

		For Fiscal Year Ending Sept. 30, 2009
Groundwater discharge—22.0 FTE positions .....	\$	2,968,900
NPDES nonstormwater program—98.2 FTE positions.....		11,023,900
Sewage sludge land application program—6.0 FTE positions .....		855,400
Surface water—102.0 FTE positions .....		15,204,500
Water withdrawal assessment program—7.0 FTE positions .....		895,000
GROSS APPROPRIATION .....	\$	48,238,400
Appropriated from:		
Federal revenues:		
EPA, multiple .....		18,164,800
Special revenue funds:		
Aquifer protection revolving fund .....		400,000
Campground fund .....		238,900
Clean Michigan initiative - administration.....		120,100
Clean Michigan initiative - clean water fund.....		3,715,800
Environmental response fund .....		168,100
Fees and collections .....		144,900
Groundwater discharge permit fees.....		1,120,200
Infrastructure construction fund .....		398,000
Land and water permit fees .....		352,500
NPDES fees.....		3,378,100
Public swimming pool fund .....		544,300
Public water supply fees .....		2,309,900
Refined petroleum fund.....		962,700
Saginaw Bay and River restoration revenue .....		175,800
Septage waste contingency fund.....		38,000
Septage waste program fund.....		322,000
Sewage sludge land application fee .....		855,400
Soil erosion and sedimentation control training fund .....		115,400
Stormwater permit fees .....		2,719,000
Water pollution control revolving fund.....		671,900
Water use reporting fees.....		247,100
State general fund/general purpose .....	\$	11,075,500

### **Criminal investigations.**

#### **Sec. 110. CRIMINAL INVESTIGATIONS**

Full-time equated classified positions .....	22.0	
Environmental investigations—22.0 FTE positions.....	\$	2,585,900
GROSS APPROPRIATION .....	\$	2,585,900
Appropriated from:		
Federal revenues:		
DHS, federal .....		557,400
EPA, multiple .....		154,000
Special revenue funds:		
Environmental response fund .....		132,500
Oil and gas regulatory fund .....		363,300
Scrap tire regulatory fund .....		285,200
State general fund/general purpose .....	\$	1,093,500

For Fiscal Year  
Ending Sept. 30,  
2009

## Grants.

### Sec. 111. GRANTS

Coastal management grants .....	\$	2,000,000
Federal - Great Lakes remedial action plan grants .....		700,000
Federal - nonpoint source water pollution grants .....		6,500,000
Grants to counties - air pollution .....		83,700
Radon grants .....		90,000
Water pollution control and drinking water revolving fund .....		85,202,400
Drinking water program grants .....		1,330,000
Great Lakes research and protection grants .....		1,000,000
Local health department operations .....		10,472,500
Noncommunity water grants .....		1,400,000
Pollution prevention local grants .....		250,000
Real-time water quality monitoring .....		250,000
Septage waste compliance grants .....		400,000
Scrap tire grants .....		4,500,000
Strategic water quality initiative loans .....		9,600,000
Village of Chesaning, water pollution control grant .....		900,000
Water quality protection grants .....		100,000
GROSS APPROPRIATION .....	\$	124,778,600

#### Appropriated from:

##### Interdepartmental grant revenues:

IDG-MDCH, local public health operations .....	10,472,500
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##### Federal revenues:

DOC-NOAA, federal .....	1,700,000
EPA, multiple .....	80,463,000

##### Special revenue funds:

Clean Michigan initiative - clean water fund .....	900,000
Community pollution prevention fund .....	250,000
Great Lakes protection fund .....	1,000,000
Public water supply fees .....	1,400,000
Refined petroleum fund .....	83,700
Revolving loan revenue bonds .....	11,400,000
Scrap tire regulatory fund .....	4,500,000
Septage waste program fund .....	400,000
Settlement funds .....	250,000
Strategic water quality initiatives fund .....	9,600,000
Water quality protection fund .....	100,000
State general fund/general purpose .....	\$ 2,259,400

## Information technology.

### Sec. 112. INFORMATION TECHNOLOGY

Information technology services and projects .....	\$	7,478,800
GROSS APPROPRIATION .....	\$	7,478,800

#### Appropriated from:

##### Interdepartmental grant revenues:

IDG-MDSP .....	28,000
IDG, Michigan transportation fund .....	54,600
IDT, laboratory services .....	150,900

		For Fiscal Year Ending Sept. 30, 2009
Federal revenues:		
DHS, federal .....	\$	24,500
DOC-NOAA, federal .....		86,200
DOD, federal .....		28,200
DOI, federal .....		6,000
EPA, multiple .....		1,360,100
Special revenue funds:		
Restricted funds .....		5,206,200
State general fund/general purpose .....	\$	534,100

## PART 2

## PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS****Total state spending; payments to local units of government.**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2008-2009 is \$213,971,700.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$5,200,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

## DEPARTMENT OF ENVIRONMENTAL QUALITY

## GRANTS

Noncommunity water grants .....	\$	1,400,000
Scrap tire grants .....		2,250,000
Septage waste compliance program .....		400,000
Village of Chesaning, water pollution control grant .....		900,000
Real-time water quality monitoring .....		250,000
TOTAL .....	\$	5,200,000

**Appropriations subject to MCL 18.1101 to 18.1594.**

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

**Definitions.**

Sec. 203. As used in this act:

- (a) "Department" means the department of environmental quality.
- (b) "DHHS" means the United States department of health and human services.
- (c) "DHS" means the United States department of homeland security.
- (d) "DOC" means the United States department of commerce.
- (e) "DOC-NOAA" means the DOC national oceanic and atmospheric administration.
- (f) "DOD" means the United States department of defense.

- (g) “DOI” means the United States department of interior.
- (h) “EPA” means the United States environmental protection agency.
- (i) “FTE” means full-time equated.
- (j) “IDG” means interdepartmental grant.
- (k) “IDT” means intradepartmental transfer.
- (l) “MDCH” means the Michigan department of community health.
- (m) “MDSP” means the Michigan department of state police.
- (n) “NPDES” means national pollutant discharge elimination system.

### **Billing by civil service commission.**

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

### **Hiring freeze; exceptions.**

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

(2) The state budget director shall grant exceptions to the hiring freeze described in subsection (1) when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause a loss of revenue to the state, result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining a vacancy. The state budget director shall report quarterly to the chairpersons of the senate and house of representatives standing committees on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

### **Reporting requirements; use of Internet.**

Sec. 206. The department shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

### **Receipt and retention of reports.**

Sec. 207. The departments and state agencies receiving appropriations under this act shall receive and retain copies of all reports funded from appropriations in part 1. These departments and state agencies shall follow federal and state guidelines for short-term and long-term retention of these reports. To the extent consistent with federal and state guidelines, the requirements of this section are satisfied if the reports funded from appropriations in part 1 are retained in electronic format.

### **Restricted fund balances, projected revenues, and expenditures; report.**

Sec. 208. By February 15, 2009, the department shall provide the state budget director, the subcommittees on environmental quality of the senate and house appropriations committees, and the senate and house fiscal agencies with an annual report on restricted fund balances, projected revenues, and expenditures for the fiscal years ending September 30, 2008 and September 30, 2009.

**Grant and loan programs; reports.**

Sec. 209. (1) From funds appropriated under part 1, the department shall prepare a report that lists all of the following regarding grant or loan or grant and loan programs administered by the department for the fiscal year ending September 30, 2009:

- (a) The name of each program.
- (b) The goals of the program, the criteria, eligibility, process, filing fees, nominating procedures, and deadlines for each program.
- (c) The maximum and minimum grant and loan available and whether there is a match requirement for each program.
- (d) The amount of any required match, and whether in-kind contributions may be used as part or all of a required match.
- (e) Information pertaining to the application process, timeline for each program, and the contact people within the department.
- (f) The source of funds for each program, including the citation of pertinent authorizing acts.
- (g) Information regarding plans for the next fiscal year for the phaseout, expansion, or changes for each program.
- (h) A listing of all recipients of grants or loans awarded by the department by type and amount of grant or loan.

(2) The reports required under this section shall be submitted to the state budget office, the senate and house appropriations committees, and the senate and house fiscal agencies by January 1, 2009.

**Cleanup, grants and loan programs and bond projects; report; other information; availability of report.**

Sec. 210. (1) The department shall report all of the following information relative to allocations made from appropriations for the environmental cleanup and redevelopment program, state cleanup, emergency actions, superfund cleanup, the revitalization revolving loan program, the brownfield grants and loans program, the leaking underground storage tank cleanup program, the contaminated lake and river sediments cleanup program, the refined petroleum product cleanup program, and the environmental protection bond projects under section 19508(7) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19508, to the state budget director, the senate and house appropriations subcommittees on environmental quality, and the senate and house fiscal agencies:

- (a) The name and location of the site for which an allocation is made.
- (b) The nature of the problem encountered at the site.
- (c) A brief description of how the problem will be resolved if the allocation is made for a response activity.
- (d) The estimated date that site closure activities will be completed.
- (e) The amount of the allocation, or the anticipated financing for the site.
- (f) A summary of the sites and the total amount of funds expended at the sites at the conclusion of the fiscal year.
- (g) The number of sites that would qualify as brownfields that were redeveloped.

(2) The report prepared under subsection (1) shall also include all of the following:

- (a) The status of all state-owned facilities that are on the list compiled under part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142.

(b) The report shall include the total amount of funds expended during the fiscal year and the total amount of funds awaiting expenditure.

