

**SUBSTITUTE FOR
HOUSE BILL NO. 5882**

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2011; 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

House Bill No. 5882 (H-2) as amended June 10, 2010

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of human services for the fiscal year ending September 30, 2011, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF HUMAN SERVICES

APPROPRIATION SUMMARY

Full-time equated classified positions..... 11,984.5

Full-time equated unclassified positions..... 6.0

Total full-time equated positions..... 11,990.5

GROSS APPROPRIATION..... \$ [7,015,163,800]

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 1,130,300

ADJUSTED GROSS APPROPRIATION..... \$ [7,014,033,500]

Federal revenues:

Federal - FMAP stimulus..... 13,467,500

Federal - supplemental nutrition assistance revenues

(ARRA) 566,785,600

Federal - emergency TANF contingency fund revenues

(ARRA) 232,539,200

Federal - transitional supportive housing revenues

(ARRA) 2,000,000

Federal - faith-based grant revenues (ARRA)

250,000

Federal - child care and development block grant

(ARRA) 1,960,600

Total other federal revenues..... [5,152,220,000]

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1	Special revenue funds:	
2	Total private revenues.....	9,491,500
3	Total local revenues.....	[40,864,200]
4	Total other state restricted revenues.....	58,219,700
5	State general fund/general purpose.....	\$ [936,235,200]
6	Sec. 102. EXECUTIVE OPERATIONS	
7	Total full-time equated positions.....	631.7
8	Full-time equated unclassified positions.....	6.0
9	Full-time equated classified positions.....	625.7
10	Unclassified salaries--6.0 FTE positions.....	\$ 647,900
11	Salaries and wages--274.7 FTE positions.....	17,670,800
12	Contractual services, supplies, and materials.....	10,148,500
13	Demonstration projects--9.0 FTE positions.....	9,392,100
14	Inspector general salaries and wages--99.0 FTE	
15	positions	6,044,000
16	Electronic benefit transfer EBT.....	13,009,000
17	Michigan community service commission--15.0 FTE	
18	positions	9,159,100
19	AFC, children's welfare and day care licensure--228.0	
20	FTE positions	24,672,500
21	State office of administrative hearings and rules....	<u>5,808,000</u>
22	GROSS APPROPRIATION.....	\$ 96,551,900
23	Appropriated from:	
24	Federal revenues:	
25	Total federal revenues.....	63,316,000
26	Special revenue funds:	
27	Total private revenues.....	3,211,100

1	Total local revenues.....	175,000
2	Total other state restricted revenues.....	25,000
3	State general fund/general purpose.....	\$ 29,824,800
4	Sec. 103. CHILD SUPPORT ENFORCEMENT	
5	Full-time equated classified positions.....	198.7
6	Child support enforcement operations--192.7 FTE	
7	positions	\$ 23,845,100
8	Legal support contracts.....	138,753,600
9	Child support incentive payments.....	32,409,600
10	State disbursement unit--6.0 FTE positions.....	<u>17,554,400</u>
11	GROSS APPROPRIATION.....	\$ 212,562,700
12	Appropriated from:	
13	Federal revenues:	
14	Total federal revenues.....	195,849,800
15	Special revenue funds:	
16	Total local revenues.....	340,000
17	Total other state restricted revenues.....	770,000
18	State general fund/general purpose.....	\$ 15,602,900
19	Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY	
20	Full-time equated classified positions.....	20.0
21	Bureau of community action and economic opportunity	
22	operations--20.0 FTE positions.....	\$ 2,327,900
23	Community services block grants.....	25,650,000
24	Weatherization assistance.....	<u>27,400,000</u>
25	GROSS APPROPRIATION.....	\$ 55,377,900
26	Appropriated from:	
27	Federal revenues:	

1	Total federal revenues.....	55,377,900
2	State general fund/general purpose.....	\$ 0
3	Sec. 105. ADULT AND FAMILY SERVICES	
4	Full-time equated classified positions.....	44.7
5	Executive direction and support--5.0 FTE positions ...	\$ 551,100
6	Guardian contract.....	600,000
7	Adult services policy and administration--6.0 FTE	
8	positions	663,300
9	Office of program policy--33.7 FTE positions	5,570,500
10	Employment and training support services	14,735,000
11	JET plus.....	20,000,000
12	Wage employment verification reporting.....	848,700
13	Urban and rural empowerment/enterprise zones	100
14	Nutrition education.....	30,000,000
15	Crisis prevention and elder law of Michigan food for	
16	the elderly project	<u>100,000</u>
17	GROSS APPROPRIATION.....	\$ 73,068,700
18	Appropriated from:	
19	Federal revenues:	
20	Federal - emergency TANF contingency fund revenues	
21	(ARRA)	24,823,000
22	Total federal revenues.....	43,252,500
23	Special revenue funds:	
24	Total private revenues.....	25,000
25	State general fund/general purpose.....	\$ 4,968,200
26	Sec. 106. CHILDREN'S SERVICES	
27	Full-time equated classified positions.....	131.8

1	Salaries and wages--44.2 FTE positions	\$	3,115,800
2	Contractual services, supplies, and materials		875,900
3	Interstate compact		231,600
4	Children's benefit fund donations		21,000
5	Families first		18,450,700
6	Strong families/safe children--3.0 FTE positions		16,580,600
7	Child protection and permanency--37.5 FTE positions ..		19,030,900
8	Zero to three		3,843,800
9	Family reunification program		3,977,100
10	Family preservation and prevention services		
11	administration--14.5 FTE positions		2,121,900
12	Children's trust fund administration--12.0 FTE		
13	positions		1,055,400
14	Children's trust fund grants		3,825,100
15	ECIC, early childhood investment corporation		14,623,000
16	Attorney general contract		3,559,000
17	Prosecuting attorney contracts		2,561,700
18	Child protection--5.0 FTE positions		838,300
19	Domestic violence prevention and treatment--14.6 FTE		
20	positions		14,871,200
21	Rape prevention and services--0.5 FTE positions		3,300,000
22	Transitional supportive housing (ARRA)		2,000,000
23	Child advocacy centers--0.5 FTE positions		1,000,000
24	Child care fund in-home care incentive program		<u>5,000,000</u>
25	GROSS APPROPRIATION	\$	120,883,000
26	Appropriated from:		
27	Interdepartmental grant revenues:		

1	Federal revenues:	
2	Federal - child care and development block grant	
3	(ARRA)	1,960,600
4	Federal - transitional supportive housing revenues	
5	(ARRA)	2,000,000
6	Total other federal revenues	104,756,300
7	Special revenue funds:	
8	Private - children's benefit fund donations	21,000
9	Compulsive gaming prevention fund	1,040,000
10	Sexual assault victims' prevention and treatment fund	1,000,000
11	Child advocacy centers fund	1,000,000
12	Children's trust fund	3,824,100
13	State general fund/general purpose	\$ 5,281,000
14	Sec. 107. CHILDREN'S RIGHTS SETTLEMENT	
15	Full-time equated classified positions	3,494.0
16	Children's services administration--49.0 FTE positions	\$ 3,730,100
17	Title IV-E compliance and accountability office--5.0	
18	FTE positions	429,800
19	Child welfare institute--40.0 FTE positions	6,631,100
20	Child protective services workers--1,481.0 FTE	
21	positions	71,350,000
22	Direct care workers--958.0 FTE positions	53,126,000
23	Education planners--14.0 FTE positions	745,800
24	Permanency planning conference coordinators--55.0 FTE	
25	positions	2,329,800
26	Child welfare first line supervisors--519.0 FTE	
27	positions	27,922,400

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1	Administrative support workers--241.0 FTE positions ..	12,419,700
2	Second line supervisors and technical staff--45.0 FTE	
3	positions	3,197,300
4	Permanency planning specialists--62.0 FTE positions ..	2,436,800
5	POS contract monitoring unit--10.0 FTE positions	582,200
6	Contractual services, supplies, and materials	5,601,100
7	Settlement monitor.....	1,625,800
8	Needs assessment.....	100
9	Foster care payments.....	[179,154,200]
10	Foster care - children with serious emotional	
11	disturbance waiver	1,769,000
12	Guardianship assistance program.....	4,773,000
13	Child care fund.....	[221,947,700]
14	Child care fund administration--5.8 FTE positions	806,000
15	Adoption subsidies.....	230,783,700
16	Adoption support services--7.2 FTE positions	33,572,900
17	Youth in transition--2.0 FTE positions	18,349,900
18	GROSS APPROPRIATION.....	\$ [883,284,400]
19	Appropriated from:	
20	Federal revenues:	
21	Federal - FMAP stimulus.....	12,602,800
22	Total other federal revenues.....	[491,296,700]
23	Special revenue funds:	
24	Private - collections.....	2,300,000
25	Local funds - county chargeback.....	[25,538,600]
26	State general fund/general purpose.....	\$ [351,546,300]
27	Sec. 108. JUVENILE JUSTICE SERVICES	

1	Full-time equated classified positions.....	230.7	
2	W.J. Maxey training school--95.0 FTE positions		\$ 13,268,200
3	Bay pines center--49.0 FTE positions		5,611,800
4	Shawono center--48.0 FTE positions		5,424,500
5	County juvenile officers		3,904,300
6	Community support services--2.0 FTE positions		1,400,700
7	Juvenile justice administration and maintenance--31.7		
8	FTE positions		4,431,800
9	W.J. Maxey memorial fund		45,000
10	Juvenile accountability incentive block grant--1.0 FTE		
11	positions		1,306,600
12	Committee on juvenile justice administration--4.0 FTE		
13	positions		547,600
14	Committee on juvenile justice grants		<u>5,000,000</u>
15	GROSS APPROPRIATION		\$ 40,940,500
16	Appropriated from:		
17	Federal revenues:		
18	Total federal revenues		9,185,200
19	Special revenue funds:		
20	Total private revenues		45,000
21	Local funds - state share education funds		1,526,200
22	Local funds - county chargeback		10,641,200
23	State general fund/general purpose		\$ 19,542,900
24	Sec. 109. LOCAL OFFICE STAFF AND OPERATIONS		
25	Full-time equated classified positions.....	6,464.5	
26	Field staff, salaries and wages--6,173.5 FTE positions		\$ 335,691,700
27	Limited-term field staff, salaries and wages--100.0		

1	FTE positions	2,171,100
2	Contractual services, supplies, and materials	13,723,800
3	Medical/psychiatric evaluations	6,831,900
4	Donated funds positions--156.0 FTE positions	12,862,900
5	Training and program support--23.0 FTE positions	3,297,900
6	Wayne County gifts and bequests	100,000
7	Volunteer services and reimbursement	1,294,900
8	Volunteer services and reimbursement (ARRA)--2.0 FTE	
9	positions	250,000
10	SSI advocates--10.0 FTE positions	<u>1,253,700</u>
11	GROSS APPROPRIATION	\$ 377,477,900
12	Appropriated from:	
13	Federal revenues:	
14	Federal - FMAP stimulus	537,300
15	Federal - faith-based grant revenues (ARRA)	250,000
16	Total other federal revenues	237,503,900
17	Special revenue funds:	
18	Local funds	2,643,200
19	Private funds - donated funds	859,700
20	Private funds - Wayne County gifts	100,000
21	Private funds - hospital contributions	2,929,700
22	Supplemental security income recoveries	728,200
23	State general fund/general purpose	\$ 131,925,900
24	Sec. 110. DISABILITY DETERMINATION SERVICES	
25	Full-time equated classified positions	747.4
26	Disability determination operations--721.9 FTE	
27	positions	\$ 107,738,500

1	Medical consultation program--21.4 FTE positions	3,038,900
2	Retirement disability determination--4.1 FTE positions	<u>836,800</u>
3	GROSS APPROPRIATION.....	\$ 111,614,200
4	Appropriated from:	
5	Interdepartmental grant revenues:	
6	IDG from DMB - office of retirement systems	1,130,300
7	ADJUSTED GROSS APPROPRIATION.....	\$ 110,483,900
8	Federal revenues:	
9	Total federal revenues.....	107,604,300
10	State general fund/general purpose	\$ 2,879,600
11	Sec. 111. CENTRAL SUPPORT ACCOUNTS	
12	Rent.....	\$ 46,605,000
13	Occupancy charge.....	8,260,500
14	Travel.....	7,048,400
15	Equipment.....	227,300
16	Worker's compensation.....	3,525,900
17	Advisory commissions.....	17,900
18	Payroll taxes and fringe benefits.....	<u>340,469,500</u>
19	GROSS APPROPRIATION.....	\$ 406,154,500
20	Appropriated from:	
21	Federal revenues:	
22	Federal - FMAP stimulus.....	327,400
23	Federal - emergency TANF contingency fund revenues	
24	(ARRA)	4,068,400
25	Total other federal revenues.....	250,069,700
26	State general fund/general purpose	\$ 151,689,000
27	Sec. 112. PUBLIC ASSISTANCE	

