

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 283**

A bill to make, supplement, and adjust appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal years ending September 30, 2003 and September 30, 2004; 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; to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

PART 1

2

LINE-ITEM APPROPRIATIONS FOR FISCAL YEAR 2003-2004

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Sec. 101. Subject to the conditions set forth in this act, the

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amounts listed in this part are appropriated for the family

1 independence agency for the fiscal year ending September 30, 2004,
 2 from the funds indicated in this part. The following is a summary of
 3 the appropriations in this part:

4 **FAMILY INDEPENDENCE AGENCY**

5	Full-time equated classified positions.....	10,768.6	
6	Full-time equated unclassified positions.....	6.0	
7	Total full-time equated positions.....	10,774.6	
8	GROSS APPROPRIATION.....	\$	3,950,196,900
9	Interdepartmental grant revenues:		
10	Total interdepartmental grants and intradepartmental		
11	transfers.....	\$	1,055,800
12	ADJUSTED GROSS APPROPRIATION.....	\$	3,949,141,100
13	Federal revenues:		
14	Total federal revenues.....		2,702,130,150
15	Special revenue funds:		
16	Total private revenues.....		9,472,150
17	Total local revenues.....		65,097,100
18	Total other state restricted revenues.....		70,096,800
19	State general fund/general purpose.....	\$	1,102,344,900
20	Sec. 102. EXECUTIVE OPERATIONS		
21	Total full-time equated positions.....	470.8	
22	Full-time equated unclassified positions.....	6.0	
23	Full-time equated classified positions.....	464.8	
24	Unclassified salaries--6.0 FTE positions.....	\$	505,900
25	Salaries and wages--354.8 FTE positions.....		18,181,800
26	Contractual services, supplies, and materials.....		7,109,300
27	Demonstration projects--7.0 FTE positions.....		7,804,200

1	Commission on disability concerns--7.0 FTE positions	944,300
2	Commission for the blind--96.0 FTE positions.....	17,461,300
3	Youth low-vision program.....	<u>260,100</u>
4	GROSS APPROPRIATION..... \$	52,266,900
5	Appropriated from:	
6	Federal revenues:	
7	Total federal revenues.....	34,769,600
8	Special revenue funds:	
9	Total private revenues.....	1,340,000
10	Total local revenues.....	275,000
11	Total other state restricted revenues.....	477,300
12	State general fund/general purpose..... \$	15,405,000
13	Sec. 103. FAMILY INDEPENDENCE SERVICES	
14	ADMINISTRATION	
15	Full-time equated classified positions.....102.8	
16	Salaries and wages--71.7 FTE positions..... \$	3,802,500
17	Contractual services, supplies, and materials.....	11,673,000
18	Employment and training support services.....	21,228,900
19	Wage employment verification reporting--2.0 FTE	
20	positions.....	1,907,600
21	Urban and rural empowerment/enterprise zones.....	100
22	Training and staff development--29.1 FTE positions..	8,203,100
23	Community services block grant.....	<u>24,350,000</u>
24	GROSS APPROPRIATION..... \$	71,165,200
25	Appropriated from:	
26	Federal revenues:	
27	Total federal revenues.....	60,482,500

1	Special revenue funds:	
2	State general fund/general purpose.....	\$ 10,682,700
3	Sec. 104. CHILD SUPPORT ENFORCEMENT	
4	Full-time equated classified positions.....	200.0
5	Child support enforcement operations--	192.0 FTE
6	positions.....	\$ 19,522,000
7	Legal support contracts.....	139,819,600
8	Child support incentive payments.....	32,409,600
9	Child support distribution computer system--	8.0 FTE
10	positions.....	<u>26,195,400</u>
11	GROSS APPROPRIATION.....	\$ 217,946,600
12	Appropriated from:	
13	Federal revenues:	
14	Total federal revenues.....	199,480,000
15	Special revenue funds:	
16	Total local revenues.....	340,000
17	State general fund/general purpose.....	\$ 18,126,600
18	Sec. 105. CHILD AND FAMILY SERVICES	
19	Full-time equated classified positions.....	97.8
20	Salaries and wages--	37.8 FTE positions..... \$ 1,984,700
21	Contractual services, supplies, and materials.....	1,407,600
22	Refugee assistance program--	3.0 FTE positions..... 12,642,300
23	Foster care payments.....	143,007,100
24	Wayne County foster care payments.....	71,060,200
25	Adoption subsidies.....	219,386,300
26	Adoption support services--	10.0 FTE positions..... 14,101,200
27	Youth in transition--	6.5 FTE positions..... 12,757,300

1	Interstate compact.....	300,100
2	Children's benefit fund donations.....	21,000
3	Domestic violence prevention and treatment--5.0 FTE	
4	positions.....	13,476,400
5	Teenage parent counseling--3.0 FTE positions.....	3,745,900
6	Family preservation and prevention services--12.0	
7	FTE positions.....	66,285,700
8	Black child and family institute.....	100,100
9	Rape prevention and services.....	2,600,100
10	Children's trust fund administration--6.0 FTE	
11	positions.....	439,200
12	Children's trust fund grants.....	3,615,000
13	Attorney general contract.....	2,481,100
14	Guardian contract.....	600,100
15	Prosecuting attorney contracts.....	1,061,700
16	Child care fund.....	141,750,000
17	Enhanced child care fund reimbursement for community	
18	programs.....	33,273,500
19	Child care fund administration--7.5 FTE positions...	884,100
20	County juvenile officers.....	3,754,100
21	Community support services--7.0 FTE positions.....	<u>1,479,500</u>
22	GROSS APPROPRIATION..... \$	752,214,300
23	Appropriated from:	
24	Federal revenues:	
25	Total federal revenues.....	418,128,600
26	Special revenue funds:	
27	Private - children's benefit fund donations.....	21,000

1	Private - collections.....	5,033,900
2	Local funds - county payback.....	34,918,000
3	Children's trust fund.....	3,271,800
4	State general fund/general purpose..... \$	290,841,000
5	Sec. 106. JUVENILE JUSTICE SERVICES	
6	Full-time equated classified positions.....820.9	
7	Juvenile justice operations--800.9 FTE positions.... \$	69,355,000
8	Federally funded activities--12.0 FTE positions.....	1,727,800
9	W.J. Maxey memorial fund.....	45,000
10	Juvenile accountability incentive block grant--4.0	
11	FTE positions.....	8,436,300
12	Committee on juvenile justice administration--4.0	
13	FTE positions.....	464,900
14	Committee on juvenile justice grants.....	<u>5,000,000</u>
15	GROSS APPROPRIATION..... \$	85,029,000
16	Appropriated from:	
17	Federal revenues:	
18	Total federal revenues.....	18,154,900
19	Special revenue funds:	
20	Total private revenues.....	645,000
21	Local funds - county payback.....	29,068,600
22	State general fund/general purpose..... \$	37,160,500
23	Sec. 107. LOCAL OFFICE STAFF AND OPERATIONS	
24	Full-time equated classified positions.....8,468.4	
25	Field staff, salaries and wages--8,397.4 FTE	
26	positions..... \$	336,299,500
27	Contractual services, supplies, and materials.....	26,354,400

1	Outstationed eligibility workers--60.0 FTE positions	4,664,500
2	Food stamp reinvestment.....	18,426,400
3	Wayne County gifts and bequests.....	100,000
4	Volunteer services and reimbursement--11.0 FTE	
5	positions.....	<u>1,956,000</u>
6	GROSS APPROPRIATION..... \$	387,800,800
7	Appropriated from:	
8	Federal revenues:	
9	Total federal revenues.....	237,173,150
10	Special revenue funds:	
11	Local funds - donated funds.....	191,100
12	Private funds - Wayne County gifts.....	100,000
13	Private funds - hospital contributions.....	2,332,250
14	State general fund/general purpose..... \$	148,004,300
15	Sec. 108. DISABILITY DETERMINATION SERVICES	
16	Full-time equated classified positions.....606.0	
17	Disability determination operations--580.0 FTE	
18	positions..... \$	68,756,200
19	Medical consultation program--21.0 FTE positions....	2,826,600
20	Retirement disability determination--5.0 FTE	
21	positions.....	<u>828,800</u>
22	GROSS APPROPRIATION..... \$	72,411,600
23	Appropriated from:	
24	Interdepartmental grant revenues:	
25	Department of management and budget - office of	
26	retirement systems.....	1,055,800
27	Appropriated from:	

1	Federal revenues:	
2	Total federal revenues.....	68,534,100
3	State general fund/general purpose..... \$	2,821,700
4	Sec. 109. CENTRAL SUPPORT ACCOUNTS	
5	Rent..... \$	44,645,800
6	Occupancy charge.....	11,448,300
7	Grand tower facility reimbursement.....	1,905,100
8	Travel.....	5,967,700
9	Equipment.....	1,087,500
10	Workers' compensation.....	5,957,100
11	Advisory commissions.....	18,000
12	Payroll taxes and fringe benefits.....	<u>178,733,400</u>
13	GROSS APPROPRIATION..... \$	249,762,900
14	Appropriated from:	
15	Federal revenues:	
16	Total federal revenues.....	160,028,600
17	Special revenue funds:	
18	Local funds - county payback.....	304,400
19	State general fund/general purpose..... \$	89,429,900
20	Sec. 110. PUBLIC ASSISTANCE	
21	Full-time equated classified positions.....7.9	
22	Family independence program..... \$	343,209,700
23	State disability assistance payments.....	24,045,200
24	Food assistance program benefits.....	833,011,200
25	State supplementation.....	59,668,500
26	State supplementation administration.....	2,624,300
27	Low-income energy assistance program--7.9 FTE	

