

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5516

A bill to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 2005; 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

3

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

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amounts listed in this part are appropriated for the family

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independence agency for the fiscal year ending September 30, 2005,

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from the funds indicated in this part. The following is a summary of

1 the appropriations in this part:

2 **FAMILY INDEPENDENCE AGENCY**

3 APPROPRIATION SUMMARY:

4	Full-time equated classified positions.....	10,298.0	
5	Unclassified positions.....	5.0	
6	Total full-time equated positions.....	10,303.0	
7	GROSS APPROPRIATION.....		\$ 4,306,723,700
8	Interdepartmental grant revenues:		
9	Total interdepartmental grants and intradepartmental		
10	transfers.....		1,084,400
11	ADJUSTED GROSS APPROPRIATION.....		\$ 4,305,639,300
12	Federal revenues:		
13	Total federal revenues.....		3,020,670,600
14	Special revenue funds:		
15	Total private revenues.....		9,757,600
16	Total local revenues.....		77,170,700
17	Total other state restricted revenues.....		69,549,200
18	State general fund/general purpose.....		\$ 1,128,491,200
19	Sec. 102. EXECUTIVE OPERATIONS		
20	Total full-time equated positions.....	388.1	
21	Full-time equated unclassified positions.....	5.0	
22	Full-time equated classified positions.....	383.1	
23	Unclassified salaries--5.0 FTE positions.....		\$ 537,100
24	Salaries and wages--291.3 FTE positions.....		13,915,900
25	Contractual services, supplies, and materials.....		6,700,200
26	Demonstration projects--4.8 FTE positions.....		6,848,400
27	Inspector general salaries and wages--87.0 FTE		

1	positions.....		<u>4,412,600</u>
2	GROSS APPROPRIATION.....	\$	32,414,200
3	Appropriated from:		
4	Federal revenues:		
5	Total federal revenues.....		20,576,200
6	Special revenue funds:		
7	Total private revenues.....		1,219,300
8	Total local revenues.....		200,000
9	State general fund/general purpose.....	\$	10,418,700
10	Sec. 103. FAMILY INDEPENDENCE SERVICES		
11	ADMINISTRATION		
12	Full-time equated classified positions.....	111.8	
13	Salaries and wages--56.2 FTE positions.....		\$ 2,721,700
14	Contractual services, supplies, and materials.....		10,746,500
15	Employment and training support services.....		17,511,400
16	Wage employment verification reporting.....		1,387,400
17	Urban and rural empowerment/enterprise zones.....		100
18	Training and staff development--50.1 FTE positions..		8,213,100
19	Community services block grant.....		25,382,700
20	Nutrition education.....		7,669,800
21	Affordable housing fund.....		100
22	Homeless prevention and food for the elderly.....		<u>149,900</u>
23	GROSS APPROPRIATION.....	\$	73,782,700
24	Appropriated from:		
25	Federal revenues:		
26	Total federal revenues.....		63,809,300
27	Special revenue funds:		

1	State general fund/general purpose.....	\$	9,973,400
2	Sec. 104. CHILD SUPPORT ENFORCEMENT		
3	Full-time equated classified positions.....		174.7
4	Child support enforcement operations--		168.7 FTE
5	positions.....	\$	24,358,900
6	Legal support contracts.....		139,819,400
7	Child support incentive payments.....		32,409,600
8	Child support distribution computer system--		6.0 FTE
9	positions.....		<u>26,035,800</u>
10	GROSS APPROPRIATION.....	\$	222,623,700
11	Appropriated from:		
12	Federal revenues:		
13	Total federal revenues.....		204,107,700
14	Special revenue funds:		
15	Total local revenues.....		340,000
16	State general fund/general purpose.....	\$	18,176,000
17	Sec. 105. CHILD AND FAMILY SERVICES		
18	Full-time equated classified positions.....		99.5
19	Salaries and wages--38.7 FTE positions.....	\$	2,019,700
20	Contractual services, supplies, and materials.....		1,295,400
21	Refugee assistance program--2.9 FTE positions.....		12,661,100
22	Foster care payments.....		153,862,650
23	Wayne County foster care payments.....		79,050,350
24	Adoption subsidies.....		227,936,800
25	Adoption support services--7.7 FTE positions.....		14,584,300
26	Youth in transition--2.0 FTE positions.....		12,482,600
27	Interstate compact.....		299,900

1	Children's benefit fund donations.....	21,000
2	Domestic violence prevention and treatment--3.5 FTE	
3	positions.....	13,695,500
4	Teenage parent counseling--2.3 FTE positions.....	3,793,400
5	Families first.....	17,448,100
6	Child safety and permanency plan.....	16,900,700
7	Strong families/safe children.....	14,095,300
8	Child protection/community partners--18.3 FTE	
9	positions.....	5,713,300
10	Zero to three.....	4,000,000
11	Family group decision making.....	2,454,700
12	Family reunification program.....	4,062,700
13	Family preservation and prevention services--12.0	
14	FTE positions.....	1,870,900
15	Black child and family institute.....	100,000
16	Family resource centers and child advocacy centers..	100
17	Rape prevention and services.....	2,600,000
18	Children's trust fund administration--4.3 FTE	
19	positions.....	473,800
20	Children's trust fund grants.....	3,615,000
21	Attorney general contracts.....	2,742,300
22	Guardian contract.....	599,900
23	Prosecuting attorney contracts.....	1,061,700
24	Child care fund.....	171,337,800
25	Child care fund administration--5.8 FTE positions...	883,700
26	County juvenile offices.....	3,753,900
27	Community support services--2.0 FTE positions.....	<u>1,328,600</u>

1	GROSS APPROPRIATION.....	\$	776,745,200
2	Appropriated from:		
3	Federal revenues:		
4	Total federal revenues.....		422,951,500
5	Special revenue funds:		
6	Private - children's benefit fund donations.....		21,000
7	Private - collections.....		5,033,900
8	Local funds - county payback.....		49,230,500
9	Children's trust fund.....		3,294,100
10	State general fund/general purpose.....	\$	296,214,200
11	Sec. 106. JUVENILE JUSTICE SERVICES		
12	Full-time equated classified positions.....		750.4
13	W.J. Maxey training school--301.0 FTE positions.....	\$	19,251,500
14	Adrian training school--138.0 FTE positions.....		9,551,900
15	Bay pines center--44.0 FTE positions.....		3,044,900
16	Nokomis challenge center--43.0 FTE positions.....		2,874,900
17	Shawono center--39.0 FTE positions.....		2,774,900
18	Arbor heights--34.0 FTE positions.....		2,874,900
19	Community juvenile justice centers--37.0 FTE		
20	positions.....		3,011,300
21	Juvenile justice field staff, administration and		
22	maintenance--93.7 FTE positions.....		19,445,900
23	Federally funded activities--13.7 FTE positions.....		1,734,100
24	W.J. Maxey memorial fund.....		45,000
25	Juvenile accountability incentive block grant--3.0		
26	FTE positions.....		8,397,800
27	Committee on juvenile justice administration--4.0		

1	FTE positions.....	460,500
2	Committee on juvenile justice grants.....	<u>5,000,000</u>
3	GROSS APPROPRIATION..... \$	78,467,600
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues.....	18,352,400
7	Special revenue funds:	
8	Total private revenues.....	645,000
9	Local funds - county payback.....	26,900,100
10	State general fund/general purpose..... \$	32,570,100
11	Sec. 107. LOCAL OFFICE STAFF AND OPERATIONS	
12	Full-time equated classified positions.....7,991.1	
13	Field staff, salaries and wages--7,876.4 FTE	
14	positions..... \$	336,383,800
15	Contractual services, supplies, and materials.....	24,264,200
16	Outstationed eligibility workers--29.0 FTE positions	5,476,800
17	County donated funds positions--6.9 FTE positions...	517,000
18	Food stamp reinvestment--78.8 FTE positions.....	18,140,200
19	Wayne County gifts and bequests.....	100,000
20	Volunteer services and reimbursement.....	<u>1,294,800</u>
21	GROSS APPROPRIATION..... \$	386,176,800
22	Appropriated from:	
23	Federal revenues:	
24	Total federal revenues.....	236,279,200
25	Special revenue funds:	
26	Local funds - donated funds.....	195,700
27	Private funds - hospital contributions.....	2,738,400