1	Full-time equated classified positions.....	27.0	
2	Family independence program.....		\$ 431,582,200
3	State disability assistance payments.....		34,108,700
4	Food assistance program benefits.....		3,026,343,500
5	Food assistance program benefits (ARRA)		566,785,600
6	State supplementation.....		57,561,100
7	State supplementation administration.....		2,601,000
8	Low-income home energy assistance program.....		116,451,600
9	Food bank funding.....		1,345,000
10	Homeless programs.....		11,646,700
11	Multicultural integration funding.....		1,815,500
12	Indigent burial.....		4,209,200
13	Emergency services local office allocations.....		21,615,500
14	Licensed and registered child development and care ...		98,841,900
15	Enrolled child development and care.....		89,151,500
16	Child care services grants and contracts.....		3,000,000
17	Day care technology and oversight--20.0 FTE positions		2,590,900
18	Refugee assistance program--7.0 FTE positions		<u>24,258,200</u>
19	GROSS APPROPRIATION.....		\$ 4,493,908,100
20	Appropriated from:		
21	Federal revenues:		
22	Federal - emergency TANF contingency fund revenues		
23	(ARRA)		203,647,800
24	Federal supplemental nutrition assistance revenues		
25	(ARRA)		566,785,600
26	Total federal revenues.....		3,490,307,400
27	Special revenue funds:		

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1	Child support collections.....	27,615,800
2	Supplemental security income recoveries.....	15,206,600
3	Public assistance recoupment revenue.....	7,010,000
4	State general fund/general purpose.....	\$ 183,334,900
5	Sec. 113. INFORMATION TECHNOLOGY	
6	Information technology services and projects.....	\$ 97,709,000
7	Child support automation.....	<u>45,631,000</u>
8	GROSS APPROPRIATION.....	\$ 143,340,000
9	Appropriated from:	
10	Federal revenues:	
11	Total federal revenues.....	103,700,300
12	State general fund/general purpose.....	\$ 39,639,700

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PART 2

14

PROVISIONS CONCERNING APPROPRIATIONS

15

GENERAL SECTIONS

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DEPARTMENT OF HUMAN SERVICES

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Child care fund..... \$ [97,777,800]

County juvenile officers..... 3,658,800

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1	Legal support contracts.....	2,486,100
2	State disability assistance payments.....	2,286,600
3	Child support enforcement operations.....	583,200
4	Family independence program.....	<u>153,000</u>
5	TOTAL.....	\$ [106,945,500]

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

9 Sec. 203. As used in this act:

10 (a) "AFC" means adult foster care.

11 (b) "ARRA" means the American recovery and reinvestment act of
 12 2009, Public Law 111-5.

13 (c) "CFSR" means child and family services review.

14 (d) "Children's rights settlement agreement" means the
 15 settlement agreement entered in the case of Dwayne B. vs. Granholm,
 16 docket no. 2:06-cv-13548 in the United States district court for
 17 the eastern district of Michigan.

18 (e) "Current fiscal year" means the fiscal year ending
 19 September 30, 2011.

20 (f) "DCH" means the department of community health.

21 (g) "Department" means the department of human services.

22 (h) "Director" means the director of the department of human
 23 services.

24 (i) "DTMB" means the department of technology, management, and
 25 budget.

26 (j) "ECIC" means early childhood investment corporation.

27 (k) "FMAP" means federal medical assistance percentage.

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

2 (m) "IDG" means interdepartmental grant.

3 (n) "JET" means jobs, education, and training program.

4 (o) "Previous fiscal year" means the fiscal year ending
5 September 30, 2010.

6 (p) "RSDI" means retirement survivors disability insurance.

7 (q) "SSI" means supplemental security income.

8 (r) "Temporary assistance for needy families" or "TANF" or
9 "title IV-A" means part A of title IV of the social security act,
10 42 USC 601 to 604, 605 to 608, and 609 to 619.

11 (s) "Title IV-D" means part D of title IV of the social
12 security act, 42 USC 651 to 655 and 656 to 669b.

13 (t) "Title IV-E" means part E of title IV of the social
14 security act, 42 USC 670 to 673, 673b to 679, and 679b.

15 (u) "VA" means veterans affairs.

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

21 Sec. 207. (1) Sanctions, suspensions, conditions for
22 provisional license status, and other penalties shall not be more
23 stringent for private service providers than for public entities
24 performing equivalent or similar services.

25 (2) Neither the department nor private service providers or
26 licensees shall be granted preferential treatment or considered
27 automatically to be in compliance with administrative rules based

1 on whether they have collective bargaining agreements with direct
2 care workers. Private service providers or licensees without
3 collective bargaining agreements shall not be subjected to
4 additional requirements or conditions of licensure based on their
5 lack of collective bargaining agreements.

6 Sec. 208. Unless otherwise specified, the department shall use
7 the Internet to fulfill the reporting requirements of this act.
8 This shall include transmission of reports via electronic mail,
9 including a link to the Internet site, to the recipients identified
10 for each reporting requirement, or it may include placement of
11 reports on the Internet or Intranet site. On an annual basis, the
12 department shall provide a cumulative listing of the reports to the
13 house and senate appropriations subcommittees and the house and
14 senate fiscal agencies and policy offices.

15 Sec. 209. Funds appropriated in part 1 shall not be used for
16 the purchase of foreign goods or services, or both, if
17 competitively priced and of comparable quality American goods or
18 services, or both, are available. Preference should be given to
19 goods or services, or both, manufactured or provided by Michigan
20 businesses, if they are competitively priced and of comparable
21 quality. In addition, preference should be given to goods or
22 services, or both, that are manufactured or provided by Michigan
23 businesses owned and operated by veterans, if they are
24 competitively priced and of comparable quality.

25 Sec. 210. The director shall take all reasonable steps to
26 ensure businesses in deprived and depressed communities compete for
27 and perform contracts to provide services or supplies, or both. The

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

4 Sec. 211. Funds appropriated in part 1 shall not be used by a
5 principal executive department, state agency, or authority to hire
6 a person to provide legal services that are the responsibility of
7 the attorney general. This prohibition does not apply to legal
8 services for bonding activities and for those activities that the
9 attorney general authorizes.

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

17 (2) The department's ability to satisfy appropriation fund
18 sources in part 1 shall not be limited to collections and accruals
19 pertaining to services provided in the current fiscal year, but
20 shall also include reimbursements, refunds, adjustments, and
21 settlements from prior years. The department shall submit a written
22 report by February 1 of the current fiscal year to the chairpersons
23 of the senate and house appropriations subcommittees on the
24 department budget that identifies all reimbursements, refunds,
25 adjustments, and settlements from prior years to be used to satisfy
26 appropriation fund sources.

27 Sec. 213. (1) The department may retain all of the state's

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

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

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

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

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

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

20 (e) 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) By February 1 of the current fiscal year, the
24 department shall submit a report to the chairpersons of the senate
25 and house appropriations subcommittees on the department budget,
26 the senate and house fiscal agencies and policy offices, and the
27 state budget director on the details of allocations within program

1 budgeting line items and within the salaries and wages line items
2 in all appropriation units. 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,
5 supplies, and materials; equipment; travel; and grants within each
6 program line item appropriated for the current fiscal year. With
7 regard to federal appropriations, for each program line item funded
8 by no more than 3 federal funding sources, the department shall
9 provide estimates of the allocation of the appropriation for each
10 specific federal funding source.

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

13 Sec. 215. If a legislative objective of this act or the social
14 welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be
15 implemented without loss of federal financial participation because
16 implementation would conflict with or violate federal regulations,
17 the department shall notify the state budget director, the house
18 and senate appropriations committees, and the house and senate
19 fiscal agencies and policy offices of that fact.

20 Sec. 216. The department, in collaboration with the state
21 budget office, shall submit to the house and senate appropriations
22 subcommittees on the department budget, the house and senate fiscal
23 agencies, and the house and senate policy offices on or before
24 March 1 of the current fiscal year a report on appropriated and
25 supportable FTE positions within the executive budget proposal for
26 the fiscal year beginning October 1, 2011. The report shall contain
27 all of the following information for each individual line item

1 contained in the executive budget proposal for the department
2 budget:

3 (a) The number of FTEs to be funded from the line item.

4 (b) The amount that is proposed to be allocated to salary and
5 wage costs from the gross appropriation for the line item.

6 (c) The amount that is proposed to be allocated to salary and
7 wage costs from the gross appropriation for the line item on which
8 was based the increase in the executive budget proposal from the
9 amount appropriated for the line item in the department budget for
10 the current fiscal year, if different from the amount in
11 subdivision (b).

12 (d) The portion of the amount described in subdivision (b)
13 that is proposed to be taken from each funding source identified in
14 the budget.

15 (e) The gross salary and wage expenditures for the line item
16 during the previous fiscal year and the estimated salary and wage
17 expenditures for the line item during the current fiscal year.

18 (f) The estimated number of FTE positions supportable by the
19 amount described in subdivision (b).

20 Sec. 217. (1) Due to the current budgetary problems in this
21 state, out-of-state travel shall be limited to situations in which
22 1 or more of the following conditions apply:

23 (a) The travel is required by legal mandate or court order or
24 for law enforcement purposes.

25 (b) The travel is necessary to protect the health or safety of
26 Michigan citizens or visitors or to assist other states in similar
27 circumstances.

1 (c) The travel is necessary to produce budgetary savings or to
2 increase state revenues, including protecting existing federal
3 funds or securing additional federal funds.

4 (d) The travel is necessary to comply with federal
5 requirements.

6 (e) The travel is necessary to secure specialized training for
7 department workers or the staff of private providers through the
8 child welfare institute that is not available within this state.

9 (f) The travel is financed entirely by federal or nonstate
10 funds.

11 (2) Not later than January 1 of each year, each department
12 shall prepare a travel report listing all travel by classified and
13 unclassified employees outside this state in the immediately
14 preceding fiscal year that was funded in whole or in part with
15 funds appropriated in the department's budget. The report shall be
16 submitted to the chairs and members of the house and senate
17 appropriations committees, the fiscal agencies, and the state
18 budget director. The report shall include the following
19 information:

20 (a) The name of each person receiving reimbursement for travel
21 outside this state or whose travel costs were paid by this state.

22 (b) The destination of each travel occurrence.

23 (c) The dates of each travel occurrence.

24 (d) A brief statement of the reason for each travel
25 occurrence.

26 (e) The transportation and related costs of each travel
27 occurrence, including the proportion funded with state general

1 fund/general purpose revenues, the proportion funded with state
2 restricted revenues, the proportion funded with federal revenues,
3 and the proportion funded with other revenues.

4 (f) A total of all out-of-state travel funded for the
5 immediately preceding fiscal year.

6 Sec. 218. (1) By February 15 of the current fiscal year, the
7 department shall prepare an annual report on the TANF federal block
8 grant. The report shall include projected expenditures for the
9 current fiscal year, an accounting of any previous year funds
10 carried forward, and a summary of all interdepartmental or
11 interagency agreements relating to the use of TANF funds. The
12 report shall be forwarded to the state budget director and the
13 house and senate appropriations subcommittees on the department
14 budget and the house and senate fiscal agencies and policy offices.

15 (2) The state budget director shall give prior written notice
16 to the members of the house and senate appropriations subcommittees
17 for the department and to the house and senate fiscal agencies and
18 policy offices of any proposed changes in utilization or
19 distribution of TANF funding or the distribution of TANF
20 maintenance of effort spending relative to the amounts reflected in
21 the annual appropriations acts of all state agencies where TANF
22 funding is appropriated. The written notice shall be given not less
23 than 30 days before any changes being made in the funding
24 allocations. This prior notice requirement also applies to new
25 plans submitted in response to federal TANF reauthorization or
26 replacement by an equivalent federal law.

27 (3) By February 15 of the current fiscal year, the department

1 shall prepare an annual report of its efforts to identify
2 additional TANF maintenance of effort sources from all of the
3 following, but not limited to:

4 (a) Other departments.

5 (b) Local units of government.

6 (c) Private sources.

7 Sec. 220. The department shall ensure that faith-based
8 organizations are able to apply and compete for services, programs,
9 or contracts that they are qualified and suitable to fulfill. The
10 department shall not disqualify faith-based organizations solely on
11 the basis of the religious nature of their organization or their
12 guiding principles or statements of faith.