(c) The total amount of bonds issued for the environmental protection bond program pursuant to part 193 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19301 to 324.19306, and bonds issued pursuant to the clean Michigan initiative act, 1998 PA 284, MCL 324.95101 to 324.95108.

(3) The report shall be made available by March 31 of each year.

### **Use of unexpended and unencumbered amounts for certain sites and activities.**

Sec. 211. (1) The department of environmental quality is authorized to expend amounts remaining from the current and prior fiscal year appropriations to meet funding needs of legislatively approved sites for the environmental cleanup and redevelopment program, the leaking underground storage tank cleanup program, and the refined petroleum product cleanup program.

(2) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection bond fund contained in 2003 PA 173 and 2006 PA 343 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(3) Unexpended and unencumbered amounts remaining from appropriations from the cleanup and redevelopment fund and unclaimed bottle deposits fund contained in 2003 PA 171, 2003 PA 173, 2003 PA 237, and 2004 PA 350 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(4) Unexpended and unencumbered amounts remaining from appropriations from the clean Michigan initiative fund - response activities contained in 2000 PA 506, 2001 PA 120, 2003 PA 173, 2003 PA 237, 2004 PA 309, 2004 PA 350, 2005 PA 11, 2006 PA 343, and 2007 PA 121 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(5) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection fund contained in 2001 PA 43, 2002 PA 520, 2003 PA 171, and 2004 PA 350 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

(6) Unexpended and unencumbered amounts remaining from appropriations from the refined petroleum fund activities contained in 2005 PA 154 and 2007 PA 121 are appropriated for expenditure for any site listed in this act and any site listed in the public acts referenced in this section.

### **Michigan youth conservation council.**

Sec. 212. Of the money appropriated from the environmental education fund in part 1, \$5,000.00 shall be allocated to Michigan State University Extension Service - 4-H Youth Programs to fund the Michigan Youth Conservation Council.

### **Technology-related services and projects; payment of user fees.**

Sec. 213. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. These user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

### **Information technology; designation of amounts as work projects.**

Sec. 214. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of

the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

### **Out-of-state travel; exceptions; report.**

Sec. 215. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2009 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

### **Purchase of goods or services; preference.**

Sec. 216. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned or operated by veterans, if they are competitively priced and of comparable quality.

**Contracts to provide services or supplies; businesses in deprived and depressed communities.**

Sec. 217. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

**Carrying forward unexpended settlement revenues.**

Sec. 218. Unexpended settlement revenues at the end of the fiscal year may be carried forward into the settlement fund in the succeeding fiscal year up to a maximum carry-forward of \$2,500,000.00.

**Restricted funds.**

Sec. 219. (1) The appropriation in section 102 includes \$12,394,500.00 from restricted funds. This funding source shall support the restricted fund requirements, pursuant to subsection (3), for selected line items in the executive operations and administrative support appropriation unit.

(2) The appropriation in section 112 includes \$5,206,200.00 from restricted funds. This funding source shall support the restricted fund requirements, pursuant to subsection (3), for the information technology appropriation.

(3) The department shall adopt a cost allocation plan for revenue sources supporting line items listed in sections 102 and 112.

(4) The department shall provide a report on or before October 31, 2008 to the house and senate appropriations subcommittees on environmental quality and the house and senate fiscal agencies of the line item amounts and detailed revenue sources which support the restricted fund appropriations in sections 102 and 112.

**Communication of employee with legislative member or staff.**

Sec. 220. The department shall not take disciplinary action against an employee for communicating truthfully and factually with a member of the legislature or his or her staff.

**Civil and criminal fine revenue; report and website posting.**

Sec. 221. The department shall annually report and post on its website by December 31 to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies an accounting of all civil and criminal fine revenue collected during the previous fiscal year.

**Policy changes implementing public act; report; economic impact of administrative rule; definitions.**

Sec. 223. (1) The department shall report no later than April 1, 2009 on each specific policy change made by the department to implement a public act affecting that department that took effect during the preceding calendar year. The department shall report to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.



(3) As used in this section:

(a) “Rule” means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) “Small business” means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

### **Legal services.**

Sec. 224. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

### **Contingency funds.**

Sec. 225. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$30,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

### **Out-of-state professional development conference or training seminar; travel.**

Sec. 226. The department shall not approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless the professional development conference or training seminar is funded by a federal or private funding source and requires more than 1 person from a department to attend, or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise.

### **Failing or obsolete computer and database systems; replacement plan.**

Sec. 227. By April 1, 2009, the department shall submit to the senate and house appropriations subcommittees on environmental quality, the senate and house fiscal agencies, and the state budget director a plan for replacement of failing or obsolete computer and database systems, including a schedule for system replacement and cost estimates.

### **Posting expenditures on Internet site.**

Sec. 228. If funding is available to support the information technology necessary for implementation, the department shall develop, post, and maintain a user friendly and publicly accessible Internet site with all expenditures made by the department within a fiscal year. The posting shall include the purpose for which each expenditure is made.

**Freedom of information act requests; notice.**

Sec. 229. Semiannually, the department shall notify the senate and house appropriation subcommittees on environmental quality, the senate and house fiscal agencies, and the state budget director of all requests made of the department under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, during the previous 6 months.

**Permits and water level of Muskrat Lake.**

Sec. 230. (1) It is the intent of the legislature that the department issue the necessary permits to construct a lake level control structure on Muskrat Lake in Clinton County for the purpose of restoring the water level to a level that allows use of the existing public boat dock.

(2) By February 1, 2009, the department shall notify the senate and house appropriation subcommittees on environmental quality, the senate and house fiscal agencies, and the state budget director of the status of the permits and the water level of Muskrat Lake.

Sec. 231. (1) The expenditure of the appropriation in part 1 for an environmental ombudsman is contingent upon enactment of legislation to create an environmental ombudsman in the legislative council.

(2) It is the intent of the legislature that the first issue addressed by the environmental ombudsman is investigation into citizen complaints regarding the wetlands program.

**ENVIRONMENTAL SCIENCE AND SERVICES****Carrying forward revenues remaining in interdepartmental transfers, laboratory services.**

Sec. 401. Revenues remaining in the interdepartmental transfers, laboratory services at the end of the fiscal year shall carry forward into the succeeding fiscal year.

**Implementation of Great Lakes water quality bond; report.**

Sec. 402. By July 1, 2009, the department shall prepare and submit a report to the state budget director, the legislature, the chairs of the standing committees of the senate and house of representatives with primary responsibility for issues related to natural resources and the environment, and the chairs of the subcommittees of the senate and house appropriations committees with primary responsibility for appropriations for the department of environmental quality, outlining the implementation of the Great Lakes water quality bond provided for in part 197 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19701 to 324.19708, including, but not limited to, the amount of bonds issued and the date they were issued, the number of applications received for loans from the state water pollution control revolving fund created in section 16a of the shared credit rating act, 1985 PA 227, MCL 141.1066a, the total amount of loans requested, a listing of the applicants receiving loans and the total amount of loans provided to those applicants, a listing of applicants whose loan applications were not approved and the reasons why those applications were not approved, the amount of the loans granted that were leveraged from bond proceeds, and the remaining bond proceeds and bond authorization.

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**Compiler's note:** The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoed."

Sec. 403. (1) There is appropriated \$2,000,000.00 from the environmental protection fund created in section 503a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.503a, to reimburse retailers for the cost of retrofitting existing reverse vending machines to accept Michigan-only returnable beverage containers. Funds may be carried forward into fiscal year 2009-2010 for this purpose if the total \$2,000,000.00 is not expended in fiscal year 2008-2009.

(2) For the fiscal year ending September 30, 2009, \$2,000,000.00 in the cleanup and redevelopment trust fund created in section 3e of 1976 IL 1, MCL 445.573e, is hereby appropriated and transferred to the environmental protection fund.

## OFFICE OF GEOLOGICAL SURVEY

### **Michigan geological repository for research and education at Western Michigan University; research and collaboration between department and university.**

Sec. 501. It is the intent of the legislature that the office of geological survey continue its work with Western Michigan University's department of geosciences to maintain core samples at the Michigan basin core research laboratory as part of the Michigan geological repository for research and education at Western Michigan University and it is encouraged to explore new opportunities for mutually beneficial research and collaboration between the department and the university.

## REMEDATION AND REDEVELOPMENT

### **Emergency cleanup actions, refined petroleum product cleanup program, and environmental cleanup and redevelopment program as work projects; carrying forward unencumbered or unallotted funds.**

Sec. 701. The unexpended funds appropriated in part 1 for emergency cleanup actions, the refined petroleum product cleanup program, and the environmental cleanup and redevelopment program are considered work project appropriations and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the projects to be carried forward is to provide contaminated site cleanup.
- (b) The projects will be accomplished by contract.
- (c) The total estimated cost of all projects is identified in each line-item appropriation.
- (d) The tentative completion date is September 30, 2013.

**Scientifically based risk assessment studies; incorporation of criteria into remedial action plans.**

Sec. 702. From funds appropriated in part 1 for activities related to cleanup sites under part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142, the department shall incorporate into remedial action plans area-wide or site-specific cleanup criteria derived from peer-reviewed risk assessment based on bioavailability studies, site-specific human exposure data, and any other scientifically based risk assessment studies that are available and relevant. The department shall submit a report listing efforts made by the department to comply with this section. This report shall be provided to the house and senate appropriations subcommittees on environmental quality on or before January 1, 2009.