1	Private funds - Wayne County gifts.....	100,000
2	State general fund/general purpose..... \$	146,863,500
3	Sec. 108. DISABILITY DETERMINATION SERVICES	
4	Full-time equated classified positions.....568.4	
5	Disability determination operations--544.9 FTE	
6	positions..... \$	73,050,600
7	Medical consultation program--18.4 FTE positions....	2,756,800
8	Retirement disability determination--5.1 FTE	
9	positions.....	<u>857,400</u>
10	GROSS APPROPRIATION..... \$	76,664,800
11	Appropriated from:	
12	Interdepartmental grant revenues:	
13	IDG from DMB-office of retirement systems.....	1,084,400
14	ADJUSTED GROSS APPROPRIATION..... \$	75,580,400
15	Appropriated from:	
16	Federal revenues:	
17	Total federal revenues.....	72,800,000
18	State general fund/general purpose..... \$	2,780,400
19	Sec. 109. CENTRAL SUPPORT ACCOUNTS	
20	Rent..... \$	44,223,700
21	Occupancy charge.....	10,046,100
22	Grand tower facility reimbursement.....	1,018,100
23	Travel.....	5,593,500
24	Equipment.....	145,200
25	Worker's compensation.....	5,713,900
26	Advisory commissions.....	17,800
27	Human resources optimization user charges.....	560,900

1	Payroll taxes and fringe benefits.....		<u>197,172,900</u>
2	GROSS APPROPRIATION.....	\$	264,492,100
3	Appropriated from:		
4	Federal revenues:		
5	Total federal revenues.....		169,814,700
6	Special revenue funds:		
7	Local funds - county payback.....		304,400
8	State general fund/general purpose.....	\$	94,373,000
9	Sec. 110. OFFICE OF CHILDREN AND ADULT LICENSING		
10	Full-time equated classified positions.....	219.0	
11	AFC, children's welfare and day care		
12	licensure--219.0 FTE positions.....	\$	<u>23,047,600</u>
13	GROSS APPROPRIATION.....	\$	23,047,600
14	Appropriated from:		
15	Federal revenues:		
16	Total federal revenues.....		11,258,600
17	Special revenue funds:		
18	Restricted-licensing fees.....		585,400
19	Restricted-health fees and collections.....		94,200
20	State general fund/general purpose.....	\$	11,109,400
21	Sec. 111. PUBLIC ASSISTANCE		
22	Family independence program.....	\$	389,885,400
23	State disability assistance payments.....		31,643,000
24	Food assistance program benefits.....		1,099,429,300
25	State supplementation.....		58,899,000
26	State supplementation administration.....		2,493,100
27	Low-income home energy assistance program.....		116,467,700

1	Food bank funding.....	524,900
2	Homeless shelter contracts.....	11,146,600
3	Multicultural assimilation funding.....	1,715,400
4	Indigent burial.....	6,155,400
5	Emergency services local office allocations.....	21,865,400
6	Weatherization assistance.....	15,940,800
7	Day care services.....	<u>494,503,200</u>
8	GROSS APPROPRIATION.....	\$ 2,250,669,200
9	Appropriated from:	
10	Federal revenues:	
11	Total federal revenues.....	1,723,101,100
12	Special revenue funds:	
13	Child support collections.....	47,710,700
14	Supplemental security income recoveries.....	5,104,800
15	Public assistance recoupment revenue.....	2,500,000
16	State general fund/general purpose.....	\$ 472,252,600
17	Sec. 112. INFORMATION TECHNOLOGY	
18	Information technology services and projects.....	\$ 42,700,500
19	Child support automation.....	52,080,000
20	Client services system.....	11,445,700
21	Data system enhancement.....	<u>15,413,600</u>
22	GROSS APPROPRIATION.....	\$ 121,639,800
23	Appropriated from:	
24	Federal revenues:	
25	Total federal revenues.....	77,619,900
26	Special revenue funds:	
27	Total other state restricted revenue.....	10,260,000

1 State general fund/general purpose..... \$ 33,759,900

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 under
7 part 1 for fiscal year 2004-2005 is \$1,198,040,400.00 and state
8 spending from state resources to be paid to local units of government
9 for fiscal year 2004-2005 is \$191,492,300.00. The itemized statement
10 below identifies appropriations from which spending to units of local
11 government will occur:

12 FAMILY INDEPENDENCE AGENCY

13 CHILD AND FAMILY SERVICES

14 Adoption subsidies..... \$ 84,086,600

15 Child care fund..... 104,700,000

16 County juvenile officers..... 2,973,200

17 PUBLIC ASSISTANCE

18 State disability program..... 1,158,700

19 TOTAL..... \$ 191,492,300

20 Sec. 202. The appropriations authorized under this act are
21 subject to the management and budget act, 1984 PA 431, MCL 18.1101 to
22 18.1594.

23 Sec. 203. As used in this act:

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

25 (b) "Department" means the family independence agency.

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

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

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

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

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

10 Sec. 204. The department of civil service shall bill the
11 department at the end of the first fiscal quarter for the 1% charge
12 authorized by section 5 of article XI of the state constitution of
13 1963. Payments shall be made for the total amount of the billing by
14 the end of the second fiscal quarter.

15 Sec. 205. (1) A hiring freeze is imposed on the state classified
16 civil service. State departments and agencies are prohibited from
17 hiring any new classified civil service employees and prohibited from
18 filling any vacant state classified civil service positions. This
19 hiring freeze does not apply to internal transfers of classified
20 employees from 1 position to another within a department.

21 (2) The hiring freeze described in subsection (1) does not apply
22 to any classified state civil service position that meets any of the
23 following criteria:

24 (a) Filling the vacant position will directly prevent the loss of
25 federal funding.

26 (b) The vacant position deals directly with the direct provision
27 of public safety services including prison officers, law enforcement

1 officers, and child services enforcement workers.

2 (c) The vacant position provides direct health care services
3 including physicians, nurses, and other direct health care providers.

4 (3) The state budget director shall report quarterly to the
5 chairpersons of the senate and house of representatives standing
6 committees on appropriations the number of new state classified civil
7 service employees hired during the previous quarter and the reasons to
8 justify the hiring.

9 Sec. 207. At least 60 days before beginning any effort to
10 privatize services, the department shall submit a complete project
11 plan to the appropriate senate and house of representatives
12 appropriations subcommittees and the senate and house fiscal
13 agencies. The plan shall include the criteria under which the
14 privatization initiative will be evaluated. The evaluation shall be
15 completed and submitted to the appropriate senate and house of
16 representatives appropriations subcommittees and the senate and house
17 fiscal agencies within 9 months.

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

27 Sec. 209. Funds appropriated in part 1 shall not be used for the

1 purchase of foreign goods or services, or both, if competitively
2 priced and comparable quality American goods or services, or both, are
3 available. Preference should be given to goods or services, or both,
4 manufactured or provided by Michigan businesses if they are
5 competitively priced and of comparable value.

6 Sec. 210. The director of each department receiving
7 appropriations in part 1 shall take all reasonable steps to ensure
8 businesses in deprived and depressed communities compete for and
9 perform contracts to provide services or supplies, or both. Each
10 director shall strongly encourage firms with which the department
11 contracts to subcontract with certified businesses in depressed and
12 deprived communities for services, supplies, or both.

13 Sec. 211. The department may receive and expend advances or
14 reimbursements from the department of state police for the
15 administration of the individual and family grant disaster assistance
16 program. An account shall be established in the department for this
17 purpose when a disaster is declared. The authorization and allotment
18 for the account shall be in the amount advanced or reimbursed from the
19 department of state police.

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

27 Sec. 213. (1) The department may retain all of the state's share

1 of food assistance overissuance collections as an offset to general
2 fund/general purpose costs. Retained collections shall be applied
3 against federal funds deductions in all appropriation units where
4 department costs related to the investigation and recoupment of food
5 assistance overissuances are incurred. Retained collections in excess
6 of such costs shall be applied against the federal funds deducted in
7 the executive operations appropriation unit.

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

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

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

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

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

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

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

24 Sec. 214. (1) The department shall submit a report to the
25 chairpersons of the senate and house appropriations subcommittees on
26 the family independence agency budget, the senate and house fiscal
27 agencies and policy offices, and the state budget director on the

1 details of allocations within program budgeting line items and within
2 the salaries and wages line items in all appropriation units. The
3 report shall include a listing, by account, dollar amount, and fund
4 source, of salaries and wages; longevity and insurance; retirement;
5 contractual services, supplies, and materials; equipment; travel; and
6 grants within each program line item appropriated for the fiscal year
7 ending September 30, 2005.

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

10 Sec. 215. If a legislative objective of this act or the social
11 welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be implemented
12 without loss of federal financial participation because implementation
13 would conflict with or violate federal regulations, the department
14 shall notify the state budget director, the house and senate
15 appropriations committees, and the house and senate fiscal agencies
16 and policy offices of that fact. Upon receipt of the notification, a
17 joint house and senate committee made up of the members of the house
18 and senate appropriations subcommittees dealing with appropriations
19 for the family independence agency may be appointed to meet with the
20 director of the department to review the substantive, procedural, and
21 legal ramifications of the legislative objective and to develop a plan
22 to attain that legislative objective.

23 Sec. 218. (1) The department shall prepare a semiannual report
24 on the TANF federal block grant. The report shall include projected
25 expenditures for the current fiscal year, an accounting of any
26 previous year funds carried forward, and a summary of all
27 interdepartmental or interagency agreements relating to the use of

1 TANF funds. The report shall be forwarded to the state budget
2 director and the house and senate appropriations subcommittees on the
3 family independence agency budget and the house and senate fiscal
4 agencies and policy offices within 10 days after presentation of the
5 executive budget and within 10 days after the May consensus revenue
6 estimating conference.

7 (2) The state budget director shall give prior written notice to
8 the members of the house and senate appropriations subcommittees for
9 the family independence agency and to the house and senate fiscal
10 agencies and policy offices of any proposed changes in utilization or
11 distribution of TANF funding or the distribution of TANF maintenance
12 of effort spending relative to the amounts reflected in the annual
13 appropriations acts of all state agencies where TANF funding is
14 appropriated.

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

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

1 (3) The department shall ensure that faith-based organizations are
2 able to apply and compete for services, programs, or contracts that
3 they are qualified and suitable to fulfill. The department shall not
4 disqualify faith-based organizations solely on the basis of the
5 religious nature of their organization or their guiding principles or
6 statements of faith.

7 (4) The department shall follow guidelines related to faith-based
8 involvement established in section 104 of title I of the personal
9 responsibility and work opportunity reconciliation act of 1996, 42 USC
10 604a.

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

16 Sec. 223. The department shall make a determination of Medicaid
17 eligibility not later than 60 days after all information to make the
18 determination is received from the applicant when disability is an
19 eligibility factor. For all other Medicaid applicants, the department
20 shall make a determination of Medicaid eligibility not later than 45
21 days after all information to make the determination is received from
22 the applicant.

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

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

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

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

18 (a) Name and description of base service.

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

20 (c) Cost of each base service.

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

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

1 18.1451a.

2 Sec. 261. (1) The department, with the county family
3 independence agency boards of directors and the department of
4 management and budget, shall develop a 5-year plan in every county to
5 restructure local offices. This plan is to be presented to the house
6 and senate appropriations subcommittees for the family independence
7 agency budget by February 1, 2005. Issues to be covered shall include
8 service delivery structure, facility needs, caseload size, and
9 administrative support. Any plan presented shall ensure that the
10 department provides a presence and services in every county. Up to
11 25% of any savings resulting from this plan may be appropriated to the
12 counties generating the savings to fund additional prevention
13 services.

14 (2) The department shall meet with the Michigan department of
15 labor and economic growth and its Michigan works! agencies by
16 September 30, 2005 to examine possible colocation of offices and
17 caseworkers. The department shall report to the house and senate
18 appropriations subcommittees for the family independence agency
19 budget, the house and senate fiscal agencies and policy offices, and
20 the state budget director on the results of this meeting no later than
21 October 15, 2005.

22 Sec. 264. Provided that an employee does not violate federal or
23 state laws, breach confidentiality, violate civil service rules, or
24 represent a formal department position without prior written
25 authorization, the department shall ensure that all department
26 employees, while on their personal time, are permitted to have
27 appropriate communications with legislators and their staff.

1 Sec. 269. If title IV-D-related child support collections are
2 escheated, the state budget director is authorized to adjust the
3 sources of financing for the funds appropriated in part 1 for legal
4 support contracts to reduce federal authorization by 66% of the
5 escheated amount and increase general fund/general purpose
6 authorization by the same amount. This budget adjustment is required
7 to offset the loss of federal revenue due to the escheated amount
8 being counted as title IV-D program income in accordance with federal
9 regulations at 45 CFR 304.50.

10 Sec. 270. (1) A report required to be provided to the
11 legislature and the state budget director, no later than January 15,
12 2005, shall include all of the following information for the programs
13 listed in subsection (2):

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

15 (b) Information on program goals, as well as outcome measures and
16 results used to monitor progress toward these goals.

17 (2) The programs for which the report in subsection (1) is to be
18 prepared are the following:

19 (a) Day care assistance.

20 (b) Family independence program.

21 (c) Adoption subsidy.

22 (d) Foster care.

23 Sec. 271. (1) The department shall report to the senate and
24 house appropriations subcommittees on the family independence agency,
25 the senate and house standing committees on human services, the senate
26 and house fiscal agencies, the senate and house policy offices, and
27 the state budget director on the progress of child and family services

1 reviews (CFSR). The reviews, conducted in the state by the children's
2 bureau of the United States department of health and human services,
3 are intended to assess the department's compliance with the adoption
4 and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, with
5 the ultimate goal of improving the state child welfare system and the
6 safety, permanency, and child and family service outcomes to children
7 and families. The report shall be submitted October 1, January 1,
8 April 1, and July 1.

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

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

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

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

17 (d) A summary of the 7 systemic factors that determine the state's
18 compliance with the adoption and safe families act of 1997, Public Law
19 105-89, 111 Stat. 2115.

20 (e) A summary of the 7 data outcome indicators used to determine
21 the state's compliance with the adoption and safe families act of
22 1997, Public Law 105-89, 111 Stat. 2115, including the length of time
23 required to achieve family reunification for foster care cases.

24 (f) Federal recommendations made to the state, including
25 recommendations to the courts.

26 (g) Federal penalties assessed against the state for
27 noncompliance.

1 (h) Status of the performance improvement plan submitted to the
2 federal government.

3 Sec. 272. (1) The department shall report to the senate and
4 house appropriations subcommittees on the family independence agency,
5 the senate and house standing committees on human services, the senate
6 and house fiscal agencies, the senate and house policy offices, and
7 the state budget director on the result of the title IV-E foster care
8 eligibility reviews. The reviews, conducted in the state by the
9 United States department of health and human services, are intended to
10 assess the department's compliance with the adoption and safe families
11 act of 1997, Public Law 105-89, 111 Stat. 2115, ensuring the
12 department's case files and payments records meet federal regulations,
13 including standards on eligibility for placement reimbursement and the
14 allowable payment rate. The report shall be submitted October 1,
15 January 1, April 1, and July 1.

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

18 (a) Training programs conducted by the department and the Michigan
19 judicial institute.

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

22 (c) Department policy changes that impact meeting the statutory
23 requirements for foster care and adoption, including juvenile justice
24 programs.

25 (d) Recommendations made by a department workgroup composed of
26 representatives from the department and other departments and
27 agencies.

1 (e) Federal recommendations submitted to the state, including
2 recommendations to the courts.

3 (f) Federal penalties assessed against the state.

4 Sec. 273. (1) The department shall report no later than October
5 1, 2004 on each specific policy change made to implement enacted
6 legislation to the senate and house appropriations subcommittees on
7 the family independence agency budget, the senate and house standing
8 committees on human services, and the senate and house fiscal agencies
9 and policy offices.

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

18 (3) Not later than July 1, 2005, the department shall report to
19 the senate and house appropriations subcommittees on the family
20 independence agency budget, the senate and house fiscal agencies, and
21 the senate and house policy offices the annual regulatory plan
22 submitted to the office of regulatory reform pursuant to section 53 of
23 the administrative procedures act of 1969, 1969 PA 306, MCL 24.253.

24 Sec. 274. The department shall report to the house and senate
25 appropriations subcommittees on the family independence agency budget,
26 the senate and house fiscal agencies, the senate and house policy
27 offices, and the state budget director as part of the annual budget

1 presentation on each federal grant this state was eligible to apply
2 for, listing both grants applied for and not applied for. This report
3 will cover grants exceeding \$100,000.00, related to fatherhood and
4 marriage initiatives, teen pregnancy prevention, kinship care, before-
5 and after-school programs, family preservation and prevention,
6 homeless prevention, and youth in transition.

7 Sec. 276. The departments and agencies receiving appropriations
8 in part 1 shall receive and retain copies of all reports funded from
9 appropriations in part 1. The department shall follow all federal
10 guidelines and state laws regarding short-term and long-term retention
11 of records.

