

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 235**

A bill to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 2002; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. Subject to the conditions set forth in this act, the
4 amounts listed in this part are appropriated for the family independence
5 agency for the fiscal year ending September 30, 2002, from the funds

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1 indicated in this part. The following is a summary of the appropriations
2 in this part:

3 FAMILY INDEPENDENCE AGENCY

4	Full-time equated classified positions.....	13,499.6	
5	Full-time equated unclassified positions.....	6.0	
6	Total full-time equated positions.....	13,505.6	
7	GROSS APPROPRIATION.....	\$	3,631,160,600
8	Interdepartmental grant revenues:		
9	Total interdepartmental grants and intradepartmental		
10	transfers.....	\$	965,300
11	ADJUSTED GROSS APPROPRIATION.....	\$	3,630,195,300
12	Federal revenues:		
13	Total federal revenues.....		2,288,299,650
14	Special revenue funds:		
15	Total private revenues.....		9,710,550
16	Total local revenues.....		89,721,700
17	Total other state restricted revenues.....		53,233,900
18	State general fund/general purpose.....	\$	1,189,229,500
19	Sec. 102. EXECUTIVE OPERATIONS		
20	Total full-time equated positions.....	927.3	
21	Full-time equated unclassified positions.....	6.0	
22	Full-time equated classified positions.....	921.3	
23	Unclassified salaries--6.0 FTE positions.....	\$	494,700
24	Salaries and wages--692.3 FTE positions.....		36,046,200
25	Contractual services, supplies, and materials.....		10,010,500
26	Demonstration projects--13.0 FTE positions.....		7,409,700

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1	End user support.....	9,036,200
2	Computer service fees.....	27,154,000
3	Client services system--25.0 FTE positions.....	23,317,800
4	Data system enhancement--23.0 FTE positions.....	19,390,200
5	Child support automation--28.0 FTE positions.....	102,200,000
6	Child support distribution computer system--8.0 FTE	
7	positions.....	17,132,800
8	Supplemental security income advocates, salaries and	
9	wages--16.0 FTE positions.....	1,022,200
10	Commission on disability concerns--8.0 FTE positions.	935,700
11	Commission for the blind--108.0 FTE positions.....	<u>17,850,600</u>
12	GROSS APPROPRIATION.....	\$ 272,000,600
13	Appropriated from:	
14	Interdepartmental grant revenues:	
15	IDG-ADP user fees.....	150,000
16	ADJUSTED GROSS APPROPRIATION.....	\$ 271,850,600
17	Appropriated from:	
18	Federal revenues:	
19	Total federal revenues.....	176,249,400
20	Special revenue funds:	
21	Total private revenues.....	1,840,000
22	Total local revenues.....	475,000
23	Total other state restricted revenues.....	477,300
24	State general fund/general purpose.....	\$ 92,808,900
25	Sec. 103. FAMILY INDEPENDENCE SERVICES ADMINISTRATION	
26	Full-time equated classified positions.....	438.0

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1	Salaries and wages--299.0 FTE positions.....	\$	14,628,700
2	Contractual services, supplies, and materials.....		5,776,500
3	Child support incentive payments.....		32,409,500
4	Legal support contracts.....		125,896,300
5	State incentive payments.....		4,448,900
6	Employment and training support services.....		19,101,700
7	Project zero--84.0 FTE positions.....		14,087,100
8	Wage employment verification reporting--2.0 FTE		
9	positions.....		1,712,700
10	Training and staff development--53.0 FTE positions...		10,688,600
11	Community services block grants.....		<u>22,400,000</u>
12	GROSS APPROPRIATION.....	\$	251,150,000
13	Appropriated from:		
14	Interdepartmental grant revenues:		
15	ADJUSTED GROSS APPROPRIATION.....	\$	251,150,000
16	Appropriated from:		
17	Federal revenues:		
18	Total federal revenues.....		228,284,800
19	Special revenue funds:		
20	Total local revenues.....		340,000
21	State general fund/general purpose.....	\$	22,525,200
22	Sec. 104. CHILD AND FAMILY SERVICES		
23	Full-time equated classified positions.....104.3		
24	Salaries and wages--43.3 FTE positions.....	\$	2,691,100
25	Contractual services, supplies, and materials.....		1,683,500
26	Refugee assistance program--5.0 FTE positions.....		7,400,900

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1	Foster care payments.....	185,969,800
2	Wayne County foster care payments.....	123,914,000
3	Adoption subsidies.....	177,521,500
4	Adoption support services--9.0 FTE positions.....	12,623,000
5	Youth in transition--10.0 FTE positions.....	13,333,500
6	Interstate compact.....	299,900
7	Children's benefit fund donations.....	21,000
8	Domestic violence prevention and treatment--6.0 FTE	
9	positions.....	13,133,800
10	Teenage parent counseling--4.0 FTE positions.....	4,421,100
11	Family preservation and prevention services--20.0 FTE	
12	positions.....	80,506,400
13	Black child and family institute.....	100,000
14	Rape prevention and services.....	2,599,900
15	Children's trust fund administration--7.0 FTE	
16	positions.....	469,900
17	Children's trust fund grants.....	3,615,000
18	Attorney general contract.....	2,458,600
19	Guardian contract.....	599,900
20	County shelters.....	300,000
21	Prosecuting attorney contracts.....	<u>1,061,600</u>
22	GROSS APPROPRIATION.....	\$ 634,724,400
23	Appropriated from:	
24	Interdepartmental grant revenues:	
25	ADJUSTED GROSS APPROPRIATION.....	\$ 634,724,400
26	Appropriated from:	

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1	Federal revenues:	
2	Total federal revenues.....	366,073,000
3	Special revenue funds:	
4	Private-children's benefit fund donations.....	21,000
5	Private-collections.....	5,033,900
6	Local funds - county payback.....	42,568,400
7	Children's trust fund.....	2,119,700
8	State general fund/general purpose..... \$	218,908,400
9	Sec. 105. JUVENILE JUSTICE SERVICES	
10	Full-time equated classified positions.....1,234.1	
11	Personnel payroll costs--855.4 FTE positions..... \$	54,126,300
12	County juvenile officers.....	3,863,300
13	Child care fund.....	110,899,900
14	Child care fund administration--7.5 FTE positions....	874,000
15	Juvenile justice operations.....	16,063,200
16	Professional mental health services--33.0 FTE	
17	positions.....	3,273,600
18	Community juvenile justice centers--87.5 FTE	
19	positions.....	6,874,900
20	Federally funded activities--12.0 FTE positions.....	1,860,800
21	W.J. Maxey memorial fund.....	45,000
22	Regional detention and treatment--225.7 FTE positions	15,149,600
23	Regional detention services--5.0 FTE positions.....	1,894,100
24	Juvenile accountability incentive block grant--4.0	
25	FTE positions.....	7,732,000
26	Juvenile boot camp program.....	1,600,000

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1	Committee on juvenile justice administration--4.0 FTE	
2	positions.....	449,600
3	Committee on juvenile justice grants.....	<u>5,000,000</u>
4	GROSS APPROPRIATION..... \$	229,706,300
5	Appropriated from:	
6	Federal revenues:	
7	Total federal revenues.....	35,123,900
8	Special revenue funds:	
9	Total private revenues.....	45,000
10	Local funds - county payback.....	45,840,800
11	State general fund/general purpose..... \$	148,696,600
12	Sec. 106. LOCAL OFFICE STAFF AND OPERATIONS	
13	Full-time equated classified positions.....10,161.9	
14	Field staff, salaries and wages--7,184.5 FTE	
15	positions..... \$	293,608,000
16	Children and adult services, salaries and	
17	wages--2,826.9 FTE positions.....	120,042,700
18	Contractual services, supplies, and materials.....	27,073,000
19	Outstationed eligibility workers--60.0 FTE positions.	5,333,500
20	Wayne County gifts and bequests.....	100,000
21	Volunteer services and reimbursement--90.5 FTE	
22	positions.....	<u>7,306,200</u>
23	GROSS APPROPRIATION..... \$	453,463,400
24	Appropriated from:	
25	Federal revenues:	
26	Total federal revenues.....	277,747,900

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1	Special revenue funds:	
2	Local funds - donated funds.....	193,100
3	Private funds - Wayne County gifts.....	100,000
4	Private funds - hospital contributions.....	2,670,650
5	State general fund/general purpose..... \$	172,751,750
6	Sec. 107. DISABILITY DETERMINATION SERVICES	
7	Full-time equated classified positions.....628.0	
8	Disability determination operations--602.0 FTE	
9	positions..... \$	68,896,800
10	Medical consultation program--21.0 FTE positions.....	3,037,100
11	Retirement disability determination--5.0 FTE	
12	positions.....	<u>824,500</u>
13	GROSS APPROPRIATION..... \$	72,758,400
14	Appropriated from:	
15	Interdepartmental grant revenues:	
16	Department of management and budget - office of	
17	retirement systems.....	815,300
18	ADJUSTED GROSS APPROPRIATION..... \$	71,943,100
19	Federal revenues:	
20	Total federal revenues.....	69,775,200
21	State general fund/general purpose..... \$	2,167,900
22	Sec. 108. CENTRAL SUPPORT ACCOUNTS	
23	Rent..... \$	48,825,400
24	Occupancy charge.....	12,597,300
25	Travel.....	7,880,400
26	Equipment.....	3,052,800

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1	Worker's compensation.....	5,246,900
2	Advisory commissions.....	17,900
3	Payroll taxes and fringe benefits.....	<u>167,506,200</u>
4	GROSS APPROPRIATION..... \$	245,126,900
5	Appropriated from:	
6	Federal revenues:	
7	Total federal revenues.....	139,434,750
8	Special revenue funds:	
9	Local funds - county payback.....	304,400
10	State general fund/general purpose..... \$	105,387,750
11	Sec. 109. PUBLIC ASSISTANCE	
12	Full-time equated classified positions.....12.0	
13	Family independence program..... \$	326,772,400
14	Transitional work support.....	14,999,900
15	State disability assistance payments.....	19,707,600
16	Food stamp program benefits.....	415,018,300
17	State supplementation.....	60,833,300
18	State supplementation administration.....	2,381,800
19	Homestead property tax credit for low-income families	26,999,900
20	Low-income energy assistance program--10.0 FTE	
21	positions.....	67,047,300
22	State emergency relief--2.0 FTE positions.....	44,683,400
23	Weatherization assistance.....	10,900,000
24	Day care services.....	<u>482,900,000</u>
25	GROSS APPROPRIATION..... \$	1,472,243,900
26	Appropriated from:	

