

# SENATE BILL No. 1090

February 28, 2006, Introduced by Senators SCOTT and EMERSON and referred to the Committee on Appropriations.

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:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this bill,

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..... 10,107.7

Unclassified positions ..... 5.0

Total full-time equated positions..... 10,112.7

GROSS APPROPRIATION..... \$ 4,471,804,500

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers ..... 1,102,700

ADJUSTED GROSS APPROPRIATION..... \$ 4,470,701,800

Federal revenues:

Total federal revenues..... 3,147,082,900

Special revenue funds:

Total local revenues..... 55,939,500

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

Total other state restricted revenues..... 66,868,600

State general fund/general purpose..... \$ 1,190,896,700

**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 .....	6,709,000
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	
8	positions .....	2,340,400
9	Michigan community service commission--6.0	
10	FTE positions .....	9,430,800
11	State office of administrative hearings and rules ....	<u>3,214,300</u>
12	GROSS APPROPRIATION.....	\$ 57,165,400
13	Appropriated from:	
14	Federal revenues:	
15	Total federal revenues.....	36,889,200
16	Special revenue funds:	
17	Total local revenues.....	200,000
18	Total private revenues.....	2,199,600
19	State general fund/general purpose.....	\$ 17,876,600
20	<b>Sec. 103. CHILD SUPPORT ENFORCEMENT</b>	
21	Full-time equated classified positions..... 213.7	
22	Child support enforcement operations--207.7 FTE	
23	positions .....	\$ 22,980,200
24	Legal support contracts.....	139,753,600
25	Child support incentive payments.....	32,409,600
26	State disbursement unit--6.0 FTE positions .....	<u>18,481,900</u>
27	GROSS APPROPRIATION.....	\$ 213,625,300

1	Appropriated from:	
2	Federal revenues:	
3	Total federal revenues.....	197,714,500
4	Special revenue funds:	
5	Total local revenues.....	940,000
6	State general fund/general purpose.....	\$ 14,970,800
7	<b>Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY</b>	
8	Full-time equated classified positions.....	16.0
9	Bureau of community action and economic	
10	opportunity operations--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	<b>Sec. 105. ADULT AND FAMILY SERVICES</b>	
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.....	17,389,700
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	Homeless prevention and elder law of Michigan food	
8	for the elderly project .....	200,000
9	Marriage and fatherhood initiatives.....	<u>1,450,000</u>
10	GROSS APPROPRIATION.....	\$ 53,452,800
11	Appropriated from:	
12	Federal revenues:	
13	Total federal revenues.....	46,012,900
14	Special revenue funds:	
15	State general fund/general purpose.....	\$ 7,439,900
16	<b>Sec. 106. CHILD AND FAMILY SERVICES</b>	
17	Full-time equated classified positions..... 81.7	
18	Salaries and wages--29.7 FTE positions.....	\$ 1,775,300
19	Contractual services, supplies, and materials.....	1,034,800
20	Refugee assistance program--2.9 FTE positions .....	12,700,300
21	Foster care payments.....	144,091,600
22	Wayne County foster care payments.....	62,536,500
23	Adoption subsidies.....	233,968,600
24	Adoption support services--7.7 FTE positions .....	14,354,700
25	Youth in transition--2.0 FTE positions .....	13,241,100
26	Interstate compact.....	231,600
27	Children's benefit fund donations.....	21,000

1	Teenage parent counseling--2.3 FTE positions .....	3,815,800
2	Families first.....	16,946,700
3	Child safety and permanency plan.....	16,286,700
4	Strong families/safe children.....	13,395,300
5	Child protection/community partners--18.3 FTE	
6	positions .....	5,539,400
7	Zero to three.....	3,843,800
8	Family group decision making.....	2,454,700
9	Family reunification program.....	3,977,100
10	Family preservation and prevention services	
11	administration--14.5 FTE positions.....	2,252,300
12	Black child and family institute.....	100,000
13	Children's trust fund administration--4.3 FTE	
14	positions .....	552,600
15	Children's trust fund grants.....	3,825,100
16	Attorney general contracts.....	3,209,200
17	Prosecuting attorney contracts.....	<u>1,061,700</u>
18	GROSS APPROPRIATION.....	\$ 561,215,900
19	Appropriated from:	
20	Federal revenues:	
21	Total federal revenues.....	346,633,600
22	Special revenue funds:	
23	Local funds - county payback.....	24,538,000
24	Private - children's benefit fund donations.....	21,000
25	Private - collections.....	3,840,600
26	Children's trust fund.....	3,326,900
27	State general fund/general purpose.....	\$ 182,855,800