12 Sec. 277. Not more than 30 days after receiving a published
13 report from the office of auditor general that states that the
14 department has not complied with state or federal law, rule, or
15 regulation, the department shall provide a report to the house and
16 senate committees having jurisdiction over the family independence
17 agency. The report shall state the reason for the noncompliance, a
18 corrective action plan to bring the department into compliance, and
19 the time frame for implementing and executing the plan.

20 Sec. 278. (1) The department shall contract with a private
21 consulting firm or firms to evaluate the following:

- 22 (a) Maximization of federal funds.
- 23 (b) Expansion of child day care programs to more families.
- 24 (c) Local and central office management efficiency savings.
- 25 (d) Fraud collection.

26 (2) A contractor shall not charge the department a fee for
27 services provided under subsection (1). However, a contractor shall

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1 receive a negotiated percentage of the savings achieved from
2 recommendation implementation.

3 (3) As part of the annual budget presentation, the department
4 shall report to the house and senate appropriations subcommittees for
5 the family independence agency budget, the house and senate fiscal
6 agencies and policy offices, and the state budget director on the
7 recommendations and plans for implementation.

8 EXECUTIVE OPERATIONS

9 Sec. 303. (1) From the funds appropriated in part 1 for
10 inspector general salaries and wages, the department shall expend up
11 to \$153,000.00 to add 3 FTEs as inspector general agents dedicated to
12 fraud detection in day care services.

13 (2) The department may also contract with a private organization
14 for fraud detection services and recovery of funds. The contracted
15 organization shall not charge the department a fee for services, but
16 shall receive a negotiated percentage of the savings achieved or funds
17 that are recovered.

18 Sec. 305. (1) From the funds appropriated in part 1 for
19 demonstration projects, the department shall allocate \$75,000.00 for
20 the purpose of promoting abstinence education and shall provide
21 abstinence education to teenagers most likely to engage in high-risk
22 behavior as its primary focus and may include programs that include 9-
23 to 17-year-olds. Programs funded shall meet <<the requirements
24 under sections 1169, 1507, and 1507b of the revised school code, 1976 PA
25 451, MCL 380.1169, 380.1507, and 380.1507b.

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16 (2) Coalitions, organizations, and programs that provide
17 contraceptives to minors are not eligible for allocations of these
18 funds.

19 **FAMILY INDEPENDENCE SERVICES ADMINISTRATION**

20 Sec. 403. Not later than September 30 of each year, the
21 department shall submit for public hearing to the chairpersons of the
22 house and senate appropriations subcommittees dealing with
23 appropriations for the family independence agency the proposed use and
24 distribution plan for community services block grant funds
25 appropriated in part 1 for the succeeding fiscal year.

26 Sec. 404. The department shall develop a plan based on

1 recommendations from the department of civil rights and from Native
2 American organizations to assure that the community services block
3 grant funds are equitably distributed. The plan must be developed by
4 October 31, 2004, and the plan shall be delivered to the
5 appropriations subcommittees on the family independence agency in the
6 house and senate, the senate and house fiscal agencies, and the state
7 budget director.

8 Sec. 414. (1) Of the funds appropriated in part 1 for community
9 services block grants, \$2,350,000.00 represents TANF funding earmarked
10 for community action agencies.

11 (2) From the funds appropriated in part 1 for community services
12 block grants, the department is authorized to make allocations of TANF
13 funds only to the community action agencies that report necessary data
14 to the department for the purpose of meeting TANF eligibility
15 reporting requirements. The use of TANF funds under this section
16 should not be considered an ongoing commitment of funding.

17 (3) In addition to subsection (1), from the funds appropriated in
18 part 1 for community services block grant, the department shall
19 allocate an additional \$1,000,000.00 in TANF to community action
20 agencies to encourage expansion of earned income tax credit (EITC)
21 education programs. The money allocated under this subsection shall
22 be distributed as follows:

23 (a) \$500,000.00 for EITC education programs.

24 (b) \$500,000.00 for a combined curriculum of EITC and either
25 fatherhood or marriage education programs.

26 Sec. 415. (1) From the funds appropriated in part 1 for
27 employment and training support services, the department shall expend

1 \$200,000.00 in TANF to fund a fatherhood initiative program. The
2 department may contract with independent contractors from various
3 counties, including, but not limited to, faith-based and nonprofit
4 organizations. The independent contractors shall provide at least 10%
5 in matching funds, through any combination of local, state, or federal
6 funds or in-kind or other donations. An independent contractor that
7 cannot secure matching funds shall not be excluded from consideration
8 for the fatherhood program.

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

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

27 (4) The department is authorized to make allocations of TANF

1 funds, of not more than 20% per county, under this section only to
2 agencies that report necessary data to the department for the purpose
3 of meeting TANF eligibility reporting requirements. The use of TANF
4 funds under this section should not be considered an ongoing
5 commitment of funding.

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

10 Sec. 416. (1) From the funds appropriated in part 1 for
11 employment and training support services, the department may expend up
12 to \$250,000.00 in TANF to fund a marriage initiative program. The
13 department may contract with independent contractors from various
14 counties, including, but not limited to, faith-based and nonprofit
15 organizations. The independent contractors shall provide at least 10%
16 in matching funds, through any combination of local, state, or federal
17 funds or in-kind or other donations. An independent contractor that
18 cannot secure matching funds shall not be excluded from consideration
19 for a marriage initiative program.

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

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

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

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

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

18 Sec. 417. The department shall report to the senate and house
19 appropriations subcommittees for the family independence agency
20 budget, the senate and house standing committees on human services
21 matters, the senate and house fiscal agencies and policy offices, and
22 the state budget office on the implementation of the bureau of
23 community action and economic opportunity and the commission on
24 community action and social opportunity. The report is due November
25 15, 2004 and shall include all of the following:

- 26 (a) Number of full-time equated employees funded.
27 (b) Administrative duties performed.

1 (c) The relationship between duties and the bureau of community
2 action and economic opportunity and the commission on community action
3 and social opportunity.

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

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

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

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

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

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

18 Sec. 420. From the funds appropriated in part 1 for employment
19 and training support services, the department may allocate \$40,000.00
20 in TANF for welfare to career innovation grants to replicate the Kent
21 County model with Cascade engineering in 4 other counties.

22 Sec. 423. (1) From the money appropriated in section 103 for
23 food for the elderly, the department shall allocate money to assist
24 the state's elderly population to participate in the state food
25 assistance program. The money shall be used as state matching funds
26 to acquire available United States department of agriculture funding
27 to provide outreach program activities, such as eligibility screening

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1 and information services, as part of a statewide food stamp helpline.

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3 (2) From the money appropriated in section 107 for food stamp
4 reinvestment, the department shall make available \$20,000.00 to
5 contract with the center for civil justice to support a food stamp
6 error reduction project. The funding is conditional upon the United
7 States department of agriculture approval of an amendment to the food
8 stamp reinvestment plan of this state for the use of these funds for
9 screening activities covered under the project contract.

10 CHILD AND FAMILY SERVICES

11 Sec. 501. (1) The following goal is established by state law.
12 During the fiscal year ending September 30, 2005, not more than 3,000
13 children supervised by the department shall remain in foster care
14 longer than 24 months. The department shall give priority to reducing
15 the number of children under 1 year of age in foster care. By January
16 15, 2005, the department shall report to the house and senate
17 appropriations subcommittees for the family independence agency
18 budget, the house and senate fiscal agencies and policy offices, and
19 the state budget director on the number of children supervised by the
20 department and by private agencies who remain in foster care between
21 12 and 24 months, and those who remain in foster care longer than 24
22 months.

23 (2) By October 1, 2004, the department shall discontinue the
24 Michigan children's institute (MCI) preliminary consent denial review
25 process implemented in August 2003. The department shall report to
26 the house and senate appropriations subcommittees for the family

1 independence agency budget, the house and senate fiscal agencies and
2 policy offices, and the state budget director on MCI standards for
3 timely review and consent for adoption cases by January 15, 2005.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 (a) There is no appropriate placement available in this state.

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

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

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

18 Sec. 514. The department shall make a comprehensive report
19 concerning children's protective services (CPS) to the legislature,
20 including the senate and house policy offices, by January 1, 2005,
21 that shall include all of the following:

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

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

1 category V.

2 (ii) Characteristics of perpetrators of abuse or neglect and the
3 child victims, such as age, relationship, socioeconomic status, race,
4 and ethnicity.

