

**SUBSTITUTE FOR  
SENATE BILL NO. 283**

A bill to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 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; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

**1** PART 1

**2** LINE-ITEM APPROPRIATIONS

**3** Sec. 101. Subject to the conditions set forth in this act, the  
**4** amounts listed in this part are appropriated for the family  
**5** independence agency for the fiscal year ending September 30, 2004,  
**6** from the funds indicated in this part. The following is a summary of

1 the appropriations in this part:

2 **FAMILY INDEPENDENCE AGENCY**

3	Full-time equated classified positions.....	10,765.6	
4	Unclassified positions.....	6.0	
5	Total full-time equated positions.....	10,771.6	
6	GROSS APPROPRIATION.....	\$	3,945,691,300
7	Interdepartmental grant revenues:		
8	Total interdepartmental grants and intradepartmental		
9	transfers.....	\$	1,055,800
10	ADJUSTED GROSS APPROPRIATION.....	\$	3,944,635,500
11	Federal revenues:		
12	Total federal revenues.....		2,697,630,050
13	Special revenue funds:		
14	Total private revenues.....		9,472,150
15	Total local revenues.....		65,097,100
16	Total other state restricted revenues.....		70,096,800
17	State general fund/general purpose.....	\$	1,102,339,400
18	<b>Sec. 102. EXECUTIVE OPERATIONS</b>		
19	Total full-time equated positions.....	470.8	
20	Full-time equated unclassified positions.....	6.0	
21	Full-time equated classified positions.....	464.8	
22	Other unclassified salaries--6.0 FTE positions.....	\$	505,800
23	Salaries and wages--354.8 FTE positions.....		18,181,700
24	Contractual services, supplies, and materials.....		7,109,200
25	Demonstration projects--7.0 FTE positions.....		7,804,100
26	Commission on disability concerns--7.0 FTE positions		944,200
27	Commission for the blind--96.0 FTE positions.....		17,461,200

1	Youth low vision program.....		<u>260,000</u>
2	GROSS APPROPRIATION.....	\$	52,266,200
3	Appropriated from:		
4	Interdepartmental grant revenues:		
5	ADJUSTED GROSS APPROPRIATION.....	\$	52,266,200
6	Appropriated from:		
7	Federal revenues:		
8	Total federal revenues.....		34,769,600
9	Special revenue funds:		
10	Total private revenues.....		1,340,000
11	Total local revenues.....		275,000
12	Total other state restricted revenue.....		477,300
13	State general fund/general purpose.....	\$	15,404,300
14	<b>Sec. 103. FAMILY INDEPENDENCE SERVICES</b>		
15	<b>ADMINISTRATION</b>		
16	Full-time equated classified positions.....	102.8	
17	Salaries and wages--71.7 FTE positions.....	\$	3,802,400
18	Contractual services, supplies, and materials.....		11,672,900
19	Employment and training support services.....		20,939,100
20	Wage employment verification reporting--2.0 FTE		
21	positions.....		1,907,500
22	Urban and rural empowerment/enterprise zones.....		100
23	Training and staff development--29.1 FTE positions..		8,203,000
24	Community services block grant.....		<u>24,350,000</u>
25	GROSS APPROPRIATION.....	\$	70,875,000
26	Appropriated from:		
27	Federal revenues:		

1	Total federal revenues.....	60,192,700
2	Special revenue funds:	
3	State general fund/general purpose..... \$	10,682,300
4	<b>Sec. 104. CHILD SUPPORT ENFORCEMENT</b>	
5	Full-time equated classified positions.....200.0	
6	Child support enforcement operations--192.0 FTE	
7	positions..... \$	19,521,900
8	Legal support contracts.....	139,819,500
9	Child support incentive payments.....	32,409,600
10	Child support distribution computer system--8.0 FTE	
11	positions.....	<u>26,195,300</u>
12	GROSS APPROPRIATION..... \$	217,946,300
13	Appropriated from:	
14	Federal revenues:	
15	Total federal revenues.....	199,480,000
16	Special revenue funds:	
17	Total local revenues.....	340,000
18	State general fund/general purpose..... \$	18,126,300
19	<b>Sec. 105. CHILD AND FAMILY SERVICES</b>	
20	Full-time equated classified positions.....94.8	
21	Salaries and wages--37.8 FTE positions..... \$	1,984,600
22	Contractual services, supplies, and materials.....	1,407,500
23	Refugee assistance program--3.0 FTE positions.....	12,642,300
24	Foster care payments.....	143,007,000
25	Wayne County foster care payments.....	71,060,100
26	Adoption subsidies.....	219,386,200
27	Adoption support services--10.0 FTE positions.....	14,101,100

1	Youth in transition--6.5 FTE positions.....	12,757,200
2	Interstate compact.....	300,000
3	Children's benefit fund donations.....	21,000
4	Domestic violence prevention and treatment--5.0 FTE	
5	positions.....	13,476,300
6	Teenage parent counseling.....	3,954,000
7	Family preservation and prevention services--12.0	
8	FTE positions.....	66,285,600
9	Black child and family institute.....	100,000
10	Rape prevention and services.....	2,600,000
11	Children's trust fund administration--6.0 FTE	
12	positions.....	439,200
13	Children's trust fund grants.....	3,615,000
14	Attorney general contracts.....	2,481,000
15	Guardian contract.....	600,000
16	Prosecuting attorney contracts.....	1,061,700
17	Family services innovation grants.....	6,000,000
18	Child care fund.....	137,200,000
19	Enhanced child care fund reimbursement for community	
20	programs.....	32,625,400
21	Child care fund administration--7.5 FTE positions...	884,000
22	County juvenile offices.....	3,754,000
23	Community support services--7.0 FTE positions.....	<u>1,479,400</u>
24	GROSS APPROPRIATION..... \$	753,222,600
25	Appropriated from:	
26	Federal revenues:	
27	Total federal revenues.....	419,138,500