1	<b>Sec. 107. JUVENILE JUSTICE SERVICES</b>		
2	Full-time equated classified positions.....	714.5	
3	High security juvenile services--311.0 FTE positions .	\$	28,286,000
4	Medium security juvenile services--254.0 FTE positions		19,607,400
5	Low security juvenile services--34.0 FTE positions ...		3,022,800
6	Child care fund.....		178,000,000
7	Child care fund administration--5.8 FTE positions ....		848,300
8	County juvenile officers.....		3,765,600
9	Community support services--2.0 FTE positions .....		1,492,200
10	Community juvenile justice centers--37.0 FTE positions		3,408,700
11	Juvenile justice field staff, administration, and		
12	maintenance--50.0 FTE positions.....		8,033,500
13	Federally funded activities--13.7 FTE positions .....		1,816,200
14	W.J. Maxey memorial fund.....		45,000
15	Juvenile accountability incentive block grant--3.0		
16	FTE positions .....		2,606,700
17	Committee on juvenile justice administration--4.0		
18	FTE positions .....		496,500
19	Committee on juvenile justice grants.....		<u>5,000,000</u>
20	GROSS APPROPRIATION.....	\$	256,428,900
21	Appropriated from:		
22	Federal revenues:		
23	Total federal revenues.....		98,553,100
24	Special revenue funds:		
25	Local funds - county payback.....		26,742,800
26	State share education funds.....		3,000,000
27	Total private revenues.....		645,000

1	State general fund/general purpose .....	\$	127,488,000
2	<b>Sec. 108. LOCAL OFFICE STAFF AND OPERATIONS</b>		
3	Full-time equated classified positions .....		7,821.9
4	Field staff, salaries and wages--7,673.1 FTE positions	\$	374,094,100
5	Contractual services, supplies, and materials .....		17,642,600
6	Medical/psychiatric evaluations .....		4,300,000
7	Donated funds positions--11.0 FTE positions .....		829,500
8	Training and program support--49.0 FTE positions .....		7,022,200
9	Food stamp reinvestment--78.8 FTE positions .....		11,315,300
10	Wayne County gifts and bequests .....		100,000
11	Volunteer services and reimbursement .....		1,544,900
12	SSI advocates--10.0 FTE positions .....		<u>853,900</u>
13	GROSS APPROPRIATION .....	\$	417,702,500
14	Appropriated from:		
15	Federal revenues:		
16	Total federal revenues .....		249,195,000
17	Special revenue funds:		
18	Local funds - donated funds .....		214,300
19	Private funds - donated funds .....		178,200
20	Private funds - hospital contributions .....		1,910,300
21	Private funds - Wayne County gifts .....		100,000
22	Supplemental security income recoveries .....		853,900
23	State general fund/general purpose .....	\$	165,250,800
24	<b>Sec. 109. DISABILITY DETERMINATION SERVICES</b>		
25	Full-time equated classified positions .....		568.4
26	Disability determination operations--545.9 FTE		
27	positions .....	\$	80,510,700



1	Medical consultation program--18.4 FTE positions .....	2,942,600
2	Retirement disability determination--4.1 FTE positions .....	<u>813,700</u>
3	GROSS APPROPRIATION.....	\$ 84,267,000
4	Appropriated from:	
5	Interdepartmental grant revenues:	
6	IDG from DMB - office of retirement systems .....	<u>1,102,700</u>
7	ADJUSTED GROSS APPROPRIATION.....	\$ 83,164,300
8	Appropriated from:	
9	Federal revenues:	
10	Total federal revenues .....	80,189,700
11	Special revenue funds:	
12	State general fund/general purpose .....	\$ 2,974,600
13	<b>Sec. 110. CENTRAL SUPPORT ACCOUNTS</b>	
14	Rent.....	\$ 42,481,300
15	Occupancy charge.....	9,361,400
16	Travel.....	5,603,600
17	Equipment.....	145,300
18	Worker's compensation.....	4,231,000
19	Advisory commissions.....	17,900
20	Human resources optimization user charges .....	634,500
21	Payroll taxes and fringe benefits .....	<u>239,684,600</u>
22	GROSS APPROPRIATION.....	\$ 302,159,600
23	Appropriated from:	
24	Federal revenues:	
25	Total federal revenues .....	186,208,700
26	Special revenue funds:	
27	Local funds - county payback.....	304,400

