

Act No. 129
Public Acts of 2009
Approved by the Governor*
October 29, 2009
Filed with the Secretary of State
October 30, 2009
EFFECTIVE DATE: October 30, 2009

Page 1 of 2

*Item Vetoes

Sec. 105. ADULT AND FAMILY SERVICES

Marriage initiative	\$ 2,103,700 (Page 3)
Fatherhood initiative	1,466,200

Sec. 106. CHILDREN'S SERVICES

Teenage parent counseling—2.3 FTE positions	\$ 3,000,000 (Page 3)
Family group decision-making.....	2,300,000
Communities in schools	200,000
Child care fund in-home care incentive program	3,750,000

Sec. 112. PUBLIC ASSISTANCE

Day care services grants and contracts	\$ 3,275,000 (Page 6)
--	-----------------------

Sec. 114. FEDERAL ARRA STIMULUS

Food bank funding (ARRA).....	\$ 100 (Page 6)
Elder law of Michigan food for the elderly (ARRA).....	100
Eligibility specialists (ARRA)	100
Day care services (ARRA).....	100

Sec. 286.

Entire Section. (Page 13)

Sec. 288.

Entire Section. (Page 13)

Sec. 295.

Entire Section. (Pages 13-14)

Sec. 299.

Entire Section. (Page 14)

Sec. 312.

Entire Section. (Page 15)

Sec. 415.

Entire Section. (Page 15)

Sec. 416.

Entire Section. (Pages 15-16)

Sec. 423. (3)

Entire Subsection. (Page 16)

Sec. 523. (2)

The words: "teenage parent counseling." (Page 19)

*Item Vetoes

Sec. 523. (3)

Entire Subsection. (Page 19)

Sec. 573.

Entire Section. (Page 22)

Sec. 581.

Entire Section. (Page 23)

Sec. 587.

Entire Section. (Page 24)

Sec. 613. (2)

Entire Subsection. (Page 26)

Sec. 657.

Entire Section. (Page 27)

Sec. 676.

Entire Section. (Page 29)

Sec. 754.

Entire Section. (Page 33)

Sec. 908.

Entire Section. (Page 34)

Sec. 1104.

Entire Section. (Page 35)

Sec. 1201.

Entire Section. (Page 35)

Sec. 1202.

Entire Section. (Page 35)

Sec. 1203.

Entire Section. (Page 35)

Sec. 1204.

Entire Section. (Page 35)

**STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2009**

Introduced by Senator Hardiman

ENROLLED 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:

PART 1

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.....	10,905.8	
Unclassified positions.....	6.0	
Total full-time equated positions.....	10,911.8	
GROSS APPROPRIATION		\$ 5,941,404,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		2,426,600
ADJUSTED GROSS APPROPRIATION		\$ 5,938,978,100
Federal revenues:		
Federal - FMAP stimulus		17,314,900
Federal - Food assistance administration (ARRA).....		5,642,900
Total federal revenues		4,951,052,800
Special revenue funds:		
Total private revenues		10,184,700
Total local revenues.....		37,498,800
Total other state restricted revenues		57,015,400
State general fund/general purpose		\$ 860,268,600

Sec. 102. EXECUTIVE OPERATIONS

Total full-time equated positions.....	621.7	
Full-time equated unclassified positions	6.0	
Full-time equated classified positions.....	615.7	
Unclassified salaries—6.0 FTE positions	\$	647,900
Salaries and wages—244.7 FTE positions		15,480,600
Contractual services, supplies, and materials		5,697,700
Demonstration projects—9.0 FTE positions		9,424,100
Inspector general salaries and wages—99.0 FTE positions		5,868,000
Electronic benefit transfer EBT.....		6,491,500
Michigan community service commission—15.0 FTE positions.....		9,101,600
AFC, children's welfare and day care licensure—222.0 FTE positions.....		23,562,600
State office of administrative hearings and rules		5,559,300
Bridges support staff —26.0 FTE positions		2,499,600
GROSS APPROPRIATION	\$	84,332,900
Appropriated from:		
Federal revenues:		
Total federal revenues		57,927,400
Special revenue funds:		
Total private revenues		3,199,600
Total local revenues.....		175,000
Licensing fees.....		516,300
Health systems fees and collections.....		216,100
Total other state restricted revenue		25,000
State general fund/general purpose	\$	22,273,500

Sec. 103. CHILD SUPPORT ENFORCEMENT

Full-time equated classified positions.....	198.7	
Child support enforcement operations—192.7 FTE positions.....	\$	23,322,700
Legal support contracts.....		138,753,600
Child support incentive payments.....		32,409,600
State disbursement unit—6.0 FTE positions		17,520,900
GROSS APPROPRIATION	\$	212,006,800
Appropriated from:		
Federal revenues:		
Total federal revenues		195,481,000
Special revenue funds:		
Total local revenues.....		340,000
Total other state restricted revenues		3,395,000
State general fund/general purpose	\$	12,790,800

Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY

Full-time equated classified positions.....	17.0	
Bureau of community action and economic opportunity—17.0 FTE positions	\$	1,971,600
Community services block grant		24,718,000
Weatherization assistance		18,418,700
GROSS APPROPRIATION	\$	45,108,300
Appropriated from:		
Federal revenues:		
Total federal revenues		45,108,300
Special revenue funds:		
State general fund/general purpose	\$	0

