

Act No. 279
Public Acts of 2016
Approved by the Governor
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**STATE OF MICHIGAN
98TH LEGISLATURE
REGULAR SESSION OF 2016**

Introduced by Rep. Poleski

ENROLLED HOUSE BILL No. 5562

AN ACT to amend 1939 PA 280, entitled "An act to protect the welfare of the people of this state; to provide general assistance, hospitalization, infirmary and medical care to poor or unfortunate persons; to provide for compliance by this state with the social security act; to provide protection, welfare and services to aged persons, dependent children, the blind, and the permanently and totally disabled; to administer programs and services for the prevention and treatment of delinquency, dependency and neglect of children; to create a state department of social services; to prescribe the powers and duties of the department; to provide for the interstate and intercounty transfer of dependents; to create county and district departments of social services; to create within certain county departments, bureaus of social aid and certain divisions and offices thereunder; to prescribe the powers and duties of the departments, bureaus and officers; to provide for appeals in certain cases; to prescribe the powers and duties of the state department with respect to county and district departments; to prescribe certain duties of certain other state departments, officers, and agencies; to make an appropriation; to prescribe penalties for the violation of the provisions of this act; and to repeal certain parts of this act on specific dates," by amending section 117a (MCL 400.117a), as amended by 2015 PA 81.

The People of the State of Michigan enact:

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

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

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

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

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

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

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

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

(a) For a county that is not a county juvenile agency, the amount distributed shall equal 50% of the annual expenditures from the child care fund of the county established under section 117c, except that expenditures under section 117c(3) and expenditures that exceed the amount of a budget approved under section 117c shall not be included. A distribution under this subdivision shall not be made to a county that does not comply with the requirements of this act. The department may reduce the amount distributed to a county by the amount owed to the state for care received in a state operated facility or for care received under 1935 PA 220, MCL 400.201 to 400.214, or under the youth rehabilitation services act, 1974 PA 150, MCL 803.301 to 803.309. The distribution may be reduced by the amount of uncontested liability.

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

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

(d) Notwithstanding the provisions of subdivision (a), until September 30, 2017, the department shall pay 100% of the administrative rate for providers of treatment foster care services and foster care services provided in the annual appropriation for the department budget. For the purposes of this subdivision only, "foster care" means 24-hour substitute care for children placed away from their parents or guardians, as a result of a court order under section 2(b) of chapter XIIA of the probate code of 1939, 1939 PA 288, MCL 712A.2, in placements supervised by the department or a private child placing agency under contract with the department for foster care services. Foster care services include supervision of placements in foster family homes, foster family group homes, treatment foster care, preadoptive placements, and supervision of children reunified with the parent with whom the child lived at the time of removal.

(e) Notwithstanding the provisions in subdivision (a), until September 30, 2017, the department shall pay 100% of the costs of any rate increase to the providers of residential foster care services under contract with the department, as provided in the annual appropriation for the department budget.

(f) Notwithstanding the provisions in subdivision (a) and subject to appropriations, in a county with a population of not less than 575,000 or more than 650,000, for the purpose of this subdivision only for cases transferred by the department to a child placing agency, the department shall pay 100% of the administrative rate to providers responsible for foster care case management services to families of children who are court-ordered into foster care due to child abuse or child neglect and placed in the care and supervision of the department, regardless of placement setting until the prospective payment system described in subdivision (g) is implemented. This subdivision does not apply after May 1, 2018.

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

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

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

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

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

(8) The department shall maintain a reporting system providing that reimbursement under subsection (4)(a) shall be made only on submission of billings based on care given to a specific, individual child.

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

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor