

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5562**

A bill to amend 1939 PA 280, entitled
"The social welfare act,"
by amending section 117a (MCL 400.117a), as amended by 2015 PA 81.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 117a. (1) As used in this section and sections 117b to
2 117g:

3 (a) "County juvenile agency" means that term as defined in
4 section 2 of the county juvenile agency act, 1998 PA 518, MCL
5 45.622.

6 (b) "County juvenile agency services" means all juvenile
7 justice services for a juvenile who is within the court's
8 jurisdiction under section 2(a) or (d) of chapter XIIIA of the
9 probate code of 1939, 1939 PA 288, MCL 712A.2, or within the

1 jurisdiction of the court of general jurisdiction under section 606
2 of the revised judicature act of 1961, 1961 PA 236, MCL 600.606, if
3 that court commits the juvenile to a county or court juvenile
4 facility under section 27a of chapter IV of the code of criminal
5 procedure, 1927 PA 175, MCL 764.27a. If a juvenile who comes within
6 the court's jurisdiction under section 2(a) or (d) of chapter XIIA
7 of the probate code of 1939, 1939 PA 288, MCL 712A.2, is at that
8 time subject to a court order in connection with a proceeding for
9 which the court acquired jurisdiction under section 2(b) or (c) of
10 chapter XIIA of the probate code of 1939, 1939 PA 288, MCL 712A.2,
11 juvenile justice services provided to the juvenile before the court
12 enters an order in the subsequent proceeding are not county
13 juvenile agency services, except for juvenile justice services
14 related to detention.

15 (c) "Juvenile justice service" means a service, exclusive of
16 judicial functions, provided by a county for juveniles who are
17 within or likely to come within the court's jurisdiction under
18 section 2 of chapter XIIA of the probate code of 1939, 1939 PA 288,
19 MCL 712A.2, or within the jurisdiction of the court of general
20 criminal jurisdiction under section 606 of the revised judicature
21 act of 1961, 1961 PA 236, MCL 600.606, if that court commits the
22 juvenile to a county or court juvenile facility under section 27a
23 of chapter IV of the code of criminal procedure, 1927 PA 175, MCL
24 764.27a. A service includes intake, detention, detention
25 alternatives, probation, foster care, diagnostic evaluation and
26 treatment, shelter care, or any other service approved by the
27 office or county juvenile agency, as applicable, including

1 preventive, diversionary, or protective care services. A juvenile
2 justice service approved by the office or county juvenile agency
3 must meet all applicable state and local government licensing
4 standards.

5 (2) A juvenile justice funding system for counties that are
6 not county juvenile agencies, including a child care fund, is
7 established and shall be administered under the department's
8 superintending control.

9 (3) The department shall promulgate rules under the
10 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
11 24.328, to monitor juvenile justice services money and to prescribe
12 child care fund accounting, reporting, and authorization controls
13 and procedures and child care fund expenditure classifications. For
14 counties required to have a child care fund, the department shall
15 fund services that conform to the child care rules promulgated
16 under this act.

17 (4) The department shall provide for the distribution of money
18 appropriated by the legislature to counties for the cost of
19 juvenile justice services as follows:

20 (a) For a county that is not a county juvenile agency, the
21 amount distributed shall equal 50% of the annual expenditures from
22 the child care fund of the county established under section 117c,
23 except that expenditures under section 117c(3) and expenditures
24 that exceed the amount of a budget approved under section 117c
25 shall not be included. A distribution under this subdivision shall
26 not be made to a county that does not comply with the requirements
27 of this act. The department may reduce the amount distributed to a

1 county by the amount owed to the state for care received in a state
2 operated facility or for care received under 1935 PA 220, MCL
3 400.201 to 400.214, or under the youth rehabilitation services act,
4 1974 PA 150, MCL 803.301 to 803.309. The distribution may be
5 reduced by the amount of uncontested liability.

6 (b) For a county that is a county juvenile agency, the
7 county's block grant amount as determined under section 117g in
8 equal distributions on October 1, January 1, April 1, and July 1 of
9 each state fiscal year.

