

SUBSTITUTE FOR
HOUSE BILL NO. 5814

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, 2009; 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

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of human services for the fiscal year ending September 30, 2009, 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..... 10,460.8

Full-time equated unclassified positions..... 6.0

Total full-time equated positions..... 10,466.8

GROSS APPROPRIATION..... \$ 4,619,752,800

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 2,416,700

ADJUSTED GROSS APPROPRIATION..... \$ 4,617,336,100

Federal revenues:

Total federal revenues..... 3,168,228,800

Special revenue funds:

Total private revenues..... 10,174,700

Total local revenues..... 47,161,300

Total other state restricted revenues..... 61,589,200

State general fund/general purpose..... \$ 1,330,182,100

Sec. 102. EXECUTIVE OPERATIONS

Total full-time equated positions..... 398.7

Full-time equated unclassified positions..... 6.0

Full-time equated classified positions..... 392.7

1	Unclassified salaries--6.0 FTE positions	\$	617,900
2	Salaries and wages--269.7 FTE positions		16,559,900
3	Contractual services, supplies, and materials		5,992,100
4	Demonstration projects--9.0 FTE positions		9,263,000
5	Inspector general salaries and wages--99.0 FTE		
6	positions		5,809,900
7	Electronic benefit transfer EBT		7,333,600
8	Michigan community service commission--15.0 FTE		
9	positions		9,741,100
10	Internal audit services		674,700
11	State office of administrative hearings and rules		<u>4,204,700</u>
12	GROSS APPROPRIATION	\$	60,196,900
13	Appropriated from:		
14	Federal revenues:		
15	Total federal revenues		38,047,400
16	Special revenue funds:		
17	Total private revenues		3,199,600
18	Total local revenues		175,000
19	Total other state restricted revenues		25,000
20	State general fund/general purpose	\$	18,749,900
21	Sec. 103. CHILD SUPPORT ENFORCEMENT		
22	Full-time equated classified positions..... 213.7		
23	Child support enforcement operations--207.7 FTE		
24	positions	\$	24,381,800
25	Legal support contracts		139,753,600
26	Child support incentive payments		32,409,600
27	State disbursement unit--6.0 FTE positions		<u>18,508,900</u>

1	GROSS APPROPRIATION.....	\$	215,053,900
2	Appropriated from:		
3	Federal revenues:		
4	Total federal revenues.....		186,308,600
5	Special revenue funds:		
6	Total local revenues.....		340,000
7	Total other state restricted revenues.....		2,795,000
8	State general fund/general purpose.....	\$	25,610,300
9	Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY		
10	Full-time equated classified positions..... 17.0		
11	Bureau of community action and economic opportunity		
12	operations--17.0 FTE positions.....	\$	1,929,900
13	Community services block grants.....		27,068,000
14	Weatherization assistance.....		<u>18,418,700</u>
15	GROSS APPROPRIATION.....	\$	47,416,600
16	Appropriated from:		
17	Federal revenues:		
18	Total federal revenues.....		47,416,600
19	State general fund/general purpose.....	\$	0
20	Sec. 105. ADULT AND FAMILY SERVICES		
21	Full-time equated classified positions..... 41.7		
22	Executive direction and support--5.0 FTE positions ...	\$	434,200
23	Guardian contract.....		600,000
24	Adult services policy and administration--6.0 FTE		
25	positions		627,100
26	Income support policy and administration--29.7 FTE		
27	positions		4,823,600

1	Employment and training support services	38,254,100
2	Wage employment verification reporting	848,700
3	Urban and rural empowerment/enterprise zones	100
4	Nutrition education	28,000,000
5	Marriage initiative--0.5 FTE positions	2,475,000
6	Fatherhood initiative--0.5 FTE positions	1,725,000
7	Crisis prevention and elder law of Michigan food for	
8	the elderly project	<u>200,000</u>
9	GROSS APPROPRIATION	\$ 77,987,800
10	Appropriated from:	
11	Federal revenues:	
12	Total federal revenues	53,472,700
13	State general fund/general purpose	\$ 24,515,100
14	Sec. 106. CHILDREN'S SERVICES	
15	Full-time equated classified positions	145.3
16	Salaries and wages--44.2 FTE positions	\$ 2,887,600
17	Contractual services, supplies, and materials	936,300
18	Foster care payments	217,047,900
19	Adoption subsidies	242,298,900
20	Adoption support services--7.2 FTE positions	17,797,600
21	Youth in transition--2.0 FTE positions	13,266,800
22	Interstate compact	231,600
23	Children's benefit fund donations	21,000
24	Teenage parent counseling--2.3 FTE positions	3,816,800
25	Families first	16,946,700
26	Strong families/safe children--3.0 FTE positions	12,902,100
27	Community protection and permanency--37.5 FTE	

1	positions	21,802,800
2	Zero to three.....	3,843,800
3	Family group decision making.....	2,454,700
4	Family reunification program.....	3,977,100
5	Family preservation and prevention services	
6	administration--14.5 FTE positions.....	2,156,800
7	Black child and family institute.....	100,000
8	Children's trust fund administration--10.0 FTE	
9	positions	1,032,100
10	Children's trust fund grants.....	3,825,100
11	ECIC, early childhood investment corporation.....	14,823,000
12	Attorney general contract.....	3,349,700
13	Prosecuting attorney contracts.....	1,061,700
14	Child protection--5.0 FTE positions.....	803,200
15	Subsidized guardianship program.....	4,575,000
16	Domestic violence prevention and treatment--14.6 FTE	
17	positions	14,773,700
18	Rape prevention and services.....	2,600,000
19	Michigan youth opportunity initiative.....	1,225,000
20	Title IV-E compliance and accountability office--5.0	
21	FTE positions	392,700
22	Child care fund, abuse and neglect.....	100
23	Bridges toward responsible adulthood.....	1,000,000
24	Child care fund in-home care incentive program.....	100
25	Communities in schools.....	<u>100</u>
26	GROSS APPROPRIATION.....	\$ 611,950,000
27	Appropriated from:	

1	Interdepartmental grant revenues:	
2	IDG from DCH - crime victims' rights fund.....	1,300,000
3	Federal revenues:	
4	Total federal revenues.....	381,709,700
5	Special revenue funds:	
6	Private - children's benefit fund donations.....	21,000
7	Private - collections.....	3,225,000
8	Local funds - county chargeback.....	22,304,300
9	Compulsive gaming prevention fund.....	1,040,000
10	Children's trust fund.....	3,805,400
11	State general fund/general purpose.....	\$ 198,544,600
12	Sec. 107. JUVENILE JUSTICE SERVICES	
13	Full-time equated classified positions.....	434.5
14	High security juvenile services--137.0 FTE positions .	\$ 17,005,100
15	Medium security juvenile services-- 224.0 FTE	
16	positions	21,326,400
17	Community juvenile justice centers--27.0 FTE positions	2,691,700
18	Maxey training school improvements.....	2,000,000
19	Adrian training school property development.....	1,000,000
20	Child care fund.....	223,387,400
21	Child care fund administration--5.8 FTE positions	775,400
22	County juvenile officers.....	3,890,500
23	Community support services--2.0 FTE positions	1,495,500
24	Juvenile justice administration and maintenance--20.0	
25	FTE positions	2,703,200
26	Federally funded activities--13.7 FTE positions	1,866,200
27	W. J. Maxey memorial fund.....	45,000

1	Juvenile accountability incentive block grant--1.0 FTE	
2	positions	1,297,900
3	Committee on juvenile justice administration--4.0 FTE	
4	positions	511,800
5	Committee on juvenile justice grants	5,000,000
6	Foster care payments, juvenile justice	<u>100</u>
7	GROSS APPROPRIATION	\$ 284,996,200
8	Appropriated from:	
9	Federal revenues:	
10	Total federal revenues	95,539,600
11	Special revenue funds:	
12	Total private revenues	45,000
13	Local funds - state share education funds	2,828,500
14	Local funds - county chargeback	19,695,600
15	State general fund/general purpose	\$ 166,887,500
16	Sec. 108. LOCAL OFFICE STAFF AND OPERATIONS	
17	Full-time equated classified positions..... 8,406.5	
18	Field staff, salaries and wages--8,123.7 FTE positions	\$ 423,941,900
19	Contractual services, supplies, and materials	17,255,900
20	Medical/psychiatric evaluations	6,300,000
21	Donated funds positions--131.0 FTE positions	10,801,900
22	Training and program support--29.0 FTE positions	4,114,700
23	Child welfare institute--34.0 FTE positions	5,297,000
24	Food stamp reinvestment--78.8 FTE positions	8,663,800
25	Wayne County gifts and bequests	100,000
26	Volunteer services and reimbursement	1,294,900
27	SSI advocates--10.0 FTE positions	<u>2,166,100</u>

1	GROSS APPROPRIATION.....	\$	479,936,200
2	Appropriated from:		
3	Federal revenues:		
4	Total federal revenues.....		265,848,800
5	Special revenue funds:		
6	Local funds - donated funds.....		1,817,900
7	Private funds - donated funds.....		654,400
8	Private funds - Wayne County gifts.....		100,000
9	Private funds - hospital contributions.....		2,929,700
10	Supplemental security income recoveries.....		677,600
11	State general fund/general purpose.....	\$	207,907,800
12	Sec. 109. DISABILITY DETERMINATION SERVICES		
13	Full-time equated classified positions.....		569.4
14	Disability determination operations--545.9 FTE		
15	positions	\$	83,045,500
16	Medical consultation program--19.4 FTE positions		2,672,200
17	Retirement disability determination--4.1 FTE positions		<u>826,800</u>
18	GROSS APPROPRIATION.....	\$	86,544,500
19	Appropriated from:		
20	Interdepartmental grant revenues:		
21	IDG from DMB - office of retirement systems.....		1,116,700
22	Federal revenues:		
23	Total federal revenues.....		82,601,100
24	State general fund/general purpose.....	\$	2,826,700
25	Sec. 110. CENTRAL SUPPORT ACCOUNTS		
26	Rent.....	\$	42,830,900
27	Occupancy charge.....		8,744,200

1	Travel.....	5,755,900
2	Equipment.....	277,300
3	Worker's compensation.....	3,993,000
4	Advisory commissions.....	17,900
5	Payroll taxes and fringe benefits.....	<u>264,320,600</u>
6	GROSS APPROPRIATION.....	\$ 325,939,800
7	Appropriated from:	
8	Federal revenues:	
9	Total federal revenues.....	188,582,600
10	State general fund/general purpose.....	\$ 137,357,200
11	Sec. 111. BUREAU OF CHILDREN AND ADULT LICENSING	
12	Full-time equated classified positions.....	233.0
13	AFC, children's welfare and day care licensure--	233.0
14	FTE positions	\$ <u>24,757,000</u>
15	GROSS APPROPRIATION.....	\$ 24,757,000
16	Appropriated from:	
17	Federal revenues:	
18	Total federal revenues.....	12,190,300
19	Special revenue funds:	
20	Licensing fees.....	627,300
21	Health systems fees and collections.....	355,200
22	State general fund/general purpose.....	\$ 11,584,200
23	Sec. 112. PUBLIC ASSISTANCE	
24	Full-time equated classified positions.....	7.0
25	Family independence program.....	\$ 368,246,800
26	State disability assistance payments.....	39,080,600
27	Food assistance program benefits.....	1,221,340,900

1	State supplementation.....	60,197,000
2	State supplementation administration.....	2,477,100
3	Low-income home energy assistance program.....	116,451,600
4	Food bank funding.....	675,000
5	Homeless programs.....	11,646,700
6	Multicultural assimilation funding.....	1,715,500
7	Indigent burial.....	5,909,300
8	Emergency services local office allocations.....	21,865,500
9	Day care services.....	387,695,700
10	Day care training, technology, and oversight.....	2,260,500
11	Refugee assistance program--7.0 FTE positions.....	<u>12,703,700</u>
12	GROSS APPROPRIATION.....	\$ 2,252,265,900
13	Appropriated from:	
14	Federal revenues:	
15	Total federal revenues.....	1,717,566,200
16	Special revenue funds:	
17	Child support collections.....	34,497,100
18	Supplemental security income recoveries.....	14,156,600
19	Public assistance recoupment revenue.....	3,610,000
20	State general fund/general purpose.....	\$ 482,436,000
21	Sec. 113. INFORMATION TECHNOLOGY	
22	Information technology services and projects.....	\$ 102,410,300
23	Child support automation.....	<u>50,297,700</u>
24	GROSS APPROPRIATION.....	\$ 152,708,000
25	Appropriated from:	
26	Federal revenues:	
27	Total federal revenues.....	98,945,200

1 State general fund/general purpose..... \$ 53,762,800

2 PART 2

3 PROVISIONS CONCERNING APPROPRIATIONS

4 GENERAL SECTIONS

5 Sec. 201. Pursuant to section 30 of article IX of the state
 6 constitution of 1963, total state spending from state resources
 7 under part 1 for fiscal year 2007-2008 is \$1,540,588,500.00 and
 8 state spending from state resources to be paid to local units of
 9 government for fiscal year 2007-2008 is \$143,572,200.00. The
 10 itemized statement below identifies appropriations from which
 11 spending to local units of government will occur:

12 DEPARTMENT OF HUMAN SERVICES

13 PERMANENCY FOR CHILDREN

14 Child care fund..... \$ 138,133,500

15 County juvenile officers..... 3,645,500

16 OPPORTUNITY FOR ADULTS TO LIVE AND WORK IN THE COMMUNITY

17 State disability program..... \$ 1,793,200

18 TOTAL..... \$ 143,572,200

19 Sec. 202. The appropriations authorized under this act are
 20 subject to the management and budget act, 1984 PA 431, MCL 18.1101
 21 to 18.1594.

