

**SUBSTITUTE FOR
SENATE BILL NO. 232**

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2008; 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:

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PART 1

LINE-ITEM APPROPRIATIONS

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

Senate Bill No. 232 as amended August 22, 2007

1 amounts listed in this part are appropriated for the department of
 2 human services for the fiscal year ending September 30, 2008, from
 3 the funds indicated in this part. The following is a summary of the
 4 appropriations in this part:

5 **DEPARTMENT OF HUMAN SERVICES**

6 APPROPRIATION SUMMARY:

7	Full-time equated classified positions.....	9,519.4	
8	Unclassified positions	5.0	
9	Total full-time equated positions.....	9,524.4	
10	GROSS APPROPRIATION.....		\$ <<4,504,192,300>>
11	Interdepartmental grant revenues:		
12	Total interdepartmental grants and intradepartmental		
13	transfers		2,416,000
14	ADJUSTED GROSS APPROPRIATION.....		\$ <<4,501,776,300>>
15	Federal revenues:		
16	Total federal revenues.....		3,107,934,700
17	Special revenue funds:		
18	Total private revenues.....		9,039,200
19	Total local revenues.....		60,236,400
20	Total other state restricted revenues.....		72,298,600
21	State general fund/general purpose.....		\$ <<1,252,267,400>>
22	Sec. 102. EXECUTIVE OPERATIONS		
23	Total full-time equated positions.....	473.3	
24	Full-time equated unclassified positions.....	5.0	
25	Full-time equated classified positions.....	468.3	
26	Unclassified salaries--5.0 FTE positions.....		\$ 537,200
27	Salaries and wages--326.3 FTE positions.....		18,813,000

1	Contractual services, supplies, and materials	5,900,500
2	Demonstration projects--9.0 FTE positions	8,035,800
3	Inspector general salaries and wages--106.0 FTE	
4	positions	5,752,400
5	Electronic benefit transfer EBT	7,333,600
6	Office of professional development--12.0 FTE positions	2,352,200
7	Michigan community service commission--15.0 FTE	
8	positions	9,733,700
9	State office of administrative hearings and rules	<u>3,538,000</u>
10	GROSS APPROPRIATION	\$ 61,996,400
11	Appropriated from:	
12	Federal revenues:	
13	Total federal revenues	40,585,300
14	Special revenue funds:	
15	Total private revenues	2,199,600
16	Total local revenues	175,000
17	Total other state restricted revenue	25,000
18	State general fund/general purpose	\$ 19,011,500
19	Sec. 103. CHILD SUPPORT ENFORCEMENT	
20	Full-time equated classified positions..... 213.7	
21	Child support enforcement operations--207.7 FTE	
22	positions	\$ 23,636,900
23	Legal support contracts	139,753,600
24	Child support incentive payments	32,409,600
25	State distribution unit--6.0 FTE positions	<u>18,505,800</u>
26	GROSS APPROPRIATION	\$ 214,305,900
27	Appropriated from:	

1	Federal revenues:	
2	Total federal revenues.....	186,113,100
3	Special revenue funds:	
4	Total local revenues.....	340,000
5	Total restricted revenues.....	2,625,000
6	State general fund/general purpose.....	\$ 25,227,800
7	Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY	
8	Full-time equated classified positions..... 17.0	
9	Bureau of community action and economic	
10	opportunity--17.0 FTE positions.....	\$ 1,920,700
11	Community services block grant.....	27,068,000
12	Weatherization assistance.....	<u>18,418,700</u>
13	GROSS APPROPRIATION.....	\$ 47,407,400
14	Appropriated from:	
15	Federal revenues:	
16	Total federal revenues.....	45,057,400
17	State general fund/general purpose.....	\$ 2,350,000
18	Sec. 105. ADULT AND FAMILY SERVICES	
19	Full-time equated classified positions..... 76.2	
20	Executive direction and support--6.0 FTE positions ...	\$ 525,700
21	Domestic violence prevention and treatment--5.5 FTE	
22	positions	14,759,200
23	Rape prevention and services.....	2,600,000
24	Guardian contract.....	600,000
25	Adult services policy and administration--6.0 FTE	
26	positions	625,700
27	Income support policy and administration--28.7 FTE	

1	positions	4,716,700
2	Employment and training support services	30,259,300
3	Wage employment verification reporting	848,700
4	Urban and rural empowerment/enterprise zones	100
5	Nutrition education	13,100,000
6	Marriage initiative	2,475,000
7	Fatherhood initiative	1,725,000
8	Crisis prevention and elder law of Michigan food for	
9	the elderly project	170,000
10	Jobs, education and training expansion--30.0 FTE	
11	positions	<u>17,980,800</u>
12	GROSS APPROPRIATION	\$ 90,386,200
13	Appropriated from:	
14	Interdepartmental grant revenues:	
15	IDG from DCH - crime victims fund	1,300,000
16	Federal revenues:	
17	Total federal revenues	55,745,700
18	State general fund/general purpose	\$ 33,340,500
19	Sec. 106. CHILDREN'S SERVICES	
20	Full-time equated classified positions..... 92.5	
21	Salaries and wages--29.7 FTE positions	\$ 1,839,600
22	Contractual services, supplies, and materials	928,700
23	Foster care payments	170,361,700
24	Wayne County foster care payments	56,710,500
25	Adoption subsidies	237,375,700
26	Adoption support services--7.7 FTE positions	14,354,700
27	Youth in transition--2.0 FTE positions	13,263,700

1	Interstate compact.....	231,600
2	Children's benefit fund donations.....	21,000
3	Teenage parent counseling--2.3 FTE positions.....	3,815,800
4	Families first.....	16,946,700
5	Child safety and permanency plan.....	16,286,700
6	Strong families/safe children.....	13,395,300
7	Child protection/community partners--18.3 FTE	
8	positions	5,539,400
9	Zero to three.....	3,843,800
10	Family group decision making.....	2,454,700
11	Family reunification program.....	3,977,100
12	Family preservation and prevention services	
13	administration--14.5 FTE positions.....	2,255,300
14	Black child and family institute.....	100,000
15	Children's trust fund administration--9.0 FTE	
16	positions	1,027,300
17	Children's trust fund grants.....	3,825,100
18	ECIC, early childhood investment corporation.....	14,823,000
19	Attorney general contract.....	3,329,300
20	Prosecuting attorney contracts.....	1,061,700
21	Subsidized guardianship program.....	4,575,000
22	Child protection--5.0 FTE positions.....	800,000
23	Child welfare improvements.....	17,813,100
24	Title IV-E compliance and accountability office--4.0	
25	FTE positions	<u>320,000</u>
26	GROSS APPROPRIATION.....	\$ 611,276,500
27	Appropriated from:	

1	Federal revenues:	
2	Total federal revenues.....	337,558,300
3	Special revenue funds:	
4	Private - children's benefit fund donations.....	21,000
5	Private - collections.....	3,100,000
6	Local funds - county chargeback.....	43,669,400
7	Children's trust fund.....	3,801,600
8	State general fund/general purpose.....	\$ 223,126,200
9	Sec. 107. JUVENILE JUSTICE SERVICES	
10	Full-time equated classified positions.....	319.5
11	High security juvenile services--268.0 FTE positions .	\$ 25,996,100
12	Child care fund.....	201,656,200
13	Child care fund administration--5.8 FTE positions	772,300
14	County juvenile officers.....	3,890,400
15	Community support services--2.0 FTE positions.....	1,495,600
16	Juvenile justice field staff, administration and	
17	maintenance--25.0 FTE positions.....	3,429,100
18	Federally funded activities--13.7 FTE positions.....	1,859,500
19	W.J. Maxey memorial fund.....	45,000
20	Juvenile accountability incentive block grant--1.0	
21	FTE positions	1,297,600
22	Committee on juvenile justice administration--4.0	
23	FTE positions	510,300
24	Committee on juvenile justice grants.....	<u>5,000,000</u>
25	GROSS APPROPRIATION.....	\$ 245,952,100
26	Appropriated from:	
27	Federal revenues:	

1	Total federal revenues.....	95,669,700
2	Special revenue funds:	
3	Total private revenues.....	45,000
4	Local funds - state share education funds.....	1,701,500
5	Local funds - county chargeback.....	12,538,500
6	State general fund/general purpose.....	\$ 135,997,400
7	Sec. 108. LOCAL OFFICE STAFF AND OPERATIONS	
8	Full-time equated classified positions.....	7,547.9
9	Field staff, salaries and wages--7,279.1 FTE positions	\$ 370,937,000
10	Contractual services, supplies, and materials.....	17,299,700
11	Medical/psychiatric evaluations.....	4,300,000
12	Donated funds positions--131.0 FTE positions.....	10,769,400
13	Training and program support--49.0 FTE positions.....	7,200,100
14	Food stamp reinvestment--78.8 FTE positions.....	7,343,800
15	Wayne County gifts and bequests.....	100,000
16	Volunteer services and reimbursement.....	1,294,900
17	SSI advocates--10.0 FTE positions.....	888,700
18	SSI pilot project for legal aid society.....	<u>100</u>
19	GROSS APPROPRIATION.....	\$ 420,133,700
20	Appropriated from:	
21	Interdepartmental grant revenues:	
22	Federal revenues:	
23	Total federal revenues.....	245,088,800
24	Special revenue funds:	
25	Local funds - donated funds.....	1,812,000
26	Private funds - donated funds.....	643,900
27	Private funds - Wayne County gifts.....	100,000