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

18 Sec. 222. (1) The department shall report no later than April
19 1 of the current fiscal year on each specific policy change made to
20 implement a public act affecting the department that took effect
21 during the prior calendar year to the house and senate
22 appropriations subcommittees on the budget for the department, the
23 joint committee on administrative rules, and the senate and house
24 fiscal agencies.

25 (2) Funds appropriated in part 1 shall not be used by the
26 department to adopt a rule that will apply to a small business and
27 that will have a disproportionate economic impact on small

1 businesses because of the size of those businesses if the
2 department fails to reduce the disproportionate economic impact of
3 the rule on small businesses as provided under section 40 of the
4 administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

5 (3) As used in this section:

6 (a) "Rule" means that term as defined under section 7 of the
7 administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

8 (b) "Small business" means that term as defined under section
9 7a of the administrative procedures act of 1969, 1969 PA 306, MCL
10 24.207a.

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

18 Sec. 224. The department shall approve or deny a Medicaid
19 application for a patient of a nursing home within 45 days after
20 the receipt of the necessary information.

21 Sec. 259. From the funds appropriated in part 1 for
22 information technology, departments and agencies shall pay user
23 fees to the department of technology, management, and budget for
24 technology-related services and projects. Such user fees shall be
25 subject to provisions of an interagency agreement between the
26 department and agencies and the department of technology,
27 management, and budget.

1 Sec. 264. The department shall not take disciplinary action
2 against an employee for communicating with a member of the
3 legislature or his or her staff.

4 Sec. 273. (1) The department shall quarterly report to the
5 senate and house standing committees with primary jurisdiction over
6 matters relating to human services and the senate and house
7 appropriations subcommittees on the department budget any policy
8 changes made to implement the provisions of enacted legislation,
9 including the annual appropriation for the department budget.

10 (2) The department shall provide to the senate and house
11 appropriations subcommittees on the department budget and senate
12 and house standing committees with primary jurisdiction over
13 matters relating to human services, the senate and house fiscal
14 agencies, and the senate and house policy offices by July 1 of the
15 current fiscal year a cumulative list of all policy changes in
16 child welfare services, child support, work first, work
17 requirements, adult and child safety, local staff program
18 responsibilities, and day care and the most recent regulatory plan
19 submitted to the state office of administrative hearings and rules.

20 (3) The department shall only use money appropriated in
21 section 102 to prepare regulatory reform plans. Money appropriated
22 in part 1 shall not be used to prepare regulatory reform plans or
23 promulgate rules that exceed statutory authority granted to the
24 department. If the department fails to comply with the provisions
25 of section 39(1) of the administrative procedures act of 1969, 1969
26 PA 306, MCL 24.239, money shall not be expended for the further
27 preparation of that regulatory plan or the promulgation of rules

1 for that regulatory plan.

2 (4) Money appropriated in part 1 shall not be used to prepare
3 a regulatory plan or promulgate rules that fail to reduce the
4 disproportionate economic impact on small businesses as required in
5 section 40 of the administrative procedures act of 1969, 1969 PA
6 306, MCL 24.240.

7 (5) Money appropriated in part 1 shall not be used to prepare
8 a regulatory plan or promulgate rules that grant preferences to
9 private providers of services based on whether that private
10 provider has a collective bargaining agreement with its workers.

11 Sec. 274. The department shall report to the house and senate
12 appropriations subcommittees on the department budget, the senate
13 and house fiscal agencies, the senate and house policy offices, and
14 the state budget director as part of the annual budget presentation
15 on each federal grant this state was eligible to apply for, listing
16 both grants applied for and not applied for. This report will cover
17 grants exceeding \$1,000,000.00, related to fatherhood and marriage
18 initiatives, teen pregnancy prevention, kinship care, before- and
19 after-school programs, family preservation and prevention, homeless
20 prevention, and youth in transition.

21 Sec. 278. (1) The department shall contract with 1 or more
22 private consulting firms for revenue maximization services for all
23 caseload services currently provided by the department.

24 (2) Contractors shall be reimbursed for revenue maximization
25 services by allowing the contractors to retain a negotiated
26 percentage of savings identified. The percentage of savings
27 retained by a contractor shall not exceed 25%.

1 (3) The department shall retain any savings achieved through
2 the revenue maximization services contract as an offset to general
3 fund/general purpose costs. Additional savings shall be allocated
4 within the department for the following purposes:

5 (a) Technology programs that help maintain an effective and
6 efficient computer system for caseworkers.

7 (b) Additional staff to reduce caseload-to-worker ratios.

8 (4) The department shall provide a report to the senate and
9 house appropriations subcommittees on the department budget, senate
10 and house standing committees on human services matters, senate and
11 house fiscal agencies and policy offices, and state budget director
12 by April 1 of the current fiscal year on the waste, fraud, error,
13 and abuse located through contracts authorized under subsection
14 (1).

15 Sec. 279. All contracts relating to human services shall be
16 performance-based contracts that employ a client-centered results-
17 oriented process that is based on measurable performance indicators
18 and desired outcomes and includes the annual assessment of the
19 quality of services provided.

20 Sec. 280. The department shall submit a report to the house
21 and senate appropriations subcommittees for the department budget,
22 the house and senate fiscal agencies, the house and senate policy
23 offices, and the state budget director by February 1 of the current
24 fiscal year on the status of the department's information
25 technology improvement initiative "Bridges" integration project.
26 The report shall include details on the following:

27 (a) The amounts expended during the previous fiscal year and

1 the first quarter of the current fiscal year by project.

2 (b) The amounts of appropriations carried forward as work
3 projects from previous fiscal years for information technology
4 projects.

5 (c) A listing of the projects and activities undertaken during
6 the previous fiscal year and during the first quarter of the
7 current fiscal year.

8 (d) A narrative describing anticipated information technology
9 needs for the department in future years.

10 Sec. 284. (1) In addition to the funds appropriated in part 1,
11 there is appropriated an amount not to exceed \$200,000,000.00 for
12 federal contingency funds. These funds are not available for
13 expenditure until they have been transferred to another line item
14 in this act under section 393(2) of the management and budget act,
15 1984 PA 431, MCL 18.1393.

16 (2) In addition to the funds appropriated in part 1, there is
17 appropriated an amount not to exceed \$5,000,000.00 for state
18 restricted contingency funds. These funds are not available for
19 expenditure until they have been transferred to another line item
20 in this act under section 393(2) of the management and budget act,
21 1984 PA 431, MCL 18.1393.

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

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

7 Sec. 287. (1) The department shall work collaboratively with
8 the child death review board and court system to improve
9 communication and coordination between entities on the review and
10 examination of child death in Michigan.

11 (2) The department shall notify the children's ombudsman when
12 a child dies and any of the following applies:

13 (a) The child died while under court jurisdiction under
14 section 2(b) of chapter XIIIA of the probate code of 1939, 1939 PA
15 288, MCL 712A.2.

16 (b) The child died during an active child protective services
17 investigation or an open child protective services case.

18 (c) The department received a prior child protective services
19 complaint concerning the child's caretaker.

20 (d) The child's death may have resulted from abuse or neglect.

21 Sec. 288. (1) The department shall not establish time limits
22 on payments to providers for properly documented services purchased
23 by the department.

24 (2) The department shall pay providers that meet the
25 requirements of subsection (1) with state general fund/general
26 purpose funds if federal funds cannot be used because of time
27 restrictions on federal claims.

House Bill No. 5882 (H-2) as amended June 10, 2010 (1 of 2)

1 Sec. 296. Not later than October 15, 2011, the department
 2 shall prepare and transmit a report that provides for estimates of
 3 the total general fund/general purpose appropriation lapses at the
 4 close of the fiscal year. This report shall summarize the projected
 5 year-end general fund/general purpose appropriation lapses by major
 6 departmental program or program areas. The report shall be
 7 transmitted to the office of the state budget, the chairpersons of
 8 the senate and house appropriations committees, and the senate and
 9 house fiscal agencies.

[Sec. 297. (1) The department shall not privatize any services currently being provided by state employees without notice to and approval of the house and senate subcommittees for the department budget after it has concluded a detailed pre-privatization cost-benefit analysis. The analysis shall be prepared utilizing accurate, reliable, and objective data and shall use the soundest actuarial techniques that are available to the department. The analysis shall include a detailed comparative estimate of the costs that the state would incur for the period of the proposed contract under either of the following circumstances:

(a) State employees continue to provide the services.

(b) A private contractor provides the services.

(2) The cost analysis of privatizing the services shall include all of the following costs:

(a) All necessary monitoring and oversight of the private entity by the state.

(b) Up-to-date cost estimates for using reputable companies that have a previous history or reputation for providing quality services and that will provide services covered by performance bonds.

(3) The department shall not proceed with privatization of services unless the analysis shows a cost savings of at least 10% of the cost of using state employees to provide the services.

(4) The department shall follow the procedure set forth in subsections (1), (2), and (3) for any expansion of a privatization contract that would further replace services performed by state employees.

Sec. 298. Before renewing or rebidding a contract for privatized services that replaced services provided by state employees, the department shall conduct an analysis to determine whether the contract actually provided the required quality of services and produced the savings that were projected in the pre-privatization analysis. If the analysis indicates that the privatization did not produce any savings or provided services that did not meet required standards of performance, the department agency shall reassume the responsibility of providing the services through state employees.]

10 **EXECUTIVE OPERATIONS**

House Bill No. 5882 (H-2) as amended June 10, 2010 (2 of 2)

11 Sec. 305. From the money appropriated in part 1 for
12 demonstration projects, the department shall allocate \$100,000.00
13 to support youthville Detroit.

14 Sec. 306. From the money appropriated in part 1 for
15 demonstration projects, the department shall allocate [\$300,000.00]
16 to support the kinship care resource center administered by the
17 Michigan state university school of social work. Funding is
18 contingent upon the center's reporting of necessary data to the
19 department to demonstrate TANF or maintenance of effort
20 eligibility. [The Michigan state university school of social work may
21 partner with the Michigan state university department of epidemiology to
22 support kinship care and conductive learning.]

21 Sec. 307. (1) Of the money appropriated in part 1 for
22 demonstration projects, \$500,000.00 shall be distributed as
23 provided in subsection (2). The amount distributed under this
24 subsection shall not exceed 50% of the total operating expenses of
25 the program described in subsection (2), with the remaining 50%
26 paid by local United Way organizations and other nonprofit

1 organizations and foundations.

2 (2) Money distributed under subsection (1) shall be
3 distributed to Michigan 2-1-1, a nonprofit corporation organized
4 under the laws of this state that is exempt from federal income tax
5 under section 501(c)(3) of the internal revenue code, 26 USC
6 501(c)(3), and whose mission is to coordinate and support a
7 statewide 2-1-1 system. Michigan 2-1-1 shall use the money only to
8 fulfill the Michigan 2-1-1 business plan adopted by Michigan 2-1-1
9 in January 2005.

10 (3) Michigan 2-1-1 shall report annually to the department and
11 the house and senate standing committees with primary jurisdiction
12 over matters relating to human services and telecommunications on
13 2-1-1 system performance, including, but not limited to, call
14 volume by community health and human service needs and unmet needs
15 identified through caller data and customer satisfaction metrics.

16 Sec. 308. From the money appropriated in part 1 for
17 demonstration projects, \$200,000.00 shall be expended on a contract
18 with the University of Detroit Mercy to provide legal services for
19 disabled veterans who are seeking eligibility under federal
20 disability programs, including federal supplemental security
21 income. The contract shall fund a statewide effort by the
22 university through use of its mobile office to deliver these legal
23 services.

24 Sec. 310. The department shall furnish the senate and house
25 fiscal agencies and policy offices, the state budget office, and
26 all members of the house and senate appropriations committees with
27 a summary of any evaluation reports and subsequent approvals or

1 disapprovals of juvenile residential facilities operated by the
2 department, as required by section 6 of 1973 PA 116, MCL 722.116.
3 If no evaluations are conducted during the fiscal year, the
4 department shall notify the fiscal agencies and all members of the
5 appropriate subcommittees of the house and senate appropriations
6 committees.

7 Sec. 311. The department shall continue to operate a
8 performance-based licensing model that will assure compliance with
9 department policy and statutory mandates. This model will
10 prioritize licensing activities based on risk to the vulnerable
11 children and adults residing in or receiving services from
12 licensees.

13 ADULT AND FAMILY SERVICES

14 Sec. 423. From the money appropriated in part 1 for crisis
15 prevention and senior food aid projects, the department shall
16 allocate not less than \$100,000.00 to assist this state's elderly
17 population to participate in the food assistance program. The money
18 may be used as state matching funds to acquire available United
19 States department of agriculture funding to provide outreach
20 program activities, such as eligibility screen and information
21 services, as part of a statewide food stamp hotline.