22 Sec. 203. As used in this act:

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

24 (b) "DCH" means the department of community health.

25 (c) "Department" means the department of human services.

1 (d) "DMB" means the department of management and budget.

2 (e) "ECIC" means early childhood investment corporation.

3 (f) "FTE" means full-time equated.

4 (g) "IDG" means interdepartmental grant.

5 (h) "JET" means jobs, education and training program.

6 (i) "RSDI" means retirement survivors disability insurance.

7 (j) "SSI" means supplemental security income.

8 (k) "Temporary assistance for needy families" or "TANF" or
9 "title IV-A" means part A of title IV of the social security act,
10 42 USC 601 to 604, 605 to 608, and 609 to 619.

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

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

15 (n) "VA" means veterans affairs.

16 Sec. 204. The civil service commission shall bill the
17 department at the end of the first fiscal quarter for the 1% charge
18 authorized by section 5 of article XI of the state constitution of
19 1963. Payments shall be made for the total amount of the billing by
20 the end of the second fiscal quarter.

21 Sec. 205. (1) A hiring freeze is imposed on the state
22 classified civil service. State departments and agencies are
23 prohibited from hiring any new full-time state classified civil
24 service employees and prohibited from filling any vacant state
25 classified civil service positions. This hiring freeze does not
26 apply to internal transfers of classified employees from 1 position
27 to another within a department.

1 (2) The state budget director may grant exceptions to this
2 hiring freeze when the state budget director believes that the
3 hiring freeze will result in rendering a state department or agency
4 unable to deliver basic services, cause loss of revenue to the
5 state, result in the inability of the state to receive federal
6 funds, or necessitate additional expenditures that exceed any
7 savings from maintaining a vacancy. The state budget director shall
8 report quarterly to the chairpersons of the senate and house of
9 representatives appropriations committees and the senate and house
10 fiscal agencies and policy offices on the number of exceptions to
11 the hiring freeze approved during the previous quarter and the
12 reasons to justify the exception.

13 Sec. 208. Unless otherwise specified, the department shall use
14 the Internet to fulfill the reporting requirements of this act.
15 This shall include transmission of reports via electronic mail,
16 including a link to the Internet site, to the recipients identified
17 for each reporting requirement, or it may include placement of
18 reports on the Internet or Intranet site. On an annual basis, the
19 department shall provide a cumulative listing of the reports to the
20 house and senate appropriations subcommittees and the house and
21 senate fiscal agencies and policy offices.

22 Sec. 209. Funds appropriated in part 1 shall not be used for
23 the purchase of foreign goods or services, or both, if
24 competitively priced and of comparable quality American goods or
25 services, or both, are available. Preference should be given to
26 goods or services, or both, manufactured or provided by Michigan
27 businesses, if they are competitively priced and of comparable

1 quality. In addition, preference should be given to goods or
2 services, or both, that are manufactured or provided by Michigan
3 businesses owned and operated by veterans, if they are
4 competitively priced and of comparable quality.

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

11 Sec. 211. Funds appropriated in part 1 shall not be used by a
12 principal executive department, state agency, or authority to hire
13 a person to provide legal services that are the responsibility of
14 the attorney general. This prohibition does not apply to legal
15 services for bonding activities and for those activities that the
16 attorney general authorizes.

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

24 (2) The department's ability to satisfy appropriation fund
25 sources in part 1 shall not be limited to collections and accruals
26 pertaining to services provided in the current fiscal year, but
27 shall also include reimbursements, refunds, adjustments, and

1 settlements from prior years. The department shall submit a written
2 report to the chairpersons of the senate and house appropriations
3 subcommittees on the department budget that identifies all
4 reimbursements, refunds, adjustments, and settlements from prior
5 years to be used to satisfy appropriation fund sources.

6 Sec. 213. (1) The department may retain all of the state's
7 share of food assistance overissuance collections as an offset to
8 general fund/general purpose costs. Retained collections shall be
9 applied against federal funds deductions in all appropriation units
10 where department costs related to the investigation and recoupment
11 of food assistance overissuances are incurred. Retained collections
12 in excess of such costs shall be applied against the federal funds
13 deducted in the executive operations appropriation unit.

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

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

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

21 (c) An outline of the past year's monthly status of worker to
22 food stamp cases and monthly status of worker to food stamp
23 applications.

24 (d) Corrective action through policy, rules, and programming
25 being taken to reduce the food stamp error rate.

26 (e) Any other information regarding the food stamp error rate,
27 including information pertaining to technology and computer

1 applications used for the food assistance program.

2 Sec. 214. (1) The department shall submit a report to the
3 chairpersons of the senate and house appropriations subcommittees
4 on the department budget, the senate and house fiscal agencies and
5 policy offices, and the state budget director on the details of
6 allocations within program budgeting line items and within the
7 salaries and wages line items in all appropriation units. The
8 report shall include a listing, by account, dollar amount, and fund
9 source, of salaries and wages; longevity and insurance; retirement;
10 contractual services, supplies, and materials; equipment; travel;
11 and grants within each program line item appropriated for the
12 fiscal year ending September 30, 2009. With regard to federal
13 appropriations, for each program line item funded by no more than 3
14 federal funding sources, the department shall provide estimates of
15 the allocation of the appropriation for each specific federal
16 funding source.

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

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

26 Sec. 216. The department, in collaboration with the state
27 budget office, shall submit to the house and senate appropriations

1 subcommittees on the department budget, the house and senate fiscal
2 agencies, and the house and senate policy offices on or before
3 March 1, 2009 a report on appropriated and supportable FTE
4 positions within the executive budget proposal for the fiscal year
5 beginning October 1, 2009. The report shall contain all of the
6 following information for each individual line item contained in
7 the executive budget proposal for the department budget:

8 (a) The number of FTEs to be funded from the line item.

9 (b) The amount that is proposed to be allocated to salary and
10 wage costs from the gross appropriation for the line item.

11 (c) The amount that is proposed to be allocated to salary and
12 wage costs from the gross appropriation for the line item on which
13 was based the increase in the executive budget proposal from the
14 amount appropriated for the line item in the department budget for
15 the fiscal year ending September 30, 2009, if different from the
16 amount in subdivision (b).

17 (d) The portion of the amount described in subdivision (b)
18 that is proposed to be taken from each funding source identified in
19 the budget.

20 (e) The gross salary and wage expenditures for the line item
21 during the fiscal year ending September 30, 2008 and the estimated
22 salary and wage expenditures for the line item during the fiscal
23 year ending September 30, 2009.

24 (f) The estimated number of FTE positions supportable by the
25 amount described in subdivision (b).

26 Sec. 217. (1) Due to the current budgetary problems in this
27 state, out-of-state travel shall be limited to situations in which

1 1 or more of the following conditions apply:

2 (a) The travel is required by legal mandate or court order or
3 for law enforcement purposes.

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

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

10 (d) The travel is necessary to comply with federal
11 requirements.

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

14 (f) The travel is financed entirely by federal or nonstate
15 funds.

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

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

1 budget director. The report shall include the following
2 information:

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

5 (b) The destination of each travel occurrence.

6 (c) The dates of each travel occurrence.

7 (d) A brief statement of the reason for each travel
8 occurrence.

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

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

16 (g) The travel is necessary as part of the training of
17 department workers or the staff of private providers through the
18 child welfare institute.

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

1 budget.

2 (2) The state budget director shall give prior written notice
3 to the members of the house and senate appropriations subcommittees
4 for the department and to the house and senate fiscal agencies and
5 policy offices of any proposed changes in utilization or
6 distribution of TANF funding or the distribution of TANF
7 maintenance of effort spending relative to the amounts reflected in
8 the annual appropriations acts of all state agencies where TANF
9 funding is appropriated. The written notice shall be given not less
10 than 30 days before any changes being made in the funding
11 allocations. This prior notice requirement also applies to new
12 plans submitted in response to federal TANF reauthorization or
13 replacement by an equivalent federal law.

14 Sec. 221. If the revenue collected by the department from
15 private and local sources exceeds the amount spent from amounts
16 appropriated in part 1, the revenue may be carried forward, with
17 approval from the state budget director, into the subsequent fiscal
18 year.

19 Sec. 222. (1) The department shall report no later than April
20 1, 2009 on each specific policy change made to implement a public
21 act affecting the department that took effect during the prior
22 calendar year to the house and senate appropriations subcommittees
23 on the budget for the department, the joint committee on
24 administrative rules, and the senate and house fiscal agencies.

25 (2) Funds appropriated in part 1 shall not be used by the
26 department to adopt a rule that will apply to a small business and
27 that will have a disproportionate economic impact on small

1 businesses because of the size of those businesses if the
2 department fails to reduce the disproportionate economic impact of
3 the rule on small businesses as provided under section 40 of the
4 administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

5 (3) As used in this section:

6 (a) "Rule" means that term as defined under section 7 of the
7 administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

8 (b) "Small business" means that term as defined under section
9 7a of the administrative procedures act of 1969, 1969 PA 306, MCL
10 24.207a.

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

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

21 Sec. 225. The department shall develop a rapid redetermination
22 process for nursing home residents whose Medicaid stay is greater
23 than 90 days. This process shall be implemented not later than
24 September 30, 2009.

25 Sec. 227. The department, with the approval of the state
26 budget director, is authorized to realign sources of financing
27 authorizations in order to maximize temporary assistance for needy

1 families' maintenance of effort countable expenditures. This
2 realignment of financing shall not be made until 15 days after
3 notifying the chairs of the house and senate appropriations
4 subcommittees on the department budget and house and senate fiscal
5 agencies, and shall not produce an increase or decrease in any
6 line-item expenditure authorization.

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

13 Sec. 262. (1) The department, in conjunction with county
14 department of human services boards of directors and the department
15 of management and budget, shall implement a plan to assist local
16 services delivery effectiveness and efficiency by maximizing use of
17 state resources while responding to unique needs in geographic
18 regions of the state. The department shall work with the department
19 of management and budget to reduce unnecessary layers of
20 management, such as zone offices or regional offices that may have
21 assumed their functions before eliminating county offices,
22 particularly when those county office closures would subject
23 clients and residents to lengthy travel in order to meet or consult
24 with their caseworker. Savings resulting from the plan shall be
25 allocated to county offices to fund additional frontline workers.
26 By February 1, 2009, the department shall submit a report to the
27 house and senate appropriations subcommittees on the department

1 budget, the house and senate fiscal agencies and policy offices,
2 and the state budget director that outlines the plan and shall
3 include a review of the structures of the regional zone offices,
4 describing their similarities and dissimilarities between regions.

5 (2) The department shall not close county offices in Presque
6 Isle County, Ontonagon County, Baraga County, Iron County, or other
7 counties where closure would subject clients to undue travel
8 burdens.

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

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

15 (a) Day care assistance.

16 (b) Family independence program.

17 (c) Adoption subsidy.

18 (d) Foster care.

19 (e) Juvenile justice services.

20 (f) Jobs, education, and training (JET) pilot program and
21 other welfare reform activities.

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

25 (a) The average cost per recipient served by the program.

26 (b) Measurable performance indicators for each program.

27 (c) Desired outcomes or results and goals for each program

1 that can be measured on an annual basis, or desired results for a
2 defined number of years.

3 (d) Monitored results for each program.

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

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

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

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

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

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

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

3 (d) A summary of the 7 systemic factors that determine the
4 state's compliance with the adoption and safe families act of 1997,
5 Public Law 105-89, 111 Stat. 2115.

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

11 (f) Federal recommendations made to the state, including
12 recommendations to the courts.

13 (g) Federal penalties assessed against the state for
14 noncompliance.

15 (h) Status of the performance improvement plan submitted to
16 the federal government.

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

1 placement reimbursement and the allowable payment rate. The report
2 shall be submitted January 1 and July 1.

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

5 (a) Training programs conducted by the department, a
6 university affiliate, the child welfare institute, the Michigan
7 judicial institute, and any private agencies that have been
8 authorized to provide training.

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

11 (c) Department policy changes that impact meeting the
12 statutory requirements for day care assistance, family independence
13 program, JET pilot, and foster care and adoption, including
14 juvenile justice programs.

