

Act No. 368
Public Acts of 1996
Approved by the Governor
July 3, 1996
Filed with the Secretary of State
July 3, 1996

STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1996

Introduced by Reps. Bankes, Johnson, Geiger, Bobier, Gilmer, Dolan and Jellema

ENROLLED HOUSE BILL No. 5591

AN ACT to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 1997; 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:

Sec. 101. There is appropriated for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 1997, from the following funds:

FAMILY INDEPENDENCE AGENCY

Full-time equated classified positions	14,256.9	
Full-time equated unclassified positions	6.0	
Total full-time equated positions	14,262.9	
GROSS APPROPRIATION	\$	2,989,299,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	\$	16,150,000
ADJUSTED GROSS APPROPRIATION	\$	2,973,149,200
Federal revenues:		
Total federal revenues		1,727,428,400
Special revenue funds:		
Total private revenues		98,245,200
Total local revenues		62,613,600
Total other state restricted revenues		23,889,200
State general fund/general purpose	\$	1,060,972,800

EXECUTIVE OPERATIONS

Total full-time equated positions	1,027.3	
Full-time equated unclassified positions	6.0	
Full-time equated classified positions	1,021.3	
Unclassified salaries—6.0 FTE positions	\$	452,800
Salaries and wages—807.3 FTE positions		39,917,300
Contractual services, supplies, and materials		8,032,100
Demonstration projects—31.0 FTE positions		10,293,000

	For Fiscal Year Ending Sept. 30, 1997
Health and welfare data center equipment	11,453,200
ASSIST project—27.0 FTE positions.....	20,489,700
Data system enhancement—28.0 FTE positions	12,744,900
Communities first	500,000
Inspector general contracts	3,036,800
Commission on disability concerns—10.0 FTE positions	639,600
Commission for the blind—118.0 FTE positions	17,457,600
GROSS APPROPRIATION.....	\$ 125,017,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG-ADP user fees	150,000
Appropriated from:	
Federal revenues:	
Total federal revenues.....	67,400,600
Special revenue funds:	
Total private revenues.....	2,872,300
Total local revenues	475,000
Total other state restricted revenues.....	477,300
State general fund/general purpose	\$ 53,641,800
FAMILY SERVICES ADMINISTRATION	
Full-time equated classified positions.....	476.0
Salaries and wages—352.8 FTE positions	\$ 17,180,000
Contractual services, supplies, and materials	5,739,800
Child support enforcement system—5.0 FTE positions.....	13,000,000
Child support incentive payments.....	32,409,600
Legal support contracts—5.0 FTE positions.....	58,017,900
State incentive payments.....	3,934,200
Employment and training support services.....	18,826,700
Food stamp issuance.....	5,374,400
High school completion project—4.0 FTE positions	278,400
Wage employment verification reporting—2.0 FTE positions	1,795,000
Urban and rural empowerment/enterprise zones.....	29,992,200
Supplemental security income advocacy—41.2 FTE positions	2,564,500
Training and staff development—66.0 FTE positions	14,778,700
Community services block grants.....	13,977,100
GROSS APPROPRIATION.....	\$ 217,868,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG-DCH	2,912,000
Appropriated from:	
Federal revenues:	
Total federal revenues	186,157,900
Special revenue funds:	
State general fund/general purpose	\$ 28,798,600
CHILD AND FAMILY SERVICES	
Full-time equated classified positions.....	113.3
Salaries and wages—77.3 FTE positions	\$ 3,467,200
Contractual services, supplies, and materials	942,000
Refugee assistance program—12.0 FTE positions.....	7,377,100
Adult home help.....	116,322,300
Social services to the physically disabled.....	1,344,900
County juvenile officers.....	3,632,200
Foster care payments	221,547,700
Adoption subsidies.....	87,227,900
Child care fund	32,735,500
Children's benefit fund donations	21,000

For Fiscal Year
Ending Sept. 30,
1997

Domestic violence prevention and treatment—2.0 FTE positions.....	4,741,200
Teenage parent counseling—3.0 FTE positions	3,405,200
Family preservation and prevention services—14.0 FTE positions	55,674,800
Respite care	2,100,000
Black child and family institute	100,000
Rape prevention and services	260,000
Children's trust fund administration—4.0 FTE position	310,300
Children's trust fund grants	2,615,000
Attorney general contract.....	1,308,900
Guardian contract	600,000
County shelters.....	1,200,000
Day care services.....	208,200,000
Prosecuting attorney contracts—1.0 FTE position.....	1,061,700
GROSS APPROPRIATION.....	\$ 756,194,900

Appropriated from:

Interdepartmental grant revenues:

IDG-DCH	10,400,000
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Appropriated from:

Federal revenues:

Total federal revenues	374,054,600
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Special revenue funds:

Private-children's benefit fund donations	21,000
Private-collections	3,601,300
Local funds-county payback	24,976,200
Children's trust fund	1,810,300
State general fund/general purpose	\$ 341,331,500