1	Special revenue funds:	
2	Private - children's benefit fund donations.....	21,000
3	Private - collections.....	5,033,900
4	Local funds - county payback.....	34,918,000
5	Children's trust fund.....	3,271,800
6	State general fund/general purpose..... \$	290,839,400
7	<b>Sec. 106. JUVENILE JUSTICE SERVICES</b>	
8	Full-time equated classified positions.....820.9	
9	Juvenile justice operations--800.9 FTE positions.... \$	69,354,900
10	Federally funded activities--12.0 FTE positions.....	1,727,800
11	W. J. Maxey memorial fund.....	45,000
12	Juvenile accountability incentive block grant--4.0	
13	FTE positions.....	8,436,200
14	Committee on juvenile justice administration--4.0	
15	FTE positions.....	464,800
16	Committee on juvenile justice grants.....	<u>5,000,000</u>
17	GROSS APPROPRIATION..... \$	85,028,700
18	Appropriated from:	
19	Federal revenues:	
20	Total federal revenues.....	18,154,900
21	Special revenue funds:	
22	Total private revenues.....	645,000
23	Local funds - county payback.....	29,068,600
24	State general fund/general purpose..... \$	37,160,200
25	<b>Sec. 107. LOCAL OFFICE STAFF AND OPERATIONS</b>	
26	Full-time equated classified positions.....8,468.4	
27	Field staff, salaries and wages--8,397.4 FTE	

1	positions.....	\$	336,299,400
2	Contractual services, supplies, and materials.....		26,354,300
3	Outstationed eligibility workers--60.0 FTE positions		4,664,500
4	Food stamp reinvestment.....		18,426,300
5	Wayne County gifts and bequests.....		100,000
6	Volunteer services and reimbursement--11.0 FTE		
7	positions.....		<u>1,955,900</u>
8	GROSS APPROPRIATION.....	\$	387,800,400
9	Appropriated from:		
10	Federal revenues:		
11	Total federal revenues.....		237,173,150
12	Special revenue funds:		
13	Local funds - donated funds.....		191,100
14	Private funds - hospital contributions.....		2,332,250
15	Private - Wayne County gifts.....		100,000
16	State general fund/general purpose.....	\$	148,003,900
17	<b>Sec. 108. DISABILITY DETERMINATION SERVICES</b>		
18	Full-time equated classified positions.....		606.0
19	Disability determination operations--580.0 FTE		
20	positions.....	\$	68,756,100
21	Medical consultation program--21.0 FTE positions....		2,826,500
22	Retirement disability determination--5.0 FTE		
23	positions.....		<u>828,800</u>
24	GROSS APPROPRIATION.....	\$	72,411,400
25	Appropriated from:		
26	Interdepartmental grant revenues:		
27	IDG from DMB-office of retirement systems.....		1,055,800

1	ADJUSTED GROSS APPROPRIATION.....	\$	71,355,600
2	Appropriated from:		
3	Federal revenues:		
4	Total federal revenues.....		68,534,100
5	State general fund/general purpose.....	\$	2,821,500
6	<b>Sec. 109. CENTRAL SUPPORT ACCOUNTS</b>		
7	Rent.....	\$	44,645,700
8	Occupancy charge.....		11,448,200
9	Grand tower facility reimbursement.....		1,905,000
10	Travel.....		5,967,600
11	Equipment.....		1,087,400
12	Workers' compensation.....		5,957,000
13	Advisory commissions.....		17,900
14	Payroll taxes and fringe benefits.....		<u>178,733,300</u>
15	GROSS APPROPRIATION.....	\$	249,762,100
16	Appropriated from:		
17	Federal revenues:		
18	Total federal revenues.....		160,028,600
19	Special revenue funds:		
20	Local funds - county payback.....		304,400
21	State general fund/general purpose.....	\$	89,429,100
22	<b>Sec. 110. PUBLIC ASSISTANCE</b>		
23	Full-time equated classified positions.....	7.9	
24	Family independence program.....	\$	338,570,200
25	State disability assistance payments.....		24,045,100
26	Food assistance program benefits.....		833,011,200
27	State supplementation.....		59,668,400



1	State supplementation administration.....	2,624,200
2	Low-income home energy assistance program--7.9 FTE	
3	positions.....	116,467,700
4	State emergency relief.....	41,408,200
5	Weatherization assistance.....	15,940,800
6	Day care services.....	<u>480,294,000</u>
7	GROSS APPROPRIATION..... \$	1,912,029,800
8	Appropriated from:	
9	Federal revenues:	
10	Total federal revenues.....	1,408,042,500
11	Special revenue funds:	
12	Child support collections.....	47,710,700
13	Supplemental security income recoveries.....	5,104,800
14	Public assistance recoupment revenue.....	2,500,000
15	State general fund/general purpose..... \$	448,671,800
16	<b>Sec. 111. INFORMATION TECHNOLOGY</b>	
17	Information technology services and projects..... \$	45,467,700
18	Child support automation.....	70,000,000
19	Client services system.....	12,307,200
20	Data system enhancement.....	<u>16,573,900</u>
21	GROSS APPROPRIATION..... \$	144,348,800
22	Appropriated from:	
23	Interdepartmental grant revenues:	
24	ADJUSTED GROSS APPROPRIATION..... \$	144,348,800
25	Appropriated from:	
26	Federal revenues:	
27	Total federal revenues.....	92,116,000

