

Act No. 294
Public Acts of 1998
Approved by the Governor*
July 27, 1998
Filed with the Secretary of State
July 28, 1998
EFFECTIVE DATE: July 28, 1998

*Item Vetoes

FAMILY INDEPENDENCE AGENCY

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**STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1998**

Introduced by Reps. Jansen, Bankes, McBryde, Gilmer, Jellema, Geiger, Johnson, Godchaux and Bobier

ENROLLED HOUSE BILL No. 5590

AN ACT to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 1999; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the family independence agency for the fiscal year ending September 30, 1999, from the funds indicated in this part. The following is a summary of the appropriations in this part:

FAMILY INDEPENDENCE AGENCY

Full-time equated classified positions	13,465.3	
Full-time equated unclassified positions	6.0	
Total full-time equated positions	13,471.3	
GROSS APPROPRIATION.....	\$	2,925,798,400
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	\$	150,000
ADJUSTED GROSS APPROPRIATION.....	\$	2,925,648,400
Federal revenues:		
Total federal revenues		1,714,487,600
Special revenue funds:		
Total private revenues.....		7,731,100
Total local revenues		67,897,200
Total other state restricted revenues.....		92,532,500
State general fund/general purpose	\$	1,043,000,000

Sec. 102. EXECUTIVE OPERATIONS

Total full-time equated positions	936.3
Full-time equated unclassified positions	6.0
Full-time equated classified positions	930.3

		For Fiscal Year Ending Sept. 30, 1999
Other unclassified salaries—6.0 FTE positions	\$	478,000
Salaries and wages—727.3 FTE positions		32,965,300
Contractual services, supplies, and materials		10,330,300
Demonstration projects—11.0 FTE positions		10,605,700
End user support.....		4,916,000
Computer service fees		12,931,700
ASSIST project—25.0 FTE positions.....		33,846,500
Data system enhancement—26.0 FTE positions		12,620,300
Child support automation—25.0 FTE positions.....		26,461,100
Child support distribution computer system.....		625,000
Commission on disability concerns—8.0 FTE positions		759,600
Commission for the blind—108.0 FTE positions		17,060,200
GROSS APPROPRIATION.....	\$	163,599,700
Appropriated from:		
Interdepartmental grant revenues:		
IDG-ADP user fees		150,000
Federal revenues:		
Total federal revenues		92,521,800
Special revenue funds:		
Total private revenues.....		1,840,000
Total local revenues		475,000
Total other state restricted revenues.....		477,300
State general fund/general purpose	\$	68,135,600

Sec. 103. FAMILY SERVICES ADMINISTRATION

Full-time equated classified positions.....	397.0	
Salaries and wages—320.0 FTE positions	\$	14,810,500
Contractual services, supplies, and materials		6,896,500
Child support incentive payments.....		32,409,600
Legal support contracts.....		87,853,700
Supplemental security income advocates, salaries and wages—17.0 FTE positions		1,044,100
State incentive payments.....		4,449,000
Employment and training support services.....		24,926,700
Food stamp issuance		5,374,400
High school completion project—5.0 FTE positions		358,400
Wage employment verification reporting—2.0 FTE positions		5,030,000
Urban and rural empowerment/enterprise zones.....		100
Training and staff development—53.0 FTE positions		9,513,100
Community services block grants.....		18,100,000
GROSS APPROPRIATION.....	\$	210,766,100
Appropriated from:		
Federal revenues:		
Total federal revenues		182,141,000
Special revenue funds:		
Total local revenues		340,000
State general fund/general purpose	\$	28,285,100

Sec. 104. CHILD AND FAMILY SERVICES

Full-time equated classified positions.....	104.3	
Salaries and wages—53.3 FTE positions	\$	2,667,200
Contractual services, supplies, and materials		1,782,000
Refugee assistance program—9.0 FTE positions		7,377,100
County juvenile officers.....		3,742,700
Foster care payments		255,924,100
Adoption subsidies.....		122,871,200
Youth in transition—20.0 FTE positions		10,256,900
Interstate compact		300,000
Child care fund		70,217,600
Children's benefit fund donations		21,000

		For Fiscal Year Ending Sept. 30, 1999
Domestic violence prevention and treatment—1.0 FTE position	\$	5,662,200
Teenage parent counseling—3.0 FTE positions		3,405,200
Family preservation and prevention services—13.0 FTE positions		73,715,500
Black child and family institute		100,000
Rape prevention and services		1,100,000
Children's trust fund administration—4.0 FTE positions.....		330,300
Children's trust fund grants		3,615,000
Attorney general contract.....		1,708,700
Guardian contract		600,000
County shelters		200,000
Prosecuting attorney contracts—1.0 FTE position.....		1,061,700
GROSS APPROPRIATION.....	\$	566,658,400
Appropriated from:		
Federal revenues:		
Total federal revenues		275,841,100
Special revenue funds:		
Private - children's benefit fund donations		21,000
Private - collections		4,101,300
Local funds - county payback		27,643,200
Children's trust fund.....		2,070,300
State general fund/general purpose	\$	256,981,500

Sec. 105. DELINQUENCY SERVICES

Full-time equated classified positions	1,211.1	
Personnel payroll costs—916.2 FTE positions	\$	47,390,400
Delinquency services operations.....		14,528,500
Residential care centers—45.0 FTE positions		2,518,100
Genesee Valley and Detroit detention centers—210.2 FTE positions		14,389,900
Federally funded activities—26.1 FTE positions		1,813,800
W.J. Maxey memorial fund.....		45,000
Regional detention services—10.6 FTE positions.....		1,207,300
Juvenile accountability incentive block grant		6,128,200
Juvenile boot camp program		2,300,000
Committee on juvenile justice administration—3.0 FTE positions.....		269,300
Committee on juvenile justice grants		7,000,000
Alternative delinquency services.....		100
GROSS APPROPRIATION.....	\$	97,590,600
Appropriated from:		
Federal revenues:		
Total federal revenues		25,043,700
Special revenue funds:		
Total private revenues.....		45,000
Local funds - county payback		38,941,500
State general fund/general purpose	\$	33,560,400

Sec. 106. LOCAL OFFICE STAFF AND OPERATIONS

Full-time equated classified positions	10,196.9	
Field staff, salaries and wages—7,278.5 FTE positions	\$	278,246,100
Children and adult services, salaries and wages—2,797.9 FTE positions		111,465,700
Contractual services, supplies, and materials		24,167,900
Outstationed eligibility workers—30.0 FTE positions		3,497,800
Volunteer services and reimbursement—90.5 FTE positions.....		6,925,200
GROSS APPROPRIATION.....	\$	424,302,700
Appropriated from:		
Federal revenues:		
Total federal revenues		263,281,700
Special revenue funds:		
Local funds - donated funds.....		193,100