1	Private funds - hospital contributions .....	1,019,400
2	State general fund/general purpose .....	\$ 114,627,100
3	<b>Sec. 111. OFFICE OF CHILDREN AND ADULT LICENSING</b>	
4	Full-time equated classified positions.....	208.0
5	AFC, children's welfare and day care	
6	licensure--208.0 FTE positions.....	\$ <u>22,608,600</u>
7	GROSS APPROPRIATION.....	\$ 22,608,600
8	Appropriated from:	
9	Federal revenues:	
10	Total federal revenues.....	11,880,000
11	Special revenue funds:	
12	Restricted - licensing fees .....	646,400
13	Restricted - health fees and collections .....	115,900
14	State general fund/general purpose .....	\$ 9,966,300
15	<b>Sec. 112. PUBLIC ASSISTANCE</b>	
16	Family independence program.....	\$ 373,783,600
17	State disability assistance payments .....	36,281,700
18	Food assistance program benefits .....	1,221,340,900
19	State supplementation.....	59,535,200
20	State supplementation administration.....	2,493,200
21	Low-income home energy assistance program.....	116,467,700
22	Food bank council of Michigan emergency food	
23	provisions .....	525,000
24	Homeless shelter contracts .....	11,646,700
25	Multicultural assimilation funding .....	1,715,500
26	Indigent burial.....	5,909,300
27	Emergency services local office allocations .....	21,865,500

1	Day care services.....	468,188,900
2	GROSS APPROPRIATION.....	\$ 2,319,753,200
3	Appropriated from:	
4	Federal revenues:	
5	Total federal revenues.....	1,749,233,800
6	Special revenue funds:	
7	Child support collections.....	47,710,700
8	Supplemental security income recoveries.....	9,104,800
9	Public assistance recoupment revenue.....	5,110,000
10	State general fund/general purpose.....	\$ 508,593,900
11	<b>Sec. 113. INFORMATION TECHNOLOGY</b>	
12	Information technology services and projects.....	\$ 84,803,600
13	Child support automation.....	51,280,300
14	GROSS APPROPRIATION.....	\$ 136,083,900
15	Appropriated from:	
16	Federal revenues:	
17	Total federal revenues.....	97,231,000
18	Special revenue funds:	
19	State general fund/general purpose.....	\$ 38,852,900

## PART 2

## PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

23       Sec. 201. Pursuant to section 30 of article IX of the state  
 24 constitution of 1963, total state spending from state resources  
 25 under part 1 for fiscal year 2006-2007 is \$1,257,765,300.00 and  
 26 state spending from state resources to be paid to local units of

1 government for fiscal year 2006-2007 is \$96,930,200.00. The  
 2 itemized statement below identifies appropriations from which  
 3 spending to local units of government will occur:

4 DEPARTMENT OF HUMAN SERVICES

5 JUVENILE JUSTICE SERVICES

6 Child care fund..... 91,430,100

7 County juvenile officers..... 3,276,000

8 PUBLIC ASSISTANCE

9 State disability program..... 2,224,100

10 TOTAL..... \$ 96,930,200

11 Sec. 202. The appropriations authorized under this bill are  
 12 subject to the management and budget act, 1984 PA 431, MCL 18.1101  
 13 to 18.1594.

14 Sec. 203. As used in this bill:

15 (a) "AFC" means adult foster care.

16 (b) "Department" means the department of human services.

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

18 (d) "GED" means general educational development.

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

20 (f) "SSI" means supplemental security income.

21 (g) "Temporary assistance for needy families" or "TANF" or  
 22 "title IV-A" means part A of title IV of the social security act,  
 23 42 USC 601 to 604, 605 to 608, and 609 to 619.

24 (h) "Title IV-D" means part D of title IV of the social  
 25 security act, 42 USC 651 to 655, and 656 to 669b.

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

1 (j) "VA" means veterans affairs.

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

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

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

26 Sec. 206. (1) In addition to the funds appropriated in part 1,  
27 there is appropriated an amount not to exceed \$200,000,000.00 for

1 federal contingency funds. These funds are not available for  
2 expenditure until they have been transferred to another line item  
3 in this bill under section 393(2) of the management and budget act,  
4 1984 PA 431, MCL 18.1393.