1 Special revenue funds:

2	Total other state restricted revenue.....	11,032,200
3	State general fund/general purpose..... \$	41,200,600

4 PART 2

5 PROVISIONS CONCERNING APPROPRIATIONS

6 GENERAL SECTIONS

7 Sec. 201. Pursuant to section 30 of article IX of the state  
 8 constitution of 1963, total state spending from state resources under  
 9 part 1 for fiscal year 2003-2004 is \$1,172,436,200.00 and state  
 10 spending from state resources to be paid to local units of government  
 11 for fiscal year 2003-2004 is \$192,628,700.00. The itemized statement  
 12 below identifies appropriations from which spending to units of local  
 13 government will occur:

14 FAMILY INDEPENDENCE AGENCY

15 CHILD AND FAMILY SERVICES

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

18	Child care fund.....	97,200,000
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19	County juvenile officers.....	2,973,200
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20	Enhanced child care fund reimbursement for community	
21	programs.....	7,500,000

22 PUBLIC ASSISTANCE

23	State disability program.....	<u>1,158,700</u>
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24	TOTAL..... \$	192,628,700
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25 Sec. 202. The appropriations authorized under this act are

1 subject to the management and budget act, 1984 PA 431, MCL 18.1101 to  
2 18.1594.

3 Sec. 203. As used in this act:

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

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

6 (c) "Temporary assistance for needy families" or "TANF" or "title  
7 IV-A" means part A of title IV of the social security act, chapter  
8 531, 49 Stat. 620, 42 U.S.C. 601 to 604, 605 to 608, and 609 to 619.

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

12 (e) "Title IV-E" means part E of title IV of the social security  
13 act, chapter 531, 49 Stat. 620, 42 U.S.C. 670 to 673, 673b to 679, and  
14 679b.

15 Sec. 204. The department of civil service shall bill departments  
16 and agencies at the end of the first fiscal quarter for the 1% charge  
17 authorized by section 5 of article XI of the state constitution of  
18 1963. Payments shall be made for the total amount of the billing by  
19 the end of the second fiscal quarter.

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

27 (2) The state budget director shall grant exceptions to this

1 hiring freeze when the state budget director believes that the hiring  
2 freeze will result in rendering a state department or agency unable to  
3 deliver basic services, cause loss of revenue to the state, result in  
4 the inability of the state to receive federal funds, or necessitate  
5 additional expenditures that exceed any savings from maintaining a  
6 vacancy. The state budget director shall report monthly to the  
7 chairpersons of the senate and house appropriations committees and the  
8 senate and house fiscal agencies and policy offices on the number of  
9 exceptions to the hiring freeze approved during the previous month and  
10 the reasons to justify the exception.

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

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

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

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

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

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

26       Sec. 213. (1) The department may retain all of the state's share  
27 of food assistance overissuance collections as an offset to general

1 fund/general purpose costs. Retained collections shall be applied  
2 against federal funds deductions in all appropriation units where  
3 department costs related to the investigation and recoupment of food  
4 assistance overissuances are incurred. Retained collections in excess  
5 of such costs shall be applied against the federal funds deducted in  
6 the executive operations appropriation unit.

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

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

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

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

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

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

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

23 Sec. 214. (1) The department shall submit a report to the  
24 chairpersons of the senate and house appropriations subcommittees on  
25 the family independence agency budget and the senate and house fiscal  
26 agencies and policy offices and the state budget director on the  
27 details of allocations within program budgeting line items and within

1 the salaries and wages line items in the local office staff and  
2 operations appropriation unit. The report shall include a listing, by  
3 account, dollar amount, and fund source, of salaries and wages;  
4 longevity and insurance; retirement; contractual services, supplies,  
5 and materials; equipment; travel; and grants within each program line  
6 item appropriated for the fiscal year ending September 30, 2004.

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

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

22 Sec. 218. (1) The department shall prepare a semiannual report  
23 on the TANF federal block grant. The report shall include projected  
24 expenditures for the current fiscal year, an accounting of any  
25 previous year funds carried forward, and a summary of all  
26 interdepartmental or interagency agreements relating to the use of  
27 TANF funds. The report shall be forwarded to the state budget

1 director and the house and senate appropriations subcommittees on the  
2 family independence agency budget and the house and senate fiscal  
3 agencies and policy offices on or before January 15, 2004 and May 15,  
4 2004.

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

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

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

26 (3) The department shall ensure that faith-based organizations are  
27 able to apply and compete for services, programs, or contracts that



1 they are qualified and suitable to fulfill. The department shall not  
2 disqualify faith-based organizations solely on the basis of the  
3 ecclesiastical nature of their organization or their guiding  
4 principles or statements of faith.

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

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

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

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

1 agencies, and policy offices.

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

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

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

23       (a) Name and description of base service.

24       (b) Detail goals and objectives related to each base service.

25       (c) Cost of each base service.

26       (d) Time frame for implementation or completion of base service.

27       (3) Individual projects within the interagency agreement with a

1 cost of \$500,000.00 or greater must be reported to the house and  
2 senate appropriations subcommittees for the family independence agency  
3 budget, house and senate fiscal agencies, and policy offices.

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

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

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

22 Sec. 264. Provided that an employee does not violate federal or  
23 state laws, breach confidentiality, violate civil service rules, or  
24 represent a formal department position without prior written  
25 authorization, the department shall ensure that all department  
26 employees, while on their personal time, are permitted to have  
27 appropriate communications with legislators and their staff.

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

10       Sec. 270. A report required to be provided to the legislature  
11 under this act shall include all of the following information:

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

13       (b) Information regarding how outcome achievement is measured in  
14 the program.

15       (c) Information regarding the measure used to determine how the  
16 program meets the goals of safety, performance, well-being, and  
17 independence.