		For Fiscal Year Ending Sept. 30, 1999
Private funds - hospital contributions.....	\$	1,723,800
State general fund/general purpose	\$	159,104,100

Sec. 107. DISABILITY DETERMINATION SERVICES

Full-time equated classified positions.....	602.0	
Disability determination operations—602.0 FTE positions.....	\$	66,616,000
GROSS APPROPRIATION.....	\$	66,616,000
Appropriated from:		
Federal revenues:		
Total federal revenues		66,616,000
State general fund/general purpose	\$	0

Sec. 108. CENTRAL SUPPORT ACCOUNTS

Rent.....	\$	49,521,100
Occupancy charge		5,308,500
Travel.....		7,982,400
Equipment		3,022,900
Worker's compensation.....		5,166,900
Advisory commissions.....		17,900
Payroll taxes and fringe benefits.....		148,928,100
GROSS APPROPRIATION.....	\$	219,947,800
Appropriated from:		
Federal revenues:		
Total federal revenues		123,963,700
Special revenue funds:		
Departmentwide lapse revenue		8,024,200
Local funds - county payback		304,400
State general fund/general purpose	\$	87,655,500

Sec. 109. PUBLIC ASSISTANCE

Full-time equated classified positions.....	23.7	
Family independence program.....	\$	538,731,800
State disability assistance payments		23,738,100
Food stamp program benefits		132,000,000
State supplementation		57,653,600
State supplementation administration		2,502,000
Low-income energy assistance program—21.7 FTE positions		72,000,000
State emergency relief—2.0 FTE positions.....		38,700,000
Weatherization assistance		10,900,000
Day care services.....		300,091,600
GROSS APPROPRIATION.....	\$	1,176,317,100
Appropriated from:		
Federal revenues:		
Total federal revenues		685,078,600
Special revenue funds:		
Child support collections		70,160,600
Supplemental security income recoveries		5,800,000
Public assistance recoupment revenue		6,000,100
State general fund/general purpose	\$	409,277,800

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. (1) In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 1998-99 is estimated at \$1,135,532,500.00 in this act and state spending from state sources

to local units of government for fiscal year 1998-99 is estimated at \$136,418,400.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

FAMILY INDEPENDENCE AGENCY
CHILD AND FAMILY SERVICES

Child care fund.....	\$	70,217,600
County juvenile officers.....		2,741,600
Adoption subsidies.....		62,004,000

PUBLIC ASSISTANCE

State disability program.....		1,455,200
TOTAL	\$	136,418,400

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

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

Sec. 203. The state budget director may make administrative transfers of appropriations for the department to adjust amounts between the local funds - county payback line items in part 1. Such transfers shall be made in compliance with section 393(1) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 204. 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.

Sec. 205. The expenditures and funding sources authorized under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

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

Sec. 207. (1) The department shall submit a report to the chairpersons of the senate and house appropriations subcommittees on the family independence agency budget and to the senate and house fiscal agencies on the details of allocations within program budgeting line items and within the salaries and wages line items in the field services appropriation unit. 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, 1999.

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

Sec. 208. As used in this act:

- (a) "ADP" means automated data processing.
- (b) "ASSIST" means automated social services information system.
- (c) "Department" means the family independence agency.
- (d) "FTE" means full-time equated position.
- (e) "IDG" means interdepartmental grant.
- (f) "Temporary assistance for needy families" (TANF) or "title IV" means title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 601 to 603, 604 to 608, 609 to 619, 620 to 629e, 651 to 660, 663 to 669b, 670 to 673, 673b, 674 to 679, 679b, and 681 to 687.
- (g) "Title XX" means title XX of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1397 to 1397f.

Sec. 209. 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 house and senate appropriations committees and the house and senate fiscal agencies of that fact. Upon receipt of the notification, a joint house and senate committee made up of the members of the house and senate appropriations subcommittees dealing with appropriations for the family independence agency may be appointed to meet with the director of the department to review the substantive, procedural, and legal ramifications of the legislative objective and to develop a plan to attain that legislative objective.

Sec. 210. Funds appropriated in part 1 shall not be used for the purchase of foreign goods and/or services if competitively priced American goods and/or services of comparable quality are available.

Sec. 211. The department of civil service shall bill departments and/or agencies at the end of the first fiscal quarter for the 1% charges authorized by section 5 of article XI of the state constitution of 1963. Payments shall be made for the total amount of the billing by the end of the second fiscal quarter.

Sec. 212. In compliance with governmental accounting standards board (GASB) statement no. 24, accounting and financial reporting for certain grants and other financial assistance, such as federal food stamp distributions via coupons or electronic benefits systems, are hereby appropriated and shall be recognized as general fund - special purpose expenditures in the state's accounting records and financial reports. The level of appropriations under this section shall coincide with anticipated federal food stamps revenues for the fiscal year ending September 30, 1999.

Sec. 213. (1) Beginning October 1, 1998, there is a hiring freeze imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees 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 or to positions that are funded 80% or more from federal or restricted funds.

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

Sec. 214. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both, for the department. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.

Sec. 216. (1) The department shall submit to the department of management and budget, the house and senate appropriations committees, the house and senate fiscal agencies, and the house and senate standing committees having jurisdiction over technology issues, quarterly reports on the department's efforts to change the department's computer software and hardware as necessary to perform properly in the year 2000 and beyond. These reports shall identify actual progress in comparison to the department's approved work plan for these efforts.

(2) The reports required under subsection (1) shall also identify and forward as appropriate the funding sources that should support the work performed.

Sec. 218. The department shall receive and retain copies of all reports funded from part 1 appropriations. Federal and state guidelines for short-term and long-term retention of records shall be followed.

Sec. 219. (1) The department shall prepare a semiannual report on the temporary assistance for needy families (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 house and senate appropriations subcommittees on the family independence agency budget on or before October 15, 1998 and April 15, 1999.

(2) The state budget director shall give prior written notice to the members of the house and senate appropriations subcommittees for the family independence agency and to the house and senate fiscal agencies 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.

Sec. 220. The department shall include in its quality control reporting the number of veterans receiving food stamps, family independence program assistance, and Medicaid.