Sec. 105. ADULT AND FAMILY SERVICES

Full-time equated classified positions.....	40.7	
Executive direction and support—5.0 FTE positions.....	\$	520,300
Guardian contract		600,000

For Fiscal Year
Ending Sept. 30,
2010

Adult services policy and administration—6.0 FTE positions	\$	639,600
Office of program policy—29.7 FTE positions		4,833,900
Employment and training support services.....		14,735,000
Wage employment verification reporting.....		848,700
Urban and rural empowerment/enterprise zones.....		100
Nutrition education		30,000,000
Marriage initiative.....		2,103,700
Fatherhood initiative		1,466,200
Crisis prevention and elder law of Michigan food for the elderly project		200,000
GROSS APPROPRIATION	\$	55,947,500
Federal revenues:		
Total federal revenues		46,484,300
Special revenue funds:		
State general fund/general purpose	\$	9,463,200

Sec. 106. CHILDREN'S SERVICES

Full-time equated classified positions.....	187.3	
Salaries and wages—44.2 FTE positions	\$	2,916,400
Contractual services, supplies, and materials		936,300
Foster care payments		159,120,600
Foster care - children with serious emotional disturbance waiver		1,769,000
Adoption subsidies.....		230,947,000
Adoption support services—7.2 FTE positions		16,395,100
Youth in transition—2.0 FTE positions.....		18,053,300
Interstate compact		231,600
Children's benefit fund donations		21,000
Teenage parent counseling—2.3 FTE positions		3,000,000
Families first		18,450,700
Strong families/safe children—3.0 FTE positions		10,656,100
Child protection and permanency—37.5 FTE positions.....		18,847,100
Zero to three		3,843,800
Family group decision making		2,300,000
Family reunification program.....		3,977,100
Family preservation and prevention services administration—14.5 FTE positions.....		2,050,200
Children's trust fund administration—12.0 FTE positions.....		1,053,600
Children's trust fund grants		3,825,100
ECIC, early childhood investment corporation		14,623,000
Attorney general contract.....		3,374,300
Prosecuting attorney contracts.....		2,561,700
Child protection—5.0 FTE positions.....		813,100
Subsidized guardianship program		4,575,000
Domestic violence prevention and treatment—14.6 FTE positions.....		14,797,800
Rape prevention and services		2,600,000
Title IV-E compliance and accountability office—5.0 FTE positions.....		397,800
Child welfare institute—40.0 FTE positions		5,943,800
Communities in schools		200,000
Child care fund in-home care incentive program.....		3,750,000
GROSS APPROPRIATION	\$	552,030,500
Appropriated from:		
Interdepartmental grant revenues:		
IDG from DCH - crime victim's fund.....		1,300,000
ADJUSTED GROSS APPROPRIATION	\$	550,730,500
Federal revenues:		
Federal - FMAP stimulus		16,196,800
Total other federal revenues.....		360,857,100

Special revenue funds:	
Private - children's benefit fund donations	\$ 21,000
Private - collections	3,150,000
Local funds - county chargeback	9,975,800
Compulsive gambling prevention fund	1,040,000
Children's trust fund	3,822,700
State general fund/general purpose	\$ 155,667,100

Sec. 107. CHILDREN'S RIGHTS SETTLEMENT

Full-time equated classified positions	773.0	
Children's services administration—49.0 FTE positions.....		\$ 3,730,100
Children's services contractual services, supplies, and materials.....		30,600
Settlement monitor.....		1,625,800
Needs assessment.....		4,000,000
Child welfare field staff—718.0 FTE positions		37,522,600
Child welfare field staff contractual services, supplies, and materials.....		383,400
Foster care payments		35,222,100
Child care fund		7,421,700
Adoption subsidies.....		4,754,700
Adoption support services		15,359,900
Youth in transition.....		276,200
Travel		450,500
Payroll taxes and fringe benefits.....		23,267,400
Bureau of children and adult licensing—6.0 FTE positions		540,600
Information technology.....		2,704,200
Rent.....		1,558,400
GROSS APPROPRIATION		\$ <u>138,848,200</u>

Appropriated from:

Federal revenues:	
Total federal revenues	44,754,200
Special revenue funds:	
Local funds - county chargeback	4,708,700
State general fund/general purpose	\$ 89,385,300

Sec. 108. JUVENILE JUSTICE SERVICES

Full-time equated classified positions	248.5	
W.J. Maxey training school—107.0 FTE positions		\$ 13,447,100
Bay pines center—49.0 FTE positions		5,279,500
Nokomis challenge center		1,246,200
Shawono center—48.0 FTE positions		5,104,200
Community juvenile justice centers.....		687,000
Child care fund		209,450,300
Child care fund administration—5.8 FTE positions.....		791,400
County juvenile officers.....		3,894,700
Community support services—2.0 FTE positions		1,396,600
Juvenile justice, administration and maintenance—31.7 FTE positions		4,232,800
W.J. Maxey memorial fund.....		45,000
Juvenile accountability block grant—1.0 FTE position.....		1,300,400
Committee on juvenile justice administration—4.0 FTE positions.....		519,500
Committee on juvenile justice grants		5,000,000
GROSS APPROPRIATION	\$	<u>252,394,700</u>

Appropriated from:

Federal revenues:	
Total federal revenues	125,832,300
Special revenue funds:	
Total private revenues	45,000

