

Act No. 147
Public Acts of 2005
Approved by the Governor*
September 28, 2005
Filed with the Secretary of State
September 29, 2005
EFFECTIVE DATE: September 29, 2005

*Item Vetoes

Sec. 423. (3)
Entire Subsection. (Page 14)

**STATE OF MICHIGAN
93RD LEGISLATURE
REGULAR SESSION OF 2005**

Introduced by Senators Scott and Emerson

ENROLLED SENATE BILL No. 271

AN ACT to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2006; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department for the fiscal year ending September 30, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF HUMAN SERVICES

APPROPRIATION SUMMARY:

Full-time equated classified positions	10,281.0	
Unclassified positions.....	5.0	
Total full-time equated positions	10,286.0	
GROSS APPROPRIATION.....		\$ 4,428,025,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	2,439,200	
ADJUSTED GROSS APPROPRIATION.....		\$ 4,425,585,800
Federal revenues:		
Total federal revenues	3,213,153,000	
Special revenue funds:		
Total private revenues.....	8,918,600	
Total local revenues	51,076,200	
Total other state restricted revenues	71,176,100	
State general fund/general purpose		\$ 1,081,261,900

Sec. 102. EXECUTIVE OPERATIONS

Total full-time equated positions	438.3	
Full-time equated unclassified positions	5.0	
Full-time equated classified positions	433.3	
Unclassified salaries—5.0 FTE positions	\$	537,200
Salaries and wages—300.3 FTE positions		15,412,600
Contractual services, supplies, and materials		5,969,300
Demonstration projects—15.0 FTE positions		6,916,900
Inspector general salaries and wages—106.0 FTE positions		5,301,200
Electronic benefit transfer EBT		7,333,600
Office of professional development—12.0 FTE positions		2,521,500
State office of administrative hearings and rules		3,038,300
GROSS APPROPRIATION	\$	47,030,600
Appropriated from:		
Federal revenues:		
Total federal revenues		29,008,600
Special revenue funds:		
Total private revenues		1,219,300
Total local revenues		200,000
State general fund/general purpose	\$	16,602,700

Sec. 103. CHILD SUPPORT ENFORCEMENT

Full-time equated classified positions	212.7	
Child support enforcement operations—207.7 FTE positions	\$	20,869,400
Legal support contracts		140,284,400
Child support incentive payments		32,409,600
Child support distribution computer system—5.0 FTE positions		13,670,100
Child support arrearage settlement program administration		497,100
GROSS APPROPRIATION	\$	207,730,600
Appropriated from:		
Federal revenues:		
Total federal revenues		193,710,900
Special revenue funds:		
Total local revenues		340,000
Total restricted revenues		880,800
State general fund/general purpose	\$	12,798,900

Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY

Full-time equated classified positions	11.0	
Bureau of community action and economic opportunity—11.0 FTE positions	\$	1,458,800
Community services block grant		27,384,600
Weatherization assistance		18,671,000
GROSS APPROPRIATION	\$	47,514,400
Appropriated from:		
Federal revenues:		
Total federal revenues		47,514,400
Special revenue funds:		
State general fund/general purpose	\$	0

Sec. 105. ADULT AND FAMILY SERVICES

Full-time equated classified positions	49.2	
Executive direction and support—6.0 FTE positions	\$	480,900
Employment and training support services		16,529,100
Domestic violence prevention and treatment—5.5 FTE positions		14,589,900
Rape prevention and services		2,600,000
Guardian contract		600,000
Adult services policy and administration—6.0 FTE positions		587,500
Income support policy and administration—31.7 FTE positions		5,913,900

		For Fiscal Year Ending Sept. 30, 2006
Wage employment verification reporting	\$	1,087,500
Urban and rural empowerment/enterprise zones.....		100
Nutrition education		8,569,900
Homeless prevention and elder law of Michigan food for the elderly project		200,000
Marriage initiative.....		500,000
Fatherhood initiative		500,000
GROSS APPROPRIATION.....	\$	52,158,800
Appropriated from:		
Federal revenues:		
Total federal revenues		46,148,800
Special revenue funds:		
State general fund/general purpose	\$	6,010,000

Sec. 106. CHILD AND FAMILY SERVICES

Full-time equated classified positions	87.0	
Salaries and wages—29.7 FTE positions	\$	1,715,200
Contractual services, supplies, and materials		1,034,800
Refugee assistance program—2.9 FTE positions		12,683,700
Foster care payments		144,408,500
Wayne County foster care payments.....		62,546,500
Adoption subsidies.....		226,158,900
Adoption support services—7.7 FTE positions		14,317,000
Youth in transition—2.0 FTE positions		13,219,400
Interstate compact		300,000
Children's benefit fund donations		21,000
Teenage parent counseling—2.3 FTE positions		3,808,400
Families first		17,448,100
Child safety and permanency plan		16,900,700
Strong families/safe children		13,395,300
Child protection/community partners—18.3 FTE positions		5,805,900
Zero to three		4,000,000
Family group decision making		2,454,700
Family reunification program.....		4,062,700
Family preservation and prevention services administration—12.0 FTE positions.....		2,012,900
Black child and family institute		100,000
Children's trust fund administration—4.3 FTE positions.....		505,500
Children's trust fund grants		3,615,000
Attorney general contracts.....		2,916,100
Prosecuting attorney contracts.....		1,061,700
Child care fund.....		173,737,900
Child care fund administration—5.8 FTE positions.....		817,600
County juvenile officers.....		3,757,600
Community support services—2.0 FTE positions		1,489,900
GROSS APPROPRIATION.....	\$	734,295,000
Appropriated from:		
Federal revenues:		
Total federal revenues		428,905,300
Special revenue funds:		
Private - children's benefit fund donations		21,000
Private - collections		3,840,600
Local funds - county payback.....		24,538,000
Children's trust fund		3,314,400
State general fund/general purpose	\$	273,675,700