Sec. 221. (1) In contracting with faith-based organizations for mentoring or supportive services, and in all contracts for services, the department shall ensure that no funds provided directly to institutions or organizations to provide

services and administer programs shall be used or expended for any sectarian activity, including sectarian worship, instruction, or proselytization.

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

(3) Notwithstanding subsections (1) and (2), the department shall cooperate with faith-based organizations so that they are able to compete on the same basis as any other private organization for contracts to provide services to recipients of department services, including, but not limited to, mentoring or supportive services. The department shall not discriminate against an organization that applies to become a contractor on the basis that the organization has a religious character.

Sec. 222. Within 10 working days after formal presentation of the executive budget, the state budget director shall report to the members of the senate and house appropriations committees and the senate and house fiscal agencies on the amounts and sources of all capped federal funds, special revenue funds as defined in the state of Michigan's comprehensive annual financial report, and the healthy Michigan fund, and an accounting of the state departments or agencies in which the executive budget proposed to spend the funds.

Sec. 223. If the revenue collected by the department from private and local sources exceeds the amount appropriated in part 1, the revenue may be carried forward, with approval from the state budget director, into the subsequent fiscal year.

Sec. 224. In order to be reimbursed for child care fund expenditures, counties are required to submit department development reports to enable the department to document potential federal claimable expenditures. This requirement is in accord with the reporting requirements specified in section 117a(7) of the social welfare act, 1939 PA 280, MCL 400.117a.

Sec. 225. Sixty days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate house and senate appropriations subcommittees and the house and senate fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate house and senate appropriations subcommittees and the house and senate fiscal agencies within 30 months.

Sec. 226. (1) The department of management and budget and each principal executive department and agency shall provide to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies a monthly report on all personal service contracts awarded without competitive bidding, pricing, or rate setting. The notification shall include all of the following:

- (a) The total dollar amount of the contract.
- (b) The duration of the contract.
- (c) The name of the vendor.
- (d) The type of service to be provided.

(2) For personal service contracts of \$100,000.00 or more, the department of management and budget shall provide a monthly report on all of the following:

- (a) The total dollar amount of the contract.
- (b) The duration of the contract.
- (c) The name of the vendor.
- (d) The type of service to be provided.

(3) The department of management and budget shall provide a monthly listing of all bid requests or requests for proposal that were issued.

(4) Each principal executive department and agency shall provide a monthly summary listing of information that identifies any authorizations for personal service contracts that are provided to the department of civil service pursuant to delegated authority granted to each principal executive department and agency related to personal service contracts.

Sec. 227. If a department enters into a personal services contract with any temporary service agency or similar contractor that hires or subcontracts with a person who retired from employment in the department under the early retirement program under section 19f of the state employees' retirement act, 1943 PA 240, MCL 38.19f, the retired state employee shall be limited to 500 hours for professional, technical, or clerical services and 250 hours for management

services. This limitation does not apply to computer technology services. This provision only applies during a 24-month period after the date of retirement. This section applies to each principal executive department and agency.

Sec. 228. (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 in accordance with 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 in accordance with 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 in accordance with 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 in accordance with section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

EXECUTIVE OPERATIONS

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

Sec. 302. Any unencumbered balances of the automated social services information system line, the child support automation line, the wage employment verification reporting line, and the data systems enhancement line may not lapse and shall be carried forward to fiscal year 2000.

Sec. 303. The department may distribute cash assistance to recipients electronically by using debit cards.

Sec. 304. The appropriation in section 102 for the Michigan commission for the blind includes funds for case services. These funds may be used for tuition payments for blind clients for the school year beginning September 1998.

Sec. 305. The appropriation in section 102 for commissions and boards may be used for per diem payments to members of commissions or boards for a full day of committee work at which a quorum is present for performing official business as authorized by each respective commission or board. The per diem payment for the Michigan commission for the blind shall be at a rate of \$50.00 per day.

Sec. 306. The data system enhancement line item supports automation initiatives such as the services worker support and electronic benefits transfer systems intended to enhance agency programs, functions, and services. The department shall submit by December 1, 1998 a report to the chairpersons and members of the house and senate appropriations subcommittees on the family independence agency specifying the allocation of data systems enhancement line-item appropriations by project and support service for the fiscal year ending September 30, 1999. The department shall submit by December 1, 1998 and each quarter thereafter, to the members of the house and senate appropriations subcommittees on family independence agency and the standing committees having jurisdiction over technology issues, a report detailing the use of funding and progress toward the completion of the ASSIST project.

FAMILY SERVICES ADMINISTRATION

Sec. 401. (1) From the federal money received for child support incentive payments, up to \$4,365,200.00 shall be retained by the state and expended for legal support contracts, state incentive payments, and salaries and wages for office of child support staff.

(2) At the end of the current fiscal year, the department may, when it is cost beneficial to the state and counties, withhold from submitting to the federal office of child support administrative expenses eligible for federal financial participation. The department may recoup earned but unclaimed federal funds from the resulting increased federal child support incentive. The recoupment by the department shall be made prior to distribution of the increased incentive to

the counties. Any incentive funds retained by the state under this section shall be separate and apart from incentive funds retained in any other section of this act.

(3) A local friend of the court office shall not be required to pay any penalty due to the state's failure to meet federal child support requirements.

Sec. 402. From the funds appropriated in section 103 for legal support contracts and child support incentive payments, the department may fund demonstration projects to enhance friend of the court child support collections efforts for public assistance recipients. Funding shall be from federal title IV-D and federal child support incentives earned. The projects shall be implemented in no more than 3 counties. Priority shall be given to counties with federal title IV-D aid to families with dependent children collections exceeding \$7,000,000.00 in fiscal year 1992.

Sec. 403. Unexpended funds in the urban and rural empowerment and enterprise zones line item shall not lapse but shall carry forward for use in fiscal year 2000.

Sec. 404. Not later than September 30 of each year, the department shall submit for public hearing to the chairpersons of the house and senate appropriations subcommittees dealing with appropriations for the family independence agency the proposed use and distribution plan for community services block grant funds appropriated in section 103 for the succeeding fiscal year.

Sec. 405. The department shall develop plans jointly with the Indian affairs commission for the implementation of programs and the distribution of funds for recognized tribal groups and organizations under the block grant programs that are established by the community services block grant act, subtitle B of title VI of the omnibus budget reconciliation act of 1981, Public Law 97-35, 42 U.S.C. 9901 to 9910a, 9910c, and 9911 to 9912, and that are administered by that bureau. The plans shall comply with the regulations issued by the United States department of health and human services.