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1	Interdepartmental grant revenues:		
2	ADJUSTED GROSS APPROPRIATION.....	\$	1,472,243,900
3	Appropriated from:		
4	Federal revenues:		
5	Total federal revenues.....		995,610,700
6	Special revenue funds:		
7	Child support collections.....		43,232,100
8	Supplemental security income recoveries.....		5,104,800
9	Public assistance recoupment revenue.....		2,300,000
10	State general fund/general purpose.....	\$	425,996,300
11	Sec. 110. BUDGETARY SAVINGS		
12	Budgeary savings.....	\$	<u>(13,300)</u>
13	GROSS APPROPRIATION.....	\$	(13,300)
14	Appropriated from:		
15	Federal revenues:		
16	Total federal revenues.....		0
17	Total private revenues.....		0
18	State general fund/general purpose.....	\$	(13,300)

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21 PART 2

22 PROVISIONS CONCERNING APPROPRIATIONS

23 **GENERAL SECTIONS**

24 Sec. 201. Pursuant to section 30 of article IX of the state consti-
25 tution of 1963, total state spending from state resources under part 1
26 for fiscal year 2001-2002 is \$1,242,463,400.00 and state spending from
27 state resources to be paid to local units of government for fiscal year

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1 2001-2002 is \$172,952,700.00. The itemized statement below identifies
2 appropriations from which spending to units of local government will
3 occur:

4 FAMILY INDEPENDENCE AGENCY

5 CHILD AND FAMILY SERVICES

6 Adoption subsidies..... \$ 67,929,500

7 JUVENILE JUSTICE SERVICES

8 Child care fund..... 100,899,900

9 County juvenile officers..... 2,964,600

10 PUBLIC ASSISTANCE

11 State disability program..... 1,158,700

12 TOTAL..... \$ 172,952,700

13 Sec. 202. The appropriations authorized under this act are subject
14 to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

15 Sec. 203. As used in this act:

16 (a) "ADP" means automated data processing.

17 (b) "Department" means the family independence agency.

18 (c) "FTE" means full-time equated.

19 (d) "IDG" means interdepartmental grant.

20 (e) "Temporary assistance for needy families" (TANF) or "title IV"
21 means title IV of the social security act, chapter 531, 49 Stat. 620, 42
22 U.S.C. 601 to 603, 604 to 608, 609 to 619, 620 to 629e, 651 to 655, 656
23 to 660, 663 to 669b, 670 to 673, 673b, 674 to 679, and 679b.

24 (f) "Title IV-A" means part A of title IV of the social security
25 act, chapter 531, 49 Stat. 620, 42 U.S.C. 601 to 604, 605 to 608, and 609
26 to 619.

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1 (g) "Title IV-D" means part D of title IV of the social security
2 act, chapter 531, 49 Stat. 620, 42 U.S.C. 651 to 655, 656 to 660, and 663
3 to 669b.

4 (h) "Title IV-E" means part E of title IV of the social security
5 act, chapter 531, 49 Stat. 620, 42 U.S.C. 670 to 673, 673b to 679, and
6 679b.

7 Sec. 204. The department of civil service shall bill departments
8 and agencies at the end of the first fiscal quarter for the 1% charge
9 authorized by section 5 of article XI of the state constitution of 1963.
10 Payments shall be made for the total amount of the billing by the end of
11 the second fiscal quarter.

12 Sec. 205. (1) A hiring freeze is imposed on the state classified
13 civil service. State departments and agencies are prohibited from hiring
14 any new full-time state classified civil service employees and prohibited
15 from filling any vacant state classified civil service positions. This
16 hiring freeze does not apply to internal transfers of classified employ-
17 ees from 1 position to another within a department.

18 (2) The state budget director shall grant exceptions to this hiring
19 freeze when the state budget director believes that the hiring freeze
20 will result in rendering a state department or agency unable to deliver
21 basic services, cause a loss of revenue to the state, result in the
22 inability of the state to receive federal funds, or would necessitate
23 additional expenditures that exceed any savings from maintaining a
24 vacancy. The state budget director shall report by the thirtieth of each
25 month to the chairpersons of the senate and house appropriations commit-
26 tees and the senate and house fiscal agencies the number of exceptions to

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1 the hiring freeze approved during the previous month and the reasons to
2 justify the exception.

3 Sec. 206. (1) In addition to the funds appropriated in part 1,
4 there is appropriated an amount not to exceed \$200,000,000.00 for federal
5 contingency funds. These funds are not available for expenditure until
6 they have been transferred to another line item in this act under
7 section 393(2) of the management and budget act, 1984 PA 431,
8 MCL 18.1393.

9 (2) In addition to the funds appropriated in part 1, there is appro-
10 priated an amount not to exceed \$5,000,000.00 for state restricted con-
11 tingency funds. These funds are not available for expenditure until they
12 have been transferred to another line item in this act under
13 section 393(2) of the management and budget act, 1984 PA 431,
14 MCL 18.1393.

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

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

25 Sec. 207. At least 60 days before beginning any effort to privati-
26 ze, the department shall submit a complete project plan to the
27 appropriate senate and house of representatives appropriations

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1 subcommittees and the senate and house fiscal agencies. The plan shall
2 include the criteria under which the privatization initiative will be
3 evaluated. The evaluation shall be completed and submitted to the appro-
4 priate senate and house of representatives appropriations subcommittees
5 and the senate and house fiscal agencies within 30 months.

6 Sec. 208. The department shall continue to pilot the use of the
7 Internet to fulfill the reporting requirements of this act. This may
8 include transmission of reports via electronic mail to the recipients
9 identified for each reporting requirement or it may include placement of
10 reports on the Internet or legislative Intranet site. The senate and
11 house appropriations subcommittees and senate and house fiscal agencies
12 shall be notified in writing of the Internet or Intranet site of any such
13 report. Quarterly, the department shall provide a cumulative listing of
14 the reports submitted during the most recent 3-month period along with
15 the Internet or Intranet site of each report, and a list of those reports
16 expected to be transmitted in the following quarter.

17 Sec. 209. Funds appropriated in part 1 shall not be used for the
18 purchase of foreign goods or services, or both, if competitively priced
19 and of comparable quality American goods or services, or both, are
20 available.

21 Sec. 210. The director of each department receiving appropriations
22 in part 1 shall take all reasonable steps to ensure businesses in
23 deprived and depressed communities compete for and perform contracts to
24 provide services or supplies, or both. Each director shall strongly
25 encourage firms with which the department contracts to subcontract with
26 certified businesses in depressed and deprived communities for services,
27 supplies, or both.

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1 Sec. 211. The department may receive and expend advances or
2 reimbursements from the department of state police for the administration
3 of the individual and family grant disaster assistance program. An
4 account shall be established in the department for this purpose when a
5 disaster is declared. The authorization and allotment for the account
6 shall be in the amount advanced or reimbursed from the department of
7 state police.

8 Sec. 212. In addition to funds appropriated in part 1 for all pro-
9 grams and services, there is appropriated for write-offs of accounts
10 receivable, deferrals, and for prior year obligations in excess of appli-
11 cable prior year appropriations, an amount equal to total write-offs and
12 prior year obligations, but not to exceed amounts available in prior year
13 revenues or current year revenues that are in excess of the authorized
14 amount.

15 Sec. 213. The department may retain all of the state's share of
16 food stamp overissuance collections as an offset to general fund/general
17 purpose costs. Retained collections shall be applied against federal
18 funds deductions in all appropriation units where department costs
19 related to the investigation and recoupment of food stamp overissuances
20 are incurred. Retained collections in excess of such costs shall be
21 applied against the federal funds deducted in the executive operations
22 appropriation unit.

23 Sec. 214. (1) The department shall submit a report to the chair-
24 persons of the senate and house appropriations subcommittees on the
25 family independence agency budget and to the senate and house fiscal
26 agencies on the details of allocations within program budgeting line
27 items and within the salaries and wages line items in the field services

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1 appropriation unit. The report shall include a listing, by account,
2 dollar amount, and fund source, of salaries and wages; longevity and
3 insurance; retirement; contractual services, supplies, and materials;
4 equipment; travel; and grants within each program line item appropriated
5 for the fiscal year ending September 30, 2002.

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

8 Sec. 215. If a legislative objective of this act or the social wel-
9 fare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be implemented with-
10 out loss of federal financial participation because implementation would
11 conflict with or violate federal regulations, the department shall notify
12 the house and senate appropriations committees and the house and senate
13 fiscal agencies of that fact. Upon receipt of the notification, a joint
14 house and senate committee made up of the members of the house and senate
15 appropriations subcommittees dealing with appropriations for the family
16 independence agency may be appointed to meet with the director of the
17 department to review the substantive, procedural, and legal ramifications
18 of the legislative objective and to develop a plan to attain that legis-
19 lative objective.

20 Sec. 217. The departments and state agencies receiving appropria-
21 tions under this act shall receive and retain copies of all reports
22 funded from appropriations in part 1. These departments and state agen-
23 cies shall follow federal and state guidelines for short-term and
24 long-term retention of these reports and records.

25 Sec. 218. (1) The department shall prepare a semiannual report on
26 the temporary assistance for needy families (TANF) federal block grant.
27 The report shall include projected expenditures for the current fiscal

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1 year, an accounting of any previous year funds carried forward, and a
2 summary of all interdepartmental or interagency agreements relating to
3 the use of TANF funds. The report shall be forwarded to the house and
4 senate appropriations subcommittees on the family independence agency
5 budget on or before October 15, 2001 and April 15, 2002.

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

13 Sec. 219. The department shall include in its quality control
14 reporting the number of veterans receiving food stamps, family indepen-
15 dence program assistance, and Medicaid.

16 Sec. 220. (1) In contracting with faith-based organizations for
17 mentoring or supportive services, and in all contracts for services, the
18 department shall ensure that no funds provided directly to institutions
19 or organizations to provide services and administer programs shall be
20 used or expended for any sectarian activity, including sectarian worship,
21 instruction, or proselytization.

22 (2) If an individual requests the service and has an objection to
23 the religious character of the institution or organization from which the
24 individual receives or would receive services or assistance, the depart-
25 ment shall provide the individual within a reasonable time after the date
26 of the objection with assistance or services and which are substantially

1 the same as the service the individual would have received from the
2 organization.