Sec. 107. JUVENILE JUSTICE SERVICES

Full-time equated classified positions	706.7	
High security juvenile services—301.0 FTE positions.....	\$	26,541,700
Medium security juvenile services—254.0 FTE positions		18,818,400

		For Fiscal Year Ending Sept. 30, 2006
Low security juvenile services—34.0 FTE positions.....	\$	2,907,700
Juvenile justice day program—37.0 FTE positions		3,279,900
Juvenile justice field staff, administration and maintenance—60.0 FTE positions.....		8,659,500
Federally funded activities—13.7 FTE positions		1,781,700
W.J. Maxey memorial fund		45,000
Juvenile accountability incentive block grant—3.0 FTE positions		2,705,400
Committee on juvenile justice administration—4.0 FTE positions.....		482,600
Committee on juvenile justice grants		5,000,000
GROSS APPROPRIATION	\$	70,221,900
Appropriated from:		
Federal revenues:		
Total federal revenues		11,688,200
Special revenue funds:		
Total private revenues.....		645,000
Local funds - county payback.....		25,488,000
State general fund/general purpose	\$	32,400,700

Sec. 108. LOCAL OFFICE STAFF AND OPERATIONS

Full-time equated classified positions	8,004.7	
Field staff, salaries and wages—7,863.9 FTE positions	\$	358,610,500
Contractual services, supplies, and materials		17,639,400
Medical/psychiatric evaluations.....		4,300,000
Donated funds positions—11.0 FTE positions		762,300
Training and program support—41.0 FTE positions.....		6,337,700
Food stamp reinvestment—78.8 FTE positions		11,365,300
Wayne County gifts and bequests.....		100,000
Volunteer services and reimbursement.....		1,544,900
SSI advocates—10.0 FTE positions		833,300
GROSS APPROPRIATION	\$	401,493,400
Appropriated from:		
IDG from DCH - medical services administration		923,600
ADJUSTED GROSS APPROPRIATION	\$	400,569,800
Appropriated from:		
Federal revenues:		
Total federal revenues		250,018,900
Special revenue funds:		
Local funds - donated funds.....		205,800
Private funds - donated funds		163,000
Private funds - hospital contributions.....		2,929,700
Private funds - Wayne County gifts		100,000
Supplemental security income recoveries.....		833,300
State general fund/general purpose	\$	146,319,100

Sec. 109. DISABILITY DETERMINATION SERVICES

Full-time equated classified positions	568.4	
Disability determination operations—545.9 FTE positions	\$	76,411,800
Medical consultation program—18.4 FTE positions		2,850,600
Retirement disability determination—4.1 FTE positions.....		820,800
GROSS APPROPRIATION	\$	80,083,200
Appropriated from:		
Interdepartmental grant revenues:		
IDG from DMB - office of retirement systems		1,109,800
ADJUSTED GROSS APPROPRIATION	\$	78,973,400
Appropriated from:		
Federal revenues:		
Total federal revenues		76,094,100
State general fund/general purpose	\$	2,879,300

Sec. 110. CENTRAL SUPPORT ACCOUNTS

Rent.....	\$	44,016,700
Occupancy charge		11,431,800
Travel.....		5,603,500
Equipment		145,300
Worker's compensation.....		4,279,000
Advisory commissions.....		17,900
Human resources optimization user charges.....		561,000
Payroll taxes and fringe benefits.....		217,242,000
GROSS APPROPRIATION	\$	283,297,200
Appropriated from:		
IDG from DCH - medical services administration		405,800
ADJUSTED GROSS APPROPRIATION.....	\$	282,891,400
Appropriated from:		
Federal revenues:		
Total federal revenues		184,017,400
Special revenue funds:		
Local funds - county payback.....		304,400
State general fund/general purpose	\$	98,569,600

Sec. 111. OFFICE OF CHILDREN AND ADULT LICENSING

Full-time equated classified positions.....	208.0	
AFC, children's welfare and day care licensure—208.0 FTE positions	\$	21,754,300
GROSS APPROPRIATION	\$	21,754,300
Appropriated from:		
Federal revenues:		
Total federal revenues		11,458,000
Special revenue funds:		
Restricted - licensing fees		620,900
Restricted - health fees and collections		111,200
State general fund/general purpose	\$	9,564,200

Sec. 112. PUBLIC ASSISTANCE

Family independence program.....	\$	392,121,800
State disability assistance payments		34,589,600
Food assistance program benefits		1,218,740,900
State supplementation		59,535,200
State supplementation administration.....		2,493,200
Low-income home energy assistance program		116,467,700
Food bank council of Michigan emergency food provisions.....		525,000
Homeless shelter contracts.....		11,646,700
Multicultural assimilation funding.....		1,715,500
Indigent burial		5,909,300
Emergency services local office allocations		21,865,500
Day care services.....		465,438,600
GROSS APPROPRIATION	\$	2,331,049,000
Appropriated from:		
Federal revenues:		
Total federal revenues		1,821,543,200
Special revenue funds:		
Child support collections		47,710,700
Supplemental security income recoveries		9,104,800
Public assistance recoupment revenue.....		2,500,000
State general fund/general purpose	\$	450,190,300

Sec. 113. INFORMATION TECHNOLOGY

Information technology services and projects.....	\$	80,253,300
Child support automation.....		71,143,300
GROSS APPROPRIATION	\$	151,396,600

Appropriated from:	
Federal revenues:	
Total federal revenues	\$ 113,045,200
Special revenue funds:	
Total other state restricted revenue	6,100,000
State general fund/general purpose	\$ 32,251,400

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2005-2006 is \$1,152,438,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$90,607,800.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HUMAN SERVICES

PERMANENCY FOR CHILDREN

Child care fund	\$ 85,218,400
County juvenile officers	3,269,100

OPPORTUNITY FOR ADULTS TO LIVE AND WORK IN THE COMMUNITY

State disability program	2,120,300
TOTAL	\$ 90,607,800

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

Sec. 203. As used in this act:

- (a) "AFC" means adult foster care.
- (b) "Department" means the department of human services.
- (c) "FTE" means full-time equated.
- (d) "GED" means general educational development.
- (e) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of title IV of the social security act, 42 USC 601 to 604, 605 to 608, and 609 to 619.
- (f) "Title IV-D" means part D of title IV of the social security act, 42 USC 651 to 655, and 656 to 669b.
- (g) "Title IV-E" means part E of title IV of the social security act, 42 USC 670 to 673, 673b to 679, and 679b.