		For Fiscal Year Ending Sept. 30, 2010
Local funds - state share education funds.....	\$	2,523,200
Local funds - county chargeback		11,111,500
State general fund/general purpose	\$	112,882,700

Sec. 109. LOCAL OFFICE STAFF AND OPERATIONS

Full-time equated classified positions.....	8,225.5	
Field staff, salaries and wages—8,004.7 FTE positions	\$	416,498,900
Contractual services, supplies, and materials		17,335,200
Medical/psychiatric evaluations.....		6,300,000
Donated funds positions—156.0 FTE positions		12,440,500
Training and program support—23.0 FTE positions		3,667,500
Food stamp reinvestment—31.8 FTE positions		2,500,000
Wayne County gifts and bequests		100,000
Volunteer services and reimbursement		1,294,900
SSI advocates—10.0 FTE positions		2,190,500
GROSS APPROPRIATION	\$	462,327,500

Appropriated from:

Federal revenues:

Federal - FMAP stimulus	697,300
Food assistance administration - ARRA.....	3,526,800
Total other federal revenues.....	297,338,800

Special revenue funds:

Local funds.....	6,372,500
Private funds - donated funds	739,400
Private funds - Wayne County gifts.....	100,000
Private funds - hospital contributions.....	2,929,700
Supplemental security income recoveries	702,000
State general fund/general purpose	\$ 149,921,000

Sec. 110. DISABILITY DETERMINATION SERVICES

Full-time equated classified positions.....	572.4	
Disability determination operations—546.9 FTE positions.....	\$	83,849,200
Medical consultation program—21.4 FTE positions		2,959,500
Retirement disability determination—4.1 FTE positions.....		835,000
GROSS APPROPRIATION	\$	87,643,700

Appropriated from:

Interdepartmental grant revenues:

IDG from DMB - office of retirement systems.....	1,126,600
ADJUSTED GROSS APPROPRIATION	\$ 86,517,100

Appropriated from:

Federal revenues:

Total federal revenues	83,801,200
------------------------------	------------

Special revenue funds:

State general fund/general purpose	\$ 2,715,900
--	--------------

Sec. 111. CENTRAL SUPPORT ACCOUNTS

Rent.....	\$	37,013,400
Occupancy charge		9,180,700
Travel		5,630,500
Equipment.....		227,300
Worker's compensation		3,190,200
Advisory commissions.....		17,900
Payroll taxes and fringe benefits.....		267,558,500
GROSS APPROPRIATION	\$	322,818,500

Appropriated from:

Federal revenues:

Federal - FMAP stimulus	420,800
-------------------------------	---------

		For Fiscal Year Ending Sept. 30, 2010
Food assistance administration (ARRA).....	\$	2,116,100
Total other federal revenues.....		212,126,500
Special revenue funds:		
Local funds - county chargeback		2,292,100
State general fund/general purpose	\$	105,863,000

Sec. 112. PUBLIC ASSISTANCE

Full-time equated classified positions.....	27.0	
Family independence program.....	\$	379,058,900
Family independence program supplement.....		5,583,500
State disability assistance payments		35,952,000
Food assistance program benefits		2,353,393,000
Food assistance program benefits (ARRA).....		343,414,000
State supplementation		59,843,500
State supplementation administration.....		2,477,100
Low-income home energy assistance program		116,451,600
Food bank funding.....		1,345,000
Homeless programs.....		11,646,700
Multicultural integration funding		1,815,500
Indigent burial.....		4,709,300
Emergency services local office allocations		21,615,500
Regulated day care services.....		127,184,700
Unregulated day care services.....		111,570,400
Day care services grants and contracts.....		3,275,000
Day care training, technology, and oversight—20.0 FTE positions.....		2,478,200
Refugee assistance program—7.0 FTE positions.....		17,717,500
GROSS APPROPRIATION	\$	3,599,531,400
Appropriated from:		
Federal revenues:		
Federal supplemental nutrition assistance revenues (ARRA)		343,414,000
Child care and development block grant (ARRA)		21,076,500
Total federal revenues		3,019,990,600
Special revenue funds:		
Child support collections		29,531,700
Supplemental security income recoveries		14,156,600
Public assistance recoupment revenue		3,610,000
State general fund/general purpose	\$	167,752,000

Sec. 113. INFORMATION TECHNOLOGY

Information technology services and projects.....	\$	81,783,300
Child support automation.....		46,631,000
GROSS APPROPRIATION	\$	128,414,300
Appropriated from:		
Federal revenues:		
Total federal revenues		96,860,200
Special revenue funds:		
State general fund/general purpose	\$	31,554,100

Sec. 114. FEDERAL ARRA STIMULUS

Food bank funding (ARRA)	\$	100
Elder law of Michigan food for the elderly (ARRA).....		100
Eligibility specialists (ARRA).....		100
Day care services (ARRA)		100
GROSS APPROPRIATION	\$	400
Appropriated from:		
Federal revenues:		
Federal supplemental nutrition assistance revenues (ARRA)		300
Child care and development fund (ARRA).....		100
State general fund/general purpose	\$	0

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 \$917,284,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is \$98,688,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HUMAN SERVICES

Child care fund	\$	92,880,400
County juvenile officers.....		3,648,400
State disability assistance payments	\$	2,159,200
TOTAL.....	\$	98,688,000