15 (d) Recommendations for better compliance with federal
16 standards and increased eligibility for federal money made by a
17 workgroup composed of representatives from the department and other
18 departments, public and private agencies, and individual citizens.

19 (e) Federal recommendations submitted to the state, including
20 recommendations to the courts.

21 (f) Federal penalties assessed against the state.

22 (g) Changes in policies or practices resulting in additional
23 federal money, including how much additional federal money was
24 received.

25 (h) Any federal warnings or notices of potential sanctions or
26 penalties that may be imposed unless corrective state action is
27 taken.

1 (i) Measures taken to prevent or avoid sanctions.

2 Sec. 273. (1) On a timely basis, the department shall report
3 to the senate and house standing committees on human services and
4 the senate and house appropriations subcommittees with oversight on
5 the department budget regarding policy changes made to implement
6 the provisions of enacted legislation, including the annual
7 appropriation for the department budget.

8 (2) On an annual basis, the department shall provide a
9 cumulative list of all policy changes in the following areas: child
10 welfare services, child support, work first, work requirements,
11 adult and child safety, local staff program responsibilities, and
12 day care. The list shall be distributed to the senate and house
13 appropriations subcommittees on the department budget, the senate
14 and house standing committees dealing with human services, and the
15 senate and house fiscal agencies and policy offices.

16 (3) Not later than July 1, 2009, the department shall report
17 to the senate and house appropriations subcommittees on the
18 department budget, the senate and house fiscal agencies and policy
19 offices, and the state budget director with copies of the annual
20 regulatory plan submitted to the state office of administrative
21 hearings and rules pursuant to section 53 of the administrative
22 procedures act of 1969, 1969 PA 306, MCL 24.253.

23 (4) Money for the preparation of the regulatory reform plan
24 shall be provided solely in section 102 of the funds appropriated
25 in part 1. Money appropriated in part 1 shall not be used to
26 prepare regulatory plans or promulgate rules that would exceed
27 statutory authority granted to the department. If the department

1 fails to comply with the provisions of section 39(1) of the
2 administrative procedures act of 1969, 1969 PA 306, MCL 24.239, no
3 money shall be expended for the further preparation of that
4 regulatory plan or the promulgation of rules for that regulatory
5 plan.

6 (5) Money appropriated in part 1 shall not be used to prepare
7 a regulatory plan or promulgate rules that fail to reduce the
8 disproportionate economic impact on small businesses as required in
9 section 40 of the administrative procedures act of 1969, 1969 PA
10 306, MCL 24.240.

11 (6) Money appropriated in part 1 shall not be used to prepare
12 a regulatory plan or promulgate rules that grant preferences to
13 private providers of services based on whether that private
14 provider has a collective bargaining agreement with its workers.

15 Sec. 274. The department shall report to the house and senate
16 appropriations subcommittees on the department budget, the senate
17 and house fiscal agencies, the senate and house policy offices, and
18 the state budget director as part of the annual budget presentation
19 on each federal grant this state was eligible to apply for, listing
20 both grants applied for and not applied for. This report will cover
21 grants exceeding \$500,000.00, related to fatherhood and marriage
22 initiatives, teen pregnancy prevention, kinship care, before- and
23 after-school programs, family preservation and prevention, homeless
24 prevention, and youth in transition.

25 Sec. 278. (1) The department shall contract with 1 or more
26 private consulting firms for revenue maximization services for all
27 caseload services currently provided by the department, including

1 services expanded such as the SSI advocacy program. A contract
2 under this section shall specify that the contractor locate waste,
3 fraud, error, and abuse within the department's services and
4 programs.

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

10 (3) The department shall retain any savings achieved through
11 the revenue maximization services contract within the department
12 for the following purposes:

13 (a) Additional staff in order to reduce caseload-to-worker
14 ratios.

15 (b) To implement the proposed child welfare improvement plan.

16 (4) The department shall provide a report to the senate and
17 house appropriations subcommittees on the department budget, senate
18 and house standing committees on human services matters, senate and
19 house fiscal agencies and policy offices, and state budget director
20 by December 31, 2008 on the waste, fraud, error, and abuse located
21 under subsection (1). By April 1, 2009, the department shall
22 provide a progress report including the specific changes
23 implemented to achieve savings under this section and the timetable
24 for implementation of the remaining changes.

25 Sec. 279. All contracts relating to human services entered
26 into or renewed by the department on or after October 1, 2008 shall
27 be performance-based contracts that employ a client-centered

1 results-oriented process that is based on measurable performance
2 indicators and desired outcomes and includes the annual assessment
3 of the quality of services provided. During the annual budget
4 presentation, the department shall provide the senate and house
5 appropriations subcommittees on the department budget with the
6 measurable performance indicators, desired outcomes, and the
7 assessment of the quality of services provided for each contract
8 relating to human services entered into by the department during
9 the fiscal year ending September 30, 2009.

10 Sec. 280. The department shall submit a report to the house
11 and senate appropriations subcommittees for the department budget,
12 the house and senate fiscal agencies, the house and senate policy
13 offices, and the state budget director by February 1, 2009 on the
14 status of the department's information technology improvement
15 initiative "Bridges" integration project. The report shall include
16 details on the following:

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

19 (b) The amounts of appropriations carried forward as work
20 projects from previous fiscal years for information technology
21 projects.

22 (c) A listing of the projects and activities undertaken during
23 the previous fiscal year and during the first quarter of the
24 current fiscal year.

25 Sec. 283. Amounts appropriated in part 1 for information
26 technology may be designated as work projects and carried forward
27 to support technology projects under the direction of the

1 department of information technology. Funds designated in this
2 manner are not available for expenditure until approved as work
3 projects under section 451a of the management and budget act, 1984
4 PA 431, MCL 18.1451a.

5 Sec. 284. (1) In addition to the funds appropriated in part 1,
6 there is appropriated an amount not to exceed \$200,000,000.00 for
7 federal contingency funds. These funds are not available for
8 expenditure until they have been transferred to another line item
9 in this act under section 393(2) of the management and budget act,
10 1984 PA 431, MCL 18.1393.

11 (2) In addition to the funds appropriated in part 1, there is
12 appropriated an amount not to exceed \$5,000,000.00 for state
13 restricted contingency funds. These funds are not available for
14 expenditure until they have been transferred to another line item
15 in this act under section 393(2) of the management and budget act,
16 1984 PA 431, MCL 18.1393.

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

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

1 MCL 18.1393.

2 Sec. 285. From the money appropriated in part 1, the
3 department shall implement continuous improvement efficiency
4 mechanisms in the programs administered by the department. The
5 continuous improvement efficiency mechanisms shall identify changes
6 made in programs to increase efficiency and reduce expenditures in
7 the programs. On March 31, 2009 and September 30, 2009, the
8 department shall submit a report to the state budget director, the
9 senate and house appropriations subcommittees, and the senate and
10 house fiscal agencies on the progress made toward increased
11 efficiencies in department programs. At a minimum, each report
12 shall include information on the program review process, the type
13 of improvement mechanisms implemented, and actual and projected
14 expenditure savings as a result of the increased program
15 efficiencies.

16 Sec. 286. The department shall contract with a private company
17 to conduct a study of ways to streamline the department's
18 procurement procedures for durable goods and services. A report and
19 recommendations for streamlining the department's procurement
20 procedures shall be prepared by the private contractor and
21 submitted to the house and senate appropriations committees and the
22 house and senate fiscal agencies by November 30, 2008.

23 **EXECUTIVE OPERATIONS**

24 Sec. 305. If federal funds become available to support a lead
25 testing program, the department shall, before issuing a license for
26 a day care facility and as part of licensing review and facility

1 inspection, require documentation verifying that the facility has
2 been inspected for lead hazards and that any lead hazards
3 identified have been remediated.

4 Sec. 306. Of the funds appropriated in part 1 for
5 demonstration projects, the department shall allocate \$200,000.00
6 to support the kinship care resource center administered by the
7 Michigan state university school of social work. Funding is
8 contingent upon the center's reporting of necessary data to the
9 department to demonstrate TANF or maintenance of effort
10 eligibility. The center shall submit quarterly reports to the
11 department detailing expenditures from this appropriation and
12 reviewing program outcomes including the number of families served
13 through counseling, respite care, and other services as well as the
14 number provided with information on kinship care. The department
15 shall submit each quarterly report to the house and senate
16 appropriations subcommittees on the department budget by January
17 15, April 15, July 15, and October 15 of each year.

18 Sec. 307. (1) Of the money appropriated in part 1 for
19 demonstration projects, \$200,000.00 shall be distributed as
20 provided in subsection (2). The amount distributed under this
21 subsection shall not exceed 50% of the total operating expenses of
22 the program described in subsection (2), with the remaining 50%
23 paid by local United Way organizations and other nonprofit
24 organizations and foundations.

25 (2) Money distributed under subsection (1) shall be
26 distributed to Michigan 2-1-1, a nonprofit corporation organized
27 under the laws of this state that is exempt from federal income tax

1 under section 501(c)(3) of the internal revenue code, 26 USC
2 501(c)(3), and whose mission is to coordinate and support a
3 statewide 2-1-1 system. Michigan 2-1-1 shall use the money only to
4 fulfill the Michigan 2-1-1 business plan adopted by Michigan 2-1-1
5 in January 2005.

6 (3) Michigan 2-1-1 shall report annually to the department and
7 the house and senate standing committees with primary jurisdiction
8 over matters relating to human services and telecommunications on
9 2-1-1 system performance, including, but not limited to, call
10 volume by community health and human service needs and unmet needs
11 identified through caller data and customer satisfaction metrics.

12 Sec. 308. From the money appropriated in part 1 for
13 demonstration projects, \$200,000.00 shall be expended on a contract
14 with the University of Detroit Mercy to provide legal services for
15 disabled veterans who are seeking eligibility under federal
16 disability programs, including federal supplemental security
17 income. The contract shall fund a statewide effort by the
18 university through use of its mobile office to deliver these legal
19 services.

20 **ADULT AND FAMILY SERVICES**

21 Sec. 415. (1) In expending money appropriated in part 1 for
22 the fatherhood initiative, the department may contract with
23 independent contractors from various counties, including, but not
24 limited to, faith-based and nonprofit organizations. Preference
25 shall be given to independent contractors that provide at least 10%
26 in matching funds, through any combination of local, state, or

1 federal funds or in-kind or other donations. However, an
2 independent contractor that cannot secure matching funds shall not
3 be excluded from consideration for the fatherhood program.

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

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

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

27 Sec. 416. (1) In expending money appropriated in part 1 for

1 the marriage initiative, the department may contract with
2 independent contractors from various counties, including, but not
3 limited to, faith-based and nonprofit organizations. Preference
4 shall be given to independent contractors that provide at least 10%
5 in matching funds, through any combination of local, state, or
6 federal funds or in-kind or other donations. However, an
7 independent contractor that cannot secure matching funds shall not
8 be excluded from consideration for a marriage initiative program.

9 (2) The department may choose providers to work with counties
10 that will work to support and strengthen marriages of those
11 eligible under the TANF guidelines. The areas of work may include,
12 but are not limited to, marital counseling, domestic violence
13 counseling, family counseling, effective communication, and anger
14 management as well as parenting skills to improve the family
15 structure.

16 (3) A marriage initiative program established under this
17 section may include, but is not limited to, 1 or more of the
18 following: public advertising campaigns on the value of marriage
19 and the skills needed to increase marital stability and health;
20 education in high schools on the value of marriage, relationship
21 skills, and budgeting; premarital, marital, family, and domestic
22 violence counseling; effective communication; marriage mentoring
23 programs which use married couples as role models and mentors in
24 at-risk communities; anger management; and parenting skills to
25 improve the family structure.

26 (4) The department is authorized to make allocations of TANF
27 funds, of not more than 20% per county, under this section only to

1 agencies that report necessary data to the department for the
2 purpose of meeting TANF eligibility reporting requirements.

3 Sec. 418. From the funds appropriated in part 1 for employment
4 and training support services, the department may expand the
5 availability of individual development accounts (IDAs) with
6 \$200,000.00 for allocation to qualified IDA programs established
7 through the Michigan IDA partnership to serve TANF eligible
8 households in Michigan. The Michigan IDA partnership shall
9 encourage each TANF eligible household served to claim the federal
10 earned income tax credit (EITC) and to incorporate all or part of
11 any tax credit received in the household's IDA savings plan, and
12 shall provide the household with information concerning available
13 free tax assistance resources. In addition, the Michigan IDA
14 partnership and its program sites shall participate in community
15 EITC coalitions established under the plan to increase the EITC
16 participation of TANF families referenced in section 666. The same
17 amount shall be appropriated annually to further expand IDA
18 opportunities to low-income families to become more financially
19 self-sufficient through financial education, saving, wise
20 investment in home ownership, postsecondary education, small
21 business development, or a combination of those programs.