22 CHILDREN'S SERVICES

23 Sec. 502. From the funds appropriated in part 1 for foster
24 care, the department shall provide 50% reimbursement to Indian
25 tribal governments for foster care expenditures for children who

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

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

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

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

9 (c) For a child adopted before the age of 16, has not yet
10 reached his or her nineteenth birthday.

11 (d) For a child adopted at or after the age of 16, has not yet
12 reached his or her twentieth birthday.

13 (e) Is not receiving federal supplemental security income
14 (SSI) payments.

15 Sec. 504. (1) The department will ensure that children aged 14
16 years and older in foster care and youth transitioning from foster
17 care to adulthood have access to the range of supportive services
18 necessary to support their preparation for and successful
19 transition to adulthood, including, but not limited to, independent
20 living services eligible for federal reimbursement under the Chafee
21 program, and shall maintain sufficient resources to deliver
22 independent living services to all children in foster care custody
23 of the department who qualify for them.

24 (2) The department also shall develop and implement the
25 following policies, services, and programs focused on meeting the
26 needs of foster children who are 14 years and older with a
27 permanency goal other than a goal of reunification:

1 (a) Beginning November 15, 2008, the department shall refer
2 all children 14 years and older in foster care and youth
3 transitioning from foster care to adulthood to Michigan works!
4 agencies for participation in youth programs and services
5 administered under the workforce investment act, 29 USC 2801 et
6 seq., designed to assist youth in developing job skills and career
7 opportunities, and shall refer suitably qualified children for
8 summer training, mentorship, and enrichment opportunities.

9 (b) By November 15, 2008, the department shall have developed
10 and implemented a policy and the necessary resources to extend all
11 foster youths' eligibility for child foster care custody until 20
12 years of age and to make available independent living services
13 through the age of 21 years.

14 (c) By November 15, 2008, the department shall develop and
15 implement a policy and process by which all children emancipating
16 from the foster care system at 18 years of age or beyond are
17 enrolled for Medicaid managed care coverage so that their coverage
18 continues without interruption at the time of emancipation.

19 (d) Beginning November 15, 2008, the department shall refer
20 all children without an identified housing situation at the time of
21 emancipation from the foster care system at 18 years of age or
22 beyond to the Michigan state housing development authority for
23 rental assistance and services under the homeless youth initiative.

24 (e) By October 2009, the department shall hire 14 regional
25 education planners who shall provide consultation and support to
26 youth 14 years of age and older in accessing educational services
27 and in developing individualized education plans, including

1 identifying all available financial aid resources.

2 Sec. 505. (1) The department shall continue to implement a
3 plan to provide client-centered results-oriented foster care
4 programs.

5 (2) The department shall obtain data from its systems on a
6 quarterly basis for the measures listed in subdivisions (a) to (g).
7 This data shall report on children supervised by the department and
8 by private agencies. The measures are described as follows:

9 (a) Placement stability. Children shall have no more than 2
10 placement settings using the following minimum acceptable
11 standards:

12 (i) Eighty-six percent or more of children in care for 365 days
13 or less will have no more than 2 placement settings.

14 (ii) Seventy-three percent or more of children in care for not
15 less than 366 days and not more than 730 days will have no more
16 than 2 placement settings.

17 (iii) Forty-five percent or more of children in care for 731
18 days or more will have no more than 2 placement settings.

19 (b) Timeliness of reunification. No fewer than 43% of children
20 in care for 30 days or more shall be discharged from foster care to
21 the home of a parent or legal guardian within 12 months after
22 removal.

23 (c) Permanency of reunification. No more than 4% of children
24 who were discharged from foster care to reunification will reenter
25 foster care in less than 12 months from the date of discharge.

26 (d) Timeliness of adoptions. No fewer than 36.6% of children
27 in care for 30 days or more shall be discharged from foster care to

1 a finalized adoption within 24 months after removal.

2 (e) Discharge to permanency for children in foster care for
3 long periods of time. No fewer than 29.1% of children in care for
4 the most recent 24 months shall be discharged to a permanent
5 placement before reaching 18 years of age. Permanent placement is
6 defined as adoption, guardianship, or reunification.

7 (f) Legally free children in foster care for long period of
8 time who are discharged to permanency. No fewer than 98% of
9 children in care for the most recent 12 months and legally free for
10 adoption shall be discharged to a permanent placement before
11 reaching 18 years of age. Permanent placement is defined as
12 adoption, guardianship, or reunification.

13 (g) Children discharged from foster care without permanency.
14 Not more than 45% of children in care for the most recent 12 months
15 or more shall:

16 (i) Be discharged from foster care before reaching 18 years of
17 age if the reason for discharge is another planned permanent living
18 arrangement (APPLA).

19 (ii) Reach 18 years of age while in foster care, if the child
20 has been in foster care for 3 years or more.

21 (3) During the annual budget presentation, the department
22 shall provide the senate and house appropriations subcommittees on
23 the department budget the information listed in subsection (2).

24 Sec. 506. (1) The department shall provide a report to the
25 senate and house appropriations subcommittees on the department
26 budget, the senate and house fiscal agencies, and the senate and
27 house policy offices by February 1 of the current fiscal year

1 detailing changes in program policy, outcome measurement, and
2 training by the department and courts to meet the requirements of
3 the adoption and safe families act of 1997, Public Law 105-89, 111
4 Stat. 2115.

5 (2) By February 1 of the current fiscal year, the department
6 shall provide the senate and house appropriations subcommittees on
7 the department budget, the senate and house fiscal agencies, and
8 the senate and house policy offices a report detailing recent
9 department communication with the federal government related to the
10 provision of foster care, juvenile justice, and adoption services.
11 The report shall include information detailing federal
12 recommendations made to the department and courts, any sanction or
13 warning of possible future sanction assessed on this state by the
14 federal government, the status of the performance improvement plan
15 submitted to the federal government, and efforts by the department
16 to increase federal financial support for children's services in
17 this state.

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
20 as 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.

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

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

4 (3) The department may collaborate with the state child abuse
5 and neglect prevention board to develop recommendations on how to
6 best incorporate child abuse prevention strategies and practices
7 into suggested changes in state statute and department policy. The
8 department shall provide any recommendations developed with the
9 state child abuse and prevention board to the senate and house
10 standing committees on human services and appropriations
11 subcommittees on the department budget not later than March 1 of
12 the current fiscal year.

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

18 (5) The department and the child abuse neglect and prevention
19 board shall collaborate to ensure that administrative delays are
20 avoided and the local grant recipients and direct service providers
21 receive money in an expeditious manner. The department and board
22 shall seek to have the children's trust fund grants distributed no
23 later than October 31 of the current fiscal year.

24 Sec. 509. (1) From the funds appropriated in part 1, the
25 department shall not expend funds to preserve or reunite a family,
26 unless there is a court order requiring the preservation or
27 reuniting of the family or the court denies the petition, if either

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of the following would result:

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

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

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

Sec. 510. The department shall not be required to put up for bids a contract with a service provider if the service provider is nationally accredited [and] is currently the only provider in the service area.

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

(a) There is no appropriate placement available in this state as determined by the department interstate compact office.

(b) An out-of-state placement exists that is nearer to the child's home than the closest appropriate in-state placement as determined by the department interstate compact office.

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

1 (d) The out-of-state facility meets all of the applicable
2 licensing standards of the state in which it is located.

3 (e) The department has done an on-site visit to the out-of-
4 state facility, reviewed the facility records, reviewed licensing
5 records and reports on the facility, and believes that the facility
6 is an appropriate placement for the child.

7 (2) The department shall not expend money for a child placed
8 in an out-of-state facility without approval of the deputy director
9 for children's services. The department shall notify the
10 appropriate state agency in that state including the name of the
11 out-of-state provider who accepted the placement.

12 (3) The department shall submit a report by February 1 of each
13 year on the number of children who were placed in out-of-state
14 facilities during the previous fiscal year, the number of Michigan
15 children residing in such facilities at the time of the report, the
16 total cost and average per diem cost of these out-of-state
17 placements to this state, and a list of each such placement
18 arranged by the Michigan county of residence for each child.

19 Sec. 514. The department shall make a comprehensive report
20 concerning children's protective services (CPS) to the legislature,
21 including the senate and house policy offices and the state budget
22 director, by January 1 of the current fiscal year, that shall
23 include all of the following:

24 (a) Statistical information including, at a minimum, all of
25 the following:

26 (i) The total number of reports of abuse or neglect
27 investigated under the child protection law, 1975 PA 238, MCL

1 722.621 to 722.638, and the number of cases classified under
2 category I or category II and the number of cases classified under
3 category III, category IV, or category V.

4 (ii) Characteristics of perpetrators of abuse or neglect and
5 the child victims, such as age, relationship, race, and ethnicity
6 and whether the perpetrator exposed the child victim to drug
7 activity, including the manufacture of illicit drugs, that exposed
8 the child victim to substance abuse, a drug house, or
9 methamphetamine.

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

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

18 (c) The information contained in the report required under
19 section 8d(5) of the child protection law, 1975 PA 238, MCL
20 722.628d, on cases classified under category III.

21 (d) The department policy, or changes to the department
22 policy, regarding termination of parental rights or foster
23 placement for children who have been exposed to the production of
24 illicit drugs in their dwelling place or a place frequented by the
25 children.

26 (e) The department policy, or changes to the department
27 policy, regarding children who have been exposed to the production

1 or manufacture of methamphetamines.

2 Sec. 515. The department shall use performance-based models
3 for all foster care services. The goal of these models shall be to
4 ensure that foster care services are provided in a manner that
5 increases the state's compliance with CFSR and children's rights
6 settlement agreement goals. Not later than March 30 of the current
7 fiscal year, the department shall provide an update to the senate
8 and house appropriations subcommittees on the department budget,
9 the senate and house fiscal agencies and policy offices, and the
10 office of the state budget on benchmarks developed in conjunction
11 with private providers for this performance model, results the
12 department or agencies have achieved in improving permanency
13 placements, and recommendations for further improvements for foster
14 care services across the entire state.

15 Sec. 517. (1) From the funds appropriated in part 1, the
16 department is authorized to allocate funds for activities and
17 services for at-risk children and families and cases classified by
18 the department as category III or category IV under sections 8 and
19 8d of the child protection law, 1975 PA 238, MCL 722.628 and
20 722.628d.

21 (2) Funds appropriated in part 1 for zero to three may be used
22 to fund community-based collaborative prevention services designed
23 to do any of the following:

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

26 (b) Improve parent/child interaction.

27 (c) Promote access to needed community services.

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

2 (e) Improve school readiness.

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

5 (3) Projects funded through the appropriation provided for in
6 subsection (2) shall provide a 25% local match of which not more
7 than 10% is in-kind goods or services unless the maximum percentage
8 is waived by the department.

9 (4) Projects funded through the appropriation provided for in
10 subsection (2) shall provide a 25% local match of which not more
11 than 10% is in-kind goods or services unless the maximum percentage
12 is waived by the department.

13 Sec. 523. From the money appropriated in part 1 for youth in
14 transition and domestic violence prevention and treatment, the
15 department is authorized to make allocations of TANF funds only to
16 agencies that report necessary data to the department for the
17 purpose of meeting TANF eligibility reporting requirements.

18 Sec. 532. (1) The department, in collaboration with
19 representatives of private child and family agencies, shall revise
20 and improve the annual licensing review process and the annual
21 contract compliance review process for child placing agencies and
22 child caring institutions. The improvement goals shall be safety
23 and care for children. Improvements to the review process shall be
24 directed toward alleviating administrative burdens so that agency
25 resources may be focused on children. The revision shall include
26 identification of duplicative staff activities and information
27 sought from child placing agencies and child caring institutions in

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1 the annual review process. The department shall report to the
2 senate and house appropriations subcommittees on the department
3 budget, the senate and house fiscal agencies and policy offices,
4 and the state budget director on or before January 15 of the
5 current fiscal year on the findings of the annual licensing review.

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10 (2)] The department shall develop a plan to license relatives
11 of foster children as foster care providers to ensure consistent
12 high standards of care for those foster children. The department
13 shall report on the plan to the senate and house appropriations
14 subcommittees with oversight over the department budget, the senate
15 and house standing policy committees generally concerned with
16 children's issues, the senate and house fiscal agencies and policy
17 offices, and the state budget director as part of the quarterly
18 reports required by section 582.