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

10 (4) The department shall follow guidelines related to faith-based
11 involvement established in section 104 of title I of the personal respon-
12 sibility and work opportunity reconciliation act of 1996, Public Law
13 104-193, 42 U.S.C. 604a.

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

18 Sec. 222. The department shall provide a report prepared by the
19 department's internal auditor on the activities of the internal auditor
20 for the prior fiscal year. This report shall include a listing of each
21 audit or investigation performed by the internal auditor pursuant to
22 sections 486(4) and 487 of the management and budget act, 1984 PA 431,
23 MCL 18.1486 and 18.1487. The report shall identify the proportion of
24 time spent on each of the statutory responsibilities listed in
25 sections 485(4), 486(4), and 487 of the management and budget act, 1984
26 PA 431, MCL 18.1485, 18.1486, and 18.1487, and the time spent on all
27 other activities performed in the internal audit function. The report is

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1 due biennially on May 1 of the fiscal year and shall be submitted to the
2 governor, auditor general, the senate and house appropriations commit-
3 tees, the senate and house fiscal agencies, and the director.

4 Sec. 223. The department shall make a determination of Medicaid
5 eligibility not later than 60 days after all information to make the
6 determination is received from the applicant when disability is an eligi-
7 bility factor. For all other Medicaid applicants, the department shall
8 make a determination of Medicaid eligibility not later than 45 days after
9 all information to make the determination is received from the
10 applicant.

11 Sec. 224. It is the intent of the legislature that the department
12 develop a system of flexible hours at local department offices in order
13 to maintain some nontraditional business hours.

14 Sec. 225. It is the intent of the legislature that the department
15 institute a process that ensures the negotiations with providers for con-
16 tractual purchase of services are completed prior to the beginning of the
17 fiscal year. This process will include development of agency-wide stan-
18 dards of promptness, establishment of time frames within each program
19 area for completion of contract steps, and prompt notification of avail-
20 ability of funds. The department will also ensure that providers receive
21 full reimbursement for allowable expenditures within 30 days of the end
22 of the first quarter of the contract period.

23 Sec. 226. (1) The negative appropriation for budgetary savings in
24 part 1 shall be satisfied by savings from the hiring freeze imposed in
25 section 207 and, if necessary, by other savings identified by the depart-
26 ment director and approved by the state budget director.

1 (2) Appropriation authorizations shall be adjusted after the
2 approval of transfers by the legislature pursuant to section 393(2) of
3 the management and budget act, 1984 PA 431, MCL 18.1393.

4 Sec. 227. The family independence agency, with the approval of the
5 state budget director, is authorized to realign sources of financing
6 authorizations in order to maximize temporary assistance for needy
7 families' maintenance of effort countable expenditures. This realignment
8 of financing shall not be made until 15 days after notifying the chairs
9 of the house and senate appropriations subcommittees on the family inde-
10 pendence agency and house and senate fiscal agencies, and shall not
11 produce an increase or decrease in any line-item expenditure
12 authorization.

13 Sec. 228. (1) Before privatizing any services or activities cur-
14 rently provided by state employees in the department, a department or
15 agency shall submit to the house and senate appropriations committees a
16 detailed pre-privatization cost-benefit analysis. This analysis shall
17 utilize the most accurate, reliable, and objective data available and use
18 the most actuarially sound techniques available to the department or
19 agency. Included in this analysis shall be a detailed estimate of the
20 annual costs that will be incurred by the state over the next 5 years
21 if:

22 (a) The service or activity continues to be provided by state
23 employees.

24 (b) The service or activity is privatized. The costs of privatizing
25 these services shall include the costs of all necessary monitoring and
26 oversight of the private entity by the state. It shall use only accurate
27 and up-to-date bids from reputable companies that are properly bonded, so

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1 as not to expose the state to any potential future liability or legal
2 causes of action.

3 (2) The department or agency shall not commence any efforts to priv-
4 atize the services or activities appropriated under this bill, currently
5 provided by state employees, until the cost-benefit analysis outlined in
6 subsection (1) has been reviewed and approved by both the house and
7 senate appropriations committees and it shows a cost savings of at least
8 5% over the costs of continuing to provide the service or activity using
9 state employees.

10 Sec. 229. By February 15, 2002, the department shall provide the
11 state budget director, the senate and house appropriations subcommittees
12 on the family independence agency, and the senate and house fiscal agen-
13 cies with an annual report on restricted fund balances, projected reve-
14 nues, and expenditure for the fiscal years ending September 30, 2001 and
15 September 30, 2002.

16 **EXECUTIVE OPERATIONS**

17 Sec. 301. (1) The department may distribute cash assistance to
18 recipients electronically by using debit cards.

19 (2) It is the intent of the legislature that funding appropriated in
20 part 1 for the family independence program clothing allowance be spent on
21 children's clothing in preparation for the school year.

22 Sec. 302. The appropriation in part 1 for the Michigan commission
23 for the blind includes funds for case services. These funds may be used
24 for tuition payments for blind clients for the school year beginning
25 September 2001.

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1 Sec. 303. The appropriation in part 1 for commissions and boards
2 may be used for per diem payments to members of commissions or boards for
3 a full day of committee work at which a quorum is present for performing
4 official business as authorized by each respective commission or board.
5 The per diem payment for the Michigan commission for the blind shall be
6 at a rate of \$50.00 per day.

7 FAMILY INDEPENDENCE SERVICES ADMINISTRATION

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

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

21 (3) A county shall not be required to pay a penalty due to the
22 state's failure to comply with federal child support enforcement system
23 requirements if all of the following conditions exist:

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1 (a) The county, the friend of the court, and the department have a
2 written agreement that outlines the county's commitment to participate in
3 the system.

4 (b) The county and friend of the court cooperate with the work plan
5 outlined in the memorandum of understanding between the department and
6 the county.

7 (c) The prosecuting attorney office for the county cooperates with
8 the implementation of the legal module of the system.

9 (4) Appropriate counties, including the prosecuting attorney's
10 office, the family independence agency, and the judiciary shall report on
11 the progress of reaching federal certification standards on a quarterly
12 basis to the senate and house appropriations subcommittees on the family
13 independence agency, the senate and house fiscal agencies, and the state
14 budget director. The report shall include, but is not limited to, the
15 number of counties that have implemented the system, the steps needed for
16 federal certification, and an update on the anticipated federal penalties
17 the state shall be required to pay as a result of noncompliance with the
18 federal requirement.

19 (5) In addition to the amount specified in subsection (1), the
20 family independence agency may retain any federal title IV-D incentive
21 payment revenues withheld from counties pursuant to the imposition of
22 financial penalties, and may use the federal revenues retained for any
23 child support program purpose. If action is taken under this section,
24 the department shall include in the report required under subsection (4)
25 the county, the amount of funds withheld, and the manner in which the
26 funds are now being used.

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1 Sec. 402. From the funds appropriated in section 103 for legal
2 support contracts and child support incentive payments, the department
3 may fund demonstration projects to enhance friend of the court child sup-
4 port collections efforts for public assistance recipients. Funding shall
5 be from federal title IV-D and federal child support incentives earned.
6 The projects shall be implemented in no more than 3 counties. Priority
7 shall be given to counties with federal title IV-D aid to families with
8 dependent children collections exceeding \$5,000,000.00 in fiscal year
9 1992.

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

16 Sec. 404. The department shall develop a plan based on recommenda-
17 tions from the department of civil rights, and Indian organizations such
18 as the Michigan urban Indian consortium as the central representative of
19 all human service-oriented off-reservation Indian organizations and the
20 inter-tribal council of Michigan to assure that the community services
21 block grant funds are equitably distributed. The plan must be developed
22 by October 31, 2001, and the plan shall be delivered to the appropria-
23 tions subcommittees on the family independence agency in the house and
24 senate.

25 Sec. 405. The state general fund/general purpose contribution
26 related to the Wayne County third circuit court cooperative reimbursement
27 contract resides in the judiciary budget. There are no general

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1 fund/general purpose funds appropriated for this purpose in the family
2 independence agency budget.

3 Sec. 412. (1) If title IV-D-related child support collections are
4 escheated, the state budget director is authorized to adjust the sources
5 of financing for the funds appropriated in part 1 for legal support con-
6 tracts to reduce federal authorization by 66% of the escheated amount and
7 increase general fund/general purpose authorization by the same amount.
8 This budget adjustment is required to offset the loss of federal revenue
9 due to the escheated amount being counted as title IV-D program income in
10 accordance with federal regulations at 45 C.F.R. 304.50.

11 (2) The department shall report to the house and senate appropria-
12 tion subcommittees on the family independence agency and the house and
13 senate fiscal agencies by February 15, 2002 on the total amount of title
14 IV-D-related child support collections escheated in the fiscal year
15 ending September 30, 2001 and any amount escheated in prior years. The
16 report shall also include the total amount of general fund/general pur-
17 pose dollars added in part 1 for legal support contracts to replace title
18 IV-D as specified in subsection (1) for the fiscal year ending
19 September 30, 2001.

20 Sec. 413. (1) The department shall develop, implement, and provide
21 a training program to each department employee who is required to perform
22 a field investigation or home visit. The training program shall include
23 both of the following:

24 (a) Mandatory training on defusing threatening behavior.

25 (b) Mandatory training on how to perform a safe investigation or
26 home visit and recognize a potentially dangerous situation.

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1 (2) If a department employee who is required to perform a field
2 investigation or home visit has documented a risk that leads to a
3 reasonable apprehension regarding the safety of performing a field inves-
4 tigation or home visit, that employee shall complete the field investiga-
5 tion or home visit with another department employee who has been trained
6 as required in subsection (1) or with a law enforcement officer.

7 Sec. 414. (1) Of the funds appropriated in part 1 for community
8 services block grants, \$3,000,000.00 represents TANF funding earmarked
9 for community action agencies.

10 (2) From the funds appropriated in part 1 for community services
11 block grants, the department is authorized to make allocations of TANF
12 funds only to the community action agencies that report necessary data to
13 the department for the purpose of meeting TANF eligibility reporting
14 requirements. The use of TANF funds under this section should not be
15 considered an ongoing commitment of funding.