**Refined petroleum product cleanup program; funding activities on certain sites.**

Sec. 703. The funds appropriated in part 1 for the refined petroleum product cleanup program shall be used to fund cleanup activities on the following sites:

<b>Site Name</b>	<b>County</b>
Phil's Sunoco	Alcona
Somers Inc.	Alcona
Laughing Whitefish Trading Post	Alger
Midway Resort Inc.	Alger
Fennville Feed Supply	Allegan
Bellaire Bay Mart	Antrim
Butch's Tackle & Marine	Antrim
Pickup Capitol of the North	Antrim
Res Wells Torch Lake Twp.	Antrim
Torch River Pit Stop	Antrim
Woodland Residential Wells	Barry
Lone Pine Party Store	Benzie
Res. Well Village of Honor	Benzie
Dave's Shell	Berrien
Frank's Pro Station	Berrien
Main & Fair, SW Corner	Berrien
Main & Ogden, NE Corner	Berrien
Schuler's Auto Repair	Berrien
Indian Lake Mini Super	Cass
Riggs Corner Store	Cass
Dockside Market	Charlevoix
Cook Corporation	Cheboygan
Mr. Mug's Donut Shop	Chippewa
Ackel's Car Care	Clinton
South End Mobil	Eaton
Farmers Petroleum Coop-Petoskey	Emmet
Central Distributing	Genesee
Fishermans Landing	Genesee
Flint, City of, 1818 N. Saginaw Street	Genesee
J&J Service Station	Genesee
Sunshine Foods #119 Burton	Genesee
Gazey Aleck Station	Gladwin
Winegars Trading Post	Gladwin
Evans Paint & Wallpaper	Grand Traverse
GJ's Party Store	Grand Traverse

Hoeflin Service Station	Grand Traverse
OTC Oil	Grand Traverse
Universal Car Wash II	Grand Traverse
Venture Investments	Grand Traverse
Woodland Shop and Go #175	Grand Traverse
Dunk's Garage	Huron
Port Austin Shell	Huron
Action Auto Inc.	Ingham
Former Clark #531	Ingham
Webberville Oil	Ingham
Gene Carr	Ionia
Goss Corner Store	Ionia
Justice Junction/Nancy Justice	Ionia
Barbier Oil Bulk Plant	Iosco
Bublitz Oil Full Service Oscoda	Iosco
Alamo General Store	Kalamazoo
McDonalds Crosstown Service	Kalamazoo
McLeieer Oil	Kalamazoo
Moore's Millwood Service	Kalamazoo
Davis Country Corners	Kalkaska
Taffletown Tavern	Kalkaska
Hucks Corner Inc.	Kent
Riverview, N Park, Hubbard St. area	Kent
Robinson Bulk Terminal	Kent
Uncle Lee's Trading Post/MRL Inc.	Kent
Bass Lake Store	Lake
Chase General Store	Lake
Lakeland Montessori School	Livingston
Leon Bonner Prop.	Livingston
Millies Market (dba Toms)	Livingston
Bob's Standard Service	Luce
Action Auto (Former)	Macomb
Montgomery Ward	Macomb
Arcadia Veteran's Mem. Marina	Manistee
Red Barn Market	Manistee
Greenwood Self Serve	Marquette
Harvey Oil Co., Inc.	Marquette
Joe & Son's Service	Marquette
Paton's Country Store	Marquette
Joes Tire Service/Ridderman Oil	Mecosta
Kregear's Service	Missaukee
The Landing	Missaukee
1034 Howard City Edmore Road	Montcalm
Amble Oil Co.	Montcalm
Beard Oil (Former)	Montcalm
Blackrick Service	Montcalm
Six Lakes General	Montcalm
Thelma Franklin	Montcalm
Mary D's Restaurant	Montmorency
Pointe Bait	Montmorency
Sports Center, Inc.	Montmorency
Bill's Auto & Stereo	Muskegon
Kelly's Corner Inc.	Muskegon

Laketon Auto Clinic	Muskegon
MDNR Real Estate, White Cloud	Newaygo
Up North Gift Co.	Newaygo
415 E. Hudson Ave.	Oakland
Emma Milner Property	Oakland
Farmers Petroleum Corp., Highland	Oakland
Jenny Ent/Wine Basket, Highland	Oakland
Little Caesar's Pizza, Ortonville	Oakland
Wayne Oakland Oil Company	Oakland
East Hart Party Store	Oceana
William Crawford Property	Oceana
Al's Service	Ogemaw
Franklin Forge Co.	Ogemaw
MDNR Main St. Lupton	Ogemaw
Rose City Feed and Tack	Ogemaw
Osceola Oil Company	Osceola
Family Book Shelf	Osceola
Jamestown Automotive Inc.	Ottawa
Big Mac's Market	Roscommon
Chapin General Store	Saginaw
Kuchers Service	Saginaw
Court Abandoned	Shiawassee
Former Sav-U Station	Shiawassee
Payless SuperAmerica	St. Joseph
Imlay City Gas and Oil	Tuscola
Lakeside Kwik Stop	Van Buren
A.S.E. Inc. dba S & S Shell	Washtenaw
Arbor Wash	Washtenaw
Cals Car Care Inc.	Wayne
Levan Party Store	Wayne
Mercury Manufacturing	Wayne
Reclamation Oil Company	Wayne
Warren & Lakewood Service	Wayne
Jacks Resort	Wexford
Peterson's Standard	Wexford
Village of Harrietta, 114 S. Davis Street	Wexford

### **Repayment of funds to refined petroleum fund from 2006-2007 budget resolution.**

Sec. 704. It is the intent of the legislature to repay the refined petroleum fund for the \$70,000,000.00 that was transferred to the environmental protection fund as part of the resolution for the fiscal year 2006-2007 budget.

### **Use of administrative rules and operational memoranda in leaking underground storage tank program; advisory workgroup; membership; recommendations.**

Sec. 705. (1) The department shall work with the legislature to develop recommendations through an advisory workgroup process for the appropriate use of administrative rules and operational memoranda in the leaking underground storage tank program. This advisory workgroup shall do all of the following:

(a) Review and make recommendations if operational memoranda used by the department are necessary and used appropriately.

(b) Review and make recommendations regarding the rules, methods, policies, or procedures used to develop operational memoranda.

(c) Review and make recommendations regarding procedures for determining if an inspected organization has acted in accordance with operational memoranda.

(2) The workgroup under subsection (1) shall consist of 13 members, appointed as follows:

(a) Members of the senate and house appropriations subcommittees on environmental quality.

(b) Three members appointed by the senate majority leader, 1 each representing an independent petroleum wholesale distributor-marketer trade association, a petroleum refiner-supplier trade association, and a service station dealers' trade association.

(c) Three members appointed by the speaker of the house, 1 each representing a truck stop operators' trade association, an environmental public interest organization who is not associated with any of the above organizations, and the largest general farm organization in the state.

(d) The director of the department.

(3) The recommendations of the workgroup shall be submitted to the department, the senate and house appropriations subcommittees on environmental quality, the senate and house fiscal agencies, and the state budget director by December 31, 2008.

**Operational memoranda or documents in draft form; expenditure of funds prohibited; exceptions.**

Sec. 706. The department shall not expend funds appropriated in part 1 if using operational memoranda or other similar documents that are in draft form to impose regulations on individuals or businesses conducting environmental cleanup projects, except as provided in part 213 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.21301 to 324.21331, or when there is written consent between the department and the individual or business.

**WASTE AND HAZARDOUS MATERIALS**

**Recommendations of site review board as final approval for site construction permit application.**

Sec. 801. It is the intent of the legislature that the recommendations of the site review board, as established in section 11117 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11117, are the final approval for each site construction permit application that is referred to the board by the department.

**WATER**

**National pollutant discharge elimination system fund.**

Sec. 901. By February 1, 2009, the department shall submit a report on the department's use of the national pollutant discharge elimination system fund created in MCL 324.3121 for the previous fiscal year, to the senate and house appropriations subcommittees on environmental quality, the standing committees of the legislature with jurisdiction over issues

primarily related to natural resources and the environment, and the senate and house fiscal agencies. The report shall include a summary of how the appropriations in part 1 for NPDES nonstormwater program were used for the various permissible uses of the fund and shall include specific information on all of the following:

(a) The number of compliance and complaint inspections completed, by category, the number of on-site compliance inspections conducted, and the number of compliance inspections that were not announced in advance to the permittee or licensee.

(b) The number and percent of permit and license inspections that were found to be in significant noncompliance, by category.

(c) The number of administrative enforcement actions taken for permit or license violations and the results of the enforcement actions, including the amount of fines and penalties collected.

(d) The number of judicial enforcement actions taken for permit or license violations and the results of the enforcement actions, including the amount of fines and penalties collected.

(e) A listing of the supplemental environmental projects agreed to as a result of a consent agreement including all of the following: the case name, the monetary value of the supplemental environmental project, and a description of the project.

#### **Contaminated lake and river sediments cleanup program.**

Sec. 902. The unexpended portion of funds appropriated in part 1 of 2004 PA 309 for the contaminated lake and river sediments cleanup program are appropriated for the same purpose for the fiscal year ending September 30, 2009.

#### **Michigan agriculture environmental assurance program; work with small and medium livestock operations.**

Sec. 903. It is the intent of the legislature that the department continue federal support of the Michigan agriculture environmental assurance program and the work with small and medium livestock operations in the department of agriculture. Any reduction in the level of federal support from 319 funds shall be reduced proportionally from all programs that were supported by that federal grant in the fiscal year ending September 30, 2008.

### **GRANTS**

#### **Expenditure of funds under MCL 324.11716.**

Sec. 1101. If a certified health department does not exist in a city, county, or district or does not fulfill its responsibilities under part 117 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11701 to 324.11720, then the department may spend funds appropriated in part 1 under the septage waste compliance program in accordance with section 11716 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11716.