1	Private funds - hospital contributions	2,929,700
2	Supplemental security income recoveries	675,200
3	State general fund/general purpose	\$ 168,884,100
4	Sec. 109. DISABILITY DETERMINATION SERVICES	
5	Full-time equated classified positions.....	568.4
6	Disability determination operations--545.9 FTE	
7	positions	\$ 82,346,600
8	Medical consultation program--18.4 FTE positions	2,660,900
9	Retirement disability determination--4.1 FTE positions	<u>827,000</u>
10	GROSS APPROPRIATION.....	\$ 85,834,500
11	Appropriated from:	
12	Interdepartmental grant revenues:	
13	IDG from DMB - office of retirement systems	1,116,000
14	ADJUSTED GROSS APPROPRIATION.....	\$ 84,718,500
15	Appropriated from:	
16	Federal revenues:	
17	Total federal revenues	81,911,500
18	State general fund/general purpose	\$ 2,807,000
19	Sec. 110. CENTRAL SUPPORT ACCOUNTS	
20	Rent.....	\$ 41,581,300
21	Occupancy charge.....	8,910,500
22	Travel.....	5,420,800
23	Equipment.....	277,300
24	Worker's compensation.....	4,259,000
25	Advisory commissions.....	17,900
26	Human resources optimization user charges	652,000
27	Payroll taxes and fringe benefits.....	<u>242,660,600</u>

1	GROSS APPROPRIATION.....	\$	303,779,400
2	Appropriated from:		
3	Federal revenues:		
4	Total federal revenues.....		182,235,100
5	State general fund/general purpose.....	\$	121,544,300
6	Sec. 111. OFFICE OF CHILDREN AND ADULT LICENSING		
7	Full-time equated classified positions.....		213.0
8	AFC, children's welfare and day care		
9	licensure--213.0 FTE positions.....	\$	<u>23,210,300</u>
10	GROSS APPROPRIATION.....	\$	23,210,300
11	Appropriated from:		
12	Federal revenues:		
13	Total federal revenues.....		11,828,600
14	Special revenue funds:		
15	Restricted - licensing fees.....		832,900
16	Restricted - health systems fees and collections.....		499,400
17	State general fund/general purpose.....	\$	10,049,400
18	Sec. 112. PUBLIC ASSISTANCE		
19	Full-time equated classified positions.....		2.9
20	Family independence program.....	\$	352,989,100
21	State disability assistance payments.....		36,369,700
22	Food assistance program benefits.....		1,221,340,900
23	State supplementation.....		58,692,000
24	State supplementation administration.....		2,477,100
25	Low-income home energy assistance program.....		116,451,600
26	Food bank funding.....		525,000
27	Homeless shelter contracts.....		11,646,700

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1	Multicultural assimilation funding.....	1,715,500
2	Indigent burial.....	4,931,900
3	Emergency services local office allocations.....	21,865,500
4	Refugee assistance program--2.9 FTE positions.....	12,715,800
5	Day care services.....	<u>416,153,900</u>
6	GROSS APPROPRIATION.....	\$ 2,257,874,700
7	Appropriated from:	
8	Federal revenues:	
9	Total federal revenues.....	1,727,977,400
10	Special revenue funds:	
11	Child support collections.....	50,911,200
12	Supplemental security income recoveries.....	9,318,300
13	Public assistance recoupment revenue.....	3,610,000
14	State general fund/general purpose.....	\$ 466,057,800
15	Sec. 113. INFORMATION TECHNOLOGY	
16	Information technology services and projects.....	\$ 100,419,600
17	Child support automation.....	<u>53,545,200</u>
18	GROSS APPROPRIATION.....	\$ 153,964,800
19	Appropriated from:	
20	Federal revenues:	
21	Total federal revenues.....	98,163,800
22	State general fund/general purpose.....	\$ 55,801,000
	<<Sec. 114. BUDGETARY SAVINGS	
	Budgetary savings.....	\$ <u>(11,929,600)</u>
	GROSS APPROPRIATION.....	\$ <u>(11,929,600)</u>
	Appropriated from:	
	State general fund/general purpose.....	\$ (11,929,600) >>

23 PART 2
 24 PROVISIONS CONCERNING APPROPRIATIONS
 25 GENERAL SECTIONS

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1 Sec. 201. Pursuant to section 30 of article IX of the state
2 constitution of 1963, total state spending from state resources
3 under part 1 for fiscal year 2007-2008 is <<\$1,324,566,000.00>> and
4 state spending from state resources to be paid to local units of
5 government for fiscal year 2007-2008 is \$123,730,383.00. The
6 itemized statement below identifies appropriations from which
7 spending to local units of government will occur:

8 DEPARTMENT OF HUMAN SERVICES

9 PERMANENCY FOR CHILDREN

10	Child care fund.....	\$	117,930,100
11	County juvenile officers.....		3,570,783
12	OPPORTUNITY FOR ADULTS TO LIVE AND WORK IN THE COMMUNITY		
13	State disability program.....	\$	<u>2,229,500</u>
14	TOTAL.....	\$	123,730,383

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

18 Sec. 203. As used in this act:

- 19 (a) "AFC" means adult foster care.
- 20 (b) "Department" means the department of human services.
- 21 (c) "ECIC" means early childhood investment corporation.
- 22 (d) "FTE" means full-time equated.
- 23 (e) "GED" means general educational development.
- 24 (f) "JET" means jobs, education and training program.
- 25 (g) "RSDI" means retirement survivors disability insurance.
- 26 (h) "SSI" means supplemental security income.
- 27 (i) "Temporary assistance for needy families" or "TANF" or

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1 "title IV-A" means part A of title IV of the social security act,
2 42 USC 601 to 604, 605 to 608, and 609 to 619.

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

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

7 (l) "VA" means veterans affairs.

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

13 <<Sec. 205. (1) A hiring freeze is imposed on the state classified
14 civil service. State departments and agencies are prohibited from hiring
15 employees into the classified state civil service or unclassified
16 positions within the executive branch of state government; creating new
17 positions within the classified state civil service or new unclassified
18 positions; and filling new or existing vacant positions by external hire
19 from outside of state government, transfer or promotion between state
20 departments or agencies, or internal promotions within a department or
21 agency. The hiring freeze described in this section applies regardless of
22 the fund source financing the position but does not apply to appointments
23 required by law.

24 (2) The state budget director may grant exceptions to the hiring
25 freeze if 1 or more of the following apply:

26 (a) The creation of a position or filling a vacant position by
27 any method is required by legal mandate, federal mandate, or court order.

1 (b) The creation of a position or filling a vacant position by any
2 method is necessary to protect the health or safety of Michigan citizens.

3 (c) The creation of a position or filling a vacant position by any
4 method is necessary to produce budgetary savings or to protect existing
state revenue or secure additional state revenue.

(d) The creation of a position or filling a vacant position by any
method is necessary to provide for the basic daily living requirements of
residents of a state institution or facility.

(3) The state budget director shall report quarterly to the
chairpersons of the senate and house of representatives standing
committees on appropriations and the respective fiscal agencies the
number of exceptions to the hiring freeze approved for each state
department or agency during the immediately preceding quarter and the
reasons to justify the exception.

(4) The attorney general and secretary of state may grant
exceptions to the hiring freeze for their respective departments under
the same criteria that the state budget director is able to grant
exceptions.>>

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

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22 representatives appropriations subcommittees and the senate and
23 house fiscal agencies within 9 months.

24 Sec. 208. Unless otherwise specified, the department shall use
25 the Internet to fulfill the reporting requirements of this act.
26 This shall include transmission of reports via electronic mail,
27 including a link to the Internet site, to the recipients identified

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1 for each reporting requirement, or it may include placement of
2 reports on the Internet or Intranet site. On an annual basis, the
3 department shall provide a cumulative listing of the reports to the
4 house and senate appropriations subcommittees and the house and
5 senate fiscal agencies and policy offices.

6 <<Sec. 209. Funds appropriated in part 1 shall not be used for the
7 purchase of foreign goods or services, or both, if competitively priced
8 and of comparable quality American goods or services, or both, are
9 available. Preference should be given to goods or services, or both,
10 manufactured or provided by Michigan businesses, if they are
11 competitively priced and of comparable quality. In addition, preference
12 should be given to goods or services, or both, that are manufactured or
provided by Michigan businesses owned and operated by veterans, if they
are competitively priced and of comparable quality.>>

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

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

26 Sec. 213. (1) The department may retain all of the state's
27 share of food assistance overissuance collections as an offset to

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

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

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

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

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

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

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

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

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

1 allocations within program budgeting line items and within the
2 salaries and wages line items in all appropriation units. The
3 report shall include a listing, by account, dollar amount, and fund
4 source, of salaries and wages; longevity and insurance; retirement;
5 contractual services, supplies, and materials; equipment; travel;
6 and grants within each program line item appropriated for the
7 fiscal year ending September 30, 2008.