DELINQUENCY SERVICES

Full-time equated classified positions.....	1,275.1	
Personnel payroll costs—876.9 FTE positions.....		\$ 48,892,100
Delinquency and community based services		7,532,900
Contractual services, supplies, and materials		7,400,000
Travel.....		355,600
Equipment		1,269,400
Genesee county detention facility—210.2 FTE positions.....		12,969,400
Family involvement project—4.8 FTE positions.....		415,400
Community residential care programs—141.5 FTE positions		7,496,100
Federally funded activities—27.1 FTE positions		1,813,800
W.J. Maxey memorial fund		45,000
Regional detention services—10.6 FTE positions.....		1,207,300
Committee on juvenile justice administration—4.0 FTE positions.....		340,500
Committee on juvenile justice grants		1,900,000
GROSS APPROPRIATION.....		\$ 91,637,500

Appropriated from:

Federal revenues:

Total federal revenues	9,915,700
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Special revenue funds:

Total private revenues.....	45,000
Local funds-county payback	36,969,300
State general fund/general purpose	\$ 44,707,500

ASSISTANCE PAYMENTS, SERVICES, AND CLERICAL FIELD STAFF

Full-time equated classified positions.....	10,745.5	
Field services, salaries and wages—156.0 FTE positions.....		\$ 10,216,600
Child welfare staff, salaries and wages—1,904.1 FTE positions		72,314,300
Administrative support, salaries and wages—2,678.3 FTE positions.....		80,945,500
Assistance payments, salaries and wages—1,912.8 FTE positions		65,937,200
Family independence specialist, salaries and wages—3,102.0 FTE positions.....		112,061,300

	For Fiscal Year Ending Sept. 30, 1997
Adult services, salaries and wages—848.8 FTE positions.....	27,336,200
Contractual services, supplies, and materials	38,842,000
Outstationed eligibility workers—30.0 FTE positions	3,420,200
Volunteer services and reimbursement—113.5 FTE positions.....	8,190,600
GROSS APPROPRIATION.....	\$ 419,263,900
Appropriated from:	
Federal revenues:	
Total federal revenues	233,540,600
Special revenue funds:	
Local funds-donated funds	193,100
Private funds-hospital contributions.....	1,705,500
State general fund/general purpose	\$ 183,824,700
DISABILITY DETERMINATION SERVICES	
Full-time equated classified positions.....	602.0
Disability determination operations—602.0 FTE positions.....	\$ 64,746,500
Rent.....	846,600
Building occupancy charges.....	751,000
Workers' compensation.....	51,700
GROSS APPROPRIATION.....	\$ 66,395,800
Appropriated from:	
Federal revenues:	
Total federal revenues	66,395,800
State general fund/general purpose	\$ 0
CENTRAL SUPPORT ACCOUNTS	
Rent.....	\$ 38,602,000
Occupancy charge	10,626,200
Travel.....	8,092,500
Equipment	2,684,900
Workers' compensation.....	4,607,700
Advisory commissions.....	17,900
Payroll taxes and fringe benefits.....	169,982,500
GROSS APPROPRIATION.....	\$ 234,613,700
Appropriated from:	
Federal revenues:	
Total federal revenues	123,853,500
Special revenue funds:	
Departmentwide lapse revenue	8,801,500
State general fund/general purpose	\$ 101,958,700
PUBLIC ASSISTANCE	
Full-time equated classified positions.....	23.7
Family independence program.....	\$ 733,345,900
State disability assistance payments	26,460,600
Food stamp program benefits	120,000,000
State supplementation	63,387,200
State supplementation administration	2,502,000
Low income energy assistance program—21.7 FTE positions	82,046,300
State emergency relief—2.0 FTE positions.....	34,631,800
Weatherization assistance	15,934,100
GROSS APPROPRIATION.....	\$ 1,078,307,900
Appropriated from:	
Interdepartmental grant revenues:	
IDG-DCH	2,688,000
Appropriated from:	
Federal revenues:	
Total federal revenues	666,109,700

Special revenue funds:	
Private-retained child support collections.....	90,000,100
Supplemental security income recoveries	6,800,000
Public assistance recoupment revenue	6,000,100
State general fund/general purpose	\$ 306,710,000

GENERAL SECTIONS

Sec. 201. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 1996-97 is estimated at \$1,084,862,100.00 in this bill and state spending from state sources to local units of government for fiscal year 1996-97 is estimated at \$90,168,700.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

FAMILY INDEPENDENCE AGENCY

CHILD AND FAMILY SERVICES

Child care fund.....	\$ 32,735,500
County juvenile officers.....	3,632,200
Adoption subsidies.....	51,465,800

PUBLIC ASSISTANCE

State disability program.....	\$ 2,335,200
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(2) If it appears to the principal executive officer of a department or branch that state spending to local units of government will be less than the amount that was projected to be expended under subsection (1), the principal executive officer shall immediately give notice of the approximate shortfall to the department of management and budget.