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

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

(2) The state budget director may grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause loss of revenue to the state, result in the inability of the state to receive federal funds, or necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives appropriations committees and the senate and house fiscal

agencies and policy offices on the number of exceptions to the hiring freeze approved during the previous month and the reasons to justify the exception.

Sec. 207. At least 60 days before beginning any effort to privatize services, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. Sanctions, suspensions, conditions for provisional license status, and other penalties shall not be more stringent for private service providers than for public entities performing equivalent or similar services. Private service providers or licensees shall not be granted preferential treatment or deemed automatically in compliance with administrative rules based on whether they have collective bargaining agreements with direct care workers. Private service providers or licensees without collective bargaining agreements shall not be subjected to additional requirements or conditions of licensure based on their lack of such collective bargaining agreements. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 9 months.

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

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

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

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

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

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

- (a) An update on federal sanctions and federal requirements for reinvestment due to the food stamp error rate.
- (b) Review of the status of training for employees who administer the food assistance program.
- (c) An outline of the past year's monthly status of worker to food stamp cases and monthly status of worker to food stamp applications.
- (d) Information detailing the effect and change in staffing due to the early retirement option.
- (e) Corrective action through policy, rules, and programming being taken to reduce the food stamp error rate.
- (f) Any other information regarding the food stamp error rate, including information pertaining to technology and computer applications used for the food assistance program.

Sec. 214. (1) The department shall submit a report to the chairpersons of the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the details of allocations within program budgeting line items and within the salaries and wages line items in all appropriation units. The report shall include a listing, by account, dollar amount, and fund source, of salaries and wages; longevity and insurance; retirement; contractual services, supplies, and materials; equipment; travel; and grants within each program line item appropriated for the fiscal year ending September 30, 2006.

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

Sec. 215. (1) If a legislative objective of this act or the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be implemented without loss of federal financial participation because implementation would conflict with or violate federal regulations, the department shall notify the state budget director, the house and senate appropriations committees, and the house and senate fiscal agencies and policy offices of that fact.

(2) The department shall provide the senate and house appropriation subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director with the citation and a copy of any federal statute, regulation, policy, or directive that the department determines presents a conflict as described in subsection (1). The department shall apply for any available waiver or relief from federal requirements or sanctions that would allow it to comply with state law without federal penalty.

Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2006 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 218. (1) The department shall prepare a semiannual report on the TANF federal block grant. The report shall include projected expenditures for the current fiscal year, an accounting of any previous year funds carried forward, and a summary of all interdepartmental or interagency agreements relating to the use of TANF funds. The report shall be forwarded to the state budget director and the house and senate appropriations subcommittees on the department budget and the house and senate fiscal agencies and policy offices within 10 days after presentation of the executive budget and within 10 days after the May consensus revenue estimating conference.

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

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

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

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

(4) The department shall follow guidelines related to faith-based involvement established in 42 USC 604a.

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

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

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

Sec. 225. The department shall develop a rapid redetermination process for nursing home residents whose Medicaid stay is greater than 90 days. This process shall be implemented not later than January 1, 2006.

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

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

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

(a) Name and description of base service.

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

(c) Cost of each base service.

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

(e) Impact, if any, on caseload management by local office staff, and on service to individual or family clients in local offices.

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

Sec. 261. The department, in conjunction with the county department of human services boards of directors and the department of management and budget, shall develop a plan to restructure local offices. This plan shall include an emphasis on maximization of service while maintaining a reduction in administrative cost. Duplication of services shall be identified and solutions to remove the duplication shall be detailed in the plan. Any plan presented shall ensure that the department provides a presence and services in every county. The plan shall be submitted to the senate and house appropriations subcommittees for the department budget by January 15, 2006 and shall include an implementation date during the 2005-2006 fiscal year. The savings resulting from this plan may be allocated to the counties generating the savings to fund additional frontline workers at the county office level and additional staff to reduce wait time for Medicaid eligibility determinations.

Sec. 262. The department, in conjunction with county department of human services boards of directors and the department of management and budget, shall develop a plan to assist local services delivery effectiveness and efficiency by maximizing use of state resources while responding to unique needs in geographic regions of the state. It is the

intent of the legislature that the savings resulting from this plan beyond the \$832,100.00 reduction imposed in part 1 from the field staff, salaries and wages line item be allocated to county offices to fund additional frontline workers. The department shall submit a detailed consolidation plan to the house and senate appropriations subcommittees for the department budget by January 1, 2006.

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

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

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

- (a) Day care assistance.
- (b) Family independence program.
- (c) Adoption subsidy.
- (d) Foster care.
- (e) Juvenile justice services.

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

- (a) The average cost per recipient served by the program.
 - (b) Measurable performance indicators for each program.
 - (c) Desired outcomes or results and goals for each program that can be measured on an annual basis, or desired results for a defined number of years.
 - (d) Monitored results for each program.
 - (e) Innovations for each program that may include savings or reductions in administrative costs.
- (3) During the annual budget presentation, the department shall provide the senate and house appropriations subcommittees on the department budget the information listed in subsection (2).