1	positions.....	116,467,700
2	State emergency relief.....	41,908,300
3	Weatherization assistance.....	15,940,800
4	Day care services.....	<u>480,374,700</u>
5	GROSS APPROPRIATION..... \$	1,917,250,400
6	Appropriated from:	
7	Federal revenues:	
8	Total federal revenues.....	1,413,262,700
9	Special revenue funds:	
10	Child support collections.....	47,710,700
11	Supplemental security income recoveries.....	5,104,800
12	Public assistance recoupment revenue.....	2,500,000
13	State general fund/general purpose..... \$	448,672,200
14	Sec. 111. INFORMATION TECHNOLOGY	
15	Information technology services and projects..... \$	45,467,800
16	Child support automation.....	70,000,100
17	Client services system.....	12,307,300
18	Data system enhancement.....	<u>16,574,000</u>
19	GROSS APPROPRIATION..... \$	144,349,200
20	Appropriated from:	
21	Federal revenues:	
22	Total federal revenues.....	92,116,000
23	Special revenue funds:	
24	Total local revenues.....	0
25	Total other state restricted revenues.....	11,032,200
26	State general fund/general purpose.....	41,201,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2003-2004 is \$1,172,441,700.00 and state spending from state resources to be paid to local units of government for fiscal year 2003-2004 is \$192,628,700.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

FAMILY INDEPENDENCE AGENCY

CHILD AND FAMILY SERVICES

Adoption subsidies.....	\$	83,796,800
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JUVENILE JUSTICE SERVICES

Child care fund.....		97,200,000
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County juvenile officers.....		2,973,200
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Enhanced child care fund reimbursement for community programs.....		7,500,000
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PUBLIC ASSISTANCE

State disability program.....		<u>1,158,700</u>
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TOTAL.....	\$	192,628,700
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Sec. 202. The appropriations authorized under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this act:

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

1 (b) "FTE" means full-time equated.

2 (c) "Temporary assistance for needy families" or "TANF" or "title
3 IV-A" means part A of title IV of the social security act, chapter
4 531, 49 Stat. 620, 42 U.S.C. 601 to 604, 605 to 608, and 609 to 619.

5 (d) "Title IV-D" means part D of title IV of the social security
6 act, chapter 531, 49 Stat. 620, 42 U.S.C. 651 to 655, 656 to 657, 658a
7 to 660, and 663 to 669b.

8 (e) "Title IV-E" means part E of title IV of the social security
9 act, chapter 531, 49 Stat. 620, 42 U.S.C. 670 to 673, 673b to 679, and
10 679b.

11 Sec. 204. The department of civil service shall bill departments
12 and agencies at the end of the first fiscal quarter for the 1% charge
13 authorized by section 5 of article XI of the state constitution of
14 1963. Payments shall be made for the total amount of the billing by
15 the end of the second fiscal quarter.

16 Sec. 205. (1) Beginning October 1, a hiring freeze is imposed on
17 the state classified civil service. State departments and agencies
18 are prohibited from hiring any new full-time state classified civil
19 service employees and prohibited from filling any vacant state
20 classified civil service positions. This hiring freeze does not apply
21 to internal transfers of classified employees from 1 position to
22 another within a department.

23 (2) The state budget director shall grant exceptions to this
24 hiring freeze when the state budget director believes that the hiring
25 freeze will result in rendering a state department or agency unable to
26 deliver basic services, cause loss of revenue to the state, result in
27 the inability of the state to receive federal funds, or necessitate

1 additional expenditures that exceed any savings from maintaining a
2 vacancy. The state budget director shall report monthly to the
3 chairpersons of the senate and house appropriations committees and the
4 senate and house fiscal agencies and policy offices on the number of
5 exceptions to the hiring freeze approved during the previous month and
6 the reasons to justify the exception.

7 Sec. 207. At least 60 days before beginning any effort to
8 privatize, the department shall submit a complete project plan to the
9 appropriate senate and house of representatives appropriations
10 subcommittees and the senate and house fiscal agencies. The plan
11 shall include the criteria under which the privatization initiative
12 will be evaluated. The evaluation shall be completed and submitted to
13 the appropriate senate and house of representatives appropriations
14 subcommittees and the senate and house fiscal agencies within 30
15 months.

16 Sec. 208. Unless otherwise specified, the department shall use
17 the Internet to fulfill the reporting requirements of this act. This
18 shall include transmission of reports via electronic mail, including a
19 link to the Internet site, to the recipients identified for each
20 reporting requirement, or it may include placement of reports on the
21 Internet or Intranet site. On an annual basis, the department shall
22 provide a cumulative listing of the reports to the house and senate
23 appropriations subcommittees and the house and senate fiscal agencies
24 and policy offices.

25 Sec. 209. Funds appropriated in part 1 shall not be used for the
26 purchase of foreign goods or services, or both, if competitively
27 priced American goods or services, or both, of comparable quality are

1 available.

2 Sec. 210. The director of each department receiving
3 appropriations in part 1 shall take all reasonable steps to ensure
4 businesses in deprived and depressed communities compete for and
5 perform contracts to provide services or supplies, or both. Each
6 director shall strongly encourage firms with which the department
7 contracts to subcontract with certified businesses in depressed and
8 deprived communities for services, supplies, or both.

9 Sec. 211. The department may receive and expend advances or
10 reimbursements from the department of state police for the
11 administration of the individual and family grant disaster assistance
12 program. An account shall be established in the department for this
13 purpose when a disaster is declared. The authorization and allotment
14 for the account shall be in the amount advanced or reimbursed from the
15 department of state police.

16 Sec. 212. In addition to funds appropriated in part 1 for all
17 programs and services, there is appropriated for write-offs of
18 accounts receivable, deferrals, and for prior year obligations in
19 excess of applicable prior year appropriations, an amount equal to
20 total write-offs and prior year obligations, but not to exceed amounts
21 available in prior year revenues or current year revenues that are in
22 excess of the authorized amount.

23 Sec. 213. (1) The department may retain all of the state's share
24 of food assistance overissuance collections as an offset to general
25 fund/general purpose costs. Retained collections shall be applied
26 against federal funds deductions in all appropriation units where
27 department costs related to the investigation and recoupment of food

1 assistance overissuances are incurred. Retained collections in excess
2 of such costs shall be applied against the federal funds deducted in
3 the executive operations appropriation unit.

4 (2) The department shall report to the legislature during the
5 senate and house budget hearings on the status of the food stamp error
6 rate. The report shall include at least all of the following:

7 (a) An update on federal sanctions and federal requirements for
8 reinvestment due to the food stamp error rate.

9 (b) Review of the status of training for employees who administer
10 the food assistance program.

11 (c) An outline of the past year's monthly status of worker to food
12 stamp cases and monthly status of worker to food stamp applications.

13 (d) Information detailing the effect and change in staffing due to
14 the early retirement option.

15 (e) Corrective action through policy, rules, and programming being
16 taken to reduce the food stamp error rate.

17 (f) Any other information regarding the food stamp error rate,
18 including information pertaining to technology and computer
19 applications used for the food assistance program.

20 Sec. 214. (1) The department shall submit a report to the
21 chairpersons of the senate and house appropriations subcommittees on
22 the family independence agency budget and the senate and house fiscal
23 agencies and policy offices and the state budget director on the
24 details of allocations within program budgeting line items and within
25 the salaries and wages line items in the local office staff and
26 operations appropriation unit. The report shall include a listing, by
27 account, dollar amount, and fund source, of salaries and wages;

1 longevity and insurance; retirement; contractual services, supplies,
2 and materials; equipment; travel; and grants within each program line
3 item appropriated for the fiscal year ending September 30, 2004.

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

6 Sec. 215. If a legislative objective of this act or the social
7 welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be implemented
8 without loss of federal financial participation because implementation
9 would conflict with or violate federal regulations, the department
10 shall notify the state budget director, the house and senate
11 appropriations committees, and the house and senate fiscal agencies
12 and policy offices of that fact. Upon receipt of the notification, a
13 joint house and senate committee made up of the members of the house
14 and senate appropriations subcommittees dealing with appropriations
15 for the family independence agency may be appointed to meet with the
16 director of the department to review the substantive, procedural, and
17 legal ramifications of the legislative objective and to develop a plan
18 to attain that legislative objective.

19 Sec. 218. (1) The department shall prepare a semiannual report
20 on the TANF federal block grant. The report shall include projected
21 expenditures for the current fiscal year, an accounting of any
22 previous year funds carried forward, and a summary of all
23 interdepartmental or interagency agreements relating to the use of
24 TANF funds. The report shall be forwarded to the state budget
25 director and the house and senate appropriations subcommittees on the
26 family independence agency budget and the house and senate fiscal
27 agencies and policy offices on or before January 15, 2004 and May 15,

1 2004.

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

10 Sec. 220. (1) In contracting with faith-based organizations for
11 mentoring or supportive services, and in all contracts for services,
12 the department shall ensure that no funds provided directly to
13 institutions or organizations to provide services and administer
14 programs shall be used or expended for any sectarian activity,
15 including sectarian worship, instruction, or proselytization.