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

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

17 Sec. 217. (1) Due to the current budgetary problems in this
18 state, out-of-state travel for the fiscal year ending September 30,
19 2008 shall be limited to situations in which 1 or more of the
20 following conditions apply:

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

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

26 (c) The travel is necessary to produce budgetary savings or to
27 increase state revenues, including protecting existing federal

1 funds or securing additional federal funds.

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

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

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

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

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

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

24 (b) The destination of each travel occurrence.

25 (c) The dates of each travel occurrence.

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

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

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

8 Sec. 218. (1) The department shall prepare an annual report on
9 the TANF federal block grant. The report shall include projected
10 expenditures for the current fiscal year, an accounting of any
11 previous year funds carried forward, and a summary of all
12 interdepartmental or interagency agreements relating to the use of
13 TANF funds. The report shall be forwarded to the state budget
14 director and the house and senate appropriations subcommittees on
15 the department budget and the house and senate fiscal agencies and
16 policy offices within 10 days after presentation of the executive
17 budget.

18 (2) The state budget director shall give prior written notice
19 to the members of the house and senate appropriations subcommittees
20 for the department and to the house and senate fiscal agencies and
21 policy offices of any proposed changes in utilization or
22 distribution of TANF funding or the distribution of TANF
23 maintenance of effort spending relative to the amounts reflected in
24 the annual appropriations acts of all state agencies where TANF
25 funding is appropriated. The written notice shall be given not less
26 than 30 days before any changes being made in the funding
27 allocations. This prior notice requirement also applies to new

1 plans submitted in response to federal TANF reauthorization or
2 replacement by an equivalent federal law.

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

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

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

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

25 Sec. 221. If the revenue collected by the department from
26 private and local sources exceeds the amount spent from amounts
27 appropriated in part 1, the revenue may be carried forward, with

1 approval from the state budget director, into the subsequent fiscal
2 year.

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

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

13 Sec. 225. The department shall develop a rapid redetermination
14 process for nursing home residents whose Medicaid stay is greater
15 than 90 days. This process shall be implemented not later than
16 January 1, 2008.

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

26 Sec. 259. From the funds appropriated in part 1 for
27 information technology, the department shall pay user fees to the

1 department of information technology for technology-related
2 services and projects. Such user fees shall be subject to
3 provisions of an interagency agreement between the department and
4 the department of information technology.

5 Sec. 262. (1) The department, in conjunction with county
6 department of human services boards of directors and the department
7 of management and budget, shall implement a plan to assist local
8 services delivery effectiveness and efficiency by maximizing use of
9 state resources while responding to unique needs in geographic
10 regions of the state. The department shall work with the department
11 of management and budget to reduce unnecessary layers of
12 management, such as zone offices or regional offices that may have
13 assumed their functions before eliminating county offices,
14 particularly when those county office closures would subject
15 clients and residents to lengthy travel in order to meet or consult
16 with their caseworker. Savings resulting from the plan shall be
17 allocated to county offices to fund additional frontline workers.

18 (2) The department shall not close county offices in Presque
19 Isle County or other counties where closure would subject clients
20 to undue travel burdens.

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

24 Sec. 269. If title IV-D-related child support collections are
25 escheated, the state budget director is authorized to adjust the
26 sources of financing for the funds appropriated in part 1 for legal
27 support contracts to reduce federal authorization by 66% of the

1 escheated amount and increase general fund/general purpose
2 authorization by the same amount. This budget adjustment is
3 required to offset the loss of federal revenue due to the escheated
4 amount being counted as title IV-D program income in accordance
5 with federal regulations at 45 CFR 304.50.

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

9 (a) Day care assistance.

10 (b) Family independence program.

11 (c) Adoption subsidy.

12 (d) Foster care.

13 (e) Juvenile justice services.

14 (f) JET pilot program and other welfare reform activities.

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

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

19 (b) Measurable performance indicators for each program.

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

23 (d) Monitored results for each program.

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

26 (3) During the annual budget presentation, the department
27 shall provide the senate and house appropriations subcommittees on

1 the department budget the information listed in subsection (2).

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

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

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

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

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

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

26 (e) A summary of the 7 data outcome indicators used to
27 determine the state's compliance with the adoption and safe

1 families act of 1997, Public Law 105-89, 111 Stat. 2115, including
2 the length of time required to achieve family reunification for
3 foster care cases.

4 (f) Federal recommendations made to the state, including
5 recommendations to the courts.

6 (g) Federal penalties assessed against the state for
7 noncompliance.

8 (h) Status of the performance improvement plan submitted to
9 the federal government.

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

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

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

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

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

6 (d) Recommendations for better compliance with federal
7 standards and increased eligibility for federal money made by a
8 department workgroup composed of representatives from the
9 department and other departments and agencies.

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

12 (f) Federal penalties assessed against the state.

13 (g) Changes in policies or practices resulting in additional
14 federal money, and how much additional federal money was received.

15 (h) Any federal warnings or notices of potential sanctions or
16 penalties that may be imposed unless corrective state action is
17 taken.

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

19 Sec. 273. (1) On a timely basis, the department shall report
20 to the senate and house standing committees on human services and
21 the senate and house appropriations subcommittees with oversight on
22 the department budget regarding policy changes made to implement
23 the provisions of enacted legislation, including the annual
24 appropriation for the department budget.

25 (2) Not later than July 1, 2008, the department shall report
26 to the senate and house appropriations subcommittees on the
27 department budget, the senate and house fiscal agencies and policy

1 offices, and the state budget director with copies of the annual
2 regulatory plan submitted to the state office of administrative
3 hearings and rules according to section 53 of the administrative
4 procedures act of 1969, 1969 PA 306, MCL 24.253.

5 (3) Money for preparation of the regulatory plan shall be
6 provided solely in section 102 of the funds appropriated in part 1.
7 Money appropriated in part 1 shall not be used to prepare a
8 regulatory plan or promulgate rules that exceed statutory authority
9 granted to the department. If the department fails to comply with
10 the provisions of section 39(1) of the administrative procedures
11 act of 1969, 1969 PA 306, MCL 24.239, no funds shall be expended
12 for further preparation of that regulatory plan or the promulgation
13 of rules for that regulatory plan.

14 (4) Money appropriated in part 1 shall not be used to prepare
15 a regulatory plan or promulgate rules that fail to reduce the
16 disproportionate economic impact on small businesses as required in
17 section 40 of the administrative procedures act of 1969, 1969 PA
18 306, MCL 24.240.

19 (5) Money appropriated in part 1 shall not be used to prepare
20 a regulatory plan or promulgate rules that grant preferences to
21 private providers of services based on whether that private
22 provider has a collective bargaining agreement with its workers.

23 Sec. 278. (1) The department shall contract with 1 or more
24 private consulting firms for revenue maximization services for all
25 caseload services currently provided by the department, including
26 services expanded such as the SSI advocacy program. A contract
27 under this section shall specify that the contractor locate waste,

1 fraud, error, and abuse within the department's services and
2 programs.

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

8 (3) The department shall retain up to \$7,500,000.00 of savings
9 achieved through the revenue maximization services contract as an
10 offset to general fund/general purpose costs. Additional savings
11 shall be allocated within the department for the following
12 purposes:

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

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

16 (4) The department shall provide a report to the senate and
17 house appropriations subcommittees on the department budget, senate
18 and house standing committees on human services matters, senate and
19 house fiscal agencies and policy offices, and state budget director
20 by December 31, 2007 on the waste, fraud, error, and abuse located
21 under subsection (1). By April 1, 2008, the department shall
22 provide a progress report including the specific changes
23 implemented to achieve savings under this section and the timetable
24 for implementation of the remaining changes.

25 Sec. 279. All contracts relating to human services entered
26 into or renewed by the department on or after October 1, 2007 shall
27 be performance-based contracts that employ a client-centered

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1 results-oriented process that is based on measurable performance
2 indicators and desired outcomes and includes the annual assessment
3 of the quality of services provided. During the annual budget
4 presentation, the department shall provide the senate and house
5 appropriations subcommittees on the department budget with the
6 measurable performance indicators, desired outcomes, and the
7 assessment of the quality of services provided for each contract
8 relating to human services entered into by the department during
9 fiscal year 2007-2008.

