

**SUBSTITUTE FOR
SENATE BILL NO. 248**

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, 2010; 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

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, 2010, 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..... 10,705.8

Unclassified positions 6.0

Total full-time equated positions..... 10,711.8

GROSS APPROPRIATION..... \$ 5,837,258,100

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 2,426,600

ADJUSTED GROSS APPROPRIATION..... \$ 5,834,831,500

Federal revenues:

Federal - FMAP stimulus..... 17,314,900

Total federal revenues..... 4,919,997,500

Special revenue funds:

Total private revenues..... 9,822,200

Total local revenues..... 37,819,400

Total other state restricted revenues..... 56,845,400

State general fund/general purpose..... \$ 793,032,100

Sec. 102. EXECUTIVE OPERATIONS

Total full-time equated positions..... 652.7

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

Full-time equated classified positions..... 646.7

1	Director--1.0 FTE positions	\$	150,000
2	Chief deputy director--1.0 FTE positions		125,000
3	Deputy director for children's services--1.0 FTE		
4	positions		122,000
5	Special assistant to the director--1.0 FTE positions .		85,900
6	State legislative liaison--1.0 FTE positions		70,000
7	Director of special projects--1.0 FTE positions		95,000
8	Salaries and wages--295.7 FTE positions		18,262,900
9	Contractual services, supplies, and materials		5,785,500
10	Demonstration projects--9.0 FTE positions		8,524,100
11	Inspector general salaries and wages--99.0 FTE		
12	positions		5,868,000
13	Electronic benefit transfer EBT		7,166,500
14	Michigan community service commission--15.0 FTE		
15	positions		8,439,500
16	AFC, children's welfare and day care		
17	licensure--228.0 FTE positions		24,103,200
18	State office of administrative hearings and rules		<u>5,559,300</u>
19	GROSS APPROPRIATION	\$	84,356,900
20	Appropriated from:		
21	Federal revenues:		
22	Total federal revenues		57,452,700
23	Special revenue funds:		
24	Total private revenues		3,199,600
25	Total local revenues		175,000
26	Licensing fees		516,300
27	Health systems fees and collections		216,100

1	Total other state restricted revenue	25,000
2	State general fund/general purpose	\$ 22,772,200
3	Sec. 103. CHILD SUPPORT ENFORCEMENT	
4	Full-time equated classified positions.....	209.7
5	Child support enforcement operations--203.7 FTE	
6	positions	\$ 23,882,400
7	Legal support contracts.....	138,753,600
8	Child support incentive payments.....	32,409,600
9	State disbursement unit--6.0 FTE positions	<u>18,520,900</u>
10	GROSS APPROPRIATION.....	\$ 213,566,500
11	Appropriated from:	
12	Federal revenues:	
13	Total federal revenues.....	195,799,000
14	Special revenue funds:	
15	Total local revenues.....	340,000
16	Total restricted revenues.....	3,395,000
17	State general fund/general purpose	\$ 14,032,500
18	Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY	
19	Full-time equated classified positions.....	17.0
20	Bureau of community action and economic	
21	opportunity--17.0 FTE positions.....	\$ 1,971,600
22	Community services block grant.....	24,718,000
23	Weatherization assistance.....	<u>18,418,700</u>
24	GROSS APPROPRIATION.....	\$ 45,108,300
25	Appropriated from:	
26	Federal revenues:	
27	Total federal revenues.....	45,108,300

1	Special revenue funds:		
2	State general fund/general purpose	\$	0
3	Sec. 105. ADULT AND FAMILY SERVICES		
4	Full-time equated classified positions.....		42.7
5	Executive direction and support--5.0 FTE positions ...	\$	520,300
6	Guardian contract.....		600,000
7	Adult services policy and administration--6.0 FTE		
8	positions		639,600
9	Office of program policy--31.7 FTE positions		5,029,000
10	Employment and training support services		21,010,900
11	Wage employment verification reporting		848,700
12	Urban and rural empowerment/enterprise zones		100
13	Nutrition education.....		28,000,000
14	Marriage initiative.....		2,103,700
15	Fatherhood initiative.....		1,466,200
16	Crisis prevention and elder law of Michigan food for		
17	the elderly project		<u>200,000</u>
18	GROSS APPROPRIATION.....	\$	60,418,500
19	Appropriated from:		
20	Federal revenues:		
21	Total federal revenues.....		52,818,000
22	Special revenue funds:		
23	State general fund/general purpose	\$	7,600,500
24	Sec. 106. CHILDREN'S SERVICES		
25	Full-time equated classified positions.....		236.3
26	Salaries and wages--93.2 FTE positions	\$	6,646,500
27	Contractual services, supplies, and materials		2,592,700

1	Foster care payments.....	200,342,700
2	Adoption subsidies.....	235,701,700
3	Adoption support services--7.2 FTE positions.....	25,019,100
4	Youth in transition--2.0 FTE positions.....	17,817,000
5	Interstate compact.....	231,600
6	Children's benefit fund donations.....	21,000
7	Teenage parent counseling--2.3 FTE positions.....	3,000,000
8	Families first.....	15,596,700
9	Strong families/safe children--3.0 FTE positions.....	8,906,100
10	Child protection and permanency--37.5 FTE positions..	13,847,100
11	Zero to three.....	2,843,800
12	Family reunification program.....	3,477,100
13	Family preservation and prevention services	
14	administration--14.5 FTE positions.....	2,050,200
15	Children's trust fund administration--12.0 FTE	
16	positions	1,053,600
17	Children's trust fund grants.....	3,825,100
18	Attorney general contract.....	3,374,300
19	Prosecuting attorney contracts.....	2,561,700
20	Child protection--5.0 FTE positions.....	813,100
21	Subsidized guardianship program.....	4,575,000
22	Domestic violence prevention and treatment--14.6 FTE	
23	positions	14,797,800
24	Rape prevention and services.....	2,600,000
25	Title IV-E compliance and accountability office--5.0	
26	FTE positions	397,800
27	Child welfare institute--40.0 FTE positions.....	<u>5,943,800</u>

1	GROSS APPROPRIATION.....	\$	578,035,500
2	Appropriated from:		
3	Interdepartmental grant revenues:		
4	IDG from DCH - crime victims fund.....		1,300,000
5	ADJUSTED GROSS APPROPRIATION.....	\$	576,735,500
6	Federal revenues:		
7	Federal - FMAP stimulus.....		16,196,800
8	Total other federal revenues.....		356,468,400
9	Special revenue funds:		
10	Private - children's benefit fund donations.....		21,000
11	Private - collections.....		2,787,500
12	Local funds - county chargeback.....		21,296,900
13	Compulsive gambling prevention fund.....		1,040,000
14	Children's trust fund.....		3,822,700
15	State general fund/general purpose.....	\$	175,102,200
16	Sec. 107. JUVENILE JUSTICE SERVICES		
17	Full-time equated classified positions.....	248.5	
18	Secure juvenile services--204.0 FTE positions.....	\$	22,093,200
19	Community juvenile justice centers.....		687,000
20	Child care fund.....		220,170,500
21	Child care fund administration--5.8 FTE positions....		791,400
22	County juvenile officers.....		3,894,700
23	Community support services--2.0 FTE positions.....		1,496,600
24	Juvenile justice, administration and		
25	maintenance--18.0 FTE positions.....		3,474,500
26	Federally funded activities--13.7 FTE positions.....		1,887,700
27	W.J. Maxey memorial fund.....		45,000

1	Juvenile accountability block grant--1.0 FTE positions	1,300,400
2	Committee on juvenile justice administration--4.0	
3	FTE positions	519,500
4	Committee on juvenile justice grants	<u>5,000,000</u>
5	GROSS APPROPRIATION	\$ 261,360,500
6	Appropriated from:	
7	Federal revenues:	
8	Total federal revenues	133,624,000
9	Special revenue funds:	
10	Total private revenues	45,000
11	Local funds - state share education funds	2,523,200
12	Local funds - county chargeback	10,932,100
13	State general fund/general purpose	\$ 114,236,200
14	Sec. 108. LOCAL OFFICE STAFF AND OPERATIONS	
15	Full-time equated classified positions..... 8,702.5	
16	Field staff, salaries and wages--8,481.7 FTE positions	\$ 444,995,600
17	Contractual services, supplies, and materials	16,749,200
18	Medical/psychiatric evaluations	6,300,000
19	Donated funds positions--156.0 FTE positions	12,440,500
20	Training and program support--23.0 FTE positions	3,667,500
21	Food stamp reinvestment--31.8 FTE positions	6,970,000
22	Wayne County gifts and bequests	100,000
23	Volunteer services and reimbursement	1,294,900
24	SSI advocates--10.0 FTE positions	<u>2,190,500</u>
25	GROSS APPROPRIATION	\$ 494,708,200
26	Appropriated from:	
27	Federal revenues:	

1	Federal - FMAP stimulus.....	697,300
2	Total other federal revenues.....	289,557,300
3	Special revenue funds:	
4	Local funds - donated funds.....	2,552,200
5	Private funds - donated funds.....	739,400
6	Private funds - Wayne County gifts.....	100,000
7	Private funds - hospital contributions.....	2,929,700
8	Supplemental security income recoveries.....	702,000
9	State general fund/general purpose.....	\$ 197,430,300
10	Sec. 109. DISABILITY DETERMINATION SERVICES	
11	Full-time equated classified positions.....	575.4
12	Disability determination operations--549.9 FTE	
13	positions	\$ 84,092,800
14	Medical consultation program--21.4 FTE positions	2,959,500
15	Retirement disability determination--4.1 FTE positions	<u>835,000</u>
16	GROSS APPROPRIATION.....	\$ 87,887,300
17	Appropriated from:	
18	Interdepartmental grant revenues:	
19	IDG from DMB - office of retirement systems	1,126,600
20	ADJUSTED GROSS APPROPRIATION.....	\$ 86,760,700
21	Appropriated from:	
22	Federal revenues:	
23	Total federal revenues.....	83,875,400
24	Special revenue funds:	
25	State general fund/general purpose.....	\$ 2,885,300
26	Sec. 110. CENTRAL SUPPORT ACCOUNTS	
27	Rent.....	\$ 43,993,800