#### **Scrap tire fire suppression costs.**

Sec. 1102. Of the funds appropriated in part 1 for scrap tire grants, \$100,000.00 shall be available for grants to communities to cover scrap tire fire suppression costs, provided owner liability bonds and other available funding sources have been exhausted.



**Real-time water quality monitoring program in St. Clair watershed.**

Sec. 1103. (1) The appropriation in part 1 for real-time water quality monitoring is a grant to Macomb County and St. Clair County to support a real-time water quality monitoring program in the St. Clair watershed. By September 30, 2009, the grant recipients shall report to the department on the plan's implementation and the status of the project. The department shall forward the report to the state budget director, the senate and house appropriations subcommittees on environmental quality, the senate and house standing committees on natural resources and environmental issues, and the senate and house fiscal agencies.

(2) The funding appropriated in part 1 for real-time water quality monitoring is contingent upon both of the following:

(a) Submission by October 1, 2008 of a report by the grant recipient on the status of the project and use of prior funding provided by the state and other fund sources for this project.

(b) Submission by December 31, 2008 of a plan by the grant recipient for long-term funding of operation and maintenance of the real-time monitoring system for the Huron-Erie corridor. The funding plan shall not require state funds for more than 50% of total funding for the project and not more than \$250,000.00 annually.

**Village of Chesaning, water pollution control grant; use.**

Sec. 1104. The appropriation in part 1 for the village of Chesaning, water pollution control grant, shall be used only for pollution control activities pursuant to section 8807 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.8807. A detailed work plan for these activities shall be provided by the grantee and approved by the department as part of the grant agreement with the department. The appropriation shall not be used for recreational or economic development activities. The grantee shall obtain all necessary state, federal, and local permits and authorizations, including, but not limited to, permits required under part 301 and part 315 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.301 to 324.30113 and 324.31501 to 324.31529.

This act is ordered to take immediate effect.

Approved July 17, 2008.

Filed with Secretary of State July 18, 2008.

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**[No. 248]**

**(HB 5814)**

AN ACT to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2009; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

**Appropriations; department of human services.**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of human services for the fiscal year ending September 30, 2009, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF HUMAN SERVICES**

**APPROPRIATION SUMMARY:**

Full-time equated classified positions .....	10,395.8	
Full-time equated unclassified positions .....	6.0	
Total full-time equated positions.....	10,401.8	
GROSS APPROPRIATION .....		\$ 4,580,607,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....	2,416,700	
ADJUSTED GROSS APPROPRIATION .....		\$ 4,578,190,400
Federal revenues:		
Total federal revenues .....	3,174,008,200	
Special revenue funds:		
Total private revenues.....	10,174,700	
Total local revenues.....	47,161,100	
Total other state restricted revenues .....	61,589,200	
State general fund/general purpose .....		\$ 1,285,257,200

**Executive operations.**

**Sec. 102. EXECUTIVE OPERATIONS**

Total full-time equated positions.....	396.7	
Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	390.7	
Unclassified salaries—6.0 FTE positions .....		\$ 617,900
Salaries and wages—267.7 FTE positions .....	16,422,000	
Contractual services, supplies, and materials .....	5,990,200	
Demonstration projects—9.0 FTE positions .....	9,483,000	
Inspector general salaries and wages—99.0 FTE positions .....	5,809,900	
Electronic benefit transfer EBT.....	7,333,600	
Michigan community service commission—15.0 FTE positions.....	9,741,100	
Internal audit services.....	810,500	
State office of administrative hearings and rules .....	4,204,700	
GROSS APPROPRIATION .....		\$ 60,412,900
Appropriated from:		
Federal revenues:		
Total federal revenues .....	38,038,700	
Special revenue funds:		
Total private revenues.....	3,199,600	
Total local revenues.....	175,000	

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Total other state restricted revenues .....	\$	25,000
State general fund/general purpose .....	\$	18,974,600

### **Child support enforcement.**

#### **Sec. 103. CHILD SUPPORT ENFORCEMENT**

Full-time equated classified positions .....	213.7	
Child support enforcement operations—207.7 FTE positions .....	\$	24,381,800
Legal support contracts .....		139,753,600
Child support incentive payments .....		32,409,600
State disbursement unit—6.0 FTE positions .....		18,508,900
GROSS APPROPRIATION .....	\$	215,053,900
Appropriated from:		
Federal revenues:		
Total federal revenues .....		186,308,600
Special revenue funds:		
Total local revenues .....		340,000
Total other state restricted revenues .....		2,795,000
State general fund/general purpose .....	\$	25,610,300

### **Community action and economic opportunity.**

#### **Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY**

Full-time equated classified positions .....	17.0	
Bureau of community action and economic opportunity operations— 17.0 FTE positions .....	\$	1,929,900
Community services block grants .....		27,068,000
Weatherization assistance .....		18,418,700
GROSS APPROPRIATION .....	\$	47,416,600
Appropriated from:		
Federal revenues:		
Total federal revenues .....		47,416,600
State general fund/general purpose .....	\$	0

### **Adult and family services.**

#### **Sec. 105. ADULT AND FAMILY SERVICES**

Full-time equated classified positions .....	41.7	
Executive direction and support—5.0 FTE positions .....	\$	434,200
Guardian contract .....		600,000
Adult services policy and administration—6.0 FTE positions .....		627,100
Income support policy and administration—29.7 FTE positions .....		4,823,600
Employment and training support services .....		37,955,100
Wage employment verification reporting .....		848,700
Urban and rural empowerment/enterprise zones .....		100
Nutrition education .....		28,000,000
Marriage initiative—0.5 FTE position .....		2,475,000
Fatherhood initiative—0.5 FTE position .....		1,725,000
Crisis prevention and elder law of Michigan food for the elderly project .....		200,000
GROSS APPROPRIATION .....	\$	77,688,800

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2009

Appropriated from:	
Federal revenues:	
Total federal revenues .....	\$ 53,472,700
State general fund/general purpose .....	\$ 24,216,100

### **Children's services.**

#### **Sec. 106. CHILDREN'S SERVICES**

Full-time equated classified positions .....	147.3	
Salaries and wages—44.2 FTE positions .....		\$ 2,887,600
Contractual services, supplies, and materials .....		936,300
Foster care payments .....		213,230,700
Adoption subsidies.....		242,225,300
Adoption support services—7.2 FTE positions .....		17,797,600
Youth in transition—2.0 FTE positions.....		13,266,800
Interstate compact .....		231,600
Children's benefit fund donations .....		21,000
Teenage parent counseling—2.3 FTE positions .....		3,816,800
Families first .....		16,946,700
Strong families/safe children—3.0 FTE positions .....		12,902,100
Community protection and permanency—37.5 FTE positions.....		21,802,800
Zero to three .....		3,843,800
Family group decision making .....		2,454,700
Family reunification program.....		3,977,100
Family preservation and prevention services administration— 14.5 FTE positions.....		2,156,800
Black child and family institute .....		100,000
Children's trust fund administration—12.0 FTE positions.....		1,032,100
Children's trust fund grants .....		3,825,100
ECIC, early childhood investment corporation .....		14,823,000
Attorney general contract.....		3,349,700
Prosecuting attorney contracts .....		1,061,700
Child protection—5.0 FTE positions.....		803,200
Subsidized guardianship program .....		4,575,000
Domestic violence prevention and treatment—14.6 FTE positions..		14,773,700
Rape prevention and services .....		2,600,000
Michigan youth opportunity initiative .....		1,225,000
Title IV-E compliance and accountability office—5.0 FTE positions..		392,700
Bridges Toward Responsible Adulthood .....		1,000,000
Child care fund in-home care incentive program.....		100
Communities in schools .....		200,000
Kent County child welfare demonstration project .....		300,000
GROSS APPROPRIATION .....	\$	608,559,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG from DCH - crime victims' rights fund .....		1,300,000

**Compiler's note:** The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoed."

For Fiscal Year  
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Federal revenues:	
Total federal revenues .....	\$ 378,146,800
Special revenue funds:	
Private - children's benefit fund donations .....	21,000
Private - collections .....	3,225,000
Local funds - county chargeback .....	22,304,200
Compulsive gaming prevention fund .....	1,040,000
Children's trust fund .....	3,805,400
State general fund/general purpose .....	\$ 198,716,600

### **Juvenile justice services.**

#### **Sec. 107. JUVENILE JUSTICE SERVICES**

Full-time equated classified positions .....	434.5
High security juvenile services—137.0 FTE positions .....	\$ 17,005,100
Medium security juvenile services—224.0 FTE positions .....	21,326,400
Community juvenile justice centers—27.0 FTE positions .....	2,691,700
Adrian training school property development .....	500,000
Child care fund .....	215,432,300
Child care fund administration—5.8 FTE positions .....	775,400
County juvenile officers .....	3,890,500
Community support services—2.0 FTE positions .....	1,495,500
Juvenile justice administration and maintenance— 20.0 FTE positions .....	2,703,200
Federally funded activities—13.7 FTE positions .....	1,866,200
W.J. Maxey memorial fund .....	45,000
Juvenile accountability incentive block grant—1.0 FTE position .....	1,297,900
Committee on juvenile justice administration—4.0 FTE positions .....	511,800
Committee on juvenile justice grants .....	5,000,000
GROSS APPROPRIATION .....	\$ 274,541,000

Appropriated from:

