

# HOUSE BILL No. 4442

## EXECUTIVE BUDGET BILL

February 24, 2009, Introduced by Rep. Spade and referred to the Committee on Appropriations.

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:

#### PART 1

#### LINE-ITEM APPROPRIATIONS

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

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..... 11,215.5

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

Total full-time equated positions..... 11,221.5

GROSS APPROPRIATION..... \$ 4,592,454,900

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers ..... 2,426,600

ADJUSTED GROSS APPROPRIATION..... \$ 4,590,028,300

Federal revenues:

Federal - FMAP stimulus..... 16,172,200

Total other federal revenues..... 3,438,946,500

Special revenue funds:

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

Total local revenues..... 41,741,300

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

State general fund/general purpose..... \$ 1,026,500,700

**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

Unclassified salaries--6.0 FTE positions..... \$ 647,900

1	Salaries and wages--295.7 FTE positions .....	18,262,900
2	Contractual services, supplies, and materials .....	5,785,500
3	Demonstration projects--9.0 FTE positions .....	9,280,900
4	Inspector general salaries and wages--99.0 FTE	
5	positions .....	5,868,000
6	Electronic benefit transfer EBT.....	7,166,500
7	Michigan community service commission--15.0 FTE	
8	positions .....	9,763,800
9	AFC, children's welfare and day care licensure--	
10	228.0 FTE positions .....	24,103,200
11	State office of administrative hearings and rules ....	<u>5,559,300</u>
12	GROSS APPROPRIATION.....	\$ 86,438,000
13	Appropriated from:	
14	Federal revenues:	
15	Total federal revenues.....	56,652,700
16	Special revenue funds:	
17	Total private revenues.....	3,199,600
18	Total local revenues.....	175,000
19	Licensing fees.....	516,300
20	Health systems fees and collections.....	216,100
21	Total other state restricted revenues.....	25,000
22	State general fund/general purpose.....	\$ 25,653,300
23	<b>Sec. 103. CHILD SUPPORT ENFORCEMENT</b>	
24	Full-time equated classified positions..... 209.7	
25	Child support enforcement operations--203.7 FTE	
26	positions .....	\$ 23,882,400
27	Legal support contracts.....	138,753,600

1	Child support incentive payments.....	32,409,600
2	State disbursement unit--6.0 FTE positions.....	<u>18,520,900</u>
3	GROSS APPROPRIATION.....	\$ 213,566,500
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues.....	185,629,000
7	Special revenue funds:	
8	Total local revenues.....	340,000
9	Total other state restricted revenues.....	3,395,000
10	State general fund/general purpose.....	\$ 24,202,500
11	<b>Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY</b>	
12	Full-time equated classified positions.....	17.0
13	Bureau of community action and economic opportunity	
14	operations--17.0 FTE positions.....	\$ 1,971,600
15	Community services block grants.....	24,218,000
16	Weatherization assistance.....	<u>18,418,700</u>
17	GROSS APPROPRIATION.....	\$ 44,608,300
18	Appropriated from:	
19	Federal revenues:	
20	Total federal revenues.....	44,608,300
21	Special revenue funds:	
22	State general fund/general purpose.....	\$ 0
23	<b>Sec. 105. ADULT AND FAMILY SERVICES</b>	
24	Full-time equated classified positions.....	42.7
25	Executive direction and support--5.0 FTE positions...	\$ 520,300
26	Guardian contract.....	600,000
27	Adult services policy and administration--6.0 FTE	

1	positions .....	639,600
2	Office of program policy--31.7 FTE positions .....	5,029,000
3	Employment and training support services .....	34,449,900
4	Wage employment verification reporting .....	848,700
5	Urban and rural empowerment/enterprise zones .....	100
6	Nutrition education .....	28,000,000
7	Crisis prevention and elder law of Michigan food for	
8	the elderly project .....	<u>200,000</u>
9	GROSS APPROPRIATION .....	\$ 70,287,600
10	Appropriated from:	
11	Federal revenues:	
12	Total federal revenues .....	49,248,100
13	Special revenue funds:	
14	State general fund/general purpose .....	\$ 21,039,500
15	<b>Sec. 106. CHILDREN'S SERVICES</b>	
16	Full-time equated classified positions..... 232.0	
17	Salaries and wages--93.2 FTE positions .....	\$ 6,646,500
18	Contractual services, supplies, and materials .....	2,592,700
19	Foster care payments .....	203,202,700
20	Adoption subsidies .....	237,262,000
21	Adoption support services--7.2 FTE positions .....	25,019,100
22	Youth in transition--2.0 FTE positions .....	18,067,000
23	Interstate compact .....	231,600
24	Children's benefit fund donations .....	21,000
25	Families first .....	16,946,700
26	Strong families/safe children--3.0 FTE positions .....	12,906,100
27	Community protection and permanency--37.5 FTE	

