contract with the Michigan community coordinated child care association to administer an amount not to exceed \$900,000.00 for the "enhance quality improvement program" (EQUIP) grants. A priority for the expenditure of EQUIP funds shall be given to providers to expand access to child care, specifically 24-hour care and weekend care. A child care program shall not be eligible for an EQUIP grant unless 25% or more of its clients receive day care payments from the department.

Sec. 641. (1) From the funds appropriated in part 1, \$100,000.00 shall be used to leverage and match additional funds for the purpose of following up on the "Ready to Learn" leadership summit that was conducted in 1999 utilizing funding appropriated to the department in the 1998-1999 fiscal year. This follow-up shall be known as the "Ready to Learn Dialogue with Michigan". The Ready to Learn Dialogue with Michigan, consistent with findings and calls to action provided at the 1999 "Ready to Learn" leadership summit, shall continue to explore the development of an early childhood education and care system that meets the needs of every child prior to kindergarten entry. The Ready to Learn Dialogue with Michigan shall bring together leaders from Michigan's legislature, the governor and leaders in the administration, leaders from Michigan's large business corporations and from small businesses, economists, parents and faith-based entities, experts in early childhood education and care, legal scholars, law enforcement officials, leaders from Michigan universities, and others selected by the planning committee established under subsection (4).

(2) The Ready to Learn Dialogue with Michigan shall examine how Michigan can develop a system that assures that every child in Michigan has a good opportunity to enter kindergarten ready to learn. The Ready to Learn Dialogue with Michigan shall address at least the following topics:

- (a) Helping parents obtain high quality early childhood education and care.
- (b) Protecting children by assuring that early childhood education and care occurs in safe and healthy places.
- (c) Helping parents obtain early childhood education and care when they work nontraditional hours or have special needs because their children have disabilities or are sick.
- (d) Developing an early childhood education and care system that recognizes the diversity of Michigan's parents with respect to ethnic, religious, income, and philosophical differences.
- (e) Taking the next steps toward a comprehensive early childhood education and care system.

(3) The Ready to Learn Dialogue with Michigan shall do at least the following:

(a) Conduct at least 1 post-summit meeting that brings together leaders who attended the Ready to Learn leadership summit in the 1998-1999 fiscal year, representatives from diverse parts of the early childhood education and care field, and other parties as appropriate to plan ways of implementing the calls to action produced at the 1999 summit.

(b) Examine outstanding early childhood education and care practices implemented in places within and outside of Michigan for purposes of bringing to the legislature and governor early childhood education and care proposals for their consideration.

(c) Hold community forums across the state to bring the Ready to Learn Dialogue with Michigan to a broad cross-section of the people and to report to the legislature and governor the range of community concerns about early childhood education and care.

(d) Consult with leaders in the sectors of business, education, faith, health, labor, media, politics, philanthropy, and other sectors as appropriate to garner their support in helping all children enter kindergarten ready to learn and informing the legislature and governor about early childhood education and care policies they might consider.

(4) Organizational leadership for planning and conducting the Ready to Learn Dialogue with Michigan shall rest with a planning committee composed of people from the Michigan child care task force operating under the direction of the task force's legislative sponsors. This committee shall consult with the governor's office, the Michigan senate and house, business leaders, and Michigan foundations in planning and conducting the Ready to Learn Dialogue with Michigan. The planning committee may expend funds to consult with and hire people and organizations considered necessary for implementing this section. The committee shall provide the house and senate appropriations committees a full accounting of its expenditures incurred under this section.

(5) The Ready to Learn Dialogue with Michigan shall conduct the activities set out in subsection (3) no later than August 31, 2000, and the planning committee shall submit a report on the business conducted and recommendations made during the Ready to Learn Dialogue with Michigan to the house and senate appropriations committees no later than September 30, 2000.