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

23 (3) The department shall ensure that faith-based organizations are
24 able to apply and compete for services, programs, or contracts that
25 they are qualified and suitable to fulfill. The department shall not
26 disqualify faith-based organizations solely on the basis of the
27 religious nature of their organization or their guiding principles or

1 statements of faith.

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

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

11 Sec. 223. (1) The department shall make a determination of
12 Medicaid eligibility not later than 60 days after all information to
13 make the determination is received from the applicant when disability
14 is an eligibility factor. For all other Medicaid applicants, the
15 department shall make a determination of Medicaid eligibility not
16 later than 45 days after all information to make the determination is
17 received from the applicant.

18 (2) The department shall analyze the efficacy of centralized
19 monthly processing of Medicaid spend-down paperwork for clients whose
20 monthly income amount is stable. The department shall present the
21 findings of the analysis to the senate and house appropriations
22 subcommittees on the family independence agency, during budget
23 deliberations, and distribute the findings to the senate and house
24 standing committees on human services matters, senate and house fiscal
25 agencies, and policy offices.

26 Sec. 227. The department, with the approval of the state budget
27 director, is authorized to realign sources of financing authorizations

1 in order to maximize temporary assistance for needy families'
2 maintenance of effort countable expenditures. This realignment of
3 financing shall not be made until 15 days after notifying the chairs
4 of the house and senate appropriations subcommittees on the family
5 independence agency and house and senate fiscal agencies, and shall
6 not produce an increase or decrease in any line-item expenditure
7 authorization.

8 Sec. 259. (1) From the funds appropriated in part 1 for
9 information technology, the department shall pay user fees to the
10 department of information technology for technology-related services
11 and projects. User fees shall be subject to provisions of an
12 interagency agreement between the department and the department of
13 information technology.

14 (2) By October 15, 2003, the department shall report on the
15 interagency agreement with the department of information technology to
16 the house and senate appropriations subcommittees for the family
17 independence agency budget, house and senate fiscal agencies, and
18 policy offices. The report shall include the base service priorities
19 in the agreement including, but not limited to, the following:

- 20 (a) Name and description of base service.
21 (b) Detail goals and objectives related to each base service.
22 (c) Cost of each base service.
23 (d) Time frame for implementation or completion of base service.

24 (3) Individual projects within the interagency agreement with a
25 cost of \$500,000.00 or greater must be reported to the house and
26 senate appropriations subcommittees for the family independence agency
27 budget, house and senate fiscal agencies, and policy offices.

1 (4) As used in this section, "base services" means all services to
2 be supplied by the department of information technology that are to be
3 purchased by the department under the provisions of the interagency
4 agreement.

5 Sec. 260. Amounts appropriated in part 1 for information
6 technology may be designated as work projects and carried forward to
7 support department projects under the direction of the department of
8 information technology. Funds designated in this manner are not
9 available for expenditure until approved as work projects under
10 section 451a of the management and budget act, 1984 PA 431,
11 MCL 18.1451a.

12 Sec. 261. (1) The department shall consult with the house and
13 senate appropriations subcommittees on the family independence agency
14 regarding the planned restructuring of local offices in response to
15 2002 PA 93. Issues to be covered shall include service delivery
16 structure, facility needs, and administrative support. Any plan
17 presented shall ensure that the department provides a presence and
18 services in every county.

19 (2) The department shall report to the house and senate
20 appropriations subcommittees on the family independence agency budget,
21 the house and senate fiscal agencies and policy offices, and the state
22 budget director on or before January 1, 2004 on a plan to restructure
23 local field offices in counties with more than 10 local offices.

24 Sec. 264. Provided that an employee does not violate federal or
25 state laws, breach confidentiality, violate civil service rules, or
26 represent a formal department position without prior written
27 authorization, the department shall ensure that all department

1 employees, while on their personal time, are permitted to have
2 appropriate communications with legislators and their staff.

3 Sec. 269. (1) If title IV-D-related child support collections
4 are escheated, the state budget director is authorized to adjust the
5 sources of financing for the funds appropriated in part 1 for legal
6 support contracts to reduce federal authorization by 66% of the
7 escheated amount and increase general fund/general purpose
8 authorization by the same amount. This budget adjustment is required
9 to offset the loss of federal revenue due to the escheated amount
10 being counted as title IV-D program income in accordance with federal
11 regulations at 45 C.F.R. 304.50.

12 (2) The department shall report to the house and senate
13 appropriations subcommittees on the family independence agency budget,
14 the house and senate fiscal agencies and policy offices, and the state
15 budget director on or before February 1, 2004 on the total escheated
16 amount described in subsection (1).

17 Sec. 270. A report required to be provided to the legislature
18 and the state budget director under this act shall include all of the
19 following information:

20 (a) The average cost per recipient served by the program.

21 (b) Information regarding how outcome achievement is measured in
22 the program.

23 (c) Information regarding the measure used to determine how the
24 program meets the goals of safety, permanence, well-being, and
25 independence.

26 Sec. 271. (1) The department shall report to the senate and
27 house appropriations subcommittees on the family independence agency,

1 the senate and house standing committees on human services, the senate
2 and house fiscal agencies, the senate and house policy offices, and
3 the state budget director on the progress of child and family services
4 reviews (CFSR). The reviews, conducted in the state by the children's
5 bureau of the United States department of health and human services,
6 are intended to assess the department's compliance with the adoption
7 and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, with
8 the ultimate goal of improving the state child welfare system and the
9 safety, permanency, and child and family service outcomes to children
10 and families. The report shall be submitted quarterly beginning in
11 December 2003.

12 (2) The report required under subsection (1) shall include the
13 findings and progress of all of the following:

14 (a) Changes made by the courts with respect to court forms and
15 court rules to meet the statutory requirement.

16 (b) Department policy changes within the areas of foster care,
17 juvenile justice, and adoption to meet the statutory requirements.

18 (c) Recommendations made by a workgroup composed of department and
19 other agency stakeholders.

20 (d) A summary of the 7 systemic factors that determine the state's
21 compliance with the adoption and safe families act of 1997, Public Law
22 105-89, 111 Stat. 2115.

23 (e) A summary of the 7 data outcome indicators used to determine
24 the state's compliance with the adoption and safe families act of
25 1997, Public Law 105-89, 111 Stat. 2115, including the length of time
26 required to achieve family reunification for foster care cases.

27 (f) Federal recommendations made to the state, including

1 recommendations to the courts.

2 (g) Federal penalties assessed against the state for
3 noncompliance.

4 (h) Status of the performance improvement plan submitted to the
5 federal government.

6 Sec. 272. (1) The department shall report to the senate and
7 house appropriation subcommittees on the family independence agency,
8 the senate and house standing committees on human services, the senate
9 and house fiscal agencies, the senate and house policy offices, and
10 the state budget director on the result of the title IV-E foster care
11 eligibility reviews. The reviews, conducted in the state by the
12 United States department of health and human services, are intended to
13 assess the department's compliance with the adoption and safe families
14 act of 1997, Public Law 105-89, 111 Stat. 2115, ensuring the
15 department's case files and payments records meet federal regulations,
16 including standards on eligibility for placement reimbursement and the
17 allowable payment rate.

18 (2) The report required under subsection (1) shall include the
19 findings and progress of all of the following:

20 (a) Training programs conducted by the department and the Michigan
21 judicial institute.

22 (b) Changes made by the courts on court forms and rules used in
23 meeting the statutory requirements.

24 (c) Department policy changes that impact meeting the statutory
25 requirements for foster care and adoption, including juvenile justice
26 programs.

27 (d) Recommendations made by a department workgroup composed of

1 representatives from the department and other departments and
2 agencies.

3 (e) Federal recommendations submitted to the state, including
4 recommendations to the courts.

5 (f) Federal penalties assessed against the state.

6 Sec. 274. The department may report to the house and senate
7 appropriations subcommittees on the family independence agency budget,
8 the senate and house fiscal agencies, the senate and house policy
9 offices, and the state budget director as part of the annual budget
10 presentation on each federal grant this state was eligible to apply
11 for but for any reason chose not to submit an application.

12 Sec. 275. Of the funds appropriated in part 1, no funds shall be
13 used by the department for advertising unless required by state or
14 federal regulations.

15 Sec. 276. The departments and agencies receiving appropriations
16 in part 1 shall receive and retain copies of all reports funded from
17 appropriations in part 1. The department shall follow all federal
18 guidelines and state laws regarding short-term and long-term retention
19 of records.

20 Sec. 277. Not more than 30 days after receiving a published
21 report from the office of auditor general that states that the
22 department has not complied with state or federal law, rule, or
23 regulation, the department shall provide a report to the house and
24 senate committees having jurisdiction over the family independence
25 agency. The report shall state the reason for the noncompliance, a
26 corrective action plan to bring the department into compliance, and
27 the time frame for implementing and executing the plan.

1 EXECUTIVE OPERATIONS

2 Sec. 302. The appropriation in part 1 for the Michigan
3 commission for the blind includes funds for case services. These
4 funds may be used for tuition payments for blind clients for the
5 school year beginning September 2003.

6 FAMILY INDEPENDENCE SERVICES ADMINISTRATION

7 Sec. 403. Not later than September 30 of each year, the
8 department shall submit for public hearing to the chairpersons of the
9 house and senate appropriations subcommittees dealing with
10 appropriations for the family independence agency the proposed use and
11 distribution plan for community services block grant funds
12 appropriated in part 1 for the succeeding fiscal year.