1	positions .....	17,847,100
2	Family reunification program.....	3,977,100
3	Family preservation and prevention services	
4	administration--12.5 FTE positions.....	1,894,000
5	Children's trust fund administration--12.0 FTE	
6	positions .....	1,053,600
7	Children's trust fund grants.....	3,825,100
8	ECIC, early childhood investment corporation.....	14,623,000
9	Attorney general contract.....	3,374,300
10	Prosecuting attorney contracts.....	2,561,700
11	Child protection--5.0 FTE positions.....	813,100
12	Subsidized guardianship program.....	4,575,000
13	Domestic violence prevention and treatment--14.6 FTE	
14	positions .....	14,797,800
15	Rape prevention and services.....	2,600,000
16	Title IV-E compliance and accountability office--5.0	
17	FTE positions .....	397,800
18	Child welfare institute--40.0 FTE positions.....	<u>5,943,800</u>
19	GROSS APPROPRIATION.....	\$ 601,178,800
20	Appropriated from:	
21	Interdepartmental grant revenues:	
22	IDG from DCH - crime victims' rights fund.....	1,300,000
23	Federal revenues:	
24	Federal - FMAP stimulus.....	15,054,100
25	Total other federal revenues.....	371,176,100
26	Special revenue funds:	
27	Private - children's benefit fund donations.....	21,000

1	Private - collections.....	2,787,500
2	Local funds - county chargeback.....	21,840,600
3	Compulsive gaming prevention fund.....	1,040,000
4	Children's trust fund.....	3,822,700
5	State general fund/general purpose.....	\$ 184,136,800
6	<b>Sec. 107. JUVENILE JUSTICE SERVICES</b>	
7	Full-time equated classified positions.....	323.5
8	Secure juvenile services--252.0 FTE positions.....	\$ 26,891,700
9	Community juvenile justice centers--27.0 FTE positions	2,747,900
10	Child care fund.....	234,280,100
11	Child care fund administration--5.8 FTE positions....	791,400
12	County juvenile officers.....	3,894,700
13	Community support services--2.0 FTE positions.....	1,496,600
14	Juvenile justice administration and maintenance--18.0	
15	FTE positions .....	3,474,500
16	Federally funded activities--13.7 FTE positions.....	1,887,700
17	W. J. Maxey memorial fund.....	45,000
18	Juvenile accountability block grant--1.0 FTE position .	1,300,400
19	Committee on juvenile justice administration--4.0 FTE	
20	positions .....	519,500
21	Committee on juvenile justice grants.....	<u>5,000,000</u>
22	GROSS APPROPRIATION.....	\$ 282,329,500
23	Appropriated from:	
24	Federal revenues:	
25	Total federal revenues.....	95,432,300
26	Special revenue funds:	
27	Total private revenues.....	45,000

1	Local funds - state share education funds .....	2,523,200
2	Local funds - county chargeback .....	14,310,300
3	State general fund/general purpose .....	\$ 170,018,700
4	<b>Sec. 108. LOCAL OFFICE STAFF AND OPERATIONS</b>	
5	Full-time equated classified positions.....	9,141.5
6	Field staff, salaries and wages--8,920.7 FTE positions	\$ 466,903,600
7	Contractual services, supplies, and materials .....	17,009,300
8	Medical/psychiatric evaluations .....	6,300,000
9	Donated funds positions--156.0 FTE positions .....	12,440,500
10	Training and program support--23.0 FTE positions .....	3,667,500
11	Food stamp reinvestment--31.8 FTE positions .....	7,470,000
12	Wayne County gifts and bequests .....	100,000
13	Volunteer services and reimbursement .....	1,294,900
14	SSI advocates--10.0 FTE positions .....	<u>2,190,500</u>
15	GROSS APPROPRIATION .....	\$ 517,376,300
16	Appropriated from:	
17	Federal revenues:	
18	Federal - FMAP stimulus .....	697,300
19	Total other federal revenues .....	296,016,600
20	Special revenue funds:	
21	Local funds - donated funds .....	2,552,200
22	Private funds - donated funds .....	739,400
23	Private funds - Wayne County gifts .....	100,000
24	Private funds - hospital contributions .....	2,929,700
25	Supplemental security income recoveries .....	702,000
26	State general fund/general purpose .....	\$ 213,639,100
27	<b>Sec. 109. DISABILITY DETERMINATION SERVICES</b>	



1	Full-time equated classified positions.....	575.4	
2	Disability determination operations--549.9 FTE		
3	positions .....		\$ 84,092,800
4	Medical consultation program--21.4 FTE positions .....		2,959,500
5	Retirement disability determination--4.1 FTE positions		<u>835,000</u>
6	GROSS APPROPRIATION.....		\$ 87,887,300
7	Appropriated from:		
8	Interdepartmental grant revenues:		
9	IDG from DMB - office of retirement systems .....		1,126,600
10	Federal revenues:		
11	Total federal revenues .....		83,875,400
12	Special revenue funds:		
13	State general fund/general purpose .....		\$ 2,885,300
14	<b>Sec. 110. CENTRAL SUPPORT ACCOUNTS</b>		
15	Rent .....		\$ 45,490,700
16	Occupancy charge .....		9,280,700
17	Travel .....		6,224,200
18	Equipment .....		277,300
19	Worker's compensation .....		3,631,400
20	Advisory commissions .....		17,900
21	Payroll taxes and fringe benefits .....		<u>299,667,700</u>
22	GROSS APPROPRIATION .....		\$ 364,589,900
23	Appropriated from:		
24	Federal revenues:		
25	Federal - FMAP stimulus .....		420,800
26	Total other federal revenues .....		213,509,800
27	Special revenue funds:		