16 Sec. 415. (1) From the funds appropriated in part 1 for employment
17 and training support services, the family independence agency shall
18 expend up to \$1,000,000.00 in TANF to fund a fatherhood initiative. The
19 department may choose providers that will work with at least 3 communi-
20 ties to help eligible fathers under TANF guidelines to acquire skills
21 that will enable them to increase their responsible behavior toward their
22 children and the mothers of their children. An increase of financial
23 support for their children should be a very high priority as well as emo-
24 tional support. Program topics may include, but are not limited to,
25 parental guidance, infant care, food preparation, effective communica-
26 tion, anger management, children's financial support, respect, drug-free
27 lifestyle, vocational training referrals, and job placement.

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1 (2) The providers will measure outcomes as agreed upon by the
2 department and based on required TANF reporting guidelines.

3 (3) The department is authorized to make allocations of TANF funds
4 under this section only to agencies that report necessary data to the
5 department for the purpose of meeting TANF eligibility reporting
6 requirements. The use of TANF funds under this section should not be
7 considered an ongoing commitment of funding.

8 (4) The department shall award grants or contracts to independent
9 contractors utilizing a request for proposal process.

10 Sec. 416. (1) From the funds appropriated in part 1 for employment
11 and training support services, the family independence agency may expend
12 up to \$1,000,000.00 in TANF to fund a marriage initiative. The depart-
13 ment may choose providers to work with at least 3 communities that will
14 work to support and strengthen marriages of those eligible under the TANF
15 guidelines. The areas of work may include, but are not limited to, mari-
16 tal counseling, domestic violence counseling, family counseling, effec-
17 tive communication, and anger management as well as parenting skills to
18 improve the family structure.

19 (2) The providers will measure outcomes as agreed upon by the
20 department and based on required TANF reporting guidelines.

21 (3) The department is authorized to make allocations of TANF funds
22 under this section only to agencies that report necessary data to the
23 department for the purpose of meeting TANF eligibility reporting
24 requirements. The use of TANF funds under this section should not be
25 considered an ongoing commitment of funding.

26 (4) The department shall choose only providers who are licensed
27 through the department of consumer and industry services and who meet the

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1 standards of the public health code, 1978 PA 368, MCL 333.1101 to
2 333.25211.

3 (5) The department shall choose providers through the request for
4 proposal process.

5 Sec. 417. (1) From the funds appropriated in part 1 for employment
6 and training support services, the family independence agency may expend
7 up to \$500,000.00 in TANF to fund innovation grants. The department may
8 choose providers to work with at least 3 communities that will use TANF
9 funds to encourage innovation within the state for any TANF-eligible
10 reasons. The department will use TANF guidelines for reporting outcomes
11 and defining expectations for success that could be implemented in other
12 communities in the future.

13 (2) The department is authorized to make allocations of TANF funds
14 under this section only to agencies that report necessary data to the
15 department for the purpose of meeting TANF eligibility reporting
16 requirements. The use of TANF funds under this section should not be
17 considered an ongoing commitment of funding.

18 (3) The department shall award grants or contracts to independent
19 contractors utilizing a request for proposal process.

20 Sec. 418. The department may use any unexpended TANF funds to
21 encourage charitable giving under current federal guidelines for TANF
22 funding. The department will use TANF guidelines for reporting
23 outcomes.

1 CHILD AND FAMILY SERVICES

2 Sec. 501. The following goal is established by state law. During
3 the fiscal year ending September 30, 2002, not more than 3,000 children
4 supervised by the department shall remain in foster care longer than 24
5 months. The department shall give priority to reducing the number of
6 children under 1 year of age in foster care.

7 Sec. 502. From the funds appropriated in part 1 for foster care,
8 the department shall provide 50% reimbursement to Indian tribal govern-
9 ments for foster care expenditures for children who are under the juris-
10 diction of Indian tribal courts and who are not otherwise eligible for
11 federal foster care cost sharing.

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

15 (a) Has not yet graduated from high school or passed a high school
16 equivalency examination.

17 (b) Is making progress toward completing high school.

18 (c) Has not yet reached his or her twenty-first birthday.

19 Sec. 504. The department's ability to satisfy appropriation deducts
20 in part 1 for foster care private collections shall not be limited to
21 collections and accruals pertaining to services provided only in the cur-
22 rent fiscal year but shall include revenues collected during the fiscal
23 year in excess of the amount specified in part 1.

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

1 (2) The bid specifications and contract award determinations for
2 child welfare and juvenile justice services shall include criteria rela-
3 tive to provider experience, placing emphasis on total years of
4 experience in providing child welfare and juvenile justice services, pro-
5 vision of services to persons of similar characteristics as the target
6 clientele, quality of prior child welfare and juvenile justice services,
7 length of service in the targeted geographic area, and the adequacy of
8 the provider's plan for coordinating the provision of services in the
9 targeted geographic area.

10 Sec. 507. Funds appropriated in part 1 for the child care fund may
11 be used as local match for the purchase of families first services for
12 clients referred by juvenile courts. For local offices and courts choos-
13 ing this option, the in-home portion of the county child care fund plan
14 must authorize the transfer of funds from the state child care fund
15 account designated for that county to a local funds - county payback
16 deduct account associated with the family preservation services
17 appropriation.

18 Sec. 508. (1) In addition to the amount appropriated in part 1 for
19 children's trust fund grants, money granted or money received as gifts or
20 donations to the children's trust fund created by 1982 PA 249, MCL 21.171
21 to 21.172, is appropriated for expenditure in an amount not to exceed
22 \$800,000.00.

23 (2) The state child abuse and neglect prevention board may initiate
24 a joint project with another state agency to the extent that the project
25 supports the programmatic goals of both the state child abuse and neglect
26 prevention board and the state agency. The department may invoice the
27 state agency for shared costs of a joint project in an amount authorized

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1 by the state agency, and the state child abuse and neglect prevention
2 board may receive and expend funds for shared costs of a joint project in
3 addition to those authorized by part 1.

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

8 (a) A child would be living in the same household with a parent or
9 other adult who has been convicted of criminal sexual conduct against a
10 child.

11 (b) A child would be living in the same household with a parent or
12 other adult against whom there is a substantiated charge of sexual abuse
13 against a child.

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

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

22 Sec. 512. From the funds appropriated in part 1 for foster care
23 payments, the department may expend up to \$1,500,000.00 for foster care
24 pilot projects that include ways to increase foster parent recruitment,
25 improve foster parent retention, and increase delivery of training and
26 supportive services to foster parents.

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

4 (a) There is no appropriate placement available in this state.

5 (b) The out-of-state facility meets all of the licensing standards
6 of this state for a comparable facility.

7 (c) The out-of-state facility meets all of the applicable licensing
8 standards of the state in which it is located.

9 (d) The department has done an on-site visit to the out-of-state
10 facility, reviewed the facility records, and reviewed licensing records
11 and reports on the facility and believes that the facility is an appro-
12 priate placement for the child.

13 Sec. 514. The department shall make a comprehensive report concern-
14 ing children's protective services (CPS) to the legislature, including
15 the senate and house policy offices, by January 1, 2002, that shall
16 include all of the following:

17 (a) Statistical information including, at a minimum, all of the
18 following:

19 (i) The total number of reports of abuse or neglect investigated
20 under the child protection law, 1975 PA 238, MCL 722.621 to 722.638, and
21 the number of cases classified under category I or category II and the
22 number of cases classified under category III, category IV, or category
23 V.

24 (ii) Characteristics of perpetrators of abuse or neglect and the
25 child victims, such as age, relationship, socioeconomic status, race, and
26 ethnicity.

1 (iii) The mandatory reporter category in which the individual who
2 made the report fits, or other categorization if the individual is not
3 within a group required to report under the child protection law, 1975
4 PA 238, MCL 722.621 to 722.638.

5 (b) New policies related to children's protective services includ-
6 ing, but not limited to, major policy changes and court decisions affect-
7 ing the children's protective services system during the immediately pre-
8 ceding 12-month period.

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

13 Sec. 516. The department, with the involvement of private nonprofit
14 agencies providing adoption services for special needs children through
15 contracts with the department, shall prepare an annual report on the
16 status of special needs adoptions and submit the report to the house and
17 senate appropriations subcommittees on the family independence agency
18 budget, the house and senate fiscal agencies, and the house and senate
19 policy offices by June 1, 2002. The report shall include, at a minimum,
20 all of the following:

21 (a) For each private nonprofit agency contract, and in aggregate,
22 the number and percentage of adoptions in each of the payment categories
23 specified in contracts with the department for calendar year 2001.

24 (b) The total number of special needs adoptions completed in the
25 fiscal year ending September 30, 2001.

26 Sec. 517. (1) From the funds appropriated in part 1 for family
27 preservation and prevention services, the department is authorized to

1 allocate funds to multipurpose collaborative bodies to address issues
2 raised in the Binsfeld children's commission report issued in July 1996.
3 Priority for activities and services will be given to at-risk children
4 and families in cases classified by the department as category III or
5 category IV under sections 8 and 8d of the child protection law, 1975
6 PA 238, MCL 722.628 and 722.628d.

7 (2) From the funds appropriated in part 1 for family preservation
8 and prevention services, up to \$4,000,000.00 may be used to fund
9 community-based collaborative prevention services designed to do any of
10 the following:

11 (a) Foster positive parenting skills especially for parents of chil-
12 dren under 3 years of age.

13 (b) Improve parent/child interaction.

14 (c) Promote access to needed community services.

15 (d) Increase local capacity to serve families at risk.

16 (e) Improve school readiness.

17 (f) Support healthy family environments that discourage alcohol,
18 tobacco, and other drug use.

19 (3) The appropriation provided for in subsection (2) is to fund sec-
20 ondary prevention programs as defined in the children's trust fund's
21 pre-application materials for fiscal year 2001-2002 direct services
22 grants.

23 (4) Projects funded through the appropriation provided for in sub-
24 section (2) shall meet all of the following criteria:

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

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

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

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

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

13 Sec. 518. (1) It is the intent of the legislature that the funds
14 appropriated in part 1 for family preservation and prevention services in
15 the 2001-2002 fiscal year reflect strong families/safe children alloca-
16 tions to local multipurpose collaborative bodies that are no less than
17 the allocations in effect on April 1, 1997.

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

22 (3) No later than March 1, 2002, each local multipurpose collaborat-
23 ive body shall submit a report to the department that includes the number
24 of people receiving strong families/safe children services, the local
25 goals for this program, and a measure of the effectiveness in meeting
26 these goals.