19 Sec. 533. (1) The department shall make payments to child
20 placing facilities for out-of-home care services within 30 days of
21 receiving all necessary documentation from those agencies.

22 (2) The department shall explore various types of automated
23 payments to private nonprofit child placing facilities to improve
24 speed and accuracy of payments.

25 Sec. 536. (1) The department shall place all children within
26 their own county or within a 75-mile radius of the home from which
27 the child entered custody, whichever is greater, unless 1 or more

1 of the following applies:

2 (a) The child's needs are so exceptional that they cannot be
3 met by a family or facility within the county or 75-mile radius.

4 (b) The child needs re-placement and the child's permanency
5 goal is to be returned to his or her parents who at the time reside
6 out of the county or 75-mile radius.

7 (c) The child is to be placed with a relative out of the
8 county or 75-mile radius.

9 (d) The child is to be placed in an appropriate preadoptive or
10 adoptive home that is out of the county or 75-mile radius.

11 (2) If placement outside the county or 75-mile radius is made,
12 either of the following applies:

13 (a) In a "designated county", as defined in section IV.A.3 of
14 the children's rights settlement agreement, the county
15 administrator of children's services shall be specifically required
16 to certify the circumstances supporting the placement in writing,
17 based on his or her own examination of the circumstances and the
18 child's needs and best interests.

19 (b) In any other county, the children's services field manager
20 shall be specifically required to certify the circumstances
21 supporting the placement in writing, based on his or her own
22 examination of the circumstances and the child's needs and best
23 interests.

24 Sec. 537. The department, in collaboration with child placing
25 agencies, shall develop a strategy to implement section 1150 of the
26 social welfare act, 1939 PA 280, MCL 400.1150. The strategy shall
27 include a requirement that a department caseworker responsible for

1 preparing a recommendation to a court concerning a juvenile
2 placement shall provide, as part of the recommendation, information
3 regarding the requirements of section 1150 of the social welfare
4 act, 1939 PA 280, MCL 400.1150.

5 Sec. 539. The department shall work in collaboration with
6 representatives from child placing agencies to ensure appropriate
7 placement for children who have been adjudicated abused, neglected,
8 or delinquent and for whom residential treatment is required. The
9 department and the representatives from the child placing agencies
10 shall focus on statewide placement criteria to address the best
11 interests of the child in need of services. The placement criteria
12 shall include a continuum of care settings and options as
13 appropriate for each child and his or her needs at specific times,
14 including home placements, relative placements, shelter placements,
15 and other options.

16 Sec. 544. The department shall continue pilot projects with
17 applications pending for accelerated residential treatment.

18 Sec. 546. (1) From the money appropriated in part 1 for foster
19 care payments and from child care fund, the department shall pay
20 providers of foster care services not less than a \$37.00
21 administrative rate.

22 (2) From the funds appropriated in part 1 for foster care
23 payments and from child care fund, the department shall pay
24 providers of general independent living services not less than a
25 \$28.00 administrative rate. For specialized independent living
26 services, the administrative rate paid shall not be less than the
27 administrative rate paid in fiscal year 2008-2009.

1 (3) The department shall calculate and report by December 1 of
2 the current fiscal year to the house and senate appropriations
3 subcommittees on the department budget on the cost of care, on a
4 per diem basis, for foster care services delivered directly by the
5 department.

6 Sec. 548. During the annual budget presentation to the house
7 and senate appropriations subcommittees on the department budget,
8 the department shall report on progress in implementing the
9 recommendations of the task force that studied the disproportionate
10 representation of African-American and other children of color in
11 the child welfare and juvenile justice systems as required under
12 former section 548 of the fiscal year 2005-2006 budget act for the
13 department.

14 Sec. 556. The department shall submit a quarterly report by
15 February 1, May 1, August 1, and November 1 of each fiscal year to
16 the chairpersons of the senate and house appropriations committees,
17 the senate and house fiscal agencies, and the senate and house
18 policy offices that includes all of the following:

19 (a) A description of how the department is complying with
20 federal requirements to notify prospective adoptive parents about
21 adoption subsidies for which those prospective adoptive parents may
22 qualify.

23 (b) The number of requests received by the department from
24 adoptive parents for money or reimbursement of costs to attend
25 conferences that include training or discussion of significant
26 adoption issues, the proportion of these requests approved by the
27 department, and the total annual expenditure for approved requests.

1 (c) The number of fair hearing requests from adoptive parents
2 received by the department challenging the amount of the adoption
3 subsidy, broken down by the stated reason for the challenge.

4 (d) The number of adoption subsidy payments suspended when the
5 child is still in the custody of the adoptive parent, but no longer
6 in the physical care of the adoptive parent.

7 Sec. 562. (1) The department shall allow a county to submit a
8 claim for title IV-E foster care funding for a placement in a
9 secure residential facility if the county can demonstrate that the
10 reason for the secure placement is a diagnosed medical necessity
11 and not protection of the public.

12 (2) The department shall submit a claim for title IV-E foster
13 care funding for a placement in a secure residential facility if
14 the county can demonstrate that the reason for the secure placement
15 is a diagnosed medical necessity and not protection of the public.

16 Sec. 565. (1) From the funds appropriated in part 1 for
17 federally funded family preservation programs, the department shall
18 allocate \$1,600,000.00 to Wayne County to provide home-based
19 programs as part of the county expansion of community-based
20 services to serve the county's adjudicated delinquent and abused
21 and neglected youth.

22 (2) One-half of the total amount allocated to Wayne County
23 shall be used to serve adjudicated delinquent youth, and 1/2 shall
24 be used to serve abused and neglected youth.

25 (3) Federal revenues shall be paid to Wayne County as
26 reimbursement for actual costs incurred, consistent with
27 established federal requirements.

1 (4) As a condition of receipt of federal funds pursuant to
2 subsection (1), Wayne County shall provide the department with a
3 plan for the use of allocated funds in a format to be specified by
4 the department. The county shall also provide the department with
5 all information required to demonstrate the appropriateness and
6 allowability of expenditures and to meet federal financial and
7 programmatic reporting requirements.

8 Sec. 566. (1) Subject to subsection (2), beginning October 1,
9 2008, preference shall be given in the provision of direct foster
10 care services to public and private agencies that are nationally
11 accredited.

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

22 Sec. 568. (1) From the money appropriated in part 1 for child
23 welfare improvements, the department may allow the private sector
24 to compete for the money to achieve permanency placement for
25 children in foster care and prioritize funding for children in
26 foster care who have barriers to permanency placement.

27 (2) The department shall submit quarterly reports to the

1 legislature that include all of the following information on the
2 appropriation adjustments described in section 568(2) of 2007 PA
3 131 and those same appropriations adjustments in this act:

4 (a) The number of positions hired or paid from these
5 appropriations, what their titles and responsibilities will be,
6 what performance objectives and measurable outcomes they are
7 required to satisfy, and what they are being paid in salaries,
8 wages, and fringe benefits. If a community-based provider of
9 adoption services assumes an adoption case that was previously
10 handled by a public agency or worker, the time that the case was
11 handled by the public agency or worker shall not be counted in a
12 performance measure without the consent of the community-based
13 provider.

14 (b) Information on any contracts for services that have been
15 awarded and the performance objectives and measurable outcomes that
16 are incorporated in the contracts and the successes or failures
17 that are achieved as a result.

18 (c) Detailed information on any money spent for child welfare
19 improvements and what measurable outcome is expected for the money
20 being spent.

21 Sec. 570. (1) From the money appropriated in part 1 for the
22 guardianship assistance program, the department shall provide
23 subsidies under this program to children who are eligible under
24 section 3 of the guardianship assistance act, 2008 PA 260, MCL
25 722.873.

26 (2) The department shall report during the annual budget
27 presentation to the senate and house appropriations subcommittees

1 on the department budget the number of guardianship subsidies and
2 recommendations for any modifications in the guardianship
3 assistance program.

4 Sec. 571. The department shall maintain a title IV-E
5 compliance and accountability office with the following goals and
6 responsibilities:

7 (a) Study efforts in other states to determine best practices
8 for title IV-E-related activities and measures to maximize the
9 receipt of federal money for eligible cases.

10 (b) Coordinate compliance with federal regulations in order to
11 receive title IV-E money.

12 (c) Provide necessary technical assistance to local units of
13 government, including courts, to ensure proper handling of cases
14 and paperwork in preparation for federal audits and reviews.

15 (d) Coordinate a program to provide private persons, groups,
16 and corporations with incentives to make tax-deductible
17 contributions intended to assist foster care families to overcome
18 barriers to becoming licensed and eligible to receive title IV-E
19 money.

20 (e) As part of the quarterly reports required by section 582,
21 provide information to the house and senate appropriations
22 subcommittees on the department budget on activities and progress
23 toward meeting the responsibilities outlined above.

24 Sec. 573. From the money appropriated in part 1 for adoption
25 support services, \$1,049,400.00 is allocated to support adoption
26 contracts focusing on long-term permanent wards who have been wards
27 for more than 1 year after termination of parental rights. Private

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agencies shall receive \$16,000.00 for each finalized placement under the program.

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Sec. 575. (1) Of the funds provided for the training of human services workers, particularly caseworkers, the department shall use appropriated funds to begin cultural sensitivity training and awareness with the goal of effectively reducing the number of minority children inappropriately removed from their homes for neglect and placed in the foster care system when more appropriate action would include the provision of support services to the family.

(2) Of the money appropriated to the department for family preservation and prevention, more specific focus shall be placed on

1 preserving and reunifying families.

2 Sec. 577. From the money appropriated in part 1, the
3 department may allow a community collaborative to use strong
4 families safe children program funds for a prevention program that
5 meets standards agreed upon between the community collaborative and
6 county department offices in accordance with federal regulations
7 regarding expenditure of strong families safe children program
8 funds.

9 Sec. 578. The department and child placing agencies shall
10 utilize a standardized assessment tool to measure the mental health
11 treatment needs of every child supervised by the department. The
12 department shall use the results of this assessment process to
13 determine what services are to be provided to the child while under
14 department supervision.

15 Sec. 580. The department and the department of community
16 health shall initiate efforts to identify mental health programs
17 and activities where the services of the 2 departments overlap, or
18 are uncoordinated. The goal shall be to provide adequate and stable
19 mental health services which address the need of the individual
20 child without duplicative, confusing, or needlessly complex
21 services. The department shall report on these coordination efforts
22 with the department of community health during the annual budget
23 presentations to the senate and house appropriations subcommittees
24 with jurisdiction over the department budget.

25 Sec. 581. (1) The money appropriated in part 1 for adoption
26 support services shall be used by the department of human services
27 to increase the rates paid to private adoption agencies for all

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categories of adoption placements and adoption finalizations to reflect the rate schedule below:

Reimbursement Category	Placement Rate	Finalization Rate	Total Payment
Basic: More than 12 months	\$3,405	\$2,270	\$5,675
Standard: 9-12 months, statewide	\$3,538	\$2,364	\$5,902
Enhanced: 8 months, statewide	\$5,771	\$3,846	\$9,617
Premium: 5 months, statewide	\$7,371	\$4,914	\$12,285
Residential	\$8,513	\$5,676	\$14,189
MARE	\$13,094	\$8,730	\$21,824
In-state Transfer			\$1,845
Interstate: Existing Services			\$1,844
Interstate: New Services			\$3,546

(2) The additional revenue shall be used by private adoption agencies to increase the number of adoption workers to a level sufficient to meet the 15:1 cases-to-worker ratio requirements for adoption workers within the children's rights settlement agreement.

[(3) A private adoption agency shall only receive the rates provided in subsection (1) if no employees of that private adoption agency receive annual compensation greater than that of the governor's salary and wages. If a private adoption agency has personnel receiving compensation greater than that of the governor's salary and wages, then that private adoption agency shall be reimbursed at the levels effective as of February 1, 2010.]

Sec. 582. On the first working day of February and August, for the preceding 6 months, the department shall submit a comprehensive child welfare improvement report, compiling material required by each section of this act related to child welfare. This report will

1 be provided to the senate and house appropriations subcommittees on
2 the department budget, the senate and house standing committees on
3 human services, the senate and house fiscal agencies, the senate
4 and house policy offices, and the state budget director and will
5 provide an overview of the status of all initiatives the department
6 is required to carry out by this appropriation act and the impact
7 of those initiatives on meeting the benchmarks established in the
8 federal child and family service review process and the
9 requirements established in the children's rights settlement
10 agreement. The report may include information about other
11 initiatives of the department and its service delivery partners
12 which support improvements in safety, permanency, and well-being
13 for the children and families served by Michigan's child welfare
14 system.