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) "Children's rights settlement agreement" means the settlement agreement entered in the case of Dwayne B. vs. Granholm, docket No. 2:06-cv-13548 in the United States district court for the eastern district of Michigan.
- (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.
- (h) "DMB" means the department of management and budget.
- (i) "ECIC" means early childhood investment corporation.
- (j) "FMAP" means federal medical assistance percentage.
- (k) "FTE" means full-time equated.
- (l) "IDG" means interdepartmental grant.
- (m) "JET" means jobs, education, and training program.
- (n) "Previous fiscal year" means fiscal year ending September 30, 2009.
- (o) "RSDI" means retirement survivors disability insurance.
- (p) "SSI" means supplemental security income.
- (q) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of title IV of the social security act, 42 USC 601 to 604, 605 to 608, and 609 to 619.
- (r) "Title IV-D" means part D of title IV of the social security act, 42 USC 651 to 655 and 656 to 669b.
- (s) "Title IV-E" means part E of title IV of the social security act, 42 USC 670 to 673, 673b to 679, and 679b.
- (t) "VA" means veterans affairs.

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

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

(2) The state budget director may grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will render a state department or agency unable to deliver basic services, will cause loss of revenue to the state, will result in the inability of the state to receive federal funds, or will necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of

the senate and house standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 216. The department, in collaboration with the state budget office, shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on or before March 1 of the current fiscal year a report on appropriated and supportable FTE positions within the executive budget proposal for the fiscal year beginning October 1, 2010. The report shall contain all of the following information for each individual line item contained in the executive budget proposal for the department budget:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

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

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

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

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

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

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

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

(3) As used in this section:

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

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

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

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

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

Sec. 227. The department, with the approval of the state budget director, is authorized to realign sources of financing authorizations in order to maximize temporary assistance for needy families' maintenance of effort countable expenditures.

This realignment of financing shall not be made until 15 days after notifying the chairs of the house and senate appropriations subcommittees on the department budget and house and senate fiscal agencies, and shall not produce an increase or decrease in any line-item expenditure authorization.

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

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

Sec. 270. (1) The department shall continue to implement a plan to provide client-centered results-oriented foster care programs.

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

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

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

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

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

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

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

(d) Timeliness of adoptions. No fewer than 36.6% of children in care for 30 days or more shall be discharged from foster care to a finalized adoption within 24 months after removal.

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

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

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

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

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

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

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

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

Sec. 273. (1) On the first day of each month, the department shall report to the senate and house standing committees with primary jurisdiction over matters relating to human services and the senate and house appropriations subcommittees

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

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

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

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

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

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

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

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

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

- (a) Technology programs that help maintain an effective and efficient computer system for caseworkers.
- (b) Additional staff to reduce caseload-to-worker ratios.

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

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

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

- (a) The amounts expended during the previous fiscal year and the first quarter of the current fiscal year by project.
- (b) The amounts of appropriations carried forward as work projects from previous fiscal years for information technology projects.

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

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

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

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

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

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

Sec. 286. The department shall contract with a private company to conduct a study of ways to streamline the department's procurement procedures for durable goods and services. A report and recommendations for streamlining the department's procurement procedures shall be prepared by the private contractor and submitted to the house and senate appropriations committees and the house and senate fiscal agencies by November 30 of the current fiscal year.

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

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

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

Sec. 290. The appropriations in part 1 reflect a reduction in staffing levels of 65 FTE positions from previous fiscal year levels. The legislature intends that the reduction be accomplished by the following staff reductions under each of the following line items:

(a) Under executive operations salaries and wages:

(i) Office of communications, 10 positions.

(ii) Office of contracts and rate setting, 6 positions.

(iii) Office of inspector general - monitoring and internal controls, 8 positions.

(iv) Office services division - composition unit, 2 positions.

(v) Budget division, 1 position.

(vi) Purchasing, vehicles, and inventory control, 1 position.

(vii) Office of technology and information management - technology coordination and support, 3 positions.

(b) Under field staff, salaries and wages, 20 recoupment specialists.

(c) Under medical consultation program, 3 disability examiners.

(d) Under child support enforcement operations:

(i) One deputy director position.

(ii) Administration division, 2 positions.

(iii) Operations division - case management, 2 positions.

(iv) Operations division - special initiatives unit, 2 positions.

(v) Operations division - central functions, 4 positions.

Sec. 295. (1) From the money appropriated in part 1 for information technology services and projects, the department shall allocate \$250,000.00 to modify the "Bridges" eligibility system to permit greater cooperation between the department of state police and department's office of inspector general in identifying individuals with criminal justice disqualifications for program eligibility inappropriately accessing benefits.

(2) The department shall provide a report by March 15 of the current fiscal year to the senate and house appropriations subcommittees on the department budget and the senate and house fiscal agencies and the senate and house policy offices on the progress of the effort required in subsection (1) and the number of individuals identified as ineligible for benefits as a result of cooperation between the office of inspector general and department of state police.

Sec. 296. Not later than October 15, 2010, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

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

Sec. 298. From the money appropriated in part 1 for 200 limited-term eligibility full-time employees, the department shall inform all employees hired with these funds that their employment is temporary and should not be considered permanent. Any temporary employee hired may be given preference by the department for hiring if a suitable full-time permanent position becomes available within the department.