1	Occupancy charge.....	9,280,700
2	Travel.....	5,920,800
3	Equipment.....	277,300
4	Worker's compensation.....	3,631,400
5	Advisory commissions.....	17,900
6	Payroll taxes and fringe benefits.....	<u>286,813,800</u>
7	GROSS APPROPRIATION.....	\$ 349,935,700
8	Appropriated from:	
9	Federal revenues:	
10	Federal - FMAP stimulus.....	420,800
11	Total other federal revenues.....	209,186,500
12	Special revenue funds:	
13	State general fund/general purpose.....	\$ 140,328,400
14	Sec. 112. PUBLIC ASSISTANCE	
15	Full-time equated classified positions..... 27.0	
16	Family independence program.....	\$ 354,990,900
17	State disability assistance payments.....	35,252,000
18	Food assistance program benefits.....	2,353,393,000
19	Food assistance program benefits (ARRA)	343,414,000
20	State supplementation.....	21,395,500
21	State supplementation administration.....	1,288,100
22	Low-income home energy assistance program.....	116,451,600
23	Food bank funding.....	675,000
24	Homeless programs.....	11,646,700
25	Multicultural assimilation funding.....	1,715,500
26	Indigent burial.....	4,209,300
27	Emergency services local office allocations	19,565,500

1	Day care services.....	246,923,000
2	Day care training, technology and oversight--20.0	
3	FTE positions	2,478,200
4	Refugee assistance program--7.0 FTE positions	<u>17,717,500</u>
5	GROSS APPROPRIATION.....	\$ 3,531,115,800
6	Appropriated from:	
7	Federal revenues:	
8	Federal supplemental nutrition assistance revenues	
9	(ARRA)	343,414,000
10	Total federal revenues.....	3,055,153,300
11	Special revenue funds:	
12	Child support collections.....	29,361,700
13	Supplemental security income recoveries.....	14,156,600
14	Public assistance recoupment revenue.....	3,610,000
15	State general fund/general purpose.....	\$ 85,420,200
16	Sec. 113. INFORMATION TECHNOLOGY	
17	Information technology services and projects	\$ 84,133,900
18	Child support automation.....	<u>46,631,000</u>
19	GROSS APPROPRIATION.....	\$ 130,764,900
20	Appropriated from:	
21	Federal revenues:	
22	Total federal revenues.....	97,540,600
23	Special revenue funds:	
24	State general fund/general purpose.....	\$ 33,224,300

25 PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2009-2010 is \$849,877,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is \$136,370,300.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HUMAN SERVICES

Child care fund.....	\$	130,562,700
County juvenile officers.....		3,648,400
State disability assistance payments.....	\$	<u>2,159,200</u>
TOTAL.....	\$	136,370,300

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

Sec. 203. As used in this act:

(a) "AFC" means adult foster care.

(b) "CFSR" means child and family services review.

(c) "CRI" means children's rights initiative.

(d) "Current fiscal year" means fiscal year ending September 30, 2010.

(e) "DCH" means the department of community health.

(f) "Department" means the department of human services.

(g) "Director" means the director of the department of human services.

1 (h) "DMB" means the department of management and budget.

2 (i) "ECIC" means early childhood investment corporation.

3 (j) "FMAP" means federal medical assistance percentage.

4 (k) "FTE" means full-time equated.

5 (l) "IDG" means interdepartmental grant.

6 (m) "JET" means jobs, education, and training program.

7 (n) "Previous fiscal year" means fiscal year ending September
8 30, 2009.

9 (o) "RSDI" means retirement survivors disability insurance.

10 (p) "SSI" means supplemental security income.

11 (q) "Temporary assistance for needy families" or "TANF" or
12 "title IV-A" means part A of title IV of the social security act,
13 42 USC 601 to 604, 605 to 608, and 609 to 619.

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

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

18 (t) "VA" means veterans affairs.

19 Sec. 204. The civil service commission shall bill the
20 department at the end of the first fiscal quarter for the 1% charge
21 authorized by section 5 of article XI of the state constitution of
22 1963. Payments shall be made for the total amount of the billing by
23 the end of the second fiscal quarter.

24 Sec. 205. (1) A hiring freeze is imposed on the state
25 classified civil service. State departments and agencies are
26 prohibited from hiring any new full-time state classified civil
27 service employees and prohibited from filling any vacant state

1 classified civil service positions. This hiring freeze does not
2 apply to internal transfers of classified employees from 1 position
3 to another within a department.

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

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

20 (2) Neither the department nor private service providers or
21 licensees shall be granted preferential treatment or considered
22 automatically to be in compliance with administrative rules based
23 on whether they have collective bargaining agreements with direct
24 care workers. Private service providers or licensees without
25 collective bargaining agreements shall not be subjected to
26 additional requirements or conditions of licensure based on their
27 lack of collective bargaining agreements.

1 Sec. 208. Unless otherwise specified, the department shall use
2 the Internet to fulfill the reporting requirements of this act.
3 This shall include transmission of reports via electronic mail,
4 including a link to the Internet site, to the recipients identified
5 for each reporting requirement, or it may include placement of
6 reports on the Internet or Intranet site.

7 Sec. 209. Funds appropriated in part 1 shall not be used for
8 the purchase of foreign goods or services, or both, if
9 competitively priced and of comparable quality American goods or
10 services, or both, are available. Preference should be given to
11 goods or services, or both, manufactured or provided by Michigan
12 businesses, if they are competitively priced and of comparable
13 quality. In addition, preference should be given to goods or
14 services, or both, that are manufactured or provided by Michigan
15 businesses owned and operated by veterans, if they are
16 competitively priced and of comparable quality.

17 Sec. 210. The director shall take all reasonable steps to
18 ensure businesses in deprived and depressed communities compete for
19 and perform contracts to provide services or supplies, or both. The
20 director shall strongly encourage firms with which the department
21 contracts to subcontract with certified businesses in depressed and
22 deprived communities for services, supplies, or both.

23 Sec. 211. Funds appropriated in part 1 shall not be used by a
24 principal executive department, state agency, or authority to hire
25 a person to provide legal services that are the responsibility of
26 the attorney general. This prohibition does not apply to legal
27 services for bonding activities and for those activities that the

1 attorney general authorizes.

2 Sec. 212. (1) In addition to funds appropriated in part 1 for
3 all programs and services, there is appropriated for write-offs of
4 accounts receivable, deferrals, and for prior year obligations in
5 excess of applicable prior year appropriations, an amount equal to
6 total write-offs and prior year obligations, but not to exceed
7 amounts available in prior year revenues or current year revenues
8 that are in excess of the authorized amount.

9 (2) The department's ability to satisfy appropriation fund
10 sources in part 1 shall not be limited to collections and accruals
11 pertaining to services provided in the current fiscal year, but
12 shall also include reimbursements, refunds, adjustments, and
13 settlements from prior years. The department shall submit a written
14 report to the chairpersons of the senate and house appropriations
15 subcommittees on the department budget that identifies all
16 reimbursements, refunds, adjustments, and settlements from prior
17 years to be used to satisfy appropriation fund sources.

18 Sec. 213. (1) The department may retain all of the state's
19 share of food assistance overissuance collections as an offset to
20 general fund/general purpose costs. Retained collections shall be
21 applied against federal funds deductions in all appropriation units
22 where department costs related to the investigation and recoupment
23 of food assistance overissuances are incurred. Retained collections
24 in excess of such costs shall be applied against the federal funds
25 deducted in the executive operations appropriation unit.

26 (2) The department shall report to the legislature during the
27 senate and house budget hearings on the status of the food stamp

1 error rate. The report shall include at least all of the following:

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

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

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

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

11 (e) Any other information regarding the food stamp error rate,
12 including information pertaining to technology and computer
13 applications used for the food assistance program.

14 Sec. 214. (1) The department shall submit a report to the
15 chairpersons of the senate and house appropriations subcommittees
16 on the department budget, the senate and house fiscal agencies and
17 policy offices, and the state budget director on the details of
18 allocations within program budgeting line items and within the
19 salaries and wages line items in all appropriation units. The
20 report shall include a listing, by account, dollar amount, and fund
21 source, of salaries and wages; longevity and insurance; retirement;
22 contractual services, supplies, and materials; equipment; travel;
23 and grants within each program line item appropriated for the
24 current fiscal year. With regard to federal appropriations, for
25 each program line item funded by no more than 3 federal funding
26 sources, the department shall provide estimates of the allocation
27 of the appropriation for each specific federal funding source.

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

3 Sec. 215. If a legislative objective of this act or the social
4 welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be
5 implemented without loss of federal financial participation because
6 implementation would conflict with or violate federal regulations,
7 the department shall notify the state budget director, the house
8 and senate appropriations committees, and the house and senate
9 fiscal agencies and policy offices of that fact.