13 Sec. 404. The department shall develop a plan based on
14 recommendations from the department of civil rights and from Native
15 American organizations to assure that the community services block
16 grant funds are equitably distributed. The plan must be developed by
17 October 31, 2003, and the plan shall be delivered to the
18 appropriations subcommittees on the family independence agency in the
19 house and senate.

20 Sec. 413. (1) Contingent upon the receipt of a refund from the
21 federal government related to penalties previously imposed for the
22 child support enforcement system, [\$12,700,000.00] of the refund is
23 appropriated for the following programs in the following amounts to
24 provide funding in addition to funds appropriated in part 1:

25 (a) \$500,000.00 for establishment or enhancement of domestic

Senate Bill No. 283 (H-1) as amended June 12, 2003

1 violence supervised parenting time centers.

2 (b) \$5,726,500.00 for the enhanced child care fund reimbursement
3 for in-home services program.

4 (c) \$50,000.00 for the Michigan coordinated access to food for the
5 elderly (MICAFE) program.

6 (d) \$78,500.00 for a school-based crisis intervention
7 demonstration project in Pontiac.

8 (e) \$45,000.00 for 5 communities to develop young at-risk males of
9 color networks.

10 (f) \$500,000.00 for the effective family formation program.

11 (g) \$750,000.00 to provide a more uniform rate structure for
12 specialized foster care by raising the rates for private agencies
13 whose rates are below the median.

14 (h) \$1,250,000.00 to provide a rate increase for foster care and
15 adoption subsidies for parents and agencies.

16 (i) \$150,000.00 for the 1 church 1 child program.

17 (j) \$500,000.00 to fund a pilot program in 4 counties to offer a
18 6-hour to 10-hour counseling class to Medicaid eligible pregnant teens
19 on the merits of releasing their newborn child for adoption.

20 (k) \$500,000.00 for a 3-year teen pregnancy prevention project in
21 the Pontiac school district.

22 (l) \$150,000.00 for a homeless prevention program working with
23 extended families of clients at-risk for homelessness.

[(m) \$2,000,000.00 to cities in Michigan with a population of more
than 900,000 people and \$500,000.00 to cities in Michigan with a
population of more than 150,000 people, but less than 900,000 people, for
a pilot project to implement the Amer-I-Can program.]

24 (2) The funds appropriated in subsection (1) shall be considered a
25 1-time authority.

26 (3) Contingent upon the receipt of the refund mentioned in
27 subsection (1), \$2,000,000.00 in federal title IV-E match is

1 appropriated for the following programs in the following amounts to
2 provide funding in addition to funds appropriated in part 1 and
3 subsection (1):

4 (a) \$750,000.00 to provide a more uniform rate structure for
5 specialized foster care by raising the rates for private agencies
6 whose rates are below the median.

7 (b) \$1,250,000.00 to provide a rate increase for foster care and
8 adoption subsidies for parents and agencies.

9 Sec. 414. (1) Of the funds appropriated in part 1 for community
10 services block grants, \$2,350,000.00 represents TANF funding earmarked
11 for community action agencies.

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

18 Sec. 415. (1) From the funds appropriated in part 1 for
19 employment and training support services, the department shall expend
20 \$499,900.00 in TANF to fund a fatherhood initiative program. The
21 department may contract with independent contractors from various
22 counties, including, but not limited to, faith-based and nonprofit
23 organizations. The independent contractors shall provide at least 10%
24 in matching funds, through any combination of local, state, or federal
25 funds or in-kind or other donations. An independent contractor that
26 cannot secure matching funds shall not be excluded from consideration
27 for the fatherhood program.

1 (2) The department may choose providers that will work with
2 counties to help eligible fathers under TANF guidelines to acquire
3 skills that will enable them to increase their responsible behavior
4 toward their children and the mothers of their children. An increase
5 of financial support for their children should be a very high priority
6 as well as emotional support.

7 (3) A fatherhood initiative program established under this section
8 shall minimally include at least 3 of the following components:
9 promoting responsible, caring, and effective parenting through
10 counseling; mentoring and parental education; enhancing the abilities
11 and commitment of unemployed or low-income fathers to provide material
12 support for their families and to avoid or leave welfare programs by
13 assisting them to take advantage of job search programs, job training,
14 and education to improve their work habits and work skills; improving
15 fathers' ability to effectively manage family business affairs by
16 means such as education, counseling, and mentoring in household
17 matters; infant care; effective communication and respect; anger
18 management; children's financial support; and drug-free lifestyle.

19 (4) The department is authorized to make allocations of TANF
20 funds, of not more than 20% per county, under this section only to
21 agencies that report necessary data to the department for the purpose
22 of meeting TANF eligibility reporting requirements. The use of TANF
23 funds under this section should not be considered an ongoing
24 commitment of funding.

25 (5) Upon receipt of the promotion of responsible fatherhood funds
26 from the United States department of health and human services, the
27 agency shall use the program criteria set forth in subsection (3) to

1 implement the program with the federal funds.

2 Sec. 416. (1) From the funds appropriated in part 1 for
3 employment and training support services, the department may expend up
4 to \$749,900.00 in TANF to fund a marriage initiative program. The
5 department may contract with independent contractors from various
6 counties, including, but not limited to, faith-based and nonprofit
7 organizations. The independent contractors shall provide at least 10%
8 in matching funds, through any combination of local, state, or federal
9 funds or in-kind or other donations. An independent contractor that
10 cannot secure matching funds shall not be excluded from consideration
11 for a marriage initiative program.

12 (2) The department may choose providers to work with counties that
13 will work to support and strengthen marriages of those eligible under
14 the TANF guidelines. The areas of work may include, but are not
15 limited to, marital counseling, domestic violence counseling, family
16 counseling, effective communication, and anger management as well as
17 parenting skills to improve the family structure.

18 (3) A marriage initiative program established under this section
19 may include, but is not limited to, 1 or more of the following:
20 public advertising campaigns on the value of marriage and the skills
21 needed to increase marital stability and health; education in high
22 schools on the value of marriage, relationship skills, and budgeting;
23 premarital, marital, family, and domestic violence counseling;
24 effective communication; marriage mentoring programs which use married
25 couples as role models and mentors in at-risk communities; anger
26 management; and parenting skills to improve the family structure.

27 (4) The department is authorized to make allocations of TANF

1 funds, of not more than 20% per county, under this section only to
2 agencies that report necessary data to the department for the purpose
3 of meeting TANF eligibility reporting requirements. The use of TANF
4 funds under this section should not be considered an ongoing
5 commitment of funding.

6 (5) Upon receipt of the health promotion grant from the United
7 States department of health and human services, the agency shall use
8 the program criteria set forth in subsection (3) to implement the
9 program with the federal funds.

10 Sec. 417. (1) From the funds appropriated in part 1 for
11 community services block grant, the department shall expend up to
12 \$650,000.00 to fund a bureau of community action and economic
13 opportunity and a commission on community action and social
14 opportunity. The bureau shall serve as a statewide advocate for
15 social and economic opportunities for low-income individuals, and the
16 commission shall provide an opportunity for low-income individuals to
17 actively participate in the development of policies and programs to
18 reduce poverty. The bureau shall contract with public agencies,
19 nonprofit private agencies, or nonprofit organizations for
20 demonstration programs and other services necessary to implement
21 community social and economic programs to reduce poverty.

22 (2) The department shall report to the senate and house
23 appropriation subcommittees for the family independence agency budget,
24 the senate and house standing committees on human services matters,
25 and the senate and house fiscal agencies on the use of the funds
26 described in subsection (1). The report shall include all of the
27 following:

1 (a) Number of full-time equated employees funded.

2 (b) Administrative duties performed.

3 (c) The relationship between duties and the bureau of community
4 action and economic opportunity and the commission on community action
5 and social opportunity.

6 Sec. 418. From the funds appropriated in part 1 for employment
7 and training support services, \$250,000.00 shall be appropriated to
8 the Michigan IDA partnership to allocate to individual development
9 account (IDA) matched savings programs serving TANF eligible
10 households in Michigan. It is the intent of the legislature that the
11 same amount be appropriated annually in each of the subsequent 4
12 fiscal years.

13 Sec. 419. The department in collaboration with the Michigan
14 state university center for urban affairs and its partner
15 organizations, the Michigan credit union league and the national
16 federation of community development credit unions, shall further the
17 work begun in fiscal year 1999-2000 that implemented the individual
18 development accounts programs in the growing number of low-income
19 designated credit unions, i.e., community development credit unions
20 (CDCUs) located in this state's poorest communities. This further
21 work will extend capacity-building and technical assistance services
22 to existing and emerging CDCUs serving low-income populations and will
23 include:

24 (a) Creation of a Michigan-based support system for the
25 capacity-building of existing and emerging CDCUs serving low-income
26 individuals and families, including development and testing of
27 training, technical assistance, and professional development

1 initiatives and related materials, and other capacity-building
2 services to Michigan CDCUs.

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

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

10 Sec. 420. From the funds appropriated in part 1 for employment
11 and training support services, the department shall allocate
12 \$40,000.00 in TANF for welfare to career innovation grants to
13 replicate the Kent County model with Cascade engineering in 4 other
14 counties.

15 Sec. 421. The department shall work with the department of
16 career development to develop a monthly work first notification
17 procedure reporting each participant's progress to both the department
18 and the participant.

19 **CHILD AND FAMILY SERVICES**

20 Sec. 501. The following goal is established by state law.
21 During the fiscal year ending September 30, 2004, not more than 3,000
22 children supervised by the department shall remain in foster care
23 longer than 24 months. The department shall give priority to reducing
24 the number of children under 1 year of age in foster care.