Sec. 642. From the funds appropriated in part 1, \$55,000.00 is appropriated for the department to establish citizenship assistance programs to assist refugees, asylees, and legal immigrants residing in Michigan to become citizens of the United States. The program shall be administered by community-based organizations to the maximum extent possible as determined by the department.

Sec. 644. (1) From the funds appropriated in part 1, up to \$275,000.00 shall be utilized by the family independence agency to contract with Goodwill Industries, Michigan Businesses, Partners in Public Education, Family Guidance Center, and businesses including medical providers, manufacturing industries, and human services and hospitality providers to initiate a career tracked approach to employment of individuals receiving TANF. Career training will include, but not be limited to, certified nurse aide training, child care provision, and manufacturing and retail and service industries. The following criteria will be met:

- (a) The program shall be implemented as a pilot program.
- (b) The program shall be developed through community partnerships with businesses that shall agree to provide jobs related to the training at the end of the training period.
- (c) Eligible participants shall include family independence program recipients and work first clients referred by the family independence agency.
- (d) Training shall be limited to not longer than 6 months in duration.
- (e) Training shall be directed to achieving or gaining skills that will lead to significant skilled employment for the participants such as a certification as a nurse's aide.
- (f) Training shall be reasonably calculated to lead to full-time skilled employment.
- (g) Participants shall receive any additional support needed to facilitate participation in the training program within reasonable parameters established by the department of career development including, but not limited to, both of the following:
 - (i) Child day care, including evening or nighttime care if appropriate.
 - (ii) Transportation.
- (h) Eligible family independence program recipients and work first clients who commence training will be allowed to complete training, as long as all program participation requirements are being met.
- (2) It is the intent of this section that all program participants satisfy the state work requirements.

Sec. 645. (1) From the funds appropriated in part 1 for day care services, the family independence agency, in consultation with the chairpersons and vice-chairpersons of the house and senate appropriations subcommittees on the family independence agency budget and the house and senate fiscal agencies, shall conduct an evaluation of child day care funding and submit a report to the house and senate appropriations subcommittees on the family independence agency budget and the house and senate fiscal agencies on or before November 15, 1999, that includes all of the following:

- (a) An assessment and regrouping of counties by shelter areas, including any impact on market rate survey cost projections.
- (b) An assessment and breakdown of costs of child day care by age group and by provider type.
- (c) A listing of opportunities or recommendations to leverage public funding with private funding to increase access to or quality of child day care services that includes, but is not limited to, the following:
 - (i) Tax credit for employer supported child day care.
 - (ii) Providing consultation resources for the development of private sector programs and facilities.
 - (iii) Creating partnerships to fund the following:
 - (A) Recruitment and training of new quality child day care providers.
 - (B) Subsidies for low income working families for quality child day care.
 - (C) Increased access to sick baby, infant, nontraditional hour, and quality special needs child day care.
- (d) An analysis of costs to vary child day care eligibility to no more than 200% of poverty and no less than 100% of poverty, and including tiered reimbursement payments.
- (e) An analysis of strategies used by other states to avoid child day care waiting lists.

(f) A review of existing studies regarding the cost avoidance to the state in such areas as juvenile justice, corrections, school readiness, etc., arising from investment in quality child day care and education.

(g) Consideration for funding priorities if the legislature authorizes additional spending.

(2) The family independence agency may retain a third party to conduct the evaluation required under this section. The third party may be retained through a sole source contract if necessary.

(3) This section, being considered of immediate importance, is effective upon enactment.

Sec. 646. (1) The department and the Michigan department of career development shall establish clear joint guidelines on the eligibility of work first participants for post-employment training support and on how training and education hours can be applied toward federal work participation requirements. These guidelines shall be developed in a manner that balances the ability of participants to obtain training and subsequent long-term, high-wage employment with the need to connect participants with the workplace. Any and all training/education, with the exception of high school completion and GED preparation, must be occupationally relevant and in demand in the labor market as determined by the workforce development board. Participants must make satisfactory progress while in training/education. The department shall submit these guidelines to the house and senate appropriations subcommittees with jurisdiction over the department, over the department of career development, and to the house and senate fiscal agencies by October 1, 1999.