22 Sec. 419. The department in collaboration with the Michigan
23 State University center for urban affairs and its partner
24 organizations, the Michigan credit union league and the national
25 federation of community development credit unions, shall further
26 the work begun in fiscal year 1999-2000 that implemented the
27 individual development accounts programs in the growing number of

1 low-income designated credit unions, i.e., community development
2 credit unions (CDCUs) located in this state's poorest communities.
3 This further work will extend capacity-building and technical
4 assistance services to existing and emerging CDCUs serving low-
5 income populations and will include:

6 (a) Creation of a Michigan-based support system for the
7 capacity-building of existing and emerging CDCUs serving low-income
8 individuals and families, including development and testing of
9 training, technical assistance, and professional development
10 initiatives and related materials, and other capacity-building
11 services to Michigan CDCUs.

12 (b) Other related support to assist existing and emerging
13 CDCUs in becoming self-supporting institutions to assist
14 impoverished Michigan residents in becoming economically
15 independent.

16 (c) Training and technical assistance to CDCUs in the
17 development of support services, such as economic literacy, credit
18 counseling, budget counseling, and asset management programs for
19 low-income individuals and families.

20 Sec. 423. From the money appropriated in part 1 for crisis
21 prevention and senior food aid projects, the department shall
22 allocate not less than \$100,000.00 to assist this state's elderly
23 population to participate in the food assistance program. The money
24 may be used as state matching funds to acquire available United
25 States department of agriculture funding to provide outreach
26 program activities, such as eligibility screen and information
27 services, as part of a statewide food stamp hotline.

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

6 CHILDREN'S SERVICES

7 Sec. 501. The following goal is established by state law.
8 During the fiscal year ending September 30, 2009, not more than
9 3,000 children supervised by the department shall remain in foster
10 care longer than 24 months. The department shall give priority to
11 reducing the number of children under 1 year of age in foster care.
12 During the annual budget presentation, the department shall report
13 on the number of children supervised by the department and by
14 private agencies who remain in foster care between 12 and 24
15 months, and those who remain in foster care longer than 24 months.

16 Sec. 502. From the funds appropriated in part 1 for foster
17 care, the department shall provide 50% reimbursement to Indian
18 tribal governments for foster care expenditures for children who
19 are under the jurisdiction of Indian tribal courts and who are not
20 otherwise eligible for federal foster care cost sharing.

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

24 (a) Has not yet graduated from high school or passed a high
25 school equivalency examination.

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

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

2 (d) Is not eligible for federal supplemental security income
3 (SSI) payments.

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

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

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

22 (4) The department and the child abuse neglect and prevention
23 board shall collaborate to ensure that administrative delays are
24 avoided and the local grant recipients and direct service providers
25 receive money in an expeditious manner. The department and board
26 shall seek to have the children's trust fund grants distributed no
27 later than October 31, 2008.

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

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

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

12 (2) Notwithstanding subsection (1), this section shall not
13 prohibit counseling or other services provided by the department,
14 if the service is not directed toward influencing the child to
15 remain in an abusive environment, justifying the actions of the
16 abuser, or reuniting the family.

17 Sec. 510. The department shall not be required to put up for
18 bids a contract with a service provider if the service provider is
19 nationally accredited or is currently the only provider in the
20 service area.

21 Sec. 513. (1) The department and representatives of private,
22 licensed child caring institutions shall collaborate in
23 establishing an out-of-state child placement task force to make
24 recommendations on the out-of-state placement of children.
25 Representation on the task force shall be equally divided between
26 the department and private, licensed child caring institutions.

27 (2) The department shall not expend money appropriated in part

1 to pay for the direct placement by the department of a child in
an out-of-state facility unless all of the following conditions are
met:

(a) There is no appropriate placement available in this state,
and an out-of-state placement exists within 100 miles of the
child's home.

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

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

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

(3) The child placement task force shall work with the
department to establish a reporting process by which counties and
courts may report negative experiences with out-of-state
facilities, and whether they would or would not recommend placement
of youth in those facilities.

(4) The department shall submit a report by February 1 of each
year on the number of children who were placed in out-of-state
facilities during the previous fiscal year, the number of Michigan
children residing in such facilities at the time of the report, the
total cost and average per diem cost of these out-of-state
placements to this state, and a list of each such placement
arranged by the Michigan county of residence for each child.

(5) The department shall cooperate with the auditor general to

1 conduct an audit of out-of-state placements for the fiscal year
2 ending September 30, 2008 to determine if the department properly
3 enforced the criteria set forth in section 513 of article 10 of
4 2006 PA 345, and to determine if payments to counties were made for
5 cases that were not eligible under the provisions of that act. The
6 purpose of this audit is solely to determine compliance with the
7 criteria. No child who was placed improperly in an out-of-state
8 placement shall be forced to relocate to another placement as a
9 result of this audit. A county that has received payment for a case
10 that this audit determines to be ineligible shall not be required
11 to reimburse the state for that payment.

12 (6) Future budgets for the department shall include a
13 requirement for audits similar to the audit required in subsection
14 (5). If a future audit determines a county has been improperly paid
15 for an ineligible case under this section, the county may be
16 required to repay the amount received for the ineligible case.

17 Sec. 514. The department shall make a comprehensive report
18 concerning children's protective services (CPS) to the legislature,
19 including the senate and house policy offices and the state budget
20 director, by January 1, 2009, that shall include all of the
21 following:

22 (a) Statistical information including, at a minimum, all of
23 the following:

24 (i) The total number of reports of abuse or neglect
25 investigated under the child protection law, 1975 PA 238, MCL
26 722.621 to 722.638, and the number of cases classified under
27 category I or category II and the number of cases classified under

1 category III, category IV, or category V.

2 (ii) Characteristics of perpetrators of abuse or neglect and
3 the child victims, such as age, relationship, race, and ethnicity
4 and whether the perpetrator exposed the child victim to drug
5 activity, including the manufacture of illicit drugs, that exposed
6 the child victim to significant health and environmental hazards.

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

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

15 (c) The information contained in the report required under
16 section 8d(5) of the child protection law, 1975 PA 238, MCL
17 722.628d, on cases classified under category III.

18 (d) The department policy, or changes to the department
19 policy, regarding termination of parental rights or foster
20 placement for children who have been exposed to the production of
21 illicit drugs in their dwelling place or a place frequented by the
22 children.

23 (e) The department policy, or changes to the department
24 policy, regarding children who have been exposed to the production
25 or manufacture of methamphetamines.

26 Sec. 515. (1) From the money appropriated in part 1 for foster
27 care payments and related administrative costs, the department

1 shall use performance-based contracts for foster care services with
2 private, nonprofit agencies and other service providers that
3 provided satisfactory services under contract before January 1,
4 2008. The goal of these contracts shall be to provide incentives
5 for agencies to improve services for children in foster care, but
6 especially to improve the process of finding them quality permanent
7 placements, and reducing their time as foster children. Not later
8 than March 30, 2009, the department shall provide an update to the
9 senate and house appropriations subcommittees on the department
10 budget, the senate and house fiscal agencies and policy offices,
11 and the office of the state budget on benchmarks developed in
12 conjunction with private providers for these performance contracts,
13 results agencies have achieved in improving permanency placements,
14 and recommendations for further improvements for foster care
15 services across the entire state.

16 (2) Performance-based contracts under subsection (1) shall
17 include the following:

18 (a) When aggregated, the contracts shall provide coverage for
19 all areas of this state with an emphasis on use of community-based
20 services.

21 (b) Service providers shall not refuse a client or resident
22 for whom they have the ability, resources, and capacity to care.

23 (c) Service providers shall maintain or achieve national
24 accreditation for the services or activities they will provide.

25 (d) Service providers shall agree to provide services if
26 another provider of similar services in a similar region of the
27 state is no longer able to provide services.

1 (e) Service providers shall designate a specific court and
2 county liaison to respond to performance problems and concerns
3 about specific caseworkers and services. The liaisons shall be
4 identified to all courts and counties where services are provided
5 and shall be readily accessible to judges and chief administrative
6 officers.

7 (f) Service providers shall have clear performance standards
8 for staff and caseworkers regarding timely and professional
9 interactions with courts that have jurisdiction over children and
10 services provided to children.

11 (g) Service providers shall establish or maintain quality
12 assurance programs or dispute resolution programs to resolve
13 caseworker performance problems identified by courts.

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

20 (2) Funds appropriated in part 1 for 0 to 3 may be used to
21 fund community-based collaborative prevention services designed to
22 do any of the following:

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

25 (b) Improve parent/child interaction.

26 (c) Promote access to needed community services.

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

1 (e) Improve school readiness.

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

4 (3) The appropriation provided for in subsection (2) is to
5 fund secondary prevention programs as defined in the children's
6 trust fund's preapplication materials for fiscal year 2008-2009
7 direct services grants.

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

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

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

16 (c) Demonstrate that the planned services are part of the
17 community's integrated comprehensive family support strategy
18 endorsed by the community collaborative and, where there is a great
19 start collaborative, demonstrate that the planned services are part
20 of the community's great start strategic plan.

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

24 (5) As used in this section, "state human services directors"
25 means the director of the department of community health, the
26 director of the department of education, and the director of the
27 department.

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

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

9 (a) Whether program services have impacted the following issue
10 areas:

11 (i) The number of teen participants having fewer repeat
12 pregnancies.

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

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

15 (iv) The number of father participants.

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

18 (i) Adult supervised, supportive living arrangements.

19 (ii) Pregnancy prevention services or referrals.

20 (iii) Required completion of high school or receipt of GED,
21 including child care to assist young mothers to focus on
22 achievement.

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

25 (v) Parenting and life-skills training.

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

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

1 (viii) Instruction on self-protection.

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

5 Sec. 524. The department shall report on prevention programs
6 for which funds are appropriated in part 1 to the senate and house
7 appropriations subcommittees on the department budget during the
8 annual budget presentation. The report shall contain all of the
9 following for each program:

10 (a) The average cost per recipient served.

11 (b) Measurable performance indicators.

12 (c) Desired outcomes or results and goals that can be measured
13 on an annual basis, or desired results for a defined number of
14 years.

15 (d) Monitored results.

16 (e) Innovations that may include savings or reductions in
17 administrative costs.

18 Sec. 531. (1) From the funds appropriated in part 1, the
19 department shall make claims for and pay to local units of
20 government the full benefit of federal title IV-E revenues earned
21 as a result of the first \$5,000,000.00 of eligible costs incurred
22 by local units of government.

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

27 (a) Provide for the department to retain 50% of any federal

1 revenues earned as a result of eligible costs above \$5,000,000.00.

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

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

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

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

13 (f) Be signed by the director of the department, the chief
14 executive officer of the local government agency providing the
15 title IV-E services, the chair of the county board of
16 commissioners, and the chief executive officer of the county.

17 Sec. 532. (1) The department, in collaboration with
18 representatives of private child and family agencies, shall revise
19 and improve the annual licensing review process and the annual
20 contract compliance review process for child placing agencies and
21 child caring institutions. The improvement goals shall be safety
22 and care for children. Improvements to the review process shall be
23 directed toward alleviating administrative burdens so that agency
24 resources may be focused on children. The revision shall include
25 identification of duplicative staff activities and information
26 sought from child placing agencies and child caring institutions in
27 the annual review process. 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 director on or before January 15, 2009 on the
4 findings of the annual licensing review.

5 (2) The department shall conduct licensing reviews no more
6 than once every 2 years for child placing agencies and child caring
7 institutions that are nationally accredited and have no outstanding
8 violations.

9 (3) The department shall develop a plan to license relatives
10 of foster children as foster care providers to ensure consistent
11 high standards of care for those foster children. The department
12 shall report on the plan to the senate and house appropriations
13 subcommittees with oversight over the department budget, the senate
14 and house standing policy committees generally concerned with
15 children's issues, the senate and house fiscal agencies and policy
16 offices, and the state budget director as part of the quarterly
17 reports required by section 582.

18 Sec. 533. (1) The department shall make payments to private
19 nonprofit child placing facilities for title IV-E out-of-home care
20 services within 30 days of receiving all necessary documentation
21 from those agencies.

22 (2) The department shall explore various types of automated
23 payments to private nonprofit child placing facilities to improve
24 speed and accuracy of payments.

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

1 Sec. 537. (1) The department, in collaboration with child
2 placing agencies shall develop goals, objectives, and performance
3 standards to evaluate achievements and results in providing quality
4 foster care for children, reductions in their time in foster care,
5 and better permanency placements.

6 (2) As part of the quarterly reports required by section 582,
7 the department shall submit a report to the senate and house
8 appropriations subcommittees with oversight over the department
9 budget, the senate and house standing policy committees generally
10 concerned with children's issues, the senate and house fiscal
11 agencies and policy offices, and the state budget director on the
12 goals, objectives, and performance standards developed under
13 subsection (1) and the results or outcomes of using the measures.