10 (c) Notwithstanding the provisions in subdivision (a), subject
11 to appropriations, until September 30, ~~2016,~~ **2017**, the department
12 shall pay 100% of the costs of the ~~\$3.00~~ **\$8.00** increase to the
13 administrative rate for providers of foster care services provided
14 in the annual appropriation for the department budget. For the
15 purposes of this subdivision only, "foster care" means 24-hour
16 substitute care for children placed away from their parents or
17 guardians, as a result of a court order under section 2(b) of
18 chapter XIIIA of the probate code of 1939, 1939 PA 288, MCL 712A.2,
19 in placements supervised by the department or a private child
20 placing agency under contract with the department for foster care
21 services. Foster care services include supervision of placements in
22 foster family homes, foster family group homes, and preadoptive
23 placements.

24 (d) Notwithstanding the provisions of subdivision (a), ~~or (e),~~
25 ~~subject to appropriations, for foster care cases established after~~
26 ~~October 1, 2013~~ until September 30, ~~2016,~~ **2017**, the department
27 shall pay 100% of the administrative rate for providers of

1 treatment foster care services and foster care services provided in
2 the annual appropriation for the department budget. For the
3 purposes of this subdivision only, "foster care" means 24-hour
4 substitute care for children placed away from their parents or
5 guardians, as a result of a court order under section 2(b) of
6 chapter XIIIA of the probate code of 1939, 1939 PA 288, MCL 712A.2,
7 in placements supervised by the department or a private child
8 placing agency under contract with the department for foster care
9 services. Foster care services include supervision of placements in
10 foster family homes, foster family group homes, treatment foster
11 care, preadoptive placements, and supervision of children reunified
12 with the parent with whom the child lived at the time of removal.

13 (e) Notwithstanding the provisions in subdivision (a), ~~subject~~
14 ~~to appropriations,~~ until September 30, ~~2016,~~ **2017**, the department
15 shall pay 100% of the costs of any rate increase to the providers
16 of residential foster care services under contract with the
17 department, as provided in the annual appropriation for the
18 department budget.

19 (f) Notwithstanding the provisions in subdivision (a) and
20 subject to appropriations, in a county with a population of not
21 less than 575,000 or more than 650,000, for the purpose of this
22 subdivision only for cases transferred by the department to a child
23 placing agency, the department shall pay 100% of the administrative
24 rate to providers responsible for foster care case management
25 services to families of children who are court-ordered into foster
26 care due to child abuse or child neglect and placed in the care and
27 supervision of the department, regardless of placement setting

1 until the prospective payment system described in subdivision (g)
2 is implemented. This subdivision does not apply after May 1, 2018.

3 (g) Notwithstanding the provisions in subdivision (a) and
4 subject to appropriations, the department shall implement a
5 prospective payment system as part of a state-administered
6 performance-based child welfare system in a county with a
7 population of not less than 575,000 or more than 650,000, for
8 foster care case management in accordance with section 503 of
9 article X of 2014 PA 252. The county is only required to contribute
10 to foster care services payments in an amount that does not exceed
11 the average of the annual net contribution made by the county for
12 cases received under section 2(b) of chapter XIIIA of the probate
13 code of 1939, 1939 PA 288, MCL 712A.2, in the 5 previous fiscal
14 years before October 1, 2015. The prospective payment system as
15 part of the state-administered performance-based child welfare
16 system shall be implemented as described in this subdivision but
17 shall not include in-home care service funding. This subdivision
18 does not apply after May 1, 2018.

19 (h) Subdivisions (f) and (g) only impact child abuse and child
20 neglect services and not juvenile justice program funding. This
21 subdivision does not apply after May 1, 2018.

22 (5) The department is liable for the costs of all juvenile
23 justice services in a county that is a county juvenile agency other
24 than county juvenile agency services.

25 (6) The department shall establish guidelines for the
26 development of county juvenile justice service plans in counties
27 that are not county juvenile agencies.

1 (7) A county that is not a county juvenile agency and receives
2 state funds for in-home or out-of-home care of children shall
3 submit reports to the department at least quarterly or as the
4 department otherwise requires. The reports shall be submitted on
5 forms provided by the executive director and shall include the
6 number of children receiving foster care services and the number of
7 days of care provided.

8 (8) The department shall ~~develop~~ **MAINTAIN** a reporting system
9 providing that reimbursement under subsection (4)(a) shall be made
10 only on submission of billings based on care given to a specific,
11 individual child. ~~The system shall be implemented not later than~~
12 ~~October 1, 1982.~~

13 Enacting section 1. This amendatory act takes effect October
14 1, 2016.