Sec. 202. The family independence agency may receive and expend advances or reimbursements from the department of state police for the administration of the individual and family grant disaster assistance program. An account shall be established in the family independence agency for this purpose when a disaster is declared. The authorization and allotment for the account shall be in the amount advanced or reimbursed from the department of state police.

Sec. 203. The director of the department of management and budget may make administrative transfers of appropriations for the family independence agency to adjust amounts between the local funds-county payback line items in section 101. Such transfers shall be made in compliance with section 393(1) of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1393 of the Michigan Compiled Laws.

Sec. 204. In addition to funds appropriated in section 101 for all programs and services, there is appropriated for write-offs of accounts receivable, deferrals, and for prior year obligations in excess of applicable prior year appropriations, an amount equal to total write-offs and prior year obligations, but not to exceed amounts available in prior year revenues.

Sec. 205. The expenditures and funding sources authorized under this act are subject to the management and budget act, Act No. 431 of the Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan Compiled Laws.

Sec. 206. The family independence agency may retain all of the state's share of food stamp overissuance collections as an offset to general fund/general purpose costs. Retained collections shall be applied against federal funds deductions in all appropriation units where department costs related to the investigation and recoupment of food stamp overissuances are incurred. Retained collections in excess of such costs shall be applied against the federal funds deducted in the executive operations appropriation unit.

Sec. 207. The funds appropriated in section 101 for communities first pilot projects are intended to support the interagency implementation of communities first pilots. Funds may be expended by the departments of community health and education and the family independence agency as necessary or appropriate for pilot implementation, in accordance with interagency agreements negotiated by the affected agencies.

Sec. 208. The family independence agency shall submit a report to the chairpersons of the senate and house appropriations committees and to the senate and house fiscal agencies on the details of allocations within program budgeting line items. The report shall include a listing, by account, dollar amount, and fund source, of salaries and wages; longevity and insurance; retirement; contractual services, supplies, and materials; equipment; travel; and grants within each program line item appropriated for the fiscal year ending September 30, 1997.

Sec. 209. As used in this act:

- (a) "ADP" means automated data processing.
- (b) "Department" means the family independence agency.
- (c) "FTE" means full-time equated position.
- (d) "IDG" means interdepartmental grant.

(e) "Title IV" means title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 601 to 603, 604 to 610, 612 to 613, 615 to 617, 620 to 629e, 651 to 669, 670 to 677, 679, and 681 to 687.

(f) "Title XX" means title XX of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1397 to 1397f.

Sec. 210. (1) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$50,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act in accordance with section 393(2) of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1393 of the Michigan Compiled Laws.

(2) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$1,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act in accordance with section 393(2) of Act No. 431 of the Public Acts of 1984.

(3) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$5,000,000.00 for local and private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act in accordance with section 393(2) of Act No. 431 of the Public Acts of 1984.

Sec. 211. If a legislative objective of this act or the social welfare act, Act No. 280 of the Public Acts of 1939, being sections 400.1 to 400.119b of the Michigan Compiled Laws, cannot be implemented without loss of federal financial participation because implementation would conflict with or violate federal regulations, the family independence agency shall notify the house and senate appropriations committees and the house and senate fiscal agencies of that fact. Upon receipt of the notification, a joint house and senate committee made up of the members of the house and senate appropriations subcommittees dealing with appropriations for the family independence agency may be appointed to meet with the director of the family independence agency to review the substantive, procedural, and legal ramifications of the legislative objective and to develop a plan to attain that legislative objective.

Sec. 212. Funds appropriated in section 101 shall not be used for the purchase of foreign goods and/or services when competitively priced and of comparable quality American goods and/or services are available. By May 1, 1997, the family independence agency shall submit a report to the department of management and budget, the speaker and minority leader of the house of representatives, the majority and minority leader of the senate, and the chairpersons of the house and senate appropriations committees on efforts to comply with this section.

Sec. 213. The department of civil service shall bill departments and/or agencies at the end of the first fiscal quarter for the 1% charges authorized by section 5 of article XI of the state constitution of 1963. Payments shall be made for the total amount of the billing by the end of the second fiscal quarter.

Sec. 215. In compliance with governmental accounting standards board (GASB) statement no. 24, accounting and financial reporting for certain grants and other financial assistance, food stamp distributions are hereby appropriated and shall be recognized as general fund-special purpose expenditures in the state's accounting records and financial reports.

Sec. 216. (1) Beginning October 1, 1996, there is a hiring freeze imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department or to positions that are funded 80% or more from federal or restricted funds.

(2) The director of the department of management and budget shall grant exceptions to this hiring freeze when the director believes that the hiring freeze will result in the state department or agency being unable to deliver basic services. The director of the department of management and budget shall report by the fifteenth of each month to the chairpersons of the senate and house appropriations committees the number of exceptions to the hiring freeze approved during the previous month and the justification for each exception.