14 (3) The department, in collaboration with child placing
15 agencies, shall develop a strategy to implement section 115o of the
16 social welfare act, 1939 PA 280, MCL 400.115o. The strategy shall
17 include a requirement that a department caseworker responsible for
18 preparing a recommendation to a court concerning a juvenile
19 placement shall provide, as part of the recommendation, information
20 regarding the requirements of section 115o of the social welfare
21 act, 1939 PA 280, MCL 400.115o.

22 Sec. 539. The department shall work in collaboration with
23 representatives from private nonprofit child placing agencies to
24 ensure appropriate placement for children who have been adjudicated
25 abused, neglected, or delinquent and for whom residential treatment
26 is required. The department and the representatives from the
27 private nonprofit child placing agencies shall focus on statewide

1 placement criteria to address the best interest of the child in
2 need of services. The placement criteria shall include a continuum
3 of care settings and options as appropriate for each child and his
4 or her needs at specific times, including home placements, relative
5 placements, shelter placements, and other options.

6 Sec. 544. The department shall continue pilot projects with
7 applications pending for accelerated residential treatment.

8 Sec. 545. (1) The department shall continue to implement a new
9 specialized foster care system based upon the report and
10 recommendations required in section 545(2) of 2004 PA 344.

11 (2) Not later than January 15, 2009, the department shall
12 report to the senate and house appropriations subcommittees for the
13 department budget, the standing committees of the senate and the
14 house of representatives with primary jurisdiction over children's
15 issues, and the senate and house fiscal agencies and policy offices
16 on new services available to foster children needing special
17 services. If new services have not been authorized or implemented
18 in the previous calendar year, the department shall provide an
19 explanation and a strategic plan to work with private child placing
20 agencies to provide new services.

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

26 Sec. 546. (1) From the money appropriated in part 1 for foster
27 care payments and for child care fund, the department shall pay

1 providers of these services 1 of the following rates:

2 (a) The applicable rate for the fiscal year ending September
3 30, 2008.

4 (b) The \$27.00 blended rate.

5 (2) The department shall pay the rates in subsection (1)(a) or
6 (b) based on the choice of the provider submitted in writing to the
7 department.

8 (3) The department shall calculate and report to the house and
9 senate appropriations subcommittees on the department budget on the
10 cost of care, on a per diem basis, for foster care services
11 delivered directly by the department.

12 Sec. 547. From the money appropriated in part 1 for foster
13 care payments and for child care fund, the department shall pay a
14 private provider of independent living services a daily rate equal
15 to the daily rate the provider received in the fiscal year ending
16 September 30, 2008 plus a 4% increase to that daily rate.

17 Sec. 548. During the annual budget presentation to the house
18 and senate appropriations subcommittees on the department budget,
19 the department shall report on progress in implementing the
20 recommendations of the task force that studied the disproportionate
21 representation of African-American and other children of color in
22 the child welfare and juvenile justice systems as required under
23 former section 548 of the fiscal year 2005-2006 budget act for the
24 department.

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 Sec. 556. The department shall submit a report to the
5 chairpersons of the senate and house of representatives
6 appropriations committees and the senate and house fiscal agencies
7 and policy offices that includes all of the following:

8 (a) A description of how the department is complying with
9 federal requirements to notify prospective adoptive parents about
10 adoption subsidies for which those prospective adoptive parents may
11 qualify.

12 (b) The number of requests received by the department from
13 adoptive parents for funds or reimbursement of costs to attend
14 conferences that include training or discussion of significant
15 adoption issues.

16 (c) The number of the requests described in subdivision (b)
17 that were approved by the department.

18 (d) The number of the requests described in subdivision (b)
19 that were denied by the department.

20 (e) The total amount of money expended on the requests
21 described in subdivision (b) that were approved.

22 (f) The number of fair hearing requests from adoptive parents
23 received by the department challenging the amount of the adoption
24 subsidy.

25 (g) The number of challenges described in subdivision (f)
26 alleging that a means test or similar test was used to determine
27 the amount of the adoption subsidy.

1 (h) The number of challenges described in subdivision (f)
2 alleging that an adoption subsidy amount was reduced without the
3 consent of the adoptive parent.

4 (i) The number of challenges described in subdivision (f)
5 alleging that a request for an increase in an adoption subsidy
6 amount was denied based on a means test or similar test.

7 (j) The number of adoption subsidy payments suspended when the
8 child is still in the custody of the adoptive parent, but no longer
9 in the physical care of that adoptive parent.

10 Sec. 559. If a conflict arises between the provisions of state
11 law, department rules, or department policy, and the provisions of
12 title IV-E, the provisions of title IV-E prevail.

13 Sec. 562. (1) The department shall allow a county to submit a
14 claim for title IV-E foster care funding for a placement in a
15 secure residential facility if the county can demonstrate that the
16 reason for the secure placement is a diagnosed medical necessity
17 and not protection of the public.

18 (2) The department shall submit a claim for title IV-E foster
19 care funding for a placement in a secure residential facility if
20 the county can demonstrate that the reason for the secure placement
21 is a diagnosed medical necessity and not protection of the public.

22 Sec. 563. From the funds appropriated in part 1 for foster
23 care payments and related administrative costs, the department may
24 implement the federally approved title IV-E demonstration project
25 waiver.

26 Sec. 565. (1) From the funds appropriated in part 1 for
27 federally-funded family preservation programs, the department shall

1 allocate \$2,000,000.00 to Wayne County to provide home-based
2 programs as part of the county expansion of community-based
3 services to serve the county's adjudicated delinquent and abused
4 and neglected youth.

5 (2) One-half of the total amount allocated to Wayne County
6 shall be used to serve adjudicated delinquent youth, and 1/2 shall
7 be used to serve abused and neglected youth.

8 (3) Federal revenues shall be paid to Wayne County as
9 reimbursement for actual costs incurred, consistent with
10 established federal requirements.

11 (4) As a condition of receipt of federal funds pursuant to
12 subsection (1), Wayne County shall provide the department with a
13 plan for the use of allocated funds in a format to be specified by
14 the department. The county shall also provide the department with
15 all information required to demonstrate the appropriateness and
16 allowability of expenditures and to meet federal financial and
17 programmatic reporting requirements.

18 Sec. 566. (1) Subject to subsection (3), beginning October 1,
19 2008, preference shall be given in the provision of direct foster
20 care services to public and private agencies that are nationally
21 accredited.

22 (2) Contracts with licensed child placing agencies shall
23 include specific performance and incentive measures with a focus on
24 achieving permanency placement for children in foster care.

25 (3) Beginning October 1, 2007, the department shall not enter
26 into or maintain a contract with a for-profit child placing agency,
27 or with a nonprofit child placing agency that uses a for-profit

1 management group or contracts with a for-profit organization for
2 its management, to provide direct foster care services unless the
3 agency was licensed on or before August 1, 2007 and, if the agency
4 is a nonprofit child placing agency that uses a for-profit
5 management group or contracts with a for-profit organization for
6 its management, the contract with the for-profit group or
7 organization existed prior to August 1, 2007.

8 Sec. 567. (1) The department, in conjunction with private,
9 nonprofit child caring agencies and the chairpersons of the house
10 and senate appropriations subcommittees on the department budget,
11 shall review all policies, practices, and definitions for
12 residential treatment security levels. The department shall give
13 special consideration to how the levels affect the eligibility for
14 title IV-E funding of residential facilities for both child
15 welfare, abuse and neglect, and juvenile justice youth and whether
16 the policies, practices, and definitions are consistent with
17 federal title IV-E regulations, with the goal of maximizing the
18 amount of federal money available to this state.

19 (2) In making its review under subsection (1), the department
20 shall research the policies and practices of other states to
21 determine how the states are able to maximize title IV-E money
22 while complying with federal regulations.

23 Sec. 568. Beginning December 31, 2008, the department shall
24 submit quarterly reports to the legislature that include all of the
25 following information on the appropriation adjustments described in
26 section 568(2) of 2007 PA 131 and those same appropriations
27 adjustments in this act:

1 (a) The number of positions hired or paid from these
2 appropriations, what their titles and responsibilities will be,
3 what performance objectives and measurable outcomes they are
4 required to satisfy, and what they are being paid in salaries,
5 wages, and fringe benefits. If a community-based provider of
6 adoption services assumes an adoption case that was previously
7 handled by a public agency or worker, the time that the case was
8 handled by the public agency or worker shall not be counted in a
9 performance measure without the consent of the community-based
10 provider.

11 (b) Information on any contracts for services that have been
12 awarded and the performance objectives and measurable outcomes that
13 are incorporated in the contracts and the successes or failures
14 that are achieved as a result.

15 (c) Detailed information on any money spent for child welfare
16 improvements and what measurable outcome is expected for the money
17 being spent.

18 Sec. 570. (1) From the money appropriated in part 1 for the
19 subsidized guardianship program, the department shall provide
20 subsidies under this program to children who are wards of the court
21 under section 2(b) of chapter XIIIA of the probate code of 1939,
22 1939 PA 288, MCL 712A.2.

23 (2) The department shall make money available to children who
24 are receiving services from the department at the time a guardian
25 is appointed for the child, if the court appointing the guardian
26 considers it necessary to continue those services for the success
27 of the guardianship.

1 (3) The department shall report during the annual budget
2 presentation to the senate and house appropriations subcommittees
3 on the department budget the number of guardianship subsidies and
4 recommendations for any modifications in the subsidized
5 guardianship program.

6 Sec. 571. The department shall maintain a title IV-E
7 compliance and accountability office with the following goals and
8 responsibilities:

9 (a) Study efforts in other states to determine best practices
10 for title IV-E-related activities and measures to maximize the
11 receipt of federal money for eligible cases.

12 (b) Coordinate compliance with federal regulations in order to
13 receive title IV-E money.

14 (c) Provide necessary technical assistance to local units of
15 government, including courts, to ensure proper handling of cases
16 and paperwork in preparation for federal audits and reviews.

17 (d) Coordinate a program to provide private persons, groups,
18 and corporations with incentives to make tax-deductible
19 contributions intended to assist foster care families to overcome
20 barriers to becoming licensed and eligible to receive title IV-E
21 money.

22 (e) As part of the quarterly reports required by section 582,
23 provide information to the house and senate appropriations
24 subcommittees on the department budget on activities and progress
25 toward meeting the responsibilities outlined above.

26 Sec. 573. From the money appropriated in part 1 for adoption
27 support services, \$1,049,400.00 is allocated to support adoption

1 contracts focusing on long-term permanent wards who have been wards
2 for more than 1 year after termination of parental rights. Private
3 agencies shall receive \$16,000.00 for each finalized placement
4 under the program.

5 Sec. 574. (1) From the money appropriated in part 1 for foster
6 care payments - abuse and neglect, \$2,500,000.00 is allocated to
7 support contracts with private, nonprofit child placing agencies to
8 facilitate the licensure of relative caregivers as foster parents.
9 Agencies shall receive \$2,300.00 for each facilitated licensure.

10 The private nonprofit agency facilitating the licensure would
11 retain the placement and continue to provide case management
12 services for at least 50% of the newly licensed cases for which the
13 placement was appropriate to the agency. Up to 50% of the newly
14 licensed cases would have direct foster care services provided by
15 the department.

16 (2) From the money appropriated for foster care payments,
17 \$375,000.00 is allocated to support family incentive grants to
18 private and community-based foster care service providers to assist
19 with home improvements needed by foster families to accommodate
20 foster children.

21 Sec. 575. (1) Of the funds provided for the training of human
22 services workers, particularly caseworkers, the department shall
23 use appropriated funds to begin cultural sensitivity training and
24 awareness with the goal of effectively reducing the number of
25 minority children inappropriately removed from their homes for
26 neglect and placed in the foster care system when more appropriate
27 action would include the provision of support services to the

1 family.

2 (2) Of the money appropriated to the department for family
3 preservation and prevention, more specific focus shall be placed on
4 preserving and reunifying families in counties with major urban
5 centers.

6 (3) As a condition for receiving appropriated money, the
7 department and the office of the friend of the court shall work in
8 cooperation to provide support services to families of custodial
9 parents who have been awarded child support from a parent who is
10 incarcerated.

11 (4) As part of the quarterly reports required by section 582,
12 the department shall provide a report to the house and senate
13 appropriations subcommittees with jurisdiction over the department
14 budget, the house and senate fiscal agencies, and the house and
15 senate policy offices on the specific cultural sensitivity training
16 and awareness efforts, family preservation and reunification
17 efforts.

18 Sec. 576. (1) Beginning October 1, 2007, from the funds
19 appropriated in part 1, the department shall reimburse a private
20 child placing agency for an adoption placement or finalization at
21 the following unit rate, as applicable, depending on the category
22 into which the placement falls under subsection (2):

23 (a) For basic and standard, \$2,594.00 for a placement,
24 \$1,733.00 for a finalization.

25 (b) For enhanced, \$4,068.00 for a placement, \$2,712.00 for a
26 finalization.

27 (c) For premium, \$5,404.00 for a placement, \$3,603.00 for a

1 finalization.

2 (d) For residential, \$6,240.00 for a placement, \$4,160.00 for
3 a finalization.