5 (2) In addition to the funds appropriated in part 1, there is  
6 appropriated an amount not to exceed \$5,000,000.00 for state  
7 restricted contingency funds. These funds are not available for  
8 expenditure until they have been transferred to another line item  
9 in this bill under section 393(2) of the management and budget act,  
10 1984 PA 431, MCL 18.1393.

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

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

23 Sec. 208. Unless otherwise specified, the department shall use  
24 the Internet to fulfill the reporting requirements of this bill.  
25 This requirement may include transmission of reports via electronic  
26 mail to the recipients identified for each reporting requirement,  
27 or it may include placement of reports on an Internet or Intranet

1 site.

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

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

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

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

1 in excess of such costs shall be applied against the federal funds  
2 deducted in the executive operations appropriation unit.

3 Sec. 214. (1) The department shall submit a report to the  
4 chairpersons of the senate and house appropriations subcommittees  
5 on the department budget, the senate and house fiscal agencies and  
6 policy offices, and the state budget director on the details of  
7 allocations within program budgeting line items and within the  
8 salaries and wages line items in all appropriation units. The  
9 report shall include a listing, by account, dollar amount, and fund  
10 source, of salaries and wages; longevity and insurance; retirement;  
11 contractual services, supplies, and materials; equipment; travel;  
12 and grants within each program line item appropriated for the  
13 fiscal year ending September 30, 2007.

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

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

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. The department shall prepare a report on the TANF  
15 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 Sec. 221. If the revenue collected by the department from  
25 private and local sources exceeds the amount spent from amounts  
26 appropriated in part 1, the revenue may be carried forward, with  
27 approval from the state budget director, into the subsequent fiscal

1 year.

2       Sec. 227. The department, with the approval of the state  
3 budget director, is authorized to realign sources of financing  
4 authorizations in order to maximize temporary assistance for needy  
5 families' maintenance of effort countable expenditures. This  
6 realignment of financing shall not be made until 15 days after  
7 notifying the chairs of the house and senate appropriations  
8 subcommittees on the department budget and house and senate fiscal  
9 agencies, and shall not produce an increase or decrease in any  
10 line-item expenditure authorization.

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

17       Sec. 260. Amounts appropriated in part 1 for information  
18 technology may be designated as work projects and carried forward  
19 to support technology projects under the direction of the  
20 department of information technology. Funds designated in this  
21 manner are not available for expenditure until approved as work  
22 projects under section 451a of the management and budget act, 1984  
23 PA 431, MCL 18.1451a.

24       Sec. 269. If title IV-D-related child support collections are  
25 escheated, the state budget director is authorized to adjust the  
26 sources of financing for the funds appropriated in part 1 for legal  
27 support contracts to reduce federal authorization by 66% of the

1 escheated amount and increase general fund/general purpose  
2 authorization by the same amount. This budget adjustment is  
3 required to offset the loss of federal revenue due to the escheated  
4 amount being counted as title IV-D program income in accordance  
5 with federal regulations at 45 CFR 304.50.

6 Sec. 279. All contracts relating to human services entered  
7 into or renewed by the department on or after October 1, 2006 shall  
8 be performance-based contracts that employ a client-centered  
9 results-oriented process that is based on measurable performance  
10 indicators and desired outcomes and includes the annual assessment  
11 of the quality of services provided.

#### 12 **COMMUNITY ACTION AND ECONOMIC OPPORTUNITY**

13 Sec. 301. Not later than September 30 of each year, the  
14 department shall submit for public hearing to the chairpersons of  
15 the house and senate appropriations subcommittees dealing with  
16 appropriations for the department budget the proposed use and  
17 distribution plan for community services block grant funds  
18 appropriated in part 1 for the succeeding fiscal year.

19 Sec. 302. The department shall develop a plan based on  
20 recommendations from the department of civil rights and from Native  
21 American organizations to assure that the community services block  
22 grant funds are equitably distributed. The plan must be developed  
23 by October 31, 2006, and the plan shall be delivered to the  
24 appropriations subcommittees on the department budget in the senate  
25 and house, the senate and house fiscal agencies, and the state  
26 budget director.

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

4       (2) In addition to the money referred to in subsection (1),  
5   the department shall award up to \$500,000.00 to community action  
6   agencies for earned income tax credit (EITC) education and  
7   outreach. Emphasis shall be on clients who have never filed for  
8   the EITC, clients with children, and clients for whom receipt of  
9   the EITC will make it easier for them to move off public  
10   assistance.

