

**SUBSTITUTE FOR
SENATE BILL NO. 1090**

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, 2007; 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:

1

PART 1

2

LINE-ITEM APPROPRIATIONS

Senate Bill No. 1090 as amended May 24, 2006

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department for the fiscal year ending September 30, 2007, 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..... 10,112.7

Unclassified positions 5.0

Total full-time equated positions..... 10,117.7

GROSS APPROPRIATION\$<<4,471,836,300>>

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 1,102,700

ADJUSTED GROSS APPROPRIATION\$<<4,470,733,600>>

Federal revenues:

Total federal revenues..... 3,149,774,900

Special revenue funds:

Total private revenues..... 9,914,100

Total local revenues..... 55,894,400

Total other state restricted revenues..... <<67,468,700>>

State general fund/general purpose..... \$ 1,187,681,500

Sec. 102. EXECUTIVE OPERATIONS

Total full-time equated positions..... 439.3

Full-time equated unclassified positions..... 5.0

Full-time equated classified positions..... 434.3

Unclassified salaries--5.0 FTE positions..... \$ 537,200

1	Salaries and wages--298.3 FTE positions	15,940,400
2	Contractual services, supplies, and materials	5,928,600
3	Demonstration projects--12.0 FTE positions	6,709,400
4	Inspector general salaries and wages--106.0 FTE	
5	positions	5,731,100
6	Electronic benefit transfer EBT.....	7,333,600
7	Office of professional development--12.0 FTE positions	2,340,400
8	Michigan community service commission--6.0 FTE	
9	positions	9,430,800
10	State office of administrative hearings and rules	<u>3,214,300</u>
11	GROSS APPROPRIATION.....	\$ 57,165,800
12	Appropriated from:	
13	Federal revenues:	
14	Total federal revenues.....	36,889,400
15	Special revenue funds:	
16	Total private revenues.....	2,199,600
17	Total local revenues.....	200,000
18	State general fund/general purpose.....	\$ 17,876,800
19	Sec. 103. CHILD SUPPORT ENFORCEMENT	
20	Full-time equated classified positions..... 213.7	
21	Child support enforcement operations--207.7 FTE	
22	positions	\$ 22,980,200
23	Legal support contracts.....	140,753,600
24	Child support incentive payments.....	32,409,600
25	State distribution unit--6.0 FTE positions	<u>18,481,900</u>
26	GROSS APPROPRIATION.....	\$ 214,625,300
27	Appropriated from:	

1	Federal revenues:	
2	Total federal revenues.....	197,714,500
3	Special revenue funds:	
4	Total local revenues.....	340,000
5	Total restricted revenues.....	600,000
6	State general fund/general purpose.....	\$ 15,970,800
7	Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY	
8	Full-time equated classified positions.....	16.0
9	Bureau of community action and economic	
10	opportunity--16.0 FTE positions.....	\$ 1,721,300
11	Community services block grant.....	27,159,900
12	Weatherization assistance.....	<u>18,460,200</u>
13	GROSS APPROPRIATION.....	\$ 47,341,400
14	Appropriated from:	
15	Federal revenues:	
16	Total federal revenues.....	47,341,400
17	Special revenue funds:	
18	State general fund/general purpose.....	\$ 0
19	Sec. 105. ADULT AND FAMILY SERVICES	
20	Full-time equated classified positions.....	49.2
21	Executive direction and support--6.0 FTE positions...	\$ 505,900
22	Employment and training support services.....	17,696,600
23	Domestic violence prevention and treatment--5.5 FTE	
24	positions	14,629,000
25	Rape prevention and services.....	2,600,000
26	Guardian contract.....	600,000
27	Adult services policy and administration--6.0 FTE	

1	positions	609,300
2	Income support policy and administration--31.7 FTE	
3	positions	6,050,200
4	Wage employment verification reporting.....	848,700
5	Urban and rural empowerment/enterprise zones	100
6	Nutrition education.....	8,569,900
7	Crisis prevention and elder law of Michigan and food	
8	for the elderly project	525,000
9	Marriage initiative.....	2,475,000
10	Fatherhood initiative.....	<u>1,725,000</u>
11	GROSS APPROPRIATION.....	\$ 56,834,700
12	Appropriated from:	
13	Federal revenues:	
14	Total federal revenues.....	49,344,800
15	Special revenue funds:	
16	State general fund/general purpose.....	\$ 7,489,900
17	Sec. 106. CHILD AND FAMILY SERVICES	
18	Full-time equated classified positions..... 81.7	
19	Salaries and wages--29.7 FTE positions.....	\$ 1,775,300
20	Contractual services, supplies, and materials	1,034,800
21	Refugee assistance program--2.9 FTE positions	12,700,300
22	Foster care payments.....	147,312,500
23	Wayne County foster care payments.....	64,042,500
24	Adoption subsidies.....	233,968,600
25	Adoption support services--7.7 FTE positions	14,354,700
26	Youth in transition--2.0 FTE positions	13,241,200
27	Interstate compact.....	231,600

Senate Bill No. 1090 as amended May 24, 2006

1	Children's benefit fund donations	21,000
2	Teenage parent counseling--2.3 FTE positions	3,815,800
3	Families first	16,946,700
4	Child safety and permanency plan	16,900,700
5	Strong families/safe children	13,395,300
6	Child protection/community partners--18.3 FTE	
7	positions	5,846,300
8	Zero to three	3,843,800
9	Family group decision making	2,454,700
10	Family reunification program	3,977,100
11	Family preservation and prevention services	
12	administration--14.5 FTE positions	2,252,300
13	Black child and family institute	100,000
14	Children's trust fund administration--4.3 FTE	
15	positions	<<552,700>>
16	Children's trust fund grants	3,825,100
17	ECIC, early childhood investment corporation	100
18	Attorney general contracts	3,209,200
19	Prosecuting attorney contracts	<u>1,061,700</u>
20	GROSS APPROPRIATION	\$<<566,864,000>>
21	Appropriated from:	
22	Federal revenues:	
23	Total federal revenues	349,740,700
24	Special revenue funds:	
25	Private - children's benefit fund donations	21,000
26	Private - collections	3,840,600
27	Local funds - county payback	25,092,900

Senate Bill No. 1090 as amended May 24, 2006

1	Children's trust fund.....	<<3,327,000>>
2	State general fund/general purpose.....	\$ 184,841,800
3	Sec. 107. JUVENILE JUSTICE SERVICES	
4	Full-time equated classified positions.....	714.5
5	High security juvenile services--311.0 FTE positions .	\$ 28,286,000
6	Medium security juvenile services--254.0 FTE positions	19,607,400
7	Low security juvenile services--34.0 FTE positions ...	3,022,800
8	Child care fund.....	175,000,000
9	Child care fund administration--5.8 FTE positions	848,300
10	County juvenile officers.....	3,765,600
11	Community support services--2.0 FTE positions	1,492,200
12	Community juvenile justice centers--37.0 FTE positions	3,408,700
13	Juvenile justice field staff, administration and	
14	maintenance--50.0 FTE positions.....	8,033,500
15	Federally funded activities--13.7 FTE positions	1,816,200
16	W.J. Maxey memorial fund.....	45,000
17	Juvenile accountability incentive block grant--3.0	
18	FTE positions	2,606,700
19	Committee on juvenile justice administration--4.0	
20	FTE positions	496,500
21	Committee on juvenile justice grants.....	<u>5,000,000</u>
22	GROSS APPROPRIATION.....	\$ 253,428,900
23	Appropriated from:	
24	Federal revenues:	
25	Total federal revenues.....	98,553,100
26	Special revenue funds:	
27	Total private revenues.....	645,000

1	State share education funds.....		3,000,000
2	Local funds - county payback.....		26,742,800
3	State general fund/general purpose.....	\$	124,488,000
4	Sec. 108. LOCAL OFFICE STAFF AND OPERATIONS		
5	Full-time equated classified positions.....	7,806.9	
6	Field staff, salaries and wages--7,658.1 FTE positions	\$	373,381,800
7	Contractual services, supplies, and materials.....		17,632,900
8	Medical/psychiatric evaluations.....		4,300,000
9	Donated funds positions--11.0 FTE positions.....		829,500
10	Training and program support--49.0 FTE positions.....		7,022,200
11	Food stamp reinvestment--78.8 FTE positions.....		11,315,300
12	Wayne County gifts and bequests.....		100,000
13	Volunteer services and reimbursement.....		1,544,900
14	SSI advocates--10.0 FTE positions.....		<u>2,853,900</u>
15	GROSS APPROPRIATION.....	\$	418,980,500
16	Appropriated from:		
17	Federal revenues:		
18	Total federal revenues.....		248,775,400
19	Special revenue funds:		
20	Local funds - donated funds.....		214,300
21	Private funds - donated funds.....		178,200
22	Private funds - hospital contributions.....		1,910,300
23	Private funds - Wayne County gifts.....		100,000
24	Supplemental security income recoveries.....		853,900
25	State general fund/general purpose.....	\$	166,948,400
26	Sec. 109. DISABILITY DETERMINATION SERVICES		
27	Full-time equated classified positions.....	568.4	

1	Disability determination operations--545.9 FTE		
2	positions	\$	80,510,700
3	Medical consultation program--18.4 FTE positions		2,942,600
4	Retirement disability determination--4.1 FTE positions		<u>813,700</u>
5	GROSS APPROPRIATION.....	\$	84,267,000
6	Appropriated from:		
7	Interdepartmental grant revenues:		
8	IDG from DMB - office of retirement systems		1,102,700
9	ADJUSTED GROSS APPROPRIATION.....	\$	83,164,300
10	Appropriated from:		
11	Federal revenues:		
12	Total federal revenues		80,189,700
13	State general fund/general purpose	\$	2,974,600
14	Sec. 110. CENTRAL SUPPORT ACCOUNTS		
15	Rent.....	\$	42,481,300
16	Occupancy charge.....		9,361,400
17	Travel.....		5,608,800
18	Equipment.....		145,300
19	Worker's compensation.....		4,231,000
20	Advisory commissions.....		17,900
21	Human resources optimization user charges		634,500
22	Payroll taxes and fringe benefits.....		<u>239,230,700</u>
23	GROSS APPROPRIATION.....	\$	301,710,900
24	Appropriated from:		
25	Federal revenues:		
26	Total federal revenues		185,896,000
27	Special revenue funds:		

1	Local funds - county payback.....	304,400
2	Private funds - hospital contributions.....	1,019,400
3	State general fund/general purpose.....	\$ 114,491,100
4	Sec. 111. OFFICE OF CHILDREN AND ADULT LICENSING	
5	Full-time equated classified positions..... 228.0	
6	AFC, children's welfare and day care	
7	licensure--228.0 FTE positions.....	\$ <u>23,974,600</u>
8	GROSS APPROPRIATION.....	\$ 23,974,600
9	Appropriated from:	
10	Federal revenues:	
11	Total federal revenues.....	12,290,100
12	Special revenue funds:	
13	Restricted - licensing fees.....	646,400
14	Restricted - health fees and collections.....	115,900
15	State general fund/general purpose.....	\$ 10,922,200
16	Sec. 112. PUBLIC ASSISTANCE	
17	Family independence program.....	\$ 369,439,500
18	State disability assistance payments.....	36,281,700
19	Food assistance program benefits.....	1,221,340,900
20	State supplementation.....	59,535,200
21	State supplementation administration.....	2,493,200
22	Low-income home energy assistance program.....	116,467,700
23	Food bank council of Michigan emergency food	
24	provisions	525,000
25	Homeless shelter contracts.....	11,646,700
26	Multicultural assimilation funding.....	1,715,500
27	Indigent burial.....	5,909,300