4 (e) For I-MARE, \$4,368.00 for a placement, \$2,912.00 for a
5 finalization.

6 (f) For MARE, \$5,819.00 for a placement, \$3,879.00 for a
7 finalization.

8 (g) For preplacement, \$1,352.00 for basic or standard,
9 \$2,704.00 for enhanced.

10 (2) The following categories shall be used to determine which
11 unit rate is applicable under subsection (1):

12 (a) The residential category shall be used for a placement
13 that involves a child who was being cared for in a residential
14 child caring institution.

15 (b) The MARE category shall be used for a placement other than
16 an interagency placement in which the private agency used the
17 Michigan adoption resource exchange photo-listing system.

18 (c) The I-MARE category shall be used for an interagency
19 placement in which the private agency used the Michigan adoption
20 resource exchange photo-listing system.

21 (d) A placement to which subdivisions (a) to (c) do not apply
22 shall be reimbursed based on the length of time between the
23 termination of parental rights or case referral and the placement
24 as follows:

25 (i) The premium category shall be used if the placement is
26 achieved less than 6 months after the termination of parental
27 rights, or after the case referral to the agency if the case was

1 referred 3 months or more after termination.

2 (ii) The enhanced category shall be used if the placement is
3 achieved 6 months or more but less than 9 months after the
4 termination of parental rights, or after the case referral to the
5 agency if the case was referred 3 months or more after termination.

6 (iii) The basic and standard category shall be used if the
7 placement is achieved 9 months or more after the termination of
8 parental rights, or after the case referral to the agency if the
9 case was referred 3 months or more after termination.

10 (3) The department shall not establish a payment category or
11 unit rate other than those in this section and shall not expend
12 funds appropriated in part 1 for a payment that does not fall
13 within a payment category or unit rate structure established in
14 this section.

15 Sec. 577. From the money appropriated in part 1, the
16 department may allow a community collaborative to use strong
17 families safe children program funds for a prevention program that
18 meets standards agreed upon between the community collaborative and
19 county department offices in accordance with federal regulations
20 regarding expenditure of strong families safe children program
21 funds.

22 Sec. 579. From the money appropriated in part 1 for youth in
23 transition, \$250,000.00 shall be allotted to Wayne County to
24 support services provided to eligible delinquent state wards, for
25 whom the department is statutorily responsible, to the county's
26 juvenile services system.

27 Sec. 580. The department and the department of community

1 health shall initiate efforts to identify mental health programs
2 and activities where the services of the 2 departments overlap, or
3 are uncoordinated. The goal shall be to provide adequate and stable
4 mental health services which address the need of the individual
5 child without duplicative, confusing, or needlessly complex
6 services. The department shall report on these coordination efforts
7 with the department of community health during the annual budget
8 presentations to the senate and house appropriations subcommittees
9 with jurisdiction over the department budget.

10 Sec. 582. On the last working day of January, April, July, and
11 November, for the preceding fiscal quarter, the department shall
12 submit a comprehensive child welfare improvement report, compiling
13 material required by each section of this act related to child
14 welfare. This report will be provided to the senate and house
15 appropriations subcommittees on the department budget, the senate
16 and house standing committees on human services, the senate and
17 house fiscal agencies, the senate and house policy offices, and the
18 state budget director and will provide an overview of the status of
19 all initiatives the department is required to carry out by this
20 appropriation act and the impact of those initiatives on meeting
21 the benchmarks established in the federal child and family service
22 review process. The report may include information about other
23 initiatives of the department and its service delivery partners
24 which support improvements in safety, permanency, and well-being
25 for the children and families served by Michigan's child welfare
26 system.

27 Sec. 583. (1) The appropriation in part 1 for the child care

1 fund in-home care incentive program shall be used to encourage
2 counties to increase the number of children in the child welfare
3 and juvenile justice systems receiving in-home care services as
4 opposed to out-of-home placements. Funds shall cover the costs of
5 in-home care services that are eligible for temporary assistance
6 for needy families funding. To receive reimbursement under the
7 program, a county shall document that expenditures for in-home care
8 services for the fiscal year ending September 30, 2009 exceeded
9 those of the prior year. Each county shall receive reimbursement
10 from the department in an amount equal to 75% of the documented
11 increase in in-home care expenditures. However, if the amount of
12 eligible expenditures claimed by all counties exceeds the
13 appropriation in part 1, each county will receive a prorated share
14 of its documented increase in in-home care expenditures. Each
15 county shall provide for the remaining 25% of costs from its child
16 care fund.

17 (2) To participate in the child care fund in-home care
18 incentive program, a county shall submit to the department by
19 December 15 of each year, in a manner determined by the department,
20 a report outlining its proposed budget for the incentive program
21 for the current fiscal year and an overview of measures to be used
22 to monitor outcomes for youth receiving services under the program.
23 The department must approve a final report by the following
24 February 15 for the county to be eligible for program
25 reimbursement.

26 **PUBLIC ASSISTANCE**

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

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

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

25 Sec. 603. (1) The department, as it determines is appropriate,
26 shall enter into agreements with energy providers by which cash
27 assistance recipients and the energy providers agree to permit the

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

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

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

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

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

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

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

27 (d) A person receiving 30-day postresidential substance abuse

1 treatment.

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

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

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

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

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

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

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

1 participation in alcoholics anonymous or a similar program.

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

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

12 Sec. 606. County department offices shall require each
13 recipient of family independence program and state disability
14 assistance who has applied with the social security administration
15 for supplemental security income to sign a contract to repay any
16 assistance rendered through the family independence program or
17 state 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. To the extent permitted by federal law,
6 adult foster care facilities and homes for the aged serving
7 residents receiving supplemental security income shall not be
8 prohibited from accepting third-party payments in addition to
9 supplemental security income provided that the payments are not for
10 food, clothing, shelter, or result in a reduction in the
11 recipient's supplemental security income payment.

12 Sec. 609. The state supplementation level under the
13 supplemental security income program for the personal care/adult
14 foster care and home for the aged categories shall not be reduced
15 during the fiscal year beginning October 1, 2008 and ending
16 September 30, 2009. The legislature shall be notified not less than
17 30 days before any proposed reduction in the state supplementation
18 level.

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

23 Sec. 611. A provider of indigent burial services may collect
24 additional payment from relatives or other persons on behalf of the
25 deceased if the total additional payment does not exceed \$4,000.00.

26 Sec. 612. For purposes of determining housing affordability
27 eligibility for state emergency relief, a group is considered to

1 have sufficient income to meet ongoing housing expenses if their
2 total housing obligation does not exceed 75% of their total net
3 income.

4 Sec. 613. (1) From the money appropriated in part 1 for
5 indigent burial, the maximum allowable reimbursement limit for
6 indigent burials shall be \$909.00, which shall be distributed as
7 follows: \$579.00 for funeral directors, \$192.00 for cemeteries or
8 crematoriums, and \$138.00 for the provider of the vault.

9 (2) The department shall continue to work with funeral
10 directors to establish a regional or statewide pilot program that
11 allows flexibility in payments from the family of the deceased and
12 other resources to provide options for different funeral
13 arrangements and payment. The department may deviate from the
14 payment limits established in subsection (1) and section 611 in
15 making payments under the pilot program. The department shall
16 forward a copy of the pilot program plan to the senate and house of
17 representatives appropriations subcommittees with jurisdiction over
18 the department budget not less than 30 days before it is
19 implemented.

20 Sec. 614. The funds available in part 1 for burial services
21 shall be available if the deceased was an eligible recipient and an
22 application for emergency relief funds was made within 10 days of
23 the burial or cremation of the deceased person. Each provider of
24 burial services shall be paid directly by the department.

25 Sec. 615. Except as required by federal law or regulations,
26 funds appropriated in part 1 shall not be used to provide public
27 assistance to a person who is an illegal alien. This section shall

1 not prohibit the department from entering into contracts with food
2 banks, emergency shelter providers, or other human services
3 agencies who may, as a normal part of doing business, provide food
4 or emergency shelter.

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

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

14 (a) The only eligible recipient has died.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 Sec. 620. The department with the approval of the state budget
21 director is authorized to increase federal spending authority for
22 food assistance program benefits if projected caseload spending
23 will exceed the spending authority in part 1. This authorization
24 adjustment shall be made 15 days after notifying the chairs of the
25 house and senate appropriations subcommittees on the department
26 budget and house and senate fiscal agencies.

27 Sec. 621. Funds appropriated in part 1 may be used to support

1 multicultural assimilation and support services. The department
2 shall distribute all of the funds described in this section based
3 on assessed community needs.

4 Sec. 627. From the funds appropriated in part 1 for the ECIC,
5 the department shall contract for the creation and support of
6 great start communities. Great start collaborative grants will be
7 awarded by competitive bid process to eligible intermediate
8 districts in an amount to be determined by the ECIC. The ECIC shall
9 provide technical assistance to great start communities through
10 intermediate school districts or other community agencies for the
11 implementation of their great start community needs assessment and
12 strategic plan.

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

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

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

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

26 Sec. 635. Within 24 hours of receiving all information
27 necessary to process an application for payments for child day

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

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

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

14 Sec. 643. As a condition of receipt of federal TANF funds,
15 homeless shelters and human services agencies shall collaborate
16 with the department to obtain necessary TANF eligibility
17 information on families as soon as possible after admitting a
18 family to the homeless shelter. From the funds appropriated in part
19 1 for homeless programs, the department is authorized to make
20 allocations of TANF funds only to the agencies that report
21 necessary data to the department for the purpose of meeting TANF
22 eligibility reporting requirements. Homeless shelters or human
23 services agencies that do not report necessary data to the
24 department for the purpose of meeting TANF eligibility reporting
25 requirements will not receive reimbursements which exceed the per
26 diem amount they received in fiscal year 2000. The use of TANF
27 funds under this section should not be considered an ongoing

1 commitment of funding.

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

8 Sec. 653. From the funds appropriated in part 1 for food
9 assistance, an individual who is the victim of domestic violence
10 and does not qualify for any other exemption may be exempt from the
11 3-month in 36-month limit on receiving food assistance under 7 USC
12 2015. This exemption can be extended an additional 3 months upon
13 demonstration of continuing need.

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

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

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

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

23 (a) Abstinence-based pregnancy prevention.

24 (b) Chemical abuse and dependency including nonmedical
25 services.

26 (c) Gang violence prevention.

27 (d) Preparation toward future self-sufficiency.

1 (e) Leadership development.

2 (f) Case management or mentoring.

3 (g) Parental involvement.

4 (h) Anger management.

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

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

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

24 Sec. 665. The department shall partner with the department of
25 transportation and may partner with other entities to use TANF and
26 other sources of available funding to support public transportation
27 needs of TANF-eligible individuals. This partnership shall place a

1 priority on transportation needs for employment or seeking
2 employment or medical or health-related transportation.

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

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

10 (2) The department shall make allocations of TANF funds under
11 this section only to agencies that report necessary data to the
12 department for the purpose of meeting the TANF eligibility
13 reporting requirements. The use of TANF funds under this section
14 should not be considered an ongoing commitment.

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

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

23 (2) The department shall allocate up to \$14,151,000.00 for the
24 annual clothing allowance. The allowance shall be granted to all
25 eligible children as defined by the department.

26 Sec. 673. The department shall immediately send notification
27 to a client participating in the state child day care program and

1 his or her child day care provider if the client's eligibility is
2 reduced or eliminated.

3 Sec. 674. The department shall develop and implement a plan to
4 reduce waste, fraud, and abuse within the child day care program.
5 Beginning December 31, 2008, the department shall report annually
6 to the senate and house appropriations subcommittees for the
7 department budget, the senate and house fiscal agencies and policy
8 offices, and the state budget director on plan details and
9 implementation status.

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 of
13 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 shall be
20 used to support the Michigan after-school partnership and to
21 leverage other private and public funding to engage the public and
22 private sectors in building and sustaining high-quality out-of-
23 school-time programs and resources. The co-chairs shall name a
24 fiduciary agent and may authorize the fiduciary to expend funds and
25 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%. Within 90 days after the end of each quarter, the
10 department shall report to the senate and house appropriations
11 subcommittees on the department budget, the senate and house fiscal
12 agencies and policy offices, and the state budget director on the
13 current percentage of FIP cases involved in employment activities
14 and the current percentage of JET pilot program cases involved in
15 employment activities. If the FIP case percentage is below the goal
16 for more than 2 consecutive quarters, the department shall develop
17 a plan to increase the percentage of FIP cases involved in
18 employment-related activities. The department shall deliver the
19 plan during the next annual budget presentation to the senate and
20 house appropriations subcommittees on the department budget.

21 Sec. 678. (1) The department shall provide the house and
22 senate appropriations subcommittees on the department budget with
23 an annual report on the activities of the early childhood
24 investment corporation (ECIC). The report is due by February 1 of
25 each year and shall contain at least the following information:

26 (a) Detail of the amounts of grants awarded.

