

**SUBSTITUTE FOR  
HOUSE BILL NO. 4434**

A bill to amend 1939 PA 280, entitled  
"The social welfare act,"  
by amending section 117a (MCL 400.117a), as amended by 2014 PA 520.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 117a. (1) As used in this section and sections 117b to  
2 117g:

3           (a) "County juvenile agency" means that term as defined in  
4 section 2 of the county juvenile agency act, 1998 PA 518, MCL  
5 45.622.

6           (b) "County juvenile agency services" means all juvenile  
7 justice services for a juvenile who is within the court's  
8 jurisdiction under section 2(a) or (d) of chapter XIIIA of the  
9 probate code of 1939, 1939 PA 288, MCL 712A.2, or within the  
10 jurisdiction of the court of general jurisdiction under section 606

1 of the revised judicature act of 1961, 1961 PA 236, MCL 600.606, if  
2 that court commits the juvenile to a county or court juvenile  
3 facility under section 27a of chapter IV of the code of criminal  
4 procedure, 1927 PA 175, MCL 764.27a. If a juvenile who comes within  
5 the court's jurisdiction under section 2(a) or (d) of chapter XIIIA  
6 of the probate code of 1939, 1939 PA 288, MCL 712A.2, is at that  
7 time subject to a court order in connection with a proceeding for  
8 which the court acquired jurisdiction under section 2(b) or (c) of  
9 chapter XIIIA of the probate code of 1939, 1939 PA 288, MCL 712A.2,  
10 juvenile justice services provided to the juvenile before the court  
11 enters an order in the subsequent proceeding are not county  
12 juvenile agency services, except for juvenile justice services  
13 related to detention.

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

1 justice service approved by the office or county juvenile agency  
2 must meet all applicable state and local government licensing  
3 standards.

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

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

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

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

1 operated facility or for care received under 1935 PA 220, MCL  
2 400.201 to 400.214, or under the youth rehabilitation services act,  
3 1974 PA 150, MCL 803.301 to 803.309. The distribution may be  
4 reduced by the amount of uncontested liability.

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

9 (c) Notwithstanding the provisions in subdivision (a) **AND**  
10 **SUBJECT TO APPROPRIATIONS**, ~~for the fiscal years ending September~~  
11 ~~30, 2014 and September 30, 2015,~~ the department shall pay 100% of  
12 the costs of the \$3.00 increase to the administrative rate for  
13 providers of foster care services provided in ~~section 546(4) of~~  
14 ~~article X of 2013 PA 59 and section 546(4) of article X of 2014 PA~~  
15 ~~252.~~ **THE ANNUAL APPROPRIATION FOR THE DEPARTMENT BUDGET.** For the  
16 purposes of this subdivision only, "foster care" means 24-hour  
17 substitute care for children placed away from their parents or  
18 guardians, as a result of a court order under section 2(b) of  
19 chapter XIIA of the probate code of 1939, 1939 PA 288, MCL 712A.2,  
20 in placements supervised by the department or a private child  
21 placing agency under contract with the department for foster care  
22 services. Foster care services include supervision of placements in  
23 foster family homes, foster family group homes, and preadoptive  
24 placements.

25 (d) Notwithstanding the provisions of subdivision (a) or (c)  
26 **AND SUBJECT TO APPROPRIATIONS**, ~~for the fiscal years ending~~  
27 ~~September 30, 2014 and September 30, 2015,~~ for foster care cases

1 established after October 1, 2013, the department shall pay 100% of  
2 the administrative rate for providers of treatment foster care  
3 services and foster care services provided in ~~section 546(1) of~~  
4 ~~article X of 2013 PA 59 and section 546(1) of article X of 2014 PA~~  
5 ~~252.~~ **THE ANNUAL APPROPRIATION FOR THE DEPARTMENT BUDGET.** For the  
6 purposes of this subdivision only, "foster care" means 24-hour  
7 substitute care for children placed away from their parents or  
8 guardians, as a result of a court order under section 2(b) of  
9 chapter XIIIA of the probate code of 1939, 1939 PA 288, MCL 712A.2,  
10 in placements supervised by the department or a private child  
11 placing agency under contract with the department for foster care  
12 services. Foster care services include supervision of placements in  
13 foster family homes, foster family group homes, treatment foster  
14 care, preadoptive placements, and supervision of children reunified  
15 with the parent with whom the child lived at the time of removal.

16 (e) Notwithstanding the provisions in subdivision (a) **AND**  
17 **SUBJECT TO APPROPRIATIONS,** ~~for the fiscal year ending September 30,~~  
18 ~~2015,~~ the department shall pay 100% of the costs of any rate  
19 increase to the providers of residential foster care services under  
20 contract with the department, as provided in ~~section 546(6) of~~  
21 ~~article X of 2014 PA 252.~~ **THE ANNUAL APPROPRIATION FOR THE**  
22 **DEPARTMENT BUDGET.**

23 (f) Notwithstanding the provisions in subdivision (a) and  
24 subject to appropriations, in a county with a population of not  
25 less than 575,000 or more than 650,000, for the purpose of this  
26 subdivision only for cases transferred by the department to a child  
27 placing agency, the department shall pay 100% of the administrative

1 rate to providers responsible for foster care case management  
2 services to families of children who are court-ordered into foster  
3 care due to **CHILD** abuse or **CHILD** neglect and placed in the care and  
4 supervision of the department, regardless of placement setting  
5 until the prospective payment system described in subdivision (g)  
6 is implemented. This subdivision does not apply after May 1, 2018.

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

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

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

1 than county juvenile agency services.

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

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

12 (8) The department shall develop a reporting system providing  
13 that reimbursement under subsection (4)(a) shall be made only on  
14 submission of billings based on care given to a specific,  
15 individual child. The system shall be implemented not later than  
16 October 1, 1982.

17 Enacting section 1. This amendatory act takes effect October  
18 1, 2015.