18       Sec. 271. (1) The department shall report to the senate and  
19 house appropriations subcommittees on the family independence agency,  
20 the senate and house standing committees on human services, the senate  
21 and house fiscal agencies, and the senate and house policy offices on  
22 the progress of child and family services reviews (CFSR). The  
23 reviews, conducted in the state by the children's bureau of the United  
24 States department of health and human services, are intended to assess  
25 the department's compliance with the adoption and safe families act of  
26 1997, Public Law 105-89, 111 Stat. 2115, with the ultimate goal of  
27 improving the state child welfare system and the safety, permanency,

1 and child and family service outcomes to children and families. The  
2 report shall be submitted quarterly beginning in December 2003.

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

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

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

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

11 (d) A summary of the 7 systemic factors that determine the state's  
12 compliance with the adoption and safe families act of 1997, Public Law  
13 105-89, 111 Stat. 2115.

14 (e) A summary of the 7 data outcome indicators used to determine  
15 the state's compliance with the adoption and safe families act of  
16 1997, Public Law 105-89, 111 Stat. 2115, including the length of time  
17 required to achieve family reunification for foster care cases.

18 (f) Federal recommendations made to the state, including  
19 recommendations to the courts.

20 (g) Federal penalties assessed against the state for  
21 noncompliance.

22 (h) Status of the performance improvement plan submitted to the  
23 federal government.

24 Sec. 272. (1) The department shall report to the senate and  
25 house appropriation subcommittees on the family independence agency,  
26 the senate and house standing committees on human services, the senate  
27 and house fiscal agencies, and the senate and house policy offices on

1 the result of the title IV-E foster care eligibility reviews. The  
2 reviews, conducted in the state by the United States department of  
3 health and human services, are intended to assess the department's  
4 compliance with the adoption and safe families act of 1997, Public Law  
5 105-89, 111 Stat. 2115, ensuring the department's case files and  
6 payments records meet federal regulations, including standards on  
7 eligibility for placement reimbursement and the allowable payment  
8 rate.

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

11 (a) Training programs conducted by the department and the Michigan  
12 judicial institute.

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

15 (c) Department policy changes that impact meeting the statutory  
16 requirements for foster care and adoption, including juvenile justice  
17 programs.

18 (d) Recommendations made by a department workgroup composed of  
19 representatives from the department and other departments and  
20 agencies.

21 (e) Federal recommendations submitted to the state, including  
22 recommendations to the courts.

23 (f) Federal penalties assessed against the state.

24 Sec. 273. (1) The department shall report no later than October  
25 1, 2003 on each specific policy change made to implement enacted  
26 legislation to the senate and house appropriations subcommittees on  
27 the family independence agency budget, the senate and house standing

1 committees on human services, and the senate and house fiscal agencies  
2 and policy offices.

3 (2) On an annual basis, the department shall provide a cumulative  
4 list of all policy changes to the senate and house appropriations  
5 subcommittees on the family independence agency budget, the senate and  
6 house standing committees dealing with human services, and the senate  
7 and house fiscal agencies and policy offices.

8 (3) Not later than July 1, 2004, the department shall report to  
9 the senate and house appropriations subcommittees on the family  
10 independence agency budget, the senate and house fiscal agencies, and  
11 the senate and house policy offices the annual regulatory plan  
12 submitted to the office of regulatory reform pursuant to section 53 of  
13 the administrative procedures act of 1969, 1969 PA 306, MCL 24.253.

14 Sec. 274. The department shall report to the house and senate  
15 appropriations subcommittees on the family independence agency budget,  
16 the senate and house fiscal agencies, and the senate and house policy  
17 offices as part of the annual budget presentation on each federal  
18 grant this state was eligible to apply for but for any reason chose  
19 not to submit an application.

20 Sec. 275. Of the funds appropriated in part 1, no funds shall be  
21 used by the department for billboard advertising unless required by  
22 federal regulations.

### 23 EXECUTIVE OPERATIONS

24 Sec. 302. The appropriation in part 1 for the Michigan  
25 commission for the blind includes funds for case services. These  
26 funds may be used for tuition payments for blind clients for the  
27 school year beginning September 2003.

1 **FAMILY INDEPENDENCE SERVICES ADMINISTRATION**

2       Sec. 401. (1) From the federal money received for child support  
3 incentive payments, up to \$10,415,700.00 shall be retained by the  
4 state and expended for legal support contracts and child support  
5 program expenses.

6       (2) In addition to the amount retained in subsection (1),  
7 additional incentives may be retained and used by the state for  
8 special, enhanced, or centralized initiatives or services that are  
9 reasonably calculated by the department, in consultation with the  
10 state court administrative office and the state budget office, to  
11 result in an equivalent or greater increase in child support  
12 collections or child support incentive payments received from the  
13 federal government. If payment from the federal government for  
14 collection performance incentives exceeds the amount received by the  
15 state for the fiscal year 2000, the amount in excess for the fiscal  
16 year 2000 payment shall be apportioned to the counties and the state  
17 in the same proportion as the base amount.

18       (3) At the end of the current fiscal year, the department may, if  
19 it is cost beneficial to the state and counties, withhold from  
20 submitting to the federal office of child support administrative  
21 expenses eligible for federal financial participation. The department  
22 may recoup earned but unclaimed federal funds from the resulting  
23 increased federal child support incentive. The recoupment by the  
24 department shall be made prior to distribution of the increased  
25 incentive to the counties. Any incentive funds retained by the state  
26 under this section shall be separate and apart from incentive funds



1 retained in any other section of this act.

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

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

8 (b) The county and the friend of the court are fully and timely  
9 cooperating with the work plan outlined in the child support  
10 enforcement memorandum of understanding between the department and the  
11 county.

12 (c) The county and the friend of the court are implementing the  
13 child support enforcement system required for federal certification.