1	State general fund/general purpose.....	\$	150,659,300
2	<b>Sec. 111. PUBLIC ASSISTANCE</b>		
3	Full-time equated classified positions.....	27.0	
4	Family independence program.....	\$	382,007,700
5	State disability assistance payments.....		35,233,600
6	Food assistance program benefits.....		1,221,340,900
7	State supplementation.....		31,255,700
8	State supplementation administration.....		1,288,100
9	Low-income home energy assistance program.....		116,451,600
10	Food bank funding.....		675,000
11	Homeless programs.....		11,646,700
12	Multicultural assimilation funding.....		1,715,500
13	Indigent burial.....		4,209,300
14	Emergency services local office allocations.....		21,865,500
15	Day care services.....		343,239,700
16	Day care training, technology, and oversight--20.0		
17	FTE positions .....		2,478,200
18	Refugee assistance program--7.0 FTE positions .....		<u>17,717,500</u>
19	GROSS APPROPRIATION.....	\$	2,191,125,000
20	Appropriated from:		
21	Federal revenues:		
22	Total federal revenues.....		1,950,664,200
23	Special revenue funds:		
24	Child support collections.....		29,361,700
25	Supplemental security income recoveries.....		14,156,600
26	Public assistance recoupment revenue.....		3,610,000
27	State general fund/general purpose.....	\$	193,332,500

## Sec. 112. INFORMATION TECHNOLOGY

Information technology services and projects .....	\$	86,436,700
Child support automation.....		<u>46,631,000</u>
GROSS APPROPRIATION.....	\$	133,067,700
Appropriated from:		
Federal revenues:		
Total federal revenues.....		92,134,000
Special revenue funds:		
State general fund/general purpose.....	\$	40,933,700

## 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 \$1,083,346,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is \$157,028,900.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

## DEPARTMENT OF HUMAN SERVICES

Child care fund.....	\$	147,710,200
County juvenile officers.....		3,648,400
Legal support contracts.....		3,034,000
State disability assistance payments.....		2,159,200
Child support enforcement operations.....		302,700

1	Family independence program.....	<u>174,400</u>
2	TOTAL.....	\$ 157,028,900

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

6       Sec. 203. As used in this bill:

- 7       (a) "AFC" means adult foster care.
- 8       (b) "CFSR" means child and family services review.
- 9       (c) "CRI" means children's rights initiative.
- 10      (d) "DCH" means the department of community health.
- 11      (e) "Department" means the department of human services.
- 12      (f) "Director" means the director of the department of human  
13 services.
- 14      (g) "DMB" means the department of management and budget.
- 15      (h) "ECIC" means early childhood investment corporation.
- 16      (i) "FMAP" means federal medical assistance percentage.
- 17      (j) "FTE" means full-time equated.
- 18      (k) "IDG" means interdepartmental grant.
- 19      (l) "JET" means jobs, education and training program.
- 20      (m) "RSDI" means retirement survivors disability insurance.
- 21      (n) "SSI" means supplemental security income.
- 22      (o) "Temporary assistance for needy families" or "TANF" or  
23 "title IV-A" means part A of title IV of the social security act,  
24 42 USC 601 to 604, 605 to 608, and 609 to 619.
- 25      (p) "Title IV-D" means part D of title IV of the social  
26 security act, 42 USC 651 to 655 and 656 to 669b.
- 27      (q) "Title IV-E" means part E of title IV of the social

1 security act, 42 USC 670 to 673, 673b to 679, and 679b.

2 (r) "VA" means veterans affairs.

3 Sec. 204. The civil service commission shall bill the  
4 department at the end of the first fiscal quarter for the charges  
5 authorized by section 5 of article XI of the state constitution of  
6 1963. Payments shall be made for the total amount of the billing by  
7 the end of the second fiscal quarter.

8 Sec. 208. Unless otherwise specified, the department shall use  
9 the Internet to fulfill the reporting requirements of this bill.  
10 This shall include transmission of reports via electronic mail,  
11 including a link to the Internet site, to the recipients identified  
12 for each reporting requirement, or it may include placement of  
13 reports on the Internet or Intranet site.

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

24 Sec. 210. The director shall take all reasonable steps to  
25 ensure businesses in deprived and depressed communities compete for  
26 and perform contracts to provide services or supplies, or both. The  
27 director shall strongly encourage firms with which the department

1 contracts to subcontract with certified businesses in depressed and  
2 deprived communities for services, supplies, or both.