15 Sec. 583. By February 1 of the current fiscal year, the
16 department shall provide to the senate and house appropriations
17 subcommittees on the department budget, the senate and house
18 standing committees on families and human services, and the senate
19 and house fiscal agencies and policy offices a report detailing the
20 number of individuals participating as foster parents during the
21 previous fiscal year who dropped out of the program. The report
22 shall also provide explanatory data on the primary reasons that
23 foster parents chose to leave the program.

24 Sec. 584. The department shall provide recommendations to the
25 senate and house appropriations subcommittees on the department
26 budget, the senate and house standing committees on families and
27 human services, and the senate and house fiscal agencies and policy

1 offices on changes to current state statutes that would ensure more
2 effective communication between caseworkers and courts
3 administering foster care cases.

4 Sec. 585. The department shall allow private nationally
5 accredited foster care and adoption agencies to conduct their own
6 staff training, based on current department policies and
7 procedures, provided that the agency trainer and training materials
8 are accredited by the department and that the agency documents to
9 the department that the training was provided. The department shall
10 provide access to any training materials requested by the private
11 agencies to facilitate this training.

12 Sec. 586. (1) The department shall request a modification of
13 the staffing requirement imposed by the children's rights
14 settlement agreement. The modification would permit the department
15 to ensure that 95% of purchase of service monitors will have a
16 caseload of no more than 90 cases in the current fiscal year.

17 (2) The department shall evaluate the effectiveness of the
18 purchase of service monitoring function to do all of the following:

19 (a) Eliminate tasks that are duplicative in nature.

20 (b) Establish standards for the duties of all purchase of
21 services workers, including responsibilities to attend review
22 hearings, frequency of conducting visits with children and
23 families, and other county-by-county differences that currently
24 exist.

25 (c) Review and approve case practice decisions in a timely
26 manner to avoid delays in providing services to families and
27 achieving permanency.

1 Sec. 587. (1) The appropriation in part 1 for the child care
2 fund in-home care incentive program shall be used to encourage
3 counties to increase the number of children in the child welfare
4 and juvenile justice systems receiving in-home care services as
5 opposed to out-of-home placements. Funds shall cover the costs of
6 in-home care services that are eligible for temporary assistance
7 for needy families funding. To receive reimbursement under the
8 program, a county shall document that expenditures for in-home care
9 services for the current fiscal year exceeded those of the previous
10 fiscal year. Each county shall receive reimbursement from the
11 department in an amount equal to 75% of the documented increase in
12 in-home care expenditures. However, if the amount of eligible
13 expenditures claimed by all counties exceeds the appropriation in
14 part 1, each county will receive a prorated share of its documented
15 increase in in-home care expenditures. Each county shall provide
16 for the remaining 25% of costs from its child care fund.

17 (2) To participate in the child care fund in-home care
18 incentive program, a county shall submit to the department by
19 December 15 of each year, in a manner determined by the department,
20 a report outlining its proposed budget for the incentive program
21 for the current fiscal year and an overview of measures to be used
22 to monitor outcomes for youth receiving services under the program.
23 The department must approve a final report by the following
24 February 15 for the county to be eligible for program
25 reimbursement.

26 Sec. 588. (1) Concurrent with public release, the department
27 shall transmit all reports from the court-appointed settlement

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1 monitor, including, but not limited to, the needs assessment and
2 period outcome reporting, to the state budget office, the senate
3 and house appropriations subcommittees on the department budget,
4 and the senate and house fiscal agencies, without revision.

5 (2) The department shall report monthly to the state budget
6 office, the senate and house appropriations subcommittees on the
7 department budget, and the senate and house fiscal agencies, on the
8 number of children enrolled in the guardianship assistance and
9 foster care - children with serious emotional disturbance waiver
10 programs.

[Sec. 589. From the money appropriated in part 1 to facilitate the
transfer of foster care cases from department supervision to private
child placing agencies, the department shall not transfer any foster care
cases that require a county contribution to the private agency
administrative rate.]

11 **PUBLIC ASSISTANCE**

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

23 (2) Whenever a client agrees to the release of his or her name
24 and address to the local housing authority, the department shall
25 request from the local housing authority information regarding
26 whether the housing unit for which vendoring has been requested

1 meets applicable local housing codes. Vending shall be terminated
2 for those units that the local authority indicates in writing do
3 not meet local housing codes until such time as the local authority
4 indicates in writing that local housing codes have been met.

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

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

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

20 (3) The department shall review and adjust the standard
21 utility allowance for the state food assistance program to ensure
22 that it reflects current energy costs in the state.

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

1 emancipated minors meeting 1 or more of the following requirements:

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

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

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

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

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

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

14 (4) A refugee or asylee who loses his or her eligibility for
15 the federal supplemental security income program by virtue of
16 exceeding the maximum time limit for eligibility as delineated in 8
17 USC 1612 and who otherwise meets the eligibility criteria under
18 this section shall be eligible to receive benefits under the state
19 disability assistance program.

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

24 Sec. 606. County department offices shall require each
25 recipient of family independence program and state disability
26 assistance who has applied with the social security administration
27 for supplemental security income to sign a contract to repay any

1 assistance rendered through the family independence program or
2 state disability assistance program upon receipt of retroactive
3 supplemental security income benefits.

4 Sec. 607. (1) The department's ability to satisfy
5 appropriation deductions in part 1 for state disability
6 assistance/supplemental security income recoveries and public
7 assistance recoupment revenues shall not be limited to recoveries
8 and accruals pertaining to state disability assistance, or family
9 independence assistance grant payments provided only in the current
10 fiscal year, but shall include revenues collected during the
11 current year that are prior year related and not a part of the
12 department's accrued entries.

13 (2) The department may use supplemental security income
14 recoveries to satisfy the deduct in any line in which the revenues
15 are appropriated, regardless of the source from which the revenue
16 is recovered.

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

1 recipient's supplemental security income payment.

2 Sec. 609. The state supplementation level under the
3 supplemental security income program for the personal care/adult
4 foster care and home for the aged categories shall not be reduced
5 during the current fiscal year. The legislature shall be notified
6 not less than 30 days before any proposed reduction in the state
7 supplementation level.

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

12 Sec. 611. A provider of indigent burial services may collect
13 additional payment from relatives or other persons on behalf of the
14 deceased if the total additional payment does not exceed \$4,000.00.

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

20 Sec. 613. (1) From the money appropriated in part 1 for
21 indigent burial, the maximum allowable reimbursement limit for
22 indigent burials shall be \$700.00, which shall be distributed as
23 follows:

24 (a) \$455.00 to the funeral director.

25 (b) \$145.00 to the cemetery or crematorium.

26 (c) \$100.00 to the provider of the vault.

27 (2) The department may work with funeral directors to

1 establish a regional or statewide pilot program that would include
2 the following elements:

3 (a) From the money appropriated in part 1 for indigent burial,
4 the department shall provide for the direct cremation of bodies of
5 indigent persons that are not claimed by a person who has the right
6 to control the disposition of the body.

7 (b) The department may select through competitive bidding
8 funeral directors in each county or region of the state to
9 supervise the disposition of unclaimed bodies.

10 (c) Until contracts based upon competitive bidding under
11 subdivision (b) are entered into, the payment to a funeral director
12 for these services shall be \$800.00 plus mileage reimbursement for
13 transportation costs at the standard rate established by the
14 department of management and budget for travel reimbursement for
15 nonstate vehicles plus the cost of the cremation permit.

16 (d) The department may deviate from the payment limits
17 established in subsection (1) and section 611 in making payments
18 under the pilot program.

19 (e) The department shall provide periodical reports to the
20 senate and house of representatives appropriations subcommittees
21 with jurisdiction over the department budget regarding the pilot
22 program's caseload and expenditures.

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

1 department.

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

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

14 Sec. 618. The department may only reduce, terminate, or
15 suspend assistance provided under the social welfare act, 1939 PA
16 280, MCL 400.1 to 400.119b, without prior notice in 1 or more of
17 the following situations:

18 (a) The only eligible recipient has died.

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

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

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

25 (e) A recipient has been approved to receive assistance in
26 another state.

27 (f) A change in either state or federal law that requires

1 automatic grant adjustments for classes of recipients.

2 (g) The only eligible recipient in the household has been
3 incarcerated.

4 (h) A recipient is no longer a Michigan resident.

5 (i) A recipient is closed on 1 case to be activated on
6 another.

7 (j) Federal payments (other than RSDI, railroad retirement, or
8 VA) to the group have begun or increased.

9 (k) A recipient is disqualified for intentional program
10 violation.

11 (l) When the department's negative action is upheld in an
12 administrative hearing.

13 Sec. 619. The department shall exempt from the denial of title
14 IV-A assistance and food assistance benefits, contained in 21 USC
15 862a, any individual who has been convicted of a felony that
16 included the possession, use, or distribution of a controlled
17 substance, after August 22, 1996, provided that the individual is
18 not in violation of his or her probation or parole requirements.
19 Benefits shall be provided to such individuals as follows:

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

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

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

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

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

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

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

14 Sec. 635. Within 24 hours of receiving all information
15 necessary to process an application for payments for child
16 development and care, the department shall determine whether the
17 child day care provider to whom the payments, if approved, would be
18 made, is listed on the child abuse and neglect central registry. If
19 the provider is listed on the central registry, the department
20 shall immediately send written notice denying the applicant's
21 request for child day care payments.

22 Sec. 643. As a condition of receipt of federal TANF funds,
23 homeless shelters and human services agencies shall collaborate
24 with the department to obtain necessary TANF eligibility
25 information on families as soon as possible after admitting a
26 family to the homeless shelter. From the funds appropriated in part
27 1 for homeless programs, the department is authorized to make

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

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

16 Sec. 653. From the funds appropriated in part 1 for food
17 assistance, an individual who is the victim of domestic violence
18 and does not qualify for any other exemption may be exempt from the
19 3-month in 36-month limit on receiving food assistance under 7 USC
20 2015. This exemption can be extended an additional 3 months upon
21 demonstration of continuing need.

22 Sec. 657. (1) The department shall allocate \$3,000,000.00 for
23 the operation of a statewide before- or after-school program
24 targeted to children in kindergarten through ninth grade. Eligible
25 programs must serve geographic areas near school buildings that do
26 not meet federal no child left behind annual yearly progress (AYP)
27 requirements and that include the before- or after-school programs

1 in the AYP plans as a means to improve outcomes and serve children
2 living in households with income below 200% of the federal poverty
3 guidelines as established by the United States department of health
4 and human services.

5 (2) The department shall give priority to before- and after-
6 school programs that operate in areas with a marked increase in
7 gang violence as defined by the United States attorney's office.

8 (3) The department shall require all applicants for before-
9 and after-school funding to demonstrate how their program would
10 facilitate extensive involvement with the parents of children
11 served by the program and to show how other programming being
12 offered on the site would enhance the before- and after-school
13 funding. Priority for funding shall be given to programs that can
14 demonstrate effectiveness in these areas.

15 (4) The department shall evaluate each before- and after-
16 school program with special emphasis on the academic
17 accomplishments and attendance records of program participants.

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

27 Sec. 665. The department shall partner with the department of

1 transportation and may partner with other entities to use TANF and
2 other sources of available funding to support public transportation
3 needs of TANF-eligible individuals. This partnership shall place a
4 priority on transportation needs for employment or seeking
5 employment or medical or health-related transportation.

6 Sec. 666. The department shall continue efforts to increase
7 the participation of eligible family independence program
8 recipients in the federal and state earned income tax credit.

9 Sec. 669. (1) The department shall distribute cash and food
10 assistance to recipients electronically by using debit or
11 purchasing cards.

12 (2) The department shall allocate up to \$12,751,000.00 for the
13 annual clothing allowance. The allowance shall be granted to all
14 eligible children as defined by the department.

15 (3) The department shall take steps to inform family
16 independence program recipients eligible for the allowance under
17 subsection (2) that the money is to be used for clothing for
18 eligible children.

19 Sec. 673. The department shall immediately send notification
20 to a client participating in the state child development and care
21 program and his or her child day care provider if the client's
22 eligibility is reduced or eliminated.

23 Sec. 674. (1) The department shall continue administrative
24 efforts to reduce waste, fraud, and abuse within the child
25 development and care program. Beginning December 31 of the current
26 fiscal year, the department shall report annually to the senate and
27 house appropriations subcommittees for the department budget, the

1 senate and house fiscal agencies and policy offices, and the state
2 budget director on the estimated impact of efforts to reduce
3 inappropriate payments through the child development and care
4 program.