11       Sec. 305. The appropriation in part 1 for the weatherization  
12   program shall be expended in such a manner that at least 25% of the  
13   households weatherized under the program shall be households of  
14   families receiving 1 or more of the following:

- 15       (a) Family independence assistance.
- 16       (b) State disability assistance.
- 17       (c) Food assistance.
- 18       (d) Supplemental security income.

19   **ADULT AND FAMILY SERVICES**

20       Sec. 415. Funds appropriated in part 1 for marriage and  
21   fatherhood initiatives are contingent upon receipt of new federal  
22   funding available for marriage and family formation grants. The  
23   department with the approval of the state budget director is  
24   authorized to increase federal spending authority for marriage and  
25   fatherhood initiatives if marriage and family formation grants exceed  
26   the spending authority in part 1. This authorization adjustment shall

1 be made 15 days after notifying the chairs of the senate and house  
2 appropriations subcommittees on the department budget and senate and  
3 house fiscal agencies.

4       Sec. 418. From the funds appropriated in part 1 for employment  
5 and training support services, the department may expand the  
6 availability of individual development accounts (IDAs) with  
7 \$200,000.00 for allocation to qualified IDA programs established  
8 through the Michigan IDA partnership to serve TANF eligible  
9 households in Michigan. The Michigan IDA partnership shall  
10 encourage each TANF eligible household served to claim the federal  
11 earned income tax credit (EITC) and to incorporate all or part of  
12 any tax credit received in the household's IDA savings plan, and  
13 shall provide the household with information concerning available  
14 free tax assistance resources. In addition, the Michigan IDA  
15 partnership and its program sites shall participate in community  
16 EITC coalitions established under the plan to increase the EITC  
17 participation of TANF families referenced in section 666.

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

1       Sec. 423. (1) From the money appropriated in part 1 for food  
2 for the elderly, the department shall allocate money to assist the  
3 state's elderly population to participate in the food assistance  
4 program. The money may be used as state matching funds to acquire  
5 available United States department of agriculture funding to  
6 provide outreach program activities, such as eligibility screening  
7 and information services, as part of a statewide food stamp  
8 helpline.

9       (2) The department may accept any private money that may be  
10 donated to the department to support food stamp outreach efforts in  
11 this state. The department shall request a waiver from the United  
12 States department of agriculture to permit the donated private  
13 money to be used as a match to obtain additional federal food stamp  
14 outreach funds from the United States department of agriculture.  
15 The department shall use both the private donated money and any  
16 federal match funds that may be available as a result of the  
17 donated money to contract for additional outreach services as  
18 authorized by the department's United States department of  
19 agriculture-approved food stamp outreach plan.

## 20 **CHILD AND FAMILY SERVICES**

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

1 of children supervised by the department and by private agencies  
2 who remain in foster care between 12 and 24 months, and those who  
3 remain in foster care longer than 24 months.

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

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

12 (a) Has not yet graduated from high school or passed a high  
13 school equivalency examination.

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

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

16 (d) Is not eligible for federal supplemental security income  
17 (SSI) payments.

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

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



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

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

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

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

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

26           (2) Notwithstanding subsection (1), this section shall not  
27 prohibit counseling or other services provided by the department,

1 if the service is not directed toward influencing the child to  
2 remain in an abusive environment, justifying the actions of the  
3 abuser, or reuniting the family.

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

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

10 (a) There is no appropriate placement available in this state  
11 within 100 miles of the child's home, while an out-of-state  
12 placement does exist within 100 miles of the 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 Sec. 517. (1) From the funds appropriated in part 1, the  
22 department is authorized to allocate funds to multipurpose  
23 collaborative bodies. Priority for activities and services will be  
24 given to at-risk children and families and cases classified by the  
25 department as category III or category IV under sections 8 and 8d  
26 of the child protection law, 1975 PA 238, MCL 722.628 and 722.628d.

27 (2) Funds appropriated in part 1 for zero to three may be used

1 to fund community-based collaborative prevention services designed  
2 to do any of the following:

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

5 (b) Improve parent/child interaction.

6 (c) Promote access to needed community services.

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

8 (e) Improve school readiness.

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

11 (3) The appropriation provided for in subsection (2) is to  
12 fund secondary prevention programs as defined in the children's  
13 trust fund's preapplication materials for fiscal year 2006-2007  
14 direct services grants.

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

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

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

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

26 (d) Provide a 25% local match of which not more than 10% is  
27 in-kind goods or services unless the maximum percentage is waived

1 by the state human services directors.