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

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

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

25       Sec. 213. (1) The department may retain all of the state's  
26 share of food assistance overissuance collections as an offset to  
27 general fund/general purpose costs. Retained collections shall be

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

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

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

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

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

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

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

21 Sec. 215. If a legislative objective of this article or the  
22 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be  
23 implemented without loss of federal financial participation because  
24 implementation would conflict with or violate federal regulations,  
25 the department shall notify the state budget director, the house  
26 and senate appropriations committees, and the house and senate  
27 fiscal agencies and policy offices of that fact.

1       Sec. 217. (1) Due to the current budgetary problems in this  
2 state, out-of-state travel shall be limited to situations in which  
3 1 or more of the following conditions apply:

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

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

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

12       (d) The travel is necessary to comply with federal  
13 requirements.

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

16       (f) The travel is financed entirely by federal or nonstate  
17 funds.

18       (g) The travel is necessary as part of the training of  
19 department workers or the staff of private providers through the  
20 child welfare institute.

21       (2) Not later than January 1 of each year, each department  
22 shall prepare a travel report listing all travel by classified and  
23 unclassified employees outside this state in the immediately  
24 preceding fiscal year that was funded in whole or in part with  
25 funds appropriated in the department's budget. The report shall be  
26 submitted to the chairs and members of the house and senate  
27 appropriations committees, the fiscal agencies, and the state



1 budget director. The report shall include the following  
2 information:

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

5 (b) The destination of each travel occurrence.

6 (c) The dates of each travel occurrence.

7 (d) A brief statement of the reason for each travel  
8 occurrence.

9 (e) The transportation and related costs of each travel  
10 occurrence, including the proportion funded with state general  
11 fund/general purpose revenues, the proportion funded with state  
12 restricted revenues, the proportion funded with federal revenues,  
13 and the proportion funded with other revenues.

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

16 Sec. 218. The department shall prepare an annual report on  
17 the TANF federal block grant. The report shall include projected  
18 expenditures for the current fiscal year, an accounting of any  
19 previous year funds carried forward, and a summary of all  
20 interdepartmental or interagency agreements relating to the use of  
21 TANF funds. The report shall be forwarded to the state budget  
22 director and the house and senate appropriations subcommittees on  
23 the department budget and the house and senate fiscal agencies and  
24 policy offices within 10 days after presentation of the executive  
25 budget.

26 Sec. 221. If the revenue collected by the department from  
27 private and local sources exceeds the amount spent from amounts

1 appropriated in part 1, the revenue may be carried forward, with  
2 approval from the state budget director, into the subsequent fiscal  
3 year.

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

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

26       Sec. 279. All contracts relating to human services entered  
27 into or renewed by the department on or after October 1 of the

1 current fiscal year shall be performance-based contracts that  
2 employ a client-centered results-oriented process that is based on  
3 measurable performance indicators and desired outcomes and includes  
4 the annual assessment of the quality of services provided.

5 Sec. 280. The department shall submit a report to the house  
6 and senate appropriations subcommittees for the department budget,  
7 the house and senate fiscal agencies, the house and senate policy  
8 offices, and the state budget director by February 1 of the current  
9 fiscal year on the status of the department's information  
10 technology improvement initiative "Bridges" integration project.  
11 The report shall include details on the following:

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

14 (b) The amounts of appropriations carried forward as work  
15 projects from previous fiscal years for information technology  
16 projects.

17 (c) A listing of the projects and activities undertaken during  
18 the previous fiscal year and during the first quarter of the  
19 current fiscal year.

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

22 Sec. 284. (1) In addition to the funds appropriated in part 1,  
23 there is appropriated an amount not to exceed \$200,000,000.00 for  
24 federal contingency funds. These funds are not available for  
25 expenditure until they have been transferred to another line item  
26 in this bill under section 393(2) of the management and budget act,  
27 1984 PA 431, MCL 18.1393.

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

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

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

19           Sec. 287. The department shall work collaboratively with the  
20 child death review board and court system to improve communication  
21 and coordination between entities on the review and examination of  
22 child death in Michigan.

### 23   EXECUTIVE OPERATIONS

24           Sec. 307. (1) Of the money appropriated in part 1 for  
25 demonstration projects, \$200,000.00 shall be distributed as  
26 provided in subsection (2). The amount distributed under this

1 subsection shall not exceed 50% of the total operating expenses of  
2 the program described in subsection (2), with the remaining 50%  
3 paid by local United Way organizations and other nonprofit  
4 organizations and foundations.

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

13 (3) Michigan 2-1-1 shall report annually to the department and  
14 the house and senate standing committees with primary jurisdiction  
15 over matters relating to human services and telecommunications on  
16 2-1-1 system performance, including, but not limited to, call  
17 volume by community health and human service needs and unmet needs  
18 identified through caller data and customer satisfaction metrics.

19 Sec. 309. The department shall assess fees in the licensing and  
20 regulation of child care organizations as defined in 1973 PA 116, MCL  
21 722.111 to 722.128, and adult foster care facilities as defined in the  
22 adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to  
23 400.737. Fees collected by the department shall be used exclusively  
24 for the purpose of licensing and regulating child care organizations  
25 and adult foster care facilities.