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

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

- (a) Changes made by the courts with respect to court forms and court rules to meet the statutory requirement.
- (b) Department policy changes within the areas of foster care, juvenile justice, and adoption to meet the statutory requirements.
- (c) Recommendations made by a workgroup composed of department and other agency stakeholders.
- (d) A summary of the 7 systemic factors that determine the state's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115.
- (e) A summary of the 7 data outcome indicators used to determine the state's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, including the length of time required to achieve family reunification for foster care cases.
- (f) Federal recommendations made to the state, including recommendations to the courts.
- (g) Federal penalties assessed against the state for noncompliance.
- (h) Status of the performance improvement plan submitted to the federal government.

Sec. 272. (1) The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director on the result of the title IV-E foster care eligibility reviews. The

reviews, conducted in the state by the United States department of health and human services, are intended to assess the department's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, ensuring the department's case files and payments records meet federal regulations, including standards on eligibility for placement reimbursement and the allowable payment rate. The report shall be submitted October 1, January 1, April 1, and July 1.

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

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

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

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

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

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

(f) Federal penalties assessed against the state.

Sec. 273. (1) The department shall report no later than October 1, 2005 on each specific policy change made to implement enacted legislation to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services, and the senate and house fiscal agencies and policy offices.

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

(3) Not later than July 1, 2006, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director the annual regulatory plan submitted to the state office of administrative hearings and rules pursuant to section 53 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.253. The annual regulatory reform plan shall not include proposals for rule promulgation that exceed the statutory authority granted to the department.

(4) Funds for the preparation of the regulatory reform plan shall be provided solely in section 102 of the funds appropriated in part 1. Funds appropriated in part 1 shall not be used to prepare regulatory plans or promulgate rules that would exceed statutory authority granted to the department. If the department fails to provide statutory authority and additional information for its regulatory reform plan pursuant to section 39(1) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.239, no funds shall be expended for the further preparation of that plan or the promulgation of rules in that plan.

(5) Funds appropriated in part 1 shall not be used to prepare regulatory plans or promulgate rules that fail to reduce the disproportionate economic impact on small businesses pursuant to section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(6) Funds appropriated in part 1 shall not be used to prepare regulatory plans or promulgate rules that would grant preferences to private providers of services based on whether they had collective bargaining agreements with workers.

Sec. 274. The department shall report to the house and senate appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director as part of the annual budget presentation on each federal grant this state was eligible to apply for, listing both grants applied for and not applied for. This report will cover grants exceeding \$100,000.00, related to fatherhood and marriage initiatives, teen pregnancy prevention, kinship care, before- and after-school programs, family preservation and prevention, homeless prevention, and youth in transition.

Sec. 278. (1) The department shall contract with 1 or more private consulting firms for revenue maximization services for all caseload services currently provided by the department. A contract under this section shall specify that the contractor locate waste, fraud, error, and abuse within the department's services and programs.

(2) A contractor shall not charge the department a fee for services provided under subsection (1). However, a contractor shall receive a negotiated percentage of the savings not to exceed 33.3% of the gross savings achieved from implementation of a recommendation made by the contractor under this section.

(3) The department shall retain up to \$5,000,000.00 of savings achieved through the revenue maximization services contract as an offset to general fund/general purpose costs. Additional savings shall be allocated within the department for the following purposes:

(a) Technology programs that help maintain an effective and efficient computer system for caseworkers.

(b) Additional staff in order to reduce worker-to-case ratios.

(4) The department shall provide a report to the senate and house appropriations subcommittees on the department budget, senate and house standing committees on human services matters, senate and house fiscal agencies and policy offices, and state budget director by December 31, 2005 on the waste, fraud, error, and abuse located under subsection (1). By April 1, 2006, the department shall provide a progress report including the specific changes implemented to achieve savings under this section and the timetable for implementation of the remaining changes.

Sec. 279. All contracts relating to human services entered into or renewed by the department on or after October 1, 2005 shall be performance-based contracts that employ a client-centered results-oriented process that is based on measurable performance indicators and desired outcomes and includes the annual assessment of the quality of services provided. During the annual budget presentation, the department shall provide the senate and house appropriations subcommittees on the department budget with the measurable performance indicators, desired outcomes, and the assessment of the quality of services provided for each contract relating to human services entered into by the department during fiscal year 2005-2006.

Sec. 280. The department shall submit a report to the house and senate appropriations subcommittees for the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget director by February 1, 2006 on the status of the department's information technology improvement initiatives. The report shall include details on the following:

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

(b) The amounts of appropriations carried forward from previous fiscal years for information technology improvement projects.

(c) A narrative describing the projects and activities undertaken during the previous fiscal year and during the first quarter of the current fiscal year.

EXECUTIVE OPERATIONS

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

Sec. 302. The department shall develop a plan based on recommendations from the department of civil rights and from Native American organizations to assure that the community services block grant funds are equitably distributed. The plan must be developed by October 31, 2005, and the plan shall be delivered to the appropriations subcommittees on the department budget in the senate and house, the senate and house fiscal agencies, and the state budget director.

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

(2) In addition to the money referred to in subsection (1), the department shall award up to \$500,000.00 in competitive grants to organizations based on their education and outreach with the earned income tax credit (EITC). Organizations shall be given preference based on their emphasis on clients who have never filed for the EITC, clients with children, and clients for whom receipt of the EITC will make it easier for them to move off public assistance.

(3) In addition to the money referred to in subsection (1), the department shall award up to \$250,000.00 in competitive grants to organizations that seek to provide programs combining education on the EITC with programs building skills for strong marriages, fatherhood, or parenting.

Sec. 304. From funds appropriated in part 1 for demonstration projects, the department shall expend up to \$78,500.00 in TANF to fund a school-based crisis intervention demonstration project in Pontiac.