Federal revenues:	
Total federal revenues .....	95,539,600
Special revenue funds:	
Total private revenues .....	45,000
Local funds - state share education funds .....	2,828,500
Local funds - county chargeback .....	19,695,500
State general fund/general purpose .....	\$ 156,432,400

### **Local office staff and operations.**

#### **Sec. 108. LOCAL OFFICE STAFF AND OPERATIONS**

Full-time equated classified positions .....	8,346.5
Field staff, salaries and wages—8,063.7 FTE positions .....	\$ 420,893,500
Contractual services, supplies, and materials .....	17,222,100
Medical/psychiatric evaluations .....	6,300,000
Donated funds positions—131.0 FTE positions .....	10,801,900
Training and program support—23.0 FTE positions .....	3,603,700

**Compiler's note:** The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoes."

	For Fiscal Year Ending Sept. 30, 2009
Child welfare institute—40.0 FTE positions .....	\$ 5,808,000
Food stamp reinvestment—78.8 FTE positions .....	8,663,800
Wayne County gifts and bequests .....	100,000
Volunteer services and reimbursement .....	1,294,900
SSI advocates—10.0 FTE positions .....	2,166,100
GROSS APPROPRIATION .....	\$ 476,854,000
Appropriated from:	
Federal revenues:	
Total federal revenues .....	264,646,100
Special revenue funds:	
Local funds - donated funds .....	1,817,900
Private funds - donated funds .....	654,400
Private funds - Wayne County gifts .....	100,000
Private funds - hospital contributions .....	2,929,700
Supplemental security income recoveries .....	677,600
State general fund/general purpose .....	\$ 206,028,300

### **Disability determination services.**

#### **Sec. 109. DISABILITY DETERMINATION SERVICES**

Full-time equated classified positions .....	569.4
Disability determination operations—545.9 FTE positions .....	\$ 83,045,500
Medical consultation program—19.4 FTE positions .....	2,672,200
Retirement disability determination—4.1 FTE positions .....	826,800
GROSS APPROPRIATION .....	\$ 86,544,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG from DMB - office of retirement systems .....	1,116,700
Federal revenues:	
Total federal revenues .....	82,601,100
State general fund/general purpose .....	\$ 2,826,700

### **Central support accounts.**

#### **Sec. 110. CENTRAL SUPPORT ACCOUNTS**

Rent .....	\$ 42,830,900
Occupancy charge .....	8,744,200
Travel .....	5,689,900
Equipment .....	277,300
Worker's compensation .....	3,993,000
Advisory commissions .....	17,900
Payroll taxes and fringe benefits .....	259,871,000
GROSS APPROPRIATION .....	\$ 321,424,200
Appropriated from:	
Federal revenues:	
Total federal revenues .....	187,965,300
State general fund/general purpose .....	\$ 133,458,900

### **Bureau of children and adult licensing.**

#### **Sec. 111. BUREAU OF CHILDREN AND ADULT LICENSING**

Full-time equated classified positions .....	228.0
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For Fiscal Year  
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AFC, children's welfare and day care licensure—		
228.0 FTE positions.....	\$	24,307,000
GROSS APPROPRIATION .....	\$	24,307,000
Appropriated from:		
Federal revenues:		
Total federal revenues .....		12,100,300
Special revenue funds:		
Licensing fees .....		627,300
Health systems fees and collections .....		355,200
State general fund/general purpose .....	\$	11,224,200

### **Public assistance.**

#### **Sec. 112. PUBLIC ASSISTANCE**

Full-time equated classified positions .....	7.0	
Family independence program .....	\$	360,586,800
State disability assistance payments .....		35,233,600
Food assistance program benefits .....		1,221,340,900
State supplementation .....		59,480,800
State supplementation administration .....		2,477,100
Low-income home energy assistance program .....		116,451,600
Food bank funding .....		675,000
Homeless programs .....		11,646,700
Multicultural assimilation funding .....		1,715,500
Indigent burial .....		5,909,300
Emergency services local office allocations .....		21,865,500
Day care services .....		382,629,800
Day care training, technology, and oversight .....		2,496,700
Refugee assistance program—7.0 FTE positions .....		12,703,700
GROSS APPROPRIATION .....	\$	2,235,213,000
Appropriated from:		
Federal revenues:		
Total federal revenues .....		1,728,872,800
Special revenue funds:		
Child support collections .....		34,497,100
Supplemental security income recoveries .....		14,156,600
Public assistance recoupment revenue .....		3,610,000
State general fund/general purpose .....	\$	454,076,500

### **Information technology.**

#### **Sec. 113. INFORMATION TECHNOLOGY**

Information technology services and projects .....	\$	102,294,500
Child support automation .....		50,297,700
GROSS APPROPRIATION .....	\$	152,592,200
Appropriated from:		
Federal revenues:		
Total federal revenues .....	\$	98,899,600
State general fund/general purpose .....	\$	53,692,600

## PART 2

## PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS****Total state spending; payments to local units of government.**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2008-2009 is \$1,346,846,400.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$143,572,200.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

## DEPARTMENT OF HUMAN SERVICES

Child care fund.....	\$	138,133,500
County juvenile officers.....		3,645,500
State disability assistance payments .....		1,793,200
TOTAL.....	\$	143,572,200

**Appropriations subject to MCL 18.1101 to 18.1594.**

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

**Definitions.**

Sec. 203. As used in this act:

- (a) "AFC" means adult foster care.
- (b) "DCH" means the department of community health.
- (c) "Department" means the department of human services.
- (d) "DMB" means the department of management and budget.
- (e) "ECIC" means early childhood investment corporation.
- (f) "FTE" means full-time equated.
- (g) "IDG" means interdepartmental grant.
- (h) "JET" means jobs, education and training program.
- (i) "RSDI" means retirement survivors disability insurance.
- (j) "SSI" means supplemental security income.
- (k) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of title IV of the social security act, 42 USC 601 to 604, 605 to 608, and 609 to 619.
- (l) "Title IV-D" means part D of title IV of the social security act, 42 USC 651 to 655 and 656 to 669b.
- (m) "Title IV-E" means part E of title IV of the social security act, 42 USC 670 to 673, 673b to 679, and 679b.
- (n) "VA" means veterans affairs.

**Billing by civil service commission.**

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



**Hiring freeze; exceptions.**

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

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

**Privatization.**

Sec. 207. (1) The department shall provide an evaluation of any effort to privatize services or transfer services from the private to the public sector within 9 months of implementation to the appropriate senate and house appropriations subcommittees and the senate and house fiscal agencies.

(2) Sanctions, suspensions, conditions for provisional license status, and other penalties shall not be more stringent for private service providers than for public entities performing equivalent or similar services.

(3) Neither the department nor private service providers or licensees shall be granted preferential treatment or considered automatically to be in compliance with administrative rules based on whether they have collective bargaining agreements with direct care workers. Private service providers or licensees without collective bargaining agreements shall not be subjected to additional requirements or conditions of licensure based on their lack of collective bargaining agreements.

**Reporting requirements; use of Internet.**

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

**Purchase of goods or services; preference.**

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

**Contracts to provide services or supplies; businesses in deprived and depressed communities.**

Sec. 210. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies,

or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

### **Legal services.**

Sec. 211. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

### **Write-offs of accounts receivable, deferrals, and prior year obligations; reimbursements, refunds, adjustments, and settlements for prior years.**

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

(2) The department's ability to satisfy appropriation fund sources in part 1 shall not be limited to collections and accruals pertaining to services provided in the current fiscal year, but shall also include reimbursements, refunds, adjustments, and settlements from prior years. The department shall submit a written report to the chairpersons of the senate and house appropriations subcommittees on the department budget that identifies all reimbursements, refunds, adjustments, and settlements from prior years to be used to satisfy appropriation fund sources.

### **Food assistance overissuance collections; retention; offset; application against federal funds; report on food stamp error rate.**

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

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

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

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

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

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

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

### **Allocations within program budgeting line items and within salaries and wages line items; report.**

Sec. 214. (1) The department shall submit a report to the chairpersons of the senate and house appropriations subcommittees on the department budget, the senate and house fiscal

agencies and policy offices, and the state budget director on the details of allocations within program budgeting line items and within the salaries and wages line items in all appropriation units. The report shall include a listing, by account, dollar amount, and fund source, of salaries and wages; longevity and insurance; retirement; contractual services, supplies, and materials; equipment; travel; and grants within each program line item appropriated for the fiscal year ending September 30, 2009. With regard to federal appropriations, for each program line item funded by no more than 3 federal funding sources, the department shall provide estimates of the allocation of the appropriation for each specific federal funding source.

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

**Legislative objective violating federal regulations; loss of federal financial participation; notification.**

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

**FTE positions; report.**

Sec. 216. The department, in collaboration with the state budget office, shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on or before March 1, 2009 a report on appropriated and supportable FTE positions within the executive budget proposal for the fiscal year beginning October 1, 2009. The report shall contain all of the following information for each individual line item contained in the executive budget proposal for the department budget:

- (a) The number of FTEs to be funded from the line item.
- (b) The amount that is proposed to be allocated to salary and wage costs from the gross appropriation for the line item.
- (c) The amount that is proposed to be allocated to salary and wage costs from the gross appropriation for the line item on which was based the increase in the executive budget proposal from the amount appropriated for the line item in the department budget for the fiscal year ending September 30, 2009, if different from the amount in subdivision (b).
- (d) The portion of the amount described in subdivision (b) that is proposed to be taken from each funding source identified in the budget.
- (e) The gross salary and wage expenditures for the line item during the fiscal year ending September 30, 2008 and the estimated salary and wage expenditures for the line item during the fiscal year ending September 30, 2009.
- (f) The estimated number of FTE positions supportable by the amount described in subdivision (b).