25 Sec. 502. From the funds appropriated in part 1 for foster care,
26 the department shall provide 50% reimbursement to Indian tribal

1 governments for foster care expenditures for children who are under
2 the jurisdiction of Indian tribal courts and who are not otherwise
3 eligible for federal foster care cost sharing.

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

7 (a) Has not yet graduated from high school or passed a high school
8 equivalency examination.

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

10 (c) Has not yet reached his or her nineteenth birthday.

11 Sec. 504. The department's ability to satisfy appropriation
12 deducts in part 1 for foster care private collections shall not be
13 limited to collections and accruals pertaining to services provided
14 only in the current fiscal year but shall include revenues collected
15 during the fiscal year in excess of the amount specified in part 1.

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

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

1 for shared costs of a joint project in addition to those authorized by
2 part 1.

3 (3) From the funds appropriated in part 1 for children's trust
4 fund, the department may utilize interest and investment revenue from
5 the current fiscal year only for programs, administration, services,
6 or all sanctioned by the child abuse and neglect prevention board.

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

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

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

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

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

26 Sec. 513. The department shall not expend funds appropriated in
27 part 1 to pay for the placement of a child in an out-of-state facility

1 unless all of the following conditions are met:

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

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

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

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

11 Sec. 514. The department shall make a comprehensive report
12 concerning children's protective services (CPS) to the legislature,
13 including the senate and house policy offices, by January 1, 2004,
14 that shall include all of the following:

15 (a) Statistical information including, at a minimum, all of the
16 following:

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

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

25 (iii) The mandatory reporter category in which the individual who
26 made the report fits, or other categorization if the individual is not
27 within a group required to report under the child protection law, 1975

1 PA 238, MCL 722.621 to 722.638.

2 (b) New policies related to children's protective services
3 including, but not limited to, major policy changes and court
4 decisions affecting the children's protective services system during
5 the immediately preceding 12-month period.

6 Sec. 515. From the funds appropriated in part 1 for foster care
7 payments and related administrative costs, the department may incur
8 costs and make payments required to finish and close out the federally
9 approved title IV-E child welfare waiver managed care demonstration
10 project. The department shall report to the senate and house
11 appropriations subcommittees on the family independence agency budget
12 and the senate and house fiscal agencies and policy offices on the
13 outcome of the child welfare waiver managed care project. The report
14 is due on or before August 30, 2004.

15 Sec. 517. (1) From the funds appropriated in part 1 for family
16 preservation and prevention services, the department is authorized to
17 allocate funds to multipurpose collaborative bodies to address issues
18 raised in the Binsfeld children's commission report issued in July
19 1996. Priority for activities and services will be given to at-risk
20 children and families and cases classified by the department as
21 category III or category IV under sections 8 and 8d of the child
22 protection law, 1975 PA 238, MCL 722.628 and 722.628d.

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

27 (a) Foster positive parenting skills especially for parents of

1 children under 3 years of age.

2 (b) Improve parent/child interaction.

3 (c) Promote access to needed community services.

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

5 (e) Improve school readiness.

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

8 (3) The appropriation provided for in subsection (2) is to fund
9 secondary prevention programs as defined in the children's trust
10 fund's preapplication materials for fiscal year 2003-2004 direct
11 services grants.

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

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

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

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

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

26 (5) As used in this section, "state human services directors"
27 means the director of the department of community health, the director

1 of the department of education, and the director of the family
2 independence agency.

3 Sec. 518. (1) The funds appropriated in part 1 for family
4 preservation and prevention services in the 2003-2004 fiscal year
5 reflect strong families/safe children allocations to local
6 multipurpose collaborative bodies that are no less than the
7 allocations in effect on September 30, 2003. The department shall
8 work with the multipurpose collaborative bodies to address high
9 out-of-home placement rates and through collaboration arrange a reward
10 plan, penalty plan, or both, to achieve less child out-of-home
11 placements, including placements for adjudicated youth in residential
12 treatment programs.

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

18 (3) No later than March 1, 2004, each local multipurpose
19 collaborative body shall submit a report to the department that
20 includes the number of people receiving strong families/safe children
21 services, including services to adjudicated youth and their families,
22 the local goals for this program, and a measure of the effectiveness
23 in meeting these goals.

24 (4) The department shall provide during budget deliberation
25 hearings the compilation of reports from the multipurpose
26 collaborative bodies outlined in subsection (3).

27 Sec. 523. (1) From the funds appropriated in part 1 for youth in

1 transition, domestic violence prevention and treatment, and teenage
2 parent counseling, the department is authorized to make allocations of
3 TANF funds only to the agencies that report necessary data to the
4 department for the purpose of meeting TANF eligibility reporting
5 requirements. The use of TANF funds under this section should not be
6 considered an ongoing commitment of funding.

7 (2) The agencies receiving teenage parent counseling TANF funds
8 shall report to the family independence agency on both of the
9 following:

10 (a) Whether program services have impacted the following issue
11 areas:

12 (i) The number of teen participants having fewer repeat
13 pregnancies.

14 (ii) The completion rate for high school diplomas or GEDs.

15 (iii) The teen participants' rate of self-sufficiency.

16 (b) How many teens participate in the programs and have access to
17 any or all of the following services:

18 (i) Adult supervised, supportive living arrangements.

19 (ii) Pregnancy prevention services or referrals.

20 (iii) Required completion of high school or receipt of GED,
21 including child care to assist young mothers to focus on achievement.

22 (iv) Support services, including, but not limited to, health care,
23 transportation, and counseling.

24 (v) Parenting and life-skills training.

25 (vi) Education, job training, and employment services.

26 (vii) Transition services in order to achieve self-sufficiency.

27 (viii) Instruction on self-protection.

1 (3) Agencies receiving teenage parent counseling funds shall
2 provide at least 10% in matching funds, through any combination of
3 local, state, or federal funds or in-kind or other donations.

4 Sec. 524. The department shall submit to the senate and house
5 appropriations subcommittees on the family independence agency, the
6 senate and house standing committees having jurisdiction over human
7 services matters, the senate and house fiscal agencies, and the senate
8 and house policy offices an annual report, beginning April 2, 2004,
9 detailing the status of the prevention services program.

10 Sec. 531. (1) From the funds appropriated in part 1, the
11 department may make claims for and pay to local units of government a
12 portion of federal title IV-E revenues earned as a result of eligible
13 costs incurred by local units of government.

14 (2) The department shall make payments under subsection (1) only
15 to local units of government that have entered into formal agreements
16 with the department. The agreement must include all of the
17 following:

18 (a) Provide for the department to retain 50% of the federal
19 revenues earned.

20 (b) Provide for agency review and approval of the local unit's
21 plan for allocating costs to title IV-E.

22 (c) Provide for the local unit of government to submit bills at
23 times, and in the format, specified by the department.

24 (d) Specify that the local unit of government is responsible for
25 meeting all federal title IV-E regulation requirements, including
26 reporting requirements, with regard to the activities and costs being
27 billed to title IV-E.

1 (e) Provide for the local unit of government to pay the state for
2 the amount of any federal revenues paid to the local unit that may
3 subsequently be disallowed by the federal government.

4 (f) Be signed by the director of the department, the chief
5 executive officer of the local government agency providing the title
6 IV-E services, the chair of the county board of commissioners, and the
7 chief executive officer of the county.

8 Sec. 532. (1) The department, in collaboration with
9 representatives of private child and family agencies, shall review
10 policies, practices, and procedures involving the annual licensing
11 review and the annual contract compliance review conducted by the
12 department regarding child placing agencies and child caring
13 institutions. The review shall include efforts to identify
14 duplication of staff activities and information sought from child
15 placing agencies and child caring institutions in the annual review
16 process.

17 (2) The department shall develop a single audit, licensing, and
18 contract compliance review process, including potential for utilizing
19 deeming status for nationally accredited agencies. The department
20 shall report to the house and senate appropriations subcommittees on
21 the family independence agency budget, the house and senate fiscal
22 agencies and policy offices, and the state budget director on or
23 before April 1, 2004 on the implementation of the single audit,
24 licensing, and contract compliance review process.

25 Sec. 533. The family independence agency shall make payments to
26 private nonprofit child placing facilities for title IV-E out-of-home
27 care services within 30 days of receiving all necessary documentation

1 from those agencies. If payment is not received by a private
2 nonprofit child placing agency within 30 days, the department shall
3 make a penalty and interest payment to that agency.

4 Sec. 536. The family independence agency shall not implement a
5 geographically based assignment system for foster care unless
6 determined to be in the best interests of the foster children.

7 Sec. 537. (1) The department shall offer private nonprofit
8 licensed agencies the first opportunity to provide foster care
9 services for new foster children entering the system in a county when
10 the department's direct care caseload for foster care is greater than
11 20 cases per foster care worker. This section only applies if the
12 private nonprofit licensed agency has an available placement at the
13 time the child needs to be placed, has a child-to-caseworker ratio not
14 more than the department's child-to-caseworker ratio, and the
15 placement is not contrary to the best interests of the child or the
16 child's siblings.

17 (2) The department shall provide the senate and house
18 appropriations subcommittees on the family independence agency, the
19 senate and house fiscal agencies, the senate and house policy offices,
20 and the state budget director with a report on service cost
21 similarities and differences between public and private licensed
22 nonprofit agencies that includes all of the following:

23 (a) Average caseload per foster care worker.