1	Emergency services local office allocations	21,865,500
2	Day care expansion for welfare to work	100
3	Day care services	<u>463,338,900</u>
4	GROSS APPROPRIATION	\$ 2,310,559,200
5	Appropriated from:	
6	Federal revenues:	
7	Total federal revenues	1,745,808,700
8	Special revenue funds:	
9	Child support collections	47,710,700
10	Supplemental security income recoveries	9,104,800
11	Public assistance recoupment revenue	5,110,000
12	State general fund/general purpose	\$ 502,825,000
13	Sec. 113. INFORMATION TECHNOLOGY	
14	Information technology services and projects	\$ 84,803,600
15	Child support automation	<u>51,280,400</u>
16	GROSS APPROPRIATION	\$ 136,084,000
17	Appropriated from:	
18	Federal revenues:	
19	Total federal revenues	97,231,100
20	Special revenue funds:	
21	State general fund/general purpose	\$ 38,852,900

22 PART 2

23 PROVISIONS CONCERNING APPROPRIATIONS

24 **GENERAL SECTIONS**

25 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 2006-2007 is \$1,254,550,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$93,930,200.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HUMAN SERVICES

PERMANENCY FOR CHILDREN

Child care fund.....	\$	88,430,100
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County juvenile officers.....		3,276,000
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OPPORTUNITY FOR ADULTS TO LIVE AND WORK IN THE COMMUNITY

State disability program.....	\$	<u>2,224,100</u>
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TOTAL.....	\$	93,930,200
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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) "Department" means the department of human services.

(c) "FTE" means full-time equated.

(d) "GED" means general educational development.

(e) "RSDI" means retirement survivors disability insurance.

(f) "SSI" means supplemental security income.

(g) "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.

(h) "Title IV-D" means part D of title IV of the social

1 security act, 42 USC 651 to 655, and 656 to 669b.

2 (i) "Title IV-E" means part E of title IV of the social
3 security act, 42 USC 670 to 673, 673b to 679, and 679b.

4 (j) "VA" means veterans affairs.

5 Sec. 204. The department of civil service shall bill the
6 department at the end of the first fiscal quarter for the 1% charge
7 authorized by section 5 of article XI of the state constitution of
8 1963. Payments shall be made for the total amount of the billing by
9 the end of the second fiscal quarter.

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

17 (2) The state budget director may grant exceptions to this
18 hiring freeze when the state budget director believes that the
19 hiring freeze will result in rendering a state department or agency
20 unable to deliver basic services, cause loss of revenue to the
21 state, result in the inability of the state to receive federal
22 funds, or necessitate additional expenditures that exceed any
23 savings from maintaining a vacancy. The state budget director shall
24 report quarterly to the chairpersons of the senate and house of
25 representatives appropriations committees and the senate and house
26 fiscal agencies and policy offices on the number of exceptions to
27 the hiring freeze approved during the previous quarter and the

1 reasons to justify the exception.

2 Sec. 207. At least 60 days before beginning any effort to
3 privatize services, the department shall submit a complete project
4 plan to the appropriate senate and house of representatives
5 appropriations subcommittees and the senate and house fiscal
6 agencies. The plan shall include the criteria under which the
7 privatization initiative will be evaluated. Sanctions, suspensions,
8 conditions for provisional license status, and other penalties
9 shall not be more stringent for private service providers than for
10 public entities performing equivalent or similar services. Private
11 service providers or licensees shall not be granted preferential
12 treatment or deemed automatically in compliance with administrative
13 rules based on whether they have collective bargaining agreements
14 with direct care workers. Private service providers or licensees
15 without collective bargaining agreements shall not be subjected to
16 additional requirements or conditions of licensure based on their
17 lack of such collective bargaining agreements. The evaluation shall
18 be completed and submitted to the appropriate senate and house of
19 representatives appropriations subcommittees and the senate and
20 house fiscal agencies within 9 months.

21 Sec. 208. Unless otherwise specified, the department shall use
22 the Internet to fulfill the reporting requirements of this act.
23 This shall include transmission of reports via electronic mail,
24 including a link to the Internet site, to the recipients identified
25 for each reporting requirement, or it may include placement of
26 reports on the Internet or Intranet site. On an annual basis, the
27 department shall provide a cumulative listing of the reports to the

1 house and senate appropriations subcommittees and the house and
2 senate fiscal agencies and policy offices.

3 Sec. 209. Funds appropriated in part 1 shall not be used for
4 the purchase of foreign goods or services, or both, if
5 competitively priced and comparable quality American goods or
6 services, or both, are available. Preference should be given to
7 goods or services, or both, manufactured or provided by Michigan
8 businesses if they are competitively priced and of comparable
9 value.

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

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

23 Sec. 213. (1) The department may retain all of the state's
24 share of food assistance overissuance collections as an offset to
25 general fund/general purpose costs. Retained collections shall be
26 applied against federal funds deductions in all appropriation units
27 where department costs related to the investigation and recoupment

1 of food assistance overissuances are incurred. Retained collections
2 in excess of such costs shall be applied against the federal funds
3 deducted in the executive operations appropriation unit.

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

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

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

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

14 (d) Information detailing the effect and change in staffing
15 due to the early retirement option.

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

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

21 Sec. 214. (1) The department shall submit a report to the
22 chairpersons of the senate and house appropriations subcommittees
23 on the department budget, the senate and house fiscal agencies and
24 policy offices, and the state budget director on the details of
25 allocations within program budgeting line items and within the
26 salaries and wages line items in all appropriation units. The
27 report shall include a listing, by account, dollar amount, and fund

1 source, of salaries and wages; longevity and insurance; retirement;
2 contractual services, supplies, and materials; equipment; travel;
3 and grants within each program line item appropriated for the
4 fiscal year ending September 30, 2007.

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

7 Sec. 215. (1) If a legislative objective of this act or the
8 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be
9 implemented without loss of federal financial participation because
10 implementation would conflict with or violate federal regulations,
11 the department shall notify the state budget director, the house
12 and senate appropriations committees, and the house and senate
13 fiscal agencies and policy offices of that fact.

14 (2) The department shall provide the senate and house
15 appropriation subcommittees on the department budget, the senate
16 and house fiscal agencies and policy offices, and the state budget
17 director with the citation and a copy of any federal statute,
18 regulation, policy, or directive that the department determines
19 presents a conflict as described in subsection (1). The department
20 shall apply for any available waiver or relief from federal
21 requirements or sanctions that would allow it to comply with state
22 law without federal penalty.

23 Sec. 217. (1) Due to the current budgetary problems in this
24 state, out-of-state travel for the fiscal year ending September 30,
25 2007 shall be limited to situations in which 1 or more of the
26 following conditions apply:

27 (a) The travel is required by legal mandate or court order or

1 for law enforcement purposes.

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

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

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

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

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

14 (2) If out-of-state travel is necessary but does not meet 1 or
15 more of the conditions in subsection (1), the state budget director
16 may grant an exception to allow the travel. Any exceptions granted
17 by the state budget director shall be reported on a monthly basis
18 to the senate and house standing committees on appropriations.

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

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

3 (b) The destination of each travel occurrence.

4 (c) The dates of each travel occurrence.

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

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

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

14 Sec. 218. (1) The department shall prepare an annual report on
15 the TANF federal block grant. The report shall include projected
16 expenditures for the current fiscal year, an accounting of any
17 previous year funds carried forward, and a summary of all
18 interdepartmental or interagency agreements relating to the use of
19 TANF funds. The report shall be forwarded to the state budget
20 director and the house and senate appropriations subcommittees on
21 the department budget and the house and senate fiscal agencies and
22 policy offices within 10 days after presentation of the executive
23 budget.

24 (2) The state budget director shall give prior written notice
25 to the members of the house and senate appropriations subcommittees
26 for the department and to the house and senate fiscal agencies and
27 policy offices of any proposed changes in utilization or

1 distribution of TANF funding or the distribution of TANF
2 maintenance of effort spending relative to the amounts reflected in
3 the annual appropriations acts of all state agencies where TANF
4 funding is appropriated. The written notice shall be given not less
5 than 30 days before any changes being made in the funding
6 allocations. This prior notice requirement also applies to new
7 plans submitted in response to federal TANF reauthorization or
8 replacement by an equivalent federal law.

9 Sec. 220. (1) In contracting with faith-based organizations
10 for mentoring or supportive services, and in all contracts for
11 services, the department shall ensure that no funds provided
12 directly to institutions or organizations to provide services and
13 administer programs shall be used or expended for any sectarian
14 activity, including sectarian worship, instruction, or
15 proselytization.

16 (2) If an individual requests the service and has an objection
17 to the religious character of the institution or organization from
18 which the individual receives or would receive services or
19 assistance, the department shall provide the individual within a
20 reasonable time after the date of the objection with assistance or
21 services and which are substantially the same as the service the
22 individual would have received from the organization.

23 (3) The department shall ensure that faith-based organizations
24 are able to apply and compete for services, programs, or contracts
25 that they are qualified and suitable to fulfill. The department
26 shall not disqualify faith-based organizations solely on the basis
27 of the religious nature of their organization or their guiding

1 principles or statements of faith.

2 (4) The department shall follow guidelines related to faith-
3 based involvement established in 42 USC 604a.

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

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

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

19 Sec. 225. The department shall develop a rapid redetermination
20 process for nursing home residents whose Medicaid stay is greater
21 than 90 days. This process shall be implemented not later than
22 January 1, 2007.

23 Sec. 227. The department, with the approval of the state
24 budget director, is authorized to realign sources of financing
25 authorizations in order to maximize temporary assistance for needy
26 families' maintenance of effort countable expenditures. This
27 realignment of financing shall not be made until 15 days after

1 notifying the chairs of the house and senate appropriations
2 subcommittees on the department budget and house and senate fiscal
3 agencies, and shall not produce an increase or decrease in any
4 line-item expenditure authorization.

5 Sec. 259. (1) From the funds appropriated in part 1 for
6 information technology, the department shall pay user fees to the
7 department of information technology for technology-related
8 services and projects. The user fees shall be subject to provisions
9 of an interagency agreement between the department and the
10 department of information technology.

11 (2) During the annual budget presentation, the department
12 shall report on the interagency agreement with the department of
13 information technology to the senate and house appropriations
14 subcommittees for the department budget, house and senate fiscal
15 agencies, and policy offices. The report shall include the base
16 service priorities in the agreement including, but not limited to,
17 the following:

18 (a) Name and description of base service.

19 (b) Detail goals and objectives related to each base service.

20 (c) Cost of each base service.

21 (d) Time frame for implementation or completion of base
22 service.

23 (e) Impact, if any, on caseload management by local office
24 staff, and on service to individual or family clients in local
25 offices.