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

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

22 (6) For the purpose of providing title IV-D child support  
23 enforcement funding, the department, as the IV-D agency, shall, within  
24 30 days of the passage of this act, enter into a cooperative agreement  
25 with the state attorney general for IV-D funding to support the child  
26 support enforcement activities of the office of the attorney general.  
27 The department to the extent possible under federal law shall provide

1 to the office of the attorney general any information used by the  
2 office of child support enforcement to locate parents who fail to pay  
3 court-ordered child support, to collect child support, or to enforce  
4 child support orders.

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

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

18       Sec. 413. (1) Contingent upon the receipt of a refund from the  
19 federal government related to penalties previously imposed for the  
20 child support enforcement system and upon certification from the state  
21 budget director that the refunded money is available for expenditure,  
22 up to \$28,785,700.00 of the refund is appropriated for the following  
23 programs in the following amounts to provide funding in addition to  
24 funds appropriated in part 1:

25       (a) \$3,600,000.00 for adoption subsidies for adoptees who are up  
26 to 21 years of age and attending school.

27       (b) \$1,800,000.00 for community-based innovation grants.

1 (c) \$15,135,700.00 for expansion of community-based innovation  
2 grants on a statewide basis.

3 (d) \$2,000,000.00 for project zero and volunteer services  
4 workers.

5 (e) \$500,000.00 for establishment or enhancement of domestic  
6 violence supervised parenting time centers.

7 (f) \$3,000,000.00 for protective services workers and related  
8 contracts, services, supplies, and materials.

9 (g) \$100,000.00 for analysis of the Medicaid spend-down.

10 (h) \$2,600,000.00 for enhanced child care fund reimbursement for  
11 community programs.

12 (i) \$50,000.00 for the Michigan coordinated access to food for the  
13 elderly (MiCAFE) program.

14 (2) The funds appropriated in subsection (1) shall be considered a  
15 1-time authority.

16 (3) In the event the receipt of a refund occurs prior to October  
17 1, 2003 and money from the refund is carried forward into fiscal year  
18 2004, it is the intent of the legislature that these funds are  
19 appropriated for use as outlined in subsection (1) as work projects.

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

23 (2) From the funds appropriated in part 1 for community services  
24 block grants, the department is authorized to make allocations of TANF  
25 funds only to the community action agencies that report necessary data  
26 to the department for the purpose of meeting TANF eligibility  
27 reporting requirements. The use of TANF funds under this section

1 should not be considered an ongoing commitment of funding.

2       Sec. 415. (1) From the funds appropriated in part 1 for  
3 employment and training support services, the department shall expend  
4 \$500,000.00 in TANF to fund a fatherhood 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 the fatherhood program.

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

18       (3) A fatherhood initiative program established under this section  
19 shall minimally include at least 3 of the following components:  
20 promoting responsible, caring, and effective parenting through  
21 counseling; mentoring and parental education; enhancing the abilities  
22 and commitment of unemployed or low-income fathers to provide material  
23 support for their families and to avoid or leave welfare programs by  
24 assisting them to take advantage of job search programs, job training,  
25 and education to improve their work habits and work skills; improving  
26 fathers' ability to effectively manage family business affairs by  
27 means such as education, counseling, and mentoring in household

1 matters; infant care; effective communication and respect; anger  
2 management; children's financial support; and drug-free lifestyle.

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

9 (5) Upon receipt of the promotion of responsible fatherhood funds  
10 from the United States department of health and human services, the  
11 agency shall use the program criteria set forth in subsection (3) to  
12 implement the program with the federal funds.

13 Sec. 416. (1) From the funds appropriated in part 1 for  
14 employment and training support services, the department may expend up  
15 to \$750,000.00 in TANF to fund a marriage initiative program. The  
16 department may contract with independent contractors from various  
17 counties, including, but not limited to, faith-based and nonprofit  
18 organizations. The independent contractors shall provide at least 10%  
19 in matching funds, through any combination of local, state, or federal  
20 funds or in-kind or other donations. An independent contractor that  
21 cannot secure matching funds shall not be excluded from consideration  
22 for a marriage initiative program.

23 (2) The department may choose providers to work with counties that  
24 will work to support and strengthen marriages of those eligible under  
25 the TANF guidelines. The areas of work may include, but are not  
26 limited to, marital counseling, domestic violence counseling, family  
27 counseling, effective communication, and anger management as well as

1 parenting skills to improve the family structure.

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

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

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

## 21 **CHILD AND FAMILY SERVICES**

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

1       Sec. 502. From the funds appropriated in part 1 for foster care,  
2 the department shall provide 50% reimbursement to Indian tribal  
3 governments for foster care expenditures for children who are under  
4 the jurisdiction of Indian tribal courts and who are not otherwise  
5 eligible for federal foster care cost sharing.

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

9       (a) Has not yet graduated from high school or passed a high school  
10 equivalency examination.

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

27       (iii) The mandatory reporter category in which the individual who

1 made the report fits, or other categorization if the individual is not  
2 within a group required to report under the child protection law, 1975  
3 PA 238, MCL 722.621 to 722.638.

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

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

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

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

1 of the following:

2 (a) Foster positive parenting skills especially for parents of  
3 children under 3 years of age.

4 (b) Improve parent/child interaction.

5 (c) Promote access to needed community services.

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

7 (e) Improve school readiness.

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

10 (3) The allocation provided for in subsection (2) may fund  
11 secondary prevention programs as defined in the children's trust  
12 fund's preapplication materials for fiscal year 2003-2004 direct  
13 services grants.

14 (4) Projects funded through the allocation provided for in  
15 subsection (2) may be required to meet the following criteria:

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

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

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

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

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

5       Sec. 523. (1) From the funds appropriated in part 1 for youth in  
6 transition, domestic violence prevention and treatment, and teenage  
7 parent counseling, the department is authorized to make allocations of  
8 TANF funds only to the agencies that report necessary data to the  
9 department for the purpose of meeting TANF eligibility reporting  
10 requirements. The use of TANF funds under this section should not be  
11 considered an ongoing commitment of funding.