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

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

13 (c) The number of cases in category III closed during the time
14 period covered by the report.

15 Sec. 515. From the funds appropriated in part 1 for Wayne County
16 foster care payments and related administrative costs, the department
17 may implement a performance based managed care approach to contracting
18 for foster care services with 6 private, nonprofit agencies in Wayne
19 County. The goal of these contracts shall be to provide incentives
20 for agencies to improve the process of placing children in permanent
21 placements and reducing the time children spend in foster care. The
22 department shall report to the senate and house appropriations
23 subcommittees on the family independence agency budget, the senate and
24 house fiscal agencies and policy offices, and the state budget office
25 on this foster care permanency program and make recommendations for
26 program expansion to other counties of the state no later than August
27 30, 2005.

1 Sec. 517. (1) From the funds appropriated in part 1, the
2 department is authorized to allocate funds to multipurpose
3 collaborative bodies to address issues raised in the Binsfeld
4 children's commission report issued in July 1996. Priority for
5 activities and services will be given to at-risk children and families
6 and cases classified by the department as category III or category IV
7 under sections 8 and 8d of the child protection law, 1975 PA 238, MCL
8 722.628 and 722.628d.

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

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

14 (b) Improve parent/child interaction.

15 (c) Promote access to needed community services.

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

17 (e) Improve school readiness.

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

20 (3) The appropriation provided for in subsection (2) is to fund
21 secondary prevention programs as defined in the children's trust
22 fund's preapplication materials for fiscal year 2004-2005 direct
23 services grants.

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

26 (a) Be awarded through a joint request for proposal process
27 established by the department in conjunction with the children's trust

1 fund and the state human services directors.

2 (b) Be secondary prevention initiatives.

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

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

9 (5) As used in this section, "state human services directors"
10 means the director of the department of community health, the director
11 of the department of education, and the director of the family
12 independence agency.

13 Sec. 523. (1) From the funds appropriated in part 1 for youth in
14 transition, domestic violence prevention and treatment, and teenage
15 parent counseling, the department is authorized to make allocations of
16 TANF funds only to the agencies that report necessary data to the
17 department for the purpose of meeting TANF eligibility reporting
18 requirements. The use of TANF funds under this section should not be
19 considered an ongoing commitment of funding.

20 (2) The agencies receiving teenage parent counseling TANF funds
21 shall report to the family independence agency on both of the
22 following:

23 (a) Whether program services have impacted the following issue
24 areas:

25 (i) The number of teen participants having fewer repeat
26 pregnancies.

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

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

2 (iv) The number of father participants.

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

5 (i) Adult supervised, supportive living arrangements.

6 (ii) Pregnancy prevention services or referrals.

7 (iii) Required completion of high school or receipt of GED,

8 including child care to assist young mothers to focus on achievement.

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

11 (v) Parenting and life-skills training.

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

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

14 (viii) Instruction on self-protection.

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

18 Sec. 524. The department shall submit a report on prevention
19 programs for which funds are appropriated in part 1 to the senate and
20 house appropriations subcommittees on the family independence agency,
21 the senate and house standing committees having jurisdiction over
22 human services matters, the senate and house fiscal agencies, and the
23 senate and house policy offices no later than March 15, 2005.

24 Sec. 531. (1) From the funds appropriated in part 1, the
25 department may make claims for and pay to local units of government a
26 portion of federal title IV-E revenues earned as a result of eligible
27 costs incurred by local units of government.

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

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

7 (b) Provide for agency review and approval of the local unit's
8 plan for allocating costs to title IV-E.

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

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

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

18 (f) Be signed by the director of the department, the chief
19 executive officer of the local government agency providing the title
20 IV-E services, the chair of the county board of commissioners, and the
21 chief executive officer of the county.

22 Sec. 532. (1) The department, in collaboration with
23 representatives of private child and family agencies, shall continue
24 to review policies, practices, and procedures involving the annual
25 licensing review and the annual contract compliance review conducted
26 by the department regarding child placing agencies and child caring
27 institutions. The review shall include efforts to identify

1 duplication of staff activities and information sought from child
2 placing agencies and child caring institutions in the annual review
3 process.

4 (2) The department shall develop a streamlined licensing contract
5 compliance review process where possible, including potential for
6 utilizing deeming status for nationally accredited agencies. The
7 department shall report to the house and senate appropriations
8 subcommittees on the family independence agency budget, the house and
9 senate fiscal agencies and policy offices, and the state budget
10 director on or before January 15, 2005 on the implementation of the
11 licensing and contract compliance review process.

12 Sec. 533. (1) The family independence agency shall make payments
13 to private nonprofit child placing facilities for title IV-E
14 out-of-home care services within 30 days of receiving all necessary
15 documentation from those agencies.

16 (2) The department shall explore various types of automated
17 payments to private nonprofit child placing facilities to improve
18 speed and accuracy of payments.

19 Sec. 536. The family independence agency shall not implement a
20 geographically based assignment system for foster care unless
21 determined to be in the best interests of the foster children.

22 Sec. 537. (1) The department shall offer private nonprofit
23 licensed agencies the first opportunity to provide foster care
24 services for new foster children entering the system in a county when
25 the department's direct care caseload for foster care is greater than
26 20 cases per foster care worker. This section only applies if the
27 private nonprofit licensed agency has an available placement at the

1 time the child needs to be placed, the placement is not contrary to
2 the best interests of the child or the child's siblings, and the
3 private nonprofit licensed agency has a direct care caseload for
4 foster care that is no greater than 20 cases per foster care
5 caseworker.

6 (2) The department, in conjunction with private child placing
7 agencies, shall develop a methodology for measuring goals, objectives,
8 and performance standards for the delivery of foster care and adoption
9 services. These goals, objectives, and performance standards shall
10 apply to both public and private delivery of child welfare services,
11 and data shall be collected from both private and public child welfare
12 programs that can be used to evaluate performance achievements,
13 including, but not limited to, the following:

14 (a) Average caseload per foster care worker.

15 (b) Average cost per case to the department, county, if
16 applicable, and any other governmental agency.

17 (c) Range of services provided.

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

20 (3) The department shall submit a quarterly report to the
21 legislature, beginning December 31, 2004, outlining the progress of
22 the development of the goals, objectives, and performance standards,
23 as well as the information collected through the implementation of the
24 measurement program.

25 Sec. 539. The department shall work in collaboration with
26 representatives from private nonprofit child placing agencies to
27 ensure appropriate placement for children who have been adjudicated

1 abused, neglected, or delinquent and for whom residential treatment is
2 required. The department and the representatives from the private
3 nonprofit child placing agencies shall focus on statewide placement
4 criteria to address the best interest of the child in need of
5 services.

6 Sec. 540. Counties shall be subject to 50% charge-back for the
7 use of alternative regional detention services, if those detention
8 services do not fall under the basic provision of section 117e of the
9 social welfare act, 1939 PA 280, MCL 400.117e, or if a county operates
10 those detention services programs primarily with professional rather
11 than volunteer staff.

12 Sec. 541. In order to be reimbursed for child care fund
13 expenditures, counties are required to submit department-developed
14 reports to enable the department to document potential federally
15 claimable expenditures. This requirement is in accordance with the
16 reporting requirements specified in section 117a(7) of the social
17 welfare act, 1939 PA 280, MCL 400.117a.

18 Sec. 542. As a condition of receiving funds appropriated in part
19 1 for the child care fund, by February 15, 2005, counties shall have
20 an approved service spending plan for the fiscal year ending September
21 30, 2005. Counties must submit the service spending plan to the
22 department by December 15, 2004 for approval.

23 Sec. 543. The department shall develop a comprehensive plan to
24 provide education and training to reduce the incidences of criminal
25 sexual conduct involving underage youth. The plan shall be designed
26 to reach state and local law enforcement officials, schools and
27 education agencies, health care, counseling, and pregnancy prevention

1 services, and any other agency the department considers relevant. The
2 department shall issue a report, by November 1, 2004, to the house and
3 senate appropriations subcommittees on the family independence agency
4 budget, the house and senate fiscal agencies and policy offices, and
5 the state budget director that shall contain at least all of the
6 following:

7 (a) The names of the task force members or committee members, and
8 their representative organizations, who helped develop the plan.

9 (b) The recommendations the department is making to each of the
10 following:

11 (i) State and local law enforcement agencies.

12 (ii) Schools and education agencies.

13 (iii) Health care professionals.

14 (iv) Counseling agencies.