10 Sec. 216. The department, in collaboration with the state
11 budget office, shall submit to the house and senate appropriations
12 subcommittees on the department budget, the house and senate fiscal
13 agencies, and the house and senate policy offices on or before
14 March 1 of the current fiscal year a report on appropriated and
15 supportable FTE positions within the executive budget proposal for
16 the current fiscal year. The report shall contain all of the
17 following information for each individual line item contained in
18 the executive budget proposal for the department budget:

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

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

22 (c) The amount that is proposed to be allocated to salary and
23 wage costs from the gross appropriation for the line item on which
24 was based the increase in the executive budget proposal from the
25 amount appropriated for the line item in the department budget for
26 the current fiscal year, if different from the amount in
27 subdivision (b).

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

4 (e) The gross salary and wage expenditures for the line item
5 during the previous fiscal year and the estimated salary and wage
6 expenditures for the line item during the current fiscal year.

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

9 Sec. 217. (1) Due to the current budgetary problems in this
10 state, out-of-state travel shall be limited to situations in which
11 1 or more of the following conditions apply:

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

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

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

20 (d) The travel is necessary to comply with federal
21 requirements.

22 (e) The travel is necessary to secure specialized training for
23 staff that is not available within this state.

24 (f) The travel is financed entirely by federal or nonstate
25 funds.

26 (g) The travel is necessary as part of the training of
27 department workers or the staff of private providers through the

1 child welfare institute.

2 (2) Not later than January 1 of each year, each department
3 shall prepare a travel report listing all travel by classified and
4 unclassified employees outside this state in the immediately
5 preceding fiscal year that was funded in whole or in part with
6 funds appropriated in the department's budget. The report shall be
7 submitted to the chairs and members of the house and senate
8 appropriations committees, the fiscal agencies, and the state
9 budget director. The report shall include the following
10 information:

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

13 (b) The destination of each travel occurrence.

14 (c) The dates of each travel occurrence.

15 (d) A brief statement of the reason for each travel
16 occurrence.

17 (e) The transportation and related costs of each travel
18 occurrence, including the proportion funded with state general
19 fund/general purpose revenues, the proportion funded with state
20 restricted revenues, the proportion funded with federal revenues,
21 and the proportion funded with other revenues.

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

24 Sec. 218. (1) The department shall prepare an annual report on
25 the TANF federal block grant. The report shall include projected
26 expenditures for the current fiscal year, an accounting of any
27 previous year funds carried forward, and a summary of all

1 interdepartmental or interagency agreements relating to the use of
2 TANF funds. The report shall be forwarded to the state budget
3 director and the house and senate appropriations subcommittees on
4 the department budget and the house and senate fiscal agencies and
5 policy offices within 10 days after presentation of the executive
6 budget.

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

19 Sec. 219. The department shall not approve the travel of more
20 than 1 departmental employee to a specific professional development
21 conference or training seminar that is located outside of this
22 state unless a professional development conference or training
23 seminar is funded by a federal or private funding source and
24 requires more than 1 person from the department to attend or the
25 conference or training seminar includes multiple issues in which 1
26 employee from the department does not have expertise.

27 Sec. 220. The department shall ensure that faith-based

1 organizations are able to apply and compete for services, programs,
2 or contracts that they are qualified and suitable to fulfill. The
3 department shall not disqualify faith-based organizations solely on
4 the basis of the religious nature of their organization or their
5 guiding principles or statements of faith.

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

11 Sec. 222. (1) The department shall report no later than April
12 1 of the current fiscal year on each specific policy change made to
13 implement a public act affecting the department that took effect
14 during the prior calendar year to the house and senate
15 appropriations subcommittees on the budget for the department, the
16 joint committee on administrative rules, and the senate and house
17 fiscal agencies.

18 (2) Funds appropriated in part 1 shall not be used by the
19 department to adopt a rule that will apply to a small business and
20 that will have a disproportionate economic impact on small
21 businesses because of the size of those businesses if the
22 department fails to reduce the disproportionate economic impact of
23 the rule on small businesses as provided under section 40 of the
24 administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

25 (3) As used in this section:

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

1 (b) "Small business" means that term as defined under section
2 7a of the administrative procedures act of 1969, 1969 PA 306, MCL
3 24.207a.

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

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

14 Sec. 225. The department shall develop a rapid redetermination
15 process for nursing home residents whose Medicaid stay is greater
16 than 90 days. This process shall be implemented not later than
17 September 30 of the current fiscal year.

18 Sec. 227. The department, with the approval of the state
19 budget director, is authorized to realign sources of financing
20 authorizations in order to maximize temporary assistance for needy
21 families' maintenance of effort countable expenditures. This
22 realignment of financing shall not be made until 15 days after
23 notifying the chairs of the house and senate appropriations
24 subcommittees on the department budget and house and senate fiscal
25 agencies, and shall not produce an increase or decrease in any
26 line-item expenditure authorization.

27 Sec. 259. From the funds appropriated in part 1 for

1 information technology, the department shall pay user fees to the
2 department of information technology for technology-related
3 services and projects. Such user fees shall be subject to
4 provisions of an interagency agreement between the department and
5 the department of information technology.

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

9 Sec. 270. (1) The department shall continue to implement a
10 plan to provide client-centered results-oriented programs and
11 services for each of the following programs:

12 (a) Day care assistance.

13 (b) Family independence program.

14 (c) Adoption subsidy.

15 (d) Foster care.

16 (e) Juvenile justice services.

17 (f) Jobs, education, and training (JET) pilot program and
18 other welfare reform activities.

19 (2) The plan shall include detailed information to be compiled
20 on an annual basis by the department on the following for each
21 program listed in subsection (1):

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

23 (b) Measurable performance indicators for each program.

24 (c) Desired outcomes or results and goals for each program
25 that can be measured on an annual basis, or desired results for a
26 defined number of years.

27 (d) Monitored results for each program.

1 (e) Innovations for each program that may include savings or
2 reductions in administrative costs.

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

6 Sec. 271. (1) The department shall provide a report to the
7 senate and house appropriations subcommittees on the department
8 budget, the senate and house fiscal agencies, and the senate and
9 house policy offices detailing changes in program policy, outcome
10 measurement, and training by the department and courts to meet the
11 requirements of the adoption and safe families act of 1997, Public
12 Law 105-89, 111 Stat. 2115.

13 (2) The department shall provide the senate and house
14 appropriations subcommittees on the department budget, the senate
15 and house fiscal agencies, and the senate and house policy offices
16 a report detailing recent department communication with the federal
17 government related to the provision of foster care, juvenile
18 justice, and adoption services. The report shall include
19 information detailing federal recommendations made to the
20 department and courts, any sanction or warning of possible future
21 sanction assessed on this state by the federal government, the
22 status of the performance improvement plan submitted to the federal
23 government, and efforts by the department to increase federal
24 financial support for children's services in this state.

25 Sec. 273. (1) The department shall report to the senate and
26 house standing committees with primary jurisdiction over matters
27 relating to human services and the senate and house appropriations

1 subcommittees on the department budget any policy changes made to
2 implement the provisions of enacted legislation, including the
3 annual appropriation for the department budget.

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

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

23 (4) Money appropriated in part 1 shall not be used to prepare
24 a regulatory plan or promulgate rules that fail to reduce the
25 disproportionate economic impact on small businesses as required in
26 section 40 of the administrative procedures act of 1969, 1969 PA
27 306, MCL 24.240.

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

5 Sec. 274. The department shall report to the house and senate
6 appropriations subcommittees on the department budget, the senate
7 and house fiscal agencies, the senate and house policy offices, and
8 the state budget director as part of the annual budget presentation
9 on each federal grant this state was eligible to apply for, listing
10 both grants applied for and not applied for. This report will cover
11 grants exceeding \$500,000.00, related to fatherhood and marriage
12 initiatives, teen pregnancy prevention, kinship care, before- and
13 after-school programs, family preservation and prevention, homeless
14 prevention, and youth in transition.

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

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

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

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

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

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

9 Sec. 279. All contracts relating to human services entered
10 into or renewed by the department on or after October 1 of the
11 current fiscal year shall be performance-based contracts that
12 employ a client-centered results-oriented process that is based on
13 measurable performance indicators and desired outcomes and includes
14 the annual assessment of the quality of services provided. During
15 the annual budget presentation, the department shall provide the
16 senate and house appropriations subcommittees on the department
17 budget with the measurable performance indicators, desired
18 outcomes, and the assessment of the quality of services provided
19 for each contract relating to human services entered into by the
20 department during the current fiscal year.

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

1 (a) The amounts expended during the previous fiscal year and
2 the first quarter of the current fiscal year by project.

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

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

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

11 Sec. 284. (1) In addition to the funds appropriated in part 1,
12 there is appropriated an amount not to exceed \$200,000,000.00 for
13 federal contingency funds. These funds are not available for
14 expenditure until they have been transferred to another line item
15 in this act under section 393(2) of the management and budget act,
16 1984 PA 431, MCL 18.1393.

17 (2) In addition to the funds appropriated in part 1, there is
18 appropriated an amount not to exceed \$5,000,000.00 for state
19 restricted contingency funds. These funds are not available for
20 expenditure until they have been transferred to another line item
21 in this act under section 393(2) of the management and budget act,
22 1984 PA 431, MCL 18.1393.

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

1 MCL 18.1393.

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

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

12 Sec. 288. The department shall not establish time limits on
13 payments to providers for properly documented services purchased by
14 the department.

15 Sec. 295. (1) From the money appropriated in part 1, the
16 department shall allocate \$100.00 to incorporate the law
17 enforcement information network system into the "Bridges" system in
18 the current fiscal year.