26 Sec. 310. The department shall furnish the clerk of the house,  
27 the secretary of the senate, the senate and house fiscal agencies and

1 policy offices, the state budget office, and all members of the house  
2 and senate appropriations committees with a summary of any evaluation  
3 reports and subsequent approvals or disapprovals of juvenile  
4 residential facilities operated by the department, as required by  
5 section 6 of 1973 PA 116, MCL 722.116. If no evaluations are conducted  
6 during the fiscal year, the department shall notify the fiscal  
7 agencies and all members of the appropriate subcommittees of the house  
8 and senate appropriations committees.

9 **ADULT AND FAMILY SERVICES**

10 Sec. 418. From the funds appropriated in part 1 for employment  
11 and training support services, the department may expand the  
12 availability of individual development accounts (IDAs) with  
13 \$200,000.00 for allocation to qualified IDA programs established  
14 through the Michigan IDA partnership to serve TANF-eligible  
15 households in Michigan. The Michigan IDA partnership shall  
16 encourage each TANF-eligible household served to claim the federal  
17 and state earned income tax credit (EITC) and to incorporate all or  
18 part of any tax credit received in the household's IDA savings  
19 plan, and shall provide the household with information concerning  
20 available free tax assistance resources. In addition, the Michigan  
21 IDA partnership and its program sites shall participate in  
22 community EITC coalitions established under the plan to increase  
23 the EITC participation of TANF families referenced in section 666.  
24 The same amount shall be appropriated annually to further expand  
25 IDA opportunities to low-income families to become more financially  
26 self-sufficient through financial education, saving, wise

1 investment in home ownership, postsecondary education, small  
2 business development, or a combination of those programs.

### 3 CHILDREN'S SERVICES

4 Sec. 501. The following goal is established by state law.  
5 During the current fiscal year ending September 30 not more than  
6 3,000 children supervised by the department shall remain in foster  
7 care longer than 24 months. The department shall give priority to  
8 reducing the number of children under 1 year of age in foster care.  
9 During the annual budget presentation, the department shall report  
10 on the number of children supervised by the department and by  
11 private agencies who remain in foster care between 12 and 24  
12 months, and those who remain in foster care longer than 24 months.

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

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

21 (a) Has not yet graduated from high school or passed a high  
22 school equivalency examination.

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

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

25 (d) Is not eligible for federal supplemental security income  
26 (SSI) payments.

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

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

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

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

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



1 reuniting of the family or the court denies the petition, if either  
2 of the following would result:

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

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

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

14 Sec. 510. The department shall not be required to put up for  
15 bids a contract with a service provider if the service provider is  
16 currently the only provider in the service area.

17 Sec. 513. (1) The department and representatives of private,  
18 licensed child caring institutions shall collaborate in  
19 establishing an out-of-state child placement task force to make  
20 recommendations on the out-of-state placement of children.  
21 Representation on the task force shall be equally divided between  
22 the department and private, licensed child caring institutions.

23 (2) The department shall not expend money appropriated in part  
24 1 to pay for the direct placement by the department of a child in  
25 an out-of-state facility unless there is documentation that based  
26 on special needs of the child there is no appropriate in state  
27 facility available or all of the following conditions are met:

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

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

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

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

12          (3) The child placement task force shall work with the  
13 department to establish a reporting process by which counties and  
14 courts may report negative experiences with out-of-state  
15 facilities, and whether they would or would not recommend placement  
16 of youth in those facilities.

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

24          Sec. 514. The department shall make a comprehensive report  
25 concerning children's protective services (CPS) to the legislature,  
26 including the senate and house policy offices and the state budget  
27 director, by January 1, 2009, that shall include all of the

1 following:

2 (a) Statistical information including, at a minimum, all of  
3 the following:

4 (i) The total number of reports of abuse or neglect  
5 investigated under the child protection law, 1975 PA 238, MCL  
6 722.621 to 722.638, and the number of cases classified under  
7 category I or category II and the number of cases classified under  
8 category III, category IV, or category V.

9 (ii) Characteristics of perpetrators of abuse or neglect and  
10 the child victims, such as age, relationship, race, and ethnicity  
11 and whether the perpetrator exposed the child victim to drug  
12 activity, including the manufacture of illicit drugs, that exposed  
13 the child victim to substance abuse, a drug house, or  
14 methamphetamine.

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

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

23 (c) The information contained in the report required under  
24 section 8d(5) of the child protection law, 1975 PA 238, MCL  
25 722.628d, on cases classified under category III.

26 (d) The department policy, or changes to the department  
27 policy, regarding termination of parental rights or foster

1 placement for children who have been exposed to the production of  
2 illicit drugs in their dwelling place or a place frequented by the  
3 children.

4 (e) The department policy, or changes to the department  
5 policy, regarding children who have been exposed to the production  
6 or manufacture of methamphetamines.