**Out-of-state travel; exception; report.**

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

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

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

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

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

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

(g) The travel is necessary as part of the training of department workers or the staff of private providers through the child welfare institute.

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

### **TANF federal block grant; report; written notification of proposed changes in utilization or distribution of funding.**

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

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

**Travel to professional development conference or training seminar.**

Sec. 219. The department shall not approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless a professional development conference or training seminar is funded by a federal or private funding source and requires more than 1 person from the department to attend or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise.

**Faith-based organizations.**

Sec. 220. The department shall ensure that faith-based organizations are able to apply and compete for services, programs, or contracts that they are qualified and suitable to fulfill. The department shall not disqualify faith-based organizations solely on the basis of the religious nature of their organization or their guiding principles or statements of faith.

**Revenue collected from private and local sources; carrying forward excess amounts.**

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

**Policy changes implementing public act; rules applying to small business; definitions.**

Sec. 222. (1) The department shall report no later than April 1, 2009 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

(a) “Rule” means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) “Small business” means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

**Disability as factor in determining Medicaid eligibility.**

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

**Patient of nursing home; approval or denial of Medicaid application; time period.**

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

**Nursing home residents with Medicaid stay greater than 90 days; redetermination.**

Sec. 225. The department shall develop a rapid redetermination process for nursing home residents whose Medicaid stay is greater than 90 days. This process shall be implemented not later than September 30, 2009.

**Realignment of sources of financing authorizations.**

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

**Technology-related services and projects; payment of user fees.**

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

**Local services delivery effectiveness and efficiency; closure of certain county offices.**

Sec. 262. (1) The department, in conjunction with county department of human services boards of directors and the department of management and budget, shall implement a plan to assist local services delivery effectiveness and efficiency by maximizing use of state resources while responding to unique needs in geographic regions of the state. The department shall work with the department of management and budget to reduce unnecessary layers of management, such as zone offices or regional offices that may have assumed their functions before eliminating county offices, particularly when those county office closures would subject clients and residents to lengthy travel in order to meet or consult with their caseworker. Savings resulting from the plan shall be allocated to county offices to fund additional frontline workers. By February 1, 2009, the department shall submit a report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies and policy offices, and the state budget director that outlines the plan and shall include a review of the structures of the regional zone offices, describing their similarities and dissimilarities between regions.

(2) The department shall not close county offices in Presque Isle County, Ontonagon County, Baraga County, Iron County, or other counties where closure would subject clients to undue travel burdens.

**Communication of employee with legislative member or staff.**

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

**Client-centered results-oriented programs and services; implementation of plan.**

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

- (a) Day care assistance.
- (b) Family independence program.
- (c) Adoption subsidy.

- (d) Foster care.
- (e) Juvenile justice services.
- (f) Jobs, education, and training (JET) pilot program and other welfare reform activities.

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

- (a) The average cost per recipient served by the program.
- (b) Measurable performance indicators for each program.
- (c) Desired outcomes or results and goals for each program that can be measured on an annual basis, or desired results for a defined number of years.
- (d) Monitored results for each program.
- (e) Innovations for each program that may include savings or reductions in administrative costs.

(3) During the annual budget presentation, the department shall provide the senate and house appropriations subcommittees on the department budget the information listed in subsection (2).

### **Report on certain findings and progress.**

Sec. 271. The department shall provide a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices detailing the findings and progress related to all of the following:

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

### **Report on certain findings and progress.**

Sec. 272. The department shall provide the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices a report detailing the findings and progress of all of the following:

- (a) Training programs conducted by the department, a university affiliate, the child welfare institute, the Michigan judicial institute, and any private agencies that have been authorized to provide training.
- (b) Changes made by the courts on court forms and rules used in meeting the statutory requirements of the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115.



(c) Department policy changes that impact meeting the statutory requirements of the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, for child care assistance, the family independence program, the JET program, and foster care and adoption, including juvenile justice programs.

(d) Recommendations for better compliance with federal standards and increased eligibility for federal money made by a workgroup composed of representatives from the department and other departments, public and private agencies, and individual citizens.

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

(f) Federal penalties assessed against this state.

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

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

(i) Measures taken to prevent or avoid sanctions.

**Policy changes implementing legislation; cumulative list; copies of regulatory plan; use of appropriated money.**

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

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

(3) Not later than July 1, 2009, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director with copies of the annual regulatory plan submitted to the state office of administrative hearings and rules pursuant to section 53 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.253. The annual regulatory reform plan shall not include proposals for rule promulgation that exceed the statutory authority granted to the department.

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

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

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



**Annual budget presentation on federal grants.**

Sec. 274. The department shall report to the house and senate appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director as part of the annual budget presentation on each federal grant this state was eligible to apply for, listing both grants applied for and not applied for. This report will cover grants exceeding \$500,000.00, related to fatherhood and marriage initiatives, teen pregnancy prevention, kinship care, before- and after-school programs, family preservation and prevention, homeless prevention, and youth in transition.

**Revenue maximization for caseload services; contract.**

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

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

(3) The department shall retain any savings achieved through the revenue maximization services contract as an offset to general fund/general purpose costs. Additional savings shall be allocated within the department for the following purposes:

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

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

(4) The department shall provide a report to the senate and house appropriations subcommittees on the department budget, senate and house standing committees on human services matters, senate and house fiscal agencies and policy offices, and state budget director by December 31, 2008 on the waste, fraud, error, and abuse located under subsection (1). By April 1, 2009, the department shall provide a progress report including the specific changes implemented to achieve savings under this section and the timetable for implementation of the remaining changes.

**Contracts as performance-based employing client-centered results oriented process.**

Sec. 279. All contracts relating to human services entered into or renewed by the department on or after October 1, 2008 shall be performance-based contracts that employ a client-centered results-oriented process that is based on measurable performance indicators and desired outcomes and includes the annual assessment of the quality of services provided. During the annual budget presentation, the department shall provide the senate and house appropriations subcommittees on the department budget with the measurable performance indicators, desired outcomes, and the assessment of the quality of services provided for each contract relating to human services entered into by the department during the fiscal year ending September 30, 2009.

**Information technology improvement initiative "Bridges" integration project.**

Sec. 280. The department shall submit a report to the house and senate appropriations subcommittees for the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget director by February 1, 2009 on the status

of the department's information technology improvement initiative "Bridges" integration project. The report shall include details on the following:

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

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

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

(d) A narrative describing anticipated information technology needs for the department in future years.

(e) A projection of the resources necessary to expand the capability of the Bridges system to link with the law enforcement information network operated by the department of state police.

### **Information technology; designation of amounts as work projects.**

Sec. 283. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

### **Contingency funds.**

Sec. 284. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$200,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$20,000,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$20,000,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

### **Continuous improvement efficiency mechanisms.**

Sec. 285. From the money appropriated in part 1, the department shall implement continuous improvement efficiency mechanisms in the programs administered by the department. The continuous improvement efficiency mechanisms shall identify changes made in programs to increase efficiency and reduce expenditures in the programs. On March 31, 2009 and September 30, 2009, the department shall submit a report to the state budget director, the senate and house appropriations subcommittees, and the senate and house fiscal agencies on the progress made toward increased efficiencies in department programs. At a minimum,

each report shall include information on the program review process, the type of improvement mechanisms implemented, and actual and projected expenditure savings as a result of the increased program efficiencies.

**Procurement procedures; streamlining; contract with private company.**

Sec. 286. The department shall contract with a private company to conduct a study of ways to streamline the department's procurement procedures for durable goods and services. A report and recommendations for streamlining the department's procurement procedures shall be prepared by the private contractor and submitted to the house and senate appropriations committees and the house and senate fiscal agencies by November 30, 2008.

**Review and examination of child death.**

Sec. 287. The department shall work collaboratively with the child death review board and court system to improve communication and coordination between entities on the review and examination of child death in Michigan.

**Properly documented services purchased by department; establishment of payment timelines; prohibition.**

Sec. 288. The department shall not establish time limits on payments to providers for properly documented services purchased by the department.

**Incorporation of law enforcement information network into Bridges system.**

Sec. 295. It is the intent of the legislature to mandate the department to cooperate with the department of state police to incorporate the law enforcement information network system into the Bridges system in fiscal year 2009-2010.

**Appropriation; contingencies; receipt of temporary assistance for needy families contingency funds; carryforward of block grant revenues; money as 1-time authority; realignment of financing.**

Sec. 296. (1) In addition to the money appropriated in part 1, there is appropriated up to \$21,889,600.00. This appropriation is contingent upon the receipt of temporary assistance for needy families contingency funds in fiscal year 2007-2008, and a subsequent carryforward of temporary assistance for needy families block grant revenues into fiscal year 2008-2009, and upon certification from the state budget director that the funds are available for expenditure. Of this amount, up to: \$4,900,000.00 for children's rights lawsuit-related legal expenses; \$4,989,600.00 may be used for a family independence program grant increase; \$10,000,000.00 may be used to increase the child day care provider rate increases; and \$2,000,000.00 may be used to support strong families safe children program costs. Any federal matching funds projected to be earned in addition to the \$21,889,600.00 for the purposes outlined in this subsection are also appropriated.

(2) The money appropriated in subsection (1) shall be considered 1-time authority.