10 Sec. 280. The department shall submit a report to the house
11 and senate appropriations subcommittees for the department budget,
12 the house and senate fiscal agencies, the house and senate policy
13 offices, and the state budget director by February 1, 2008 on the
14 status of the department's information technology improvement
15 initiatives, including the "Bridges" integration project. The
16 report shall include details on the following:

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

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

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

<<Sec. 281. Appropriation authorization adjustments required due to
negative appropriations for budgetary savings shall be made only after
the approval of transfers by the legislature under section 393(2) of the
management and budget act, 1984 PA 431, MCL 18.1393.>>

25 **COMMUNITY ACTION AND ECONOMIC OPPORTUNITY**

26 Sec. 301. Not later than September 30 of each year, the

1 department shall submit for public hearing to the chairpersons of
2 the house and senate appropriations subcommittees dealing with
3 appropriations for the department budget the proposed use and
4 distribution plan for community services block grant funds
5 appropriated in part 1 for the succeeding fiscal year.

6 Sec. 302. The department shall develop a plan based on
7 recommendations from the department of civil rights and from Native
8 American organizations to assure that the community services block
9 grant funds are equitably distributed. The plan must be developed
10 by October 31, 2007, and the plan shall be delivered to the
11 appropriations subcommittees on the department budget in the senate
12 and house, the senate and house fiscal agencies, and the state
13 budget director.

14 Sec. 303. (1) From the money appropriated in part 1, the
15 department shall award up to \$500,000.00 in competitive grants to
16 organizations based on their education and outreach with the earned
17 income tax credit (EITC). Organizations shall be given preference
18 based on their emphasis on clients who have never filed for the
19 EITC, clients with children, and clients for whom receipt of the
20 EITC will make it easier for them to move off public assistance.

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

26 Sec. 304. From funds appropriated in part 1 for demonstration
27 projects, the department shall expend up to \$78,500.00 in TANF to

1 fund a school-based crisis intervention demonstration project in
2 Pontiac.

3 Sec. 305. (1) The appropriation in part 1 for the
4 weatherization program shall be expended so that at least 25% of
5 the households weatherized under the program shall be households of
6 families receiving 1 or more of the following:

7 (a) Family independence program assistance.

8 (b) State disability assistance.

9 (c) Food assistance.

10 (d) Supplemental security income.

11 (2) From the money appropriated in part 1 for low-income home
12 energy assistance program, \$3,000,000.00 shall be allocated to
13 community action agencies for weatherization services.

14 Sec. 306. Of the funds appropriated in part 1 for
15 demonstration projects, the department shall allocate \$200,000.00
16 to support the kinship care resource center administered by the
17 Michigan state university school of social work. Funding is
18 contingent upon the center's reporting of necessary data to the
19 department to demonstrate TANF or maintenance of effort
20 eligibility. The center shall submit quarterly reports to the
21 department detailing expenditures from this appropriation and
22 reviewing program outcomes including the number of families served
23 through counseling, respite care, and other services as well as the
24 number provided with information on kinship care. The department
25 shall submit each quarterly report to the house and senate
26 appropriations subcommittees on the department budget by January
27 15, April 15, July 15, and October 15 of each year.

1 Sec. 307. (1) Of the money appropriated in part 1 for
2 demonstration projects, \$100,000.00 shall be distributed as
3 provided in subsection (2). The amount distributed under this
4 subsection shall not exceed 50% of the total operating expenses of
5 the program described in subsection (2), with the remaining 50%
6 paid by local United Way organizations and other nonprofit
7 organizations and foundations.

8 (2) Money distributed under subsection (1) shall be
9 distributed to Michigan 2-1-1, a nonprofit corporation organized
10 under the laws of this state that is exempt from federal income tax
11 under section 501(c)(3) of the internal revenue code, 26 USC
12 501(c)(3), and whose mission is to coordinate and support a
13 statewide 2-1-1 system. Michigan 2-1-1 shall use the money only to
14 fulfill the Michigan 2-1-1 business plan adopted by Michigan 2-1-1
15 in January 2005.

16 (3) Michigan 2-1-1 shall report annually to the department and
17 the house and senate standing committees with primary jurisdiction
18 over matters relating to human services and telecommunications on
19 2-1-1 system performance, including, but not limited to, call
20 volume by community health and human service needs and unmet needs
21 identified through caller data and customer satisfaction metrics.

22 ADULT AND FAMILY SERVICES

23 Sec. 415. (1) In expending money appropriated in part 1 for
24 the fatherhood initiative, the department may contract with
25 independent contractors from various counties, including, but not
26 limited to, faith-based and nonprofit organizations. The

1 independent contractors shall provide at least 10% in matching
2 funds, through any combination of local, state, or federal funds or
3 in-kind or other donations. An independent contractor that cannot
4 secure matching funds shall not be excluded from consideration for
5 the fatherhood program.

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

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

25 (4) The department is authorized to make allocations of TANF
26 funds, of not more than 20% per county, under this section only to
27 agencies that report necessary data to the department for the

1 purpose of meeting TANF eligibility reporting requirements.

2 (5) Upon receipt of any available federal or restricted funds,
3 the department shall use the program criteria set forth in
4 subsection (3) to implement the program with the federal funds.

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

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

21 (3) A marriage initiative program established under this
22 section may include, but is not limited to, 1 or more of the
23 following: public advertising campaigns on the value of marriage
24 and the skills needed to increase marital stability and health;
25 education in high schools on the value of marriage, relationship
26 skills, and budgeting; premarital, marital, family, and domestic
27 violence counseling; effective communication; marriage mentoring

1 programs which use married couples as role models and mentors in
2 at-risk communities; anger management; and parenting skills to
3 improve the family structure.

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

8 (5) Upon receipt of any available federal or restricted funds,
9 the department shall use the program criteria set forth in
10 subsection (3) to implement the program with the federal funds.

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

1 investment in home ownership, postsecondary education, small
2 business development, or a combination of those programs.

3 Sec. 419. The department in collaboration with the Michigan
4 State University center for urban affairs and its partner
5 organizations, the Michigan credit union league and the national
6 federation of community development credit unions, shall further
7 the work begun in fiscal year 1999-2000 that implemented the
8 individual development accounts programs in the growing number of
9 low-income designated credit unions, i.e., community development
10 credit unions (CDCUs) located in this state's poorest communities.
11 This further work will extend capacity-building and technical
12 assistance services to existing and emerging CDCUs serving low-
13 income populations and will include:

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

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

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

1 Sec. 420. From the funds appropriated in part 1 for employment
2 and training support services, the department may allocate
3 \$40,000.00 in TANF for welfare to career innovation grants to
4 replicate the Kent County model with Cascade engineering.

5 Sec. 423. (1) From the money appropriated in part 1 for crisis
6 prevention and senior food aid projects, the department shall
7 allocate \$75,000.00 to support ongoing efforts in Barry County to
8 provide programs to women or children, or both, facing crisis
9 situations as a result of domestic violence or abuse.

10 (2) From the money appropriated in part 1 for crisis
11 prevention and senior food aid projects, the department shall
12 allocate not less than \$70,000.00 to assist this state's elderly
13 population to participate in the food assistance program. The money
14 may be used as state matching funds to acquire available United
15 States department of agriculture funding to provide outreach
16 program activities, such as eligibility screen and information
17 services, as part of a statewide food stamp hotline.

18 (3) Of the funds appropriated in part 1 for crisis prevention
19 and senior food aid projects, the department shall allocate
20 \$25,000.00 for a food aid outreach project in Muskegon County and
21 \$25,000.00 for a food aid outreach project in Kent County.

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

1 **CHILDREN'S SERVICES**

2 Sec. 501. The following goal is established by state law.
3 During fiscal year 2007-2008, not more than 3,000 children
4 supervised by the department shall remain in foster care longer
5 than 24 months. The department shall give priority to reducing the
6 number of children under 1 year of age in foster care. During the
7 annual budget presentation, the department shall report on the
8 number of children supervised by the department and by private
9 agencies who remain in foster care between 12 and 24 months, and
10 those who remain in foster care longer than 24 months.

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

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

19 (a) Has not yet graduated from high school or passed a high
20 school equivalency examination.

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

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

23 (d) Is not eligible for federal supplemental security income
24 (SSI) payments.

25 Sec. 504. The department's ability to satisfy appropriation
26 deducts in part 1 for foster care private collections shall not be
27 limited to collections and accruals pertaining to services provided

1 only in the current fiscal year but shall include revenues
2 collected during the fiscal year in excess of the amount specified
3 in part 1.

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

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

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

22 (4) The department and the child abuse and neglect prevention
23 board shall collaborate to ensure administrative delays are avoided
24 and the local grant recipients and direct service providers receive
25 money in an expeditious manner. The department and the board shall
26 seek to have the children's trust fund grants distributed no later
27 than October 31, 2007.

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

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

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

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

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

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

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

27 (b) The out-of-state facility meets all of the licensing

1 standards of this state for a comparable facility.

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

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

8 (2) The department shall submit a report by February 1 of each
9 year on the number of children who were newly placed in out-of-
10 state facilities during the previous fiscal year, the number of
11 Michigan children residing in such facilities at the time of the
12 report, and the total cost and average per diem cost of these out-
13 of-state placements to the state.