15 (v) Pregnancy prevention programs.

16 (c) The annual goals for reporting and reducing incidences of
17 criminal sexual conduct involving underage youth.

18 (d) A summary of past plans and their outcomes submitted in
19 compliance with federal guidelines.

20 Sec. 544. The department shall consider approval of pilot
21 projects with applications pending for accelerated residential
22 treatment.

23 Sec. 545. (1) From the funds appropriated in part 1 for foster
24 care payments, Wayne County foster care payments, and adoption support
25 services, \$8,852,600.00 shall be used to provide a 4.0% rate increase
26 to foster care parents, child placing agencies, and residential
27 facilities beginning October 1, 2004.

1 (2) From the funds appropriated in part 1 for foster care payments
2 and Wayne County foster care payments, \$1,000,100.00 shall be used to
3 provide an increase in the administrative rate paid to agencies for
4 specialized foster care. The increase will take effect April 1, 2005
5 unless prior to that date the department has, in conjunction with
6 representatives of the private child placement agencies, developed a
7 new specialized foster care funding system.

8 (3) The department shall provide for approval of new specialized
9 foster care programs.

10 Sec. 547. The department shall develop and implement a plan to
11 review each court order placing a child into foster care within 60
12 days to verify federal compliance and shall report on the results by
13 October 1, 2004 to the senate and house appropriations subcommittees
14 for the family independence agency budget, the senate and house fiscal
15 agencies and policy offices, and the state budget director.

16 Sec. 548. (1) The director of the department shall convene a
17 task force to study the disproportionate representation of
18 African-American and other children of color in the child welfare and
19 juvenile justice systems of this state. The department shall
20 collaborate with private sector entities to develop a methodology for
21 the task force to follow in conducting the study and to seek public or
22 private funding for the task force. At a minimum, the task force
23 shall examine the level of involvement of African-American and other
24 children of color at each stage in the systems, including the points
25 of entry and each point at which a treatment decision is made and the
26 outcomes for children exiting the systems.

27 (2) The task force convened under subsection (1) shall consist of

House Bill No. 5516 as amended June 2, 2004

1 experts in social work, law, child welfare, psychology, or related
2 fields, and shall be appointed as follows:

3 (a) Two members appointed by the senate majority leader.

4 (b) Two members appointed by the speaker of the house.

5 (c) Three members appointed by the governor, including a
6 representative of the department.

7 (3) The task force created under subsection (1) shall report to
8 the department on the results of the study required by subsection (1)
9 and make administrative and legislative recommendations for
10 appropriate program services to reduce existing disparities and bias
11 in the systems and improve the long-term outcomes for children of
12 color who are served by the systems.

13 (4) By December 31, 2005, the department shall report the results
14 of the study received under subsection (3) to the senate and house of
15 representatives appropriations subcommittees on the family
16 independence agency, the senate and house of representatives standing
17 committees with jurisdiction over families and human services issues,
18 the senate and house fiscal agencies and policy offices, and the state
19 budget office.

<<Sec. 549. From the funds appropriated in part 1 for domestic
violence prevention and treatment services and allocated according to
caseloads for shelter, counseling, 24-hour hotline, and other related
services to Barry and Calhoun counties in FY 2003-04, the department
shall allocate federal funds to Barry County for services that comply
with all domestic violence board standards and reporting requirements.>>

20 **PUBLIC ASSISTANCE**

21 Sec. 601. (1) The department may terminate a vendor payment for
22 shelter upon written notice from the appropriate local unit of
23 government that a recipient's rental unit is not in compliance with
24 applicable local housing codes or when the landlord is delinquent on
25 property tax payments. A landlord shall be considered to be in
26 compliance with local housing codes when the department receives from

1 the landlord a signed statement stating that the rental unit is in
2 compliance with local housing codes and that statement is not
3 contradicted by the recipient and the local housing authority. The
4 department shall terminate vendor payments if a taxing authority
5 notifies the department that taxes are delinquent.

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

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

19 Sec. 603. (1) The department, as it determines is appropriate,
20 shall enter into agreements with energy providers by which cash
21 assistance recipients and the energy providers agree to permit the
22 department to make direct payments to the energy providers on behalf
23 of the recipient. The payments may include heat and electric payment
24 requirements from recipient grants and amounts in excess of the
25 payment requirements.

26 (2) The department shall establish caps for natural gas, wood,
27 electric heat service, deliverable fuel heat services, and for

1 electric service based on available federal funds.

2 (3) It is the intent of the legislature that the department review
3 and adjust the standard utility allowance for the state food
4 assistance program to ensure that it reflects current energy costs in
5 the state.

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

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

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

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

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

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

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

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

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

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

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

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

22 (4) A refugee or asylee who loses his or her eligibility for the
23 federal supplemental security income program by virtue of exceeding
24 the maximum time limit for eligibility as delineated in section 402 of
25 title IV of the personal responsibility and work opportunity
26 reconciliation act of 1996, 8 USC 1612, and who otherwise meets the
27 eligibility criteria under this section shall be eligible to receive

1 benefits under the state disability assistance program.

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

6 Sec. 606. County family independence agencies shall require each
7 recipient of state disability assistance who has applied with the
8 social security administration for supplemental security income to
9 sign a contract to repay any assistance rendered through the state
10 disability assistance program upon receipt of retroactive supplemental
11 security income benefits.

12 Sec. 607. The department's ability to satisfy appropriation
13 deductions in part 1 for state disability assistance/supplemental
14 security income recoveries and public assistance recoupment revenues
15 shall not be limited to recoveries and accruals pertaining to state
16 disability assistance, or family independence assistance grant
17 payments provided only in the current fiscal year, but shall include
18 all related net recoveries received during the current fiscal year.

19 Sec. 608. Adult foster care facilities providing domiciliary
20 care or personal care to residents receiving supplemental security
21 income or homes for the aged serving residents receiving supplemental
22 security income shall not require those residents to reimburse the
23 home or facility for care at rates in excess of those legislatively
24 authorized. To the extent permitted by federal law, adult foster care
25 facilities and homes for the aged serving residents receiving
26 supplemental security income shall not be prohibited from accepting
27 third-party payments in addition to supplemental security income

1 provided that the payments are not for food, clothing, shelter, or
2 result in a reduction in the recipient's supplemental security income
3 payment.

4 Sec. 609. The state supplementation level under the supplemental
5 security income program for the personal care/adult foster care and
6 home for the aged categories shall not be reduced during the fiscal
7 year beginning October 1, 2004 and ending September 30, 2005.

8 Sec. 610. In developing good cause criteria for the state
9 emergency relief program, the department shall grant exemptions if the
10 emergency resulted from unexpected expenses related to maintaining or
11 securing employment.

12 Sec. 611. (1) The department shall not require providers of
13 burial services to accept state payment for indigent burials as
14 payments in full. Each provider shall be permitted to collect
15 additional payment from relatives or other persons on behalf of the
16 deceased. The total in additional payments shall not exceed
17 \$2,600.00.

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

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

25 Sec. 613. From the funds appropriated in part 1 for state
26 emergency relief, the maximum allowable charge limit for indigent
27 burials shall be \$947.00. The funds shall be distributed as follows:

1 \$603.00 for funeral directors; \$200.00 for cemeteries or crematoriums;
2 and \$144.00 for the provider of the vault.

3 Sec. 614. The funds available in part 1 for burial services
4 shall be available if the deceased was an eligible recipient and an
5 application for emergency relief funds was made within 10 days of the
6 burial or cremation of the deceased person. Each provider of burial
7 services shall be paid directly by the department.

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

14 Sec. 616. The appropriation in part 1 for the weatherization
15 program shall be expended in such a manner that at least 25% of the
16 households weatherized under the program shall be households of
17 families receiving 1 or more of the following:

- 18 (a) Family independence assistance.
- 19 (b) State disability assistance.
- 20 (c) Food assistance.
- 21 (d) Supplemental security income.

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

27 Sec. 618. The department may only reduce, terminate, or suspend

1 assistance provided under the social welfare act, 1939 PA 280, MCL
2 400.1 to 400.119b, without prior notice in 1 or more of the following
3 situations:

4 (a) The only eligible recipient has died.

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

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

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

11 (e) A recipient has been approved to receive assistance in another
12 state.