ADULT AND FAMILY SERVICES (SELF-SUFFICIENCY)

Sec. 415. (1) In expending money appropriated in part 1 for the fatherhood initiative, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. The independent contractors shall provide at least 10% in matching funds, through any combination of

local, state, or federal funds or in-kind or other donations. An independent contractor that cannot secure matching funds shall not be excluded from consideration for the fatherhood program.

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

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

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

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

Sec. 416. (1) In expending money appropriated in part 1 for the marriage initiative, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. The independent contractors shall provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. An independent contractor that cannot secure matching funds shall not be excluded from consideration for a marriage initiative program.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) The department shall make available \$25,000.00 for a food stamp error rate reduction project in Muskegon County and \$25,000.00 for a food stamp error rate reduction project in Kent County.

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

CHILD AND FAMILY SERVICES (PERMANENCY FOR CHILDREN)

Sec. 501. The following goal is established by state law. During fiscal year 2005-2006, not more than 3,000 children supervised by the department shall remain in foster care longer than 24 months. The department shall give priority to reducing the number of children under 1 year of age in foster care. By January 15, 2006, the department shall report to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the number of children supervised by the department and by private agencies who remain in foster care between 12 and 24 months, and those who remain in foster care longer than 24 months.

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

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

- (a) Has not yet graduated from high school or passed a high school equivalency examination.
- (b) Is making progress toward completing high school.
- (c) Has not yet reached his or her nineteenth birthday.
- (d) Is not eligible for federal supplemental security income (SSI) payments.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 514. The department shall make a comprehensive report concerning children's protective services (CPS) to the legislature, including the senate and house policy offices and the state budget director, by January 1, 2006, that shall include all of the following:

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

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

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

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

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

(c) The number of cases in category III closed during the time period covered by the report categorized as follows:

(i) Transfer to foster care.

(ii) Risk of further child abuse or neglect has been reduced to an acceptable level.

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

Sec. 515. From the funds appropriated in part 1 for foster care payments and Wayne County foster care payments and related administrative costs, the department shall implement a performance based managed care approach to contracting for foster care services with private, nonprofit agencies. The goal of these contracts shall be to provide incentives for agencies to improve the process of placing children in permanent placements and reducing the time children spend in foster care. The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office on this foster care permanency program and make recommendations for program expansion to all the counties of this state no later than August 30, 2006. The department shall develop these recommendations with sufficient detail that permanency programs may be implemented as soon as possible after September 30, 2006.

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

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

- (a) Foster positive parenting skills especially for parents of children under 3 years of age.
- (b) Improve parent/child interaction.
- (c) Promote access to needed community services.
- (d) Increase local capacity to serve families at risk.
- (e) Improve school readiness.
- (f) Support healthy family environments that discourage alcohol, tobacco, and other drug use.

(3) The appropriation provided for in subsection (2) is to fund secondary prevention programs as defined in the children's trust fund's preapplication materials for fiscal year 2005-2006 direct services grants.

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

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

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

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

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

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

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

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

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

- (i) The number of teen participants having fewer repeat pregnancies.
- (ii) The completion rate for high school diplomas or GEDs.
- (iii) The teen participants' rate of self-sufficiency.
- (iv) The number of father participants.

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

- (i) Adult supervised, supportive living arrangements.
- (ii) Pregnancy prevention services or referrals.

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

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

(v) Parenting and life-skills training.

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

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

(viii) Instruction on self-protection.

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

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

(a) The average cost per recipient served.

(b) Measurable performance indicators.

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

(d) Monitored results.

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

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

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

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

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

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

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

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

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

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

(2) The department shall develop a streamlined licensing contract compliance review process where possible, including potential for utilizing deeming status for nationally accredited agencies. The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on or before January 15, 2006 on the implementation of the licensing and contract compliance review process.

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

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

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

Sec. 537. (1) The department shall offer private nonprofit licensed agencies the first opportunity to provide foster care services for new foster children entering the system in a county when the department's direct care caseload for

foster care is greater than 20 cases per foster care worker. This section only applies if the private nonprofit licensed agency has an available placement at the time the child needs to be placed, the placement is not contrary to the best interests of the child or the child's siblings, and the private nonprofit licensed agency has a direct care caseload for foster care that is no greater than 20 cases per foster care caseworker.

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

- (a) Average caseload per foster care worker.
- (b) Average cost per case to the department and any other governmental agency.
- (c) Range of services provided.
- (d) Program outcomes, including the average length of stay in residential treatment and foster care.

(3) The department shall submit a quarterly report to the legislature, beginning December 31, 2005, outlining the progress of the development of the goals, objectives, and performance standards, as well as the information collected through the implementation of the measurement program.

(4) The department, in collaboration with child placing agencies, shall develop a strategy for implementing the requirements of MCL 400.115o. As part of the implementation strategy, the department caseworkers responsible for the preparation of recommendations to the court for juvenile placements shall provide, as part of the placement recommendation, information regarding the requirements.

Sec. 539. The department shall work in collaboration with representatives from private nonprofit child placing agencies to ensure appropriate placement for children who have been adjudicated abused, neglected, or delinquent and for whom residential treatment is required. The department and the representatives from the private nonprofit child placing agencies shall focus on statewide placement criteria to address the best interest of the child in need of services. The placement criteria shall include a continuum of care settings and options as appropriate for each child and his or her needs at specific times, including home placements, relative placements, shelter placements, and other options.

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

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

Sec. 542. As a condition of receiving funds appropriated in part 1 for the child care fund, by February 15, 2006, counties shall have an approved service spending plan for the fiscal year ending September 30, 2006. Counties must submit the service spending plan to the department by December 15, 2005 for approval.

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

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

(2) The department shall report to the senate and house appropriations subcommittees for the department budget on the number of new specialized foster care programs required under section 545(3) of 2004 PA 344 not later than January 15, 2006. If no new specialized foster care programs have been authorized, the department shall provide an explanation, a list of all applicants who applied but were denied, and a strategic plan to provide for new specialized foster care programs.