19 (2) The department shall not provide assistance to an
20 individual through the family independence program, food assistance
21 program, medical assistance program, or state disability assistance
22 program if the individual is deemed a fugitive felon or meets any
23 of the other criminal justice disqualifications mandated in federal
24 law.

25 (3) The department shall utilize data from the law enforcement
26 information network to determine eligibility for program benefits
27 to ensure that the provisions outlined in subsection (2) are

1 followed.

2 (4) The department shall provide a report by September 1 of
3 the current fiscal year to the senate and house appropriations
4 subcommittees on the department budget and the senate and house
5 fiscal agencies and the senate and house policy offices on any
6 observed change in caseload and program cost associated with the
7 requirements established in subsections (1) to (3).

8 Sec. 296. Not later than September 30 of the current fiscal
9 year, the department shall prepare and transmit a report that
10 provides for estimates of the total general fund/general purpose
11 appropriation lapses at the close of the fiscal year. This report
12 shall summarize the projected year-end general fund/general purpose
13 appropriation lapses by major departmental program or program
14 areas. The report shall be transmitted to the office of the state
15 budget, the chairpersons of the senate and house appropriations
16 committees, and the senate and house fiscal agencies.

17 Sec. 297. The department shall, with assistance from the
18 department of community health, provide a report to the senate and
19 house appropriations subcommittees on the department budget, the
20 senate and house committees with primary jurisdiction over matters
21 of health policy, the senate and house fiscal agencies, and the
22 senate and house policy offices describing money collected through
23 Medicaid estate recovery efforts and proposed changes to section
24 112g of the social welfare act, 1939 PA 280, MCL 400.112g, that
25 could increase collections through Medicaid estate recovery.

26 **EXECUTIVE OPERATIONS**

1 Sec. 310. From the money appropriated in part 1 for
2 demonstration projects, the department shall provide \$120,000.00
3 for a pilot program in Sanilac County. The program shall coordinate
4 a comprehensive system of care and referral for area families with
5 children ages zero to 18.

6 **ADULT AND FAMILY SERVICES**

7 Sec. 415. (1) In expending money appropriated in part 1 for
8 the fatherhood initiative, the department may contract with
9 independent contractors from various counties, including, but not
10 limited to, faith-based and nonprofit organizations. Preference
11 shall be given to independent contractors that provide at least 10%
12 in matching funds, through any combination of local, state, or
13 federal funds or in-kind or other donations. However, an
14 independent contractor that cannot secure matching funds shall not
15 be excluded from consideration for the fatherhood program.

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

22 (3) A fatherhood initiative program established under this
23 section shall minimally include at least 3 of the following
24 components: promoting responsible, caring, and effective parenting
25 through counseling; mentoring and parental education; enhancing the
26 abilities and commitment of unemployed or low-income fathers to

1 provide material support for their families and to avoid or leave
2 welfare programs by assisting them to take advantage of job search
3 programs, job training, and education to improve their work habits
4 and work skills; improving fathers' ability to effectively manage
5 family business affairs by means such as education, counseling, and
6 mentoring in household matters; infant care; effective
7 communication and respect; anger management; children's financial
8 support; and drug-free lifestyle.

9 (4) The department is authorized to make allocations of TANF
10 funds, of not more than 20% per county, under this section only to
11 agencies that report necessary data to the department for the
12 purpose of meeting TANF eligibility reporting requirements.

13 (5) Upon receipt of the promotion of responsible fatherhood
14 funds from the United States department of health and human
15 services, the department shall use the program criteria set forth
16 in subsection (3) to implement the program with the federal funds.

17 Sec. 416. (1) In expending money appropriated in part 1 for
18 the marriage initiative, the department may contract with
19 independent contractors from various counties, including, but not
20 limited to, faith-based and nonprofit organizations. Preference
21 shall be given to independent contractors that provide at least 10%
22 in matching funds, through any combination of local, state, or
23 federal funds or in-kind or other donations. However, an
24 independent contractor that cannot secure matching funds shall not
25 be excluded from consideration for a marriage initiative program.

26 (2) The department may choose providers to work with counties
27 that will work to support and strengthen marriages of those

1 eligible under the TANF guidelines. The areas of work may include,
2 but are not limited to, marital counseling, domestic violence
3 counseling, family counseling, effective communication, and anger
4 management as well as parenting skills to improve the family
5 structure.

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

16 (4) The department is authorized to make allocations of TANF
17 funds, of not more than 20% per county, under this section only to
18 agencies that report necessary data to the department for the
19 purpose of meeting TANF eligibility reporting requirements.

20 (5) Upon receipt of the healthy marriage promotion grant from
21 the United States department of health and human services, the
22 department shall use the program criteria set forth in subsection
23 (3) to implement the program with the federal funds.

24 Sec. 418. From the funds appropriated in part 1 for employment
25 and training support services, the department may expand the
26 availability of individual development accounts (IDAs) with
27 \$200,000.00 for allocation to qualified IDA programs established

1 through the Michigan IDA partnership to serve TANF-eligible
2 households in Michigan. The Michigan IDA partnership shall
3 encourage each TANF-eligible household served to claim the federal
4 and state earned income tax credit (EITC) and to incorporate all or
5 part of any tax credit received in the household's IDA savings
6 plan, and shall provide the household with information concerning
7 available free tax assistance resources. In addition, the Michigan
8 IDA partnership and its program sites shall participate in
9 community EITC coalitions established under the plan to increase
10 the EITC participation of TANF families referenced in section 666.
11 The same amount shall be appropriated annually to further expand
12 IDA opportunities to low-income families to become more financially
13 self-sufficient through financial education, saving, wise
14 investment in home ownership, postsecondary education, small
15 business development, or a combination of those programs.

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

27 (a) Creation of a Michigan-based support system for the

1 capacity-building of existing and emerging CDCUs serving low-income
2 individuals and families, including development and testing of
3 training, technical assistance, and professional development
4 initiatives and related materials, and other capacity-building
5 services to Michigan CDCUs.

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

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

14 Sec. 423. (1) From the money appropriated in part 1 for crisis
15 prevention and senior food aid projects, the department shall
16 allocate \$75,000.00 to support ongoing efforts in Barry County to
17 provide programs to women or children, or both, facing crisis
18 situations as a result of domestic violence or abuse.

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

27 (3) Of the funds appropriated in part 1 for crisis prevention

1 and senior food aid projects, the department shall allocate
2 \$25,000.00 for a food aid outreach project in Muskegon County and
3 \$25,000.00 for a food aid outreach project in Kent County.

4 **CHILDREN'S SERVICES**

5 Sec. 501. During the current fiscal year, 85% or more of
6 children who have been in care for 1 year or longer while legally
7 available for adoption or with an established goal of reunification
8 with their families shall be permanently placed.

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

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

17 (a) Has not yet graduated from high school or passed a high
18 school equivalency examination.

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

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

21 (d) Is not eligible for federal supplemental security income
22 (SSI) payments.

23 Sec. 508. (1) In addition to the amount appropriated in part 1
24 for children's trust fund grants, money granted or money received
25 as gifts or donations to the children's trust fund created by 1982
26 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure.

1 (2) The state child abuse and neglect prevention board may
2 initiate a joint project with another state agency to the extent
3 that the project supports the programmatic goals of both the state
4 child abuse and neglect prevention board and the state agency. The
5 department may invoice the state agency for shared costs of a joint
6 project in an amount authorized by the state agency, and the state
7 child abuse and neglect prevention board may receive and expend
8 funds for shared costs of a joint project in addition to those
9 authorized by part 1.

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

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

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

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

1 conduct against a child.

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

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

10 Sec. 510. The department shall not be required to put up for
11 bids a contract with a service provider if the service provider is
12 nationally accredited or is currently the only provider in the
13 service area.

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

18 (a) There is no appropriate placement available in this state,
19 and an out-of-state placement exists within 100 miles of the
20 child's home.

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

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

25 (d) The department has done an on-site visit to the out-of-
26 state facility, reviewed the facility records, and reviewed
27 licensing records and reports on the facility and believes that the

1 facility is an appropriate placement for the child.

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

7 (a) Statistical information including, at a minimum, all of
8 the following:

9 (i) The total number of reports of abuse or neglect
10 investigated under the child protection law, 1975 PA 238, MCL
11 722.621 to 722.638, and the number of cases classified under
12 category I or category II and the number of cases classified under
13 category III, category IV, or category V.

14 (ii) Characteristics of perpetrators of abuse or neglect and
15 the child victims, such as age, relationship, race, and ethnicity
16 and whether the perpetrator exposed the child victim to drug
17 activity, including the manufacture of illicit drugs, that exposed
18 the child victim to substance abuse, a drug house, or
19 methamphetamine.

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

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

1 (c) The information contained in the report required under
2 section 8d(5) of the child protection law, 1975 PA 238, MCL
3 722.628d, on cases classified under category III.

4 (d) The department policy, or changes to the department
5 policy, regarding termination of parental rights or foster
6 placement for children who have been exposed to the production of
7 illicit drugs in their dwelling place or a place frequented by the
8 children.

9 (e) The department policy, or changes to the department
10 policy, regarding children who have been exposed to the production
11 or manufacture of methamphetamines.

12 Sec. 515. The department shall use performance-based models
13 for foster care services with agencies and other providers that
14 provided satisfactory services under contract before January 1,
15 2008. The goal of these contracts shall be to provide incentives
16 for agencies to improve services for children in foster care, but
17 especially to improve the process of finding them quality permanent
18 placements, and reducing their time as foster children. Not later
19 than March 30 of the current fiscal year, the department shall
20 provide an update to the senate and house appropriations
21 subcommittees on the department budget, the senate and house fiscal
22 agencies and policy offices, and the office of the state budget on
23 benchmarks developed in conjunction with private providers for this
24 performance model, results the department or agencies have achieved
25 in improving permanency placements, and recommendations for further
26 improvements for foster care services across the entire state.