(3) The department, with the approval of the state budget director, is authorized to realign sources of financing authorizations related to expenditure of the money appropriated in subsection (1) in order to spend the funds in a manner allowable by federal rules and regulations. This realignment of financing shall not be made until 15 days after notifying the chairs of the house and senate appropriations subcommittees on the department budget and house and senate fiscal agencies, and shall not produce an increase or decrease in any line-item expenditure authorization.

**EXECUTIVE OPERATIONS****Day care facility; licensing review and facility inspection; inspection for lead hazards; remediation.**

Sec. 305. If federal funds become available to support a lead testing program, the department shall, before issuing a license for a day care facility and as part of licensing review and facility inspection, require documentation verifying that the facility has been inspected for lead hazards and that any lead hazards identified have been remediated.

**Kinship care resource center.**

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

**Demonstration projects; distribution to Michigan 2-1-1; report.**

Sec. 307. (1) Of the money appropriated in part 1 for demonstration projects, \$200,000.00 shall be distributed as provided in subsection (2). The amount distributed under this subsection shall not exceed 50% of the total operating expenses of the program described in subsection (2), with the remaining 50% paid by local United Way organizations and other nonprofit organizations and foundations.

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

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

**Demonstration projects; legal services for disabled veterans.**

Sec. 308. From the money appropriated in part 1 for demonstration projects, \$200,000.00 shall be expended on a contract with the University of Detroit Mercy to provide legal services for disabled veterans who are seeking eligibility under federal disability programs, including federal supplemental security income. The contract shall fund a statewide effort by the university through use of its mobile office to deliver these legal services.

**Demonstration projects; Youthville Detroit.**

Sec. 309. From the money appropriated in part 1 for demonstration projects, the department shall provide \$100,000.00 to Youthville Detroit.

Sec. 310. From the money appropriated in part 1 for demonstration projects, the department shall provide \$120,000.00 for a pilot program in Sanilac County. The program shall coordinate a comprehensive system of care and referral for area families with children ages zero to 18.

## **ADULT AND FAMILY SERVICES**

### **Fatherhood initiative program.**

Sec. 415. (1) In expending money appropriated in part 1 for the fatherhood initiative, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. Preference shall be given to independent contractors that provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. However, an independent contractor that cannot secure matching funds shall not be excluded from consideration for the fatherhood program.

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

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

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

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

### **Marriage initiative program.**

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

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**Compiler's note:** The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoed."

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

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

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

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

### **Individual development accounts.**

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

### **Individual development accounts programs; implementation in low-income designated credit unions.**

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

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

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

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

**Welfare to career innovation grants; replication of Kent County model with Cascade engineering.**

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

**Crisis prevention and senior food aid projects.**

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

(2) From the money appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate not less than \$100,000.00 to assist this state's elderly population to participate in the food assistance program. The money may be used as state matching funds to acquire available United States department of agriculture funding to provide outreach program activities, such as eligibility screen and information services, as part of a statewide food stamp hotline.

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

**Effective family formation program; use of funds by child and family resource council in Kent County.**

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

**CHILDREN'S SERVICES**

**Number of children in foster care; goal; priority to children under 1 year of age.**

Sec. 501. The following goal is established by state law. During the fiscal year ending September 30, 2009, not more than 3,000 children supervised by the department shall remain in foster care longer than 24 months. The department shall give priority to reducing the number of children under 1 year of age in foster care. During the annual budget presentation, the department shall report on the number of children supervised by the department and by private agencies who remain in foster care between 12 and 24 months, and those who remain in foster care longer than 24 months.



**Children under jurisdiction of Indian tribal courts; reimbursement for foster care expenditures.**

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

**Adoption subsidy payments; continuation; criteria.**

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

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

**Children's trust fund grants; state child abuse and neglect prevention board; joint project; collaboration; FTE for administration of children's trust fund; use of interest and investment revenue; receipt of money in expeditious manner.**

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

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

(3) The department shall collaborate with the state child abuse and neglect prevention board to develop recommendations on how to best incorporate child abuse prevention strategies and practices into suggested changes in state statute and department policy. The department shall provide any recommendations developed with the state child abuse and prevention board to the senate and house standing committees on human services and appropriations subcommittees on the department budget not later than March 1, 2009.

(4) From the funds appropriated in part 1 for children's trust fund administration, the department shall devote \$180,000.00 towards 2.0 additional FTE positions for administration of the children's trust fund.

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

(6) The department and the child abuse neglect and prevention board shall collaborate to ensure that administrative delays are avoided and the local grant recipients and direct service providers receive money in an expeditious manner. The department and board shall seek to have the children's trust fund grants distributed no later than October 31, 2008.

**Expenditure of funds to preserve or reunite family prohibited; exception; counseling or other services.**

Sec. 509. (1) From the funds appropriated in part 1, the department shall not expend funds to preserve or reunite a family, unless there is a court order requiring the preservation



or reuniting of the family or the court denies the petition, if either of the following would result:

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

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

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

**Service provider as nationally accredited or only provider in service area; bids not required.**

Sec. 510. The department shall not be required to put up for bids a contract with a service provider if the service provider is nationally accredited or is currently the only provider in the service area.

**Establishment of out-of-state child placement task force; out-of-state placements; report; audit.**

Sec. 513. (1) The department and representatives of private, licensed child caring institutions shall collaborate in establishing an out-of-state child placement task force to make recommendations on the out-of-state placement of children. Representation on the task force shall be equally divided between the department and private, licensed child caring institutions.

(2) The department shall not expend money appropriated in part 1 to pay for the direct placement by the department of a child in an out-of-state facility unless all of the following conditions are met:

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

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

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

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

(3) The child placement task force shall work with the department to establish a reporting process by which counties and courts may report negative experiences with out-of-state facilities, and whether they would or would not recommend placement of youth in those facilities.

(4) The department shall submit a report by February 1 of each year on the number of children who were placed in out-of-state facilities during the previous fiscal year, the number of Michigan children residing in such facilities at the time of the report, the total cost and average per diem cost of these out-of-state placements to this state, and a list of each such placement arranged by the Michigan county of residence for each child.

(5) The department shall cooperate with the auditor general to conduct an audit of out-of-state placements for the fiscal year ending September 30, 2008 to determine if the department properly enforced the criteria set forth in section 513 of article 10 of 2006 PA 345, and to determine if payments to counties were made for cases that were not eligible under the

provisions of that act. The purpose of this audit is solely to determine compliance with the criteria. No child who was placed improperly in an out-of-state placement shall be forced to relocate to another placement as a result of this audit. A county that has received payment for a case that this audit determines to be ineligible shall not be required to reimburse the state for that payment.

(6) Future budgets for the department shall include a requirement for audits similar to the audit required in subsection (5). If a future audit determines a county has been improperly paid for an ineligible case under this section, the county may be required to repay the amount received for the ineligible case.

### **Children's protective services; report.**

Sec. 514. The department shall make a comprehensive report concerning children's protective services (CPS) to the legislature, including the senate and house policy offices and the state budget director, by January 1, 2009, that shall include all of the following:

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

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

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

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

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

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

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

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

### **Performance-based models for foster care services with agencies and other providers; contracts; benchmarks.**

Sec. 515. The department shall use performance-based models for foster care services with agencies and other providers that provided satisfactory services under contract before January 1, 2008. The goal of these contracts shall be to provide incentives for agencies to improve services for children in foster care, but especially to improve the process of finding them quality permanent placements, and reducing their time as foster children. Not later than March 30, 2009, the department shall provide an update to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the office of the state budget on benchmarks developed in conjunction with private providers for this performance model, results the department or agencies have achieved in improving permanency placements, and recommendations for further improvements for foster care services across the entire state.

**Child welfare service pilot project in Kent County.**

Sec. 516. (1) The department shall implement a child welfare service pilot project in Kent County no later than July 1, 2009. The pilot project will provide for the purchase of all child welfare services, excluding child protection and evaluation services, from child placing agencies.

(2) The department shall collaborate with child placing agencies under contract with the department in Kent County to achieve the following by June 30, 2009:

(a) Identify the goals and outcomes to be achieved with implementation of the project.

(b) Determine the process through which the department will monitor the project by utilizing total quality management, utilization review, and outcome monitoring and systems review.

(c) Develop a policy that will require child placing agencies, upon referral from the department, to accept placement and permanency planning responsibilities for every child in Kent County in court-ordered out-of-home placement.

(d) Create a process for an independent multi-diagnostic child evaluation to determine the specific needs of children in need of placement.

(e) Develop a treatment foster care model, a plan for a system of care model to include community mental health agencies and family courts, and a model for full family responsibility.

(3) The department shall provide a report not later than June 30, 2009 to the senate and house appropriations subcommittees on the department budget, senate and house fiscal agencies, and senate and house policy offices on the program outlined in subsection (2), and a quarterly report thereafter, on the successes and failures of the project and any recommendations for improvement.

(4) It is the intent of the legislature to expand the pilot project described in subsection (1) to additional counties in fiscal year 2009-2010.

**Allocation of funds to multipurpose collaborative bodies; priority; criteria; "state human services directors" defined.**

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

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

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

(b) Improve parent/child interaction.

(c) Promote access to needed community services.

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

(e) Improve school readiness.

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

(3) The appropriation provided for in subsection (2) is to fund secondary prevention programs as defined in the children's trust fund's preapplication materials for fiscal year 2008-2009 direct services grants.

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

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

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

(c) Demonstrate that the planned services are part of the community's integrated comprehensive family support strategy endorsed by the community collaborative and, where there is a great start collaborative, demonstrate that the planned services are part of the community's great start strategic plan.

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

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

**Youth in transition, domestic violence prevention and treatment, and teenage parent counseling; allocation of TANF funds; report; matching funds.**

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

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

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

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

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

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

(iv) The number of father participants.