5 (2) The department may contract with a private entity to
6 utilize information technology or other methods of management and
7 oversight of child day care payments to ensure that payments made
8 through the child day care program are accurate and appropriate.

9 Sec. 675. (1) The department shall establish a 1-time basic
10 training requirement for all enrolled child development and care
11 aides and relative care providers. All enrolled providers will be
12 required to complete the basic training requirement in order to be
13 eligible for state child development and care reimbursement
14 payments.

15 (2) The department shall ensure that additional annual
16 training beyond the basic training requirement is available for
17 enrolled providers and shall make enhanced reimbursement payments
18 to enrolled providers who complete at least 10 hours of optional
19 annual training as outlined in subsection (3).

20 (3) From the money appropriated in part 1 for regulated day
21 care services and unregulated day care services, the department
22 shall make payments to child care providers in accordance with the
23 provisions of this subsection. The maximum hourly rates paid to
24 child care providers shall vary depending upon provider type and
25 the age of the child in care as outlined below:

26 (a) For children up to 2-1/2 years old, the maximum hourly
27 rate, including the infant and toddler incentive, shall be as

1 follows:

2 (i) For child care centers, \$3.75.

3 (ii) For family child care homes and group child care homes,
4 \$2.90.

5 (iii) For enrolled providers who complete 10 hours of annual
6 training, \$2.20.

7 (iv) For enrolled providers who do not complete 10 hours of
8 annual training, \$1.85.

9 (b) For children over the age of 2-1/2 years, the maximum
10 hourly rate shall be as follows:

11 (i) For child care centers, \$2.50.

12 (ii) For family child care homes and group child care homes,
13 \$2.40.

14 (iii) For enrolled providers who complete 10 hours of annual
15 training, \$1.85.

16 (iv) For enrolled providers who do not complete 10 hours of
17 annual training, \$1.60.

18 (4) The department shall establish policies and rules for
19 determining eligibility for the enhanced reimbursement payments to
20 enrolled providers who complete 10 hours of annual training and
21 shall ensure that the policies and rules are communicated to all
22 enrolled providers that receive state reimbursement payments.

23 Sec. 677. The department shall establish a state goal for the
24 percentage of family independence program (FIP) cases involved in
25 employment activities. The percentage established shall not be less
26 than 50%. On a quarterly basis, the department shall report to the
27 senate and house appropriations subcommittees on the department

1 budget, the senate and house fiscal agencies and policy offices,
2 and the state budget director on the current percentage of FIP
3 cases involved in JET employment activities. If the FIP case
4 percentage is below the goal for more than 2 consecutive quarters,
5 the department shall develop a plan to increase the percentage of
6 FIP cases involved in employment-related activities. The department
7 shall deliver the plan during the next annual budget presentation
8 to the senate and house appropriations subcommittees on the
9 department budget.

10 Sec. 678. (1) The department shall provide the house and
11 senate appropriations subcommittees on the department budget with
12 an annual report on the activities of the early childhood
13 investment corporation (ECIC). The report is due by February 15 of
14 each year and shall contain at least the following information:

15 (a) Detail of the amounts of grants awarded.

16 (b) The grant recipients.

17 (c) The activities funded by each grant.

18 (d) An analysis of each grant recipient's success in
19 addressing the development of a comprehensive system of early
20 childhood services and supports.

21 (2) All ECIC contracts for comprehensive systems planning
22 shall be bid out through a statewide request-for-proposal process.

23 Sec. 681. The department shall work in collaboration with
24 grocers, distributors, and merchants on effective education of food
25 assistance recipients to ensure adequate notice of changes in the
26 food assistance benefits distribution. The department shall provide
27 a written update to the senate and house appropriations

1 subcommittees on the department budget and standing committees for
2 human services by January 31 and July 31 of the current fiscal year
3 on the progress and issues raised by this change in distribution.

4 Sec. 682. The department shall notify the house and senate
5 appropriations subcommittees on the department budget, the house
6 and senate fiscal agencies, and the house and senate policy staffs
7 by February 1 of the current fiscal year regarding the JET program
8 savings for the previous fiscal year and the details on the
9 proposed use of that money.

10 Sec. 683. (1) From the funds appropriated in part 1 for SSI
11 advocacy, \$312,000.00 shall be paid to the Michigan state bar
12 foundation for SSI advocacy services provided by the legal services
13 association of Michigan. A payment of \$400.00 shall be made for
14 each case referred to the legal services association of Michigan,
15 with a final payment of \$250.00 on case completion.

16 (2) The department shall make a sufficient number of referrals
17 for SSI advocacy services to the legal services association of
18 Michigan to ensure that at least 40 cases per month are accepted
19 for services through the contract.

20 (3) The department shall not provide payment to the legal
21 services association of Michigan for assisting a recipient to
22 submit a frivolous appeal or application or for assisting a
23 recipient who has submitted multiple applications that have been
24 denied regarding the same disability, unless the legal services
25 association of Michigan determines that there is a valid reason to
26 pursue an appeal.

27 Sec. 685. (1) Not later than March 1 of the current fiscal

1 year, the department shall report to the senate and house
2 appropriations subcommittees with jurisdiction over the department
3 budget, and to the senate and house appropriations subcommittees
4 with jurisdiction over the department of community health budget,
5 on the number of recipients that applied for Medicaid coverage, the
6 number of recipients that were approved for Medicaid coverage, and
7 the number of recipients that were denied Medicaid coverage. The
8 report shall describe these statistics comparing the current and
9 previous fiscal years and summarize department programs to assist
10 persons in applying for Medicaid.

11 (2) Not later than March 1 of the current fiscal year, the
12 department shall report to the senate and house appropriations
13 subcommittees with jurisdiction over the department budget, and to
14 the senate and house subcommittees with jurisdiction over the
15 department of community health budget, on the number of applicants
16 for home help services. The department shall give a summary report
17 on the number of approved applications, denied applications,
18 pending applications, and the number of applications in which the
19 applicant was eligible for nursing home services.

20 Sec. 686. (1) The department shall ensure that program policy
21 requires caseworkers to confirm that individuals presenting
22 personal identification issued by another state seeking assistance
23 through the family independence program, food assistance program,
24 state disability assistance program, or medical assistance program
25 are not receiving benefits from any other state.

26 (2) The department shall explore changes in program policies
27 to ensure that caseworkers confirm the address provided by any

1 individual seeking family independence program benefits or state
2 disability assistance benefits.

3 (3) The department shall explore changes in program policy
4 that would ensure that individuals with property assets assessed at
5 a value higher than \$500,000.00 would not be able to access
6 assistance through department-administered programs.

7 (4) The department shall modify program policy to ensure that
8 caseworkers request an up-to-date telephone number during the
9 eligibility determination or redetermination process for
10 individuals seeking medical assistance benefits. On a monthly
11 basis, the department shall provide the department of community
12 health an updated list of telephone numbers for medical assistance
13 recipients.

14 Sec. 688. The department in conjunction with Michigan works!
15 shall examine and report on the incidence of reported barriers
16 among families terminated from the family independence program
17 because of noncompliance with work-related requirements. The report
18 shall be submitted to the house and senate appropriations
19 subcommittees on the department budget, the house and senate fiscal
20 agencies, the house and senate policy offices, and the state budget
21 director by April 1 of the current fiscal year.

22 Sec. 691. The department shall not distribute public
23 assistance or subsidies to the parent or parents of school-age
24 children if that parent or those parents have not signed a parent,
25 student, teacher compact outlining the role of each party in the
26 educational success of the student as required by the federal no
27 child left behind act of 2001, Public Law 107-110.

1 Sec. 695. The funds appropriated in part 1 for food assistance
2 program benefits (ARRA) that are financed by federal funds
3 designated as ARRA funding represent federal funds associated with
4 the American recovery and reinvestment act of 2009, Public Law 111-
5 5. These federal funds are temporary in nature.

6 JUVENILE JUSTICE SERVICES

7 Sec. 705. (1) The department, in conjunction with private
8 juvenile justice residential programs, shall develop a methodology
9 for measuring goals, objectives, and performance standards for the
10 delivery of juvenile justice residential programs based on national
11 standards and best practices. The department will provide a unified
12 data collection mechanism to ensure consistent reporting of
13 aggregate case information from the courts. These goals,
14 objectives, and performance standards shall apply to both public
15 and private delivery of juvenile justice residential programs, and
16 data shall be collected from both private and public juvenile
17 justice residential programs that can be used to evaluate
18 performance achievements, including, but not limited to, the
19 following:

20 (a) Admission and release data and other information related
21 to demographics of population served.

22 (b) Program descriptions and information related to treatment,
23 educational services, and conditions of confinement.

24 (c) Program outcomes including recidivism rates for youth
25 served by the facility.

26 (d) Trends in census and population demographics.

1 (e) Staff and resident safety.

2 (f) Facility profile.

3 (2) The department during the annual budget presentation shall
4 outline the progress of the development of the goals, objectives,
5 and performance standards, as well as the information collected
6 through the implementation of the performance measurement program.
7 The presentation shall include all of the following:

8 (a) Actual cost and actual days of care by facility for the
9 most recently completed fiscal year. This report shall also include
10 the actual number of youth served as well as demographic
11 information.

12 (b) Actual cost per day per youth by facility for the most
13 recently completed fiscal year.

14 (c) An analysis of the variance between the estimated cost and
15 days of care assumed in the original appropriation and the figures
16 in subdivisions (a) and (b).

17 (d) Both the number of authorized FTE positions for each
18 facility and the number of actual on-board FTE positions for the
19 most recently completed fiscal year.

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

26 Sec. 707. In order to be reimbursed for child care fund
27 expenditures, counties are required to submit department-developed

1 reports to enable the department to document potential federally
2 claimable expenditures. This requirement is in accordance with the
3 reporting requirements specified in section 117a(7) of the social
4 welfare act, 1939 PA 280, MCL 400.117a.

5 Sec. 708. (1) As a condition of receiving money appropriated
6 in part 1 for the child care fund line item, by February 15 of the
7 current fiscal year, counties shall have an approved service
8 spending plan for the current fiscal year. Counties must submit the
9 service spending plan to the department by December 15 of the
10 current fiscal year for approval.

11 (2) The department shall provide a report on the number of
12 counties that fail to submit a service spending plan by December 15
13 of the current fiscal year. The report shall be submitted to the
14 house and senate appropriations subcommittees on the department
15 budget, the house and senate fiscal agencies, and the house and
16 senate policy offices by February 15 of the current fiscal year.

17 Sec. 717. (1) If funds become available, the department shall
18 contract with a state university to conduct a behavioral health
19 study of juvenile justice facilities operated or contracted for by
20 the state. The study shall utilize diagnostic clinical interviews
21 with and records reviews for a representative random sample of
22 juvenile justice system detainees to develop a report on each of
23 the following:

24 (a) The proportion of juvenile justice detainees with a
25 primary diagnosis of emotional disorder, the percentage of those
26 detainees considered to currently require mental health treatment,
27 and the proportion of those detainees currently receiving mental

1 health services, including a description and breakdown,
2 encompassing, at a minimum, the categories of inpatient,
3 residential, and outpatient care, of the type of mental health
4 services provided to those detainees.

5 (b) The proportion of juvenile justice detainees with a
6 primary diagnosis of addiction disorder, the percentage of those
7 detainees considered to currently require substance abuse
8 treatment, and the proportion of those detainees currently
9 receiving substance abuse services, including a description and
10 breakdown, encompassing, at a minimum, the categories of
11 residential and outpatient care, of the type of substance abuse
12 services provided to those detainees.

13 (c) The proportion of juvenile justice detainees with a dual
14 diagnosis of emotional disorder and addiction disorder, the
15 percentage of those detainees considered to currently require
16 treatment for their condition, and the proportion of those
17 detainees currently receiving that treatment, including a
18 description and breakdown, encompassing, at a minimum, the
19 categories of mental health inpatient, mental health residential,
20 mental health outpatient, substance abuse residential, and
21 substance abuse outpatient, of the type of treatment provided to
22 those detainees.

23 (d) Data indicating whether juvenile justice detainees with a
24 primary diagnosis of emotional disorder, a primary diagnosis of
25 addiction disorder, and a dual diagnosis of emotional disorder and
26 addiction disorder were previously hospitalized in a state
27 psychiatric hospital for persons with mental illness. These data

1 shall be broken down according to each of these 3 respective
2 categories.

3 (e) Data indicating whether and with what frequency juvenile
4 justice detainees with a primary diagnosis of emotional disorder, a
5 primary diagnosis of addiction disorder, and a dual diagnosis of
6 emotional disorder and addiction disorder have been detained
7 previously. These data shall be broken down according to each of
8 these 3 respective categories.