27 Sec. 517. (1) From the funds appropriated in part 1, the

1 department is authorized to allocate funds to multipurpose
2 collaborative bodies. Priority for activities and services will be
3 given to at-risk children and families and cases classified by the
4 department as category III or category IV under sections 8 and 8d
5 of the child protection law, 1975 PA 238, MCL 722.628 and 722.628d.

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

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

11 (b) Improve parent/child interaction.

12 (c) Promote access to needed community services.

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

14 (e) Improve school readiness.

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

17 (3) The appropriation provided for in subsection (2) is to
18 fund secondary prevention programs as defined in the children's
19 trust fund's preapplication materials for direct services grants
20 for the current fiscal year.

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

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

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

1 substantiated.

2 (c) Demonstrate that the planned services are part of the
3 community's integrated comprehensive family support strategy
4 endorsed by the community collaborative and, where there is a great
5 start collaborative, demonstrate that the planned services are part
6 of the community's great start strategic plan.

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

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

14 Sec. 523. (1) The department shall report on prevention
15 programs for which money is appropriated in part 1 to the senate
16 and house appropriations subcommittees on the department budget
17 during the annual budget presentation. The report shall contain all
18 of the following for each program:

19 (a) The average cost per recipient served.

20 (b) Measurable performance indicators.

21 (c) Desired outcomes or results and goals that can be measured
22 on an annual basis, or desired results for a defined number of
23 years.

24 (d) Monitored results.

25 (e) Innovations that may include savings or reductions in
26 administrative costs.

27 (2) From the money appropriated in part 1 for youth in

1 transition, domestic violence prevention and treatment, and teenage
2 parent counseling, the department is authorized to make allocations
3 of TANF funds only to agencies that report necessary data to the
4 department for the purpose of meeting TANF eligibility reporting
5 requirements.

6 (3) An agency that receives teenage parent counseling money
7 shall provide at least 10% in matching funds, through any
8 combination of local, state, or federal money or in-kind or other
9 donations.

10 Sec. 532. The department shall conduct licensing reviews no
11 more than once every 2 years for child placing agencies and child
12 caring institutions that are nationally accredited and have no
13 outstanding violations.

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

17 (2) The department shall explore various types of automated
18 payments to private nonprofit child placing facilities to improve
19 speed and accuracy of payments.

20 Sec. 536. The department shall not implement a geographically
21 based assignment system for foster care unless determined to be in
22 the best interests of the foster children.

23 Sec. 537. (1) The department, in collaboration with child
24 placing agencies shall develop goals, objectives, and performance
25 standards to evaluate achievements and results in providing quality
26 foster care for children, reductions in their time in foster care,
27 and better permanency placements.

1 (2) As part of the quarterly reports required by section 582,
2 the department shall submit a report to the senate and house
3 appropriations subcommittees with oversight over the department
4 budget, the senate and house standing policy committees generally
5 concerned with children's issues, the senate and house fiscal
6 agencies and policy offices, and the state budget director on the
7 goals, objectives, and performance standards developed under
8 subsection (1) and the results or outcomes of using the measures.

9 (3) The department, in collaboration with child placing
10 agencies, shall develop a strategy to implement section 1150 of the
11 social welfare act, 1939 PA 280, MCL 400.1150. The strategy shall
12 include a requirement that a department caseworker responsible for
13 preparing a recommendation to a court concerning a juvenile
14 placement shall provide, as part of the recommendation, information
15 regarding the requirements of section 1150 of the social welfare
16 act, 1939 PA 280, MCL 400.1150.

17 Sec. 539. The department shall work in collaboration with
18 representatives from child placing agencies to ensure appropriate
19 placement for children who have been adjudicated abused, neglected,
20 or delinquent and for whom residential treatment is required. The
21 department and the representatives from the child placing agencies
22 shall focus on statewide placement criteria to address the best
23 interest of the child in need of services. The placement criteria
24 shall include a continuum of care settings and options as
25 appropriate for each child and his or her needs at specific times,
26 including home placements, relative placements, shelter placements,
27 and other options.

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

3 Sec. 546. (1) From the money appropriated in part 1 for foster
4 care payments and from child care fund, the department shall pay
5 providers of these services, including independent living services,
6 a \$37.00 administrative rate.

7 (2) The department shall calculate and report to the house and
8 senate appropriations subcommittees on the department budget on the
9 cost of care, on a per diem basis, for foster care services
10 delivered directly by the department.

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

19 Sec. 556. The department shall submit a report to the
20 chairpersons of the senate and house appropriations committees, the
21 senate and house fiscal agencies, and the senate and house policy
22 offices that includes all of the following:

23 (a) A description of how the department is complying with
24 federal requirements to notify prospective adoptive parents about
25 adoption subsidies for which those prospective adoptive parents may
26 qualify.

27 (b) The number of requests received by the department from

1 adoptive parents for money or reimbursement of costs to attend
2 conferences that include training or discussion of significant
3 adoption issues, the proportion of these requests approved by the
4 department, and the total annual expenditure for approved requests.

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

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

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

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

20 Sec. 565. (1) From the funds appropriated in part 1 for
21 federally funded family preservation programs, the department shall
22 allocate \$2,000,000.00 to Wayne County to provide home-based
23 programs as part of the county expansion of community-based
24 services to serve the county's adjudicated delinquent and abused
25 and neglected youth.

26 (2) One-half of the total amount allocated to Wayne County
27 shall be used to serve adjudicated delinquent youth, and 1/2 shall

1 be used to serve abused and neglected youth.

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

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

12 Sec. 566. (1) Subject to subsection (3), beginning October 1
13 of the current fiscal year, preference shall be given in the
14 provision of direct foster care services to public and private
15 agencies that are nationally accredited.

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

19 (3) The department shall not enter into or maintain a contract
20 with a for-profit child placing agency, or with a nonprofit child
21 placing agency that uses a for-profit management group or contracts
22 with a for-profit organization for its management, to provide
23 direct foster care services unless the agency was licensed on or
24 before August 1, 2007 and, if the agency is a nonprofit child
25 placing agency that uses a for-profit management group or contracts
26 with a for-profit organization for its management, the contract
27 with the for-profit group or organization existed prior to August

1 1, 2007.

2 (4) It is the intent of the legislature to explore modifying
3 current contract restrictions for foster care outlined in
4 subsection (3).

5 Sec. 568. (1) From the money appropriated in part 1 for child
6 welfare improvements, the department may allow the private sector
7 to compete for the money to achieve permanency placement for
8 children in foster care and prioritize funding for children in
9 foster care who have barriers to permanency placement.

10 (2) Beginning December 31 of the current fiscal year, the
11 department shall submit quarterly reports to the legislature that
12 include all of the following information on the appropriation
13 adjustments described in section 568(2) of 2007 PA 131 and those
14 same appropriations adjustments in this act:

15 (a) The number of positions hired or paid from these
16 appropriations, what their titles and responsibilities will be,
17 what performance objectives and measurable outcomes they are
18 required to satisfy, and what they are being paid in salaries,
19 wages, and fringe benefits. If a community-based provider of
20 adoption services assumes an adoption case that was previously
21 handled by a public agency or worker, the time that the case was
22 handled by the public agency or worker shall not be counted in a
23 performance measure without the consent of the community-based
24 provider.

25 (b) Information on any contracts for services that have been
26 awarded and the performance objectives and measurable outcomes that
27 are incorporated in the contracts and the successes or failures

1 that are achieved as a result.

2 (c) Detailed information on any money spent for child welfare
3 improvements and what measurable outcome is expected for the money
4 being spent.

5 Sec. 570. (1) From the money appropriated in part 1 for the
6 subsidized guardianship program, the department shall provide
7 subsidies under this program to children who are wards of the court
8 under section 2(b) of chapter XIIIA of the probate code of 1939,
9 1939 PA 288, MCL 712A.2.

10 (2) The department shall make money available to children who
11 are receiving services from the department at the time a guardian
12 is appointed for the child, if the court appointing the guardian
13 considers it necessary to continue those services for the success
14 of the guardianship.

15 (3) The department may provide money to eligible children in
16 the subsidized guardianship program on an as-needed basis or in the
17 form of a 1-time payment to promote permanency for children.

18 (4) The department shall report during the annual budget
19 presentation to the senate and house appropriations subcommittees
20 on the department budget the number of guardianship subsidies and
21 recommendations for any modifications in the subsidized
22 guardianship program.

23 Sec. 573. From the money appropriated in part 1 for adoption
24 support services, \$1,049,400.00 is allocated to support adoption
25 contracts focusing on long-term permanent wards who have been wards
26 for more than 1 year after termination of parental rights. Private
27 agencies shall receive \$16,000.00 for each finalized placement

1 under the program.

2 Sec. 574. (1) From the money appropriated in part 1 for foster
3 care payments - abuse and neglect, \$2,500,000.00 is allocated to
4 support contracts with child placing agencies to facilitate the
5 licensure of relative caregivers as foster parents. Agencies shall
6 receive \$2,300.00 for each facilitated licensure. The agency
7 facilitating the licensure would retain the placement and continue
8 to provide case management services for at least 50% of the newly
9 licensed cases for which the placement was appropriate to the
10 agency. Up to 50% of the newly licensed cases would have direct
11 foster care services provided by the department.