Sec. 299. From the money appropriated in part 1 for electronic benefit transfer, beginning not later than May 31, 2010, the department shall provide to recipients a branded MasterCard debit card to be used to access family independence program cash benefits. The use of the Bridge card on the QWEST network shall be discontinued for cash benefits, and the department shall issue a letter to recipients explaining the process for the transition to the new MasterCard debit card and how benefits may be accessed.

EXECUTIVE OPERATIONS

Sec. 306. From the money appropriated in part 1 for demonstration projects, the department shall allocate \$200,000.00 to support the kinship care resource center administered by the Michigan state university school of social work. Funding is contingent upon the center's reporting of necessary data to the department to demonstrate TANF or maintenance of effort eligibility. The center shall submit quarterly reports to the department detailing expenditures from this appropriation and reviewing program outcomes including the number of families served through counseling, respite care, and other services as well as the number provided with information on kinship care. The department shall submit each quarterly report to the house and senate appropriations subcommittees on the department budget by January 15, April 15, July 15, and October 15 of each year.

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

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

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

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

Sec. 309. The department shall assess fees in the licensing and regulation of child care organizations as defined in 1973 PA 116, MCL 722.111 to 722.128, and adult foster care facilities as defined in the adult foster care facility licensing

act, 1979 PA 218, MCL 400.701 to 400.737. Fees collected by the department shall be used exclusively for the purpose of licensing and regulating child care organizations and adult foster care facilities.

Sec. 310. The department shall furnish the clerk of the house, the secretary of the senate, the senate and house fiscal agencies and policy offices, the state budget office, and all members of the house and senate appropriations committees with a summary of any evaluation reports and subsequent approvals or disapprovals of juvenile residential facilities operated by the department, as required by section 6 of 1973 PA 116, MCL 722.116. If no evaluations are conducted during the fiscal year, the department shall notify the fiscal agencies and all members of the appropriate subcommittees of the house and senate appropriations committees.

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

Sec. 312. From the money appropriated in part 1 for demonstration projects, the department shall provide \$120,000.00 for a pilot program in Sanilac County. The program shall coordinate a comprehensive system of care and referral for area families with children ages zero to 18.

ADULT AND FAMILY SERVICES

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

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

(3) A fatherhood initiative program established under this section shall minimally include at least 3 of the following components: promoting responsible, caring, and effective parenting through counseling; mentoring and parental education; enhancing the abilities and commitment of unemployed or low-income fathers to provide material support for their families and to avoid or leave welfare programs by assisting them to take advantage of job search programs, job training, and education to improve their work habits and work skills; improving fathers' ability to effectively manage family business affairs by means such as education, counseling, and mentoring in household matters; infant care; effective communication and respect; anger management; children's financial support; and drug-free lifestyle.

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

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

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

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

(3) A marriage initiative program established under this section may include, but is not limited to, 1 or more of the following: public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health; education in high schools on the value of marriage, relationship skills, and budgeting; premarital, marital, family, and domestic violence counseling; effective communication; marriage mentoring programs which use married couples as

role models and mentors in at-risk communities; anger management; and parenting skills to improve the family structure.

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

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

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

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

(a) Creation of a Michigan-based support system for the capacity-building of existing and emerging CDCUs serving low-income individuals and families, including development and testing of training, technical assistance, and professional development initiatives and related materials, and other capacity-building services to Michigan CDCUs.

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

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

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

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

(3) Of the funds appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate \$25,000.00 for a food aid outreach project in Muskegon County and \$25,000.00 for a food aid outreach project in Kent County.

CHILDREN'S SERVICES

Sec. 501. During the current fiscal year, 85% or more of children who have been in care for 1 year or longer while legally available for adoption or with an established goal of reunification with their families shall be permanently placed. During the annual budget presentation, the department shall report on the number of children supervised by the department and by private agencies who remain in foster care more than 12 and less than 24 months and those who remain in foster care 24 months or more.

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

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

- (a) Has not yet graduated from high school or passed a high school equivalency examination.
- (b) Is making progress toward completing high school.
- (c) Has not yet reached his or her nineteenth birthday.
- (d) Is not eligible for federal supplemental security income (SSI) payments.

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

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

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

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

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

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

(e) By October 2009, the department shall hire 14 regional education planners who shall provide consultation and support to youth 14 years of age and older in accessing educational services and in developing individualized education plans, including identifying all available financial aid resources.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) The department shall not expend money for a child placed in an out-of-state facility without approval of the department interstate compact office. The department shall notify the appropriate state agency in that state including the name of the out-of-state provider who accepted the placement.

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

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

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

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

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

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

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

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

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

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

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

Sec. 517. (1) From the funds appropriated in part 1, the department is authorized to allocate funds to multipurpose collaborative bodies. Priority for activities and services will be given to at-risk children and families and cases classified by the department as category III or category IV under sections 8 and 8d of the child protection law, 1975 PA 238, MCL 722.628 and 722.628d.

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

- (a) Foster positive parenting skills especially for parents of children under 3 years of age.
- (b) Improve parent/child interaction.
- (c) Promote access to needed community services.
- (d) Increase local capacity to serve families at risk.
- (e) Improve school readiness.
- (f) Support healthy family environments that discourage alcohol, tobacco, and other drug use.

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

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

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

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

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

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

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

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

- (a) The average cost per recipient served.
- (b) Measurable performance indicators.
- (c) Desired outcomes or results and goals that can be measured on an annual basis, or desired results for a defined number of years.
- (d) Monitored results.
- (e) Innovations that may include savings or reductions in administrative costs.

(2) From the money appropriated in part 1 for youth in transition, domestic violence prevention and treatment, and teenage parent counseling, the department is authorized to make allocations of TANF funds only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

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

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

placing agencies and child caring institutions in the annual review process. The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on or before January 15 of the current fiscal year on the findings of the annual licensing review.

(2) The department shall conduct licensing reviews no more than once every 2 years for child placing agencies and child caring institutions that are nationally accredited and have no outstanding violations.

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

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

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

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

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

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

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

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

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

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

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

Sec. 537. The department, in collaboration with child placing agencies, shall develop a strategy to implement section 1150 of the social welfare act, 1939 PA 280, MCL 400.1150. The strategy shall include a requirement that a department caseworker responsible for preparing a recommendation to a court concerning a juvenile placement shall provide, as part of the recommendation, information regarding the requirements of section 1150 of the social welfare act, 1939 PA 280, MCL 400.1150.

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

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

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

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

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

(4) Beginning April 1 of the current fiscal year for children not eligible for title IV-E funding, 75% of the cost for the administrative rates in subsections (1) and (2) shall be funded with state funds and any available federal revenues. Counties shall be subject to the remaining 25% of the cost for the administrative rates in subsections (1) and (2).

Sec. 547. (1) Beginning April 1 of the current fiscal year, the department shall establish a \$40.00 administrative rate for foster care and independent living services delivered directly by the department.

(2) For children not eligible for title IV-E funding, 75% of the cost for the administrative rate in subsection (1) shall be funded with state funds and any available federal revenues. Counties shall be subject to the remaining 25% of the cost for the administrative rate in subsection (1).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) The department shall submit quarterly reports to the legislature that include all of the following information on the appropriation adjustments described in section 568(2) of 2007 PA 131 and those same appropriations adjustments in this act:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 575. (1) Of the funds provided for the training of human services workers, particularly caseworkers, the department shall use appropriated funds to begin cultural sensitivity training and awareness with the goal of effectively

reducing the number of minority children inappropriately removed from their homes for neglect and placed in the foster care system when more appropriate action would include the provision of support services to the family.

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

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

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

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

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

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

Sec. 581. (1) The money appropriated in part 1 for adoption support services shall be used by the department of human services to increase the rates paid to private adoption agencies for all categories of adoption placements and adoption finalizations to reflect the rate schedule below:

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

(2) The additional revenue shall be used by private adoption agencies to increase staffing to a level sufficient to meet the 22:1 cases-to-worker ratio requirements for adoption workers within the children's rights settlement agreement.

Sec. 582. On the last working day of January, April, July, and November, for the preceding fiscal quarter, the department shall submit a comprehensive child welfare improvement report, compiling material required by each section of this act related to child welfare. This report will be provided to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director and will provide an overview of the status of all initiatives the department is required to carry out by this appropriation act and the impact of those initiatives on meeting the benchmarks established in the federal child and family service review process and the requirements established in the children's rights settlement agreement. The report may include information about other initiatives of the department and its service delivery partners which support improvements in safety, permanency, and well-being for the children and families served by Michigan's child welfare system.

Sec. 583. The department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices a report detailing the number of individuals participating as foster parents during the

previous fiscal year who dropped out of the program. The report shall also provide explanatory data on the primary reasons that foster parents chose to leave the program.

Sec. 584. The department shall provide recommendations to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices on changes to current state statutes that would ensure more effective communication between caseworkers and courts administering foster care cases.

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

Sec. 586. The department shall request a modification of the staffing requirement imposed by the children's rights settlement agreement. The modification would permit the department to ensure that 75% of purchase of service monitors will have a caseload of no more than 100 cases in fiscal year 2009-2010.

Sec. 587. (1) The appropriation in part 1 for the child care fund in-home care incentive program shall be used to encourage counties to increase the number of children in the child welfare and juvenile justice systems receiving in-home care services as opposed to out-of-home placements. Funds shall cover the costs of in-home care services that are eligible for temporary assistance for needy families funding. To receive reimbursement under the program, a county shall document that expenditures for in-home care services for the fiscal year ending September 30, 2009 exceeded those of the prior year. Each county shall receive reimbursement from the department in an amount equal to 75% of the documented increase in in-home care expenditures. However, if the amount of eligible expenditures claimed by all counties exceeds the appropriation in part 1, each county will receive a prorated share of its documented increase in in-home care expenditures. Each county shall provide for the remaining 25% of costs from its child care fund.

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

PUBLIC ASSISTANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (a) \$455.00 to the funeral director.
- (b) \$145.00 to the cemetery or crematorium.
- (c) \$100.00 to the provider of the vault.

(2) The department shall continue to work with funeral directors to establish a regional or statewide pilot program that would include the following elements:

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

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

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

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

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

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

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

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

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

- (a) The only eligible recipient has died.
- (b) A recipient member of a program group or family independence assistance group has died.
- (c) A recipient child is removed from his or her family home by court action.
- (d) A recipient requests in writing that his or her assistance be reduced, terminated, or suspended.
- (e) A recipient has been approved to receive assistance in another state.
- (f) A change in either state or federal law that requires automatic grant adjustments for classes of recipients.
- (g) The only eligible recipient in the household has been incarcerated.
- (h) A recipient is no longer a Michigan resident.
- (i) A recipient is closed on 1 case to be activated on another.
- (j) Federal payments (other than RSDI, railroad retirement, or VA) to the group have begun or increased.
- (k) A recipient is disqualified for intentional program violation.
- (l) When the department's negative action is upheld in an administrative hearing.