26 Sec. 261. The department, in conjunction with the county
27 department of human services boards of directors and the department

1 of management and budget, shall continue to develop and implement a
2 plan to restructure local offices. This plan shall include an
3 emphasis on maximization of service while maintaining a reduction
4 in administrative cost. Duplication of services shall be identified
5 and solutions to remove the duplication shall be detailed in the
6 plan. Any plan presented shall ensure that the department provides
7 a presence and services in every county. The current plan shall be
8 submitted to the senate and house appropriations subcommittees for
9 the department budget by January 15, 2007. The savings resulting
10 from this plan may be allocated to the counties generating the
11 savings to fund additional frontline workers at the county office
12 level and additional staff to reduce wait time for Medicaid
13 eligibility determinations.

14 Sec. 262. The department, in conjunction with county
15 department of human services boards of directors and the department
16 of management and budget, shall continue to develop and implement a
17 plan to assist local services delivery effectiveness and efficiency
18 by maximizing use of state resources while responding to unique
19 needs in geographic regions of the state. Savings resulting from
20 the plan shall be allocated to county offices to fund additional
21 frontline workers. The department shall submit the current
22 consolidation plan to the house and senate appropriations
23 subcommittees for the department budget by January 1, 2007.

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

27 Sec. 269. If title IV-D-related child support collections are

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

9 Sec. 270. (1) The department shall continue to implement a
10 plan to provide client-centered results-oriented programs and
11 services for each of the following programs:

- 12 (a) Day care assistance.
- 13 (b) Family independence program.
- 14 (c) Adoption subsidy.
- 15 (d) Foster care.
- 16 (e) Juvenile justice services.
- 17 (f) Jobs, education, and training (JET) pilot program and
18 other welfare reform activities.

19 (2) The plan shall include detailed information to be compiled
20 on an annual basis by the department on the following for each
21 program listed in subsection (1):

- 22 (a) The average cost per recipient served by the program.
- 23 (b) Measurable performance indicators for each program.
- 24 (c) Desired outcomes or results and goals for each program
25 that can be measured on an annual basis, or desired results for a
26 defined number of years.
- 27 (d) Monitored results for each program.

1 (e) Innovations for each program that may include savings or
2 reductions in administrative costs.

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

6 Sec. 271. (1) The department shall report to the senate and
7 house appropriations subcommittees on the department budget, the
8 senate and house standing committees on human services, the senate
9 and house fiscal agencies, the senate and house policy offices, and
10 the state budget director on the progress of child and family
11 services reviews (CFSR). The reviews, conducted in the state by the
12 children's bureau of the United States department of health and
13 human services, are intended to assess the department's compliance
14 with the adoption and safe families act of 1997, Public Law 105-89,
15 111 Stat. 2115, with the ultimate goal of improving the state child
16 welfare system and the safety, permanency, and child and family
17 service outcomes to children and families. The report shall be
18 submitted January 1 and July 1.

19 (2) The report required under subsection (1) shall include the
20 findings and progress of all of the following:

21 (a) Changes made by the courts with respect to court forms and
22 court rules to meet the statutory requirement.

23 (b) Department policy changes within the areas of foster care,
24 juvenile justice, and adoption to meet the statutory requirements.

25 (c) Recommendations made by a workgroup composed of department
26 and other agency stakeholders.

27 (d) A summary of the 7 systemic factors that determine the

1 state's compliance with the adoption and safe families act of 1997,
2 Public Law 105-89, 111 Stat. 2115.

3 (e) A summary of the 7 data outcome indicators used to
4 determine the state's compliance with the adoption and safe
5 families act of 1997, Public Law 105-89, 111 Stat. 2115, including
6 the length of time required to achieve family reunification for
7 foster care cases.

8 (f) Federal recommendations made to the state, including
9 recommendations to the courts.

10 (g) Federal penalties assessed against the state for
11 noncompliance.

12 (h) Status of the performance improvement plan submitted to
13 the federal government.

14 Sec. 272. (1) The department shall report to the senate and
15 house appropriations subcommittees on the department budget, the
16 senate and house standing committees on human services, the senate
17 and house fiscal agencies, the senate and house policy offices, and
18 the state budget director on the result of the title IV-E foster
19 care eligibility reviews. The reviews, conducted in the state by
20 the United States department of health and human services, are
21 intended to assess the department's compliance with the adoption
22 and safe families act of 1997, Public Law 105-89, 111 Stat. 2115,
23 ensuring the department's case files and payments records meet
24 federal regulations, including standards on eligibility for
25 placement reimbursement and the allowable payment rate. The report
26 shall be submitted January 1 and July 1.

27 (2) The report required under subsection (1) shall include the

1 findings and progress of all of the following:

2 (a) Training programs conducted by the department, the child
3 welfare institute, the Michigan judicial institute, and any private
4 agencies that have been authorized to provide training.

5 (b) Changes made by the courts on court forms and rules used
6 in meeting the statutory requirements.

7 (c) Department policy changes that impact meeting the
8 statutory requirements for foster care and adoption, including
9 juvenile justice programs.

10 (d) Recommendations made by a department workgroup composed of
11 representatives from the department and other departments and
12 agencies.

13 (e) Federal recommendations submitted to the state, including
14 recommendations to the courts.

15 (f) Federal penalties assessed against the state.

16 Sec. 273. (1) The department shall report no later than
17 October 1, 2006 on each specific policy change made to implement
18 enacted legislation to the senate and house appropriations
19 subcommittees on the department budget, the senate and house
20 standing committees on human services, and the senate and house
21 fiscal agencies and policy offices.

22 (2) On an annual basis, the department shall provide a
23 cumulative list of all policy changes in the following areas: child
24 welfare services, child support, work first, work requirements,
25 adult and child safety, local staff program responsibilities, and
26 day care. The list shall be distributed to the senate and house
27 appropriations subcommittees on the department budget, the senate

1 and house standing committees dealing with human services, and the
2 senate and house fiscal agencies and policy offices.

3 (3) Not later than July 1, 2007, the department shall report
4 to the senate and house appropriations subcommittees on the
5 department budget, the senate and house fiscal agencies and policy
6 offices, and the state budget director the annual regulatory plan
7 submitted to the state office of administrative hearings and rules
8 pursuant to section 53 of the administrative procedures act of
9 1969, 1969 PA 306, MCL 24.253. The annual regulatory reform plan
10 shall not include proposals for rule promulgation that exceed the
11 statutory authority granted to the department.

12 (4) Funds for the preparation of the regulatory reform plan
13 shall be provided solely in section 102 of the funds appropriated
14 in part 1. Funds appropriated in part 1 shall not be used to
15 prepare regulatory plans or promulgate rules that would exceed
16 statutory authority granted to the department. If the department
17 fails to provide statutory authority and additional information for
18 its regulatory reform plan pursuant to section 39(1) of the
19 administrative procedures act of 1969, 1969 PA 306, MCL 24.239, no
20 funds shall be expended for the further preparation of that plan or
21 the promulgation of rules in that plan.

22 (5) Funds appropriated in part 1 shall not be used to prepare
23 regulatory plans or promulgate rules that fail to reduce the
24 disproportionate economic impact on small businesses pursuant to
25 section 40 of the administrative procedures act of 1969, 1969 PA
26 306, MCL 24.240.

27 (6) Funds appropriated in part 1 shall not be used to prepare

1 regulatory plans or promulgate rules that would grant preferences
2 to private providers of services based on whether they had
3 collective bargaining agreements with workers.

4 Sec. 274. The department shall report to the house and senate
5 appropriations subcommittees on the department budget, the senate
6 and house fiscal agencies, the senate and house policy offices, and
7 the state budget director as part of the annual budget presentation
8 on each federal grant this state was eligible to apply for, listing
9 both grants applied for and not applied for. This report will cover
10 grants exceeding \$100,000.00, related to fatherhood and marriage
11 initiatives, teen pregnancy prevention, kinship care, before- and
12 after-school programs, family preservation and prevention, homeless
13 prevention, and youth in transition.

14 Sec. 278. (1) The department shall contract with 1 or more
15 private consulting firms for revenue maximization services for all
16 caseload services currently provided by the department, including
17 services expanded such as the SSI advocacy program. A contract
18 under this section shall specify that the contractor locate waste,
19 fraud, error, and abuse within the department's services and
20 programs.

21 (2) A contractor shall not charge the department a fee for
22 services provided under subsection (1). However, a contractor shall
23 receive a negotiated percentage of the savings not to exceed 25% of
24 the gross savings achieved from implementation of a recommendation
25 made by the contractor under this section.

26 (3) The department shall retain up to \$7,500,000.00 of savings
27 achieved through the revenue maximization services contract as an

1 offset to general fund/general purpose costs. Additional savings
2 shall be allocated within the department for the following
3 purposes:

4 (a) Technology programs that help maintain an effective and
5 efficient computer system for caseworkers.

6 (b) Additional staff in order to reduce worker-to-case ratios.

7 (4) The department shall provide a report to the senate and
8 house appropriations subcommittees on the department budget, senate
9 and house standing committees on human services matters, senate and
10 house fiscal agencies and policy offices, and state budget director
11 by December 31, 2006 on the waste, fraud, error, and abuse located
12 under subsection (1). By April 1, 2007, the department shall
13 provide a progress report including the specific changes
14 implemented to achieve savings under this section and the timetable
15 for implementation of the remaining changes.

16 Sec. 279. All contracts relating to human services entered
17 into or renewed by the department on or after October 1, 2006 shall
18 be performance-based contracts that employ a client-centered
19 results-oriented process that is based on measurable performance
20 indicators and desired outcomes and includes the annual assessment
21 of the quality of services provided. During the annual budget
22 presentation, the department shall provide the senate and house
23 appropriations subcommittees on the department budget with the
24 measurable performance indicators, desired outcomes, and the
25 assessment of the quality of services provided for each contract
26 relating to human services entered into by the department during
27 fiscal year 2006-2007.

1 Sec. 280. The department shall submit a report to the house
2 and senate appropriations subcommittees for the department budget,
3 the house and senate fiscal agencies, the house and senate policy
4 offices, and the state budget director by February 1, 2007 on the
5 status of the department's information technology improvement
6 initiatives, including the "Bridges" integration project. The
7 report shall include details on the following:

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

10 (b) The amounts of appropriations carried forward from
11 previous fiscal years for information technology improvement
12 projects.

13 (c) A narrative describing the projects and activities
14 undertaken during the previous fiscal year and during the first
15 quarter of the current fiscal year.

16 Sec. 281. By October 15, 2006, the department shall provide to
17 the senate and house appropriations subcommittees on the department
18 of human services and the senate and house fiscal agencies a list
19 of general fund/general purpose budget cuts sufficient to reduce
20 department general fund/general purpose spending by 7.93% in fiscal
21 year 2006-2007 if the K-16 ballot initiative is adopted by the
22 voters of the state.

23 COMMUNITY ACTION AND ECONOMIC OPPORTUNITY

24 Sec. 301. Not later than September 30 of each year, the
25 department shall submit for public hearing to the chairpersons of
26 the house and senate appropriations subcommittees dealing with

1 appropriations for the department budget the proposed use and
2 distribution plan for community services block grant funds
3 appropriated in part 1 for the succeeding fiscal year.