14 Sec. 514. The department shall make a comprehensive report
15 concerning children's protective services (CPS) to the legislature,
16 including the senate and house policy offices and the state budget
17 director, by January 1, 2008, that shall include all of the
18 following:

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

21 (i) The total number of reports of abuse or neglect
22 investigated under the child protection law, 1975 PA 238, MCL
23 722.621 to 722.638, and the number of cases classified under
24 category I or category II and the number of cases classified under
25 category III, category IV, or category V.

26 (ii) Characteristics of perpetrators of abuse or neglect and
27 the child victims, such as age, relationship, socioeconomic status,

1 race, and ethnicity and whether the perpetrator exposed the child
2 victim to criminal drug activity, including the manufacture of
3 illicit drugs, that exposed the child victim to significant health
4 and environmental hazards.

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

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

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

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

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

24 Sec. 515. (1) From the money appropriated in part 1 for foster
25 care payments and Wayne County foster care payments and related
26 administrative costs, the department shall use performance-based
27 contracts for foster care services with private, nonprofit agencies

1 and other service providers that provided satisfactory services
2 under contract before January 1, 2007. The goal of these contracts
3 shall be to provide incentives for agencies to improve services for
4 children in foster care, but especially to improve the process of
5 finding them quality permanent placements, and reducing their time
6 as foster children. Not later than March 30, 2008, the department
7 shall provide an update to the senate and house appropriations
8 subcommittees on the department budget, the senate and house fiscal
9 agencies and policy offices, and the office of the state budget on
10 benchmarks developed in conjunction with private providers for
11 these performance contracts, results agencies have achieved in
12 improving permanency placements, and recommendations for further
13 improvements for foster care services across the entire state.

14 (2) Performance-based contracts under subsection (1) shall
15 include the following:

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

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

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

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

26 (e) Service providers shall designate a specific court and
27 county liaison to respond to performance problems and concerns

1 about specific caseworkers and services. The liaisons shall be
2 identified to all courts and counties where services are provided
3 and shall be readily accessible to judges and chief administrative
4 officers.

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

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

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

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

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

23 (b) Improve parent/child interaction.

24 (c) Promote access to needed community services.

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

26 (e) Improve school readiness.

27 (f) Support healthy family environments that discourage

1 alcohol, tobacco, and other drug use.

2 (3) The appropriation provided for in subsection (2) is to
3 fund secondary prevention programs as defined in the children's
4 trust fund's preapplication materials for fiscal year 2007-2008
5 direct services grants.

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

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

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

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

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

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

24 Sec. 523. (1) From the funds appropriated in part 1 for youth
25 in transition, domestic violence prevention and treatment, and
26 teenage parent counseling, the department is authorized to make
27 allocations of TANF funds only to the agencies that report

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

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

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

7 (i) The number of teen participants having fewer repeat
8 pregnancies.

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

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

11 (iv) The number of father participants.

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

14 (i) Adult supervised, supportive living arrangements.

15 (ii) Pregnancy prevention services or referrals.

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

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

21 (v) Parenting and life-skills training.

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

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

24 (viii) Instruction on self-protection.

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

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

6 (a) The average cost per recipient served.

7 (b) Measurable performance indicators.

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

11 (d) Monitored results.

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

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

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

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

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

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

1 (d) Specify that the local unit of government is responsible
2 for meeting all federal title IV-E regulation requirements.

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

7 Sec. 532. (1) The department, in collaboration with
8 representatives of private child and family agencies, shall revise
9 and improve the annual licensing review process and the annual
10 contract compliance review process for child placing agencies and
11 child caring institutions. The improvement goals shall be safety
12 and care for children. Improvements to the review process shall be
13 directed toward alleviating administrative burdens so that agency
14 resources may be focused on children. The revision shall include
15 identification of duplicative staff activities and information
16 sought from child placing agencies and child caring institutions in
17 the annual review process.

18 (2) The department shall develop a streamlined licensing
19 contract compliance review process where possible, including
20 potential for utilizing deeming status for nationally accredited
21 child placing agencies. The department shall report to the senate
22 and house appropriations subcommittees on the department budget,
23 the senate and house fiscal agencies and policy offices, and the
24 state budget director on or before January 15, 2008 on the
25 implementation of the licensing and contract compliance review
26 process.

27 (3) The department shall develop a plan to license placements

1 of foster children living with relatives to ensure consistent high
2 standards of care for those children. The department shall report
3 on the plan to the senate and house appropriations subcommittees
4 with oversight over the department budget, the senate and house
5 standing policy committees generally concerned with children's
6 issues, the senate and house fiscal agencies and policy offices,
7 and the state budget director during the annual budget process.

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

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

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

18 Sec. 537. (1) The well-being of the individual foster child in
19 a safe and secure environment shall be the highest priority for all
20 placements.

21 (2) The department, in conjunction with private, nonprofit
22 child placing agencies and other service providers that provided
23 satisfactory services under contract before January 1, 2007, shall
24 develop goals, objectives, and performance standards to evaluate
25 achievements and results in providing quality foster care for
26 children, reductions in their time in foster care, and better
27 permanency placements.

1 (3) The department shall submit a report to the senate and
2 house appropriations subcommittees with oversight over the
3 department budget, the senate and house standing policy committees
4 generally concerned with children's issues, the senate and house
5 fiscal agencies and policy offices, and the state budget director
6 on the goals, objectives, and performance standards developed under
7 subsection (2) and the results or outcomes of using the measures.
8 The report shall be submitted during the annual budget
9 presentations.

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

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

1 placements, shelter placements, and other options.

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

5 (2) Not later than January 15, 2008, the department shall
6 report to the senate and house appropriations subcommittees for the
7 department budget, the standing committees of the senate and the
8 house of representatives with primary jurisdiction over children's
9 issues, and the senate and house fiscal agencies and policy offices
10 on new services available to foster children needing special
11 services. If new services have not been authorized or implemented
12 in the previous calendar year, the department shall provide an
13 explanation and a strategic plan to work with private child placing
14 agencies to provide new services.

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

20 Sec. 546. From the money appropriated in part 1 for foster
21 care and Wayne County foster care payments, the department shall
22 pay private nonprofit agencies for new direct foster care services
23 a daily rate of \$27.00.

24 Sec. 548. During the annual budget presentation to the house
25 and senate appropriations subcommittees on the department budget,
26 the department shall report on progress in implementing the
27 recommendations of the task force that studied the disproportionate

1 representation of African-American and other children of color in
2 the child welfare and juvenile justice systems as required under
3 former section 548 of the fiscal year 2005-2006 budget act for the
4 department.

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

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

15 (a) A description of how the department is complying with
16 federal requirements to notify prospective adoptive parents about
17 adoption subsidies for which those prospective adoptive parents may
18 qualify.

19 (b) The number of requests received by the department from
20 adoptive parents for funds or reimbursement of costs to attend
21 conferences that include training or discussion of significant
22 adoption issues.

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

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

27 (e) The total amount of money expended on the requests

1 described in subdivision (b) that were approved.

2 (f) The number of fair hearing requests from adoptive parents
3 received by the department challenging the amount of the adoption
4 subsidy.

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

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

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

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

17 Sec. 560. Of the amount appropriated in section 108 of part 1
18 for contractual services, supplies, and materials, the department
19 shall expend \$350,000.00 to equip current and new child protective
20 services workers with digital audio/video recorders. All district
21 offices shall have at least 1 digital audio/video recorder. All
22 current and future child protective services workers shall be
23 trained in the use of the digital audio/video recorders. Child
24 protective services workers shall use digital audio/video recorders
25 during their investigations if a public safety officer is not
26 present. It is the intent of the legislature that the use of these
27 recorders will safeguard the information discovered during an

1 investigation for future use in judicial procedures, documentation
2 of child abuse and neglect, and removal of children from a home.

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

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

12 Sec. 563. From the funds appropriated in part 1 for foster
13 care payments and related administrative costs, the department may
14 implement the federally approved title IV-E demonstration project
15 waiver.

16 Sec. 565. (1) From the funds appropriated in part 1 for
17 federally-funded family preservation programs, the department shall
18 allocate \$2,000,000.00 to Wayne County to provide home-based
19 programs as part of the county expansion of community-based
20 services to serve the county's adjudicated delinquent and abused
21 and neglected youth.

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

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

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

8 Sec. 566. (1) Beginning October 1, 2007, for children who do
9 not have a placement available with a licensed foster care
10 provider, direct foster care services shall be provided under
11 contract with the department by licensed, nonprofit, nationally
12 accredited child placing agencies and other service providers that
13 provided satisfactory services under contract before January 1,
14 2007.

15 (2) Beginning October 1, 2007, the department shall be
16 responsible for oversight, licensure, and purchase of services for
17 direct foster care for children. The department may also provide
18 direct service and monitoring for children who have been placed
19 with a relative in an unlicensed foster care setting.

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

23 Sec. 567. (1) The department shall review all policies,
24 practices, and definitions for residential treatment security
25 levels. The department shall give special consideration to how the
26 levels affect the eligibility for title IV-E funding of residential
27 facilities for both child welfare and juvenile justice youth and

1 whether the policies, practices, and definitions are consistent
2 with federal title IV-E regulations, with the goal of maximizing
3 the amount of federal money available to this state.