27 (b) The grant recipients.

1 (c) The activities funded by each grant.

2 (d) An analysis of each grant recipient's success in
3 addressing the development of a comprehensive system of early
4 childhood services and supports.

5 (2) All contracts for comprehensive systems planning shall be
6 bid out through a statewide request-for-proposal process, and the
7 department shall send a report to the house and senate
8 appropriations subcommittees on the department budget covering the
9 selection criteria for establishing contracts at least 30 days
10 before the issuance of any request for proposals.

11 Sec. 681. From the money appropriated in part 1, the
12 department shall expend \$600,000.00 to revise the distribution of
13 food assistance benefits to implement a food assistance payment
14 schedule that provides 2 payments to recipients each month. The
15 department shall work in collaboration with grocers, distributors,
16 and merchants on effective education of food assistance recipients
17 to ensure adequate notice of changes in the food assistance
18 benefits distribution. The department shall update the senate and
19 house appropriations subcommittees on the department budget and
20 standing committees for human services on the progress and issues
21 raised by this change in distribution.

22 Sec. 682. The department shall notify the house and senate
23 appropriations subcommittees on the department budget, the house
24 and senate fiscal agencies, and the house and senate policy staffs
25 regarding the JET program savings for the fiscal year ending
26 September 30, 2008 and the details on the proposed use of that
27 money.

1 Sec. 683. (1) From the funds appropriated in part 1 for SSI
2 advocacy, \$1,275,000.00 shall be paid to the Michigan state bar
3 foundation for SSI advocacy services provided by the legal services
4 association of Michigan. A payment of \$400.00 shall be made for
5 each case referred to the legal services association of Michigan,
6 with a final payment of \$250.00 on case completion.

7 (2) The department shall not provide payment to the legal
8 services association of Michigan for assisting a recipient to
9 submit a frivolous appeal or application or for assisting a
10 recipient who has submitted multiple applications that have been
11 denied regarding the same disability, unless the legal services
12 association of Michigan determines that there is a valid reason to
13 pursue an appeal.

14 Sec. 685. (1) Not later than March 1, 2009, the department
15 shall report to the senate and house appropriations subcommittees
16 with jurisdiction over the department budget, and to the senate and
17 house appropriations subcommittees with jurisdiction over the
18 department of community health budget, on the number of recipients
19 that applied for Medicaid coverage, the number of recipients that
20 were approved for Medicaid coverage, and the number of recipients
21 that were denied Medicaid coverage. The report shall describe these
22 statistics for the fiscal year ending September 30, 2009 and
23 summarize department programs to assist persons in applying for
24 Medicaid.

25 (2) Not later than March 1, 2009, the department shall report
26 to the senate and house appropriations subcommittees with
27 jurisdiction over the department budget, and to the senate and

1 house subcommittees with jurisdiction over the department of
2 community health budget, on the number of applicants for home help
3 services. The department shall give a summary report on the number
4 of approved applications, denied applications, pending
5 applications, and the number of applications in which the applicant
6 was eligible for nursing home services.

7 Sec. 686. The department shall ensure that a hearing decision
8 involving a medical, cash, food, or emergency assistance program is
9 posted on the department's public internet site. Any private,
10 personal information contained in a decision shall be redacted as
11 required by law.

12 Sec. 687. The department shall convene a committee, including
13 representatives from the child care licensing division, the
14 department of education, the Michigan food policy council, and
15 advocates for low-income families, to identify barriers impeding
16 greater participation in the child and adult care food program for
17 at-risk school children. The committee shall identify strategies
18 used by other states to address these barriers, and propose a plan
19 for maximizing the use of these federal funds. The committee's
20 recommendations and plan shall be submitted to the house and senate
21 appropriations subcommittees on the department budget, the house
22 and senate fiscal agencies, the house and senate policy offices,
23 and the state budget director by January 15, 2009.

24 Sec. 688. The department shall examine and report on the
25 incidence of reported barriers among families terminated from the
26 family independence program because of noncompliance with work-
27 related requirements. The report shall be submitted to the house

1 and senate appropriations subcommittees on the department budget,
2 the house and senate fiscal agencies, the house and senate policy
3 offices, and the state budget director by April 1, 2009.

4 Sec. 689. (1) From the money appropriated in part 1 for day
5 care services, \$20,000,000.00 shall be expended to provide an
6 increase in the maximum state reimbursement rates paid to child
7 care providers who serve eligible clients. Up to \$1,700,000.00 of
8 this allocation may be used for child care program administration.
9 Remaining funding shall be used so that child care centers, child
10 care group homes, child care family homes, relative care providers,
11 and day care aides all receive an increase in their respective
12 rates.

13 (2) From the money appropriated in part 1 for day care
14 services, \$4,900,000.00 shall be expended to provide an increase in
15 the maximum state reimbursement rates paid to child care centers,
16 child care group homes, and child care family homes that are
17 licensed or registered with the department.

18 (3) From the money appropriated in part 1 for child care
19 services, \$700,000.00 shall be expended to provide 1-time \$400.00
20 incentive payments to child care aides or child care relative
21 providers that complete the 10-hour child care training program
22 offered by the department and the early childhood investment
23 corporation. In distributing the incentive payment, the department
24 shall pay the first \$200.00 to each qualified provider upon
25 completion of the training program. The department shall pay the
26 final \$200.00 to each qualified provider 6 months following the
27 completion of the training program, only if the child care provider

1 has provided continuous child care services as a child care aide or
2 child care relative provider during the full 6-month interval
3 following the training.

4 (4) From the money appropriated in part 1 for day care
5 training, technology, and oversight, \$2,260,500.00 shall be
6 expended for child care home readiness, the training of child care
7 providers, child care licensing, and departmental oversight of
8 child care providers.

9 (5) By September 30, 2009, the department shall provide a
10 report to the house and senate appropriations subcommittees on the
11 department budget, the house and senate fiscal agencies, the house
12 and senate policy offices, and the state budget director on the
13 details of the rate increases provided under subsections (1) and
14 (2) for each category of child care provider and the number of
15 child care providers that qualified for the \$400.00 incentive
16 payment under subsection (3).

17 Sec. 690. As a condition for receiving the money appropriated
18 in part 1, child care centers, child care group homes, and child
19 care family homes that are licensed or registered with the
20 department shall report to the department on a quarterly basis on
21 the number of vacancies they have with regard to children in their
22 care. Vacancy information may be reported more frequently to the
23 department on a voluntary basis.

24 Sec. 691. The department may choose not to distribute public
25 assistance or subsidies to the parent or parents of school-age
26 children if that parent or those parents have not signed a parent,
27 student, teacher compact outlining the role of each party in the

educational success of the student as required by the federal no child left behind act of 2001, Public Law 107-110.

JUVENILE JUSTICE SERVICES

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

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

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

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

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

(d) Trends in census and population demographics.

(e) Staff and resident safety.

1 (f) Facility profile.

2 (g) Fiscal information necessary for qualitative understanding
3 of program operations and comparative costs of public and private
4 facilities.

5 (2) The department during the annual budget presentation shall
6 outline the progress of the development of the goals, objectives,
7 and performance standards, as well as the information collected
8 through the implementation of the performance measurement program.
9 The presentation shall include all of the following:

10 (a) Actual cost and actual days of care by facility for the
11 most recently completed fiscal year.

12 (b) Actual cost per day per youth by facility for the most
13 recently completed fiscal year.

14 (c) An analysis of the variance between the estimated cost and
15 days of care assumed in the original appropriation and the figures
16 in subdivisions (a) and (b).

17 (d) Both the number of authorized FTE positions for each
18 facility and the number of actual on-board FTE positions for the
19 most recently completed fiscal year.

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

26 Sec. 707. In order to be reimbursed for child care fund
27 expenditures, counties are required to submit department-developed

1 reports to enable the department to document potential federally
2 claimable expenditures. This requirement is in accordance with the
3 reporting requirements specified in section 117a(7) of the social
4 welfare act, 1939 PA 280, MCL 400.117a.

5 Sec. 708. As a condition of receiving money appropriated in
6 part 1 for the child care fund line item, by February 15, 2009,
7 counties shall have an approved service spending plan for the
8 fiscal year ending September 30, 2009. Counties must submit the
9 service spending plan to the department by December 15, 2008 for
10 approval.

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

16 (2) The department shall assist counties in identifying
17 funding sources for the networks, including, but not limited to,
18 the child care fund and the juvenile accountability incentive block
19 grant.

20 (3) The local units of government shall report to the
21 department on expenditures of their juvenile justice information
22 networks in concert with their requests for reimbursement from the
23 child care fund.

24 Sec. 715. The department shall report to the senate and house
25 appropriations subcommittees for the department budget, the senate
26 and house fiscal agencies and policy offices, and the state budget
27 director by October 30, 2008 on the status of implementing

1 recommendations of the 2001 joint house and senate task force on
2 juvenile justice, including, but not limited to, the following:

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

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

10 Sec. 719. The department shall notify the legislature at least
11 30 days before closing or making any change in the status,
12 including the licensed bed capacity and operating bed capacity, of
13 a state juvenile justice facility.

14 Sec. 720. (1) The department shall take into consideration the
15 recommendations on a methodology for measuring goals, objectives,
16 and performance standards developed in conjunction with private
17 providers of juvenile justice residential programs required in
18 section 705 of 2004 PA 344.

19 (2) The department shall allocate money to public and private
20 providers of high security juvenile services based on their ability
21 to demonstrate results in all of the following:

22 (a) Lower recidivism rates.

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

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

25 (d) Lower average actual cost per resident.

26 (e) Availability of appropriate services to residents.

27 (3) The department shall comply with section 1150 of the

1 social welfare act, 1939 PA 280, MCL 400.115o, regarding placement
2 of juvenile offenders, and shall refer to that statutory
3 requirement in making referral recommendations to courts for secure
4 residential programs.

5 Sec. 721. (1) 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 (2) The department shall allocate money to public and private
11 providers of medium security juvenile services based on their
12 ability 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 actual cost per resident.

17 (e) Availability of appropriate services to residents.

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

23 (4) The department shall report to the house and senate
24 appropriations subcommittees on the department budget by October 1,
25 2008 on the transfer of medium security services equivalent to 80
26 beds at the W.J. Maxey boys training school and shall report on the
27 placement of juvenile offenders who need those services in

1 community-based or privately operated facilities.

2 Sec. 722. The department shall allocate money to public and
3 private providers of juvenile justice day programs based on their
4 ability to demonstrate results in all of the following:

5 (a) Lower recidivism rates.

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

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

8 (d) Lower average actual cost per resident.

9 (e) Availability of appropriate services to residents.

10 Sec. 723. A private provider of juvenile services may receive
11 funding for services of different security levels if the provider
12 has appropriate services for each security level and adequate
13 measures to physically separate residents of each security level.

14 Sec. 726. (1) Beginning October 1, 2007, from the money
15 appropriated in part 1 for foster care payments and child care
16 fund, the department shall not enter into or maintain a contract
17 with a for-profit provider of residential services for juvenile
18 justice and abused or neglected youth, or with a nonprofit provider
19 of residential services for juvenile justice and abused or
20 neglected youth that uses a for-profit management group or
21 contracts with a for-profit organization for its management, unless
22 the provider was licensed on or before August 1, 2007 and, if the
23 provider is a nonprofit provider of residential services for
24 juvenile justice and abused or neglected youth that uses a for-
25 profit management group or contracts with a for-profit organization
26 for its management, the contract between the provider and the for-
27 profit group or organization existed prior to August 1, 2007.

1 (2) A provider shall not receive a daily rate below \$130.00.

2 Sec. 727. (1) The legislature shall determine the cost of care
3 for public juvenile justice facilities by dividing the amount
4 obtained under subdivision (a) by the number of days determined
5 under subdivision (b):

6 (a) Add the initial appropriation for the facilities to an
7 allocation from the appropriation for juvenile justice field staff,
8 administration, and maintenance, and subtract amounts for
9 applicable federal meal reimbursements.

10 (b) The projected days of care as determined by the
11 legislature in consultation with the department.

12 (2) Total per diem and chargeback rates determined under
13 subsection (1) are effective January 1 in the fiscal year of the
14 initial appropriation. The following rates are in effect through
15 December 31, 2008:

16 (a) High security juvenile services, Maxey: per diem rate of
17 \$562.83; chargeback rate of \$281.42.

18 (b) Medium security juvenile services, Adrian: per diem rate
19 of \$520.79; chargeback rate of \$260.40.

20 (c) Medium security juvenile services, Bay Pines: per diem
21 rate of \$327.02; chargeback rate of \$163.51.

22 (d) Medium security juvenile services, Nokomis: per diem rate
23 of \$350.77; chargeback rate of \$175.39.

24 (e) Medium security juvenile services, Shawono: per diem rate
25 of \$352.67; chargeback rate of \$176.34.

26 (f) Juvenile justice day programs: per diem rate of \$281.36;
27 chargeback rate of \$140.68.