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

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

25 (2) Of the money appropriated to the department for family
26 preservation and prevention, more specific focus shall be placed on
27 preserving and reunifying families.

1 (3) As a condition for receiving appropriated money, the
2 department and the office of the friend of the court shall work in
3 cooperation to provide support services to families of custodial
4 parents who have been awarded child support from a parent who is
5 incarcerated.

6 (4) As part of the quarterly reports required by section 582,
7 the department shall provide a report to the house and senate
8 appropriations subcommittees with jurisdiction over the department
9 budget, the house and senate fiscal agencies, and the house and
10 senate policy offices on the specific cultural sensitivity training
11 and awareness efforts, family preservation and reunification
12 efforts.

13 Sec. 577. From the money appropriated in part 1, the
14 department may allow a community collaborative to use strong
15 families safe children program funds for a prevention program that
16 meets standards agreed upon between the community collaborative and
17 county department offices in accordance with federal regulations
18 regarding expenditure of strong families safe children program
19 funds.

20 Sec. 578. The department and child placing agencies shall
21 utilize a standardized assessment tool to measure the mental health
22 treatment needs of every child supervised by the department. The
23 department shall use the results of this assessment process to
24 determine what services are to be provided to the child while under
25 department supervision.

26 Sec. 580. The department and the department of community
27 health shall initiate efforts to identify mental health programs

1 and activities where the services of the 2 departments overlap, or
2 are uncoordinated. The goal shall be to provide adequate and stable
3 mental health services which address the need of the individual
4 child without duplicative, confusing, or needlessly complex
5 services. The department shall report on these coordination efforts
6 with the department of community health during the annual budget
7 presentations to the senate and house appropriations subcommittees
8 with jurisdiction over the department budget.

9 Sec. 582. On the last working day of January, April, July, and
10 November, for the preceding fiscal quarter, the department shall
11 submit a comprehensive child welfare improvement report, compiling
12 material required by each section of this act related to child
13 welfare. This report will be provided to the senate and house
14 appropriations subcommittees on the department budget, the senate
15 and house standing committees on human services, the senate and
16 house fiscal agencies, the senate and house policy offices, and the
17 state budget director and will provide an overview of the status of
18 all initiatives the department is required to carry out by this
19 appropriation act and the impact of those initiatives on meeting
20 the benchmarks established in the federal child and family service
21 review process and the requirements established in the settlement
22 agreement in the case of Dwayne B. v Granholm, docket no. 2:06-cv-
23 13548 in the United States district court for the eastern district
24 of Michigan. The report may include information about other
25 initiatives of the department and its service delivery partners
26 which support improvements in safety, permanency, and well-being
27 for the children and families served by Michigan's child welfare

1 system.

2 Sec. 583. The department shall provide a report to the senate
3 and house appropriations subcommittees on the department budget,
4 the senate and house standing committees on families and human
5 services, and the senate and house fiscal agencies and policy
6 offices that provides an estimate of the number of individuals
7 participating as foster parents in the previous fiscal year that
8 subsequently dropped out of program participation because of
9 licensing rules or new mandates associated with the settlement of
10 the Dwayne B. v Granholm lawsuit, docket no. 2:06-cv-13548 in the
11 United States district court for the eastern district of Michigan.

12 Sec. 584. The department shall provide recommendations to the
13 senate and house appropriations subcommittees on the department
14 budget, the senate and house standing committees on families and
15 human services, and the senate and house fiscal agencies and policy
16 offices on changes in program policy and structure that would
17 ensure more effective communication between caseworkers and courts
18 administering the case.

19 Sec. 585. The department shall allow private nationally
20 accredited foster care and adoption agencies to conduct their own
21 staff training, based on current department policies and
22 procedures, provided that the agency trainer and training materials
23 are accredited by the department and that the agency documents to
24 the department that the training was provided. The department shall
25 provide access to any training materials requested by the private
26 agencies to facilitate this training.

27 Sec. 586. The department shall request a modification of the

1 staffing requirement imposed by the settlement of the Dwayne B. v
2 Granholm lawsuit, docket no. 2:06-cv-13548 in the United States
3 district court for the eastern district of Michigan. The
4 modification would permit the department to ensure that 75% of
5 purchase of service monitors will have a caseload of no more than
6 60 cases in fiscal year 2009-2010.

7 **PUBLIC ASSISTANCE**

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

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

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

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

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

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

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

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

1 (b) A person with a physical or mental impairment which meets
2 federal supplemental security income disability standards, except
3 that the minimum duration of the disability shall be 90 days.

4 Substance abuse alone is not defined as a basis for eligibility.

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

8 (d) A person receiving 30-day postresidential substance abuse
9 treatment.

10 (e) A person diagnosed as having acquired immunodeficiency
11 syndrome.

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

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

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

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

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

22 (3) Except for a person described in subsection (1)(c) or (d),
23 a person is not disabled for purposes of this section if his or her
24 drug addiction or alcoholism is a contributing factor material to
25 the determination of disability. "Material to the determination of
26 disability" means that, if the person stopped using drugs or
27 alcohol, his or her remaining physical or mental limitations would

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

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

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

20 Sec. 606. County department offices shall require each
21 recipient of family independence program and state disability
22 assistance who has applied with the social security administration
23 for supplemental security income to sign a contract to repay any
24 assistance rendered through the family independence program or
25 state disability assistance program upon receipt of retroactive
26 supplemental security income benefits.

27 Sec. 607. The department's ability to satisfy appropriation

1 deductions in part 1 for state disability assistance/supplemental
2 security income recoveries and public assistance recoupment
3 revenues shall not be limited to recoveries and accruals pertaining
4 to state disability assistance, or family independence assistance
5 grant payments provided only in the current fiscal year, but shall
6 include all related net recoveries received during the current
7 fiscal year.

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

20 Sec. 609. The state supplementation level under the
21 supplemental security income program for the personal care/adult
22 foster care and home for the aged categories shall not be reduced
23 during the current fiscal year. The legislature shall be notified
24 not less than 30 days before any proposed reduction in the state
25 supplementation level.

26 Sec. 610. In developing good cause criteria for the state
27 emergency relief program, the department shall grant exemptions if

1 the emergency resulted from unexpected expenses related to
2 maintaining or securing employment.

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

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

11 Sec. 613. (1) From the money appropriated in part 1 for
12 indigent burial, the maximum allowable reimbursement limit for
13 indigent burials shall be \$700.00, which shall be distributed as
14 follows: \$455.00 for funeral directors, \$145.00 for cemeteries or
15 crematoriums, and \$100.00 for the provider of the vault.

16 (2) The department shall continue to work with funeral
17 directors to establish a regional or statewide pilot program that
18 allows flexibility in payments from the family of the deceased and
19 other resources to provide options for different funeral
20 arrangements and payment. The department may deviate from the
21 payment limits established in subsection (1) and section 611 in
22 making payments under the pilot program. The department shall
23 forward a copy of the pilot program plan to the senate and house of
24 representatives appropriations subcommittees with jurisdiction over
25 the department budget not less than 30 days before it is
26 implemented.

27 Sec. 614. The funds available in part 1 for burial services

1 shall be available if the deceased was an eligible recipient and an
2 application for emergency relief funds was made within 10 days of
3 the burial or cremation of the deceased person. Each provider of
4 burial services shall be paid directly by the department.

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

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

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

21 (a) The only eligible recipient has died.

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

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

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

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

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

5 (g) The only eligible recipient in the household has been
6 incarcerated.

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

8 (i) A recipient is closed on 1 case to be activated on
9 another.

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

12 (k) A recipient is disqualified for intentional program
13 violation.

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

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

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

25 (b) An authorized representative shall be required for food
26 assistance receipt.

27 Sec. 621. Funds appropriated in part 1 may be used to support

1 multicultural assimilation and support services. The department
2 shall distribute all of the funds described in this section based
3 on assessed community needs.

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

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

9 (b) Referral of persons so identified to counseling and
10 supportive services.

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

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

25 Sec. 640. (1) From the funds appropriated in part 1 for day
26 care services, the department may continue to provide infant and
27 toddler incentive payments to child day care providers serving

1 children from 0 to 2-1/2 years of age who meet licensing or
2 training requirements.

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

5 Sec. 643. As a condition of receipt of federal TANF funds,
6 homeless shelters and human services agencies shall collaborate
7 with the department to obtain necessary TANF eligibility
8 information on families as soon as possible after admitting a
9 family to the homeless shelter. From the funds appropriated in part
10 1 for homeless programs, the department is authorized to make
11 allocations of TANF funds only to the agencies that report
12 necessary data to the department for the purpose of meeting TANF
13 eligibility reporting requirements. Homeless shelters or human
14 services agencies that do not report necessary data to the
15 department for the purpose of meeting TANF eligibility reporting
16 requirements will not receive reimbursements which exceed the per
17 diem amount they received in fiscal year 2000. The use of TANF
18 funds under this section should not be considered an ongoing
19 commitment of funding.

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

26 Sec. 653. From the funds appropriated in part 1 for food
27 assistance, an individual who is the victim of domestic violence

1 and does not qualify for any other exemption may be exempt from the
2 3-month in 36-month limit on receiving food assistance under 7 USC
3 2015. This exemption can be extended an additional 3 months upon
4 demonstration of continuing need.