Sec. 406. The state general fund/general purpose contribution related to the Wayne County third circuit court cooperative reimbursement contract resides in the judiciary budget. There are no general fund/general purpose funds appropriated for this purpose in the family independence agency budget.

Sec. 407. From the funds appropriated in section 103, county volunteer coordinators shall develop partnership agreements with their local volunteer agencies.

Sec. 408. From the funds appropriated in section 103 for food stamp issuance, the department may allocate up to \$1,000,000.00 to a food stamp continuance pool. Funds from this pool may be paid as grants to volunteer organizations who submit innovative approaches to aid individuals at risk of losing their food stamp eligibility due to the passage of the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 110 Stat. 2105. Acceptable criteria shall include assistance in job seeking or placement in qualified community service.

Sec. 409. The family independence agency shall work jointly with the Michigan jobs commission to implement the enhanced technical vocational training program which shall meet all of the following criteria:

- (a) The training program shall be available statewide.
- (b) Eligible participants shall include family independence program recipients, work first clients, and day care recipients referred by the family independence agency.
- (c) Training shall be limited to not longer than 12 months in duration.
- (d) Training shall be directed to achieving or gaining skills that will lead to a career for the participant.
- (e) Training shall be reasonably calculated to lead to full-time, skilled employment.
- (f) Participants shall receive any additional support needed to facilitate participation in the training program within reasonable parameters established by the Michigan jobs commission including, but not limited to, all of the following:
 - (i) Child care, including evening or nighttime care if appropriate.
 - (ii) Transportation.
- (g) Eligible family independence program recipients, work first clients, and day care recipients that commence training will be allowed to complete training, as long as all program participation requirements are being met.

Sec. 410. (1) From the funds appropriated in section 103, the family independence agency in conjunction with the Michigan jobs commission shall conduct a study of the effect of the enhanced technical vocational program and report the results of the study to the house and senate appropriations subcommittees of the family independence agency no

later than August 31, 1999. The study shall examine all of the following about the participants and former participants in the programs:

- (a) Whether they have obtained jobs.
 - (b) What kind of jobs they have obtained.
 - (c) How long they have retained those jobs and if they have had more than 1 job, how long were they at each job.
 - (d) Current hourly wages.
 - (e) Whether they are receiving basic health care benefits, tuition reimbursement, or training from their employers.
 - (f) Whether they continue to receive any type of public assistance.
 - (g) Any other information the department considers relevant.
- (2) The 2 departments may retain a third party to conduct the study under this section.

Sec. 411. From the funds appropriated in section 103 for employment and training support services, \$3,000,000.00 shall be spent to develop project zero services in counties or districts not currently participating in project zero with a priority to counties or districts not meeting minimum federal work participation requirements. Funds under this section shall be spent to develop project zero services in Genesee County.

Sec. 412. Any unencumbered balances included in the training and staff development line for child welfare education shall not lapse and shall be carried forward to fiscal year 2000.

Sec. 413. (1) The family independence agency together with the Michigan jobs commission or the designee of the Michigan jobs commission shall ensure that each individual's job readiness and any barriers to work of the individual including, but not limited to, household members' child care needs, health status, work and school schedules, domestic violence issues, education deficits or learning disabilities, lack of job skills, lack of transportation, and any other factors are assessed.

(2) A work first client must be informed of his or her right to request a face-to-face meeting with both his or her work first and family independence agency caseworkers if the client meets either of the following criteria:

- (a) The client has been negatively terminated from work first at least once, has at least 1 child who has a severe physical or mental disability, and is likely to need publicly supported child care in order to maintain employment.
- (b) The client has been negatively terminated from work first employment more than 3 times.

Sec. 414. From the funds appropriated in section 103 for employment and training support services, the department shall contract with created for caring for \$100,000.00 to provide employment skills and opportunities support services.

CHILD AND FAMILY SERVICES

Sec. 501. The following goal is established by state law. During the fiscal year ending September 30, 1999, not more than 3,150 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.

Sec. 502. From the funds appropriated in section 104 for foster care, the department shall provide 50% reimbursement to Indian tribal governments for foster care expenditures for children who are under the jurisdiction of Indian tribal courts and who are not otherwise eligible for federal foster care cost sharing.

Sec. 503. The department shall not expend funds appropriated in section 104 to provide intercountry adoption services.

Sec. 504. 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 twenty-first birthday.

Sec. 505. The department's ability to satisfy appropriation deducts in section 104 for foster care private collections shall not be limited to collections and accruals pertaining to services provided in the current fiscal year but shall include revenues collected in excess of the amount specified in section 104.

Sec. 506. Notwithstanding section 117a or 117c of the social welfare act, 1939 PA 280, MCL 400.117a and 400.117c, the distribution of collections made to counties by child, parent, guardian, or custodian, on behalf of children in foster care who are wards of the county, shall be made in accordance with section 18(2) of chapter XIIA of 1939 PA 218, MCL 712A.18.

Sec. 507. Counties shall be subject to 50% charge back for the use of alternative regional detention services if those detention services do not fall under the basic provision of section 117e of the social welfare act, 1939 PA 280, MCL 400.117e, or if a county operates those detention services programs primarily with professional rather than volunteer staff.

Sec. 508. (1) In order to promote continuity of service for children and families, the department shall, to the maximum extent possible, enter into multiyear contracts for child welfare and juvenile justice services.

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

Sec. 509. Funds appropriated in section 104 for the child care fund may be used as local match for the purchase of families first services for clients referred by juvenile courts. For local offices and courts choosing this option, the in-home portion of the county child care fund plan must authorize the transfer of funds from the state child care fund account designated for that county to a local funds - county payback deduct account associated with the family preservation services appropriation while the involved county is still beneath its child care fund cap.

Sec. 510. (1) In addition to the amount appropriated in section 104, money granted or money received as gifts or donations to the children's trust fund created by 1982 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure in an amount not to exceed \$800,000.00.

(2) The state child abuse and neglect prevention board may initiate a joint project with another state agency to the extent that the project supports the programmatic goals of both the state child abuse and neglect prevention board and the state agency. The department may invoice the state agency for shared costs of a joint project in an amount authorized by the state agency, and the state child abuse and neglect prevention board may receive and expend funds for shared costs of a joint project in addition to those authorized by section 104.

Sec. 511. (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, if either of the following would result:

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

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

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

Sec. 512. The department shall not be required to put up for bids contracts with service providers if currently only 1 provider in the service area exists. Existing runaway service contracts and contractors serving homeless youth shall be exempt from the bid process.