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

Sec. 548. (1) The director of the department shall convene a task force to study the disproportionate representation of African-American and other children of color in the child welfare and juvenile justice systems of this state. The department shall collaborate with private sector entities to develop a methodology for the task force to follow in

conducting the study and to seek public or private funding for the task force. At a minimum, the task force shall examine the level of involvement of African-American and other children of color at each stage in the systems, including the points of entry and each point at which a treatment decision is made and the outcomes for children exiting the systems.

(2) The task force convened under subsection (1) shall consist of experts in social work, law, child welfare, psychology, or related fields, and shall be appointed as follows:

- (a) Two members appointed by the senate majority leader.
- (b) Two members appointed by the speaker of the house.
- (c) Three members appointed by the governor, including a representative of the department.

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

(4) By December 31, 2006, the department shall report the results of the study received under subsection (3) to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees with jurisdiction over families and human services issues, the senate and house fiscal agencies and policy offices, and the state budget office.

Sec. 549. The department shall meet with personnel employed by the office of the children's ombudsman and the state court administrative office's foster care review board to investigate streamlining the oversight process for child welfare services. The intent of the legislature is to ensure appropriate and adequate oversight while reducing duplication and redundancy between government offices.

Sec. 550. (1) The department shall develop, in cooperation with the department of community health or other appropriate medical or health experts, materials for distribution to foster care parents and families on the health risks to children from use of tobacco and secondhand smoke.

(2) The department, using public and private resources, shall implement a pilot program to offer foster care parents nicotine patches or other smoking cessation products to reduce the health risk to foster children.

(3) The department shall report to the senate and house appropriations subcommittees for the department budget on the results of the pilot program implemented under subsection (2) not later than September 30, 2006.

Sec. 551. The department shall submit a report not later than September 30, 2006 to the senate and house appropriations subcommittees on the department budget that includes the number of children in foster homes where parents smoke, the subsequent health costs incurred, and what the impact would be on foster care recruitment if being a nonsmoker was a requirement for foster parenting.

Sec. 552. (1) The director of the department shall convene a task force to be known as the interdepartmental task force on services to at-risk youth transitioning to adulthood. The task force shall perform all of the following with respect to services to at-risk youth:

- (a) Assess currently available services.
- (b) Determine the extent of coordination and cooperation among currently available programs and services administered by the department and by other departments and agencies of this state.
- (c) Identify methods to enhance coordination of current services delivery.
- (d) Identify potential available public and private resources and services.
- (e) Develop a plan to ensure that all current public and private resources and services are effectively organized and available.
- (f) Recommend actions to enhance services.

(2) The director of the department shall seek participation on the task force created under subsection (1) from all of the following:

- (a) The director of the department of community health or the director's designee.
- (b) The director of the department of labor and economic growth or the director's designee.
- (c) The superintendent of public instruction or the superintendent's designee.
- (d) The state court administrator or his or her designee.
- (e) The association for children's mental health.
- (f) The children's charter of the courts of Michigan.

- (g) The Michigan probate judges association.
- (h) The Michigan community mental health boards.
- (i) Fight crime: invest in kids - Michigan.
- (j) The Michigan association of school administrators.
- (k) The Michigan association of united ways.
- (l) The Michigan council on crime and delinquency.
- (m) The Michigan federation for children and families.
- (n) The Michigan network for youth and families.
- (o) Michigan's children.
- (p) The school-community health alliance of Michigan.
- (q) The student advocacy center of Michigan.
- (r) The Skillman foundation.
- (s) The W.K. Kellogg foundation.
- (t) The C.S. Mott foundation.
- (u) The Frey foundation.
- (v) The Annie E. Casey foundation.
- (w) Youth and adults who are currently or were formerly served by 1 or more services provided by the department to at-risk youth.
- (x) Representatives of faith-based organizations.

(3) By June 30, 2006, the task force created under subsection (1) shall report to the department. The report shall include the task force findings, assessments, plan, and recommendations under subsection (2).

(4) By September 30, 2006, the department shall provide to the senate and house of representatives standing committees with primary jurisdiction over human service matters, the senate and house of representatives appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget office the task force's report under subsection (3) and identify any actions the department has taken or intends to take as a result of the report.

PUBLIC ASSISTANCE (ADULTS LIVE AND WORK IN THE COMMUNITY)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 609. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced during the fiscal year beginning October 1, 2005 and ending September 30, 2006.

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

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

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

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

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

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

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

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

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

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

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

- (a) The only eligible recipient has died.
- (b) A recipient member of a program group or family independence assistance group has died.
- (c) A recipient child is removed from his or her family home by court action.
- (d) A recipient requests in writing that his or her assistance be reduced, terminated, or suspended.
- (e) A recipient has been approved to receive assistance in another state.
- (f) A change in either state or federal law that requires automatic grant adjustments for classes of recipients.
- (g) The only eligible recipient in the household has been incarcerated.

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

- (a) A third-party payee or vendor shall be required for any cash benefits provided.
- (b) An authorized representative shall be required for food assistance receipt.

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

Sec. 627. (1) From the funds appropriated in part 1 for day care services, the department may contract to administer an amount not to exceed \$1,350,000.00 for the "enhance quality improvement program" (EQUIP) grants. A priority for

the expenditure of EQUIP funds shall be given to providers to expand access to child care, specifically 24-hour care, care for children of parents working evening or night shifts, and weekend care. A child care program shall not be eligible for an EQUIP grant unless 25% or more of its clients receive day care payments from the department.

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

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

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

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

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

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

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

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

Sec. 641. In collaboration with Central Michigan University, the department shall develop and disseminate read, educate, and develop youth (R.E.A.D.Y.) kits to parents of preschool and kindergarten children to provide these parents with information about how they can prepare their children for reading success.