24 (b) Average cost per case to the department and any other
25 governmental agency.

26 (c) Range of services provided to foster care youth.

27 (d) A measurement of program outcomes.

1 (3) The department shall contract with a third party to compile
2 and analyze the information required under subsection (2). The
3 department shall not enter into a contract with a third party until 30
4 days after providing the chairs of the house and senate appropriations
5 subcommittees on the family independence agency budget and the house
6 and senate fiscal agencies notification of the proposed third party
7 contractor and a description of the methods to be used by the third
8 party contractor to conduct the analysis. The department shall
9 distribute, in a quarterly report, the findings of the analysis to the
10 senate and house appropriations subcommittees on the family
11 independence agency, the senate and house standing committees on
12 families and human services matters, the senate and house fiscal
13 agencies, the senate and house policy offices, and the chief justice
14 of the Michigan supreme court.

15 Sec. 539. The department shall work in collaboration with
16 representatives from private nonprofit child placing agencies to
17 ensure appropriate placement for children who have been adjudicated
18 abused, neglected, or delinquent and for whom residential treatment is
19 required. The department and the representatives from the private
20 nonprofit child placing agencies shall focus on statewide placement
21 criteria to address the best interest of the child in need of
22 services.

23 Sec. 540. (1) From the funds appropriated in part 1, the
24 department may pay to units of local government a portion of federal
25 TANF revenues earned as a result of claims made for TANF eligible
26 in-home care programs operated and funded through the child care
27 fund. The programs shall include various services to children and

1 families that reduce the need for children's out-of-home placements
2 and achieve the goal of promoting child well-being, marriage, and
3 family reunification, formation, and maintenance.

4 (2) Unless otherwise prohibited by law, the department may
5 reimburse units of local government for 75% of the cost of in-home
6 care programs that achieve outcomes and other criteria established by
7 the department, up to the amount appropriated in part 1 for enhanced
8 child care fund reimbursement for community programs. No county shall
9 receive more than 40% of the total amount appropriated in part 1 for
10 enhanced child care fund reimbursement for community programs. If
11 expenditures under this subsection are expected to exceed the amount
12 appropriated in part 1 for enhanced child care fund reimbursement for
13 community programs, reimbursement shall be prorated as necessary to
14 not exceed the appropriation, but a prorated reimbursement shall not
15 be less than 50% of the cost of the in-home care programs.

16 (3) To qualify for the 75% reimbursement, the units of local
17 government shall submit a separate application using forms and in
18 compliance with policies established by the department and shall enter
19 into a memorandum of understanding with the department. Continuation
20 of the enhanced reimbursement shall be based on the achievement of
21 outcomes. The use of TANF funds under this section should not be
22 considered an ongoing commitment of funding.

23 Sec. 541. In order to be reimbursed for child care fund
24 expenditures, counties are required to submit department-developed
25 reports to enable the department to document potential federally
26 claimable expenditures. This requirement is in accordance with the
27 reporting requirements specified in section 117a(7) of the social

1 welfare act, 1939 PA 280, MCL 400.117a.

2 Sec. 542. As a condition of receiving funds appropriated in part
3 1 for the child care fund, by February 15, 2004, counties shall have
4 an approved service spending plan for the fiscal year ending September
5 30, 2004. Counties must submit the service spending plan to the
6 department by December 15, 2003 for approval.

7 Sec. 543. The department shall develop a comprehensive plan to
8 provide education and training to reduce the incidences of criminal
9 sexual conduct involving underage youth. The plan shall be designed
10 to reach state and local law enforcement officials, schools and
11 education agencies, health care, counseling, and pregnancy prevention
12 services, and any other agency the department considers relevant. The
13 department shall issue a report to the house and senate appropriations
14 subcommittees on the family independence agency budget, the house and
15 senate fiscal agencies and policy offices, and the state budget
16 director that shall contain at least all of the following:

17 (a) The names of the task force members or committee members, and
18 their representative organizations, who helped develop the plan.

19 (b) The recommendations the department is making to each of the
20 following:

21 (i) State and local law enforcement agencies.

22 (ii) Schools and education agencies.

23 (iii) Health care professionals.

24 (iv) Counseling agencies.

25 (v) Pregnancy prevention programs.

26 (c) The annual goals for reporting and reducing incidences of
27 criminal sexual conduct involving underage youth.

1 (d) A summary of past plans and their outcomes submitted in
2 compliance with federal guidelines.

3 Sec. 544. The department shall consider approval of pilot
4 projects with applications pending for accelerated residential
5 treatment.

6 Sec. 545. The department shall eliminate the current
7 administrative freeze on approval of new specialized foster care
8 programs.

9 Sec. 546. (1) The \$8,000,000.00 reduction included in part 1 for
10 family preservation and prevention services shall eliminate funds for
11 the family group decision-making and family reunification programs.

12 (2) With the exception of the programs referred to in subsection
13 (1), each of the programs that receive funding from the appropriations
14 in part 1 for family preservation and prevention services shall
15 receive not less than the amount of funding received in fiscal year
16 2002-2003.

17 **PUBLIC ASSISTANCE**

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

1 department shall terminate vendor payments if a taxing authority
2 notifies the department that taxes are delinquent.

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

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

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

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

26 (3) The department shall negotiate with positive billing utility
27 companies to develop extended payment plans. Such plans shall allow

1 clients who terminate from positive billing due to increased income to
2 make monthly payments in order to gradually liquidate utility
3 arrears.

4 (4) It is the intent of the legislature that the department review
5 and adjust the standard utility allowance for the state food
6 assistance program to ensure that it reflects current energy costs in
7 the state.

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

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

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

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

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

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

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

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

3 (2) Applicants for and recipients of the state disability
4 assistance 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
12 determination of disability. "Material to the determination of
13 disability" means that, if the person stopped using drugs or alcohol,
14 his or her remaining physical or mental limitations would not be
15 disabling. If his or her remaining physical or mental limitations
16 would be disabling, then the drug addiction or alcoholism is not
17 material to the determination of disability and the person may receive
18 state disability assistance. Such a person must actively participate
19 in a substance abuse treatment program, and the assistance must be
20 paid to a third party or through vendor payments. For purposes of
21 this section, substance abuse treatment includes receipt of inpatient
22 or outpatient services or participation in alcoholics anonymous or a
23 similar program.

24 (4) A refugee or asylee who loses his or her eligibility for the
25 federal supplemental security income program by virtue of exceeding
26 the maximum time limit for eligibility as delineated in section 402 of
27 title IV of the personal responsibility and work opportunity

1 reconciliation act of 1996, Public Law 104-193, 8 U.S.C. 1612, and who
2 otherwise meets the eligibility criteria under this section shall be
3 eligible to receive benefits under the state disability assistance
4 program.

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

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

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

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

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

7 Sec. 609. The state supplementation level under the supplemental
8 security income program for the personal care/adult foster care and
9 home for the aged categories shall not be reduced during the fiscal
10 year beginning October 1, 2003 and ending September 30, 2004.

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

15 Sec. 611. (1) The department shall not require providers of
16 burial services to accept state payment for indigent burials as
17 payments in full. Each provider shall be permitted to collect
18 additional payment from relatives or other persons on behalf of the
19 deceased. The total in additional payments shall not exceed
20 \$2,700.00.

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

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

1 Sec. 613. (1) From the funds appropriated in part 1 for state
2 emergency relief, the maximum allowable charge limit for indigent
3 burials shall be \$947.00. The funds shall be distributed as follows:
4 \$603.00 for funeral directors; \$200.00 for cemeteries or crematoriums;
5 and \$144.00 for the provider of the vault.

6 (2) It is the intent of the legislature that the department
7 encourage cremation as an alternative to burial. The department shall
8 provide a report annually, no later than 90 days after the fiscal year
9 end, to the house and senate appropriations subcommittees for the
10 family independence agency budget, the house and senate fiscal
11 agencies and policy offices, and the state budget director that
12 includes all of the following information:

13 (a) The total number of indigent burials, classified as either
14 cremations or cemetery burials.

15 (b) The total amount spent per case for cremations.

16 (c) The total amount spent per case for cemetery burials.

17 (3) The department shall report on an annual basis on the
18 information received from participating providers under subsection
19 (2). The department shall submit the report to the state budget
20 director, the chairpersons of the senate and house appropriations
21 committees, the chairpersons of the senate and house appropriations
22 subcommittees on the family independence agency, the senate and house
23 fiscal agencies, and the senate and house policy offices.

24 Sec. 614. The funds available in part 1 for burial services
25 shall be available if the deceased was an eligible recipient and an
26 application for emergency relief funds was made within 10 days of the
27 burial or cremation of the deceased person. Each provider of burial

1 services shall be paid directly by the department.

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

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

12 (a) Family independence assistance.

13 (b) State disability assistance.

14 (c) Food assistance.

15 (d) Supplemental security income.

16 (2) Any unencumbered balances of the weatherization program shall
17 not lapse and may be carried forward to fiscal year 2005.

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

23 Sec. 618. The department may only reduce, terminate, or suspend
24 assistance provided under the social welfare act, 1939 PA 280,
25 MCL 400.1 to 400.119b, without prior notice in 1 or more of the
26 following situations:

27 (a) The only eligible recipient has died.

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

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

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

7 (e) A recipient has been approved to receive assistance in another
8 state.

9 (f) A change in either state or federal law that requires
10 automatic grant adjustments for classes of recipients.