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

15 Sec. 619. The department shall exempt from the denial of title
16 IV-A assistance and food assistance benefits, contained in section 115
17 of title I of the personal responsibility and work opportunity
18 reconciliation act of 1996, 21 USC 862a, any individual who has been
19 convicted of a felony that included the possession, use, or
20 distribution of a controlled substance, after August 22, 1996,
21 provided that the individual is not in violation of his or her
22 probation or parole requirements. Benefits shall be provided to such
23 individuals as follows:

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

26 (b) An authorized representative shall be required for food
27 assistance receipt.

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

5 Sec. 627. (1) From the funds appropriated in part 1 for day care
6 services, the department may contract to administer an amount not to
7 exceed \$1,350,000.00 for the "enhance quality improvement program"
8 (EQUIP) grants. A priority for the expenditure of EQUIP funds shall
9 be given to providers to expand access to child care, specifically
10 24-hour care and weekend care. A child care program shall not be
11 eligible for an EQUIP grant unless 25% or more of its clients receive
12 day care payments from the department.

13 (2) From the funds appropriated in part 1 for day care services,
14 the department may establish an additional fund of at least
15 \$350,000.00 for a grant pool for an "enhance quality improvement
16 program" (EQUIP) specifically to establish new family and group home
17 day care providers.

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

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

23 (b) Referral of persons so identified to counseling and supportive
24 services.

25 (c) In accordance with a determination of good cause, the waiving
26 of certain requirements of family independence programs where
27 compliance with those requirements would make it more difficult for

1 the individual to escape domestic violence or would unfairly penalize
2 individuals who have been victims of domestic violence or who are at
3 risk of further domestic violence.

4 Sec. 632. The department shall calculate the food assistance
5 allotment for applicants who are United States citizens and who live
6 in a household with legal immigrants in a manner that maximizes the
7 food assistance available to these United States citizens under
8 federal law.

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

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

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

23 Sec. 643. As a condition of receipt of federal TANF funds,
24 homeless shelters shall collaborate with the family independence
25 agency to obtain necessary TANF eligibility information on families as
26 soon as possible after admitting a family to the homeless shelter.
27 From the funds appropriated in part 1 for homeless shelters within

1 state emergency relief, the department is authorized to make
2 allocations of TANF funds only to the agencies that report necessary
3 data to the department for the purpose of meeting TANF eligibility
4 reporting requirements. Homeless shelters that do not report
5 necessary data to the department for the purpose of meeting TANF
6 eligibility reporting requirements will not receive reimbursements
7 which exceed the per diem amount they received in fiscal year 2000.
8 The use of TANF funds under this section should not be considered an
9 ongoing commitment of funding.

10 Sec. 645. An individual or family is considered homeless, for
11 purposes of eligibility for state emergency relief, if living
12 temporarily with others in order to escape domestic violence. For
13 purposes of this section, domestic violence is defined and verified in
14 the same manner as in the family independence agency's policies on
15 good cause for not cooperating with child support and paternity
16 requirements.

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

25 Sec. 653. From the funds appropriated in part 1 for food
26 assistance, an individual who is the victim of domestic violence and
27 does not qualify for any other exemption may be exempt from the

1 3-month in 36-month limit on receiving food assistance under section
2 6(o)(6) of the food stamp act of 1977, Public Law 88-525, 7 USC 2015.
3 This exemption can be extended an additional 3 months upon
4 demonstration of continuing need.

5 Sec. 657. (1) The department shall fund a statewide before- or
6 after-school program to provide youth with a safe, engaging
7 environment to motivate and inspire learning outside the traditional
8 classroom setting. Before-school programs are limited to elementary
9 school-aged children. Effective before- or after-school programs
10 combine academic, enrichment, and recreation activities to guide
11 learning and inspire children and youth in various activities. The
12 before- or after-school programs can meet the needs of the communities
13 served by the programs.

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

21 (3) The department shall, through a competitive bid process,
22 provide grants or contracts up to \$5,000,100.00 in TANF funds for the
23 program based on community needs. A county shall receive no more than
24 20% of the funds appropriated in part 1 for this program. From the
25 funds appropriated in part 1 for before- or after-school programs
26 within day care services, the department is authorized to make
27 allocations of funds only to the agencies that report necessary data

1 to the department for the purpose of meeting TANF and maintenance of
2 effort eligibility reporting requirements. The use of funds under
3 this section should not be considered an ongoing commitment of
4 funding.

5 (4) The before- or after-school programs shall include, at a
6 minimum, at least 3 of the following topics:

7 (a) Abstinence-based pregnancy prevention.

8 (b) Chemical abuse and dependency including nonmedical services.

9 (c) Gang violence prevention.

10 (d) Academic assistance, including assistance with reading and
11 writing.

12 (e) Preparation toward future self-sufficiency.

13 (f) Leadership development.

14 (g) Case management or mentoring.

15 (h) Parental involvement.

16 (i) Anger management.

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

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

27 (7) By August 30, 2005, the department before- or after-school

1 program expenditures shall be audited and the department shall work in
2 collaboration with independent contractors to provide a report on the
3 before- or after-school program to the senate and house standing
4 committees dealing with human services, the senate and house
5 appropriations subcommittees for the family independence agency
6 budget, the senate and house fiscal agencies, and the senate and house
7 policy offices. The report shall include the number of participants
8 and the average cost per participant, as well as changes noted in
9 program participants in any of the following categories:

- 10 (a) Juvenile crime.
- 11 (b) Aggressive behavior.
- 12 (c) Academic achievement.
- 13 (d) Development of new skills and interests.
- 14 (e) School attendance and dropout rates.
- 15 (f) Behavioral changes in school.

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

26 Sec. 665. The department shall partner with the department of
27 transportation to use TANF and other sources of available funding to

1 support public transportation needs of TANF-eligible individuals. By
2 January 1, 2005, the department shall report on the new transportation
3 initiatives developed to the senate and house appropriations
4 subcommittees on the family independence agency, senate and house
5 standing committees on human services matters, the senate and house
6 fiscal agencies, the senate and house policy offices, and the state
7 budget director.

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

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

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

23 Sec. 669. (1) The department shall distribute cash and food
24 assistance to recipients electronically by using debit cards. The
25 assistance recipients must sign an acknowledgement that money from
26 their debit cards will not be used to purchase lottery tickets.

27 (2) The department shall allocate up to \$5,925,100.00 for the

1 annual clothing allowance. The allowance shall be granted to all
2 eligible children. At least 2 weeks prior to the clothing allowance
3 transfer, the department shall notify assistance recipients eligible
4 for the allowance of actual and potential participating retail
5 establishments that offer discounts under the clothing allowance
6 program. It is the intent of the legislature that the department
7 expand outreach to retailers encouraging them to offer discounts.

8 Sec. 670. It is the intent of the legislature that the funds
9 appropriated in part 1 for kinship care in the fiscal year ending
10 September 30, 2005 reflect the legislature's commitment to reduce the
11 benefit discrepancy between kinship care and a similar family size
12 within the family independence agency program (FIP). The legislature
13 recognizes the commitment of relatives to provide family continuity,
14 nurturance, and care for this special population of children who can
15 no longer remain in their parents' care due to abuse, neglect, or
16 other social problems.

17 Sec. 671. The department shall work with private nonprofit
18 service providers to implement an Internet-based information system
19 providing centralized benefit eligibility information and electronic
20 application forms and application submission. This system may be used
21 by volunteer counselors to assist users in obtaining all available
22 public assistance.

23 Sec. 672. By January 1, 2005, the department shall report to the
24 house and senate appropriations subcommittees for the family
25 independence agency budget, the house and senate standing committees
26 on human services, the house and senate fiscal agencies and policy
27 offices, and the state budget director on the department's food

1 assistance outreach efforts.

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

6 Sec. 674. The department shall develop and implement a plan to
7 reduce waste, fraud, and abuse within the child day care program,
8 including feasibility for expanding wage match and employer
9 verification, unannounced home call verification at day care sites,
10 and other process changes. Quarterly, beginning December 31, 2004,
11 the department shall report to the house and senate appropriations
12 subcommittees for the family independence agency budget, the house and
13 senate fiscal agencies and policy offices, and the state budget
14 director on plan details and implementation status.

15 Sec. 675. The department shall establish a new rate structure
16 that more accurately reflects costs of care by vicinity for the child
17 day care program. The new rate structure shall be phased in by
18 calendar year 2007 and shall be based on the most recent market
19 survey. By September 30, 2005, the department shall report on the
20 plan to phase in the new rate structure to the senate and house
21 subcommittees on the family independence agency budget, the senate and
22 house fiscal agencies and policy offices, and the state budget
23 office.