Sec. 643. As a condition of receipt of federal TANF funds, homeless shelters shall collaborate with the department to obtain necessary TANF eligibility information on families as soon as possible after admitting a family to the homeless shelter. From the funds appropriated in part 1 for homeless shelter contracts, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. Homeless shelters that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive reimbursements which exceed the per diem amount they received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

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

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

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

Sec. 657. (1) The department shall fund a statewide before- or after-school program to provide youth with a safe, engaging environment to motivate and inspire learning outside the traditional classroom setting. Before- or after-school program eligibility is limited to geographic areas near school buildings that do not meet federal no child left behind annual yearly progress (AYP) requirements and that include the before- or after-school programs in the AYP plans as a means to improve outcomes. Before-school programs are limited to elementary school-aged children. Effective before- or

after-school programs combine academic, enrichment, and recreation activities to guide learning and inspire children and youth in various activities. The before- or after-school programs can meet the needs of the communities served by the programs.

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

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

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

- (a) Abstinence-based pregnancy prevention.
- (b) Chemical abuse and dependency including nonmedical services.
- (c) Gang violence prevention.
- (d) Preparation toward future self-sufficiency.
- (e) Leadership development.
- (f) Case management or mentoring.
- (g) Parental involvement.
- (h) Anger management.

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

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

(7) By January 30, 2006, the department before- or after-school program expenditures shall be audited and the department shall work in collaboration with independent contractors to provide a report on the before- or after-school program to the senate and house standing committees dealing with human services, the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies, and the senate and house policy offices. The report shall include the number of participants and the average cost per participant, as well as changes noted in program participants in any of the following categories:

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

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

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

Sec. 666. The department shall continue efforts to increase the participation of eligible family independence program recipients in the federal earned income tax credit. The department shall report on the efforts to increase participation to the senate and house appropriations subcommittees on the department budget, the senate and house standing

committees on human services, the senate and house fiscal agencies and policy offices, and the state budget director no later than December 31, 2005.

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

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

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

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

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

Sec. 670. The funds appropriated in part 1 for kinship care in the fiscal year ending September 30, 2006 reflect the legislature's commitment to reduce the benefit discrepancy between kinship care and a similar family size within the family independence agency program (FIP). The legislature recognizes the commitment of relatives to provide family continuity, nurturance, and care for this special population of children who can no longer remain in their parents' care due to abuse, neglect, or other social problems.

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

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

Sec. 675. The department shall utilize the most recent market rate survey to explore potential costs to implement a child day care rate structure that more accurately reflects the costs of care by vicinity. By March 1, 2006, the department shall report the results of the analysis to the senate and house subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office.

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

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

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

Sec. 677. The department shall establish a state goal for the percentage of family independence program (FIP) cases involved in employment activities. The percentage established shall not be less than 50%. On a quarterly basis, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the current percentage of FIP cases involved in employment activities. If the FIP case percentage is below the goal for more than 2 consecutive quarters, the department shall develop a plan to increase the percentage of FIP cases involved in employment-related activities. The department shall deliver the plan during the next annual budget presentation to the senate and house appropriations subcommittees on the department budget.

Sec. 678. The department shall provide the senate and house of representatives appropriations subcommittees on the department budget with the cost and revenue implications for the early childhood investment corporation (ECIC) at least 3 months before a request for a transfer or supplemental appropriation. Additionally, all contracts entered into shall be bid out through a statewide request-for-proposal process, and the department shall report to the senate and house of representatives appropriations subcommittees on the department budget on the selection criteria for establishing contracts with intermediate school districts at least 30 days prior to the issuance of a request for a proposal. The department shall report to the senate and house of representatives appropriations subcommittees on the department budget by October 1, 2005 at least the following information related to the status of the ECIC:

- (a) The cost.
- (b) The implementation plan.
- (c) The projected funding sources.
- (d) All contracts entered into by the department.

Sec. 679. By January 1, 2006, the department shall implement 1 pilot program in 4 to 6 of the departmentally recognized shelter areas to assist long-term family independence program recipients to achieve self-sufficiency. The pilot programs shall not include policies that result in weakened exemptions for work participation or weakened sanctions for noncompliance with work requirements. The department shall report, by June 1, 2006, to the house and senate appropriations committees and house and senate fiscal agencies the policies established, the sanctions applied to participants, an assessment of barriers to employment, and services needed to address those barriers. The pilot report shall also include recommendations to reduce the number of recipient caseloads receiving cash assistance for more than 48 months. The pilot shall also include any legislatively enacted changes to sections 57f and 57g of the social welfare act, 1939 PA 280, MCL 400.57f and 400.57g.

JUVENILE JUSTICE SERVICES (REHABILITATION)

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

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

- (a) Admission and release data and other information related to demographics of population served.
- (b) Program descriptions and information related to treatment, educational services, and conditions of confinement.
- (c) Program outcomes including recidivism rates for youth served by the facility.

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

- (a) Trends in census and population demographics.
- (b) Program outcomes.
- (c) Staff and resident safety.
- (d) Facility profile.
- (e) Fiscal information necessary for qualitative understanding of program operations and comparative costs of public and private facilities.

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

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

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

(4) The department shall report to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director by January 15, 2006 on department efforts to encourage county information networks development described in subsection (1).

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

(2) The department shall report to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director by October 30, 2005 on the status of implementing recommendations of the 2001 joint house and senate task force on juvenile justice, including, but not limited to, the following:

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

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

(c) Discussion of the possibility of implementing a program modeled after the "Wisconsin citizenship initiative" to collaborate with the before- or after-school programs offered under the authority of this act.

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

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

(f) Multisystem therapy.

(g) Youth service projects.

(h) Community services projects.

Sec. 719. The department shall notify the legislature at least 30 days before closing or making any change in the status of a state juvenile justice facility.