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

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

22 (b) An authorized representative shall be required for food
23 assistance receipt.

24 Sec. 621. Funds appropriated in part 1 may be used to support
25 multicultural assimilation and support services. The department shall
26 distribute all of the funds described in this section based on
27 assessed community needs.

1 Sec. 627. (1) From the funds appropriated in part 1 for day care
2 services, the department shall contract to administer an amount not to
3 exceed \$1,350,000.00 for the "enhance quality improvement program"
4 (EQUIP) grants. A priority for the expenditure of EQUIP funds shall
5 be given to providers to expand access to child care, specifically
6 24-hour care and weekend care. A child care program shall not be
7 eligible for an EQUIP grant unless 25% or more of its clients receive
8 day care payments from the department.

9 (2) From the funds appropriated in part 1 for day care services,
10 the department shall establish an additional fund of at least
11 \$350,000.00 for a grant pool for an "enhance quality improvement
12 program" (EQUIP) specifically to establish new family and group home
13 day care providers.

14 Sec. 631. The department shall maintain policies and procedures
15 to achieve all of the following:

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

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

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

27 Sec. 632. The department shall calculate the food assistance

1 allotment for applicants who are United States citizens and who live
2 in a household with legal immigrants in a manner that maximizes the
3 food assistance available to these United States citizens under
4 federal law.

5 Sec. 635. Within 6 business days of receiving all information
6 necessary to process an application for payments for child day care,
7 the family independence agency shall determine whether the child day
8 care provider to whom the payments, if approved, would be made, is
9 listed on the child abuse and neglect central registry. If the
10 provider is listed on the central registry, the family independence
11 agency shall immediately send written notice denying the applicant's
12 request for child day care payments.

13 Sec. 640. (1) From the funds appropriated in part 1 for day care
14 services, the family independence agency shall expend up to
15 \$8,000,000.00 to provide infant and toddler incentive payments to
16 child day care providers serving children from 0 to 2-1/2 years of age
17 who meet licensing or training requirements.

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

20 Sec. 643. As a condition of receipt of federal TANF funds,
21 homeless shelters shall collaborate with the family independence
22 agency to obtain necessary TANF eligibility information on families as
23 soon as possible after admitting a family to the homeless shelter.
24 From the funds appropriated in part 1 for homeless shelters within
25 state emergency relief, the department is authorized to make
26 allocations of TANF funds only to the agencies that report necessary
27 data to the department for the purpose of meeting TANF eligibility

1 reporting requirements. Homeless shelters that do not report
2 necessary data to the department for the purpose of meeting TANF
3 eligibility reporting requirements will not receive reimbursements
4 which exceed the per diem amount they received in fiscal year 2000.
5 The use of TANF funds under this section should not be considered an
6 ongoing commitment of funding.

7 Sec. 645. An individual or family is considered homeless, for
8 purposes of eligibility for state emergency relief, if living
9 temporarily with others in order to escape domestic violence. For
10 purposes of this section, domestic violence is defined and verified in
11 the same manner as in the family independence agency's policies on
12 good cause for not cooperating with child support and paternity
13 requirements.

14 Sec. 648. From the funds appropriated in part 1 for public
15 assistance, the department shall make assistance payments to
16 recipients beyond the 5-year limit set by the personal responsibility
17 and work opportunity reconciliation act of 1996, Public Law 104-193,
18 110 Stat. 2105, providing the recipient is complying with asset,
19 income, and participation standards set as a condition of eligibility
20 to receive assistance and clearly demonstrates that he or she is
21 making progress in becoming self-sufficient.

22 Sec. 653. From the funds appropriated in part 1 for food
23 assistance, an individual who is the victim of domestic violence and
24 does not qualify for any other exemption may be exempt from the
25 3-month in 36-month limit on receiving food assistance under section
26 6(o)(6) of the food stamp act of 1977, Public Law 88-525, 7
27 U.S.C. 2015. This exemption can be extended an additional 3 months

1 upon demonstration of continuing need.

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

11 (2) The department shall work in collaboration with independent
12 contractors to put into practice a pilot program establishing quality
13 before- or after-school programs for children in kindergarten to ninth
14 grades. In order for an independent contractor to receive TANF funds,
15 a child served must be a member of a family with an income that does
16 not exceed 200% of the federal poverty guidelines published by the
17 United States department of health and human services.

18 (3) The department shall allocate through grants or contracts up
19 to \$8,550,000.00 in TANF funds for pilot programs. A county shall
20 receive no more than 20% of the funds appropriated in part 1 for this
21 program. From the funds appropriated in part 1 for before- or
22 after-school pilot programs within day care services, the department
23 is authorized to make allocations of funds only to the agencies that
24 report necessary data to the department for the purpose of meeting
25 TANF and maintenance of effort eligibility reporting requirements.
26 The use of funds under this section should not be considered an
27 ongoing commitment of funding.

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

3 (a) Abstinence-based pregnancy prevention.

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

5 (c) Gang violence prevention.

6 (d) Academic assistance, including assistance with reading and
7 writing.

8 (e) Preparation toward future self-sufficiency.

9 (f) Leadership development.

10 (g) Case management or mentoring.

11 (h) Parental involvement.

12 (i) Anger management.

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

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

26 (7) By August 30, 2004, the department before- or after-school
27 pilot program expenditures shall be audited and the department shall

1 work in collaboration with independent contractors to provide a report
2 on the before- or after-school pilot program to the senate and house
3 standing committees dealing with human services, the senate and house
4 appropriations subcommittees for the family independence agency
5 budget, the senate and house fiscal agencies, and the senate and house
6 policy offices. The report shall include the number of participants
7 and the average cost per participant, as well as changes noted in
8 program participants in any of the following categories:

- 9 (a) Juvenile crime.
- 10 (b) Aggressive behavior.
- 11 (c) Academic achievement.
- 12 (d) Development of new skills and interests.
- 13 (e) School attendance and dropout rates.
- 14 (f) Behavioral changes in school.

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

25 Sec. 665. The department shall continue to partner with the
26 department of transportation to use TANF and other sources of
27 available funding to support public transportation needs of

1 TANF-eligible individuals.

2 Sec. 666. The department shall develop and implement a plan, in
3 conjunction with the Michigan State University extension service, to
4 increase the participation of eligible family independence program
5 recipients in the federal earned income tax credit. The department
6 shall report the details of the plan to the senate and house
7 appropriations subcommittees on the family independence agency budget,
8 the senate and house standing committees on human services, the senate
9 and house fiscal agencies and policy offices, and the state budget
10 director no later than December 31, 2003.

11 Sec. 667. The department may expend funds necessary to perform
12 child day care provider background checks from fees collected.

13 Sec. 668. (1) In coordination with the Michigan alliance of boys
14 and girls clubs, the department may expend up to \$250,000.00 in TANF
15 funds to make allocations for a statewide collaborative project to
16 develop a community-based program available to children ages 6 to 15.

17 (2) The department shall make allocations of TANF funds under this
18 section only to agencies that report necessary data to the department
19 for the purpose of meeting the TANF eligibility reporting
20 requirements. The use of TANF funds under this section should not be
21 considered an ongoing commitment.

22 (3) The department shall grant priority in funding to programs
23 that provide at least 10% in matching funds. The matching funds
24 requirement shall be fulfilled through any combination of local,
25 state, or federal funds or in-kind or other donations. A program that
26 cannot meet the matching requirement shall not be excluded from
27 applying for a contract.

1 Sec. 669. (1) The department may distribute cash and food
2 assistance to recipients electronically by using debit cards.

3 (2) The department shall allocate up to \$5,560,100.00 for the
4 annual school clothing allowance. The allowance shall be granted to
5 all eligible children 4 to 18 years of age. At least 2 weeks prior to
6 the clothing allowance transfer, the department shall notify
7 assistance recipients eligible for the allowance of actual and
8 potential participating retail establishments that offer discounts
9 under the clothing allowance program. It is the intent of the
10 legislature that the department expand outreach to retailers
11 encouraging them to offer discounts.

12 Sec. 670. It is the intent of the legislature that the funds
13 appropriated in part 1 for kinship care in the fiscal year ending
14 September 30, 2004 reflect the legislature's commitment to reduce the
15 benefit discrepancy between kinship care and a similar family size
16 within the family independence agency program (FIP). The legislature
17 recognizes the commitment of relatives to provide family continuity,
18 nurturance, and care for this special population of children who can
19 no longer remain in their parents' care due to abuse, neglect, or
20 other social problems.

21 Sec. 671. The department shall work with private nonprofit
22 service providers to implement a benefit bank Internet-based
23 information system providing centralized benefit eligibility
24 information and electronic application forms and application
25 submission. This system shall be used by volunteer counselors to
26 assist users in obtaining all available public assistance.

27 Sec. 672. By February 1, 2004, the department shall report to

1 the house and senate appropriations subcommittees for the family
2 independence agency budget, the house and senate standing committees
3 on human services, the house and senate fiscal agencies and policy
4 offices, and the state budget director on the department's food
5 assistance outreach efforts.

6 Sec. 673. The department shall send notification to a client
7 participating in the state child day care program and his or her child
8 day care provider if the client's eligibility is reduced or
9 eliminated.

10 **JUVENILE JUSTICE SERVICES**

11 Sec. 702. Expansion of facilities funded under part 1 for
12 juvenile justice services shall not be authorized by the joint capital
13 outlay subcommittee of the appropriations committees until the
14 department has held a public hearing in the community where the
15 facility proposed to be expanded is located.