4 Sec. 302. The department shall develop a plan based on
5 recommendations from the department of civil rights and from Native
6 American organizations to assure that the community services block
7 grant funds are equitably distributed. The plan must be developed
8 by October 31, 2006, and the plan shall be delivered to the
9 appropriations subcommittees on the department budget in the senate
10 and house, the senate and house fiscal agencies, and the state
11 budget director.

12 Sec. 303. (1) Of the funds appropriated in part 1 for
13 community services block grants, \$2,350,000.00 represents TANF
14 funding earmarked for community action agencies.

15 (2) In addition to the money referred to in subsection (1),
16 the department shall award up to \$500,000.00 in competitive grants
17 to organizations based on their education and outreach with the
18 earned income tax credit (EITC). Organizations shall be given
19 preference based on their emphasis on clients who have never filed
20 for the EITC, clients with children, and clients for whom receipt
21 of the EITC will make it easier for them to move off public
22 assistance.

23 (3) In addition to the money referred to in subsection (1),
24 the department shall award up to \$250,000.00 in competitive grants
25 to organizations that seek to provide programs combining education
26 on the EITC with programs building skills for strong marriages,
27 fatherhood, or parenting.

1 Sec. 304. From funds appropriated in part 1 for demonstration
2 projects, the department shall expend TANF funds to fund a school-
3 based crisis intervention demonstration project in Pontiac.

4 Sec. 305. The appropriation in part 1 for the weatherization
5 program shall be expended so that at least 25% of the households
6 weatherized under the program shall be households of families
7 receiving 1 or more of the following:

8 (a) Family independence program assistance.

9 (b) State disability assistance.

10 (c) Food assistance.

11 (d) Supplemental security income.

12 Sec. 306. Of the funds appropriated in part 1 for
13 demonstration projects, the department shall allocate TANF funds to
14 support the kinship care resource center administered by the
15 Michigan state university school of social work. Funding is
16 contingent upon the center's reporting of necessary data to the
17 department to demonstrate TANF or maintenance of effort
18 eligibility. The center shall submit quarterly reports to the
19 department detailing expenditures from this appropriation and
20 reviewing program outcomes including the number of families served
21 through counseling, respite care, and other services as well as the
22 number provided with information on kinship care. The department
23 shall submit each quarterly report to the house and senate
24 appropriations subcommittees on the department budget by January
25 15, April 15, July 15, and October 15 of each year.

26 **ADULT AND FAMILY SERVICES (SELF-SUFFICIENCY)**

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

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

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

1 support; and drug-free lifestyle.

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

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

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

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

26 (3) A marriage initiative program established under this
27 section may include, but is not limited to, 1 or more of the

1 following: public advertising campaigns on the value of marriage
2 and the skills needed to increase marital stability and health;
3 education in high schools on the value of marriage, relationship
4 skills, and budgeting; premarital, marital, family, and domestic
5 violence counseling; effective communication; marriage mentoring
6 programs which use married couples as role models and mentors in
7 at-risk communities; anger management; and parenting skills to
8 improve the family structure.

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

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

17 Sec. 418. From the funds appropriated in part 1 for employment
18 and training support services, the department may expand the
19 availability of individual development accounts (IDAs) with
20 \$200,000.00 for allocation to qualified IDA programs established
21 through the Michigan IDA partnership to serve TANF eligible
22 households in Michigan. The Michigan IDA partnership shall
23 encourage each TANF eligible household served to claim the federal
24 earned income tax credit (EITC) and to incorporate all or part of
25 any tax credit received in the household's IDA savings plan, and
26 shall provide the household with information concerning available
27 free tax assistance resources. In addition, the Michigan IDA

1 partnership and its program sites shall participate in community
2 EITC coalitions established under the plan to increase the EITC
3 participation of TANF families referenced in section 666. The same
4 amount shall be appropriated annually to further expand IDA
5 opportunities to low-income families to become more financially
6 self-sufficient through financial education, saving, wise
7 investment in home ownership, postsecondary education, small
8 business development, or a combination of those programs.

9 Sec. 420. From the funds appropriated in part 1 for employment
10 and training support services, the department may allocate
11 \$40,000.00 in TANF for welfare to career innovation grants to
12 replicate the Kent County model with Cascade engineering.

13 Sec. 421. The department shall allow private nationally
14 accredited foster care and adoption agencies to conduct their own
15 staff training, based on current department policies and procedures
16 provided that the agency trainer and training materials are
17 accredited by the department, and that the agency documents to the
18 department that the training was provided. The department shall
19 provide access to any training materials requested by the private
20 agencies to facilitate this training. The intent of the legislature
21 is to reduce training and travel costs for both the department and
22 the private agencies.

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

1 (2) From the money appropriated in part 1 for crisis
2 prevention and senior food aid projects, the department shall
3 allocate not less than \$70,000.00 to assist this state's elderly
4 population to participate in the food assistance program. The money
5 may be used as state matching funds to acquire available United
6 States department of agriculture funding to provide outreach
7 program activities, such as eligibility screen and information
8 services, as part of a statewide food stamp hotline.

9 (3) Of the funds appropriated in part 1 for crisis prevention
10 and senior food aid projects, the department shall allocate
11 \$25,000.00 for a food aid outreach project in Muskegon County and
12 \$25,000.00 for a food aid outreach project in Kent County.

13 Sec. 424. Of the funds appropriated in part 1 for employment
14 and training, \$200,000.00 in TANF funds may be used for the
15 effective family formation program by the child and family resource
16 council in Kent County for the purpose of instructing unwed parents
17 in developing family formation and sustaining behaviors.

18 **CHILD AND FAMILY SERVICES (PERMANENCY FOR CHILDREN)**

19 Sec. 501. The following goal is established by state law.
20 During fiscal year 2006-2007, not more than 3,000 children
21 supervised by the department shall remain in foster care longer
22 than 24 months. The department shall give priority to reducing the
23 number of children under 1 year of age in foster care. During the
24 annual budget presentation, the department shall report on the
25 number of children supervised by the department and by private
26 agencies who remain in foster care between 12 and 24 months, and

1 those who remain in foster care longer than 24 months.

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

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

10 (a) Has not yet graduated from high school or passed a high
11 school equivalency examination.

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

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

14 (d) Is not eligible for federal supplemental security income
15 (SSI) payments.

16 Sec. 504. The department's ability to satisfy appropriation
17 deducts in part 1 for foster care private collections shall not be
18 limited to collections and accruals pertaining to services provided
19 only in the current fiscal year but shall include revenues
20 collected during the fiscal year in excess of the amount specified
21 in part 1.

22 Sec. 508. (1) In addition to the amount appropriated in part 1
23 for children's trust fund grants, money granted or money received
24 as gifts or donations to the children's trust fund created by 1982
25 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure in an
26 amount not to exceed \$800,000.00.

27 (2) The state child abuse and neglect prevention board may

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

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

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

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

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

25 (2) Notwithstanding subsection (1), this section shall not
26 prohibit counseling or other services provided by the department,
27 if the service is not directed toward influencing the child to

1 remain in an abusive environment, justifying the actions of the
2 abuser, or reuniting the family.

3 Sec. 510. The department may not be required to put up for
4 bids contracts with service providers if currently only 1 provider
5 in the service area exists.

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

10 (a) There is no appropriate placement available in this state,
11 while an out-of-state placement does exist within 100 miles of the
12 child's home.

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

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

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

21 (2) The department shall submit a report by February 1 of each
22 year on the number of children who were newly placed in out-of-
23 state facilities during the previous fiscal year, the number of
24 Michigan children residing in such facilities at the time of the
25 report, and the total cost and average per diem cost of these out-
26 of-state placements to the state.

27 Sec. 514. The department shall make a comprehensive report

1 concerning children's protective services (CPS) to the legislature,
2 including the senate and house policy offices and the state budget
3 director, by January 1, 2007, that shall include all of the
4 following:

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

7 (i) The total number of reports of abuse or neglect
8 investigated under the child protection law, 1975 PA 238, MCL
9 722.621 to 722.638, and the number of cases classified under
10 category I or category II and the number of cases classified under
11 category III, category IV, or category V.

12 (ii) Characteristics of perpetrators of abuse or neglect and
13 the child victims, such as age, relationship, socioeconomic status,
14 race, and ethnicity and whether the perpetrator exposed the child
15 victim to criminal drug activity, including the manufacture of
16 illicit drugs, that exposed the child victim to significant health
17 and environmental hazards.

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

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

26 (c) The number of cases in category III closed during the time
27 period covered by the report categorized as follows:

- 1 (i) Transfer to foster care.
- 2 (ii) Risk of further child abuse or neglect has been reduced to
3 an acceptable level.
- 4 (iii) The perpetrator no longer has access to the child victim.
- 5 (iv) Unsatisfactory family response - referral to court not
6 feasible.
- 7 (v) Child protective services not needed - family is receiving
8 services from another program.
- 9 (vi) Client unavailable for services, location of client
10 unknown.
- 11 (vii) Other.
- 12 (d) The department policy, or changes to the department
13 policy, regarding termination of parental rights or foster
14 placement for children who have been exposed to the production of
15 illicit drugs in their dwelling place or a place frequented by the
16 children.
- 17 (e) The department policy, or changes to the department
18 policy, regarding children who have been exposed to the production
19 or manufacture of methamphetamines.
- 20 Sec. 515. From the funds appropriated in part 1 for foster
21 care payments and Wayne County foster care payments and related
22 administrative costs, the department shall implement a performance
23 based managed care approach to contracting for foster care services
24 with private, nonprofit agencies. The goal of these contracts shall
25 be to provide incentives for agencies to improve the process of
26 placing children in permanent placements and reducing the time
27 children spend in foster care. The department shall report to the

1 senate and house appropriations subcommittees on the department
2 budget, the senate and house fiscal agencies and policy offices,
3 and the state budget office on this foster care permanency program
4 and make recommendations for program expansion to all the counties
5 of this state no later than August 30, 2007. The department shall
6 develop these recommendations with sufficient detail that
7 permanency programs may be implemented as soon as possible after
8 September 30, 2007.

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

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

18 (a) Foster positive parenting skills especially for parents of
19 children under 3 years of age.

20 (b) Improve parent/child interaction.

21 (c) Promote access to needed community services.

22 (d) Increase local capacity to serve families at risk.

23 (e) Improve school readiness.

24 (f) Support healthy family environments that discourage
25 alcohol, tobacco, and other drug use.

26 (3) The appropriation provided for in subsection (2) is to
27 fund secondary prevention programs as defined in the children's

1 trust fund's preapplication materials for fiscal year 2006-2007
2 direct services grants.

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

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

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

11 (c) Demonstrate that the planned services are part of a
12 community's integrated comprehensive family support strategy
13 endorsed by the local multipurpose collaborative body.

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

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

21 Sec. 523. (1) From the funds appropriated in part 1 for youth
22 in transition, domestic violence prevention and treatment, and
23 teenage parent counseling, the department is authorized to make
24 allocations of TANF funds only to the agencies that report
25 necessary data to the department for the purpose of meeting TANF
26 eligibility reporting requirements.

27 (2) The agencies receiving teenage parent counseling TANF

1 funds shall report to the department on both of the following:

2 (a) Whether program services have impacted the following issue
3 areas:

4 (i) The number of teen participants having fewer repeat
5 pregnancies.

6 (ii) The completion rate for high school diplomas or GEDs.