Sec. 720. (1) The goal of high security juvenile services funded in part 1 shall be to protect the general public from dangerous juvenile offenders while providing rehabilitation services to those offenders to safely prepare them for entry into society.

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

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

(a) Lower recidivism rates.

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

(c) Shorter average stays in a residential facility.

(d) Lower average cost per resident.

(e) Availability of appropriate services to residents.

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

(5) The department shall require, if possible and practical, that aftercare services for a juvenile offender be provided by the same organization or provider that provided residential care for that juvenile.

Sec. 721. (1) The goal of medium or low security juvenile services shall be effective treatment of juvenile offenders to safely prepare them for entry into society.

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

(a) Reduced rates of recidivism.

(b) Higher rates of high school or GED completion.

(c) Shorter average stays in a residential facility.

(d) Availability of appropriate services to residents.

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

(4) The department shall require, if possible and practical, that aftercare services for a juvenile offender be provided by the same program or provider that provided treatment for the juvenile in residential care.

Sec. 722. (1) The goal of juvenile justice day programs shall be the effective treatment and rehabilitation of juvenile offenders in appropriate community settings.

(2) The department shall allocate money to public and private providers of juvenile justice day programs based on their ability to demonstrate results in all of the following:

- (a) Reduced rates of recidivism.
- (b) Higher rates of high school or GED completion.
- (c) Availability of appropriate services to offenders.

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

LOCAL OFFICE SERVICES

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

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

- (a) The center is supported by the local school district.
- (b) The programs and information provided at the center do not conflict with sections 1169, 1507, and 1507b of the revised school code, 1976 PA 451, MCL 380.1169, 380.1507, and 380.1507b.
- (c) Notwithstanding subdivision (b), the center shall provide information regarding crisis pregnancy centers or adoption service providers in the area.

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

- (a) A list of eligible schools.
- (b) The selection criteria to be used.
- (c) The projected number to be opened.
- (d) The financial implications for expansion, including funding sources.

Sec. 753. The department shall implement the recommendations of the 2004 public private partnership initiative's training committee to define, design, and implement a train-the-trainer program to certify private agency staff to deliver child welfare staff training, explore the use of e-learning technologies, and include consumers in the design and implementation of training. The intent of the legislature is to reduce training and travel costs for both the department and the private agencies. The department shall report no later than December 1, 2005 on each specific policy change made to implement enacted legislation and the plans to implement the recommendations, including time lines, to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services matters, the senate and house fiscal agencies and policy offices, and the state budget director.

DISABILITY DETERMINATION SERVICES

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

CHILD SUPPORT ENFORCEMENT

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

(2) If the child support incentive payment to the state from the federal government is less than was paid in fiscal year 2000-2001, the payment to counties shall be prorated in a like percentage amount reflecting reduced revenue.

(3) If the child support incentive payment to the state from the federal government is greater than that amount retained by the state in subsection (1), the funds above the amount retained in subsection (1) shall be paid to the counties in a proportionate distribution similar to the local match supplement paid in fiscal year 2003-2004.

(4) If the child support payment to the state from the federal government is greater than the amount retained by the state in subsection (1) plus the amount necessary to pay counties a local match supplement equal to that paid in fiscal year 2003-2004, the additional funds shall be subject to appropriation by the legislature.

(5) The department may, if cost beneficial to the state and counties, withhold from submitting to the federal office of child support administrative expenses eligible for federal financial participation. The department may recoup earned, but unclaimed, federal funds from the resulting increased federal child support incentive. The recoupment by the department shall be made prior to distribution of the increased incentive to the counties. Any incentive funds retained by the state under this section shall be separate and apart from incentive funds retained in any other section of this act.

Sec. 902. (1) Of the funds appropriated in part 1 for the child support computer system (MiCSES), \$17,800,000.00 shall be used to fix and improve the system. This shall be in addition to funds appropriated for the maintenance and operation of the system. This appropriation assumes the collection of \$6,100,000.00 in new restricted funds from the child support arrearage settlement program, and federal matching funds of \$11,700,000.00.

(2) The department shall consult with the department of treasury and any outside consultant with collections expertise under contract with the department of treasury to develop a plan to maximize the collection of child support and child support arrearage settlement for the purposes of this section.

(3) If collections from the revenue sources identified to fix and improve the system fall short of the money appropriated in subsection (1), the department shall reduce expenditures to match those collections.

(4) If collections from the state restricted revenue sources identified to fix and improve the system exceed the amount appropriated in subsection (1) and paid to the federal government, by a sum greater than \$610,000.00, the revenue above \$6,710,000.00 shall be allocated to counties to restore funding for legal support contracts. If collections from the restricted revenue sources and payments to the federal government exceed \$7,140,767.00, the department and representatives from counties and the friends of court shall meet and agree upon recommendations for use of the additional revenue. The additional revenue shall be subject to appropriation by the legislature.

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

(6) Unexpended funds for child support automation improvements at the end of the fiscal year are intended to be carried forward for continued work on improvements. These funds are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

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

Sec. 904. The department is prohibited from charging back to the counties any of the fees paid that are charged by the internal revenue service or the department of treasury related to the tax intercept and offset programs. The state share of those fees shall be paid from money otherwise provided for office of child support programs.

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

OFFICE OF CHILDREN AND ADULT LICENSING

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

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

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

Sec. 1005. The department shall develop a plan for a performance-based licensing system. The plan shall include an approach that emphasizes site visits for new licensees and licensees with violations or filed complaints and random, but not required, site visits for licensees who have been in business for 5 years or more with no violations or filed complaints. The plan shall direct the licensing staff and field consultants to prioritize resources and site reviews on new licensees and those with documented complaints. The plan shall include an implementation date for fiscal year 2005-2006 and be submitted, by January 31, 2006, to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Ray E. Randall

Clerk of the House of Representatives

Approved

.....
Governor