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

- (a) A third-party payee or vendor shall be required for any cash benefits provided.
- (b) An authorized representative shall be required for food assistance receipt.

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

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

- (a) The identification of individuals on entry into the system who have a history of domestic violence, while maintaining the confidentiality of that information.
- (b) Referral of persons so identified to counseling and supportive services.
- (c) In accordance with a determination of good cause, the waiving of certain requirements of family independence programs where compliance with those requirements would make it more difficult for the individual to escape domestic violence or would unfairly penalize individuals who have been victims of domestic violence or who are at risk of further domestic violence.

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) The department shall allocate up to \$7,167,500.00 for the annual clothing allowance. The allowance shall be granted to all eligible children as defined by the department.

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

Sec. 670. (1) From the money appropriated in part 1 for family independence program supplement, the department shall allocate no less than \$5,583,500.00 for a 1-time supplement for clothing expenses. The allowance shall be granted to all eligible children as defined by the department.

(2) The department shall distribute the supplement in subsection (1) to recipients electronically by using debit or purchasing cards.

(3) The department shall take steps to inform recipients of the 1-time supplement in subsection (1) that the money is to be used for clothing for eligible children and that the supplement is a 1-time payment.

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

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

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

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

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

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

(a) For children up to 2-1/2 years old, the maximum hourly rate shall be as follows:

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

- (ii) For family child care homes and group child care homes, \$2.90.
- (iii) For enrolled providers who complete 10 hours of annual training, \$1.85.
- (iv) For enrolled providers who do not complete 10 hours of annual training, \$1.60.
- (b) For children over the age of 2-1/2 years, the maximum hourly rate shall be as follows:
 - (i) For child care centers, \$2.50.
 - (ii) For family child care homes and group child care homes, \$2.40.
 - (iii) For enrolled providers who complete 10 hours of annual training, \$1.85.
 - (iv) For enrolled providers who do not complete 10 hours of annual training, \$1.60.

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

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

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

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

Sec. 677. The department shall establish a state goal for the percentage of family independence program (FIP) cases involved in employment activities. The percentage established shall not be less than 50%. On a monthly basis, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the current percentage of FIP cases involved in JET employment activities. If the FIP case percentage is below the goal for more than 2 consecutive quarters, the department shall develop a plan to increase the percentage of FIP cases involved in employment-related activities. The department shall deliver the plan during the next annual budget presentation to the senate and house appropriations subcommittees on the department budget.

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

- (a) Detail of the amounts of grants awarded.
- (b) The grant recipients.
- (c) The activities funded by each grant.
- (d) An analysis of each grant recipient's success in addressing the development of a comprehensive system of early childhood services and supports.

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

Sec. 681. The department shall work in collaboration with grocers, distributors, and merchants on effective education of food assistance recipients to ensure adequate notice of changes in the food assistance benefits distribution. The department shall update the senate and house appropriations subcommittees on the department budget and standing committees for human services on the progress and issues raised by this change in distribution.

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

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

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

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

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

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

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

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

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

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

Sec. 690. Child care centers, child care group homes, and child care family homes that are licensed or registered with the department may report to the department on a quarterly basis on the number of vacancies they have with regard to children in their care. Vacancy information may be reported more frequently to the department on a voluntary basis.

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

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.

JUVENILE JUSTICE SERVICES

Sec. 705. (1) The department, in conjunction with private juvenile justice residential programs, shall develop a methodology for measuring goals, objectives, and performance standards for the delivery of juvenile justice residential programs based on national standards and best practices. The department will provide a unified data collection mechanism to ensure consistent reporting of aggregate case information from the courts. These goals, objectives, and performance standards shall apply to both public and private delivery of juvenile justice residential programs, and data

shall be collected from both private and public juvenile justice residential programs that can be used to evaluate performance achievements, including, but not limited to, the following:

- (a) Admission and release data and other information related to demographics of population served.
- (b) Program descriptions and information related to treatment, educational services, and conditions of confinement.
- (c) Program outcomes including recidivism rates for youth served by the facility.
- (d) Trends in census and population demographics.
- (e) Staff and resident safety.
- (f) Facility profile.

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

- (a) Actual cost and actual days of care by facility for the most recently completed fiscal year. This report shall also include the actual number of youth served as well as demographic information.
- (b) Actual cost per day per youth by facility for the most recently completed fiscal year.
- (c) An analysis of the variance between the estimated cost and days of care assumed in the original appropriation and the figures in subdivisions (a) and (b).
- (d) Both the number of authorized FTE positions for each facility and the number of actual on-board FTE positions for the most recently completed fiscal year.