Sec. 217. Funds appropriated under section 101 shall not be used to implement an affirmative action plan unless that plan has been submitted to the Michigan civil rights commission for approval in accordance with section 210 of the Elliott-Larsen civil rights act, Act No. 453 of the Public Acts of 1976, being section 37.2210 of the Michigan Compiled Laws, and the Michigan civil rights commission has approved the plan.

Sec. 218. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both, for the family independence agency. The director shall strongly encourage firms with which the department contracts to subcontract with businesses in depressed and deprived communities for services or supplies, or both.

Sec. 219. Subject to the requirements of section 211, an application for any family independence agency program shall not exceed 6 pages.

Sec. 220. (1) If the director of the department of management and budget determines that the federal government has failed to enact comprehensive reforms in the federal cash welfare and medicaid programs by October 1, 1996, and notifies the senate and house appropriations committees of that determination, the line-item appropriations contained in section 101 of this appropriation act are adjusted by the amounts listed in subsection (5). A contingency fund account is created in an amount equal to these adjustments.

(2) Effective October 1, 1996, the director of the department of management and budget may adjust the annual allotments and payment schedules of the line-item appropriations in section 101 in accordance with the items listed in subsection (5).

(3) Contingency fund transfers are authorized in an amount necessary to reverse these adjustments. These transfers shall conform with the provisions of section 393(2) of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1393 of the Michigan Compiled Laws. Transfers may restore all or part of the adjustments listed in subsection (5).

(4) If any of the appropriation adjustments listed in subsection (5) have not been reversed through contingency fund transfers by April 1, 1997, the directors of the department of management and budget, the house fiscal agency, and the senate fiscal agency shall jointly determine the extent of the remaining fiscal imbalance that results from failure to achieve federal medicaid and cash welfare reform. All remaining appropriation adjustments, not previously reversed by contingency fund transfers, shall be made on the same proportionate basis.

(5) The line-item appropriations contained in section 101 of this act are adjusted by the following amounts:

CENTRAL SUPPORT ACCOUNTS

GROSS APPROPRIATION.....	\$	0
Departmentwide lapse revenue		8,000,000
State general fund/general purpose	\$	(8,000,000)

FAMILY SERVICES ADMINISTRATION

Employment and training support services.....	\$	(2,000,000)
Training and staff development		(4,500,000)
GROSS APPROPRIATION	\$	(6,500,000)
Total federal revenues		(6,500,000)
State general fund/general purpose	\$	0

CHILD AND FAMILY SERVICES

Respite care	\$	(2,100,000)
Day care services.....		(24,900,000)
GROSS APPROPRIATION.....	\$	(27,000,000)
Total federal revenues		(27,000,000)
State general fund/general purpose	\$	0

PUBLIC ASSISTANCE

Family independence program.....	\$	(17,200,000)
GROSS APPROPRIATION	\$	(17,200,000)
Total federal revenues		(17,200,000)
State general fund/general purpose	\$	0

Sec. 221. (1) If the director of the department of management and budget determines that the federal government has failed to enact comprehensive reforms in the federal cash welfare and medicaid programs by October 1, 1996, and notifies the senate and house appropriations committees of that determination, the line-item appropriations contained

in section 101 of this appropriation act are adjusted by the amounts listed in subsection (2). A contingency fund account is created in an amount equal to these adjustments.

(2) The line-item appropriations contained in section 101 of this act are adjusted by the following amounts:

CENTRAL SUPPORT ACCOUNTS

GROSS APPROPRIATION.....	\$	0
Departmentwide lapse revenue		(8,801,500)
State general fund/general purpose	\$	8,801,500

CHILDREN AND FAMILY SERVICES

Adult home help.....	\$	5,539,200
Adoption subsidies.....		9,500,000
GROSS APPROPRIATION.....	\$	15,039,200
Federal revenues:		
Total federal revenues		(2,762,700)
State general fund/general purpose	\$	17,801,900

PUBLIC ASSISTANCE

Family independence program.....	\$	38,835,900
GROSS APPROPRIATION.....	\$	38,835,900
Federal revenues:		
Total federal revenues		21,437,400
State general fund/general purpose	\$	17,398,500

EXECUTIVE OPERATIONS

Sec. 301. The family independence agency may receive local funds to be applied toward the purchase of local office automation equipment. Such equipment shall only be purchased through appropriate departmentwide automated data processing equipment contracts, and shall be the property of the department.

Sec. 302. Any unencumbered balances of the automated social services information system line shall not lapse and may be carried forward to the 1997-98 fiscal year.

Sec. 303. The family independence agency may distribute cash assistance to recipients electronically by using debit cards.

Sec. 304. The appropriation in section 101 for the rehabilitation program for the commission for the blind in the family independence agency includes \$20,900.00 that may be derived from fee-for-service agreements. These agreements may be entered into between the commission for the blind and other state or local public or nonprofit agencies to provide screening, evaluation, counseling, or similar services, but the total annual revenues from the fee-for-service agreements shall not exceed \$20,900.00.