7 (iii) The teen participants' rate of self-sufficiency.

8 (iv) The number of father participants.

9 (b) How many teens participate in the programs and have access
10 to any or all of the following services:

11 (i) Adult supervised, supportive living arrangements.

12 (ii) Pregnancy prevention services or referrals.

13 (iii) Required completion of high school or receipt of GED,
14 including child care to assist young mothers to focus on
15 achievement.

16 (iv) Support services, including, but not limited to, health
17 care, transportation, and counseling.

18 (v) Parenting and life-skills training.

19 (vi) Education, job training, and employment services.

20 (vii) Transition services in order to achieve self-sufficiency.

21 (viii) Instruction on self-protection.

22 (3) Agencies receiving teenage parent counseling funds shall
23 provide at least 10% in matching funds, through any combination of
24 local, state, or federal funds or in-kind or other donations.

25 Sec. 524. The department shall report on prevention programs
26 for which funds are appropriated in part 1 to the senate and house
27 appropriations subcommittees on the department budget during the

1 annual budget presentation. The report shall contain all of the
2 following for each program:

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

11 Sec. 531. (1) From the funds appropriated in part 1, the
12 department shall make claims for and pay to local units of
13 government a portion of federal title IV-E revenues earned as a
14 result of eligible costs incurred by local units of government.

15 (2) The department shall make payments under subsection (1)
16 only to local units of government that have entered into formal
17 agreements with the department. The agreement must include all of
18 the following:

19 (a) Provide for the department to retain 50% of the federal
20 revenues earned.

21 (b) Provide for department review and approval of the local
22 unit's plan for allocating costs to title IV-E.

23 (c) Provide for the local unit of government to submit bills
24 at times, and in the format, specified by the department.

25 (d) Specify that the local unit of government is responsible
26 for meeting all federal title IV-E regulation requirements,
27 including reporting requirements, with regard to the activities and

1 costs being billed to title IV-E.

2 (e) Provide for the local unit of government to pay the state
3 for the amount of any federal revenues paid to the local unit that
4 may subsequently be disallowed by the federal government.

5 (f) Be signed by the director of the department, the chief
6 executive officer of the local government agency providing the
7 title IV-E services, the chair of the county board of
8 commissioners, and the chief executive officer of the county.

9 Sec. 532. (1) The department, in collaboration with
10 representatives of private child and family agencies, shall
11 continue to review policies, practices, and procedures involving
12 the annual licensing review and the annual contract compliance
13 review conducted by the department regarding child placing agencies
14 and child caring institutions. The review shall include efforts to
15 identify duplication of staff activities and information sought
16 from child placing agencies and child caring institutions in the
17 annual review process.

18 (2) The department shall develop a streamlined licensing
19 contract compliance review process where possible, including
20 potential for utilizing deeming status for nationally accredited
21 agencies. The department shall report to the senate and house
22 appropriations subcommittees on the department budget, the senate
23 and house fiscal agencies and policy offices, and the state budget
24 director on or before January 15, 2007 on the implementation of the
25 licensing and contract compliance review process.

26 Sec. 533. (1) The department shall make payments to private
27 nonprofit child placing facilities for title IV-E out-of-home care

1 services within 30 days of receiving all necessary documentation
2 from those agencies.

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

6 Sec. 536. The department shall not implement a geographically
7 based assignment system for foster care unless determined to be in
8 the best interests of the foster children.

9 Sec. 537. (1) The department shall offer private nonprofit
10 licensed agencies the first opportunity to provide foster care
11 services for new foster children entering the system in a county
12 when the department's direct care caseload for foster care is
13 greater than 20 cases per foster care worker. This section only
14 applies if the private nonprofit licensed agency has an available
15 placement at the time the child needs to be placed, the placement
16 is not contrary to the best interests of the child or the child's
17 siblings, and the private nonprofit licensed agency has a direct
18 care caseload for foster care that is no greater than 20 cases per
19 foster care caseworker.

20 (2) The department, in conjunction with private child placing
21 agencies, shall develop a methodology for measuring goals,
22 objectives, and performance standards for the delivery of foster
23 care and adoption services. These goals, objectives, and
24 performance standards shall apply to both public and private
25 delivery of child welfare services, and data shall be collected
26 from both private and public child welfare programs that can be
27 used to evaluate performance achievements, including, but not

1 limited to, the following:

2 (a) Average caseload per foster care worker.

3 (b) Average cost per case to the department and any other
4 governmental agency.

5 (c) Range of services provided.

6 (d) Program outcomes, including the average length of stay in
7 residential treatment and foster care.

8 (3) The department shall submit a quarterly report to the
9 legislature outlining the progress of the development of the goals,
10 objectives, and performance standards, as well as the information
11 collected through the implementation of the measurement program.

12 (4) The department, in collaboration with child placing
13 agencies, shall develop a strategy for implementing the
14 requirements of MCL 400.115o. As part of the implementation
15 strategy, the department caseworkers responsible for the
16 preparation of recommendations to the court for juvenile placements
17 shall provide, as part of the placement recommendation, information
18 regarding the requirements.

19 Sec. 539. The department shall work in collaboration with
20 representatives from private nonprofit child placing agencies to
21 ensure appropriate placement for children who have been adjudicated
22 abused, neglected, or delinquent and for whom residential treatment
23 is required. The department and the representatives from the
24 private nonprofit child placing agencies shall focus on statewide
25 placement criteria to address the best interest of the child in
26 need of services. The placement criteria shall include a continuum
27 of care settings and options as appropriate for each child and his

1 or her needs at specific times, including home placements, relative
2 placements, shelter placements, and other options.

3 Sec. 544. The department shall implement pilot projects with
4 applications pending for accelerated residential treatment.

5 Sec. 545. (1) The department shall report on the progress in
6 implementing any new specialized foster care system based upon the
7 report and recommendations required in section 545(2) of 2004 PA
8 344.

9 (2) The department shall report to the senate and house
10 appropriations subcommittees for the department budget on the
11 number of new specialized foster care programs required under
12 section 545(3) of 2004 PA 344 not later than January 15, 2007. If
13 no new specialized foster care programs have been authorized, the
14 department shall provide an explanation, a list of all applicants
15 who applied but were denied, and a strategic plan to provide for
16 new specialized foster care programs.

17 (3) The department shall use money appropriated in part 1 for
18 foster care payments and Wayne County foster care payments to
19 reduce rate disparities between providers of similar services in
20 different geographic areas and to serve as demonstration projects
21 for further efforts in reducing these disparities in future years.

22 Sec. 546. Of the funds appropriated in part 1 for foster care
23 and Wayne County foster care payments, the legislature intends the
24 increase in funding above the appropriated amounts in fiscal year
25 2005-2006 to increase the general foster care daily rate to \$21.00.

26 Sec. 548. During the annual budget presentation to the house
27 and senate appropriations subcommittees on the department budget,

1 the department shall report on progress in implementing the
2 recommendations of the task force that studied the disproportionate
3 representation of African-American and other children of color in
4 the child welfare and juvenile justice systems as required under
5 former section 548 of the fiscal year 2005-2006 budget act for the
6 department.

7 Sec. 549. The department shall meet with personnel employed by
8 the office of the children's ombudsman and the state court
9 administrative office's foster care review board to investigate
10 streamlining the oversight process for child welfare services. The
11 intent of the legislature is to ensure appropriate and adequate
12 oversight while reducing duplication and redundancy between
13 government offices.

14 Sec. 550. (1) The department shall develop, in cooperation
15 with the department of community health or other appropriate
16 medical or health experts, materials for distribution to foster
17 care parents and families on the health risks to children from use
18 of tobacco and secondhand smoke.

19 (2) The department, using public and private resources, shall
20 implement a pilot program to offer foster care parents nicotine
21 patches or other smoking cessation products to reduce the health
22 risk to foster children.

23 (3) The department shall report to the senate and house
24 appropriations subcommittees for the department budget on the
25 results of the pilot program implemented under subsection (2) not
26 later than September 30, 2007.

27 Sec. 551. The department shall submit a report not later than

1 September 30, 2007 to the senate and house appropriations
2 subcommittees on the department budget that includes the number of
3 children in foster homes where parents smoke, the subsequent health
4 costs incurred, and what the impact would be on foster care
5 recruitment if being a nonsmoker was a requirement for foster
6 parenting.

7 Sec. 552. (1) The director of the department shall convene a
8 task force to be known as the interdepartmental task force on
9 services to at-risk youth transitioning to adulthood. The task
10 force shall perform all of the following with respect to services
11 to at-risk youth:

12 (a) Assess currently available services.

13 (b) Determine the extent of coordination and cooperation among
14 currently available programs and services administered by the
15 department and by other departments and agencies of this state.

16 (c) Identify methods to enhance coordination of current
17 services delivery.

18 (d) Identify potential available public and private resources
19 and services.

20 (e) Develop a plan to ensure that all current public and
21 private resources and services are effectively organized and
22 available.

23 (f) Recommend actions to enhance services.

24 (2) The director of the department shall seek participation on
25 the task force created under subsection (1) from all of the
26 following:

27 (a) The director of the department of community health or the

1 director's designee.

2 (b) The director of the department of labor and economic
3 growth or the director's designee.

4 (c) The superintendent of public instruction or the
5 superintendent's designee.

6 (d) The state court administrator or his or her designee.

7 (e) The association for children's mental health.

8 (f) The children's chapter of the courts of Michigan.

9 (g) The Michigan probate judges association.

10 (h) The Michigan community mental health boards.

11 (i) Fight crime: invest in kids - Michigan.

12 (j) The Michigan association of school administrators.

13 (k) The Michigan association of united ways.

14 (l) The Michigan council on crime and delinquency.

15 (m) The Michigan federation for children and families.

16 (n) The Michigan network for youth and families.

17 (o) Michigan's children.

18 (p) The school-community health alliance of Michigan.

19 (q) The student advocacy center of Michigan.

20 (r) The Skillman foundation.

21 (s) The W.K. Kellogg foundation.

22 (t) The C.S. Mott foundation.

23 (u) The Frey foundation.

24 (v) The Annie E. Casey foundation.

25 (w) Youth and adults who are currently or were formerly served
26 by 1 or more services provided by the department to at-risk youth.

27 (x) Representatives of faith-based organizations.

Senate Bill No. 1090 as amended May 24, 2006

(3) By June 30, 2007, the task force created under subsection (1) shall report to the department. The report shall include the task force findings, assessments, plan, and recommendations under subsection (2).

(4) By September 30, 2007, the department shall provide to the senate and house of representatives standing committees with primary jurisdiction over human service matters, the senate and house of representatives appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget office the task force's report under subsection (3) and identify any actions the department has taken or intends to take as a result of the report.

Sec. 560. Of the amount appropriated in section 108 of part 1, the department shall expend funds if necessary to comply with an act amending the child protection law, 1975 PA 238, MCL 722.621 to 722.638, requiring the recording of child protective services interviews with children. This funding shall pay for expenses related to compliance with that amendatory act, including, but not limited to, purchase of appropriate taping equipment, training of personnel in its use, and the preservation of records in accordance with statutory requirements for record retention and confidentiality of investigation records.

Sec. 561. Of the funds appropriated in part 1 for youth in transition, the legislature intends the increase in funding above the appropriated amounts in fiscal year 2005-2006 to increase the runaway and homeless youth providers contract rate.