12       (2) The agencies receiving teenage parent counseling TANF funds  
13 shall report to the family independence agency on both of the  
14 following:

15       (a) Whether program services have impacted the following issue  
16 areas:

17       (i) The number of teen participants having fewer repeat  
18 pregnancies.

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

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

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

23       (i) Adult supervised, supportive living arrangements.

24       (ii) Pregnancy prevention services or referrals.

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

27       (iv) Support services, including, but not limited to, health care,

1 transportation, and counseling.

2 (v) Parenting and life-skills training.

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

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

5 (viii) Instruction on self-protection.

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

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

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

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

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

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

26 (d) Specify that the local unit of government is responsible for  
27 meeting all federal title IV-E regulation requirements, including

1 reporting requirements, with regard to the activities and costs being  
2 billed to title IV-E.

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

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

10 Sec. 532. The department, in collaboration with the department  
11 of consumer and industry services and representatives of the Michigan  
12 federation of private child and family agencies, shall review  
13 policies, practices, and procedures involving the annual licensing  
14 review conducted by the department of consumer and industry services  
15 and the annual contract compliance review conducted by the department  
16 regarding child placing agencies and child caring institutions. The  
17 review shall include efforts to identify duplication of staff  
18 activities and information sought from child placing agencies and  
19 child caring institutions in the annual review process. The  
20 department shall report on its findings, conclusions, and any actions  
21 taken to ensure the maximum feasible coordination and efficiency in  
22 conducting these reviews. The report shall be presented to the senate  
23 and house appropriations subcommittees on the family independence  
24 agency and the department of consumer and industry services, the  
25 senate and house fiscal agencies, and the senate and house policy  
26 offices by April 1, 2004.

27 Sec. 533. The family independence agency shall make payments to

1 private nonprofit child placing facilities for title IV-E out-of-home  
2 care services within 30 days of receiving all necessary documentation  
3 from those agencies.

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 and the placement is not contrary to  
14 the best interests of the child or the child's siblings.

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

- 21 (a) Average caseload per foster care worker.
- 22 (b) Average cost per case.
- 23 (c) Range of services provided to foster care youth.
- 24 (d) Measurement of program outcomes.

25 (3) The department shall contract with a third party to compile  
26 and analyze the information as required by subsection (2). The  
27 department shall distribute, in a quarterly report, the findings of

1 the analysis to the senate and house appropriations subcommittees on  
2 the family independence agency, the senate and house standing  
3 committees on families and human services matters, the senate and  
4 house fiscal agencies, the senate and house policy offices, and the  
5 chief justice of the Michigan supreme court.

6       Sec. 539. The department shall work in collaboration with  
7 representatives from private nonprofit child placing agencies to  
8 ensure appropriate placement for children who have been adjudicated  
9 abused, neglected, or delinquent and for whom residential treatment is  
10 required. The department and the representatives from the private  
11 nonprofit child placing agencies shall focus on statewide placement  
12 criteria to address the best interest of the child in need of  
13 services.

14       Sec. 540. From the funds appropriated in part 1 for the family  
15 services innovation grants, the department may contract with private  
16 service providers in this state for the development and implementation  
17 of new models of in-home services. The department shall grant  
18 priority in funding to programs that provide at least 10% in matching  
19 funds. The programs shall include various services to children and  
20 families that reduce the need for children's out-of-home placements  
21 and achieve the goal of promoting family reunification, formation, and  
22 maintenance.

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 **PUBLIC ASSISTANCE**

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

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

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

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

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

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

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

25           Sec. 604. (1) The department shall operate a state disability  
26 assistance program. Except as provided in subsection (3), persons  
27 eligible for this program shall include needy citizens of the United

1 States or aliens exempted from the supplemental security income  
2 citizenship requirement who are at least 18 years of age or  
3 emancipated minors meeting 1 or more of the following requirements:

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

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

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

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

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

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

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

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

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

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

26 (3) Except for a person described in subsection (1)(c) or (d), a  
27 person is not disabled for purposes of this section if his or her drug

1 addiction or alcoholism is a contributing factor material to the  
2 determination of disability. "Material to the determination of  
3 disability" means that, if the person stopped using drugs or alcohol,  
4 his or her remaining physical or mental limitations would not be  
5 disabling. If his or her remaining physical or mental limitations  
6 would be disabling, then the drug addiction or alcoholism is not  
7 material to the determination of disability and the person may receive  
8 state disability assistance. Such a person must actively participate  
9 in a substance abuse treatment program, and the assistance must be  
10 paid to a third party or through vendor payments. For purposes of  
11 this section, substance abuse treatment includes receipt of inpatient  
12 or outpatient services or participation in alcoholics anonymous or a  
13 similar program.

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

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

26 Sec. 606. County family independence agencies shall require each  
27 recipient of state disability assistance who has applied with the

1 social security administration for supplemental security income to  
2 sign a contract to repay any assistance rendered through the state  
3 disability assistance program upon receipt of retroactive supplemental  
4 security income benefits.

5       Sec. 607. The department's ability to satisfy appropriation  
6 deductions in part 1 for state disability assistance/supplemental  
7 security income recoveries and public assistance recoupment revenues  
8 shall not be limited to recoveries and accruals pertaining to state  
9 disability assistance, or family independence assistance grant  
10 payments provided only in the current fiscal year, but shall include  
11 all related net recoveries received during the current fiscal year.

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

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

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

5       Sec. 611. (1) The department shall not require providers of  
6 burial services to accept state payment for indigent burials as  
7 payments in full. Each provider shall be permitted to collect  
8 additional payment from relatives or other persons on behalf of the  
9 deceased. The total in additional payments shall not exceed  
10 \$2,600.00.

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

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

18       Sec. 613. (1) From the funds appropriated in part 1 for state  
19 emergency relief, the maximum allowable charge limit for indigent  
20 burials shall be \$947.00. The funds shall be distributed as follows:  
21 \$603.00 for funeral directors; \$200.00 for cemeteries or crematoriums;  
22 and \$144.00 for the provider of the vault.

23       (2) On December 31, 2003, participating funeral home directors or  
24 cemeteries or crematoriums shall submit on a quarterly basis a report  
25 on a form made available by the department that includes all of the  
26 following information:

27       (a) The number of indigent burials performed.

1 (b) The cost of services rendered for each indigent burial  
2 performed.

3 (c) The total reimbursement received from the state for indigent  
4 burials.

5 (d) The amount the participating provider received from families  
6 toward indigent burials.

7 (e) All other sources of reimbursement received by the  
8 participating providers shall be documented individually for indigent  
9 burials.

10 (f) The percentage of total burials performed by the provider that  
11 represents indigent burials.

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

19 Sec. 614. The funds available in part 1 for burial services  
20 shall be available if the deceased was an eligible recipient and an  
21 application for emergency relief funds was made within 10 days of the  
22 burial or cremation of the deceased person. Each provider of burial  
23 services shall be paid directly by the department.

24 Sec. 615. Except as required by federal law or regulations,  
25 funds appropriated in part 1 shall not be used to provide public  
26 assistance to a person who is an illegal alien. This section shall  
27 not prohibit the department from entering into contracts with food

1 banks or emergency shelter providers who may, as a normal part of  
2 doing business, provide food or emergency shelter to individuals.

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

7       (a) Family independence assistance.

8       (b) State disability assistance.

9       (c) Food assistance.

10       (d) Supplemental security income.

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

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

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

22       (a) The only eligible recipient has died.

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

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

27       (d) A recipient requests in writing that his or her assistance be



1 reduced, terminated, or suspended.

2 (e) A recipient has been approved to receive assistance in another  
3 state.

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

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

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

17 (b) An authorized representative shall be required for food  
18 assistance receipt.

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

23 Sec. 627. (1) From the funds appropriated in part 1 for day care  
24 services, the department shall contract to administer an amount not to  
25 exceed \$1,350,000.00 for the "enhance quality improvement program"  
26 (EQUIP) grants. A priority for the expenditure of EQUIP funds shall  
27 be given to providers to expand access to child care, specifically

1 24-hour care and weekend care. A child care program shall not be  
2 eligible for an EQUIP grant unless 25% or more of its clients receive  
3 day care payments from the department.

4 (2) From the funds appropriated in part 1 for day care services,  
5 the department shall establish an additional fund of at least  
6 \$350,000.00 for a grant pool for an "enhance quality improvement  
7 program" (EQUIP) specifically to establish new family and group home  
8 day care providers.

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

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

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

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

22 Sec. 632. The department shall calculate the food assistance  
23 allotment for applicants who are United States citizens and who live  
24 in a household with legal immigrants in a manner that maximizes the  
25 food assistance available to these United States citizens under  
26 federal law.

27 Sec. 635. Within 6 business days of receiving all information

1 necessary to process an application for payments for child day care,  
2 the family independence agency shall determine whether the child day  
3 care provider to whom the payments, if approved, would be made, is  
4 listed on the child abuse and neglect central registry. If the  
5 provider is listed on the central registry, the family independence  
6 agency shall immediately send written notice denying the applicant's  
7 request for child day care payments.

8       Sec. 640. (1) From the funds appropriated in part 1 for day care  
9 services, the family independence agency shall expend up to  
10 \$8,000,000.00 to provide infant and toddler incentive payments to  
11 child day care providers serving children from 0 to 2-1/2 years of age  
12 who meet licensing or training requirements.

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

15       Sec. 643. As a condition of receipt of federal TANF funds,  
16 homeless shelters shall collaborate with the family independence  
17 agency to obtain necessary TANF eligibility information on families as  
18 soon as possible after admitting a family to the homeless shelter.  
19 From the funds appropriated in part 1 for homeless shelters within  
20 state emergency relief, the department is authorized to make  
21 allocations of TANF funds only to the agencies that report necessary  
22 data to the department for the purpose of meeting TANF eligibility  
23 reporting requirements. Homeless shelters that do not report  
24 necessary data to the department for the purpose of meeting TANF  
25 eligibility reporting requirements will not receive reimbursements  
26 which exceed the per diem amount they received in fiscal year 2000.  
27 The use of TANF funds under this section should not be considered an

1 ongoing commitment of funding.

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

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

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

24       Sec. 657. (1) The department shall continue to offer quality  
25 before- or after-school programs that provide youth with a safe,  
26 engaging environment to motivate and inspire learning outside the  
27 traditional classroom setting. Before-school programs are limited to

1 elementary school-aged children. Effective before- or after-school  
2 programs combine academic, enrichment, and recreation activities to  
3 guide learning and inspire children and youth in various activities.  
4 The before- or after-school programs can meet the needs of the  
5 communities served by the programs.

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

13 (3) The department shall allocate through grants or contracts up  
14 to \$8,500,000.00 in TANF funds for pilot programs. A county shall  
15 receive no more than 20% of the funds appropriated in part 1 for this  
16 program. From the funds appropriated in part 1 for before- or  
17 after-school pilot programs within day care services, the department  
18 is authorized to make allocations of funds only to the agencies that  
19 report necessary data to the department for the purpose of meeting  
20 TANF and maintenance of effort eligibility reporting requirements.  
21 The use of funds under this section should not be considered an  
22 ongoing commitment of funding.