Sec. 305. The appropriation in section 101 for the Michigan commission for the blind includes funds for case services. These funds may be used for tuition payments for blind clients for the school year beginning September 1996.

Sec. 306. The appropriation in section 101 for commissions and boards may be used for per diem payments to members of commissions or boards for a full day of committee work at which a quorum is present for performing official business as authorized by each respective commission or board. The per diem payment for the Michigan commission for the blind shall be at a rate of \$50.00 per day.

FAMILY SERVICES ADMINISTRATION

Sec. 401. (1) From the federal money received for child support incentive payments, up to \$7,465,200.00 shall be retained by the state and expended for legal support contracts, state incentive payments, and salaries and wages for office of child support staff.

(2) At the end of the current fiscal year, the family independence agency may, when it is cost beneficial to the state and counties, withhold from submitting to the federal office of child support administrative expenses eligible for federal financial participation. The department may recoup earned but unclaimed federal funds from the resulting increased federal child support incentive. The recoupment by the department shall be made prior to distribution of the increased incentive to the counties. Any incentive funds retained by the state under this section shall be separate and apart from incentive funds retained in any other section of this act.

Sec. 402. From the funds appropriated in section 101 for legal support contracts and child support incentive payments, the family independence agency may fund demonstration projects to enhance friend of the court child support collections efforts for public assistance recipients. Funding shall be from federal title IV-D and federal child support incentives earned. The projects shall be implemented in no more than 3 counties. Priority shall be given to counties with federal title IV-D aid to families with dependent children collections exceeding \$7,000,000.00 in fiscal year 1992.

Sec. 403. Unexpended funds in the urban and rural empowerment and enterprise zones line item in fiscal year 1996-97 shall not lapse but shall carry forward for use in fiscal year 1997-98.

Sec. 404. Not later than September 30 of each year, the family independence agency shall submit for public hearing to the chairpersons of the house and senate appropriations subcommittees dealing with appropriations for the family independence agency the proposed use and distribution plan for community services block grant funds appropriated in section 101 for the succeeding fiscal year.

Sec. 405. The family independence agency shall develop jointly with the Indian affairs commission plans for the implementation of programs and the distribution of funds for recognized tribal groups and organizations under the block grant programs that are established by the federal community services block grant act, subtitle B of title VI of Public Law 97-35, 95 Stat. 511, 42 U.S.C. 9901 to 9910a and 9911 to 9912, and that are administered by that bureau. The plans shall comply with the regulations issued by the United States department of health and human services.

CHILD AND FAMILY SERVICES

Sec. 501. The following goal is established by state law. During the fiscal year ending September 30, 1997, not more than 3,500 children supervised by the family independence agency shall remain in foster care longer than 24 months. The department shall give priority to reducing the number of children under 1 year of age in foster care.

Sec. 502. From the funds appropriated in section 101 for foster care, the family independence agency shall provide 50% reimbursement to Indian tribal governments for foster care expenditures for children who are under the jurisdiction of Indian tribal courts and who are not otherwise eligible for federal foster care cost sharing.

Sec. 503. The family independence agency shall not expend funds appropriated in section 101 to provide intercountry adoption services.

Sec. 504. The family independence agency shall continue adoption subsidy payments to families after the eighteenth birthday of an adoptee who meets the following criteria:

- (a) Has not yet graduated from high school or passed a high school equivalency examination.
- (b) Is making progress toward completing high school.
- (c) Has not yet reached his or her twenty-first birthday.

Sec. 505. In order to support or expand services to children in their own homes or in community-based programs, the family independence agency may recommend transfers from the foster care payments account or the delinquency services accounts into the family preservation and prevention services account if funds are available for transfer. Such transfers shall be in accordance with the provisions of section 393 of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1393 of the Michigan Compiled Laws.

Sec. 506. The family independence agency's ability to satisfy appropriation deducts in section 101 for foster care private collections shall not be limited to collections and accruals pertaining to services provided in the current fiscal year but shall include revenues collected in excess of the amount specified in section 101.

Sec. 507. Notwithstanding section 117a or 117c of the social welfare act, Act No. 280 of the Public Acts of 1939, being sections 400.117a and 400.117c of the Michigan Compiled Laws, the distribution of collections made to counties by child, parent, guardian, or custodian, on behalf of children in foster care who are wards of the county, shall be made in accordance with section 18(2) of chapter XIIA of Act No. 288 of the Public Acts of 1939, being section 712A.18 of the Michigan Compiled Laws.

Sec. 508. Counties shall be subject to 50% charge back for the use of alternative regional detention services if they do not fall under the basic provision of section 117e of the social welfare act, Act No. 280 of the Public Acts of 1939, being section 400.117e of the Michigan Compiled Laws, or if a county operates these programs primarily with professional rather than volunteer staff.

Sec. 509. (1) In order to promote continuity of service for children and families, the family independence agency shall, to the maximum extent possible, enter into multiyear contracts for child welfare and juvenile justice services.