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

20 Sec. 532. The department shall develop a plan to license  
21 relatives of foster children as foster care providers to ensure  
22 consistent high standards of care for those foster children. The  
23 department shall report on the plan to the senate and house  
24 appropriations subcommittees with oversight over the department  
25 budget, the senate and house standing policy committees generally  
26 concerned with children's issues, the senate and house fiscal  
27 agencies and policy offices, and the state budget director as part

1 of the quarterly reports required by section 582.

2       Sec. 537. The department, in collaboration with child placing  
3 agencies, shall develop a strategy to implement section 115o of the  
4 social welfare act, 1939 PA 280, MCL 400.115o. The strategy shall  
5 include a requirement that a department caseworker responsible for  
6 preparing a recommendation to a court concerning a juvenile  
7 placement shall provide, as part of the recommendation, information  
8 regarding the requirements of section 115o of the social welfare  
9 act, 1939 PA 280, MCL 400.115o.

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

18       Sec. 559. If a conflict arises between the provisions of state  
19 law, department rules, or department policy, and the provisions of  
20 title IV-E, the provisions of title IV-E prevail.

21       Sec. 570. (1) From the money appropriated in part 1 for the  
22 subsidized guardianship program, the department shall provide  
23 subsidies under this program to children who are wards of the court  
24 under section 2(b) of chapter XIIIA of the probate code of 1939,  
25 1939 PA 288, MCL 712A.2.

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

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

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

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

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

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

4           Sec. 582. The department shall submit quarterly reports to the  
5 senate and house appropriations subcommittees on the department  
6 budget, the senate and house standing committees on human services,  
7 the senate and house fiscal agencies, and the state budget director  
8 on their progress on implementing provisions of the Dwayne B. et al  
9 vs. Granholm et al lawsuit settlement.

10          Sec. 585. The department shall allow private nationally  
11 accredited foster care and adoption agencies to conduct their own  
12 staff training, based on current department policies and  
13 procedures, provided that the agency trainer and training materials  
14 are accredited by the department, and that the agency documents to  
15 the department that the training was provided. The department shall  
16 provide access to any training materials requested by the private  
17 agencies to facilitate this training.

#### 18   PUBLIC ASSISTANCE

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

1 contradicted by the recipient and the local housing authority. The  
2 department shall terminate vendor payments if a taxing authority  
3 notifies the department that taxes are delinquent.

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

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

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

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

27 (3) The department shall review and adjust the standard



1 utility allowance for the state food assistance program to ensure  
2 that it reflects current energy costs in the state.

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

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

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

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

19 (d) A person receiving 30-day postresidential substance abuse  
20 treatment.

21 (e) A person diagnosed as having acquired immunodeficiency  
22 syndrome.

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

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

27 (2) Applicants for and recipients of the state disability

1 assistance program shall be considered needy if they:

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

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

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

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

27 Sec. 605. The level of reimbursement provided to state

1 disability assistance recipients in licensed adult foster care  
2 facilities shall be the same as the prevailing supplemental  
3 security income rate under the personal care category.

4 Sec. 606. County department offices shall require each  
5 recipient of family independence program and state disability  
6 assistance who has applied with the social security administration  
7 for supplemental security income to sign a contract to repay any  
8 assistance rendered through the family independence program or  
9 state disability assistance program upon receipt of retroactive  
10 supplemental security income benefits.

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

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

1 supplementation level.

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

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

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

14       Sec. 613. From the money appropriated in part 1 for indigent  
15 burial, the maximum allowable reimbursement limit for indigent  
16 burials shall be \$700.00, which shall be distributed as follows:  
17 \$455.00 for funeral directors, \$145.00 for cemeteries or  
18 crematoriums, and \$100.00 for the provider of the vault.

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

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

1 banks, emergency shelter providers, or other human services  
2 agencies who may, as a normal part of doing business, provide food  
3 or emergency shelter.

4 Sec. 617. In operating the family independence program with  
5 funds appropriated in part 1, the department shall not approve as a  
6 minor parent's adult supervised household a living arrangement in  
7 which the minor parent lives with his or her partner as the  
8 supervising adult.

9 Sec. 618. The department may only reduce, terminate, or  
10 suspend assistance provided under the social welfare act, 1939 PA  
11 280, MCL 400.1 to 400.119b, without prior notice in 1 or more of  
12 the following situations:

13 (a) The only eligible recipient has died.

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

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

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

20 (e) A recipient has been approved to receive assistance in  
21 another state.

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

24 (g) The only eligible recipient in the household has been  
25 incarcerated.

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

27 (i) A recipient is closed on 1 case to be activated on

1 another.

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

4 (k) A recipient is disqualified for intentional program  
5 violation.

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

8 Sec. 619. The department shall exempt from the denial of title  
9 IV-A assistance and food assistance benefits, contained in 21 USC  
10 862a, any individual who has been convicted of a felony that  
11 included the possession, use, or distribution of a controlled  
12 substance, after August 22, 1996, provided that the individual is  
13 not in violation of his or her probation or parole requirements.  
14 Benefits shall be provided to such individuals as follows:

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

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

19 Sec. 620. The department with the approval of the state budget  
20 director is authorized to increase federal spending authority for  
21 food assistance program benefits if projected caseload spending  
22 will exceed the spending authority in part 1. This authorization  
23 adjustment shall be made 15 days after notifying the chairs of the  
24 house and senate appropriations subcommittees on the department  
25 budget and house and senate fiscal agencies.