Sec. 513. (1) From the funds appropriated in section 104 for family preservation and prevention services, the department is authorized to allocate funds to multipurpose collaborative bodies to address issues raised in the Binsfeld children's commission report issued in July 1996. Priority for activities and services will be given to at-risk children and families in unsubstantiated child protective services cases or low-risk substantiated cases.

(2) From the funds appropriated in section 104 for family preservation and prevention services, up to \$2,000,000.00 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 pre-application materials for fiscal year 1998-99 direct services grants.

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

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

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

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

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

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

Sec. 514. Multipurpose collaborative bodies shall include in their focus of responsibility the development of collaborative efforts to reduce the placement of delinquents in residential facilities. Information on delinquency trends shall be provided by the department to the multipurpose collaborative bodies.

Sec. 515. (1) It is the intent of the legislature that the funds appropriated in section 104 for family preservation and prevention services in the 1998-99 fiscal year reflect strong families/safe children allocations to local multipurpose collaborative bodies that are no less than the allocations in effect on April 1, 1997.

(2) In order to maintain this level of funding, the department may use up to \$7,400,000.00 in TANF funds provided that the local multipurpose collaborative bodies submit data to the department that will enable the department to document potential federal claimable expenditures.

(3) No later than March 1, 1999, each local multipurpose collaborative body shall submit a report to the department that includes the number of people receiving strong families/safe children services, the local goals for this program, and a measure of the effectiveness in meeting these goals.

Sec. 516. (1) From the funds appropriated in part 1 for youth in transition, delinquency services operations, or foster care payments, the department shall develop community-based alternatives to public and private residential placements for delinquent youth who are adjudicated for class 4 misdemeanors and class 5 status offenses. The following criteria should be considered in developing new programs:

(a) The percentage of female class 4 and class 5 offenders placed in residential settings should be reduced and a priority shall be placed on removing female status offenders from residential placements.

(b) New programs should emphasize reducing recidivism.

(c) New programs should not jeopardize public safety.

(d) The number of male and female class 4 and class 5 offenders placed in residential settings should decline as community-based alternatives are developed.

(2) The department shall annually update the legislature on efforts to develop new community placement options and alternatives to residential placements. The report shall include, but not be limited to, all of the following information:

(a) An update of the department status in implementing the recommendations proposed in the report, "A Study of Residential Placements of Females in the Juvenile Justice System" commissioned under section 520 of 1997 PA 109.

(b) The number of female delinquents currently in residential care.

(c) The number of new community alternatives developed during the previous fiscal year.

(d) Any proposed plans for moving away from reliance on residential placements.

(3) The report required by this section shall be submitted to the house and senate appropriations subcommittees on the family independence agency budget before January 1, 1999.

Sec. 517. From the funds appropriated in section 104, the department shall pilot the family group decision-making model (kinship care) in 6 counties. Funds shall be used for contractual services for developing policies and procedures, program monitoring, assistance for reunification plans and kinship support, and a program evaluation.

Sec. 518. From the funds appropriated in section 104 for foster care payments, the department may expend up to \$500,000.00 for foster care pilot projects that include ways to increase foster parent recruitment, improve foster parent retention, and increase delivery of training and supportive services to foster parents.

Sec. 519. From the funds appropriated in section 104 for foster care payments and adoption subsidies, the department shall increase the rate of payments for foster parents, parents receiving adoption subsidies, and agencies' administrative rate by 3%. This increase takes effect on April 1, 1999.

Sec. 520. The department shall not begin foster care training programs for the private nonprofit sector until after consulting with representatives of the foster care industry. The foster care training plan shall be submitted to the house and senate appropriations subcommittees on the family independence agency within 6 months after the training under this section begins.

Sec. 521. The department shall not expend funds appropriated in part 1 to pay for the placement of a child in an out-of-state facility unless all of the following conditions are met:

- (a) There is no appropriate placement available in this state.
- (b) The out-of-state facility meets all of the licensing standards of this state for a comparable facility.
- (c) The out-of-state facility meets all of the applicable licensing standards of the state in which it is located.
- (d) The department has done an on-site visit to the out-of-state facility, reviewed the facility records, and reviewed licensing records and reports on the facility and believes that the facility is an appropriate placement for the child.

Sec. 522. The department shall make a comprehensive report concerning children's protective services (CPS) to the legislature by January 1, 1999, 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 that were substantiated and the number that were unsubstantiated.
 - (ii) Characteristics of perpetrators of abuse or neglect and the child victims, such as age, relationship, socioeconomic status, race, and ethnicity.
 - (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.

Sec. 523. 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 child welfare waiver managed care demonstration project.

PUBLIC ASSISTANCE

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

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

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

Sec. 602. The department, together with other agencies, may establish special projects to provide special needs shelter payment levels for the family independence program that will support the development of transitional shelter facilities for homeless families. These facilities are to provide supportive services to families and to support the development of permanent low-income housing.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) A refugee or asylee who loses his or her eligibility for the federal supplemental security income program by virtue of exceeding the maximum time limit for eligibility as delineated in Public Law 104-193 and who otherwise meets the eligibility criteria under this section shall be eligible to receive benefits under the state disability assistance program.

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

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

Sec. 607. The department's ability to satisfy appropriation deductions in section 109 for state disability assistance/supplemental security income recoveries and public assistance recoupment revenues shall not be limited to

recoveries and accruals pertaining to state disability assistance, or family independence assistance grant payments provided only in the current fiscal year, but shall include all related net recoveries received during the current fiscal year.

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

Sec. 609. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced during the fiscal year beginning October 1, 1998 and ending September 30, 1999.

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

Sec. 611. (1) The department shall not require providers of burial services to accept state payment for indigent burials as payments in full. Providers shall be permitted to collect additional payment, not to exceed \$2,300.00, from relatives or other persons on behalf of the deceased.

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

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

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

Sec. 613. From the funds appropriated in section 109 for state emergency relief, the maximum allowable charge limit for indigent burials shall be \$1,410.00. It is the intent of the legislature that this charge limit reflect a maximum payment to funeral directors of \$885.00 for funeral goods and services and a maximum payment to cemeteries or crematoriums of \$325.00 for cemetery goods and services. In addition, a maximum payment of \$200.00 shall be distributed to either the funeral director or cemetery, whoever provides the burial vault.