(2) Work first participants may meet the work participation requirement by combining a minimum of 10 hours per week of work with training/education, as determined in subsection (1). Training/education may last up to 12 months and the calculated hours may include actual classroom seat time up to 10 hours per week plus up to 1 hour of study time for each hour of classroom seat time. The combined work and training/education hours must equal the minimum number of hours required to meet the federal work participation requirements which are 30 hours per week for a single parent; 35 hours per week for 2-parent families, 55 hours if utilizing federally funded day care; and 20 hours per week for single parents with a child under the age of 6. Work first participants may enroll in additional hours of classroom seat time beyond the 10 hours; however, these hours and the related study time will not count toward the work participation requirement. The training may be no longer than a 1-year program, which may include the final year of a 2- or 4-year undergraduate program which is designed to lead to immediate labor force attachment, as determined in subsection (1).

(3) Work first participants may meet the federal work participation requirement through enrollment in a short-term vocational program, as determined in subsection (1), requiring 30 hours of classroom seat time per week for a period not to exceed 6 months, or by enrollment in full-time internships, practicums, or clinicals required by an academic or training institution for licensure, professional certification, or degree completion, as determined in subsection (1), without an additional work requirement. Two-parent families who receive federally funded day care must work an additional 25 hours per week to meet the federal work participation requirement.

(4) Work first participants who lack a high school diploma or GED and who enroll in high school completion or classes to obtain a GED may count up to 10 hours of classroom seat time, combined with a minimum of number of hours of work per week, to meet their federal work participation requirement. There shall be no time limit on high school completion. GED preparation shall be limited to 6 months.

(5) The department and the Michigan department of career development shall develop a procedure to ensure that the guidelines established under this section are effectively communicated to all possible participants of the post-employment training and education program.

Sec. 648. The department shall maintain policies and procedures to achieve all of the following:

(a) The identification of individuals on entry into the system who have a history of domestic violence, while maintaining the confidentiality of that information.

(b) Referral of persons so identified to counseling and supportive services.

(c) In accordance with a determination of good cause, the waiving of certain requirements of family independence programs where compliance with those requirements would make it more difficult for the individual to escape domestic violence or would unfairly penalize individuals who have been victims of domestic violence or who are at risk of further domestic violence.

Sec. 649. The department shall calculate the food stamp allotment for applicants who are United States citizens and who live in a household with legal immigrants in a manner that maximizes the food stamps available to these United States citizens under federal law.

Sec. 650. From the funds appropriated in part 1 for day care services, the department may establish a \$33,000,000.00 accessibility incentive pool to increase the accessibility to quality child day care, especially care for children between birth and 2-1/2 years of age. The state may utilize the funds appropriated in this pool to implement 1 or more of the recommendations in the department's child day care report and/or 1 or more of the following:

(a) Provide 1-time accessibility incentive grants to child day care providers who receive children whose care is subsidized by the department, that have family independence agency subsidized children in care, and that provide documentation of the children enrolled in the new spaces created pursuant to this subdivision for all of the following:

(i) \$500.00 to every family child care provider who creates a minimum of 1 new space for evening or weekend care, 1 new space for a child with special needs, or 1 new space for a child under 2-1/2 years of age.

(ii) \$1,000.00 to every group family child care provider who creates a minimum of 2 new spaces for evening or weekend care, 2 new spaces for children with special needs, or 2 new spaces for children under 2-1/2 years of age.

(iii) \$1,500.00 to every child care center that creates a minimum of 3 new spaces for evening or weekend care, 3 new spaces for children with special needs, or 3 new spaces for children under 2-1/2 years of age.

(b) Provide outreach activities and technical assistance to businesses interested in providing licensed child day care services to their employees.