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1 Sec. 519. (1) From the funds appropriated in part 1 for foster care
2 payments, Wayne County foster care payments, adoption subsidies, and
3 adoption support services, the department shall increase the rate of pay-
4 ments for foster parents, and parents receiving adoption subsidies by 2%
5 effective July 1, 2002, and the department shall increase the rate of
6 payment for child placing agencies and private residential treatment
7 facilities by 2% effective July 1, 2002.

8 (2) The department, with the involvement of private nonprofit agen-
9 cies providing residential treatment, specialized foster care, and super-
10 vised independent living services to children through contracts with the
11 department, shall conduct a review of the rates paid for these services.
12 The review shall include, at a minimum, all of the following:

13 (a) For residential treatment programs, consideration of the factors
14 including, but not limited to, those identified on pages 55 through 57 of
15 the Michigan auditor general performance audit report of juvenile justice
16 services issued April 1999.

17 (b) For specialized foster care and supervised independent living
18 programs, consideration of factors included in subdivision (a) and a
19 review of costs, services, and expected outcomes related to a child's
20 mild, moderate, and severe behavioral criteria specified in current
21 contracts.

22 (3) Based on the review required in subsection (2), the department
23 shall by April 1, 2002 prepare a comprehensive report addressing its
24 findings, any actions taken as a result of its review, and any recommen-
25 dations for changes in the payment rates and required outcomes for these
26 programs. The report shall be submitted to the house and senate standing
27 committees dealing with human services, the house and senate

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1 appropriations subcommittees dealing with appropriations for the family
2 independence agency, and the house and senate fiscal agencies.

3 Sec. 520. It is the intent of the legislature that the funds appro-
4 priated in part 1 for kinship care in the fiscal year ending
5 September 30, 2002 reflect the legislature's commitment to reduce the
6 benefit discrepancy between kinship care and a similar family size within
7 the family independence agency program (FIP). The legislature recognizes
8 the commitment of relatives to provide family continuity, nurturance, and
9 care for this special population of children who can no longer remain in
10 their parents' care due to abuse, neglect, or other social problems.

11 Sec. 521. The family independence agency expenditures for adoption
12 placement services for the prior fiscal year shall be audited in order to
13 determine the average cost for each type or category of adoptive
14 placement. The department shall report to the house and senate appropri-
15 ations subcommittees on the family independence agency and the house and
16 senate fiscal agencies by February 15, 2002 on the audit findings.

17 Sec. 523. From the funds appropriated in part 1 for youth in tran-
18 sition, domestic violence prevention and treatment, and teenage parent
19 counseling, the department is authorized to make allocations of TANF
20 funds only to the agencies that report necessary data to the department
21 for the purpose of meeting TANF eligibility reporting requirements. The
22 use of TANF funds under this section should not be considered an ongoing
23 commitment of funding.

24 Sec. 524. The department shall submit to the senate and house
25 appropriations subcommittees on the family independence agency, the
26 senate and house standing committees having jurisdiction over human
27 services matters, the senate and house fiscal agencies, and the senate

1 and house policy offices a quarterly report, beginning April 2, 2001,
2 detailing the status of the prevention services program.

3 Sec. 525. The department shall notify the house and senate appro-
4 priations subcommittees on the family independence agency and the house
5 and senate fiscal agencies prior to claiming 100% federal TANF for the
6 local share of foster care out-of-home placements identified in the
7 former title IV-A emergency assistance state plan.

8 Sec. 526. The department shall provide a report on public and pri-
9 vate agencies providing foster care, adoption, and juvenile justice serv-
10 ices to the house and senate appropriations subcommittees on the family
11 independence agency and the house and senate fiscal agencies by May 1,
12 2002. The report shall include all of the following:

13 (a) The number and percentage of children and families serviced by
14 public agencies.

15 (b) The number and percentage of children and families serviced by
16 private agencies.

17 (c) Expenditures to public agencies versus private agencies in the
18 prior year.

19 (d) Average cost of services provided by public agencies.

20 (e) Average cost of services provided by private agencies.

21 Sec. 527. The department shall require that a community application
22 or applicant for new funding, over which the department has control, for
23 birth to age 5 programs, seek agreement with the comprehensive community
24 plan created to meet the application requirements of section 32b of the
25 state school aid act of 1979, 1979 PA 94, MCL 388.1632b.

26 Sec. 528. (1) From the funds appropriated in part 1 for family
27 preservation and prevention services, the family independence agency may

1 expend up to \$100,000.00 in TANF to fund a school-based mentor pilot
2 program.

3 (2) Local pilot sites shall provide the department with a report not
4 later than September 30, 2002 that includes all of the following:

5 (a) The number of children served.

6 (b) Program activities and outcomes.

7 (c) The average cost per participant of the program.

8 (d) Any other information that the department considers relevant.

9 (3) The department is authorized to make allocations of TANF funds
10 under this section only to agencies that report necessary data to the
11 department for the purpose of meeting TANF eligibility reporting
12 requirements. The use of TANF funds under this section should not be
13 considered an ongoing commitment of funding.

14 Sec. 529. (1) From funds appropriated in part 1 for contractual
15 services, supplies, and materials within child and family services, the
16 department shall conduct an evaluation of the impact, financial and serv-
17 ice quality, of turnover with first year child welfare workers in private
18 and public agencies statewide and submit a report to the house and senate
19 appropriations subcommittees on the family independence agency and the
20 house and senate fiscal agencies on or before April 15, 2002. The evalu-
21 ation shall include all of the following:

22 (a) An assessment of the workers who stay and the workers who
23 leave.

24 (b) An assessment of which counties have the lowest turnover and the
25 reasons for the low turnover.

26 (c) An assessment of the impact of turnover on the budget and the
27 clients served.

1 (d) Recommendations for reducing turnover including, but not limited
2 to, ways to reward counties with low turnover.

3 (2) The family independence agency shall retain a third party to
4 conduct the evaluation required under this section.

5 Sec. 530. The department shall work to redevelop the one church one
6 child foster home recruitment program as an initiative to reduce the
7 number of African American children waiting for foster care home
8 placements.

9 PUBLIC ASSISTANCE

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

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

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

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

8 Sec. 602. The department, together with other agencies, may estab-
9 lish special projects to provide special needs shelter payment levels for
10 the family independence program that will support the development of
11 transitional shelter facilities for homeless families. These facilities
12 are to provide supportive services to families and to support the devel-
13 opment of permanent low-income housing.

14 Sec. 603. (1) The department, as it determines is appropriate,
15 shall enter into agreements with energy providers by which cash assist-
16 ance recipients and the energy providers agree to permit the department
17 to make direct payments to the energy providers on behalf of the
18 recipient. The payments may include heat and electric payment require-
19 ments from recipient grants and amounts in excess of the payment
20 requirements.

21 (2) The department shall establish caps for natural gas, wood, elec-
22 tric heat service, deliverable fuel heat services, and for electric serv-
23 ice based on available federal funds.

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

1 (4) It is the intent of the legislature that the department review
2 and adjust the standard utility allowance for the state food stamp pro-
3 gram to ensure that it reflects current energy costs in the state. The
4 department shall report to the house and senate appropriations subcommit-
5 tees on the family independence agency and the house and senate fiscal
6 agencies on adjustments made and the effective date for each.

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

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

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

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

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

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

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

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

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

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

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

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

23 (4) A refugee or asylee who loses his or her eligibility for the
24 federal supplemental security income program by virtue of exceeding the
25 maximum time limit for eligibility as delineated in section 402 of
26 title IV of the personal responsibility and work opportunity
27 reconciliation act of 1996, Public Law 104-193, 8 U.S.C. 1612, and who

1 otherwise meets the eligibility criteria under this section shall be
2 eligible to receive benefits under the state disability assistance
3 program.

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

8 Sec. 606. County family independence agencies shall require each
9 recipient of state disability assistance who has applied with the social
10 security administration for supplemental security income to sign a con-
11 tract to repay any assistance rendered through the state disability
12 assistance program upon receipt of retroactive supplemental security
13 income benefits.

14 Sec. 607. The department's ability to satisfy appropriation deduc-
15 tions in part 1 for state disability assistance/supplemental security
16 income recoveries and public assistance recoupment revenues shall not be
17 limited to recoveries and accruals pertaining to state disability assist-
18 ance, or family independence assistance grant payments provided only in
19 the current fiscal year, but shall include all related net recoveries
20 received during the current fiscal year.

21 Sec. 608. Adult foster care facilities providing domiciliary care
22 or personal care to residents receiving supplemental security income or
23 homes for the aged serving residents receiving supplemental security
24 income shall not require those residents to reimburse the home or facil-
25 ity for care at rates in excess of those legislatively authorized. To
26 the extent permitted by federal law, adult foster care facilities and
27 homes for the aged serving residents receiving supplemental security

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1 income shall not be prohibited from accepting third-party payments in
2 addition to supplemental security income provided that the payments are
3 not for food, clothing, shelter, or result in a reduction in the
4 recipient's supplemental security income payment.

5 Sec. 609. The state supplementation level under the supplemental
6 security income program for the personal care/adult foster care and home
7 for the aged categories shall not be reduced during the fiscal year
8 beginning October 1, 2001 and ending September 30, 2002.

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

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

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

21 (3) Any additional payment collected pursuant to subsection (1)
22 shall not increase the maximum charge limit for state payment as estab-
23 lished by law.

24 Sec. 612. For purposes of determining housing affordability eligi-
25 bility for state emergency relief, a group is considered to have suffi-
26 cient income to meet ongoing housing expenses if their total housing
27 obligation does not exceed 75% of their total net income.

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1 Sec. 613. From the funds appropriated in part 1 for state emergency
2 relief, the maximum allowable charge limit for indigent burials shall be
3 \$1,460.00. [

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8]

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

14 Sec. 615. Except as required by federal law or regulations, funds
15 appropriated in part 1 shall not be used to provide public assistance to
16 a person who is an illegal alien. This section shall not prohibit the
17 department from entering into contracts with food banks or emergency
18 shelter providers who may, as a normal part of doing business, provide
19 food or emergency shelter to individuals.

20 Sec. 616. (1) The appropriation in part 1 for the weatherization
21 program shall be expended in such a manner that at least 25% of the
22 households weatherized under the program shall be households of families
23 receiving 1 or more of the following:

24 (a) Family independence assistance.

25 (b) State disability assistance.

26 (c) Food stamps.