<<Sec. 562. From the funds appropriated in part 1 for federally funded family preservation programs, the department shall allocate not less than \$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 youth.>>

1 **PUBLIC ASSISTANCE (ADULTS LIVE AND WORK IN THE COMMUNITY)**

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

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

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

26 Sec. 603. (1) The department, as it determines is appropriate,
27 shall enter into agreements with energy providers by which cash

1 assistance recipients and the energy providers agree to permit the
2 department to make direct payments to the energy providers on
3 behalf of the recipient. The payments may include heat and electric
4 payment requirements from recipient grants and amounts in excess of
5 the payment requirements.

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (3) Except for a person described in subsection (1)(c) or (d),
16 a person is not disabled for purposes of this section if his or her
17 drug addiction or alcoholism is a contributing factor material to
18 the determination of disability. "Material to the determination of
19 disability" means that, if the person stopped using drugs or
20 alcohol, his or her remaining physical or mental limitations would
21 not be disabling. If his or her remaining physical or mental
22 limitations would be disabling, then the drug addiction or
23 alcoholism is not material to the determination of disability and
24 the person may receive state disability assistance. Such a person
25 must actively participate in a substance abuse treatment program,
26 and the assistance must be paid to a third party or through vendor
27 payments. For purposes of this section, substance abuse treatment

1 includes receipt of inpatient or outpatient services or
2 participation in alcoholics anonymous or a similar program.

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

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

13 Sec. 606. County department offices shall require each
14 recipient of state disability assistance who has applied with the
15 social security administration for supplemental security income to
16 sign a contract to repay any assistance rendered through the state
17 disability assistance program upon receipt of retroactive
18 supplemental security income benefits.

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

27 Sec. 608. Adult foster care facilities providing domiciliary

1 care or personal care to residents receiving supplemental security
2 income or homes for the aged serving residents receiving
3 supplemental security income shall not require those residents to
4 reimburse the home or facility for care at rates in excess of those
5 legislatively authorized. Adult foster care facilities and homes
6 for the aged serving residents receiving supplemental security
7 income shall not be prohibited from accepting third-party payments
8 in addition to supplemental security income provided that the
9 payments are not for food, clothing, shelter, or result in a
10 reduction in the recipient's supplemental security income payment.

11 Sec. 609. The state supplementation level under the
12 supplemental security income program for the personal care/adult
13 foster care and home for the aged categories shall not be reduced
14 during the fiscal year beginning October 1, 2006 and ending
15 September 30, 2007. The legislature shall be notified not less than
16 30 days before any proposed reduction in the state supplementation
17 level.

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

22 Sec. 611. (1) A provider of indigent burial services may
23 collect additional payment from relatives or other persons on
24 behalf of the deceased if the total additional payment does not
25 exceed \$2,600.00.

26 (2) Any additional payment collected pursuant to subsection
27 (1) shall not increase the maximum charge limit for state payment

1 as established by law.

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

7 Sec. 613. (1) Beginning October 1, 2006, the department shall
8 begin statewide implementation of the indigent burial services
9 pilot project begun in fiscal year 2005-2006.

10 (2) If the department, in consultation with representatives of
11 funeral establishments, determines on or before December 31, 2006
12 that continued implementation of the indigent burial services pilot
13 program will lead to excessive demands upon appropriated funds for
14 the program, the department shall notify the senate and house
15 subcommittees with jurisdiction over the department's budget that
16 it is suspending the program.

17 (3) If the program is suspended pursuant to subsection (2),
18 the department shall immediately implement payments for services
19 according to the payment standards used in fiscal year 2005-2006.

20 (4) Providers of burial services shall be responsible for
21 expenses in excess of appropriated amounts for the period of the
22 indigent burial services project's implementation, but the
23 department shall not increase those expenses by untimely delays in
24 acting upon a request from representatives of funeral
25 establishments that the program be suspended and notice sent to the
26 legislative subcommittees referred to in subsection (2).

27 Sec. 615. Except as required by federal law or regulations,

1 funds appropriated in part 1 shall not be used to provide public
2 assistance to a person who is an illegal alien. This section shall
3 not prohibit the department from entering into contracts with food
4 banks or emergency shelter providers who may, as a normal part of
5 doing business, provide food or emergency shelter to individuals.

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

11 Sec. 618. The department may only reduce, terminate, or
12 suspend assistance provided under the social welfare act, 1939 PA
13 280, MCL 400.1 to 400.119b, without prior notice in 1 or more of
14 the following situations:

15 (a) The only eligible recipient has died.

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

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

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

22 (e) A recipient has been approved to receive assistance in
23 another state.

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

26 (g) The only eligible recipient in the household has been
27 incarcerated.

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

2 (i) A recipient is closed on 1 case to be activated on
3 another.

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

6 (k) A recipient is disqualified for intentional program
7 violation.

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

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

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

19 (b) An authorized representative shall be required for food
20 assistance receipt.

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

25 Sec. 627. (1) From the funds appropriated in part 1 for day
26 care services, the department shall contract to administer an
27 amount not to exceed \$1,350,000.00 for the "enhance quality

1 improvement program" (EQUIP) grants. A priority for the expenditure
2 of EQUIP funds shall be given to providers to expand access to
3 child care, specifically 24-hour care, care for children of parents
4 working evening or night shifts, and weekend care. A child care
5 program shall not be eligible for an EQUIP grant unless 25% or more
6 of its clients receive day care payments from the department.

7 (2) From the funds appropriated in part 1 for day care
8 services, the department may establish an additional fund of at
9 least \$350,000.00 for a grant pool for an "enhance quality
10 improvement program" (EQUIP) specifically to establish new family
11 and group home day care providers.

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

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

17 (b) Referral of persons so identified to counseling and
18 supportive services.

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

25 Sec. 635. Within 24 hours of receiving all information
26 necessary to process an application for payments for child day
27 care, the department shall determine whether the child day care

1 provider to whom the payments, if approved, would be made, is
2 listed on the child abuse and neglect central registry. If the
3 provider is listed on the central registry, the department shall
4 immediately send written notice denying the applicant's request for
5 child day care payments.

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

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

13 Sec. 641. In collaboration with Central Michigan University,
14 the department shall develop and disseminate read, educate, and
15 develop youth (R.E.A.D.Y.) kits to parents of preschool and
16 kindergarten children to provide these parents with information
17 about how they can prepare their children for reading success.

18 Sec. 643. As a condition of receipt of federal TANF funds,
19 homeless shelters shall collaborate with the department to obtain
20 necessary TANF eligibility information on families as soon as
21 possible after admitting a family to the homeless shelter. From the
22 funds appropriated in part 1 for homeless shelter contracts, the
23 department is authorized to make allocations of TANF funds only to
24 the agencies that report necessary data to the department for the
25 purpose of meeting TANF eligibility reporting requirements.
26 Homeless shelters that do not report necessary data to the
27 department for the purpose of meeting TANF eligibility reporting

1 requirements will not receive reimbursements which exceed the per
2 diem amount they received in fiscal year 2000. The use of TANF
3 funds under this section should not be considered an ongoing
4 commitment of funding.

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

11 Sec. 648. From the funds appropriated in part 1 for public
12 assistance, the department may make assistance payments to
13 recipients beyond the 5-year limit set by the personal
14 responsibility and work opportunity reconciliation act of 1996,
15 Public Law 104-193, 110 Stat. 2105, providing the recipient is
16 complying with asset, income, and participation standards set as a
17 condition of eligibility to receive assistance and clearly
18 demonstrates that he or she is making progress in becoming self-
19 sufficient.

20 Sec. 649. (1) If a family independence program assistance
21 recipient does not meet the recipient's personal responsibility
22 plan or personal work plan requirements, the department shall
23 impose a penalty.

24 (2) The department shall implement a schedule of sanctions for
25 instances of noncompliance as described in this subsection. After
26 termination of family independence program assistance, the penalty
27 shall be as follows:

1 (a) For the first instance of noncompliance, the recipient is
2 ineligible for family independence program assistance for not less
3 than 3 calendar months.

4 (b) For the second instance of noncompliance, the recipient is
5 ineligible for family independence program assistance for not less
6 than 3 calendar months.

7 (c) For a third instance of noncompliance, the recipient is
8 ineligible for family independence program assistance for not less
9 than 24 calendar months.

10 (3) For the first, second, and third instances of
11 noncompliance resulting in termination of family independence
12 assistance for any period of time, family independence program
13 assistance may be approved to begin at the conclusion of the
14 sanction period if the recipient attends a joint meeting with his
15 or her family independence specialist caseworker and work first
16 program caseworker and develops an approved corrective action plan.
17 The meeting shall include a discussion and official warning
18 regarding sanctions that may be imposed for future instances of
19 noncompliance.

20 Sec. 650. From the funds appropriated in part 1 for family
21 independence program, in calculating family assistance monthly
22 benefit amounts, the department shall disregard earned income from
23 the amount subtracted from a program group's payment standard in
24 accordance with the following provisions:

25 (a) For program groups in which all adults are exempt from the
26 work first program, the department shall disregard the first
27 \$200.00 of earned income plus 20% of any remaining earned income.

1 (b) For program groups that contain an adult not exempt from
2 the work first program and that are meeting the relevant federal
3 work participation requirement, the department shall disregard the
4 first \$200.00 of earned income plus 20% of any remaining earned
5 income.

6 (c) For program groups that contain an adult not exempt from
7 the work first program but that are not meeting the relevant
8 federal work participation requirement, the department shall
9 disregard 20% of any earned income.

10 Sec. 651. All adult family independence program assistance
11 recipients exempt from the work first program requirements on the
12 basis of incapacitation as referenced in section 57f(3)(f)(ii) of
13 the social welfare act, 1939 PA 280, MCL 400.57f, but who have not
14 yet qualified for federal supplemental security income assistance
15 shall be assessed for participation in work activities. If the
16 recipient is determined to be able to participate in work
17 activities, he or she shall be referred to work first. If the
18 individual is determined not to be able to participate in work
19 activities, he or she shall be referred for SSI advocacy
20 assistance.

21 Sec. 651a. The department shall submit a quarterly report to
22 the house and senate appropriations subcommittees on the department
23 budget, the house and senate fiscal agencies, the house and senate
24 policy offices, and the state budget office on the results of the
25 department's assessments of family independence program clients
26 exempted from work first due to a claimed disability. The report
27 shall outline the number of clients who were:

1 (a) Determined work ready and referred to the work first
2 program.

3 (b) Determined work ready with additional support.

4 (c) Determined likely to be eligible for federal SSI
5 assistance and referred for SSI advocacy assistance.

6 Sec. 653. From the funds appropriated in part 1 for food
7 assistance, an individual who is the victim of domestic violence
8 and does not qualify for any other exemption may be exempt from the
9 3-month in 36-month limit on receiving food assistance under 7 USC
10 2015. This exemption can be extended an additional 3 months upon
11 demonstration of continuing need.