16 Sec. 703. A juvenile adjudicated and placed in a state-operated
17 maximum security program funded under part 1 for juvenile justice
18 services shall not be allowed to leave the property of the maximum
19 security facility at which the program is located except when required
20 to leave the property for medical treatment, court appearances, or
21 other good cause approved by the facility director. For purposes of
22 this section, "juvenile" means that term as defined in section 115n of
23 the social welfare act, 1939 PA 280, MCL 400.115n.

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

27 Sec. 705. (1) The department shall report on the W. J. Maxey

1 facility to the house and senate appropriations subcommittees on the
2 family independence agency budget, house and senate standing
3 committees on human services matters, house and senate fiscal agencies
4 and policy offices, and state budget director as part of its annual
5 budget presentation. The report shall include the following:

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

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

11 (c) Staff and resident safety.

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

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

16 (f) Quality control process for resident service and release
17 plans.

18 (g) Findings of all federal investigations of the facility.

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

23 (a) Dysfunctional family practices, such as substance abuse and
24 domestic violence.

25 (b) Sexual harassment and gender bias.

26 (c) Cultural and ethnic sensitivity.

27 (3) The department shall make a comparative analysis of public

1 training schools and private facilities and report the analysis to the
2 senate and house appropriations subcommittees on the family
3 independence agency during the budget deliberations and distribute the
4 findings to the senate and house standing committees on human services
5 matters, the senate and house fiscal agencies, the senate and house
6 policy offices, the state budget director, and the chief justice of
7 the Michigan supreme court. The report shall include all of the
8 following categories:

- 9 (a) Number of youths served by the facility.
- 10 (b) Number and type of security levels in the facility.
- 11 (c) Number of youths who earned a GED while at the facility.
- 12 (d) Recidivism rate for youths served by the facility.
- 13 (e) Breaches of security at the facility.
- 14 (f) Unique characteristics of the facility's program.
- 15 (g) Academic levels for youths served by the facility at intake
16 and on discharge.
- 17 (h) Standardized psychological assessment scores for youths served
18 by the facility at intake and on discharge.
- 19 (i) Program achievement outcomes.

20 Sec. 706. Counties shall be subject to 50% charge back for the
21 use of alternative regional detention services, if those detention
22 services do not fall under the basic provision of section 117e of the
23 social welfare act, 1939 PA 280, MCL 400.117e, or if a county operates
24 those detention services programs primarily with professional rather
25 than volunteer staff.

26 Sec. 708. It is the intent of the legislature that the
27 department work with the department of education and all other state

1 and local agencies necessary to ensure funding through the state
2 school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, to
3 educate pupils assigned by a court or the family independence agency
4 to reside in a state-operated juvenile detention or treatment
5 facility. Daily per diem rates for state-operated juvenile detention
6 and treatment facilities shall reflect savings due to the use of
7 school aid funds for education services.

8 Sec. 713. (1) The department shall work cooperatively with
9 judiciary and with the departments of community health and career
10 development to coordinate and improve the delivery of mental health
11 and substance abuse treatment and education and training services to
12 individuals leaving the juvenile justice system, especially those
13 aging out of the system identified as continuing to pose a serious
14 risk to themselves or others.

15 (2) As required by section 18 of chapter XIIA of the probate code
16 of 1939, 1939 PA 288, MCL 712A.18, juveniles committed to an
17 institution operated by the department shall receive medical, dental,
18 surgical, or other health care as necessary. The Medicaid
19 reimbursable rate scale shall be used as the standard for allowable
20 charges for services rendered. The family independence agency shall
21 reimburse providers for the actual charges less than or equal to the
22 Medicaid reimbursable rate scale for each service provided.

23 Sec. 714. (1) The family independence agency shall provide
24 technical assistance for counties to develop information networks
25 including, but not limited to, serious habitual offenders
26 comprehensive action program (SHOCAP), juvenile justice on-line
27 technology (JJOLT), and juvenile violent reporting system (JVRS).

1 (2) The department shall assist counties in identifying funding
2 sources for the networks, including, but not limited to, the child
3 care fund and the juvenile accountability incentive block grant.

4 (3) The local units of government shall report to the department
5 on expenditures of their juvenile justice information networks in
6 concert with their requests for reimbursement from the child care
7 fund.

8 (4) The department shall provide during budget deliberation
9 hearings the compilation of reports from the local units of
10 government.

11 Sec. 715. (1) It is the intent of the legislature that the
12 primary function of the juvenile justice system shall be to promote
13 the protection of individuals and communities through the reduction of
14 juvenile crime.

15 (2) Based on the recommendations of the 2001 joint house and
16 senate task force on juvenile justice, the department shall present
17 the early intervention initiatives demonstrating the principles at the
18 annual balanced and restorative justice conference in May 2003. The
19 early intervention shall include, but not be limited to, the
20 following:

21 (a) Mentoring programs that focus on improving communication and
22 collaboration, encourage quality mentoring programs, recruitment of
23 mentors, and increasing public awareness of and participation in
24 programs for at-risk youth.

25 (b) Discussion of programs relating to juvenile information
26 networks as an Internet-based communication tool that assists with
27 case management of juvenile offenders in the area.

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(c) Discussion of the possibility of implementing a program modeled after the "Wisconsin citizenship initiative" to collaborate with the before- or after-school programs offered under the authority of this act.

(d) Exploration of the option of a summit conducted via the Internet to discuss measures relating to the prevention and intervention of at-risk youth.

(e) Discussion of California's "8% early intervention" program that focuses on aggressive early intervention and treatment of young, high at-risk juvenile offenders and their families.

(f) Multisystem therapy.

(g) Youth service projects.

(h) Community services projects.

(i) A report on the initiatives discussed at the balanced and restorative justice conference described in this section will be given to the senate and house appropriations subcommittees on the family independence agency budget, the senate and house standing committees dealing with human services, the senate and house fiscal agencies, and the policy offices no later than October 30, 2003.

Sec. 716. The department shall work with the department of management and budget to obtain an appraisal of the excess property located at the W. J. Maxey facility and pursue the sale of this property.

[Sec. 717. It is the intent of the legislature that the department shall convene a meeting of the department of corrections, judges, prosecutors, counties and appropriate private agencies, to recommend the criteria for placement of youth offenders.]

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4 LOCAL OFFICE SERVICES

5 Sec. 750. The department shall maintain out-stationed
6 eligibility specialists in community-based organizations and hospitals
7 in the same locations and at staffing levels no less than in fiscal
8 year 2002-2003.

9 DISABILITY DETERMINATION SERVICES

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

15 CHILD SUPPORT ENFORCEMENT

16 Sec. 901. (1) From the federal money received for child support
17 incentive payments, up to \$15,397,400.00 shall be retained by the
18 state and expended for legal support contracts and child support
19 program expenses.

20 (2) In addition to the amount retained in subsection (1),
21 additional incentives may be retained and used by the state for
22 special, enhanced, or centralized initiatives or services that are
23 reasonably calculated by the department, in consultation with the
24 state court administrative office and the state budget office, to
25 result in an equivalent or greater increase in child support

1 collections or child support incentive payments received from the
2 federal government. If payment from the federal government for
3 collection performance incentives exceeds the amount received by the
4 state for the fiscal year 2000, the total amount paid to counties
5 shall be no less than the total amount paid for federal performance
6 incentives in fiscal year 2001.

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

17 (4) A county shall not be penalized due to the failure to comply
18 with federal child support enforcement system requirements if the
19 department determines that all of the following conditions are met:

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

23 (b) The county and the friend of the court are fully and timely
24 cooperating with the work plan outlined in the child support
25 enforcement memorandum of understanding between the department and the
26 county.

27 (c) The county and the friend of the court are implementing the

1 child support enforcement system required for federal certification.

2 (d) The friend of the court and county prosecuting attorney's
3 office use the statewide system upon availability to monitor and
4 process title IV-D cases.

5 (5) In addition to the amount specified in subsection (1), the
6 family independence agency may retain any federal title IV-D incentive
7 payment revenues withheld from counties pursuant to the imposition of
8 financial penalties, and may use the federal revenues retained for any
9 child support program purpose.

10 (6) For the purpose of providing title IV-D child support
11 enforcement funding, the department, as the IV-D agency, shall, within
12 30 days of the passage of this act, enter into a cooperative agreement
13 with the state attorney general for IV-D funding to support the child
14 support enforcement activities of the office of the attorney general.
15 The department to the extent possible under federal law shall provide
16 to the office of the attorney general any information used by the
17 office of child support enforcement to locate parents who fail to pay
18 court-ordered child support, to collect child support, or to enforce
19 child support orders.

20 PART 2A

21 PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 2002-2003

22 Sec. 1001. (1) In addition to the funds appropriated in 2002 PA
23 529, there is appropriated up to \$16,085,700.00 contingent upon the
24 receipt of a refund from the federal government related to penalties
25 previously imposed for the child support enforcement system and upon

1 certification from the state budget director that the funds are
2 available for expenditure. Of this amount, up to: \$8,785,700.00 may
3 be used for the child support enforcement system; \$4,300,000.00 may be
4 used for family independence program caseload, state disability
5 assistance, and child care fund costs; and \$3,000,000.00 may be used
6 to fund the transitional work support program.

7 (2) The funds appropriated in subsection (1) shall be considered
8 1-time authority.

9 **REPEALERS**

10 Sec. 1002. Section 413 of 2002 PA 529 is repealed.