4 (2) In making its review under subsection (1), the department
5 shall research the policies and practices of other states,
6 including Ohio and Virginia, to determine how the states are able
7 to maximize title IV-E money while complying with federal
8 regulations.

9 Sec. 568. (1) From the money appropriated in part 1 for child
10 welfare improvements, the department shall allow the private sector
11 to compete for all of the money and shall award not less than 50%
12 of the money unless doing so will jeopardize federal funding. In
13 providing and contracting for services for child welfare
14 improvements, the department shall implement specific performance
15 objectives and measurable outcomes that will achieve permanency
16 placement for children in foster care and prioritize funding for
17 children in foster care who have barriers to permanency placement.

18 (2) Beginning December 31, 2007, the department shall submit a
19 quarterly report to the legislature that includes all of the
20 following:

21 (a) Information on the number of FTEs that are hired or paid
22 using money from part 1 appropriated for child welfare
23 improvements, what their titles and responsibilities will be, what
24 performance objectives and measurable outcomes they are required to
25 satisfy, and what they are being paid in salaries, wages, and
26 fringe benefits.

27 (b) Information on any contracts for services that have been

1 awarded with money from part 1 for child welfare improvements and
2 the performance objectives and measurable outcomes that are
3 incorporated in those contracts and the successes or failures that
4 are achieved as a result.

5 (c) Detailed information on any money spent from the money
6 appropriated in part 1 for child welfare improvements and what
7 measurable outcome is expected for the money being spent.

8 Sec. 569. Private child placing agencies shall ensure
9 availability and continuity of care in all counties within this
10 state. To accomplish this, private child placing agencies shall
11 individually or collaboratively fund programs or institutions
12 dedicated to providing service in specific counties or regions or
13 both. A stated goal shall be to facilitate placement options within
14 each county that are consistent with the tenets of family
15 reunification.

16 Sec. 570. (1) From the money appropriated in part 1 for the
17 subsidized guardianship program, the department shall provide
18 subsidies only if a court has found by clear and convincing
19 evidence that 1 or more of the factors in section 19b of chapter
20 XIIIA of the probate code of 1939, 1939 PA 288, MCL 712A.19b, is
21 present with respect to a child for whom a subsidized guardianship
22 is proposed.

23 (2) The department shall report during the annual budget
24 presentation to the senate and house appropriations subcommittees
25 on the department budget the number of guardianship subsidies and
26 recommendations for any modifications in the subsidized
27 guardianship program.

1 Sec. 571. From the money appropriated in part 1 for the title
2 IV-E compliance and accountability office, the department shall
3 establish an office with the following goals and responsibilities:

4 (a) Coordinate compliance with federal regulations in order to
5 receive title IV-E money.

6 (b) Provide necessary technical assistance to local units of
7 government, including courts, to ensure proper handling of cases
8 and paperwork in preparation for federal audits and reviews.

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

12 (d) Coordinate a program to incentivize private persons,
13 groups, and corporations to make tax-deductible contributions
14 intended to assist foster care families to overcome barriers to
15 becoming licensed and eligible to receive title IV-E money.

16 Sec. 572. (1) Of the funds appropriated in part 1 for child
17 services reorganization, results and improvement, the department
18 shall allocate \$100,000.00 to foster family incentive grants to
19 private and community-based foster service providers. The purpose
20 of these grants shall be to encourage pilot projects that encourage
21 more families to become or remain foster families.

22 (2) The grants described in subsection (1) shall be used for
23 programs providing 1 or more of the following incentives to foster
24 families as part of their agreement to provide foster care:

25 (a) Provision of smoking cessation products or counseling to
26 encourage foster families not to smoke.

27 (b) Assistance in establishing individual development accounts

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1 for the purposes allowed in state law.

2 (c) Participation in wellness or health lifestyle programs
3 offered through private insurance or health maintenance
4 organizations.

5 (d) Assistance with home improvements necessary to accommodate
6 foster children or foster children with special needs.

7 (3) Foster service providers shall be encouraged to
8 collaborate with each other, with private interests such as
9 insurance providers, and with nonprofit or government programs such
10 as prison build in the department of corrections to develop
11 innovative ways to meet specific needs of foster families.

<<Sec. 573. From the money appropriated in part 1, the department shall allow a community collaborative to use strong families safe children program funds for a prevention program that meets standards agreed upon between the community collaborative and county department offices in accordance with federal regulations regarding expenditure of strong families safe children program funds.>>

12 **PUBLIC ASSISTANCE**

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

24 (2) Whenever a client agrees to the release of his or her name
25 and address to the local housing authority, the department shall
26 request from the local housing authority information regarding

1 whether the housing unit for which vendoring has been requested
2 meets applicable local housing codes. Vendoring shall be terminated
3 for those units that the local authority indicates in writing do
4 not meet local housing codes until such time as the local authority
5 indicates in writing that local housing codes have been met.

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

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

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

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

24 Sec. 604. (1) The department shall operate a state disability
25 assistance program. Except as provided in subsection (3), persons
26 eligible for this program shall include needy citizens of the
27 United States or aliens exempted from the supplemental security

1 income citizenship requirement who are at least 18 years of age or
2 emancipated minors meeting 1 or more of the following requirements:

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

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

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

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

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

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

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

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

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

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

27 (3) Except for a person described in subsection (1)(c) or (d),

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

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

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

25 Sec. 606. County department offices shall require each
26 recipient of state disability assistance who has applied with the
27 social security administration for supplemental security income to

1 sign a contract to repay any assistance rendered through the state
2 disability assistance program upon receipt of retroactive
3 supplemental security income benefits.

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

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

24 Sec. 609. The state supplementation level under the
25 supplemental security income program for the personal care/adult
26 foster care and home for the aged categories shall not be reduced
27 during the fiscal year beginning October 1, 2007 and ending

1 September 30, 2008. The legislature shall be notified not less than
2 30 days before any proposed reduction in the state supplementation
3 level.

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

8 Sec. 611. (1) A provider of indigent burial services may
9 collect additional payment from relatives or other persons on
10 behalf of the deceased if the total additional payment does not
11 exceed \$4,000.00.

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

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

20 Sec. 613. (1) From the money appropriated in part 1 for
21 indigent burial services, the maximum reimbursement for an indigent
22 burial shall be \$759.00. The reimbursement shall be \$485.00 for the
23 funeral director, \$162.00 for the cemetery or crematorium, and
24 \$112.00 for the provider of the vault.

25 (2) The department shall work with funeral directors to
26 establish a regional or statewide pilot program that allows
27 flexibility in payments from the family of the deceased and other

1 resources to provide options for different funeral arrangements and
2 payment. The department may deviate from the payment limits
3 established in subsection (1) and section 611 in making payments
4 under the pilot program. The department shall forward a copy of the
5 pilot program plan to the senate and house of representatives
6 appropriations subcommittees with jurisdiction over the department
7 budget not less than 30 days before it is implemented.

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

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

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

24 Sec. 618. The department may only reduce, terminate, or
25 suspend assistance provided under the social welfare act, 1939 PA
26 280, MCL 400.1 to 400.119b, without prior notice in 1 or more of
27 the following situations:

1 (a) The only eligible recipient has died.

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

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

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

8 (e) A recipient has been approved to receive assistance in
9 another state.

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

12 (g) The only eligible recipient in the household has been
13 incarcerated.

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

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

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

19 (k) A recipient is disqualified for intentional program
20 violation.

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

23 Sec. 619. The department shall exempt from the denial of title
24 IV-A assistance and food assistance benefits, contained in 21 USC
25 862a, any individual who has been convicted of a felony that
26 included the possession, use, or distribution of a controlled
27 substance, after August 22, 1996, provided that the individual is

1 not in violation of his or her probation or parole requirements.

2 Benefits shall be provided to such individuals as follows:

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

5 (b) An authorized representative shall be required for food
6 assistance receipt.

7 Sec. 620. The department with the approval of the state budget
8 director is authorized to increase federal spending authority for
9 food assistance program benefits if projected caseload spending
10 will exceed the spending authority in part 1. This authorization
11 adjustment shall be made 15 days after notifying the chairs of the
12 house and senate appropriations subcommittees on the department
13 budget and house and senate fiscal agencies.

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

18 Sec. 627. From the funds appropriated in part 1 for the ECIC,
19 the department shall contract for the creation and support of great
20 start communities. Great start collaborative grants will be awarded
21 by competitive bid process to eligible intermediate school
22 districts in an amount to be determined by ECIC. The ECIC shall
23 provide technical assistance to great start communities through
24 intermediate school districts or other community agencies for the
25 implementation of their great start community needs assessment and
26 strategic plan.

27 Sec. 631. The department shall maintain policies and

1 procedures to achieve all of the following:

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

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

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

13 Sec. 635. Within 24 hours of receiving all information
14 necessary to process an application for payments for child day
15 care, the department shall determine whether the child day care
16 provider to whom the payments, if approved, would be made, is
17 listed on the child abuse and neglect central registry. If the
18 provider is listed on the central registry, the department shall
19 immediately send written notice denying the applicant's request for
20 child day care payments.