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

6 Sec. 523. (1) From the funds appropriated in part 1 for youth  
7 in transition, domestic violence prevention and treatment, and  
8 teenage parent counseling, the department is authorized to make  
9 allocations of TANF funds only to the agencies that report  
10 necessary data to the department for the purpose of meeting TANF  
11 eligibility reporting requirements.

12 (2) The agencies receiving teenage parent counseling TANF  
13 funds shall report to the department on both of the following:

14 (a) Whether program services have impacted the following issue  
15 areas:

16 (i) The number of teen participants having fewer repeat  
17 pregnancies.

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

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

20 (iv) The number of father participants.

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

23 (i) Adult supervised, supportive living arrangements.

24 (ii) Pregnancy prevention services or referrals.

25 (iii) Required completion of high school or receipt of GED,  
26 including child care to assist young mothers to focus on  
27 achievement.

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

3 (v) Parenting and life-skills training.

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

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

6 (viii) Instruction on self-protection.

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

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

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

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

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

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

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

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

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

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

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

25 Sec. 549. The department shall meet with personnel employed by  
26 the office of the children's ombudsman and the state court  
27 administrative office's foster care review board to investigate

1 streamlining the oversight process for child welfare services and  
2 to ensure appropriate and adequate oversight while reducing  
3 duplication and redundancy between government offices.

4 **PUBLIC ASSISTANCE**

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

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

25       (3) In order to participate in the rent vendoring programs of  
26 the department, a landlord shall cooperate in weatherization and

1 conservation efforts directed by the department or by an energy  
2 provider participating in an agreement with the department when the  
3 landlord's property has been identified as needing services.

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

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

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

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

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

26 (b) A person with a physical or mental impairment which meets  
27 federal supplemental security income disability standards, except



1 that the minimum duration of the disability shall be 90 days.

2 Substance abuse alone is not defined as a basis for eligibility.

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

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

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

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

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

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

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

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

20 (3) Except for a person described in subsection (1)(c) or (d),  
21 a person is not disabled for purposes of this section if his or her  
22 drug addiction or alcoholism is a contributing factor material to  
23 the determination of disability. "Material to the determination of  
24 disability" means that, if the person stopped using drugs or  
25 alcohol, his or her remaining physical or mental limitations would  
26 not be disabling. If his or her remaining physical or mental  
27 limitations would be disabling, then the drug addiction or

1 alcoholism is not material to the determination of disability and  
2 the person may receive state disability assistance. Such a person  
3 must actively participate in a substance abuse treatment program,  
4 and the assistance must be paid to a third party or through vendor  
5 payments. For purposes of this section, substance abuse treatment  
6 includes receipt of inpatient or outpatient services or  
7 participation in alcoholics anonymous or a similar program.

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

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

18 Sec. 606. County department offices shall require each  
19 recipient of state disability assistance who has applied with the  
20 social security administration for supplemental security income to  
21 sign a contract to repay any assistance rendered through the state  
22 disability assistance program upon receipt of retroactive  
23 supplemental security income benefits.

24 Sec. 607. The department's ability to satisfy appropriation  
25 deductions in part 1 for state disability assistance/supplemental  
26 security income recoveries and public assistance recoupment  
27 revenues shall not be limited to recoveries and accruals pertaining

1 to state disability assistance, or family independence assistance  
2 grant payments provided only in the current fiscal year, but shall  
3 include all related net recoveries received during the current  
4 fiscal year.

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

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

21       Sec. 611. (1) The department shall not require providers of  
22 burial services to accept state payment for indigent burials as  
23 payments in full. Each provider shall be permitted to collect  
24 additional payment from relatives or other persons on behalf of the  
25 deceased. The total in additional payments shall not exceed  
26 \$2,600.00.

27       (2) Any additional payment collected pursuant to subsection

1 (1) shall not increase the maximum charge limit for state payment  
2 as established by law.

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

8 Sec. 613. From the funds appropriated in part 1 for state  
9 emergency relief, the maximum allowable charge limit for indigent  
10 burials shall be \$909.00. The funds shall be distributed as  
11 follows: \$579.00 for funeral directors; \$192.00 for cemeteries or  
12 crematoriums; and \$138.00 for the provider of the vault.

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

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

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

1 supervising adult.

2       Sec. 618. The department may only reduce, terminate, or  
3 suspend assistance provided under the social welfare act, 1939 PA  
4 280, MCL 400.1 to 400.119b, without prior notice in 1 or more of  
5 the following situations:

6       (a) The only eligible recipient has died.