(2) The bid specifications and contract award determinations for child welfare and juvenile justice services shall include criteria relative to provider experience, placing emphasis on total years of experience in providing child welfare and juvenile justice services, provision of services to persons of similar characteristics as the target clientele, quality of prior child welfare and juvenile justice services, length of service in the targeted geographic area, and the adequacy of the provider's plan for coordinating the provision of services in the targeted geographic area.

Sec. 510. Funds appropriated in section 101 for the child care fund may be used as the required state match for the purchase of families first services for clients referred by juvenile courts. For local offices and courts choosing this option, the in-home portion of the county child care fund plan must authorize the transfer of funds from the state child care fund account designated for that county to a local funds-county payback deduct account associated with the family preservation services appropriation while the involved county is still beneath its child care fund cap.

Sec. 511. (1) In addition to the amount appropriated in section 101, money granted or money received as gifts or donations to the children's trust fund created by Act No. 249 of the Public Acts of 1982, being sections 21.171 to 21.172 of the Michigan Compiled Laws, is appropriated for expenditure in an amount not to exceed \$800,000.00.

(2) The state child abuse and neglect prevention board may initiate a joint project with another state agency to the extent that the project supports the programmatic goals of both the state child abuse and neglect prevention board and the state agency. The family independence agency may interaccount bill the state agency for shared costs of a joint project in an amount authorized by the state agency, and the state child abuse and neglect prevention board may receive and expend funds for shared costs of a joint project in addition to those authorized by section 101.

Sec. 512. From the funds appropriated in section 101 for child and family services, the family independence agency shall not expend funds to reunite a family in which incest is the cause for family separation, if such reunification will result in the victim and the perpetrator residing in the same residence.

Sec. 513. The family independence agency shall not expend funds to preserve or reunite a family if either of the following would result:

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

(b) A child would be living in the same household with a parent or other adult against whom there is relevant and accurate evidence of sexual abuse against the child. This section shall permit counseling provided that the counseling is not directed at influencing an abused child to remain in an abusive environment or justifying the actions of the abuser.

Sec. 514. The family independence agency may collaborate with graduate schools of social work in the development and implementation of masters degree programs with a concentration in child welfare. The family independence agency may expand the partial tuition reimbursement program, subject to available funds, for current employees who participate in an approved masters degree program.

Sec. 515. A family independence program recipient who is participating 20 hours per week or more in the work first program and who undertakes a self-initiated educational program that can be reasonably expected to lead to employment is eligible for reimbursement for child care and transportation expenses related to the educational program.

Sec. 516. By October 15, 1996, the department of community health and the family independence agency, in consultation with the office of services to the aging, shall provide to the house and senate appropriations subcommittees dealing with appropriations for the family independence agency and for community health a report on coordination of

adult home help, home and community based care, and nursing home care. The report shall focus on how these programs will ensure the maximum independence and care for eligible individuals.

Sec. 517. The department of management and budget and the family independence agency shall work with institutional providers of foster care to prepare a report by December 15, 1996 that recommends reformed reimbursement systems that are outcome and performance based.

Sec. 518. In the case of a recipient of family independence assistance who is working 20 hours per week or more and who undertakes a self-initiated educational program that can be reasonably expected to lead to employment, the family independence agency shall use funds appropriated in section 101 to provide child care benefits by making payments in advance directly to the recipient for child care needs while the recipient is working and attending school or training.

Sec. 519. The department shall not be required to put up for bids contracts with service providers if currently only 1 provider in the service area exists. Existing runaway service contracts and contractors serving homeless youth shall be exempt from the bid process.

PUBLIC ASSISTANCE

Sec. 601. (1) The family independence agency may terminate a vendor payment for shelter when a recipient's rental unit is not in compliance with applicable local housing codes or when the landlord is delinquent on property tax payments. Compliance shall be considered to be met if the family independence agency receives from the landlord a signed statement stating that the rental unit is in compliance with local housing codes and that statement is not contradicted by the recipient and the local housing authority. The landlord also shall provide to the department a signed statement indicating who currently owns the property and whether any delinquent taxes are owed.

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

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

(4) Not later than January 1, 1997, the family independence agency shall submit to the house and senate appropriations subcommittees dealing with appropriations for the family independence agency and the standing committees dealing with human services a plan for mandatory vendoring in cases in which a recipient's failure to pay rent has placed the recipient's children in jeopardy of eviction, and the housing is not out of compliance with local housing codes. The plan may contain good cause exceptions to the application of the mandatory vendoring policy. The plan shall be implemented not later than March 1, 1997.

Sec. 602. The mother of an unborn child is eligible for the family independence program and medical services benefits for herself and her child if all other eligibility factors are met. To be eligible for these benefits, the applicant shall provide medical evidence of her pregnancy. If she is unable to provide the documentation, payment for the examination may be at state expense. The family independence agency shall undertake such measures as may be necessary to ensure that necessary prenatal care is provided to medical services eligible recipients.