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

Sec. 615. Except as required by federal law or regulations, funds appropriated in section 109 shall not be used to provide public assistance to a person who is an illegal alien. This section shall not prohibit the department from entering into contracts with food banks or emergency shelter providers who may, as a normal part of doing business, provide food or emergency shelter to individuals without regard to citizenship status.

Sec. 616. Funds appropriated in part 1 may be used to support multicultural assimilation and support services.

Sec. 617. (1) The appropriation in section 109 for the weatherization program shall be expended in such a manner that at least 25% of the households weatherized under the program shall be households of families receiving family independence assistance, state disability assistance, or supplemental security income.

(2) Any unencumbered balances of the weatherization program shall not lapse and may be carried forward to fiscal year 2000.

Sec. 618. (1) The family independence agency in conjunction with the Michigan jobs commission shall study the outcomes for recipients who have participated in work first and shall submit semiannual reports on the progress and findings of the study to the house and senate subcommittees dealing with appropriations for the family independence agency and for regulatory services and to the standing committees dealing with human services beginning November 1, 1998. The study shall examine all of the following:

(a) Whether the former participants have obtained jobs.

- (b) The kind of jobs they have obtained.
 - (c) How long they have retained those jobs.
 - (d) Current hourly wages.
 - (e) Whether they are receiving basic health care benefits, tuition reimbursement, or training from their employers.
 - (f) Whether they continue to receive other types of public assistance.
 - (g) Any other information the departments consider relevant.
- (2) The 2 departments may retain a third party to conduct the study under this section.

Sec. 619. In operating the family independence program with funds appropriated in section 109, the department shall not approve as a minor parent's adult supervised household a living arrangement in which the minor parent lives with his or her partner as the supervising adult.

Sec. 620. (1) Except as otherwise provided in subsection (2), the department shall provide not less than 10 days' notice before reducing, terminating, or suspending assistance provided under the social welfare act, 1939 PA 280, MCL 400.1 to 400.122.

(2) The department may reduce, terminate, or suspend assistance provided under the social welfare act, 1939 PA 280, MCL 400.1 to 400.122, without prior notice in 1 or more of the following situations:

- (a) The only eligible recipient has died.
- (b) A recipient member of a program group or family independence assistance group has died.
- (c) A recipient child is removed from his or her family home by court action.
- (d) A recipient requests in writing that his or her assistance be reduced, terminated, or suspended.
- (e) A recipient has intentionally violated 1 or more of the requirements of the social welfare act, 1939 PA 280, MCL 400.1 to 400.122.
- (f) A recipient has been approved to receive assistance in another state.
- (g) A change in either state or federal law that requires automatic grant adjustments for classes of recipients.

(3) If a recipient appeals the department's determination to reduce, terminate, or suspend his or her assistance within 10 days from the mailing of the notice of negative action, the department shall not reduce, terminate, or suspend that assistance until there is a final determination of that appeal upholding the department's determination to reduce, terminate, or suspend that assistance.

Sec. 621. The department shall exempt from the denial of food stamp benefits, contained in section 115 of title I of the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 21 U.S.C. 862a, any individual who has been convicted of a felony that included the possession, use, or distribution of a controlled substance, after August 22, 1996, provided that the individual is not in violation of his or her probation or parole requirements. Benefits shall be provided to such individuals as follows:

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

Sec. 622. The department shall permit a recipient to perform non-campaign-related volunteer work in the offices of the executive, judicial, and legislative branches of state government to meet his or her qualifying work activities under the federal food stamp program. Each family independence agency county office shall compile and maintain a list of legislative and executive branch offices willing to accept volunteers. This list shall be made available to public assistance clients to assist them in selecting their social contract activity.

Sec. 623. The family independence agency shall ensure that family independence specialists and eligibility specialists are knowledgeable of the enhanced technical vocational training program administered by the Michigan jobs commission. The family independence agency shall ensure that family independence specialists and eligibility specialists inform all potentially eligible FIA benefits recipients of the program's availability and the availability of support services, including, but not limited to, child care and transport, to participants in the program.

Sec. 624. (1) The department shall ensure that all family independence agency clients are informed in writing of additional programs for which they may potentially be eligible. Notification of programs should at a minimum include information on transitional Medicaid and MICHild, transitional child day care services, and instructions on how to apply for benefits, emergency assistance with utility arrearage, available tax credits, opportunities for skills development training and education, and training programs administered by the Michigan jobs commission.

(2) At the client's discretion, the department shall grant an exit interview to discuss issues pertaining to self-sufficiency including all of the information outlined in subsection (1). Clients shall be notified of their right to an exit interview.

Sec. 625. The department shall develop and implement policies and procedures in compliance with section 402(a)(7) of part A of title IV of the social security act, chapter 531, 110 Stat. 2113, 42 U.S.C. 602, to achieve all of the following:

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

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

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

Sec. 626. From the funds appropriated in section 109, \$100,000.00 shall be used to leverage additional funds and to match funds in individual development accounts for family independence program recipients pursuant to the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 110 Stat. 2105. This section shall not take effect until statutory authorization for individual development accounts is in effect.

Sec. 627. (1) The department shall prepare a plan to provide for the establishment of individual development accounts by individuals who apply for or receive public assistance from the department by January 1, 1999.

(2) Prior to the implementation of the plan prepared under subsection (1), the department shall present the plan to the legislature. The plan shall include, but is not limited to, all of the following:

(a) An assessment of the fiscal impact of the plan.

(b) An estimate of the impact the plan will have on department caseloads.

(c) An assessment of whether the plan will encourage individuals to seek assistance who would not otherwise seek assistance.

(d) The impact of the plan on short-term and long-term welfare dependency on assistance.

(e) Methods to leverage nongovernmental funds.

(f) Limitations, if any, on the number of participants in the program.

(g) Methodology of evaluation.

(h) Whether the program is restricted to FIP recipients or available to nonrecipient, low-income individuals as well.

Sec. 628. (1) From the funds appropriated in section 109, the department, in collaboration with the center on urban affairs at Michigan State University, shall conduct a study of the feasibility of using community development credit unions as tools to assist low-income members of the credit unions to achieve self-sufficiency through the use of individual development accounts established with the credit unions. As used in this section, "low-income members" means persons who are members of a community development credit union and who meet 1 of the following criteria:

(a) Make less than 80% of the average for all wage earners as established by the bureau of labor statistics.

(b) Have annual household income that falls at or below 80% of the median household income for the nation as established by the census bureau.

(c) Meet the definition of low-income members as determined by order of the national credit union association (NCUA) board.