(c) Provide start-up grants to businesses and individuals interested in establishing licensed child day care services. In order to receive these grants, the businesses and individuals must commit in writing to the family independence agency department that they will maintain a clientele for at least the next 2 years, 25% of which falls below 200% of the federal poverty guidelines. Failure to document this shall result in being required to repay the grant award in full. In order to receive the grants, individuals and businesses must provide a match of \$2.00 for each \$1.00 received. Priority for grants under this subdivision shall be given to businesses and individuals that commit to providing child day care services to children in need of evening and weekend care, children with special needs, or children under 2-1/2 years of age.

(d) Provide 1-time incentive grants to businesses that offer programs to assist employees in obtaining child day care services. In order to receive the grants, businesses must provide a match of \$2.00 for each \$1.00 received. Priority for grants under this subdivision shall be given to businesses that commit to assisting employees in obtaining child day care services for children in need of evening and weekend care, children with special needs, or children under 2-1/2 years of age. Employer sponsored child day care benefits shall include, but are not limited to, any of the following:

(i) Financial support for child day care.

(ii) On-site child day care.

(iii) Referral services for child day care.

(iv) Flexible scheduling.

(e) Provide 1-time grants to businesses, individuals, and schools that provide child day care services for the purpose of capital improvements or quality enhancements to the child day care facilities.

Sec. 651. (1) From the funds appropriated in part 1 for the family independence program, the family independence agency shall expend up to \$250,000.00 to develop and fund a parenting skills and career development pilot program that meets all of the following criteria:

(a) Identification of single parents eligible for cash assistance having children up to 3 years old.

(b) Referral of persons identified under subdivision (a) to a local collaborative program responsible for the development and supervision of a comprehensive parenting skills and career development plan for each referred client.

(c) Each referred client shall participate in 30 hours a week of parenting skills training that is a formal professional program with either a trainer or facilitator and career development activities as detailed in his or her comprehensive plan and monitored by the local collaborative program.

(d) Participation in the above activities for the hours specified would satisfy cash assistance work requirements.

(e) The program must not place the state of Michigan in violation of work requirements as defined in the federal personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193.

(2) The local collaborative program shall provide the department with a report not later than September 30, 2000 that includes all of the following:

(a) The number of participants served.

(b) The family size of participants served.

(c) Participants' rate of compliance with their comprehensive plans.

(d) The number of participants attending postsecondary education or vocational training programs.

(e) Parenting skills training outcomes.

(f) The number of participants working at the time the report is completed.

(g) The average cost per participant of the program.

(h) Any other information that the department considers relevant.

Sec. 653. From the funds appropriated in part 1, up to \$112,500.00 may be utilized by the family independence agency to contract with Saginaw service career paths, a program under development in Saginaw to assist low income persons in developing their economic potential by combining mentoring and training with actual work experience.

Sec. 654. Within 10 business days of receiving all information necessary to process an application for payments for child day care, the family independence agency shall determine whether the child day care provider to whom the payments, if approved, would be made, is listed on the child abuse and neglect central registry. If the provider is listed on the central registry, the family independence agency shall immediately send written notice denying the applicant's request for child day care payments.

Sec. 656. The department shall submit a report to the house and senate appropriations committees and the house and senate standing committees having jurisdiction over human services matters by March 1, 2000 on the subject of late payments to child day care providers for the year of 1999. The report shall include the reasons for any late payments made to providers.

Sec. 657. The department and the department of career development shall work together to develop a program to provide employment services to former family independence program recipients and to recipients of noncash public assistance benefits, such as child day care, Medicaid, or food stamp benefits. This program shall not be construed to be an entitlement to services.

JUVENILE JUSTICE SERVICES

Sec. 701. The department shall expend a portion of the federal juvenile accountability incentive block grant to support the boot camp program. The remainder of the state allocation of the juvenile accountability incentive block grant shall be used to provide funding to enable juvenile courts, juvenile probation offices, and community-based programs to be more effective and efficient in holding juvenile offenders accountable and reducing recidivism, treating substance abuse problems, and developing community-based alternatives for female offenders and the following:

- (a) To better address gang, drug, and youth violence.
- (b) For training, equipment, and technology.
- (c) For the establishment of programs that protect students and school personnel from drug, gang, and youth violence.