26 Sec. 627. From the funds appropriated in part 1 for the ECIC,  
27 the department shall contract for the creation and support of great

1 start communities. Great start collaborative grants will be  
2 awarded by competitive bid process to eligible intermediate  
3 districts in an amount to be determined by the ECIC. The ECIC shall  
4 provide technical assistance to great start communities through  
5 intermediate school districts or other community agencies for the  
6 implementation of their great start community needs assessment and  
7 strategic plan.

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

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

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

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

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

1 child day care payments.

2       Sec. 640. (1) From the funds appropriated in part 1 for day  
3 care services, the department may continue to provide infant and  
4 toddler incentive payments to child day care providers serving  
5 children from 0 to 2-1/2 years of age who meet licensing or  
6 training requirements.

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

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

24       Sec. 645. An individual or family is considered homeless, for  
25 purposes of eligibility for state emergency relief, if living  
26 temporarily with others in order to escape domestic violence. For  
27 purposes of this section, domestic violence is defined and verified



1 in the same manner as in the department's policies on good cause  
2 for not cooperating with child support and paternity requirements.

3 Sec. 653. From the funds appropriated in part 1 for food  
4 assistance, an individual who is the victim of domestic violence  
5 and does not qualify for any other exemption may be exempt from the  
6 3-month in 36-month limit on receiving food assistance under 7 USC  
7 2015. This exemption can be extended an additional 3 months upon  
8 demonstration of continuing need.

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

18 Sec. 665. The department shall partner with the department of  
19 transportation and may partner with other entities to use TANF and  
20 other sources of available funding to support public transportation  
21 needs of TANF-eligible individuals. This partnership shall place a  
22 priority on transportation needs for employment or seeking  
23 employment or medical or health-related transportation.

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

27 Sec. 669. (1) The department shall distribute cash and food

1 assistance to recipients electronically by using debit or  
2 purchasing cards.

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

6 (3) The department shall take steps to inform family  
7 independence program recipients eligible for the allowance under  
8 subsection (2) that the money is to be used for clothing for  
9 eligible children.

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

14 Sec. 674. (1) Part of legislative budget hearings, the  
15 department shall report to the senate and house appropriations  
16 subcommittees for the department budget, the senate and house  
17 fiscal agencies and policy offices, and the state budget director  
18 on the status of its plan to reduce waste, fraud and abuse in day  
19 care.

20 (2) The department shall develop internal processes to  
21 increase the accuracy of payments made through the child care  
22 program. This improvement in payment accuracy may be achieved  
23 through changes in information technology or through increased  
24 management and oversight of the child care program.

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

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

18 (b) The grant recipients.

19 (c) The activities funded by each grant.

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

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

25 Sec. 683. (1) From the funds appropriated in part 1 for SSI  
26 advocacy, \$1,275,000.00 shall be paid to the Michigan state bar  
27 foundation for SSI advocacy services provided by the legal services

1 association of Michigan. A payment of \$400.00 shall be made for  
2 each case referred to the legal services association of Michigan,  
3 with a final payment of \$250.00 on case completion.

4 (2) The department shall not provide payment to the legal  
5 services association of Michigan for assisting a recipient to  
6 submit a frivolous appeal or application or for assisting a  
7 recipient who has submitted multiple applications that have been  
8 denied regarding the same disability, unless the legal services  
9 association of Michigan determines that there is a valid reason to  
10 pursue an appeal.

11 Sec. 685. (1) Not later than March 1 of the current fiscal  
12 year, the department shall report to the senate and house  
13 appropriations subcommittees with jurisdiction over the department  
14 budget, and to the senate and house appropriations subcommittees  
15 with jurisdiction over the department of community health budget,  
16 on the number of recipients that applied for Medicaid coverage, the  
17 number of recipients that were approved for Medicaid coverage, and  
18 the number of recipients that were denied Medicaid coverage. The  
19 report shall describe these statistics for the previous fiscal year  
20 and summarize department programs to assist persons in applying for  
21 Medicaid.

22 (2) Not later than March 1 of the current fiscal year, the  
23 department shall report to the senate and house appropriations  
24 subcommittees with jurisdiction over the department budget, and to  
25 the senate and house subcommittees with jurisdiction over the  
26 department of community health budget, on the number of applicants  
27 for home help services. The department shall give a summary report

1 on the number of approved applications, denied applications,  
2 pending applications, and the number of applications in which the  
3 applicant was eligible for nursing home services.