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

(i) Adult supervised, supportive living arrangements.

(ii) Pregnancy prevention services or referrals.

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

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

(v) Parenting and life-skills training.

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

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

(viii) Instruction on self-protection.

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

**Prevention programs; report.**

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

- (a) The average cost per recipient served.
- (b) Measurable performance indicators.
- (c) Desired outcomes or results and goals that can be measured on an annual basis, or desired results for a defined number of years.
- (d) Monitored results.
- (e) Innovations that may include savings or reductions in administrative costs.

Sec. 531. (1) From the funds appropriated in part 1, the department shall make claims for and pay to local units of government the full benefit of federal title IV-E revenues earned as a result of the first \$5,000,000.00 of eligible costs incurred by local units of government.

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

- (a) Provide for the department to retain 50% of any federal revenues earned as a result of eligible costs above \$5,000,000.00.
- (b) Provide for department review and approval of the local unit's plan for allocating costs to title IV-E.
- (c) Provide for the local unit of government to submit bills at times, and in the format, specified by the department.
- (d) Specify that the local unit of government is responsible for meeting all federal title IV-E regulation requirements, including reporting requirements, with regard to the activities and costs being billed to title IV-E.
- (e) Provide for the local unit of government to pay the state for the amount of any federal revenues paid to the local unit that may subsequently be disallowed by the federal government.
- (f) Be signed by the director of the department, the chief executive officer of the local government agency providing the title IV-E services, the chair of the county board of commissioners, and the chief executive officer of the county.

**Child placing agencies and child caring institutions; annual licensing review process and annual contract compliance review process.**

Sec. 532. (1) The department, in collaboration with representatives of private child and family agencies, shall revise and improve the annual licensing review process and the annual contract compliance review process for child placing agencies and child caring institutions. The improvement goals shall be safety and care for children. Improvements to the review process shall be directed toward alleviating administrative burdens so that agency resources may be focused on children. The revision shall include identification of duplicative staff activities and information sought from child placing agencies and child caring institutions in the annual review process. The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on or before January 15, 2009 on the findings of the annual licensing review.

(2) The department shall conduct licensing reviews no more than once every 2 years for child placing agencies and child caring institutions that are nationally accredited and have no outstanding violations.

(3) The department shall develop a plan to license relatives of foster children as foster care providers to ensure consistent high standards of care for those foster children. The department shall report on the plan to the senate and house appropriations subcommittees with oversight over the department budget, the senate and house standing policy committees generally concerned with children's issues, the senate and house fiscal agencies and policy offices, and the state budget director as part of the quarterly reports required by section 582.

**Out-of-home care services; payments to child placing facilities; automated payments.**

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

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

**Geographically based assignment system for foster care prohibited; exception.**

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

**Goals, objectives, and performance standards.**

Sec. 537. (1) The department, in collaboration with child placing agencies shall develop goals, objectives, and performance standards to evaluate achievements and results in providing quality foster care for children, reductions in their time in foster care, and better permanency placements.

(2) As part of the quarterly reports required by section 582, the department shall submit a report to the senate and house appropriations subcommittees with oversight over the department budget, the senate and house standing policy committees generally concerned with children's issues, the senate and house fiscal agencies and policy offices, and the state budget director on the goals, objectives, and performance standards developed under subsection (1) and the results or outcomes of using the measures.

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

**Abused, neglected, or delinquent children; residential treatment; placement criteria.**

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

**Accelerated residential treatment; pilot project.**

Sec. 544. The department shall continue pilot projects with applications pending for accelerated residential treatment.

**Foster care payments; administrative rate.**

Sec. 546. (1) From the money appropriated in part 1 for foster care payments and from child care fund, the department shall pay providers of these services a \$27.00 administrative rate.

(2) The department shall calculate and report to the house and senate appropriations subcommittees on the department budget on the cost of care, on a per diem basis, for foster care services delivered directly by the department.

**Independent living services; payment rate to private provider.**

Sec. 547. From the money appropriated in part 1 for foster care payments and for child care fund, the department shall pay a private provider of independent living services a daily rate equal to the daily rate the provider received in the fiscal year ending September 30, 2008 plus a 4% increase to that daily rate.

**Disproportionate representation of African-American and other children of color; recommendations of task force.**

Sec. 548. During the annual budget presentation to the house and senate appropriations subcommittees on the department budget, the department shall report on progress in implementing the recommendations of the task force that studied the disproportionate representation of African-American and other children of color in the child welfare and juvenile justice systems as required under former section 548 of the fiscal year 2005-2006 budget act for the department.

**Streamlining oversight process.**

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

**Adoption subsidy; report.**

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

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

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

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

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

(e) The total amount of money expended on the requests described in subdivision (b) that were approved.



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

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

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

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

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

### **Conflict among law, rules, policies, and federal provisions.**

Sec. 559. If a conflict arises between the provisions of state law, department rules, or department policy, and the provisions of title IV-E, the provisions of title IV-E prevail.

### **Placement in a secure residential facility.**

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

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

### **Title IV-E demonstration project waiver.**

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

### **Home-based programs; allocation to Wayne County.**

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

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

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

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

### **Contracts with licensed child placing agencies.**

Sec. 566. (1) Subject to subsection (3), beginning October 1, 2008, preference shall be given in the provision of direct foster care services to public and private agencies that are nationally accredited.

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



(3) Beginning October 1, 2007, the department shall not enter into or maintain a contract with a for-profit child placing agency, or with a nonprofit child placing agency that uses a for-profit management group or contracts with a for-profit organization for its management, to provide direct foster care services unless the agency was licensed on or before August 1, 2007 and, if the agency is a nonprofit child placing agency that uses a for-profit management group or contracts with a for-profit organization for its management, the contract with the for-profit group or organization existed prior to August 1, 2007.

(4) It is the intent of the legislature to explore modifying current contract restrictions for foster care outlined in subsection (3).

### **Residential treatment security levels; review of policies, practices, and definitions.**

Sec. 567. (1) The department, in conjunction with private, nonprofit child caring agencies and the chairpersons of the house and senate appropriations subcommittees on the department budget, shall review all policies, practices, and definitions for residential treatment security levels. The department shall give special consideration to how the levels affect the eligibility for title IV-E funding of residential facilities for both child welfare, abuse and neglect, and juvenile justice youth and whether the policies, practices, and definitions are consistent with federal title IV-E regulations, with the goal of maximizing the amount of federal money available to this state.

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

(3) The department shall work to implement some of the program changes necessary to increase title IV-E reimbursement as identified through research completed in fiscal year 2007-2008 as mandated in section 567(2) of 2007 PA 131.

### **Competition of private sector for money to achieve permanency placement for children in foster care.**

Sec. 568. (1) From the money appropriated in part 1 for child welfare improvements, the department may allow the private sector to compete for the money to achieve permanency placement for children in foster care and prioritize funding for children in foster care who have barriers to permanency placement.

(2) Beginning December 31, 2008, the department shall submit quarterly reports to the legislature that include all of the following information on the appropriation adjustments described in section 568(2) of 2007 PA 131 and those same appropriations adjustments in this act:

(a) The number of positions hired or paid from these appropriations, what their titles and responsibilities will be, what performance objectives and measurable outcomes they are required to satisfy, and what they are being paid in salaries, wages, and fringe benefits. If a community-based provider of adoption services assumes an adoption case that was previously handled by a public agency or worker, the time that the case was handled by the public agency or worker shall not be counted in a performance measure without the consent of the community-based provider.

(b) Information on any contracts for services that have been awarded and the performance objectives and measurable outcomes that are incorporated in the contracts and the successes or failures that are achieved as a result.

(c) Detailed information on any money spent for child welfare improvements and what measurable outcome is expected for the money being spent.

**Subsidized guardianship program.**

Sec. 570. (1) From the money appropriated in part 1 for the subsidized guardianship program, the department shall provide subsidies under this program to children who are wards of the court under section 2(b) of chapter XIIA of the probate code of 1939, 1939 PA 288, MCL 712A.2.

(2) The department shall make money available to children who are receiving services from the department at the time a guardian is appointed for the child, if the court appointing the guardian considers it necessary to continue those services for the success of the guardianship.

(3) The department may provide money to eligible children in the subsidized guardianship program on an as-needed basis or in the form of a 1-time payment to promote permanency for children.

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

**Title IV-E compliance and accountability office.**

Sec. 571. The department shall maintain a title IV-E compliance and accountability office with the following goals and responsibilities:

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

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

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

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

(e) As part of the quarterly reports required by section 582, provide information to the house and senate appropriations subcommittees on the department budget on activities and progress toward meeting the responsibilities outlined above.

**Adoption contracts focusing on long-term wards.**

Sec. 573. From the money appropriated in part 1 for adoption support services, \$1,049,400.00 is allocated to support adoption contracts focusing on long-term permanent wards who have been wards for more than 1 year after termination of parental rights. Private agencies shall receive \$16,000.00 for each finalized placement under the program.

**Licensure of relative caregivers as foster parents; family incentive grants.**

Sec. 574. (1) From the money appropriated in part 1 for foster care payments - abuse and neglect, \$2,500,000.00 is allocated to support contracts with child placing agencies to facilitate the licensure of relative caregivers as foster parents. Agencies shall receive \$2,300.00 for each facilitated licensure. The agency facilitating the licensure would retain the placement and continue to provide case management services for at least 50% of the newly licensed cases for which the placement was appropriate to the agency. Up to 50% of the newly licensed cases would have direct foster care services provided by the department.