5 Sec. 657. (1) The department shall allocate \$3,000,000.00 in
6 TANF funds for the operation of a statewide before- or after-school
7 program targeted to children in kindergarten through ninth grade.
8 Eligible programs must serve geographic areas near school buildings
9 that do not meet federal no child left behind annual yearly
10 progress (AYP) requirements and that include the before- or after-
11 school programs in the AYP plans as a means to improve outcomes and
12 serve children living in households with income below 200% of the
13 federal poverty guidelines as established by the United States
14 department of health and human services.

15 (2) Funding for before-school programs is limited to providers
16 serving elementary schoolchildren.

17 (3) The department shall ensure that not more than 20% of the
18 funding provided in subsection (1) be allocated to any single
19 county and that recipient organizations provide necessary data to
20 the department for TANF and maintenance of effort eligibility
21 reporting requirements as a condition of receiving funds.

22 (4) The department is to grant priority to contracted
23 organizations that are able to secure at least 25% of program cost
24 in matching funds.

25 (5) Programs funded through subsection (1) shall include
26 academic assistance and focus efforts on at least 3 of the
27 following topics:

1 (a) Abstinence-based pregnancy prevention.

2 (b) Chemical abuse and dependency, including nonmedical
3 services.

4 (c) Gang violence prevention.

5 (d) Preparation toward future self-sufficiency.

6 (e) Leadership development.

7 (f) Case management or mentoring.

8 (g) Parental involvement.

9 (h) Anger management.

10 Sec. 659. The department may provide staff support to the Kent
11 school services network to assist in addressing the multiple needs
12 of children and families at community schools. The department may
13 also participate in the expansion of this program in Kent County as
14 well as other areas of the state that may use the Kent school
15 services network program as a model.

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

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

1 needs of TANF-eligible individuals. This partnership shall place a
2 priority on transportation needs for employment or seeking
3 employment or medical or health-related transportation.

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

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

10 (2) The department shall allocate up to \$7,165,500.00 for the
11 annual clothing allowance. The allowance shall be granted to all
12 eligible children as defined by the department.

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

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

21 Sec. 674. (1) The department shall continue administrative
22 efforts to reduce waste, fraud, and abuse within the child day care
23 program. Beginning December 31 of the current fiscal year, the
24 department shall report annually to the senate and house
25 appropriations subcommittees for the department budget, the senate
26 and house fiscal agencies and policy offices, and the state budget
27 director on the estimated impact of efforts to reduce inappropriate

1 payments through the child day care program.

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

6 Sec. 676. (1) The department shall collaborate with the state
7 board of education to extend the duration of the Michigan after-
8 school partnership and oversee its efforts to implement the policy
9 recommendations and strategic next steps identified in the Michigan
10 after-school initiative's report of December 15, 2003.

11 (2) From the funds appropriated in part 1, \$25,000.00 shall be
12 used to support the Michigan after-school partnership and to
13 leverage other private and public funding to engage the public and
14 private sectors in building and sustaining high-quality out-of-
15 school-time programs and resources. The co-chairs shall name a
16 fiduciary agent and may authorize the fiduciary to expend funds and
17 hire people to accomplish the work of the Michigan after-school
18 partnership.

19 (3) Each year, on or before December 31, the Michigan after-
20 school partnership shall report its progress in reaching the
21 recommendations set forth in the Michigan after-school initiative's
22 report to the senate and house committees on appropriations, the
23 senate and house fiscal agencies and policy offices, and the state
24 budget director.

25 Sec. 677. The department shall establish a state goal for the
26 percentage of family independence program (FIP) cases involved in
27 employment activities. The percentage established shall not be less

1 than 50%. On a monthly basis, 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 the current percentage of FIP
5 cases involved in JET employment activities. If the FIP case
6 percentage is below the goal for more than 2 consecutive quarters,
7 the department shall develop a plan to increase the percentage of
8 FIP cases involved in employment-related activities. The department
9 shall deliver the plan during the next annual budget presentation
10 to the senate and house appropriations subcommittees on the
11 department budget.

12 Sec. 682. The department shall notify the house and senate
13 appropriations subcommittees on the department budget, the house
14 and senate fiscal agencies, and the house and senate policy staffs
15 regarding the JET program savings for the previous fiscal year and
16 the details on the proposed use of that money.

17 Sec. 683. (1) From the funds appropriated in part 1 for SSI
18 advocacy, \$1,275,000.00 shall be paid to the Michigan state bar
19 foundation for SSI advocacy services provided by the legal services
20 association of Michigan. A payment of \$400.00 shall be made for
21 each case referred to the legal services association of Michigan,
22 with a final payment of \$250.00 on case completion.

23 (2) The department shall not provide payment to the legal
24 services association of Michigan for assisting a recipient to
25 submit a frivolous appeal or application or for assisting a
26 recipient who has submitted multiple applications that have been
27 denied regarding the same disability, unless the legal services

1 association of Michigan determines that there is a valid reason to
2 pursue an appeal.

3 Sec. 685. (1) Not later than March 1 of the current fiscal
4 year, the department shall report to the senate and house
5 appropriations subcommittees with jurisdiction over the department
6 budget, and to the senate and house appropriations subcommittees
7 with jurisdiction over the department of community health budget,
8 on the number of recipients that applied for Medicaid coverage, the
9 number of recipients that were approved for Medicaid coverage, and
10 the number of recipients that were denied Medicaid coverage. The
11 report shall describe these statistics for the current fiscal year
12 and summarize department programs to assist persons in applying for
13 Medicaid.

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

23 Sec. 686. (1) The department shall ensure that program policy
24 requires caseworkers to confirm that individuals presenting
25 personal identification issued by another state seeking assistance
26 through the family independence program, food assistance program,
27 state disability assistance program, or medical assistance program

Senate Bill No. 248 as amended June 18, 2009

1 are not receiving benefits from any other state.

2 (2) The department shall explore changes in program policies
3 to ensure that caseworkers confirm the address provided by any
4 individual seeking family independence program benefits or state
5 disability assistance benefits.

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

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

17 Sec. 694. (1) The department shall restrict the maximum number
18 of hours eligible for reimbursement through the child day care
19 program to 75.

20 (2) The department shall modify reimbursement rates for child
21 day care services provided by unlicensed relative caregivers to be
22 equivalent to those provided to day care aides.

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

23 JUVENILE JUSTICE SERVICES

24 Sec. 705. (1) The department, in conjunction with private
25 juvenile justice residential programs, shall develop a methodology
26 for measuring goals, objectives, and performance standards for the
S01234'09 (S-2)

LTB

1 delivery of juvenile justice residential programs based on national
2 standards and best practices. These goals, objectives, and
3 performance standards shall apply to both public and private
4 delivery of juvenile justice residential programs, and data shall
5 be collected from both private and public juvenile justice
6 residential programs that can be used to evaluate performance
7 achievements, including, but not limited to, the following:

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

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

12 (c) Program outcomes including recidivism rates for youth
13 served by the facility.

14 (d) Trends in census and population demographics.

15 (e) Staff and resident safety.

16 (f) Facility profile.

17 (g) Fiscal information necessary for qualitative understanding
18 of program operations and comparative costs of public and private
19 facilities.

20 (2) The department during the annual budget presentation shall
21 outline the progress of the development of the goals, objectives,
22 and performance standards, as well as the information collected
23 through the implementation of the performance measurement program.
24 The presentation shall include all of the following:

25 (a) Actual cost and actual days of care by facility for the
26 most recently completed fiscal year.

27 (b) Actual cost per day per youth by facility for the most

1 recently completed fiscal year.

2 (c) An analysis of the variance between the estimated cost and
3 days of care assumed in the original appropriation and the figures
4 in subdivisions (a) and (b).

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

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

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

20 Sec. 708. As a condition of receiving money appropriated in
21 part 1 for the child care fund line item, by February 15 of the
22 current fiscal year, counties shall have an approved service
23 spending plan for the current fiscal year. Counties must submit the
24 service spending plan to the department by December 15 of the
25 current fiscal year for approval.

26 Sec. 717. (1) If funds become available, the department shall
27 contract with a state university to conduct a behavioral health

1 study of juvenile justice facilities operated or contracted for by
2 the state. The study shall utilize diagnostic clinical interviews
3 with and records reviews for a representative random sample of
4 juvenile justice system detainees to develop a report on each of
5 the following:

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

14 (b) The proportion of juvenile justice detainees with a
15 primary diagnosis of addiction disorder, the percentage of those
16 detainees considered to currently require substance abuse
17 treatment, and the proportion of those detainees currently
18 receiving substance abuse service, including a description and
19 breakdown, encompassing, at a minimum, the categories of
20 residential and outpatient care, of the type of substance abuse
21 services provided to those detainees.

22 (c) The proportion of juvenile justice detainees with a dual
23 diagnosis of emotional disorder and addiction disorder, the
24 percentage of those detainees considered to currently require
25 treatment for their condition, and the proportion of those
26 detainees currently receiving that treatment, including a
27 description and breakdown, encompassing, at a minimum, the

1 categories of mental health inpatient, mental health residential,
2 mental health outpatient, substance abuse residential, and
3 substance abuse outpatient, of the type of treatment provided to
4 those detainees.

5 (d) Data indicating whether juvenile justice detainees with a
6 primary diagnosis of emotional disorder, a primary diagnosis of
7 addiction disorder, and a dual diagnosis of emotional disorder and
8 addiction disorder were previously hospitalized in a state
9 psychiatric hospital for persons with mental illness. These data
10 shall be broken down according to each of these 3 respective
11 categories.

12 (e) Data indicating whether and with what frequency juvenile
13 justice detainees with a primary diagnosis of emotional disorder, a
14 primary diagnosis of addiction disorder, and a dual diagnosis of
15 emotional disorder and addiction disorder have been detained
16 previously. These data shall be broken down according to each of
17 these 3 respective categories.