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1 (d) Supplemental security income.

2 (2) Any unencumbered balances of the weatherization program shall
3 not lapse and may be carried forward to fiscal year 2003.

4 Sec. 617. In operating the family independence program with funds
5 appropriated in part 1, the department shall not approve as a minor
6 parent's adult supervised household a living arrangement in which the
7 minor parent lives with his or her partner as the supervising adult.

8 Sec. 618. (1) Except as otherwise provided in subsection (2), the
9 department shall provide not less than 10 days' notice before reducing,
10 terminating, or suspending assistance provided under the social welfare
11 act, 1939 PA 280, MCL 400.1 to 400.119b.

12 (2) The department may only reduce, terminate, or suspend assistance
13 provided under the social welfare act, 1939 PA 280, MCL 400.1 to
14 400.119b, without prior notice in 1 or more of the following situations:

15 (a) The only eligible recipient has died.

16 (b) A recipient member of a program group or family independence
17 assistance group has died.

18 (c) A recipient child is removed from his or her family home by
19 court action.

20 (d) A recipient requests in writing that his or her assistance be
21 reduced, terminated, or suspended.

22 (e) A recipient has intentionally violated 1 or more of the require-
23 ments of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

24 (f) A recipient has been approved to receive assistance in another
25 state.

26 (g) A change in either state or federal law that requires automatic
27 grant adjustments for classes of recipients.

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1 (3) If a recipient appeals the department's determination to reduce,
2 terminate, or suspend his or her assistance within 10 days from the mail-
3 ing of the notice of negative action, the department shall not reduce,
4 terminate, or suspend that assistance until there is a final determina-
5 tion of that appeal upholding the department's determination to reduce,
6 terminate, or suspend that assistance.

7 Sec. 619. The department shall exempt from the denial of title IV-A
8 assistance and food stamp benefits, contained in section 115 of title I
9 of the personal responsibility and work opportunity reconciliation act of
10 1996, Public Law 104-193, 21 U.S.C. 862a, any individual who has been
11 convicted of a felony that included the possession, use, or distribution
12 of a controlled substance, after August 22, 1996, provided that the indi-
13 vidual is not in violation of his or her probation or parole
14 requirements. Benefits shall be provided to such individuals as
15 follows:

16 (a) A third-party payee or vendor shall be required for any cash
17 benefits provided.

18 (b) An authorized representative shall be required for food stamp
19 receipt.

20 Sec. 620. (1) The department shall ensure that all family indepen-
21 dence agency clients are informed in writing of additional programs for
22 which they may potentially be eligible. Notification of programs should
23 at a minimum include information on transitional Medicaid, LIF Medicaid,
24 Healthy Kids, and MIChild, transitional child day care services, extended
25 payment plans with positive billing utility companies as negotiated under
26 section 603(3) of this act including emergency assistance with utility
27 arrearages, tax credits available to low-income households, opportunities

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1 for skills development, training and education, [summer employment
opportunities that are available to family youth through the department of
transportation,] training programs

2 administered by the department of career development, individual develop-
3 ment account opportunities, and instructions on the application process
4 for each program benefit.

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

9 Sec. 621. Funds appropriated in part 1 may be used to support mul-
10 ticultural assimilation and support services. The department shall dis-
11 tribute all of the funds described in this section based on assessed com-
12 munity needs.

13 Sec. 624. The department shall maintain a plan to provide for the
14 implementation of individual development accounts pursuant to section 57k
15 of the social welfare act, 1939 PA 280, MCL 400.57k, by individuals who
16 apply for or receive public assistance from the department.

17 Sec. 625. The department in collaboration with the Michigan state
18 university center for urban affairs and its partner organizations, the
19 Michigan credit union league and the national federation of community
20 development credit unions, shall further the work begun in fiscal year
21 1999-2000 that implemented the individual development accounts programs
22 in the growing number of low-income designated credit unions, i.e., com-
23 munity development credit unions (CDCUs) located in this state's poorest
24 communities. This further work will extend capacity-building and techni-
25 cal assistance services to existing and emerging CDCUs serving low-income
26 populations and will include:

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1 (a) Creation of a Michigan-based support system for the
2 capacity-building of existing and emerging CDCUs serving low-income
3 individuals and families, including development and testing of training,
4 technical assistance, and professional development initiatives and
5 related materials, and other capacity-building services to Michigan
6 CDCUs.

7 (b) Other related support to assist existing and emerging CDCUs in
8 becoming self-supporting institutions to assist impoverished Michigan
9 residents in becoming economically independent.

10 (c) Training and technical assistance to CDCUs in the development of
11 support services, such as economic literacy, credit counseling, budget
12 counseling, and asset management programs for low-income individuals and
13 families.

14 Sec. 626. (1) From the funds appropriated in section 109 for day
15 care services, the department shall expend funds for day care provider
16 training programs administered under contract. Training shall be made
17 available to all day care providers including those who work out of cen-
18 ters, group homes, family homes, and the homes of relatives, and in-home
19 aides.

20 (2) From the funds appropriated in subsection (1), a contractor or
21 multiple contractors shall administer a training pilot project targeting
22 in-home aides and persons providing child care to relatives. Providers
23 who verify that they have received day care payments for at least 3
24 months from the department and who successfully complete at least 15
25 hours of approved child care training shall be eligible to receive a
26 1-time lump sum payment of up to \$150.00 for training received after
27 October 1, 2000. The total paid in lump sum payments and training costs

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1 shall not exceed \$300,000.00. Approved training may include programs
2 operated by the Michigan community coordinated child care association,
3 the Michigan association for the education of young children, community
4 colleges, universities, or university extension programs.

5 (3) On or before March 1, 2002, the department shall provide the
6 house and senate appropriations subcommittees on the family independence
7 agency budget a progress report on the pilot project authorized in sub-
8 section (2).

9 Sec. 627. (1) From the funds appropriated in section 109 for day
10 care services, the department shall contract to administer an amount not
11 to exceed \$1,350,000.00 for the "enhance quality improvement program"
12 (EQUIP) grants. A priority for the expenditure of EQUIP funds shall be
13 given to providers to expand access to child care, specifically 24-hour
14 care and weekend care. A child care program shall not be eligible for an
15 EQUIP grant unless 25% or more of its clients receive day care payments
16 from the department.

17 (2) From the funds appropriated in part 1 for day care services, the
18 department shall establish an additional fund of at least \$350,000.00 for
19 a grant pool for an "enhance quality improvement program" (EQUIP) specif-
20 ically to establish new family and group home day care providers.

21 Sec. 628. (1) From the funds appropriated in part 1, \$100,000.00
22 shall be used to support the continuation of the "ready to succeed dia-
23 logue with Michigan" to continue the exploration and development of a
24 system of early childhood education, care, and support in this state that
25 meets the needs of every child. This appropriation shall be used to
26 leverage other private and public funding to bring together leaders from
27 state and local governments, corporate and small business, the faith

1 community, law enforcement, educators, parents, experts in early
2 childhood development, current providers, and others to continue the
3 development of a voluntary system of universal access to early childhood
4 education, care, and support that respects the diversity of Michigan
5 families.

6 (2) The "ready to succeed dialogue with Michigan" shall provide a
7 report to the legislature on its activities and recommendations not later
8 than September 30, 2002. The report shall address at least the following
9 items:

10 (a) Helping parents obtain safe, high-quality early childhood educa-
11 tion and care.

12 (b) Improving the quality of care in Michigan and the qualifications
13 of providers.

14 (c) Educating parents and community about the importance of quality
15 education and care in the first years of a child's life.

16 (d) Improving the environment in Michigan for young children includ-
17 ing access to quality care for all young children, especially those with
18 special needs and those whose parents work nontraditional hours.

19 (e) Efforts to organize local community leadership to address the
20 needs of families with young children and coordinate local services to
21 better achieve this goal.

22 (3) Organizational leadership for planning and conducting the ready
23 to succeed dialogue with Michigan shall be provided by the ready to suc-
24 ceed coordinating committee. Committee membership includes representa-
25 tives from C.S. Mott, Frey foundation, McGregor fund, the Skillman foun-
26 dation, W.K. Kellogg foundation, family independence agency, department
27 of education, union organization, ECEC organizations, 6 legislators from

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1 the legislative children's caucus, and leaders from priority action
2 teams. The coordinating committee shall name a fiduciary agent and may
3 authorize the expenditure of funds and hiring people to accomplish its
4 work. The committee shall provide the department with a full accounting
5 of its revenues and expenditures for the period covered by this
6 appropriation.

7 Sec. 629. (1) From the funds appropriated in part 1, up to
8 \$275,000.00 shall be utilized by the family independence agency to con-
9 tract with nonprofit providers and businesses including medical provid-
10 ers, manufacturing industries, and human services and hospitality provid-
11 ers to initiate a career tracked approach to employment of individuals
12 receiving TANF funds. Career training will include, but not be limited
13 to, certified nurse aide training, child care provision, and manufactur-
14 ing and retail and service industries. The following criteria will be
15 met:

16 (a) The program shall be implemented as a pilot program.

17 (b) The program shall be developed through community partnerships
18 with businesses that shall agree to provide jobs related to the training
19 at the end of the training period.

20 (c) Eligible participants shall include homeless individuals, family
21 independence program recipients, and work first clients referred by the
22 family independence agency.

23 (d) Training shall be limited to not longer than 6 months in
24 duration.

25 (e) Training shall be directed to achieving or gaining skills that
26 will lead to significant skilled employment for the participants such as
27 a certification as a nurse's aide.

1 (f) Training shall be reasonably calculated to lead to full-time
2 skilled employment.

3 (g) Participants shall receive any additional support needed to
4 facilitate participation in the training program within reasonable param-
5 eters established by the department of career development including, but
6 not limited to, both of the following:

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

9 (ii) Transportation.

10 (h) Eligible family independence program recipients and work first
11 clients who commence training will be allowed to complete training, as
12 long as all program participation requirements are being met.

13 (2) It is the intent of this section that all program participants
14 satisfy the state work requirements.

