

# SENATE BILL No. 394

May 23, 2017, Introduced by Senator MACGREGOR and referred to the Committee on Appropriations.

A bill to amend 1939 PA 280, entitled  
"The social welfare act,"  
by amending section 117a (MCL 400.117a), as amended by 2016 PA 279.

## 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  
10      jurisdiction of the court of general jurisdiction under section 606  
11      of the revised judicature act of 1961, 1961 PA 236, MCL 600.606, if

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

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

1 must meet all applicable state and local government licensing  
2 standards.

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

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

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

18 (a) For a county that is not a county juvenile agency, the  
19 amount distributed shall equal 50% of the annual expenditures from  
20 the child care fund of the county established under section 117c,  
21 except that expenditures under section 117c(3) and expenditures  
22 that exceed the amount of a budget approved under section 117c  
23 shall not be included. A distribution under this subdivision shall  
24 not be made to a county that does not comply with the requirements  
25 of this act. The department may reduce the amount distributed to a  
26 county by the amount owed to the state for care received in a state  
27 operated facility or for care received under 1935 PA 220, MCL

1 400.201 to 400.214, or under the youth rehabilitation services act,  
2 1974 PA 150, MCL 803.301 to 803.309. The distribution may be  
3 reduced by the amount of uncontested liability.

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

8 (c) Notwithstanding the provisions in subdivision (a), subject  
9 to appropriations, until September 30, ~~2017,~~ **2018**, the department  
10 shall pay 100% of the costs of the ~~\$8.00~~ **\$9.20** increase to the  
11 administrative rate for providers of foster care services provided  
12 in the annual appropriation for the department budget. For the  
13 purposes of this subdivision only, "foster care" means 24-hour  
14 substitute care for children placed away from their parents or  
15 guardians, as a result of a court order under section 2(b) of  
16 chapter XIIIA of the probate code of 1939, 1939 PA 288, MCL 712A.2,  
17 in placements supervised by the department or a private child  
18 placing agency under contract with the department for foster care  
19 services. Foster care services include supervision of placements in  
20 foster family homes, foster family group homes, and preadoptive  
21 placements.

22 (d) Notwithstanding the provisions of subdivision (a), until  
23 September 30, ~~2017,~~ **2018**, the department shall pay 100% of the  
24 administrative rate for providers of treatment foster care services  
25 and foster care services provided in the annual appropriation for  
26 the department budget. For the purposes of this subdivision only,  
27 "foster care" means 24-hour substitute care for children placed

1 away from their parents or guardians, as a result of a court order  
2 under section 2(b) of chapter XIIIA of the probate code of 1939,  
3 1939 PA 288, MCL 712A.2, in placements supervised by the department  
4 or a private child placing agency under contract with the  
5 department for foster care services. Foster care services include  
6 supervision of placements in foster family homes, foster family  
7 group homes, treatment foster care, preadoptive placements, and  
8 supervision of children reunified with the parent with whom the  
9 child lived at the time of removal.

10 (e) Notwithstanding the provisions in subdivision (a), until  
11 September 30, ~~2017~~, **2018**, the department shall pay 100% of the  
12 costs of any rate increase to the providers of residential foster  
13 care services under contract with the department, as provided in  
14 the annual appropriation for the department budget.

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

26 (g) Notwithstanding the provisions in subdivision (a) and  
27 subject to appropriations, the department shall implement a

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

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

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

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

24 (7) A county that is not a county juvenile agency and receives  
25 state funds for in-home or out-of-home care of children shall  
26 submit reports to the department at least quarterly or as the  
27 department otherwise requires. The reports shall be submitted on

1 forms provided by the executive director and shall include the  
2 number of children receiving foster care services and the number of  
3 days of care provided.

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

8 Enacting section 1. This amendatory act takes effect 90 days  
9 after the date it is enacted into law.