18 (f) Data classifying the types of offenses historically
19 committed by juvenile justice detainees with a primary diagnosis of
20 emotional disorder, a primary diagnosis of addiction disorder, and
21 a dual diagnosis of emotional disorder and addiction disorder.
22 These data shall be broken down according to each of these 3
23 respective categories.

24 (g) Data indicating whether juvenile justice detainees have
25 previously received services managed by a community mental health
26 program or substance abuse coordinating agency. These data shall be
27 broken down according to the respective categories of detainees

1 with a primary diagnosis of emotional disorder, a primary diagnosis
2 of addiction disorder, and a dual diagnosis of emotional disorder
3 and addiction disorder.

4 (2) The report referenced under subsection (1) would be
5 provided not later than June 30 of the current fiscal year to the
6 senate and house appropriations subcommittees on human services,
7 the senate and house fiscal agencies and policy offices, and the
8 state budget director.

9 Sec. 719. The department shall notify the legislature at least
10 30 days before closing or making any change in the status,
11 including the licensed bed capacity and operating bed capacity, of
12 a state juvenile justice facility.

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

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

21 (a) Lower recidivism rates.

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

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

24 (d) Lower average actual cost per resident.

25 (e) Availability of appropriate services to residents.

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

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

4 Sec. 721. The department shall report to the house and senate
5 appropriations subcommittees on the department budget by October 1
6 of the current fiscal year on the placement of juvenile offenders
7 who need services in community-based or privately operated
8 facilities.

9 Sec. 723. A private provider of juvenile services may receive
10 funding for services of different security levels if the provider
11 has appropriate services for each security level and adequate
12 measures to physically separate residents of each security level.

13 Sec. 730. The department shall review and may adjust daily per
14 diem rates to private providers of juvenile justice services in
15 recognition of added complex services.

16 Sec. 732. The department shall ensure that staff employed at
17 Nokomis challenge center or community juvenile justice facility
18 closed in the current fiscal year appropriation process be given
19 priority for new staff positions that they are qualified to fulfill
20 that are funded in the current fiscal year appropriation to meet
21 the requirements of the settlement of the Dwayne B. v Granholm
22 lawsuit, docket no. 2:06-cv-13548 in the United States district
23 court for the eastern district of Michigan.

24 Sec. 733. From the money appropriated in part 1 for the child
25 care fund, the department shall provide \$100.00 to counties to
26 recognize anticipated increases in county cost associated with
27 state changes necessary to meet the requirements of the settlement

1 of the Dwayne B. v Granholm lawsuit, docket no. 2:06-cv-13548 in
2 the United States district court for the eastern district of
3 Michigan.

4 Sec. 734. The department shall make program changes necessary
5 to permit greater utilization of tether monitoring in the
6 supervision of juvenile justice youth. The department shall focus
7 this effort to youth who are expected to be released from publicly
8 and privately operated juvenile facilities within 90 days.

9 LOCAL OFFICE SERVICES

10 Sec. 750. The department shall maintain out-stationed
11 eligibility specialists in community-based organizations, nursing
12 homes, and hospitals.

13 Sec. 751. (1) From the funds appropriated in part 1, the
14 department shall implement school-based family resource centers
15 based on the following guidelines:

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

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

20 (c) Notwithstanding subdivision (b), the center shall provide
21 information regarding crisis pregnancy centers or adoption service
22 providers in the area.

23 (2) The department shall notify the senate and house
24 subcommittees on the department budget, the senate and house fiscal
25 agencies and policy offices, and the state budget office of family
26 resource center expansion efforts and shall provide all of the

1 following at the beginning of the selection process or no later
2 than 5 days after eligible schools receive opportunity
3 notification:

4 (a) A list of eligible schools.

5 (b) The selection criteria to be used.

6 (c) The projected number to be opened.

7 (d) The financial implications for expansion, including
8 funding sources.

9 Sec. 752. If sufficient funding becomes available from local
10 sources, the department shall support the operation of 2 additional
11 family resource centers in Genesee County, 3 additional family
12 resource centers in Kent County, and 1 additional family resource
13 center in Ingham County.

14 Sec. 753. The department shall implement the recommendations
15 of the 2004 public private partnership initiative's training
16 committee to define, design, and implement a train-the-trainer
17 program to certify private agency staff to deliver child welfare
18 staff training, explore the use of e-learning technologies, and
19 include consumers in the design and implementation of training. The
20 intent of the legislature is to reduce training and travel costs
21 for both the department and the private agencies. The department
22 shall report no later than December 1 of the current fiscal year on
23 each specific policy change made to implement enacted legislation
24 and the plans to implement the recommendations, including
25 timelines, to the senate and house appropriations subcommittees on
26 the department budget, the senate and house standing committees on
27 human services matters, the senate and house fiscal agencies and

1 policy offices, and the state budget director.

2 **DISABILITY DETERMINATION SERVICES**

3 Sec. 801. The department disability determination services in
4 agreement with the department of management and budget office of
5 retirement systems will develop the medical information and make
6 recommendations for medical disability retirement for state
7 employees, state police, judges, and schoolteachers.

8 **CHILD SUPPORT ENFORCEMENT**

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

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

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

19 (4) If the child support incentive payment to the state from
20 the federal government is greater than \$26,500,000.00, then 100% of
21 the excess shall be retained by the state and is appropriated until
22 the total retained by the state reaches \$15,397,400.00.

23 (5) If the child support incentive payment to the state from
24 the federal government is greater than the amount needed to satisfy
25 the provisions identified in subsections (1), (2), (3), and (4),

1 the additional funds shall be subject to appropriation by the
2 legislature.

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

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

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

14 (3) The department, through the child support leadership
15 group, shall provide semiannual reports to the legislature
16 concerning money expended and improvements made as a result of this
17 section.

18 Sec. 903. The department may facilitate with the department of
19 community health a program under which the departments
20 independently or jointly contract with local friend of the court
21 offices to update and maintain the child support statewide database
22 with health insurance information in cases in which the court has
23 ordered a party to the case to maintain health insurance coverage
24 for the minor child or children involved in the case and to assist
25 in the recovery of money paid by the state for health care costs
26 that are otherwise recoverable from a party to the case. The
27 program shall be in addition to a program or programs under

1 existing contract between either or both of the departments with a
2 private entity on September 1 of the current fiscal year. The
3 program shall be entirely funded with state and federal funds from
4 money first recovered or through costs that are avoided by charging
5 the insurance coverage for minor children from state programs to
6 private insurance.

7 Sec. 904. The department is prohibited from charging back to
8 the counties any of the fees paid that are charged by the internal
9 revenue service or the department of treasury related to the tax
10 intercept and offset programs. The state share of those fees shall
11 be paid from money otherwise provided for office of child support
12 programs.

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

24 Sec. 909. In addition to the funds appropriated in part 1 for
25 state retained child support collections, 75% of the amount that
26 each county's collections exceed the amount the county collected in
27 fiscal year 2005 is appropriated for distribution to that county

1 for use in the IV-D program. This distribution shall occur only if
2 the total state retained child support collections exceed the
3 statewide amount collected in fiscal year 2005. The funds
4 distributed to counties pursuant to this section shall be used to
5 supplement and not supplant county IV-D funding. Counties
6 participating in projects pursuant to section 902 will receive 75%
7 of qualifying collections reduced by the amount paid to the vendor.
8 This authorization adjustment shall be made upon notification of
9 the chairs of the house and senate appropriations subcommittees on
10 the department budget, the house and senate fiscal agencies, and
11 the state budget director.

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

21 Sec. 911. The department shall provide the chairs of the
22 senate and house appropriations committees with model legislation
23 authorizing a \$25.00 annual fee pursuant to title IV-D, 42 USC
24 654(6)(B) by December 31 of the current fiscal year.

25 OFFICE OF CHILDREN AND ADULT LICENSING

26 Sec. 1005. The department shall continue to operate a

1 performance-based licensing model that will assure compliance with
2 department policy and statutory mandates. This model will
3 prioritize licensing activities based on risk to the vulnerable
4 children and adults residing in or receiving services from
5 licensees.

6 Sec. 1006. The department shall assess fees in the licensing
7 and regulation of child care organizations as defined in 1973 PA
8 116, MCL 722.111 to 722.128, and adult foster care facilities as
9 defined in the adult foster care facility licensing act, 1979 PA
10 218, MCL 400.701 to 400.737. Fees collected by the department shall
11 be used exclusively for the purpose of licensing and regulating
12 child care organizations and adult foster care facilities.

13 Sec. 1007. The department shall furnish the clerk of the
14 house, the secretary of the senate, the senate and house fiscal
15 agencies and policy offices, the state budget office, and all
16 members of the house and senate appropriations committees with a
17 summary of any evaluation reports and subsequent approvals or
18 disapprovals of juvenile residential facilities operated by the
19 department, as required by section 6 of 1973 PA 116, MCL 722.116.
20 If no evaluations are conducted during the fiscal year, the
21 department shall notify the fiscal agencies and all members of the
22 appropriate subcommittees of the house and senate appropriations
23 committees.

24 **COMMUNITY ACTION AND ECONOMIC OPPORTUNITY**

25 Sec. 1101. Not later than September 30 of each year, the
26 department shall submit for public hearing to the chairpersons of

1 the house and senate appropriations subcommittees dealing with
2 appropriations for the department budget the proposed use and
3 distribution plan for community services block grant funds
4 appropriated in part 1 for the succeeding fiscal year.

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

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