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

25 (a) Abstinence-based pregnancy prevention.

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

27 (c) Gang violence prevention.

1 (d) Academic assistance, including assistance with reading and  
2 writing.

3 (e) Preparation toward future self-sufficiency.

4 (f) Leadership development.

5 (g) Case management or mentoring.

6 (h) Parental involvement.

7 (i) Anger management.

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

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

21 (7) By August 30, 2004, the department before- or after-school  
22 pilot program expenditures shall be audited and the department shall  
23 work in collaboration with independent contractors to provide a report  
24 on the before- or after-school pilot program to the senate and house  
25 standing committees dealing with human services, the senate and house  
26 appropriations subcommittees for the family independence agency  
27 budget, the senate and house fiscal agencies, and the senate and house

1 policy offices. The report shall include the number of participants  
2 and the average cost per participant, as well as changes noted in  
3 program participants in any of the following categories:

- 4 (a) Juvenile crime.
- 5 (b) Aggressive behavior.
- 6 (c) Academic achievement.
- 7 (d) Development of new skills and interests.
- 8 (e) School attendance and dropout rates.
- 9 (f) Behavioral changes in school.

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

20 Sec. 666. The department shall develop and implement a plan to  
21 increase the participation of eligible family independence program  
22 recipients in the federal earned income tax credit.

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

25 Sec. 668. In coordination with the Michigan alliance of boys and  
26 girls clubs, the department shall expend up to \$250,000.00 in TANF  
27 funds to make allocations for a statewide collaborative project to

1 develop a community-based program available to children ages 6 to 15.

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

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

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

15 (2) The department shall allocate up to \$5,560,000.00 for the  
16 annual school clothing allowance. The allowance shall be granted to  
17 all eligible children 4 to 18 years of age. At least 2 weeks prior to  
18 the clothing allowance transfer, the department shall notify  
19 assistance recipients eligible for the allowance of actual and  
20 potential participating retail establishments that offer discounts  
21 under the clothing allowance program.

22 Sec. 670. It is the intent of the legislature that the funds  
23 appropriated in part 1 for kinship care in the fiscal year ending  
24 September 30, 2004 reflect the legislature's commitment to reduce the  
25 benefit discrepancy between kinship care and a similar family size  
26 within the family independence agency program (FIP). The legislature  
27 recognizes the commitment of relatives to provide family continuity,



1 nurturance, and care for this special population of children who can  
2 no longer remain in their parents' care due to abuse, neglect, or  
3 other social problems.

#### 4 JUVENILE JUSTICE SERVICES

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

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

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

21       Sec. 705. (1) The department shall report on the W.J. Maxey  
22 facility to the house and senate appropriations subcommittees on the  
23 family independence agency budget, house and senate standing  
24 committees on human services matters, and house and senate fiscal  
25 agencies and policy offices as part of their annual budget  
26 presentation. The report shall include the following:

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

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

6 (c) Staff and resident safety.

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

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

11 (f) Quality control process for resident service and release  
12 plans.

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

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

18 (a) Dysfunctional family practices, such as substance abuse and  
19 domestic violence.

20 (b) Sexual harassment and gender bias.

21 (c) Cultural and ethnic sensitivity.

22 (3) The department shall make a comparative analysis of public  
23 training schools and private facilities and report the analysis to the  
24 senate and house appropriations subcommittees on the family  
25 independence agency during the budget deliberations and distribute the  
26 findings to the senate and house standing committees on human services  
27 matters, the senate and house fiscal agencies, the senate and house

1 policy offices, and the chief justice of the Michigan supreme court.

2 The report shall include all of the following categories:

3 (a) Number of youths served by the facility.

4 (b) Number and type of security levels in the facility.

5 (c) Number of youths who earned a GED while at the facility.

6 (d) Recidivism rate for youths served by the facility.

7 (e) Breaches of security at the facility.

8 (f) Unique characteristics of the facility's program.

9 (g) Academic levels for youths served by the facility at intake  
10 and on discharge.

11 (h) Standardized psychological assessment scores for youths served  
12 by the facility at intake and on discharge.

13 (i) Program achievement outcomes.

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

20 Sec. 712. 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       Sec. 713. (1) The department shall work cooperatively with  
2   judiciary and with the departments of community health and career  
3   development to coordinate and improve the delivery of mental health  
4   and substance abuse treatment and education and training services to  
5   individuals leaving the juvenile justice system, especially those  
6   aging out of the system identified as continuing to pose a serious  
7   risk to themselves or others.

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

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

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

24       (3) The local units of government shall report to the department  
25  on expenditures of their juvenile justice information networks in  
26  concert with their requests for reimbursement from the child care  
27  fund.

1       (4) The department shall provide during budget deliberation  
2 hearings the compilation of reports from the local units of  
3 government.

4       Sec. 715. (1) It is the intent of the legislature that the  
5 primary function of the juvenile justice system shall be to promote  
6 the protection of individuals and communities through the reduction of  
7 juvenile crime.

8       (2) Based on the recommendations of the 2001 joint house and  
9 senate task force on juvenile justice, the department shall present  
10 the early intervention initiatives demonstrating the principles at the  
11 annual balanced and restorative justice conference in May 2003. The  
12 early intervention shall include, but not be limited to, the  
13 following:

14       (a) Mentoring programs that focus on improving communication and  
15 collaboration, encourage quality mentoring programs, recruitment of  
16 mentors, and increasing public awareness of and participation in  
17 programs for at-risk youth.

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

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

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

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

4 (f) Multisystem therapy.

5 (g) Youth service projects.

6 (h) Community services projects.

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

13 **DISABILITY DETERMINATION SERVICES**

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