Sec. 603. The department, together with other agencies, may establish special projects to provide special needs shelter payment levels for the family independence program that will support the development of transitional shelter facilities for homeless families. These facilities are to provide supportive services to families and to support the development of permanent low-income housing.

Sec. 604. (1) The family independence agency, as it determines is appropriate, shall enter into agreements with energy providers by which cash assistance recipients and the energy providers agree to permit the department to make direct payments to the energy providers on behalf of the recipient. The payments may include heat and electric payment requirements from recipient grants and amounts in excess of the payment requirements.

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

(3) The department shall negotiate with positive billing utility companies to develop extended payment plans. Such plans shall allow clients who terminate from positive billing due to increased income to make monthly payments in order to gradually liquidate utility arrears.

Sec. 605. A provider utility shall be entitled to recover in its rates all qualifying costs incurred pursuant to an agreement between the provider utility and the family independence agency for the payment of all or part of assisted households' heating and electric service bills. Qualifying costs shall include prudently incurred costs for incentives, forgiveness, and energy conservation program development and operation costs and the cost of capital incurred for assisted household arrearages held by the provider utility. All such qualifying costs incurred from program years beginning after October 1, 1996 shall be subject to deferred accounting and recovery through a general rate case application or shall be subject to timely recovery through separate limited purpose rate proceedings.

Sec. 606. In operating the family independence program from funds appropriated in section 101, the family independence agency shall permit a recipient to perform non-campaign-related volunteer work in the offices of the executive, judicial, and legislative branches of state government to meet his or her social contract obligation. The family independence agency shall compile and maintain a list of legislative and executive branch offices willing to accept volunteers. This list shall be made available to public assistance clients to assist them in selecting their social contract activity.

Sec. 607. (1) The family independence agency shall operate a state disability assistance program. Except as provided in subsection (3), persons eligible for this program shall include needy persons 18 years of age or older, or emancipated minors, who meet 1 or more of the following requirements:

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

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

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

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

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

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

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

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

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

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

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

Sec. 608. The level of reimbursement provided to state disability assistance recipients in licensed adult foster care facilities shall be the same as the prevailing supplemental security income rate under the personal care category.

Sec. 609. County family independence agencies shall require each recipient of state disability assistance who has applied with the social security administration for supplemental security income to sign a contract to repay any assistance rendered through the state disability assistance program upon receipt of retroactive supplemental security income benefits.

Sec. 610. The family independence agency's ability to satisfy appropriation deductions in section 101 for state disability assistance/supplemental security income recoveries and public assistance recoupment revenues shall not be limited to recoveries and accruals pertaining to state disability assistance, or family independence assistance grant

payments provided only in the current fiscal year, but shall include all related net recoveries received during the current fiscal year.

Sec. 611. Adult foster care facilities providing domiciliary care or personal care to residents receiving supplemental security income or homes for the aged serving residents receiving supplemental security income shall not require those residents to reimburse the home or facility for care at rates in excess of those legislatively authorized. To the extent permitted by federal law, adult foster care facilities and homes for the aged serving residents receiving supplemental security income shall not be prohibited from accepting third party payments in addition to supplemental security income provided that the payments are not for food, clothing, shelter, or result in a reduction in the recipient's supplemental security income payment.

Sec. 612. Supplemental security income state supplementation payments shall not be made by the family independence agency to a person defined as disabled under supplemental security income if his or her drug addiction or alcoholism is a contributing factor material to the determination of disability. Pursuant to federal regulation 20 C.F.R. 404.1535, "material to the determination of disability" means that, if the person stopped using drugs or alcohol, his or her remaining physical or mental limitations would not be disabling. If his or her remaining physical or mental limitations would be disabling under supplemental security income regulations, then the drug addiction or alcoholism is not material to the determination of disability.

Sec. 613. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced during the fiscal year beginning October 1, 1996 and ending September 30, 1997.

Sec. 614. (1) From the funds appropriated in section 101 for state emergency relief, the family independence agency shall not make a payment to a recipient for the purpose of mortgage payments, home repairs, land contracts payments, or property tax payment, unless the recipient agrees to give the department a lien on his or her real property in the amount of total payments made by the department in excess of \$250.00.

(2) A lien under this section shall be enforced, and the amount of the lien recouped, when the recipient conveys the real property.

(3) By March 1, 1997, the department shall provide the house and senate appropriations subcommittees dealing with appropriations for the family independence agency with a report on progress in implementing this section.

Sec. 615. In developing good cause criteria for the state emergency relief program, the family independence agency shall grant exemptions if the emergency resulted from unexpected expenses related to maintaining or securing employment.

Sec. 616. (1) The family independence agency shall not require providers of burial services to accept state payment for indigent burials as payments in full. Providers shall be permitted to collect additional payment, not to exceed \$2,000.00, from relatives or other persons on behalf of the deceased.