15 Sec. 630. (1) The department and the department of career develop-
16 ment shall continue to collaborate on refining and making available to
17 work first participants a single set of clear joint guidelines on the
18 eligibility of participants for postemployment training support and on
19 how training/education hours can be applied toward federal work partici-
20 pation requirements. These guidelines shall balance the ability of par-
21 ticipants to obtain training and subsequent long-term, high-wage employ-
22 ment with the need to connect participants with the workplace. Any and
23 all training/education, with the exception of high school completion, and
24 GED preparation, must be occupationally relevant and in demand in the
25 labor market as determined by the workforce development board.
26 Participants must make satisfactory progress while in
27 training/education. The department shall submit a progress report on

1 these continuing efforts to the house and senate appropriations
2 subcommittees with jurisdiction over the department and over the depart-
3 ment of career development and to the house and senate fiscal agencies by
4 October 1, 2001.

5 (2) Work first participants may meet the work participation require-
6 ment by combining a minimum of 10 hours per week of work with
7 training/education. Training/education may last up to 12 months and the
8 calculated hours may include actual classroom seat time up to 10 hours
9 per week plus up to 1 hour of study time for each hour of classroom seat
10 time. The combined work and training/education hours must equal the min-
11 imum number of hours required to meet the federal work participation
12 requirements, 30 hours per week for a single parent, 35 hours per week
13 for 2-parent families (55 hours if utilizing federally funded day care),
14 and 20 hours per week for single parents with a child under the age of
15 6. Work first participants may enroll in additional hours of classroom
16 seat time beyond 10 hours. However, these hours and the related study
17 time will not count toward the work participation requirements. The
18 training may be no longer than a 1-year program, or the final year of a
19 2- or 4-year undergraduate program that is designed to lead to immediate
20 labor force attachment.

21 (3) Work first participants may meet the federal work participation
22 requirement through enrollment in a short-term vocational program requir-
23 ing 30 hours of classroom seat time per week for a period not to exceed 6
24 months, or by enrollment in full-time internships, practicums, or clini-
25 cals required by an academic or training institution for licensure, pro-
26 fessional certification, or degree completion, without additional work
27 requirements. Two-parent families who receive federally funded day care

1 must work an additional 25 hours per week to meet the federal work
2 participation requirement. In cases where a short-term vocational pro-
3 gram lasts less than 6 months, the participant shall be eligible to
4 enroll in 1 additional short-term vocational program for a combined
5 period not to exceed a total of 6 months.

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

12 (5) The department and the department of career development shall
13 develop a procedure to ensure that the guidelines established under this
14 section are effectively communicated to all possible participants of the
15 postemployment training and education program, including the provision of
16 outreach activities in community colleges.

17 Sec. 631. It is the intent of the legislature that individuals and
18 families who are victimized by domestic violence receive the necessary
19 supports and services that will eliminate future episodes of violence.
20 The legislature supports identifying victims of domestic violence who are
21 in need of state assistance. To fulfill this mandate, the family inde-
22 pendence agency is required to do all of the following:

23 (a) Provide family independence specialists training in recognizing
24 domestic violence and making referrals to the appropriate domestic vio-
25 lence resources.

26 (b) Establish standards and procedures to ensure that the
27 appropriate family independence agency employee appropriately identifies

1 victims with a history of domestic violence, while maintaining
2 confidentiality of that information.

3 (c) Ensure that the recipient receives information on claiming good
4 cause to employment-related activities if cooperation would result in the
5 physical or emotional harm to any recipient or child in the family inde-
6 pendence group or in the home.

7 (d) The department shall keep a record of every family independence
8 program recipient who reports to the department that he or she is a
9 victim of domestic violence and that cooperation with the program
10 requirements would result in physical or emotional harm to any recipient
11 or child in the family independence group or in the home.

12 (e) The family independence agency shall work toward documenting,
13 through sampling, all of the following information:

14 (i) The number of recipients who reported being past or current vic-
15 tims of domestic violence.

16 (ii) The number of recipients who reported that compliance with the
17 Work First requirements would result in physical or emotional harm.

18 (iii) The number of recipients who were referred to counseling.

19 (iv) The number of recipients who were referred to supportive serv-
20 ices and the type of service the recipients were referred for.

21 (f) By April 1, 2002, the family independence agency shall report
22 the information documented according to subdivision (e) to the house and
23 senate committees on appropriations and the house and senate fiscal
24 agencies.

25 (g) By April 1, 2002, the family independence agency shall provide
26 the house and senate committees on appropriations with a copy of the

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1 screening criteria or policies used to identify recipients who may be
2 victims of domestic violence.

3 Sec. 632. The department shall calculate the food stamp allotment
4 for applicants who are United States citizens and who live in a household
5 with legal immigrants in a manner that maximizes the food stamps avail-
6 able to these United States citizens under federal law.

7 Sec. 634. (1) From the funds appropriated in part 1 for the family
8 independence program, the family independence agency shall expend up to
9 \$250,000.00 to develop and fund a parenting skills and career development
10 pilot program that meets all of the following criteria:

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

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

17 (c) Each referred client shall participate in 20 hours a week of
18 parenting skills training that is a formal professional program with
19 either a trainer or facilitator and career development activities as
20 detailed in his or her comprehensive plan and monitored by the local col-
21 laborative program.

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

24 (e) The program must not place the state of Michigan in violation of
25 work requirements as defined in the personal responsibility and work
26 opportunity reconciliation act of 1996, Public Law 104-193, 110
27 Stat. 2105.

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1 (2) The local collaborative program shall provide the department
2 with a report not later than September 30, 2002 that includes all of the
3 following:

4 (a) The number of participants served.

5 (b) The family size of participants served.

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

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

10 (e) Parenting skills training outcomes.

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

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

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

15 Sec. 635. Within 6 business days of receiving all information nec-
16 essary to process an application for payments for child day care, the
17 family independence agency shall determine whether the child day care
18 provider to whom the payments, if approved, would be made, is listed on
19 the child abuse and neglect central registry. If the provider is listed
20 on the central registry, the family independence agency shall immediately
21 send written notice denying the applicant's request for child day care
22 payments.

23 Sec. 636. The department shall submit a report to the house and
24 senate appropriations committees and the house and senate standing com-
25 mittees having jurisdiction over human services matters by March 1, 2002
26 on the subject of late payments to child day care providers for the year
27 of 2001. The report shall include the number of payments 30 to 45 days

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1 late, the number of payments over 45 days late, and the reasons for any
2 late payments made to providers.

3 Sec. 639. The department shall report to the house and senate
4 appropriation subcommittees on the family independence agency and the
5 house and senate fiscal agencies by February 15, 2002 on the status of
6 implementation of the TEACH model in the state. The report shall include
7 all of the following:

8 (a) A description of the partners involved, including pilot sites,
9 in the implementation of the TEACH model.

10 (b) A detailed program implementation description, including activi-
11 ties and time frame.

12 (c) The number of providers served.

13 (d) The number of training hours completed.

14 (e) The number of participating centers.

15 (f) The average cost per participant of the program.

16 (g) Any other information that the department considers relevant.

17 Sec. 640. (1) From the funds appropriated in part 1 for day care
18 services, the family independence agency shall expend up to \$8,000,000.00
19 to provide infant and toddler incentive payments to child day care pro-
20 viders serving children from 0 to 2-1/2 years of age who meet licensing
21 or training requirements.

22 (2) From the funds appropriated in part 1 for day care services, the
23 department shall expend up to \$2,000,000.00 to provide a 10-cent rate
24 increase to child day care center, group day care home, and family day
25 care home providers serving children over 2-1/2 years of age in counties
26 within the family independence agency child care rate shelter area IV.

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1 (3) The use of the funds under this section should not be considered
2 an ongoing commitment of funding.

3 Sec. 643. It is the intent of the legislature that an additional
4 \$2,000,000.00 in TANF funds shall be used to increase the reimbursement
5 rate to shelters by \$2.00 to \$15.00 per day. As a condition of receipt
6 of federal TANF funds, homeless shelters shall collaborate with the
7 family independence agency to obtain necessary TANF eligibility informa-
8 tion on families as soon as possible after admitting a family to the
9 homeless shelter. From the funds appropriated in part 1 for homeless
10 shelters within state emergency relief, the department is authorized to
11 make allocations of TANF funds only to the agencies that report necessary
12 data to the department for the purpose of meeting TANF eligibility
13 reporting requirements. Homeless shelters that do not report necessary
14 data to the department for the purpose of meeting TANF eligibility
15 reporting requirements will not receive reimbursements which exceed the
16 per diem amount they received in fiscal year 2000. The use of TANF funds
17 under this section should not be considered an ongoing commitment of
18 funding.

19 Sec. 644. Effective October 1, 2001, from the funds in part 1 for
20 public assistance, the department shall increase the lifetime limit for
21 non-energy-related home repairs to \$1,750.00.

22 Sec. 645. An individual or family is considered homeless, for pur-
23 poses of eligibility for state emergency relief, if living temporarily
24 with others in order to escape domestic violence. For purposes of this
25 section, domestic violence is defined and verified in the same manner as
26 in the family independence agency's policies on good cause for not
27 cooperating with child support and paternity requirements.

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1 Sec. 646. From the funds appropriated in part 1, the department
2 shall not expend more than \$27,000,000.00 of federal TANF funding for
3 payment of homestead property tax credits for low-income families.

4 Sec. 648. From the funds appropriated in part 1 for assistance pay-
5 ments, the department shall continue to make assistance payments to
6 recipients beyond the federal 5-year limit set under the personal respon-
7 sibility and work opportunity reconciliation act of 1996, Public Law
8 104-193, 110 Stat. 2105, providing the recipient is complying with asset,
9 income, and participation standards set as a condition of eligibility to
10 receive assistance.

11 Sec. 652. The department shall work in collaboration with each
12 office of the friend of the court to aggressively pursue equally child
13 support collections and arrearages on all support orders for children who
14 are either recipients of family independence program benefits or nonre-
15 cipients of family independence program benefits.

16 Sec. 653. From the funds appropriated in part 1 for food stamps, an
17 individual who is the victim of domestic violence and does not qualify
18 for any other exemption may be exempt from the 3-month in 36-month limit
19 on receiving food stamps under section 6(o)(6) of the food stamp act of
20 1977, Public Law 88-525, 7 U.S.C. 2015. This exemption can be extended
21 an additional 3 months upon demonstration of continuing need.

22 Sec. 654. From the funds appropriated in section 104, the family
23 independence agency shall expend up to \$100,000.00 for developing and
24 distributing pamphlets and other forms of public service information
25 regarding procedures for individuals who surrender their newborns to an
26 emergency service provider.