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

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

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

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

21 Sec. 653. From the funds appropriated in part 1 for food
22 assistance, an individual who is the victim of domestic violence
23 and does not qualify for any other exemption may be exempt from the
24 3-month in 36-month limit on receiving food assistance under 7 USC
25 2015. This exemption can be extended an additional 3 months upon
26 demonstration of continuing need.

27 Sec. 657. (1) The department shall fund a statewide before- or

1 after-school program to provide youth with a safe, engaging
2 environment to motivate and inspire learning outside the
3 traditional classroom setting. Before- or after-school program
4 eligibility is limited to geographic areas near school buildings
5 that do not meet federal no child left behind annual yearly
6 progress (AYP) requirements and that include the before- or after-
7 school programs in the AYP plans as a means to improve outcomes.
8 Before-school programs are limited to elementary school-aged
9 children. Effective before- or after-school programs combine
10 academic, enrichment, and recreation activities to guide learning
11 and inspire children and youth in various activities. The before-
12 or after-school programs can meet the needs of the communities
13 served by the programs.

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

22 (3) The department shall, through a competitive bid process,
23 provide grants or contracts up to \$5,000,000.00 in TANF funds for
24 the program based on community needs. A county shall receive no
25 more than 20% of the funds appropriated in part 1 for this program.
26 From the funds appropriated in part 1 for before- or after-school
27 programs within day care services, the department is authorized to

1 make allocations of funds only to the agencies that report
2 necessary data to the department for the purpose of meeting TANF
3 and maintenance of effort eligibility reporting requirements. The
4 use of funds under this section should not be considered an ongoing
5 commitment of funding.

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

9 (a) Abstinence-based pregnancy prevention.

10 (b) Chemical abuse and dependency including nonmedical
11 services.

12 (c) Gang violence prevention.

13 (d) Preparation toward future self-sufficiency.

14 (e) Leadership development.

15 (f) Case management or mentoring.

16 (g) Parental involvement.

17 (h) Anger management.

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

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

1 (7) By January 30, 2008, the department before- or after-
2 school program expenditures shall be audited and the department
3 shall work in collaboration with independent contractors to provide
4 a report on the before- or after-school program to the senate and
5 house standing committees dealing with human services, the senate
6 and house appropriations subcommittees for the department budget,
7 the senate and house fiscal agencies, and the senate and house
8 policy offices. The report shall include the number of participants
9 and the average cost per participant, as well as changes noted in
10 program participants in any of the following categories:

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

17 Sec. 658. From the funds appropriated in part 1 for day care
18 services, \$126,500.00 in TANF funds shall be allocated to Grand
19 Rapids youth commonwealth to support after-school and summer
20 programs at camp O'Malley. As a condition for receiving funds,
21 Grand Rapids youth commonwealth shall comply with all policies and
22 reporting requirements placed on recipients of before- and after-
23 school grants awarded under section 657.

24 Sec. 660. From the funds appropriated in part 1 for food bank
25 funding, the department is authorized to make allocations of TANF
26 funds only to the agencies that report necessary data to the
27 department for the purpose of meeting TANF eligibility reporting

1 requirements. The agencies that do not report necessary data to the
2 department for the purpose of meeting TANF eligibility reporting
3 requirements will not receive allocations in excess of those
4 received in fiscal year 2000. The use of TANF funds under this
5 section should not be considered an ongoing commitment of funding.

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

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

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

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

24 (3) The department shall grant priority in funding to programs
25 that provide at least 10% in matching funds. The matching funds
26 requirement shall be fulfilled through any combination of local,
27 state, or federal funds or in-kind or other donations. A program

1 that cannot meet the matching requirement shall not be excluded
2 from applying for a contract.

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

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

8 Sec. 670. The funds appropriated in part 1 for kinship care in
9 the fiscal year ending September 30, 2008 reflect the legislature's
10 commitment to reduce the benefit discrepancy between kinship care
11 and a similar family size within the family independence program
12 (FIP). The legislature recognizes the commitment of relatives to
13 provide family continuity, nurturance, and care for this special
14 population of children who can no longer remain in their parents'
15 care due to abuse, neglect, or other social problems.

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

20 Sec. 674. The department shall develop and implement a plan to
21 reduce waste, fraud, and abuse within the child day care program.
22 Beginning December 31, 2007, the department shall report annually
23 to the senate and house appropriations subcommittees for the
24 department budget, the senate and house fiscal agencies and policy
25 offices, and the state budget director on plan details and
26 implementation status.

27 Sec. 676. (1) The department shall collaborate with the state

1 board of education to extend the duration of the Michigan after-
2 school partnership and oversee its efforts to implement the policy
3 recommendations and strategic next steps identified in the Michigan
4 after-school initiative's report of December 15, 2003.

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

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

19 Sec. 677. The department shall establish a state goal for the
20 percentage of family independence program (FIP) cases involved in
21 employment activities. The percentage established shall not be less
22 than 50%. On a monthly basis, the department shall report to the
23 senate and house appropriations subcommittees on the department
24 budget, the senate and house fiscal agencies and policy offices,
25 and the state budget director on the current percentage of FIP
26 cases involved in employment activities and the current percentage
27 of JET pilot program cases involved in employment activities. If

1 the FIP case percentage is below the goal for more than 2
2 consecutive quarters, the department shall develop a plan to
3 increase the percentage of FIP cases involved in employment-related
4 activities. The department shall deliver the plan during the next
5 annual budget presentation to the senate and house appropriations
6 subcommittees on the department budget.

7 Sec. 678. (1) The department shall provide the house and
8 senate appropriations subcommittees on the department budget with
9 an annual report on the activities of the ECIC. The report is due
10 by February 1 of each year and shall contain at least the detail of
11 the amounts of grants awarded, the grant recipients, the activities
12 funded by each grant, and an analysis of each grant recipient's
13 success in addressing the development of a comprehensive system of
14 early childhood services and supports.

15 (2) All contracts for comprehensive systems planning shall be
16 bid out through a statewide request-for-proposal process, and the
17 department shall send a report to the house and senate
18 appropriations subcommittees on the department budget covering the
19 selection criteria for establishing contracts at the time of the
20 issuance of any request for proposals.

21 Sec. 681. From the money appropriated in part 1, the
22 department shall expend \$600,000.00 to revise the distribution of
23 food assistance benefits to implement a staggered food assistance
24 payment schedule that spans 19 days in each month. The department
25 shall work in collaboration with grocers, distributors, and
26 merchants on effective education of food assistance recipients to
27 ensure adequate notice of changes in the food assistance benefits

1 distribution. The department shall update the senate and house
2 appropriations subcommittees on the department budget and standing
3 committees for human services on the progress and issues raised by
4 this change in distribution.

5 Sec. 682. Funds appropriated in part 1 for the JET program
6 statewide expansion in fiscal year 2007-2008 shall not be allotted
7 and released by the state budget director until savings are
8 achieved and documented from the fiscal year 2006-2007 JET program
9 implementation in counties representing 50% of the state's FIP
10 caseload. The method for documenting JET program savings for fiscal
11 year 2006-2007 shall be proposed by the department and approved by
12 the state budget director. Not later than 30 days before releasing
13 the documented savings, the department shall notify the legislature
14 regarding the JET program savings for fiscal year 2006-2007 and the
15 details on the proposed use of that money.

16 Sec. 683. (1) From the funds appropriated in part 1 for the
17 family independence program, the department shall allocate 4
18 quarterly payments to the legal aid society of Michigan to assist
19 recipients in qualifying for supplemental security income benefits.

20 (2) The department shall use the funds in subsection (1) to
21 assist legal aid society of Michigan pilot projects in the
22 following counties: Bay, Kent, Lenawee, Marquette, Mecosta,
23 Saginaw, St. Joseph, and Washtenaw.

24 (3) If the pilot projects are not demonstrating sufficient
25 progress in assisting recipients to qualify for supplemental
26 security income benefits, or if there are compelling reasons for
27 terminating 1 or more of the projects, funding may be stopped upon

1 not less than 30 days' notice to the legal aid society of Michigan
2 and the senate and house appropriations subcommittees with
3 jurisdiction over the department budget.

4 (4) The legal aid society of Michigan pilot projects shall
5 work with the department to develop effective performance measures
6 for assisting recipients.

7 (5) The legal aid society of Michigan pilot projects shall not
8 be required to assist recipients who have submitted multiple
9 applications that have been denied or recipients with clearly
10 deficient applications or grounds for appeal of denial. The legal
11 aid society of Michigan pilot projects shall establish guidelines
12 for refusing further assistance for frivolous applications and
13 shall not encourage applicants to pursue those applications.

14 (6) A project participant shall not knowingly assist anyone in
15 submitting false or misleading applications or submitting
16 applications that would subject this state to federal sanctions.
17 Such assistance may be grounds for stopping funding under
18 subsection (3).