(2) Of the additional payments collected in subsection (1), 75% shall be distributed to funeral directors and 25% to cemeteries or crematoriums if cemeteries provide the vaults.

(3) Any additional payment collected pursuant to subsection (1) shall not increase the maximum charge limit for state payment as established by law.

Sec. 617. For purposes of determining housing affordability eligibility for state emergency relief, a group is considered to have sufficient income to meet ongoing housing expenses if their total housing obligation does not exceed 75% of their total net income.

Sec. 618. Indigent burial reimbursement rates shall be equal to the fiscal year 1995 rates, except for vault rates, which are increased to \$200.00.

Sec. 619. Except as required by federal law or regulations, funds appropriated in section 101 shall not be used to provide public assistance to a person who is an illegal alien. This section shall not prohibit the family independence agency from entering into contracts with food banks or emergency shelter providers who may, as a normal part of doing business, provide food or emergency shelter to individuals without regard to citizenship status.

Sec. 620. Funds appropriated in section 101 may be used to support multicultural assimilation and support services.

Sec. 621. (1) The appropriation in section 101 for the weatherization program shall be expended in such a manner that at least 25% of the households weatherized under the program shall be households of families receiving family independence assistance, state disability assistance, or supplemental security income.

(2) Any unencumbered balances of the weatherization program shall not lapse and may be carried forward to the 1997-98 fiscal year. The director of the family independence agency shall report the amount and purpose of any funds carried forward under this section to the house and senate appropriations subcommittees dealing with appropriations for the family independence agency and to the house and senate fiscal agencies on or before November 15, 1997.

Sec. 622. A person performing weatherization service under the weatherization program described in section 621 shall install a smoke detector in a residence being weatherized if a detector is not already present and operational. A smoke detector installed under this section shall be located in the immediate vicinity of the bedrooms of the residence and at least 1 smoke detector shall be placed on each story of the residence, excluding crawl spaces and uninhabited attics.

Sec. 623. For the purpose of guardian and conservator charges, the family independence agency may deduct up to \$60.00 per month as an allowable expense against a recipient's income when determining medical services eligibility and patient pay amounts.

Sec. 624. The family independence agency shall develop a plan to assure that fluctuations in child support payments due to intermittent payment by the noncustodial parent or due to untimely distribution of payments by the friend of the court are promptly reflected in the client's family independence assistance grant. Prior to decertification of child support for family independence assistance recipients, the plan shall be submitted to the house and senate appropriations subcommittees dealing with appropriations for the family independence agency, the house and senate standing committees on human services, and the bipartisan task force established under section 6(6) of the social welfare act, Act No. 280 of the Public Acts of 1939, being section 400.6 of the Michigan Compiled Laws.

Sec. 625. In operating the family independence program from funds appropriated for that purpose in section 101, the family independence agency shall upon case closure send a notification to recipients of the availability of transitional child care that includes instructions on obtaining a child care application.

Sec. 626. From funds appropriated in section 101, the family independence agency may provide consumer services information, home budgeting information, and credit counseling for recipients participating in the project zero pilot project.

Sec. 627. Not later than May 1, 1997, the family independence agency shall submit to the house and senate appropriations subcommittees dealing with appropriations for the family independence agency and the standing committees dealing with human services a report on the number of family independence assistance cases composed of a minor living independently, broken down by county, and an explanation of the reasons and safeguards for allowing minors to live independently.

Sec. 628. The family independence agency and the Michigan jobs commission shall study the outcomes for recipients who have participated in work first and shall submit semiannual reports on the progress and findings of the study to the house and senate subcommittees dealing with appropriations for the family independence agency and for regulatory services and to the standing committees dealing with human services beginning April 1, 1997. The study shall examine whether the former participants have obtained jobs, what kind of jobs they have obtained, and how long they have retained them, whether they are receiving basic health care benefits from their employers, whether they continue to receive other types of public assistance, and any other information the departments consider relevant.

Sec. 629. In operating the family independence program with funds appropriated in section 101, the family independence program shall not approve as a minor parent's adult supervised household a living arrangement in which the minor parent lives with his or her partner as the supervising adult.

Sec. 630. From the funds appropriated in section 101 for foster care payments, the department shall increase the rate of payments for foster care services by an aggregate 3%.

Sec. 631. In operating the family independence program, the family independence agency shall include in the social contract, as defined in section 57 of the social welfare act, Act No. 280 of the Public Acts of 1939 as amended, being section 400.57 of the Michigan Compiled Laws, the responsibilities of both the family independence agency and the client, including support services that may be available to the client, the penalties for failure to comply with the social contract and a statement of the client's right to hearing. The social contract shall provide for signatures of the client and the caseworker.

Sec. 632. The family independence agency and the department of community health shall work together on outreach to family independence assistance recipients who may be eligible for the special supplemental program for women, infants and children under the child nutrition act of 1996, Public Law 92-433.

This act is ordered to take immediate effect.

Clerk of the House of Representatives.

Secretary of the Senate.

Approved -----

Governor.