

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 511

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. There is appropriated for the various state
4 departments and agencies to supplement appropriations for the
5 fiscal year ending September 30, 2008, from the following funds:

6 DEPARTMENT OF HUMAN SERVICES

7 APPROPRIATION SUMMARY:

8 GROSS APPROPRIATION..... \$ 0

1	Interdepartmental grant revenues:		
2	Total interdepartmental grants and intradepartmental		
3	transfers		0
4	ADJUSTED GROSS APPROPRIATION.....	\$	0
5	Total federal revenues.....		0
6	Total local revenues.....		0
7	Total private revenues.....		0
8	Total other state restricted revenues.....		0
9	State general fund/general purpose.....	\$	0
10	Sec. 102. CHILDREN'S SERVICES		
11	Adoption support services.....	\$	<u>(166,500)</u>
12	GROSS APPROPRIATION.....	\$	(166,500)
13	Appropriated from:		
14	State general fund/general purpose.....	\$	(166,500)
15	Sec. 103. LOCAL OFFICE STAFF AND OPERATIONS		
16	Field staff, salaries and wages.....	\$	<u>166,500</u>
17	GROSS APPROPRIATION.....	\$	166,500
18	Appropriated from:		
19	State general fund/general purpose.....	\$	166,500

20 PART 2

21 PROVISIONS CONCERNING APPROPRIATIONS

22 GENERAL SECTIONS

23 Sec. 201. In accordance with the provisions of section 30 of

24 article IX of the state constitution of 1963, total state spending

25 from state resources in this appropriation act for the fiscal year

1 ending September 30, 2008 is \$0 and state appropriations paid to
2 local units of government are \$0.

3 Sec. 202. The appropriations made and expenditures authorized
4 under this act and the departments, commissions, boards, offices,
5 and programs for which appropriations are made under this act are
6 subject to the management and budget act, 1984 PA 431, MCL 18.1101
7 to 18.1594.

8 **DEPARTMENT OF HUMAN SERVICES**

9 Sec. 401. (1) Subject to subsection (3), beginning October 1,
10 2007, preference shall be given in the provision of direct foster
11 care services to public and private agencies that are nationally
12 accredited.

13 (2) Contracts with licensed child placing agencies shall
14 include specific performance and incentive measures with a focus on
15 achieving permanency placement for children in foster care.

16 (3) Beginning October 1, 2007, the department shall not enter
17 into or maintain a contract with a for-profit child placing agency
18 or a nonprofit child placing agency that uses a for-profit
19 management group or contracts with a for-profit organization for
20 its management to provide direct foster care services unless the
21 for-profit child placing agency, management group, or organization
22 was licensed on or before August 1, 2007.

23 Sec. 402. From the money appropriated in part 1 for adoption
24 support services, \$1,049,400.00 is allocated to support new
25 adoption contracts focusing on long-term permanent wards who have
26 been wards for more than 1 year after termination of parental

1 rights. Private agencies shall receive \$16,000.00 for each
2 finalized placement under the new program.

3 Sec. 403. (1) From the money appropriated in part 1 for foster
4 care payments, \$2,500,000.00 is allocated to support new contracts
5 with private nonprofit child placing agencies to facilitate the
6 licensure of relative caregivers as foster parents. Agencies shall
7 receive \$2,300.00 for each facilitated licensure. The private
8 nonprofit agency facilitating the licensure would retain the
9 placement and continue to provide case management services for at
10 least 50% of the newly licensed cases for which the placement was
11 appropriate to the agency. Up to 50% of the newly licensed cases
12 would have direct foster care services provided by the department.

13 (2) From the money appropriated for foster care payments,
14 \$375,000.00 is allocated to support family incentive grants to
15 private and community-based foster care service providers to assist
16 with home improvements needed by foster families to accommodate
17 foster children.

18 Sec. 404. (1) Beginning October 1, 2007, from the funds
19 appropriated in part 1, the department shall reimburse a private
20 child placing agency for an adoption placement or finalization at
21 the following unit rate, as applicable, depending on the category
22 into which the placement falls under subsection (2):

23 (a) For basic and standard, \$2,594.00 for a placement,
24 \$1,733.00 for a finalization.

25 (b) For enhanced, \$4,068.00 for a placement, \$2,712.00 for a
26 finalization.

27 (c) For premium, \$5,404.00 for a placement, \$3,603.00 for a

1 finalization.

2 (d) For residential, \$6,240.00 for a placement, \$4,160.00 for
3 a finalization.

4 (e) For I-MARE, \$4,368.00 for a placement, \$2,912.00 for a
5 finalization.

6 (f) For MARE, \$5,819.00 for a placement, \$3,879.00 for a
7 finalization.

8 (g) For preplacement, \$1,352.00 for basic or standard,
9 \$2,704.00 for enhanced.

10 (2) The following categories shall be used to determine which
11 unit rate is applicable under subsection (1):

12 (a) The residential category shall be used for a placement
13 that involves a child who was being cared for in a residential
14 child caring institution.

15 (b) The MARE category shall be used for a placement other than
16 an interagency placement in which the private agency used the
17 Michigan adoption resource exchange photo-listing system.

18 (c) The I-MARE category shall be used for an interagency
19 placement in which the private agency used the Michigan adoption
20 resource exchange photo-listing system.