(2) The department shall issue a report no later than February 1, 1999.

Sec. 629. From the funds appropriated in section 106, the department shall increase the allocation for child protective services workers by 56 FTEs.

Sec. 630. (1) From the funds appropriated in section 106, the department shall increase the allocation for family independence specialists by 50 FTEs to do all of the following:

(a) Increase the department's ability to efficiently implement welfare reform initiatives with a priority placed on the processing of child day care payments.

(b) Substitute for FIS workers who attend training with an emphasis on providing support for FIS workers attending training on providing services to clients.

(c) Other regular job functions of an FIS worker.

(2) It is the intent of the legislature that 25 FTEs be hired effective October 1, 1998 and 25 FTEs be hired effective April 1, 1999.

Sec. 631. From funds appropriated in section 109, the department may provide consumer services information, home budgeting information, and credit counseling for recipients participating in the project zero pilot project.

Sec. 632. In operating the family independence program, the department shall include in the social contract, as defined in section 57 of the social welfare act, 1939 PA 280, MCL 400.57, the responsibilities of both the department and the client, including support services that may be available to the client, the penalties for failure to comply with the social contract, and a statement of the client's right to hearing. The social contract shall provide for signatures of the client and the caseworker.

Sec. 633. (1) The department shall enter into a contract with the Salvation Army to provide shelter for homeless persons.

(2) The family independence agency shall work with the Salvation Army and the independent auditor selected pursuant to the contract under subsection (1) to review and revise the basic standards for emergency shelters and create a self-carboned checklist for use in the annual compliance audits performed by the independent auditor.

(3) The Salvation Army shall monitor all shelters that provide shelter for homeless persons pursuant to the contract under subsection (1) for compliance with the basic standards for emergency shelters. The monitoring process shall include corrective action plans developed jointly by the Salvation Army and the shelters with which it contracts to address any noncompliance with the applicable standards. Each corrective action plan shall include a timeline for corrective actions and shelter compliance.

(4) The family independence agency shall report the following annually to the house and senate appropriations subcommittees on the family independence agency budget:

(a) The Salvation Army's progress in the development of the monitoring program, corrective action plans, and revision of the basic standards for emergency shelters.

(b) The names and addresses of all Salvation Army shelters and of all shelters for homeless persons with which the Salvation Army enters into contracts pursuant to the contract under subsection (1).

Sec. 634. From the funds appropriated in section 109 for state emergency relief that are distributed to the Salvation Army, the department shall do all of the following:

(a) Provide that there be a full-time staff position, effective October 1, 1998, to work to ensure that homeless families have access to programs for which they qualify by providing liaison services between the department and the shelter providers.

(b) Establish an outreach program to provide a link between the department, persons who are homeless, and the work first program.

(c) Designate 1 person at each local family independence agency office to act as a contact between the department and the shelter providers to facilitate coordination of services.

Sec. 635. If the funds appropriated in section 109 for providing beds for homeless persons are not spent in the fiscal year, any unencumbered and unspent funds shall not revert to the general fund and may be used to provide 1-time grants to local programs to meet the needs of homeless persons.

Sec. 636. From the funds appropriated in section 109 for state emergency relief, the department shall fund a pilot project instituting a program that would allow indigent persons to secure a birth certificate or a state identification card at no cost to the individual.

Sec. 637. The department, in collaboration with the food bank council of Michigan and other private, nonprofit emergency food service providers, shall review recent studies on hunger and the need for emergency food as it pertains to Michigan. The review shall include estimates of the demand statewide for emergency food from food banks and sites where individuals receive prepared meals and other findings and recommendations on how the department can facilitate improvements in the statewide response to hunger. The department shall submit an action plan on how it will act to address these recommendations to the house and senate appropriations subcommittees on the family independence agency by December 31, 1998.

Sec. 639. From the funds appropriated in section 109 for day care services, the department shall expend \$315,000.00 to contract with the Michigan community coordinated child care association for additional resource and referral services and technical assistance to day care centers seeking accreditation.

Sec. 640. (1) From the funds appropriated in section 109 for day care services, the department shall expend \$800,000.00 to expand day care provider training programs administered under contract with the Michigan community coordinated child care association. Training shall be made available to all day care providers including those who work out of centers, group homes, family homes, and the homes of relatives, and in-home aides.

(2) From the funds appropriated in subsection (1), the Michigan community coordinated child care association shall administer a training pilot project targeting in-home aides and persons providing child care to relatives. Providers who verify that they have received day care payments for at least 3 months from the department and who successfully complete at least 15 hours of approved child care training shall be eligible to receive a 1-time lump sum payment of up to \$150.00 for training received after October 1, 1998. The total paid in lump sum payments shall not exceed \$300,000.00. Approved training may include programs operated by the Michigan community coordinated child care association, the Michigan association for the education of young children, community colleges, universities, or university extension programs.

(3) On or before March 1, 1999, the department shall provide the house and senate appropriations subcommittees on the family independence agency a progress report on the pilot project authorized in subsection (2).

Sec. 641. From the funds appropriated in section 109 for day care services, the department shall expend up to \$30,000.00 to conduct a market rate survey of child care providers to determine the current market rates for child care. The survey shall determine the cost of child care by shelter area, type of provider, and age of the child.

Sec. 642. From the funds appropriated in section 109 for day care services, the department shall contract with the Michigan community coordinated child care association to administer an amount not to exceed \$900,000.00 to expand the "enhance quality improvement program" (EQUIP) grants. A priority for the expenditure of EQUIP funds shall be given to providers to expand access to child care, specifically 24-hour care and weekend care. A child care program shall not be eligible for an EQUIP grant unless 25% or more of its clients receive day care payments from the department.

Sec. 643. (1) From the funds appropriated in part 1, \$100,000.00 shall be used to leverage and match additional funds for the purpose of holding a "Ready to Learn" leadership summit to explore the development of a child care and early education system that meets the needs of every child prior to kindergarten entry. The summit shall bring together leaders from Michigan's legislature, the governor and leaders in the administration, leaders from Michigan's large business corporations and from small businesses, economists, experts in early childhood education and care, legal scholars, law enforcement officials, Michigan universities, and others selected by the planning committee established under subsection (3).