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

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

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

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

- (a) The proportion of juvenile justice detainees with a primary diagnosis of emotional disorder, the percentage of those detainees considered to currently require mental health treatment, and the proportion of those detainees currently receiving mental health services, including a description and breakdown, encompassing, at a minimum, the categories of inpatient, residential, and outpatient care, of the type of mental health services provided to those detainees.
- (b) The proportion of juvenile justice detainees with a primary diagnosis of addiction disorder, the percentage of those detainees considered to currently require substance abuse treatment, and the proportion of those detainees currently receiving substance abuse services, including a description and breakdown, encompassing, at a minimum, the categories of residential and outpatient care, of the type of substance abuse services provided to those detainees.
- (c) The proportion of juvenile justice detainees with a dual diagnosis of emotional disorder and addiction disorder, the percentage of those detainees considered to currently require treatment for their condition, and the proportion of those detainees currently receiving that treatment, including a description and breakdown, encompassing, at a minimum, the categories of mental health inpatient, mental health residential, mental health outpatient, substance abuse residential, and substance abuse outpatient, of the type of treatment provided to those detainees.
- (d) Data indicating whether juvenile justice detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder were previously hospitalized in a state psychiatric hospital for persons with mental illness. These data shall be broken down according to each of these 3 respective categories.
- (e) Data indicating whether and with what frequency juvenile justice detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder have been detained previously. These data shall be broken down according to each of these 3 respective categories.

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

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

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

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

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

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

- (a) Lower recidivism rates.
- (b) Higher school completion rates or GED completion rates.
- (c) Shorter average stays in a residential facility.
- (d) Lower average actual cost per resident.
- (e) Availability of appropriate services to residents.

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

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

Sec. 723. A private provider of juvenile services may receive funding for both secure and nonsecure services if the provider has appropriate services for each security level and adequate measures to physically separate residents of each security level.

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

(2) A provider shall not receive a daily rate below \$130.00.

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

Sec. 732. The department shall ensure that staff employed at Nokomis challenge center or community juvenile justice facility closed in the current fiscal year appropriation process be given priority for new staff positions that they are qualified to fulfill that are funded in the current fiscal year appropriation to meet the requirements of the children's rights settlement agreement.

LOCAL OFFICE SERVICES

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

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

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

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

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

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

(a) A list of eligible schools.

(b) The selection criteria to be used.

(c) The projected number to be opened.

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

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

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

Sec. 754. From the money appropriated in part 1, the department shall provide \$850,000.00 to establish a customer service resource center.

DISABILITY DETERMINATION SERVICES

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

CHILD SUPPORT ENFORCEMENT

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

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

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

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

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

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

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

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

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

Sec. 903. The department may facilitate with the department of community health a program under which the departments independently or jointly contract with local friend of the court offices to update and maintain the child support statewide database with health insurance information in cases in which the court has ordered a party to the case to maintain health insurance coverage for the minor child or children involved in the case and to assist in the recovery of money paid by the state for health care costs that are otherwise recoverable from a party to the case. The program shall be in addition to a program or programs under existing contract between either or both of the departments with a private entity on September 1 of the current fiscal year. The program shall be entirely funded with state and federal funds from money first recovered or through costs that are avoided by charging the insurance coverage for minor children from state programs to private insurance.

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

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

Sec. 908. From the money appropriated in part 1 for child support enforcement operations, \$500,000.00 shall be expended on a contract to collect child support arrearages. Cases shall be assigned to a contractor with the goal that at least 15% of collected arrearages be owed to this state on behalf of current or former TANF recipients. The contractor shall be allowed to retain up to 15% of arrearages collected as a fee for services. By September 30 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on the following contract results:

- (a) Number of cases assigned to the contractor.
- (b) Number of cases in which the contractor successfully collected on arrearages.
- (c) Total arrearages collected.
- (d) Total arrearages collected that were owed to this state as reimbursement for public assistance.
- (e) Total amount retained by the contractor.

Sec. 909. (1) If statewide retained child support collections exceed \$38,300,000.00, 75% of the amount in excess of \$38,300,000.00 is appropriated to legal support contracts. This excess appropriation may be distributed to eligible counties to supplement and not supplant county title IV-D funding.

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

(3) Payments to counties participating in projects pursuant to section 907 shall be reduced by the amount paid to the vendor. This authorization adjustment shall be made upon notification of the chairs of the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget director.

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

Sec. 911. (1) The department will implement a \$25.00 annual fee pursuant to title IV-D, section 454(6)(B)(ii), of the social security act, 42 USC 651. The fee shall be deducted from support collected on behalf of the individual. Fee revenues shall be used to administer and operate the child support program under part D of title IV of the social security act.

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

COMMUNITY ACTION AND ECONOMIC OPPORTUNITY

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

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

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

FEDERAL ARRA STIMULUS

Sec. 1201. The funds appropriated in part 1 for elder law of Michigan food for the elderly (ARRA) shall be distributed to the center for civil justice to enhance its outreach efforts aimed at increasing the participation of low-income families in the food assistance program.

Sec. 1202. The funds appropriated in part 1 for food bank funding (ARRA) shall be distributed to the food bank council of Michigan to assist Michigan food banks in collaborating with anti-hunger partners in outreach aimed at increasing the participation of low-income families in the food assistance program.

Sec. 1203. From the money appropriated in part 1, the department shall expend \$100.00 to hire 200 limited-term eligibility specialists to address rising caseloads and client applications for assistance, particularly for Medicaid and food assistance.

Sec. 1204. From the money appropriated in part 1, the department may expend \$100.00 of federal child care and development fund revenue for any of the following:

- (a) Child care provider rate increases.
- (b) Child care provider training.
- (c) ECIC expansion.
- (d) Zero to 3 expansion.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Richard J. Brown

Clerk of the House of Representatives

Approved

.....
Governor