24 Sec. 676. (1) The department shall collaborate with the state
25 board of education to extend the duration of the Michigan after-school
26 initiative, to be renamed the Michigan after-school partnership, and
27 oversee its efforts to implement the policy recommendations and

1 strategic next steps identified in the Michigan after-school
2 initiative's report of December 15, 2003.

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

11 (3) Participation in the Michigan after-school partnership shall
12 be expanded beyond the membership of the initial Michigan after-school
13 initiative to increase the representation of parents, youth,
14 foundations, employers, and others with experience in education, child
15 care, after-school and youth development services, and crime and
16 violence prevention, and to include representation from the department
17 of community health. Each year, on or before December 31, the
18 Michigan after-school partnership shall report its progress in
19 reaching the recommendations set forth in the Michigan after-school
20 initiative's report to the legislature and the governor.

21 JUVENILE JUSTICE SERVICES

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

1 Sec. 703. A juvenile adjudicated and placed in a state-operated
2 maximum security program funded under part 1 for juvenile justice
3 services shall not be allowed to leave the property of the maximum
4 security facility at which the program is located except when required
5 to leave the property for medical treatment, court appearances, or
6 other good cause approved by the facility director. For purposes of
7 this section, "juvenile" means that term as defined in section 115n of
8 the social welfare act, 1939 PA 280, MCL 400.115n.

9 Sec. 704. New facilities funded under part 1 for juvenile
10 justice services shall not be located within 1,500 feet of property in
11 use for a K-12 educational program.

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

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

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

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

27 (2) The department shall submit a quarterly report to the

1 legislature, beginning December 31, 2004, outlining the progress of
2 the development of the goals, objectives, and performance standards,
3 as well as the information collected through the implementation of the
4 performance measurement program. The report shall include the
5 following:

6 (a) Trends in census and population demographics.

7 (b) Program outcomes.

8 (c) Staff and resident safety.

9 (d) Facility profile.

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

13 Sec. 713. (1) The department shall work cooperatively with
14 judiciary and with the departments of community health and career
15 development to coordinate and improve the delivery of mental health
16 and substance abuse treatment and education and training services to
17 individuals leaving the juvenile justice system, especially those
18 aging out of the system identified as continuing to pose a serious
19 risk to themselves or others.

20 (2) As required by section 18 of chapter XIIA of the probate code
21 of 1939, 1939 PA 288, MCL 712A.18, juveniles committed to an
22 institution operated by the department shall receive medical, dental,
23 surgical, or other health care as necessary. The Medicaid
24 reimbursable rate scale shall be used as the standard for allowable
25 charges for services rendered. The family independence agency shall
26 reimburse providers for the actual charges less than or equal to the
27 Medicaid reimbursable rate scale for each service provided.

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

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

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

13 (4) The department shall report to the house and senate
14 appropriations subcommittees for the family independence agency
15 budget, the house and senate fiscal agencies and policy offices, and
16 the state budget director by January 15, 2005 on department efforts to
17 encourage county information networks development described in
18 subsection (1).

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

23 (2) The department shall report to the house and senate
24 appropriations subcommittees for the family independence agency
25 budget, the house and senate fiscal agencies and policy offices, and
26 the state budget director by October 30, 2004 on the status of
27 implementing recommendations of the 2001 joint house and senate task

1 force on juvenile justice, including, but not limited to, the
2 following:

3 (a) Mentoring programs that focus on improving communication and
4 collaboration, encourage quality mentoring programs, recruitment of
5 mentors, and increasing public awareness of and participation in
6 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 (c) Discussion of the possibility of implementing a program
11 modeled after the "Wisconsin citizenship initiative" to collaborate
12 with the before- or after-school programs offered under the authority
13 of this act.

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

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

20 (f) Multisystem therapy.

21 (g) Youth service projects.

22 (h) Community services projects.

23 Sec. 716. It is the intent of the legislature that the
24 department continue to review juvenile justice facilities and maximize
25 cost and efficiency. By January 15, 2005, the department shall report
26 to the house and senate appropriations subcommittees for the family
27 independence agency budget, the house and senate fiscal agencies and

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1 policy offices, and the state budget director on utilization of
2 juvenile justice facilities and potential consolidation efforts.

3 Sec. 718. Contingent upon the receipt of funds from the sale of
4 W. J. Maxey training school property identified by the department as
5 parcels 1, 3, and 4, a total of \$2,961,300.00 is appropriated for the
6 W. J. Maxey training school, in addition to the funds appropriated in
7 part 1.

<<Sec. 719. The department shall notify the legislature at least 30
days prior to closing the Adrian training school or transferring any of
the school's residents or employees.>>

8 **LOCAL OFFICE SERVICES**

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

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

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

16 (b) The programs and information provided at the center do not
17 conflict with locally adopted or approved sexual education programs of
18 the school district.

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

22 (2) The department shall provide notice to the senate and house
23 subcommittees on the family independence agency budget, the senate and
24 house fiscal agencies and policy offices, and the state budget office
25 of the location of the family resource centers, child advocacy
26 centers, and crisis intervention centers implemented under subsection

1 (1) not less than 10 days prior to announcing any plans to locate or
2 open the family resource centers and the crisis intervention centers.

3 Sec. 752. The department shall research the feasibility and
4 potential for child advocacy centers and shall make recommendations to
5 the legislature for funding child advocacy centers when money is
6 available.

7 DISABILITY DETERMINATION SERVICES

8 Sec. 801. The family independence agency disability
9 determination services in agreement with the department of management
10 and budget office of retirement systems will develop the medical
11 information and make recommendations for medical disability retirement
12 for state employees, state police, judges, and school teachers.

13 CHILD SUPPORT ENFORCEMENT

14 Sec. 901. (1) From the federal money received for child support
15 incentive payments, up to \$15,397,400.00 shall be retained by the
16 state and expended for legal support contracts and child support
17 program expenses.

18 (2) In addition to the amount retained in subsection (1),
19 additional incentives may be retained and used by the state for
20 special, enhanced, or centralized initiatives or services that are
21 reasonably calculated by the department, in consultation with the
22 child support program leadership group, which consists of
23 representatives of the state court administrative office, the friend
24 of the court association, the prosecuting attorney's association of
25 Michigan, the Michigan department of information technology, the

1 family independence agency office of child support, and the state
2 budget office, to result in an equivalent or greater increase in child
3 support collections or child support incentive payments received from
4 the federal government. If payment from the federal government for
5 collection performance incentives exceeds the amount received by the
6 state for the fiscal year 2000, the total amount paid to counties
7 shall be no less than the total amount paid for federal performance
8 incentives in fiscal year 2001.

9 (3) At the end of the current fiscal year, the department may, if
10 it is cost beneficial to the state and counties, withhold from
11 submitting to the federal office of child support administrative
12 expenses eligible for federal financial participation. The department
13 may recoup earned but unclaimed federal funds from the resulting
14 increased federal child support incentive. The recoupment by the
15 department shall be made prior to distribution of the increased
16 incentive to the counties. Any incentive funds retained by the state
17 under this section shall be separate and apart from incentive funds
18 retained in any other section of this act.

19 (4) For the purpose of providing title IV-D child support
20 enforcement funding, the department, as the IV-D agency, shall, within
21 30 days of the passage of this act, maintain a cooperative agreement
22 with the state attorney general for IV-D funding to support the child
23 support enforcement activities of the office of the attorney general.
24 The department to the extent possible under federal law shall provide
25 to the office of the attorney general any information used by the
26 office of child support enforcement to locate parents who fail to pay
27 court-ordered child support, to collect child support, or to enforce

1 child support orders.

2 **OFFICE OF CHILDREN AND ADULT LICENSING**

3 Sec. 1001. The department shall assess fees in the licensing and
4 regulation of child care organizations as defined in 1973 PA 116, MCL
5 722.111 to 722.128, and adult foster care facilities as defined in the
6 adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to
7 400.737. Fees collected by the department shall be used exclusively
8 for the purpose of licensing and regulating child care organizations
9 and adult foster care facilities.

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

20 Sec. 1003. If federal funds become available to support a lead
21 testing program, the department shall, before issuing a license for a
22 day care facility and as part of licensing review and facility
23 inspection, require documentation verifying that the facility has been
24 inspected for lead hazards and that any lead hazards identified have
25 been remediated.

26 Sec. 1004. The department shall evaluate the potential for

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1 licensing of secure adult foster care facilities.

<<Enacting section 1. This act does not take effect unless House
Bill No. 5589 of the 92nd Legislature is enacted into law.>>