(2) The "Ready to Learn" leadership summit shall examine how Michigan can develop a system that assures that every child in Michigan has a good opportunity to enter kindergarten ready to learn. The summit shall address at least the following topics:

- (a) Helping parents obtain high quality early childhood care and education.
- (b) Protecting children by assuring that early childhood care and education occurs in safe and healthy places.
- (c) Helping parents obtain early childhood care and education when they work nontraditional hours or have special needs because their children have disabilities or are sick.
- (d) Developing an early childhood care and education system that recognizes the diversity of Michigan's parents with respect to ethnic, religious, income, and philosophical differences.
- (e) Taking the next steps toward a comprehensive early childhood care and education system.

(3) Organizational leadership for planning and conducting the "Ready to Learn" leadership summit shall rest with a planning committee composed of people from the Michigan child care task force operating under the direction of the task force's legislative sponsors. This committee shall consult with the governor's office, the Michigan senate and house, business leaders, and Michigan foundations in planning and conducting the summit. The planning committee may expend funds to consult with and hire people and organizations considered necessary for implementing this section. The committee shall provide the house and senate appropriations committees a full accounting of its expenditures incurred under this section.

(4) The "Ready to Learn" leadership summit shall be held no later than July 31, 1999, and the planning committee shall submit a report on the business conducted and recommendations made at the summit to the house and senate appropriations committees no later than September 30, 1999.

Sec. 644. (1) The department shall study the feasibility of allowing funeral directors to prepare and complete the required forms for the approval of payment for burial or cremation expenses if the funeral director e-mails or faxes the completed form to the department within a reasonable time after the burial or cremation.

(2) A form completed pursuant to subsection (1) shall include the signed approval of the person making arrangements for the burial or cremation of the client prior to submission of the form by the funeral director.

(3) The department shall submit the report to the legislature on the feasibility study conducted under this section on or before March 31, 1999.

Sec. 645. (1) From the funds appropriated in part 1, \$700,000.00 is appropriated for the department to establish citizenship assistance programs to assist refugees, asylees, and legal immigrants residing in Michigan to become citizens of the United States. The program shall be administered by community-based organizations to the maximum extent possible as determined by the department.

(2) Citizenship assistance programs shall do all of the following:

(a) Provide assistance to persons to become citizens of the United States if they are within 2 years of citizenship eligibility.

(b) Provide assistance to persons described in subdivision (a) who are determined to be ineligible for federally funded benefits solely because of their status as refugees, asylees, or legal immigrants.

(3) The program under this section may be funded through state appropriations and through matching financial or in-kind contributions by private organizations and local governmental agencies.

(4) In order to participate in the citizenship assistance program, community-based organizations shall meet all of the following criteria:

(a) Be approved by the department as an approved social service provider eligible to provide a citizenship assistance program before the agency begins a citizenship assistance program.

(b) Be exempt from taxation under section 501(c)(3) of the internal revenue code of 1986.

(c) Demonstrate experience in providing citizenship services or the ability to service clients with diverse ethnic and cultural backgrounds.

(d) Be registered with the United States department of justice board of immigration appeals.

(5) A community organization approved to provide a citizenship assistance program shall offer all of the following services:

(a) Citizenship preparatory classes in United States history and government using an English language immersion approach.

(b) Native language civics instruction and citizenship preparatory classes for persons who qualify for age or residency exceptions.

(c) Citizenship application assistance.

(d) Information and referral.

(e) INS disability waiver application assistance.

Sec. 646. The department shall conduct a study in conjunction with the Michigan jobs commission and the Michigan department of transportation of the accessibility of transportation for work first clients to get them to work assignments and child care. The study shall address the concept of mobility managers for each zone in the state. The results of the study shall be reported to the house and senate appropriations subcommittees on the family independence agency by March 1, 1999.

Sec. 647. The department shall calculate the food stamp allotment for applicants who are United States citizens and who live in a household with legal immigrants in a manner that maximizes the food stamps available to these United States citizens under federal law.

Sec. 651. The department shall notify the United States immigration and naturalization service if an undocumented alien applies for cash or medical assistance under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, including a person who applies for emergency medical services and who refuses or is unable to provide satisfactory verification of his or her status as an alien.

Sec. 655. Funds appropriated under this act shall not be used to pay for the purchase, installation, repair, or maintenance of any air-conditioning unit or equipment unless either of the following conditions is met:

(a) The recipient requesting the payment provides to the department a certificate from a physician stating that the air-conditioning is medically required.

(b) The recipient is 55 years of age or older.

DELINQUENCY SERVICES

Sec. 701. The department shall expend up to \$1,150,000.00 of the federal juvenile accountability incentive block grant to support the boot camp program. The remainder of the state allocation of the juvenile accountability incentive block grant shall be used to provide funding to enable juvenile courts, juvenile probation offices, and community-based programs to be more effective and efficient in holding juvenile offenders accountable and reducing recidivism, treating substance abuse problems, and developing community-based alternatives for female offenders and the following:

- (a) To better address gang, drug, and youth violence.
- (b) For training, equipment, and technology.
- (c) For the establishment of programs that protect students and school personnel from drug, gang, and youth violence.

Sec. 702. (1) The department shall convene a commission to study delinquency services. The study shall include, but not be limited to, all of the following:

- (a) How to reduce recidivism rates.
- (b) The needs of female offenders.
- (c) The need for community-based alternatives.
- (d) Postinstitutional programming.

(2) The commission shall be made up of representatives from the following groups: county officials; the speaker of the house of representatives, the house minority leader, the senate majority leader, and the senate minority leader, or their designees; the department director or his or her designee; employee unions; for-profit providers of delinquency services; and private nonprofit providers of delinquency services. The commission shall prepare a report and make recommendations on how best to proceed by December 1, 1998. Funding for the commission and its activities shall not exceed \$100,000.00.

Sec. 703. Facilities funded under section 105 for delinquency services shall not be located within 1,500 feet of property in use for a K-12 educational program.

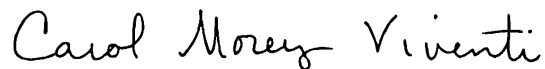
Sec. 704. Expansion of facilities funded under section 105 for delinquency services shall not be authorized by the joint capital outlay subcommittee of the appropriations committees until the department has held a public hearing in the community where the facility proposed to be expanded is located.

Sec. 705. A juvenile adjudicated and placed in a state operated maximum security program funded under section 105 for delinquency services shall not be allowed to leave the property of the maximum security facility at which the program is located except when required to leave the property for medical treatment, court appearances, or other good cause approved by the facility director. For purposes of this section, "juvenile" means that term as defined in section 115n of the social welfare act, 1939 PA 280, MCL 400.115n.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved _____

Governor.