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1 Sec. 657. (1) The department shall continue to offer quality
2 before- or after-school programs that provide youth with a safe, engaging
3 environment to motivate and inspire learning outside the traditional
4 classroom setting. Before-school programs are limited to elementary
5 school-aged children. Effective before- or after-school programs combine
6 academic, enrichment, and recreation activities to guide learning and
7 inspire children and youth in various activities. The before- or
8 after-school programs can meet the needs of the communities served by the
9 programs.

10 (2) The department shall work in collaboration with independent con-
11 tractors to put into practice a pilot program establishing quality
12 before- or after-school programs for children in kindergarten to ninth
13 grades. In order for an independent contractor to receive TANF funds, he
14 or she must serve primarily low-income children.

15 (3) The department shall allocate through grants or contracts up to
16 \$10,000,000.00 in TANF funds for pilot programs. A county shall receive
17 no more than 20% of the funds appropriated in part 1 for this program.
18 From the funds appropriated in part 1 for before- or after-school pilot
19 programs within day care services, the department is authorized to make
20 allocations of TANF funds only to the agencies that report necessary data
21 to the department for the purpose of meeting TANF reporting
22 requirements. The use of TANF funds under this section should not be
23 considered an ongoing commitment of funding.

24 (4) The before- or after-school pilot programs shall include, at a
25 minimum, at least 3 of the following topics:

26 (a) Pregnancy prevention.

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1 (b) Chemical abuse and dependency including nonmedical services.

2 (c) Gang violence prevention.

3 (d) Academic assistance, including assistance with reading and
4 writing.

5 (e) Preparation toward future self-sufficiency.

6 (f) Leadership development.

7 (g) Case management or mentoring.

8 (h) Parental involvement.

9 (i) Anger management.

10 (5) The department may enter into grants or contracts with indepen-
11 dent contractors including, but not limited to, faith-based organiza-
12 tions, boys or girls clubs, schools, or nonprofit organizations. The
13 department shall grant priority in funding independent contractors who
14 secure at least 10% in matching funds. The matching funds may either be
15 fulfilled through local, state, or federal funds, and/or through in-kind
16 or other donations. An independent contractor who cannot fulfill the
17 match described in this subsection shall not be excluded from applying
18 for a before- or after-school program contract.

19 (6) A referral to a pilot program may be made by, but is not limited
20 to, any of the following: a teacher, counselor, parent, police officer,
21 judge, or social worker.

22 (7) By August 30, 2002, the department before- or after-school pilot
23 program expenditures shall be audited and the department shall work in
24 collaboration with independent contractors to provide a report on the
25 before- or after-school pilot program to the senate and house standing
26 committees dealing with human services, the senate and house
27 appropriations subcommittees for the family independence agency budget,

1 the senate and house fiscal agencies, and the senate and house policy
2 offices. The report shall include the number of participants and the
3 average cost per participant, as well as changes noted in program partic-
4 ipants in any of the following categories:

5 (a) Juvenile crime.

6 (b) Aggressive behavior.

7 (c) Academic achievement.

8 (d) Development of new skills and interests.

9 (e) School attendance and dropout rates.

10 (f) Behavioral changes in school.

11 Sec. 659. For the purpose of the family independence program eligi-
12 bility, a recipient with a child under 6 years of age must meet work
13 first participation requirements unless child care is not available and
14 that fact is verified by the family independence program caseworker.

15 Sec. 660. From the funds appropriated in part 1 for food bank coun-
16 cil activities within state emergency relief, the department is autho-
17 rized to make allocations of TANF funds only to the agencies that report
18 necessary data to the department for the purpose of meeting TANF eligi-
19 bility reporting requirements. The agencies that do not report necessary
20 data to the department for the purpose of meeting TANF eligibility
21 reporting requirements will not receive allocations in excess of those
22 received in fiscal year 2000. The use of TANF funds under this section
23 should not be considered an ongoing commitment of funding.

24 Sec. 661. From the funds appropriated in part 1 for transitional
25 work support, the department shall expend up to \$15,000,000.00 in general
26 fund/general purpose funds to develop and fund a transitional work
27 support program. The department shall provide the house and senate

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1 appropriations subcommittees on the family independence agency, the house
2 and senate fiscal agencies, the house and senate policy offices, and the
3 state budget director with a report not later than September 30, 2002
4 that includes all of the following:

5 (a) The number of participants served.

6 (b) The average cost per program participant.

7 (c) Any other information that the department considers relevant.

8 Sec. 664. It is the intent of the legislature that the department
9 maximize their best efforts with the department of consumer and industry
10 services to obtain any available federal funding for the purpose of
11 transferring necessary funds to the department of consumer and industry
12 services for up to 20 FTE positions for day care inspections.

13 Sec. 665. The department may transfer up to \$1,000,000.00 in TANF
14 funds to the department of transportation to be used with other sources
15 of available funds to support public transportation needs of
16 TANF-eligible individuals.

17 Sec. 666. The department shall develop and implement a plan to
18 increase the participation of eligible family independence program recip-
19 ients in the federal earned income tax credit. The department shall
20 report the success of the plan to the house and senate appropriations
21 subcommittees on the family independence agency.

22 Sec. 667. From the funds appropriated in part 1 for day care serv-
23 ices, while maintaining the current maximum income level for the 30% pay-
24 ment category, the family independence agency shall expend up to
25 \$2,500,000.00 to expand eligibility for reimbursement by splitting the
26 difference between the maximum income level for the 30% payment category

1 and 200% of the federal poverty guidelines based on family size and
2 creating 20% and 10% payment categories.

3 **JUVENILE JUSTICE SERVICES**

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

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

17 Sec. 702. Expansion of facilities funded under part 1 for juvenile
18 justice services shall not be authorized by the joint capital outlay sub-
19 committee of the appropriations committees until the department has held
20 a public hearing in the community where the facility proposed to be
21 expanded is located.

22 Sec. 703. A juvenile adjudicated and placed in a state operated
23 maximum security program funded under part 1 for juvenile justice serv-
24 ices shall not be allowed to leave the property of the maximum security
25 facility at which the program is located except when required to leave

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1 the property for medical treatment, court appearances, or other good
2 cause approved by the facility director. For purposes of this section,
3 "juvenile" means that term as defined in section 115n of the social wel-
4 fare act, 1939 PA 280, MCL 400.115n.

5 Sec. 704. New facilities funded under part 1 for juvenile justice
6 services shall not be located within 1,500 feet of property in use for a
7 K-12 educational program.

8 Sec. 705. (1) The department shall report on the W. J. Maxey facil-
9 ity to the house and senate appropriations subcommittees on the family
10 independence agency budget as part of their annual budget presentation.
11 The report shall include the following:

12 (a) Population reintegration goals for juvenile justice wards
13 including, but not limited to, the categorization of positive outcomes
14 and recidivism by age and incarceration type.

15 (b) Facility media policy to ensure reinforcement and consistency
16 with treatment plans and desired ward outcomes.

17 (c) Staff and resident safety.

18 (d) Outcome based service and treatment program plan for wards who
19 are sex offenders or substance abusers.

20 (e) Facility procedure following traumatic campus occurrences such
21 as, but not limited to, violent and sexual assaults.

22 (f) Progress of facility construction including, but not limited
23 to:

24 (i) Scope and cost of the construction contract.

25 (ii) Construction schedule.

26 (iii) Radio and security system warranties.

1 (g) Quality control process for resident service and release plans.

2 (2) The department shall ensure that all juveniles coming into care
3 receive an assessment that includes a review of dysfunctional behavior in
4 adolescents. In addition, the department shall ensure that all treatment
5 addresses:

6 (a) Dysfunctional family practices, such as substance abuse and
7 domestic violence.

8 (b) Sexual harassment and gender bias.

9 (c) Cultural and ethnic sensitivity.

10 Sec. 706. Counties shall be subject to 50% charge back for the use
11 of alternative regional detention services, if those detention services
12 do not fall under the basic provision of section 117e of the social wel-
13 fare act, 1939 PA 280, MCL 400.117e, or if a county operates those deten-
14 tion services programs primarily with professional rather than volunteer
15 staff.

16 Sec. 707. In order to be reimbursed for child care fund expendi-
17 tures, counties are required to submit department developed reports to
18 enable the department to document potential federally claimable
19 expenditures. This requirement is in accordance with the reporting
20 requirements specified in section 117a(7) of the social welfare act, 1939
21 PA 280, MCL 400.117a.

22 Sec. 708. (1) It is the intent of the legislature that the depart-
23 ment work with the department of education and any other agency necessary
24 to develop and implement a procedure to secure funding through the state
25 school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, to educate
26 pupils assigned by a court or the family independence agency to reside in
27 a state-operated juvenile detention or treatment facility.

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1 (2) The department shall report to the house and senate
2 appropriations subcommittees on the family independence agency and the
3 house and senate fiscal agencies by January 15, 2002 on the status of the
4 developing and implementing the provisions of this section. The report
5 shall include actions taken, a timeline for completion, current barriers
6 to implementing the provisions of this section, and recommendations.

[Sec. 709. As a condition of receiving funds appropriated in part
1 for the child care fund, counties shall provide a service spending plan
for the fiscal year ending September 30, 2002 to the department by
February 15, 2002.

Sec. 711. (1) The department shall provide to all affected law
enforcement agencies, on a quarterly basis, notification of placement of a
juvenile released from a state-operated detention facility including sex
offenders. The information shall include, but is not limited to, the name
and address of the juvenile and the nature of the offense that led to the
juvenile's detention.

(2) The department shall evaluate the juvenile's progress toward
reintegration into the community. The department shall identify barriers
to reintegration and take the necessary steps to reduce or eliminate those
barriers. The department shall provide a written report of the findings
to the house and senate standing committees dealing with human services,
the house and senate appropriations subcommittees for the family
independence agency budget, and the house and senate fiscal agencies.

Sec. 712. Not more than 30 days after receiving a published report
from the office of auditor general that states that the department has not
complied with state or federal law, rule, or regulation, the department
shall provide a report to the house and senate committees having
jurisdiction over the family independence agency. The report shall state
the reason for the noncompliance, a corrective action plan to bring the
department into compliance, and the time frame for implementing and
executing the plan.]

7 DISABILITY DETERMINATION SERVICES

8 Sec. 801. The family independence agency disability determination
9 services in agreement with the department of management and budget office
10 of retirement systems will develop the medical information and determine
11 eligibility of medical disability retirement for state employees, state
12 police, judges, and school teachers.