12 Sec. 657. (1) The department shall fund a statewide before- or
13 after-school program to provide youth with a safe, engaging
14 environment to motivate and inspire learning outside the
15 traditional classroom setting. Before- or after-school program
16 eligibility is limited to geographic areas near school buildings
17 that do not meet federal no child left behind annual yearly
18 progress (AYP) requirements and that include the before- or after-
19 school programs in the AYP plans as a means to improve outcomes.
20 Before-school programs are limited to elementary school-aged
21 children. Effective before- or after-school programs combine
22 academic, enrichment, and recreation activities to guide learning
23 and inspire children and youth in various activities. The before-
24 or after-school programs can meet the needs of the communities
25 served by the programs.

26 (2) The department shall work in collaboration with
27 independent contractors to put into practice a program establishing

1 quality before- or after-school programs for children in
2 kindergarten to ninth grades. In order for an independent
3 contractor to receive TANF funds, a child served must be a member
4 of a family with an income that does not exceed 200% of the federal
5 poverty guidelines published by the United States department of
6 health and human services.

7 (3) The department shall, through a competitive bid process,
8 provide grants or contracts up to \$5,000,000.00 in TANF funds for
9 the program based on community needs. A county shall receive no
10 more than 20% of the funds appropriated in part 1 for this program.
11 From the funds appropriated in part 1 for before- or after-school
12 programs within day care services, the department is authorized to
13 make allocations of funds only to the agencies that report
14 necessary data to the department for the purpose of meeting TANF
15 and maintenance of effort eligibility reporting requirements. The
16 use of funds under this section should not be considered an ongoing
17 commitment of funding.

18 (4) The before- or after-school programs shall include
19 academic assistance, including assistance with reading and writing,
20 and at least 3 of the following topics:

21 (a) Abstinence-based pregnancy prevention.

22 (b) Chemical abuse and dependency including nonmedical
23 services.

24 (c) Gang violence prevention.

25 (d) Preparation toward future self-sufficiency.

26 (e) Leadership development.

27 (f) Case management or mentoring.

1 (g) Parental involvement.

2 (h) Anger management.

3 (5) The department may enter into grants or contracts with
4 independent contractors including, but not limited to, faith-based
5 organizations, boys or girls clubs, schools, or nonprofit
6 organizations. The department shall grant priority in funding
7 independent contractors who secure at least 25% in matching funds.
8 The matching funds may either be fulfilled through local, state, or
9 federal funds, and/or through in-kind or other donations.

10 (6) A referral to a program may be made by, but is not limited
11 to, any of the following: a teacher, counselor, parent, police
12 officer, judge, or social worker.

13 (7) By January 30, 2007, the department before- or after-
14 school program expenditures shall be audited and the department
15 shall work in collaboration with independent contractors to provide
16 a report on the before- or after-school program to the senate and
17 house standing committees dealing with human services, the senate
18 and house appropriations subcommittees for the department budget,
19 the senate and house fiscal agencies, and the senate and house
20 policy offices. The report shall include the number of participants
21 and the average cost per participant, as well as changes noted in
22 program participants in any of the following categories:

23 (a) Juvenile crime.

24 (b) Aggressive behavior.

25 (c) Academic achievement.

26 (d) Development of new skills and interests.

27 (e) School attendance and dropout rates.

1 (f) Behavioral changes in school.

2 Sec. 658. From the funds appropriated in part 1 for day care
3 services, \$150,000.00 in TANF funds shall be allocated to Grand
4 Rapids youth commonwealth to support after-school and summer
5 programs at camp O'Malley. As a condition for receiving funds,
6 Grand Rapids youth commonwealth shall comply with all policies and
7 reporting requirements placed on recipients of before- and after-
8 school grants awarded under section 657.

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

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

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

27 Sec. 668. (1) In coordination with the Michigan alliance of

1 boys and girls clubs, the department shall expend \$250,000.00 to
2 make allocations for a statewide collaborative project to develop a
3 community-based program available to children ages 6 to 15.

4 (2) The department shall make allocations of TANF funds under
5 this section only to agencies that report necessary data to the
6 department for the purpose of meeting the TANF eligibility
7 reporting requirements. The use of TANF funds under this section
8 should not be considered an ongoing commitment.

9 (3) The department shall grant priority in funding to programs
10 that provide at least 10% in matching funds. The matching funds
11 requirement shall be fulfilled through any combination of local,
12 state, or federal funds or in-kind or other donations. A program
13 that cannot meet the matching requirement shall not be excluded
14 from applying for a contract.

15 Sec. 669. (1) The department shall distribute cash and food
16 assistance to recipients electronically by using debit cards.
17 Distribution of such assistance payments shall be spread over not
18 fewer than 21 days of the month.

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

22 Sec. 670. The funds appropriated in part 1 for kinship care in
23 the fiscal year ending September 30, 2007 reflect the legislature's
24 commitment to reduce the benefit discrepancy between kinship care
25 and a similar family size within the family independence agency
26 program (FIP). The legislature recognizes the commitment of
27 relatives to provide family continuity, nurturance, and care for

1 this special population of children who can no longer remain in
2 their parents' care due to abuse, neglect, or other social
3 problems.

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

8 Sec. 674. The department shall develop and implement a plan to
9 reduce waste, fraud, and abuse within the child day care program,
10 including feasibility for expanding wage match and employer
11 verification, unannounced home call verification at day care sites,
12 compliance with recommendations of the auditor general in the May
13 2005 performance audit of the child day care and child welfare
14 licensing divisions, and other process changes. Beginning December
15 31, 2006, the department shall report annually to the senate and
16 house appropriations subcommittees for the department budget, the
17 senate and house fiscal agencies and policy offices, and the state
18 budget director on plan details and implementation status,
19 including, at least, the following measurable performance
20 indicators:

21 (a) The success or failure of the expansion of wage match and
22 employer verification.

23 (b) The success or failure of unannounced home call
24 verification at day care sites.

25 (c) The success or failure of complying with the
26 recommendations of the auditor general in the May 2005 performance
27 audit of the child day care and child welfare licensing divisions.

1 (d) The amount of money recovered as a result of the plan for
2 the preceding fiscal year.

3 (e) The amount of money saved as a result of the plan for the
4 preceding fiscal year.

5 (f) The number of day care case closures as a result of the
6 plan.

7 (g) The number of criminal convictions as a result of the
8 plan.

9 (h) Any policy changes related to the plan.

10 Sec. 675. The department shall continue to explore policy
11 options and the potential costs of implementing a child day care
12 rate structure that more accurately reflects the market cost and
13 availability of care by vicinity.

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

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

27 (3) Each year, on or before December 31, the Michigan after-

1 school partnership shall report its progress in reaching the
2 recommendations set forth in the Michigan after-school initiative's
3 report to the senate and house committees on appropriations, the
4 senate and house fiscal agencies and policy offices, and the state
5 budget director.

6 Sec. 677. The department shall establish a state goal for the
7 percentage of family independence program (FIP) cases involved in
8 employment activities. The percentage established shall not be less
9 than 50%. On a quarterly basis, the department shall report to the
10 senate and house appropriations subcommittees on the department
11 budget, the senate and house fiscal agencies and policy offices,
12 and the state budget director on the current percentage of FIP
13 cases involved in employment activities and the current percentage
14 of JET pilot program cases involved in employment activities. If
15 the FIP case percentage is below the goal for more than 2
16 consecutive quarters, the department shall develop a plan to
17 increase the percentage of FIP cases involved in employment-related
18 activities. The department shall deliver the plan during the next
19 annual budget presentation to the senate and house appropriations
20 subcommittees on the department budget. If the percentage of JET
21 pilot program cases involved in employment activities does not
22 increase during any quarter of the fiscal year, the JET pilot
23 program shall be immediately discontinued.

24 Sec. 678. The department shall provide the senate and house of
25 representatives appropriations subcommittees on the department
26 budget with the cost and revenue implications for the early
27 childhood investment corporation (ECIC) at least 3 months before a

1 request for a transfer or supplemental appropriation. Additionally,
2 all contracts entered into shall be bid out through a statewide
3 request-for-proposal process, and the department shall report to
4 the senate and house of representatives appropriations
5 subcommittees on the department budget on the selection criteria
6 for establishing contracts with intermediate school districts at
7 least 30 days prior to the issuance of a request for a proposal.
8 The department shall report to the senate and house of
9 representatives appropriations subcommittees on the department
10 budget by October 1, 2006 at least the following information
11 related to the status of the ECIC:

12 (a) The cost.

13 (b) The implementation plan.

14 (c) The projected funding sources.

15 (d) All contracts entered into by the department.

16 Sec. 680. The appropriation in part 1 for family independence
17 program includes \$50,000,000.00 funded through state general fund
18 revenue and not intended to count toward state maintenance of
19 effort requirements.

20 Sec. 681. The department shall work with family independence
21 program recipients, employers, and day care or kinship providers to
22 identify barriers to day care services for custodial parents
23 working nontraditional work schedules or engaged in education and
24 training programs with nontraditional times and shall report
25 recommendations to the legislature during the annual budget
26 presentation to the senate and house subcommittees with
27 jurisdiction over the department's budget. These recommendations

1 shall include measures to increase awareness and access to day care
2 for those recipients.

3 Sec. 682. (1) From the funds appropriated in part 1 for the
4 family independence program, if the department offers or provides a
5 recipient an amount that exceeds the recipient's monthly benefit
6 amount in the form of a 1-time family independence program payment,
7 the recipient is prohibited from receiving any additional family
8 independence program benefits for a period of not less than 6
9 months.

10 (2) The department shall report monthly, beginning on October
11 1, 2006, on the diversion cash assistance program to the senate and
12 house appropriations subcommittees on the department budget, the
13 senate and house fiscal agencies and policy offices, and the state
14 budget office. The report shall include the following:

15 (a) The number of recipients present in each county who are
16 offered a cash assistance lump-sum payment through the diversion
17 cash assistance program.

18 (b) The number of recipients who accept a cash assistance
19 lump-sum payment.

20 (c) The number of recipients who accept a cash assistance
21 lump-sum payment who are also receiving other assistance from the
22 department, such as food assistance or day care services.

23 (d) The number of recipients who accept a cash assistance
24 lump-sum payment who are employed and working at least 30 hours per
25 week at the time they receive a cash assistance lump-sum payment.

26 (e) The number of recipients who have returned to the
27 department to request additional cash assistance payments after

1 they accept a cash assistance lump-sum payment.

2 (f) The amount of savings realized each month from the
3 diversion cash assistance program.

4 **JUVENILE JUSTICE SERVICES (REHABILITATION)**

5 Sec. 702. Expansion of facilities funded under part 1 for
6 juvenile justice services shall not be authorized by the joint
7 capital outlay subcommittee of the appropriations committees until
8 the department has held a public hearing in the community where the
9 facility proposed to be expanded is located.

10 Sec. 705. (1) The department, in conjunction with private
11 juvenile justice residential programs, shall develop a methodology
12 for measuring goals, objectives, and performance standards for the
13 delivery of juvenile justice residential programs. These goals,
14 objectives, and performance standards shall apply to both public
15 and private delivery of juvenile justice residential programs, and
16 data shall be collected from both private and public juvenile
17 justice residential programs that can be used to evaluate
18 performance achievements, including, but not limited to, the
19 following:

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

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

24 (c) Program outcomes including recidivism rates for youth
25 served by the facility.

26 (2) The department during the annual budget presentation shall

1 outline the progress of the development of the goals, objectives,
2 and performance standards, as well as the information collected
3 through the implementation of the performance measurement program.