1 Sec. 728. It is the intent of the legislature that the
2 department and the department of corrections examine the potential
3 of entering into an intergovernmental agreement to place 140
4 children in the west wing of the Woodland center and in the
5 Sequoyah center on the campus of the W.J. Maxey training school.
6 The facilities shall be used to house children currently committed
7 to the department of corrections.

8 Sec. 729. (1) From the funds appropriated in part 1 for a
9 behavioral health study of juvenile justice facilities operated or
10 contracted for by the state, the department shall contract with a
11 state university to conduct diagnostic clinical interviews with and
12 records reviews for a representative random sample of juvenile
13 justice system detainees to develop a report on each of the
14 following:

15 (a) The proportion of juvenile justice detainees with a
16 primary diagnosis of emotional disorder, the percentage of those
17 detainees considered to currently require mental health treatment,
18 and the proportion of those detainees currently receiving mental
19 health services, including a description and breakdown,
20 encompassing, at a minimum, the categories of inpatient,
21 residential, and outpatient care, of the type of mental health
22 services provided to those detainees.

23 (b) The proportion of juvenile justice detainees with a
24 primary diagnosis of addiction disorder, the percentage of those
25 detainees considered to currently require substance abuse
26 treatment, and the proportion of those detainees currently
27 receiving substance abuse service, including a description and

1 breakdown, encompassing, at a minimum, the categories of
2 residential and outpatient care, of the type of substance abuse
3 services provided to those detainees.

4 (c) The proportion of juvenile justice detainees with a dual
5 diagnosis of emotional disorder and addiction disorder, the
6 percentage of those detainees considered to currently require
7 treatment for their condition, and the proportion of those
8 detainees currently receiving that treatment, including a
9 description and breakdown, encompassing, at a minimum, the
10 categories of mental health inpatient, mental health residential,
11 mental health outpatient, substance abuse residential, and
12 substance abuse outpatient, of the type of treatment provided to
13 those detainees.

14 (d) Data indicating whether juvenile justice detainees with a
15 primary diagnosis of emotional disorder, a primary diagnosis of
16 addiction disorder, and a dual diagnosis of emotional disorder and
17 addiction disorder were previously hospitalized in a state
18 psychiatric hospital for persons with mental illness. This data
19 shall be broken down according to each of these 3 respective
20 categories.

21 (e) Data indicating whether and with what frequency juvenile
22 justice detainees with a primary diagnosis of emotional disorder, a
23 primary diagnosis of addiction disorder, and a dual diagnosis of
24 emotional disorder and addiction disorder have been detained
25 previously. This data shall be broken down according to each of
26 these 3 respective categories.

27 (f) Data classifying the types of offenses historically

1 committed by juvenile justice detainees with a primary diagnosis of
2 emotional disorder, a primary diagnosis of addiction disorder, and
3 a dual diagnosis of emotional disorder and addiction disorder. This
4 data shall be broken down according to each of these 3 respective
5 categories.

6 (g) Data indicating whether juvenile justice detainees have
7 previously received services managed by a community mental health
8 program or substance abuse coordinating agency. This data shall be
9 broken down according to the respective categories of detainees
10 with a primary diagnosis of emotional disorder, a primary diagnosis
11 of addiction disorder, and a dual diagnosis of emotional disorder
12 and addiction disorder.

13 (2) The report required under subsection (1) shall be provided
14 no later than June 30, 2009 to the house and senate appropriations
15 subcommittees on human services, the house and senate fiscal
16 agencies, and the state budget director.

17 Sec. 730. The department shall review and may adjust daily per
18 diem rates to private providers of juvenile justice services in
19 recognition of added complex services.

20 Sec. 731. The department shall conduct a review of the
21 security level structure currently used to classify youth served
22 within the juvenile justice system and shall make recommendations
23 for changes to the current structure to ensure that all youth in
24 the system are provided services in the most appropriate setting
25 for their needs. The department shall report to the house and
26 senate appropriations subcommittees on the department budget, the
27 house and senate fiscal agencies, the house and senate policy

1 offices, and the state budget director by March 1, 2009 on the
2 findings of this review. The report shall also include information
3 on the capacity of public juvenile justice facilities and of
4 private residential providers of juvenile justice services at each
5 new security level as compared to the number of youth needing
6 services at each new security level.

7 **LOCAL OFFICE SERVICES**

8 Sec. 750. The department shall maintain out-stationed
9 eligibility specialists in community-based organizations and
10 hospitals.

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

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

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

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

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

1 notification:

2 (a) A list of eligible schools.

3 (b) The selection criteria to be used.

4 (c) The projected number to be opened.

5 (d) The financial implications for expansion, including
6 funding sources.

7 Sec. 753. The department shall implement the recommendations
8 of the 2004 public private partnership initiative's training
9 committee to define, design, and implement a train-the-trainer
10 program to certify private agency staff to deliver child welfare
11 staff training, explore the use of e-learning technologies, and
12 include consumers in the design and implementation of training. The
13 intent of the legislature is to reduce training and travel costs
14 for both the department and the private agencies. The department
15 shall report no later than December 1, 2008 on each specific policy
16 change made to implement enacted legislation and the plans to
17 implement the recommendations, including timelines, to the senate
18 and house appropriations subcommittees on the department budget,
19 the senate and house standing committees on human services matters,
20 the senate and house fiscal agencies and policy offices, and the
21 state budget director.

22 Sec. 754. The department shall allow private nationally
23 accredited foster care and adoption agencies to conduct their own
24 staff training, based on current department policies and
25 procedures, provided that the agency trainer and training materials
26 are accredited by the department, and that the agency documents to
27 the department that the training was provided. The department shall

1 provide access to any training materials requested by the private
2 agencies to facilitate this training.

3 Sec. 755. From the money appropriated in part 1, \$8,154,100.00
4 shall be expended to add up to 200 FTE title IV-E eligibility
5 specialist positions. Employees filling these positions shall be
6 assigned to local county offices and shall serve as specialists in
7 determining title IV-E eligibility for child welfare cases with the
8 goal of increasing the number of title IV-E eligible cases
9 statewide. These positions shall be classified as services
10 specialists within the state classified civil service system.

11 **DISABILITY DETERMINATION SERVICES**

12 Sec. 801. The department disability determination services in
13 agreement with the department of management and budget office of
14 retirement systems will develop the medical information and make
15 recommendations for medical disability retirement for state
16 employees, state police, judges, and schoolteachers.

17 **CHILD SUPPORT ENFORCEMENT**

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

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

23 (3) From the federal money received for child support
24 incentive payments, \$14,500,000.00 shall be paid to the counties
25 based on each county's performance level for each of the federal

1 performance measures as established in the code of federal
2 regulations, CFR 45.305.2.

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

7 (5) If the child support incentive payment to the state from
8 the federal government is greater than the amount needed to satisfy
9 the provisions identified in subsections (1), (2), (3), and (4),
10 the additional funds shall be subject to appropriation by the
11 legislature.

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

15 (7) From the state funds appropriated in part 1 for child
16 support enforcement, not less than \$9,570,000.00 shall be paid to
17 counties for use as the local/state match for federal title IV-D
18 services provided by the friend of the court and prosecuting
19 attorney. The money is to be used to offset the net effect of the
20 federal deficit reduction act that prohibits the use of federal
21 performance incentive funds paid to the state as local/state match
22 funds.

23 Sec. 902. (1) The department shall continue its work to fix
24 and improve the child support computer system using the funding
25 carried forward from prior fiscal years.

26 (2) The department shall consult with the department of
27 treasury and any outside consultant with collections expertise

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

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

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

23 Sec. 905. Of the funds appropriated in part 1 for child
24 support collections, \$500,000.00 shall be allocated to counties for
25 the local match for friend of the court services legal support
26 contracts and to payments to county prosecutors for related legal
27 services.

1 Sec. 906. From the funds appropriated in part 1 for legal
2 support contracts, \$500,000.00 shall be allocated and paid pursuant
3 to section 18a of the social welfare act, 1939 PA 280, MCL 400.18a.

4 Sec. 907. The office of child support in cooperation with the
5 state court administrative office shall establish a pilot program
6 to examine the effectiveness of contracting with a public or
7 private collection agency as authorized under section 10 of the
8 office of child support act, 1971 PA 174, MCL 400.240. The pilot
9 program shall be implemented during fiscal year 2007-2008. Any
10 restricted revenue collected pursuant to this section shall not be
11 expended until the department and representatives from counties and
12 the friends of the court meet and agree upon recommendations for
13 use of the revenue. The revenue is subject to appropriation by the
14 legislature.

15 Sec. 908. From the money appropriated in part 1 for child
16 support enforcement operations, \$500,000.00 shall be expended on a
17 contract aimed at collecting child support arrearages. Cases shall
18 be assigned to a contractor with the goal that at least 15% of
19 collected arrearages be owed to this state on behalf of current or
20 former TANF recipients. The contractor shall be allowed to retain
21 up to 15% of arrearages collected as a fee for services. By
22 September 30, 2009, the department shall report to the house and
23 senate appropriations subcommittees on the department budget, the
24 house and senate fiscal agencies, and the house and senate policy
25 offices on the following contract results:

26 (a) Number of cases assigned to the contractor.

27 (b) Number of cases in which the contractor successfully

1 collected on arrearages.

2 (c) Total arrearages collected.

3 (d) Total arrearages collected that were owed to this state as
4 reimbursement for public assistance.

5 (e) Total amount retained by the contractor.

6 Sec. 910. If title IV-D-related child support collections are
7 escheated, the state budget director is authorized to adjust the
8 sources of financing for the funds appropriated in part 1 for legal
9 support contracts to reduce federal authorization by 66% of the
10 escheated amount and increase general fund/general purpose
11 authorization by the same amount. This budget adjustment is
12 required to offset the loss of federal revenue due to the escheated
13 amount being counted as title IV-D program income in accordance
14 with federal regulations at 45 CFR 304.50.

15 Sec. 911. The department will implement a \$25.00 annual fee
16 pursuant to title IV-D, 42 USC 654(6)(B). The fee shall be deducted
17 from support collected on behalf of the individual. Fee revenues
18 shall be used to administer and operate the child support program
19 under title IV-D.

20 **OFFICE OF CHILDREN AND ADULT LICENSING**

21 Sec. 1005. The department shall implement a performance-based
22 licensing model that will assure compliance with department policy
23 and statutory mandates. This model will prioritize licensing
24 activities based on risk to the vulnerable children and adults
25 residing in or receiving services from licensees.

26 Sec. 1006. The department shall assess fees in the licensing

1 and regulation of child care organizations as defined in 1973 PA
2 116, MCL 722.111 to 722.128, and adult foster care facilities as
3 defined in the adult foster care facility licensing act, 1979 PA
4 218, MCL 400.701 to 400.737. Fees collected by the department shall
5 be used exclusively for the purpose of licensing and regulating
6 child care organizations and adult foster care facilities.

7 Sec. 1007. The department shall furnish the clerk of the
8 house, the secretary of the senate, the senate and house fiscal
9 agencies and policy offices, the state budget office, and all
10 members of the house and senate appropriations committees with a
11 summary of any evaluation reports and subsequent approvals or
12 disapprovals of juvenile residential facilities operated by the
13 department, as required by section 6 of 1973 PA 116, MCL 722.116.
14 If no evaluations are conducted during the fiscal year, the
15 department shall notify the fiscal agencies and all members of the
16 appropriate subcommittees of the house and senate appropriations
17 committees.

18 **COMMUNITY ACTION AND ECONOMIC OPPORTUNITY**

19 Sec. 1101. Not later than September 30 of each year, the
20 department shall submit for public hearing to the chairpersons of
21 the house and senate appropriations subcommittees dealing with
22 appropriations for the department budget the proposed use and
23 distribution plan for community services block grant funds
24 appropriated in part 1 for the succeeding fiscal year.

25 Sec. 1102. The department shall develop a plan based on
26 recommendations from the department of civil rights and from Native

1 American organizations to assure that the community services block
2 grant funds are equitably distributed. The plan must be developed
3 by October 31, 2008, and the plan shall be delivered to the
4 appropriations subcommittees on the department budget in the senate
5 and house, the senate and house fiscal agencies, and the state
6 budget director.

7 Sec. 1103. The appropriation in part 1 for the weatherization
8 program shall be expended so that at least 25% of the households
9 weatherized under the program shall be households of families
10 receiving 1 or more of the following:

11 (a) Family independence program assistance.

12 (b) State disability assistance.

13 (c) Food assistance.

14 (d) Supplemental security income.

15 Sec. 1104. (1) Of the funds appropriated in part 1 for
16 community services block grants, \$2,350,000.00 represents TANF
17 funding earmarked for community action agencies.

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

25 (3) In addition to the money referred to in subsection (1),
26 the department shall award up to \$250,000.00 in competitive grants
27 to organizations that seek to provide programs combining education

- 1 on the EITC with programs building skills for strong marriages,
- 2 fatherhood, or parenting.