#### 4 **JUVENILE JUSTICE SERVICES**

5 Sec. 705. (1) The department, in conjunction with private  
6 juvenile justice residential programs, shall develop a methodology  
7 for measuring goals, objectives, and performance standards for the  
8 delivery of juvenile justice residential programs based on national  
9 standards and best practices. These goals, objectives, and  
10 performance standards shall apply to both public and private  
11 delivery of juvenile justice residential programs, and data shall  
12 be collected from both private and public juvenile justice  
13 residential programs that can be used to evaluate performance  
14 achievements, including, but not limited to, the following:

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

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

19 (c) Program outcomes including recidivism rates for youth  
20 served by the facility.

21 (d) Trends in census and population demographics.

22 (e) Staff and resident safety.

23 (f) Facility profile.

24 (g) Fiscal information necessary for qualitative understanding  
25 of program operations and comparative costs of public and private  
26 facilities.

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

5 The presentation shall include all of the following:

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

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

10           (c) An analysis of the variance between the estimated cost and  
11 days of care assumed in the original appropriation and the figures  
12 in subdivisions (a) and (b).

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

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

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

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

7       Sec. 719. The department shall notify the legislature at least  
8 30 days before closing or making any change in the status,  
9 including the licensed bed capacity and operating bed capacity, of  
10 a state juvenile justice facility.

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

#### 15   LOCAL OFFICE SERVICES

16       Sec. 750. The department shall maintain out-stationed  
17 eligibility specialists in community-based organizations, nursing  
18 homes and hospitals.

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

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

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

26       (c) Notwithstanding subdivision (b), the center shall provide

1 information regarding crisis pregnancy centers or adoption service  
2 providers in the area.

3 (2) The department shall notify the senate and house  
4 subcommittees on the department budget, the senate and house fiscal  
5 agencies and policy offices, and the state budget office of family  
6 resource center expansion efforts and shall provide all of the  
7 following at the beginning of the selection process or no later  
8 than 5 days after eligible schools receive opportunity  
9 notification:

10 (a) A list of eligible schools.

11 (b) The selection criteria to be used.

12 (c) The projected number to be opened.

13 (d) The financial implications for expansion, including  
14 funding sources.

#### 15 **DISABILITY DETERMINATION SERVICES**

16 Sec. 801. The department disability determination services in  
17 agreement with the department of management and budget office of  
18 retirement systems will develop the medical information and make  
19 recommendations for medical disability retirement for state  
20 employees, state police, judges, and schoolteachers.

#### 21 **CHILD SUPPORT ENFORCEMENT**

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

24 (2) From the federal money received for child support  
25 incentive payments, \$12,000,000.00 shall be retained by the state



1 and expended for child support program expenses.

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

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

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

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

19 (7) From the state funds appropriated in part 1 for child  
20 support enforcement, not less than \$9,570,000.00 shall be paid to  
21 counties for use as the local/state match for federal title IV-D  
22 services provided by the friend of the court and prosecuting  
23 attorney. The money is to be used to offset the net effect of the  
24 federal deficit reduction act that prohibits the use of federal  
25 performance incentive funds paid to the state as local/state match  
26 funds.

27 Sec. 909. (1) If statewide retained child support collections

1 exceed \$38,300,000.00, 75% of the amount in excess of  
2 \$38,300,000.00 is appropriated to legal support contracts. This  
3 excess appropriation may be distributed to eligible counties to  
4 supplement and not supplant county title IV-D funding.

5 (2) Each county whose retained child support collections in  
6 the current fiscal year exceed its fiscal year 2004-2005 retained  
7 child support collections, excluding tax offset and financial  
8 institution data match collections in both the current year and  
9 fiscal year 2004-2005, shall receive their proportional share of  
10 the 75% excess.

11 (3) Payments to counties participating in projects pursuant to  
12 section 902 shall be reduced by the amount paid to the vendor.  
13 This authorization adjustment shall be made upon notification of  
14 the chairs of the house and senate appropriations subcommittees on  
15 the department budget, the house and senate fiscal agencies, and  
16 the state budget director.

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

26 Sec. 911. The department will implement a \$25.00 annual fee  
27 pursuant to title IV-D, 42 USC 654(6)(B). The fee shall be deducted

1 from support collected on behalf of the individual. Fee revenues  
2 shall be used to administer and operate the child support program  
3 under title IV-D.

4 **COMMUNITY ACTION AND ECONOMIC OPPORTUNITY**

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

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

19 Sec. 1103. The appropriation in part 1 for the weatherization  
20 program shall be expended so that at least 25% of the households  
21 weatherized under the program shall be households of families  
22 receiving 1 or more of the following:

- 23 (a) Family independence program assistance.
- 24 (b) State disability assistance.
- 25 (c) Food assistance.
- 26 (d) Supplemental security income.

1       Sec. 1104. (1) Of the funds appropriated in part 1 for  
2   community services block grants, \$2,350,000.00 represents TANF  
3   funding earmarked for community action agencies.

4       (2) In addition to the money referred to in subsection (1),  
5   the department shall award up to \$500,000.00 to community action  
6   agencies for education and outreach with the earned income tax  
7   credit (EITC). Emphasis shall be on clients who have never filed  
8   for the EITC, clients with children, and clients for whom receipt  
9   of the EITC will make it easier for them to move off public  
10   assistance.