4 The presentation shall include all of the following:

5 (a) Trends in census and population demographics.

6 (b) Program outcomes.

7 (c) Staff and resident safety.

8 (d) Facility profile.

9 (e) Fiscal information necessary for qualitative understanding
10 of program operations and comparative costs of public and private
11 facilities.

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

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

24 Sec. 708. As a condition of receiving funds appropriated in
25 part 1 for the child care fund, by February 15, 2007, counties
26 shall have an approved service spending plan for the fiscal year
27 ending September 30, 2007. Counties must submit the service

1 spending plan to the department by December 15, 2006 for approval.

2 Sec. 714. (1) The department shall provide technical
3 assistance for counties to develop information networks including,
4 but not limited to, serious habitual offenders comprehensive action
5 program (SHOCAP), juvenile justice on-line technology (JJOLT), and
6 juvenile violent reporting system (JVRS).

7 (2) The department shall assist counties in identifying
8 funding sources for the networks, including, but not limited to,
9 the child care fund and the juvenile accountability incentive block
10 grant.

11 (3) The local units of government shall report to the
12 department on expenditures of their juvenile justice information
13 networks in concert with their requests for reimbursement from the
14 child care fund.

15 (4) The department shall report to the senate and house
16 appropriations subcommittees for the department budget, the senate
17 and house fiscal agencies and policy offices, and the state budget
18 director by January 15, 2007 on department efforts to encourage
19 county information networks development described in subsection
20 (1).

21 Sec. 715. (1) It is the intent of the legislature that the
22 primary function of the juvenile justice system shall be to promote
23 the protection of individuals and communities through the reduction
24 of juvenile crime.

25 (2) The department shall report to the senate and house
26 appropriations subcommittees for the department budget, the senate
27 and house fiscal agencies and policy offices, and the state budget

1 director by October 30, 2006 on the status of implementing
2 recommendations of the 2001 joint house and senate task force on
3 juvenile justice, including, but not limited to, the following:

4 (a) Mentoring programs that focus on improving communication
5 and collaboration, encourage quality mentoring programs,
6 recruitment of mentors, and increasing public awareness of and
7 participation in programs for at-risk youth.

8 (b) Discussion of programs relating to juvenile information
9 networks as an Internet-based communication tool that assists with
10 case management of juvenile offenders in the area.

11 (c) Discussion of the possibility of implementing a program
12 modeled after the "Wisconsin citizenship initiative" to collaborate
13 with the before- or after-school programs offered under the
14 authority of this act.

15 (d) Exploration of the option of a summit conducted via the
16 Internet to discuss measures relating to the prevention and
17 intervention of at-risk youth.

18 (e) Discussion of California's "8% early intervention" program
19 that focuses on aggressive early intervention and treatment of
20 young, high at-risk juvenile offenders and their families.

21 (f) Multisystem therapy.

22 (g) Youth service projects.

23 (h) Community services projects.

24 Sec. 719. The department shall notify the legislature at least
25 30 days before closing or making any change in the status of a
26 state juvenile justice facility.

27 Sec. 720. (1) The goal of high security juvenile services

1 funded in part 1 shall be to protect the general public from
2 dangerous juvenile offenders while providing rehabilitation
3 services to those offenders to safely prepare them for entry into
4 society.

5 (2) The department shall take into consideration the
6 recommendations on a methodology for measuring goals, objectives,
7 and performance standards developed in conjunction with private
8 providers of juvenile justice residential programs required in
9 section 705 of 2004 PA 344.

10 (3) The department shall allocate money to public and private
11 providers of high security juvenile services based on their ability
12 to demonstrate results in all of the following:

13 (a) Lower recidivism rates.

14 (b) Higher school completion rates or GED completion rates.

15 (c) Shorter average stays in a residential facility.

16 (d) Lower average cost per resident.

17 (e) Availability of appropriate services to residents.

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

23 (5) The department shall require, if possible and practical,
24 that aftercare services for a juvenile offender be provided by the
25 same organization or provider that provided residential care for
26 that juvenile.

27 Sec. 721. (1) The goal of medium or low security juvenile

1 services shall be effective treatment of juvenile offenders to
2 safely prepare them for entry into society.

3 (2) The department shall allocate money to public and private
4 providers of medium or low security juvenile services based on
5 their ability to demonstrate results in all of the following:

6 (a) Reduced rates of recidivism.

7 (b) Higher rates of high school or GED completion.

8 (c) Shorter average stays in a residential facility.

9 (d) Availability of appropriate services to residents.

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

15 (4) The department shall require, if possible and practical,
16 that aftercare services for a juvenile offender be provided by the
17 same program or provider that provided treatment for the juvenile
18 in residential care.

19 Sec. 722. (1) The goal of community juvenile justice centers
20 shall be the effective treatment and rehabilitation of juvenile
21 offenders in appropriate community settings.

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

25 (a) Reduced rates of recidivism.

26 (b) Higher rates of high school or GED completion.

27 (c) Availability of appropriate services to offenders.

1 Sec. 723. A provider of juvenile services may receive funding
2 for services of different security levels if the provider has
3 appropriate services for each security level and adequate measures
4 to separate residents of each security level.

5 LOCAL OFFICE SERVICES

6 Sec. 750. The department shall maintain out-stationed
7 eligibility specialists in community-based organizations and
8 hospitals in the same locations as in fiscal year 2003-2004.

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

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

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

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

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

26 (a) A list of eligible schools.

1 (b) The selection criteria to be used.

2 (c) The projected number to be opened.

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

5 Sec. 753. The department shall implement the recommendations
6 of the 2004 public private partnership initiative's training
7 committee to define, design, and implement a train-the-trainer
8 program to certify private agency staff to deliver child welfare
9 staff training, explore the use of e-learning technologies, and
10 include consumers in the design and implementation of training. The
11 intent of the legislature is to reduce training and travel costs
12 for both the department and the private agencies. The department
13 shall report no later than December 1, 2006 on each specific policy
14 change made to implement enacted legislation and the plans to
15 implement the recommendations, including time lines, to the senate
16 and house appropriations subcommittees on the department budget,
17 the senate and house standing committees on human services matters,
18 the senate and house fiscal agencies and policy offices, and the
19 state budget director.

20 **DISABILITY DETERMINATION SERVICES**

21 Sec. 801. The department disability determination services in
22 agreement with the department of management and budget office of
23 retirement systems will develop the medical information and make
24 recommendations for medical disability retirement for state
25 employees, state police, judges, and school teachers.

1 **CHILD SUPPORT ENFORCEMENT**

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

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

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

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

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

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

24 Sec. 902. (1) The department shall continue its work to fix
25 and improve the child support computer system using the funding
26 carried forward from fiscal year 2005-2006 appropriations.

27 (2) The department shall consult with the department of

1 treasury and any outside consultant with collections expertise
2 under contract with the department of treasury to develop a plan to
3 maximize the collection of child support and child support
4 arrearage settlement for the purposes of this section.

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

9 Sec. 903. The department may facilitate with the department of
10 community health a program under which the departments
11 independently or jointly contract with local friend of the court
12 offices to update and maintain the child support statewide database
13 with health insurance information in cases in which the court has
14 ordered a party to the case to maintain health insurance coverage
15 for the minor child or children involved in the case and to assist
16 in the recovery of money paid by the state for health care costs
17 that are otherwise recoverable from a party to the case. The
18 program shall be in addition to a program or programs under
19 existing contract between either or both of the departments with a
20 private entity on September 1, 2005. The program shall be entirely
21 funded with state and federal funds from money first recovered or
22 through costs that are avoided by charging the insurance coverage
23 for minor children from state programs to private insurance.

24 Sec. 904. The department shall not charge back counties to
25 recover fees that may be imposed by the United States internal
26 revenue service or the department of treasury as part of tax
27 intercept, tax offset, or related programs. Any state share of

1 those fees shall be paid from funding provided to the department
2 office of child support programs.

3 Sec. 905. Of the funds appropriated in part 1 for child
4 support collections, \$1,000,000.00 shall be allocated to counties
5 for the local match for friend of the court services legal support
6 contracts and to payments to county prosecutors for related legal
7 services.

8 Sec. 906. From the funds appropriated in part 1 for legal
9 support contracts, funds may be allocated and paid pursuant to
10 section 18a of the social welfare act, 1939 PA 280, MCL 400.18a. It
11 is the intention of the legislature that the payments provided by
12 this section shall be based on child support collections paid to
13 the state for public assistance cases for the fiscal year ending
14 September 30, 2006.

15 Sec. 907. The office of child support shall establish a
16 program to examine the effectiveness of contracting with a public
17 or private collection agency as authorized under section 10 of the
18 office of child support act, 1971 PA 174, MCL 400.240. The pilot
19 program shall be implemented during fiscal year 2006-2007.

20 OFFICE OF CHILDREN AND ADULT LICENSING

21 Sec. 1001. The department shall assess fees in the licensing
22 and regulation of child care organizations as defined in 1973 PA
23 116, MCL 722.111 to 722.128, and adult foster care facilities as
24 defined in the adult foster care facility licensing act, 1979 PA
25 218, MCL 400.701 to 400.737. Fees collected by the department shall
26 be used exclusively for the purpose of licensing and regulating

1 child care organizations and adult foster care facilities.

2 Sec. 1002. The department shall furnish the clerk of the
3 house, the secretary of the senate, the senate and house fiscal
4 agencies and policy offices, the state budget office, and all
5 members of the house and senate appropriations committees with a
6 summary of any evaluation reports and subsequent approvals or
7 disapprovals of juvenile residential facilities operated by the
8 department, as required by section 6 of 1973 PA 116, MCL 722.116.

9 If no evaluations are conducted during the fiscal year, the
10 department shall notify the fiscal agencies and all members of the
11 appropriate subcommittees of the house and senate appropriations
12 committees.

13 Sec. 1003. If federal funds become available to support a lead
14 testing program, the department shall, before issuing a license for
15 a day care facility and as part of licensing review and facility
16 inspection, require documentation verifying that the facility has
17 been inspected for lead hazards and that any lead hazards
18 identified have been remediated.

19 Sec. 1004. From the funds appropriated in part 1 for AFC,
20 children's welfare, and day care licensure, \$1,380,000.00 shall be
21 used to hire 20 additional licensing investigators. At least 50% of
22 the investigators hired shall specifically investigate those
23 allegations classified by the department as high risk. An
24 investigation would be in the high risk category if it involves the
25 following: death or serious injury; alleged physical, sexual, or
26 emotional abuse, neglect, endangerment, or exploitation; or any
27 situation that threatens the life of a child in care.

1 Sec. 1005. The department shall develop a plan for a
2 performance-based licensing system. The plan shall include an
3 approach that emphasizes site visits for new licensees and
4 licensees with violations or filed complaints and random, but not
5 required, site visits for licensees who have been in business for 5
6 years or more with no violations or filed complaints. The plan
7 shall direct the licensing staff and field consultants to
8 prioritize resources and site reviews on new licensees and those
9 with documented complaints. The plan shall include an
10 implementation date for fiscal year 2005-2006 and be submitted, by
11 January 31, 2006, to the senate and house appropriations
12 subcommittees on the department budget, the senate and house fiscal
13 agencies and policy offices, and the state budget director.