Sec. 703. Expansion of facilities funded under section 105 for juvenile justice services shall not be authorized by the joint capital outlay subcommittee of the appropriations committees until the department has held a public hearing in the community where the facility proposed to be expanded is located.

Sec. 705. (1) The Wayne County block grant amount appropriated in part 1 has been reduced by an amount calculated by subtracting the following amount determined under subdivision (a) from the following amount determined under subdivision (b) and multiplying the result by 50% of the projected per-child cost for educational services to state wards in state operated training schools and treatment and detention facilities for the state fiscal year beginning October 1, 1998:

(a) The estimated average daily population of public wards from Wayne County in state operated training schools and treatment and detention facilities for the 1999-2000 state fiscal year.

(b) The actual average daily population of public wards from Wayne County in state operated training schools and treatment and detention facilities for the 1997-1998 state fiscal year.

(2) The state budget director shall review the reductions made under this section during the third quarter of the 1999-2000 state fiscal year based on actual data from the first 2 quarters of the 1999-2000 state fiscal year and make recommendations to the legislature regarding appropriate fourth quarter adjustments.

Sec. 706. (1) As a condition of receiving funding under the Wayne County block grant contract, Wayne County shall submit a report to the department, the house and senate appropriations subcommittees on the family independence agency budget, and the house and senate fiscal agencies no later than January 1, 2000 that includes all of the following related to the Wayne County block grant:

- (a) Implementation plan.
- (b) Service goals for fiscal year 2000.
- (c) An outline of measures for effectiveness.

(2) As a condition of receiving funding under the Wayne County block grant contract, no later than September 30, 2000, Wayne County shall submit a report to the department, the house and senate appropriations subcommittees on the family independence agency budget, and the house and senate fiscal agencies that includes all of the following related to the Wayne County block grant:

- (a) Implementation status.
- (b) Service outcomes.
- (c) Program effectiveness based upon measures described in this section.
- (d) How the Wayne County block grant was expended.
- (e) Any other information required to meet federal requirements.

(3) No later than September 30, 2000, the auditor general shall begin an audit on the implementation of delinquency programs funded with the Wayne County block grant.

Sec. 707. (1) Wayne County and the family independence agency may enter into an agreement under which the family independence agency will provide juvenile justice services to juvenile public wards committed to Wayne County. Pursuant to the agreement, the family independence agency may utilize the funds appropriated in section 105 for the Wayne County block grant to pay for costs incurred by the family independence agency for providing juvenile justice services to Wayne County.

(2) Wayne County shall be responsible for all costs under subsection (1). To the extent costs incurred by the family independence agency exceed the amount available under section 105, Wayne County shall make payment to the state within 30 days from the date of invoice. The state budget director is authorized to approve spending authority for the family independence agency necessary to provide services until payment is received from Wayne County.

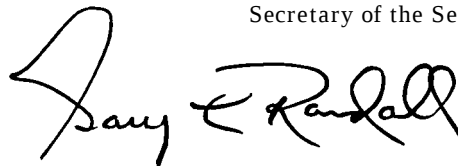
Sec. 709. A juvenile adjudicated and placed in a state operated maximum security program funded under section 105 for juvenile justice services shall not be allowed to leave the property of the maximum security facility at which the program is located except when required to leave the property for medical treatment, court appearances, or other good cause approved by the facility director. For purposes of this section, "juvenile" means that term as defined in section 115n of the social welfare act, 1939 PA 280, MCL 400.115n.

Sec. 710. New facilities funded under section 105 for juvenile justice services shall not be located within 1,500 feet of property in use for a K-12 educational program.

This act is ordered to take immediate effect.



Secretary of the Senate.



Clerk of the House of Representatives.

Approved _____

Governor.