21 (d) A placement to which subdivisions (a) to (c) do not apply
22 shall be reimbursed based on the length of time between the
23 termination of parental rights or case referral and the placement
24 as follows:

25 (i) The premium category shall be used if the placement is
26 achieved less than 6 months after the termination of parental
27 rights, or after the case referral to the agency if the case was

1 referred 3 months or more after termination.

2 (ii) The enhanced category shall be used if the placement is
3 achieved 6 months or more but less than 9 months after the
4 termination of parental rights, or after the case referral to the
5 agency if the case was referred 3 months or more after termination.

6 (iii) The basic and standard category shall be used if the
7 placement is achieved 9 months or more after the termination of
8 parental rights, or after the case referral to the agency if the
9 case was referred 3 months or more after termination.

10 (3) The department shall not establish a payment category or
11 unit rate other than those in this section and shall not expend
12 funds appropriated in part 1 for a payment that does not fall
13 within a payment category or unit rate structure established in
14 this section.

15 Sec. 410. (1) The goal of high security juvenile services
16 funded in part 1 shall be to protect the general public from
17 dangerous juvenile offenders while providing rehabilitation
18 services to those offenders to safely prepare them for entry into
19 society.

20 (2) The department shall take into consideration the
21 recommendations on a methodology for measuring goals, objectives,
22 and performance standards developed in conjunction with private
23 providers of juvenile justice residential programs required in
24 section 705 of 2004 PA 344.

25 (3) The department shall allocate money to public and private
26 providers of high security juvenile services based on their ability
27 to demonstrate results in all of the following:

1 (a) Lower recidivism rates.

2 (b) Higher school completion rates or GED completion rates.

3 (c) Shorter average stays in a residential facility.

4 (d) Lower average actual cost per resident.

5 (e) Availability of appropriate services to residents.

6 (4) The department shall comply with section 115o of the
7 social welfare act, 1939 PA 280, MCL 400.115o, regarding placement
8 of juvenile offenders, and shall refer to that statutory
9 requirement in making referral recommendations to courts for secure
10 residential programs.

11 (5) The department shall require, if possible and practical,
12 that aftercare services for a juvenile offender be provided by the
13 same organization or provider that provided residential care for
14 that juvenile.

15 Sec. 411. (1) The goal of medium security juvenile services
16 shall be effective treatment of juvenile offenders to safely
17 prepare them for entry into society.

18 (2) The department shall allocate money to public and private
19 providers of medium security juvenile services based on their
20 ability to demonstrate results in all of the following:

21 (a) Reduced rates of recidivism.

22 (b) Higher rates of high school or GED completion.

23 (c) Shorter average stays in a residential facility.

24 (d) Availability of appropriate services to residents.

25 (e) Lower average actual cost per resident.

26 (3) The department shall comply with section 115o of the
27 social welfare act, 1939 PA 280, MCL 400.115o, regarding the

1 placement of juvenile offenders, and shall refer to that statutory
2 requirement in making referral recommendations to courts for
3 residential treatment programs.

4 (4) The department shall require, if possible and practical,
5 that aftercare services for a juvenile offender be provided by the
6 same program or provider that provided treatment for the juvenile
7 in residential care.

8 (5) The department shall provide for the transfer of medium
9 security services equivalent to 80 beds at the W. J. Maxey boys
10 training school, and shall provide for the placement of juvenile
11 offenders who need those services in community-based or privately
12 operated facilities. The transfer and placements shall be completed
13 by May 1, 2008 if community based or privately operated facilities
14 have capacity for the new placements by that date.

15 Sec. 412. (1) The goal of community juvenile justice centers
16 shall be the effective treatment and rehabilitation of juvenile
17 offenders in appropriate community settings.

18 (2) The department shall allocate money to public providers of
19 juvenile justice day programs based on their ability to demonstrate
20 results in all of the following:

21 (a) Reduced rates of recidivism.

22 (b) Higher rates of high school or GED completion.

23 (c) Availability of appropriate services to offenders.

24 (d) Lower average actual cost per resident.

25 (e) Shorter average stays in a residential facility.

26 Sec. 413. A private provider of juvenile services may receive
27 funding for services of different security levels if the provider

1 has appropriate services for each security level and adequate
2 measures to physically separate residents of each security level.

3 Sec. 414. (1) Beginning October 1, 2007, from the money
4 appropriated in part 1 for foster care payments, Wayne County
5 foster care payments, and child care fund, the department shall not
6 enter into or maintain a contract with a for-profit provider of
7 residential services or a nonprofit provider of residential
8 services that uses a for-profit management group or contracts with
9 a for-profit organization for its management for juvenile justice
10 and abused or neglected youth unless the for-profit residential
11 provider or the for-profit management group or organization was
12 licensed on or before August 1, 2007.

13 (2) Beginning October 1, 2007, from the money appropriated in
14 part 1 for foster care payments, Wayne County foster care payments,
15 and child care fund, the department shall pay a provider of
16 residential services for juvenile justice and abused or neglected
17 youth at daily rates that are 4.0% above the levels the provider
18 received during the fiscal year 2006-2007. A provider shall not
19 receive a daily rate below \$130.00.

20 **REPEALERS**

21 Sec. 800. Sections 566, 573, 574, 720, 721, 722, 723, 724, and
22 726 of 2007 PA 131 are repealed.