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

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

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

13       (e) A recipient has been approved to receive assistance in  
14 another state.

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

17       (g) The only eligible recipient in the household has been  
18 incarcerated.

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

20       (i) A recipient is closed on one case to be activated on  
21 another.

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

24       (k) A recipient is disqualified for intentional program  
25 violation.

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

1           Sec. 619. The department shall exempt from the denial of title  
2   IV-A assistance and food assistance benefits, contained in 21 USC  
3   862a, any individual who has been convicted of a felony that  
4   included the possession, use, or distribution of a controlled  
5   substance, after August 22, 1996, provided that the individual is  
6   not in violation of his or her probation or parole requirements.  
7   Benefits shall be provided to such individuals as follows:

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

10          (b) An authorized representative shall be required for food  
11   assistance receipt.

12          Sec. 620. The department with the approval of the state budget  
13   director is authorized to increase federal spending authority for  
14   food assistance program benefits if projected caseload spending  
15   will exceed the spending authority in part 1. This authorization  
16   adjustment shall be made 15 days after notifying the chairs of the  
17   house and senate appropriations subcommittees on the department  
18   budget and house and senate fiscal agencies.

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

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

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

1 (b) Referral of persons so identified to counseling and  
2 supportive services.

3 (c) In accordance with a determination of good cause, the  
4 waiving of certain requirements of family independence programs  
5 where compliance with those requirements would make it more  
6 difficult for the individual to escape domestic violence or would  
7 unfairly penalize individuals who have been victims of domestic  
8 violence or who are at risk of further domestic violence.

9 Sec. 635. Within 6 business days of receiving all information  
10 necessary to process an application for payments for child day  
11 care, the department shall determine whether the child day care  
12 provider to whom the payments, if approved, would be made, is  
13 listed on the child abuse and neglect central registry. If the  
14 provider is listed on the central registry, the department shall  
15 immediately send written notice denying the applicant's request for  
16 child day care payments.

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

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

24 Sec. 641. In collaboration with Central Michigan University,  
25 the department shall develop and disseminate read, educate, and  
26 develop youth (R.E.A.D.Y.) kits to parents of preschool and  
27 kindergarten children to provide these parents with information

1 about how they can prepare their children for reading success.

2       Sec. 643. As a condition of receipt of federal TANF funds,  
3 homeless shelters shall collaborate with the department to obtain  
4 necessary TANF eligibility information on families as soon as  
5 possible after admitting a family to the homeless shelter. From  
6 the funds appropriated in part 1 for homeless shelter contracts,  
7 the department is authorized to make allocations of TANF funds only  
8 to the agencies that report necessary data to the department for  
9 the purpose of meeting TANF eligibility reporting requirements.

10 Homeless shelters that do not report necessary data to the  
11 department for the purpose of meeting TANF eligibility reporting  
12 requirements will not receive reimbursements which exceed the per  
13 diem amount they received in fiscal year 2000. The use of TANF  
14 funds under this section should not be considered an ongoing  
15 commitment of funding.

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

22       Sec. 648. From the funds appropriated in part 1 for public  
23 assistance, the department may make assistance payments to  
24 recipients beyond the 5-year limit set by the personal  
25 responsibility and work opportunity reconciliation act of 1996,  
26 Public Law 104-193, 110 Stat. 2105, providing the recipient is  
27 complying with asset, income, and participation standards set as a



1 condition of eligibility to receive assistance and clearly  
2 demonstrates that he or she is making progress in becoming self-  
3 sufficient.

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

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

24 (2) The department shall work in collaboration with  
25 independent contractors to put into practice a program establishing  
26 quality before- or after-school programs for children in  
27 kindergarten to ninth grades. In order for an independent

1 contractor to receive TANF funds, a child served must be a member  
2 of a family with an income that does not exceed 200% of the federal  
3 poverty guidelines published by the United States department of  
4 health and human services.

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

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

19 (a) Abstinence-based pregnancy prevention.

20 (b) Chemical abuse and dependency including nonmedical  
21 services.

22 (c) Gang violence prevention.

23 (d) Preparation toward future self-sufficiency.

24 (e) Leadership development.

25 (f) Case management or mentoring.

26 (g) Parental involvement.

27 (h) Anger management.

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

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

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

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

27           Sec. 666. The department shall continue efforts to increase

1 the participation of eligible family independence program  
2 recipients in the federal earned income tax credit.