9 (f) Data classifying the types of offenses historically
10 committed by juvenile justice detainees with a primary diagnosis of
11 emotional disorder, a primary diagnosis of addiction disorder, and
12 a dual diagnosis of emotional disorder and addiction disorder.
13 These data shall be broken down according to each of these 3
14 respective categories.

15 (g) Data indicating whether juvenile justice detainees have
16 previously received services managed by a community mental health
17 program or substance abuse coordinating agency. These data shall be
18 broken down according to the respective categories of detainees
19 with a primary diagnosis of emotional disorder, a primary diagnosis
20 of addiction disorder, and a dual diagnosis of emotional disorder
21 and addiction disorder.

22 (2) The report referenced under subsection (1) would be
23 provided not later than June 30 of the current fiscal year to the
24 senate and house appropriations subcommittees on human services,
25 the senate and house fiscal agencies and policy offices, and the
26 state budget director.

27 Sec. 719. The department shall notify the legislature at least

1 30 days before closing or making any change in the status,
2 including the licensed bed capacity and operating bed capacity, of
3 a state juvenile justice facility.

4 Sec. 720. (1) The department shall implement the
5 recommendations on a methodology for measuring goals, objectives,
6 and performance standards developed in conjunction with private
7 providers of juvenile justice residential programs required in
8 section 705 of 2004 PA 344.

9 (2) The department shall allocate money to public and private
10 providers of juvenile justice services based on their ability to
11 demonstrate results in all of the following:

12 (a) Lower recidivism rates.

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

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

15 (d) Lower average actual cost per resident.

16 (e) Availability of appropriate services to residents.

17 (3) The department shall comply with section 115o of the
18 social welfare act, 1939 PA 280, MCL 400.115o, regarding placement
19 of juvenile offenders, and shall refer to that statutory
20 requirement in making referral recommendations to courts for secure
21 residential programs.

22 Sec. 721. The department shall report to the house and senate
23 appropriations subcommittees on the department budget by October 1
24 of the current fiscal year on the placement of juvenile offenders
25 who need services in community-based or privately operated
26 facilities.

27 Sec. 723. A private provider of juvenile services may receive

Sec. 726. [] Beginning October 1, 2007, from the money appropriated in part 1 for foster care payments and child care fund, the department shall not enter into or maintain a contract with a for-profit provider of residential services for juvenile justice and abused or neglected youth, or with a nonprofit provider of residential services for juvenile justice and abused or neglected youth that uses a for-profit management group or contracts with a for-profit organization for its management, unless the provider was licensed on or before August 1, 2007 and, if the provider is a nonprofit provider of residential services for juvenile justice and abused or neglected youth that uses a for-profit management group or contracts with a for-profit organization for its management, the contract between the provider and the for-profit group or organization existed prior to August 1, 2007.

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1 **LOCAL OFFICE SERVICES**

2 Sec. 750. The department may maintain out-stationed
3 eligibility specialists in community-based organizations, nursing
4 homes, and hospitals.

5 Sec. 751. (1) From the funds appropriated in part 1, the
6 department may implement school-based family resource centers based
7 on the following guidelines:

8 (a) The center is supported by the local school district.

9 (b) The programs and information provided at the center do not
10 conflict with sections 1169, 1507, and 1507b of the revised school
11 code, 1976 PA 451, MCL 380.1169, 380.1507, and 380.1507b.

12 (c) Notwithstanding subdivision (b), the center shall provide
13 information regarding crisis pregnancy centers or adoption service
14 providers in the area.

15 (2) The department shall notify the senate and house
16 subcommittees on the department budget, the senate and house fiscal
17 agencies and policy offices, and the state budget office of family
18 resource center expansion efforts and shall provide all of the
19 following at the beginning of the selection process or no later
20 than 5 days after eligible schools receive opportunity
21 notification:

22 (a) A list of eligible schools.

23 (b) The selection criteria to be used.

24 (c) The projected number to be opened.

25 (d) The financial implications for expansion, including
26 funding sources.

1 Sec. 753. The department shall implement the recommendations
2 of the 2004 public private partnership initiative's training
3 committee to define, design, and implement a train-the-trainer
4 program to certify private agency staff to deliver child welfare
5 staff training, explore the use of e-learning technologies, and
6 include consumers in the design and implementation of training. The
7 intent of the legislature is to reduce training and travel costs
8 for both the department and the private agencies. The department
9 shall report no later than December 1 of the current fiscal year on
10 each specific policy change made to implement enacted legislation
11 and the plans to implement the recommendations, including
12 timelines, to the senate and house appropriations subcommittees on
13 the department budget, the senate and house standing committees on
14 human services matters, the senate and house fiscal agencies and
15 policy offices, and the state budget director.

16 Sec. 754. (1) From the money appropriated in part 1, the
17 department shall provide \$1,700,000.00 to establish a customer
18 service resource center. The center would assist in screening calls
19 to county offices in order to allow caseworkers to devote more time
20 to eligibility determination and case management activities. Duties
21 would include answering routine inquiries from clients and
22 applicants and providing application assistance.

23 (2) The department shall not proceed with privatization of
24 services under this section until it receives notice of approval
25 from the senate and house appropriations committees indicating a
26 cost savings of at least 10% of the cost of using state employees
27 to provide the services.

1 Sec. 755. From the money appropriated in part 1 within the
2 field staff, salaries and wages line item for 350 limited-term
3 eligibility full-time employees, the department shall inform all
4 employees hired with these funds that their employment is temporary
5 and should not be considered permanent. Any temporary employee
6 hired may be given preference by the department for hiring if a
7 suitable full-time permanent position becomes available within the
8 department.

9 Sec. 756. The money appropriated in part 1 for limited term
10 field staff, salaries and wages shall only be expended to support
11 the addition of 100 new limited-term eligibility specialist
12 positions beginning April 1, 2011. However, no expenditures shall
13 be made from this authorization until after the department has
14 established a customer service resource center as required under
15 section 754.

16 Sec. 757. (1) The department shall collect data from each
17 county office to evaluate whether the use of qualified interpreters
18 increases the efficiency and accuracy of eligibility specialists in
19 processing applications from public assistance applicants who have
20 language barriers.

21 (2) Based on the data collected under subsection (1), the
22 department shall review the current number of interpreter contracts
23 to determine whether the current level of interpreter services is
24 sufficient and whether the allocation of qualified interpreters
25 across county offices is appropriate. The department shall create
26 an assignment system for bilingual caseworkers that ensures
27 placement of bilingual caseworkers in offices where the need is the

1 greatest based on the number of bilingual client cases.

2 (3) In placing family resource center specialists, the
3 department shall give priority to communities that have more
4 applicants and recipients who face cultural and language barriers
5 to services.

6 **DISABILITY DETERMINATION SERVICES**

7 Sec. 801. The department disability determination services in
8 agreement with the department of technology, management, and budget
9 office of retirement systems will develop the medical information
10 and make recommendations for medical disability retirement for
11 state employees, state police, judges, and schoolteachers.

12 **CHILD SUPPORT ENFORCEMENT**

13 Sec. 901. (1) The appropriations in part 1 assume a total
14 federal child support incentive payment of \$26,500,000.00.

15 (2) From the federal money received for child support
16 incentive payments, \$12,000,000.00 shall be retained by the state
17 and expended for child support program expenses.

18 (3) From the federal money received for child support
19 incentive payments, \$14,500,000.00 shall be paid to the counties
20 based on each county's performance level for each of the federal
21 performance measures as established in the code of federal
22 regulations, CFR 45.305.2.

23 (4) If the child support incentive payment to the state from
24 the federal government is greater than \$26,500,000.00, then 100% of
25 the excess shall be retained by the state and is appropriated until

1 the total retained by the state reaches \$15,397,400.00.

2 (5) If the child support incentive payment to the state from
3 the federal government is greater than the amount needed to satisfy
4 the provisions identified in subsections (1), (2), (3), and (4),
5 the additional funds shall be subject to appropriation by the
6 legislature.

7 (6) If the child support incentive payment to the state from
8 the federal government is less than \$26,500,000.00, then the state
9 and county share shall each be reduced by 50% of the shortfall.

10 Sec. 902. (1) The department shall continue its work to fix
11 and improve the child support computer system using the funding
12 carried forward from prior fiscal years.

13 (2) The department shall consult with the department of
14 treasury and any outside consultant with collections expertise
15 under contract with the department of treasury to develop a plan to
16 maximize the collection of child support and child support
17 arrearage settlement for the purposes of this section.

18 (3) The department, through the child support leadership
19 group, shall provide semiannual reports to the legislature
20 concerning money expended and improvements made as a result of this
21 section.

22 Sec. 903. The department may facilitate with the department of
23 community health a program under which the departments
24 independently or jointly contract with local friend of the court
25 offices to update and maintain the child support statewide database
26 with health insurance information in cases in which the court has
27 ordered a party to the case to maintain health insurance coverage

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1 for the minor child or children involved in the case and to assist
2 in the recovery of money paid by the state for health care costs
3 that are otherwise recoverable from a party to the case. The
4 program shall be in addition to a program or programs under
5 existing contract between either or both of the departments with a
6 private entity on September 1 of the current fiscal year. The
7 program shall be entirely funded with state and federal funds from
8 money first recovered or through costs that are avoided by charging
9 the insurance coverage for minor children from state programs to
10 private insurance.

11 Sec. 907. The office of child support in cooperation with the
12 state court administrative office shall establish a pilot program
13 to examine the effectiveness of contracting with a public or
14 private collection agency as authorized under section 10 of the
15 office of child support act, 1971 PA 174, MCL 400.240. The pilot
16 program shall be implemented during the current fiscal year. Any
17 restricted revenue collected pursuant to this section shall not be
18 expended until the department and representatives from counties and
19 the friends of the court meet and agree upon recommendations for
20 use of the revenue. The revenue is subject to appropriation by the
21 legislature.

22 Sec. 908. From the money appropriated in part 1 for child
23 support enforcement operations, \$500,000.00 shall be expended [
24] to collect child support arrearages. Cases shall be
25 assigned to a contractor with the goal that at least 15% of
26 collected arrearages be owed to this state on behalf of current or
27 former TANF recipients. The contractor shall be allowed to retain

up to 15% of arrearages collected as a fee for services. By September 30 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on the following contract results:

(a) Number of cases assigned to the contractor.

(b) Number of cases in which the contractor successfully collected on arrearages.

(c) Total arrearages collected.

(d) Total arrearages collected that were owed to this state as reimbursement for public assistance.

(e) Total amount retained by the contractor.

Sec. 910. (1) If title IV-D-related child support collections are escheated, the state budget director is authorized to adjust the sources of financing for the funds appropriated in part 1 for legal support contracts to reduce federal authorization by 66% of the escheated amount and increase general fund/general purpose authorization by the same amount. This budget adjustment is required to offset the loss of federal revenue due to the escheated amount being counted as title IV-D program income in accordance with federal regulations at 45 CFR 304.50.

(2) The department shall notify the chairs of the house and senate appropriations subcommittees on the department budget and the house and senate fiscal agencies within 15 days of the authorization adjustment in subsection (1).

COMMUNITY ACTION AND ECONOMIC OPPORTUNITY

1 Sec. 1101. Not later than September 30 of each year, the
2 department shall submit for public hearing to the chairpersons of
3 the house and senate appropriations subcommittees dealing with
4 appropriations for the department budget the proposed use and
5 distribution plan for community services block grant funds
6 appropriated in part 1 for the succeeding fiscal year.

7 Sec. 1102. The department shall develop a plan based on
8 recommendations from the department of civil rights and from Native
9 American organizations to assure that the community services block
10 grant funds are equitably distributed. The plan must be developed
11 by October 31 of the current fiscal year, and the plan shall be
12 delivered to the appropriations subcommittees on the department
13 budget in the senate and house, the senate and house fiscal
14 agencies, and the state budget director.

15 Sec. 1104. The department shall award up to \$500,000.00 in
16 competitive grants to organizations based on their education and
17 outreach with the earned income tax credit (EITC). Organizations
18 shall be given preference based on their emphasis on clients who
19 have never filed for the EITC, clients with children, and clients
20 for whom receipt of the EITC will make it easier for them to move
21 off public assistance.

22 Sec. 1105. The department shall report quarterly to the house
23 and senate appropriations subcommittees on the department budget,
24 the house and senate fiscal agencies, the house and senate policy
25 offices, and the state budget office by February 1, May 1, August
26 1, and November 1 of each fiscal year on the number of homes
27 weatherized through the appropriations in section 104 during the

1 preceding quarter of the calendar year.