19 (7) If funding is stopped for 1 pilot project under subsection
20 (3), those funds may be directed at the discretion of the
21 department to the other pilot projects in subsection (2) or to the
22 general appropriation for the family independence program.

23 Sec. 684. Not later than March 1, 2008, the department shall
24 report to the senate and house appropriations subcommittees with
25 jurisdiction over the department budget, and to the senate and
26 house appropriations subcommittees with jurisdiction over the
27 department of community health budget, on the number of recipients

1 that applied for Medicaid coverage, the number of recipients that
2 were approved for Medicaid coverage, and the number of recipients
3 that were denied Medicaid coverage. The report shall describe these
4 statistics for fiscal year 2007-2008 and summarize department
5 programs to assist persons in applying for Medicaid.

6 JUVENILE JUSTICE SERVICES

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

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

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

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

26 (c) Program outcomes including recidivism rates for youth

1 served by the facility.

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

7 (a) Trends in census and population demographics.

8 (b) Program outcomes.

9 (c) Staff and resident safety.

10 (d) Facility profile.

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

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

20 Sec. 707. In order to be reimbursed for child care fund
21 expenditures, counties are required to submit department-developed
22 reports to enable the department to document potential federally
23 claimable expenditures. This requirement is in accordance with the
24 reporting requirements specified in section 117a(7) of the social
25 welfare act, 1939 PA 280, MCL 400.117a.

26 Sec. 708. As a condition of receiving funds appropriated in
27 part 1 for the child care fund, by February 15, 2008, counties

1 shall have an approved service spending plan for the fiscal year
2 ending September 30, 2008. Counties must submit the service
3 spending plan to the department by December 15, 2007 for approval.

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

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

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

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

21 (2) The department shall report to the senate and house
22 appropriations subcommittees for the department budget, the senate
23 and house fiscal agencies and policy offices, and the state budget
24 director by October 30, 2007 on the status of implementing
25 recommendations of the 2001 joint house and senate task force on
26 juvenile justice, including, but not limited to, the following:

27 (a) Mentoring programs that focus on improving communication

1 and collaboration, encourage quality mentoring programs,
2 recruitment of mentors, and increasing public awareness of and
3 participation in programs for at-risk youth.

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

7 Sec. 719. The department shall notify the legislature at least
8 30 days before closing or making any change in the status of a
9 state juvenile justice facility.

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

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

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

23 (a) Lower recidivism rates.

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

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

26 (d) Lower average cost per resident.

27 (e) Availability of appropriate services to residents.

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

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

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

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

16 (a) Reduced rates of recidivism.

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

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

19 (d) Availability of appropriate services to residents.

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

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

1 in residential care.

2 (5) The department shall reimburse a private provider of
3 medium closed security services at a daily rate of \$250.00 per
4 juvenile resident. The department shall reimburse a private
5 provider of medium closed security services that received payments
6 during the fiscal year ending September 30, 2007 at a daily rate of
7 more than \$250.00 per juvenile resident at the higher rate. The
8 department shall reimburse a private provider of other medium and
9 low security services at a daily rate of \$200.00 per juvenile
10 resident. The department shall reimburse a private provider of
11 other medium and low security services that received payments
12 during the fiscal year ending September 30, 2007 at a daily rate of
13 more than \$200.00 per juvenile resident at the higher rate.

14 Sec. 722. (1) The goal of community juvenile justice centers
15 shall be the effective treatment and rehabilitation of juvenile
16 offenders in appropriate community settings.

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

20 (a) Reduced rates of recidivism.

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

22 (c) Availability of appropriate services to offenders.

23 (3) The department shall reimburse a community juvenile
24 justice provider at a daily rate of \$80.00 per day per juvenile
25 served.

26 Sec. 723. A provider of juvenile services may receive funding
27 for services of different security levels if the provider has

1 appropriate services for each security level and adequate measures
2 to separate residents of each security level.

3 Sec. 724. (1) Beginning October 1, 2007, direct delinquency
4 services for children and youth who require community low or medium
5 security services shall be provided under contract with the
6 department by a licensed, nationally accredited child caring
7 institution or child placing agency.

8 (2) Beginning October 1, 2007, the department shall be
9 responsible for oversight, licensure, and purchase of direct
10 delinquency services for children and youth who require community
11 low or medium security services. The department may also provide
12 direct service and monitoring for children who require high
13 security services.

14 (3) The contracts with licensed, nonprofit, nationally
15 accredited child caring institutions or child placing agencies and
16 other service providers that provided satisfactory services under
17 contract before January 1, 2007 shall include specific performance
18 objectives and measurable outcomes. The performance objectives
19 shall include the need for services across the entire state. The
20 total number of contracts with providers shall ensure that all
21 regions of this state have adequate coverage.

22 **LOCAL OFFICE SERVICES**

23 Sec. 750. The department shall maintain out-stationed
24 eligibility specialists in community-based organizations and
25 hospitals.

26 Sec. 751. (1) From the funds appropriated in part 1, the

1 department shall implement school-based family resource centers
2 based on the following guidelines:

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

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

7 (c) Notwithstanding subdivision (b), the center shall provide
8 information regarding crisis pregnancy centers or adoption service
9 providers in the area.

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

17 (a) A list of eligible schools.

18 (b) The selection criteria to be used.

19 (c) The projected number to be opened.

20 (d) The financial implications for expansion, including
21 funding sources.

22 Sec. 753. The department shall implement the recommendations
23 of the 2004 public private partnership initiative's training
24 committee to define, design, and implement a train-the-trainer
25 program to certify private agency staff to deliver child welfare
26 staff training, explore the use of e-learning technologies, and
27 include consumers in the design and implementation of training. The

1 intent of the legislature is to reduce training and travel costs
2 for both the department and the private agencies. The department
3 shall report no later than December 1, 2007 on each specific policy
4 change made to implement enacted legislation and the plans to
5 implement the recommendations, including time lines, to the senate
6 and house appropriations subcommittees on the department budget,
7 the senate and house standing committees on human services matters,
8 the senate and house fiscal agencies and policy offices, and the
9 state budget director.

10 Sec. 754. The department shall allow private nationally
11 accredited foster care and adoption agencies to conduct their own
12 staff training, based on current department policies and procedures
13 provided that the agency trainer and training materials are
14 accredited by the department, and that the agency documents to the
15 department that the training was provided. The department shall
16 provide access to any training materials requested by the private
17 agencies to facilitate this training.

18 **DISABILITY DETERMINATION SERVICES**

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

24 **CHILD SUPPORT ENFORCEMENT**

25 Sec. 901. (1) The appropriations in part 1 assume a total

Senate Bill No. 232 as amended August 22, 2007

1 federal child support incentive payment of \$26,500,000.00.

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

5 (3) From the federal money received for child support
6 incentive payments, \$14,500,000.00 shall be paid to the counties
7 based on each county's performance level for each of the federal
8 performance measures as established in the code of federal
9 regulations, CFR 45.305.2.

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

14 (5) If the child support incentive payment to the state from
15 the federal government is greater than the amount needed to satisfy
16 the provisions identified in subsections (1), (2), (3), and (4),
17 the additional funds shall be subject to appropriation by the
18 legislature.

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

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

22 Sec. 902. (1) The department shall continue its work to fix
23 and improve the child support computer system using the funding
24 carried forward from fiscal year 2006-2007 appropriations.

25 (2) The department shall consult with the department of
26 treasury and any outside consultant with collections expertise
27 under contract with the department of treasury to develop a plan to

1 maximize the collection of child support and child support
2 arrearage settlement for the purposes of this section.

3 (3) The department shall utilize consultants or contractors to
4 seek to recover arrearages according to the plan in subsection (2).
5 The goal of these efforts shall be to further regain revenue to
6 offset assistance payments necessary because of arrearages.

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

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

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

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

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

20 OFFICE OF CHILDREN AND ADULT LICENSING

21 Sec. 1001. The department shall assess fees in the licensing
22 and regulation of child care organizations as defined in 1973 PA
23 116, MCL 722.111 to 722.128, and adult foster care facilities as
24 defined in the adult foster care facility licensing act, 1979 PA
25 218, MCL 400.701 to 400.737. Fees collected by the department shall
26 be used exclusively for the purpose of licensing and regulating

1 child care organizations and adult foster care facilities.

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

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

19 Sec. 1005. The department shall implement a performance-based
20 licensing system. The plan shall include an approach that
21 emphasizes site visits for new licensees and licensees with
22 violations or filed complaints and random, but not required, site
23 visits for licensees who have been in business for 5 years or more
24 with no violations or filed complaints. The plan shall direct the
25 licensing staff and field consultants to prioritize resources and
26 site reviews on new licensees and those with documented complaints.
27 The plan activities shall also be based on risk to the vulnerable

1 children and adults receiving services from licensees. The plan
2 shall include an implementation date for fiscal year 2007-2008 and
3 be submitted, by January 31, 2008, to the senate and house
4 appropriations subcommittees on the department budget, the senate
5 and house fiscal agencies and policy offices, and the state budget
6 director.