3 Sec. 668. (1) In coordination with the Michigan alliance of  
4 boys and girls clubs, the department may expend \$250,000.00 to make  
5 allocations for a statewide collaborative project to develop a  
6 community-based program available to children ages 6 to 15.

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

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

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

18 Sec. 674. The department shall develop and implement a plan to  
19 reduce waste, fraud, and abuse within the child day care program,  
20 including feasibility for expanding wage match and employer  
21 verification, unannounced home call verification at day care sites,  
22 compliance with recommendations of the auditor general in the May  
23 2005 performance audit of the child day care and child welfare  
24 licensing divisions, and other process changes. Beginning December  
25 31, 2005, the department shall report annually to the senate and  
26 house appropriations subcommittees for the department budget, the  
27 senate and house fiscal agencies and policy offices, and the state

1 budget director on plan details and implementation status.

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

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

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

21       Sec. 677. The department shall establish a state goal for the  
22 percentage of family independence program (FIP) cases involved in  
23 employment activities. The percentage established shall not be  
24 less than 50%. On a quarterly basis, the department shall report  
25 to the senate and house appropriations subcommittees on the  
26 department budget, the senate and house fiscal agencies and policy  
27 offices, and the state budget director on the current percentage of

1 FIP cases involved in employment activities. If the FIP case  
2 percentage is below the goal for more than 2 consecutive quarters,  
3 the department shall develop a plan to increase the percentage of  
4 FIP cases involved in employment-related activities. The  
5 department shall deliver the plan during the next annual budget  
6 presentation to the senate and house appropriations subcommittees  
7 on the department budget.

#### 8 **JUVENILE JUSTICE SERVICES**

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

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

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

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

25 (2) The department during the annual budget presentation shall  
26 outline the progress of the development of the goals, objectives,

1 and performance standards, as well as the information collected  
2 through the implementation of the performance measurement program.

3 The presentation shall include all of the following:

4 (a) Trends in census and population demographics.

5 (b) Program outcomes.

6 (c) Staff and resident safety.

7 (d) Facility profile.

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

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

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

23 Sec. 708. As a condition of receiving funds appropriated in  
24 part 1 for the child care fund, by February 15, 2007, counties  
25 shall have an approved service spending plan for the fiscal year  
26 ending September 30, 2007. Counties must submit the service  
27 spending plan to the department by December 15, 2006 for approval.

1    **LOCAL OFFICE SERVICES**

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

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

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

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

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

19          (a) A list of eligible schools.

20          (b) The selection criteria to be used.

21          (c) The projected number to be opened.

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

24    **DISABILITY DETERMINATION SERVICES**

25          Sec. 801. The department disability determination services in



1 agreement with the department of management and budget office of  
2 retirement systems will develop the medical information and make  
3 recommendations for medical disability retirement for state  
4 employees, state police, judges, and school teachers.

5 **CHILD SUPPORT ENFORCEMENT**

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

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

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

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

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

25 (6) If the child support incentive payment to the state from  
26 the federal government is less than \$26,500,000.00, then the state

1 and county share shall each be reduced by 50% of the shortfall.

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

7 **OFFICE OF CHILDREN AND ADULT LICENSING**

8       Sec. 1001. The department shall assess fees in the licensing  
9 and regulation of child care organizations as defined in 1973 PA  
10 116, MCL 722.111 to 722.128, and adult foster care facilities as  
11 defined in the adult foster care facility licensing act, 1979 PA  
12 218, MCL 400.701 to 400.737. Fees collected by the department  
13 shall be used exclusively for the purpose of licensing and  
14 regulating child care organizations and adult foster care  
15 facilities.

16       Sec. 1002. The department shall furnish the clerk of the  
17 house, the secretary of the senate, the senate and house fiscal  
18 agencies and policy offices, the state budget office, and all  
19 members of the house and senate appropriations committees with a  
20 summary of any evaluation reports and subsequent approvals or  
21 disapprovals of juvenile residential facilities operated by the  
22 department, as required by section 6 of 1973 PA 116, MCL 722.116.  
23 If no evaluations are conducted during the fiscal year, the  
24 department shall notify the fiscal agencies and all members of the  
25 appropriate subcommittees of the house and senate appropriations  
26 committees.

1           Sec. 1005. The department shall implement a performance-based  
2   licensing model with available resources that will assure  
3   compliance with department policy and statutory mandates. This  
4   model will prioritize licensing activities based on risk to the  
5   vulnerable children and adults residing in or receiving services  
6   from licensees.