

**SUBSTITUTE FOR  
SENATE BILL NO. 271**

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

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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PART 1

2

LINE-ITEM APPROPRIATIONS

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

amounts listed in this part are appropriated for the department for the fiscal year ending September 30, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF HUMAN SERVICES**

APPROPRIATION SUMMARY:

Full-time equated classified positions..... 10,201.3

Unclassified positions..... 5.0

Total full-time equated positions..... 10,206.3

GROSS APPROPRIATION..... \$ 4,374,452,700

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers ..... 1,109,800

ADJUSTED GROSS APPROPRIATION..... \$ 4,373,342,900

Federal revenues:

Total federal revenues ..... 3,173,213,200

Special revenue funds:

Total private revenues ..... 8,904,200

Total local revenues ..... 44,522,600

Total other state restricted revenues ..... 70,394,200

State general fund/general purpose ..... \$ 1,076,308,700

**Sec. 102. EXECUTIVE OPERATIONS**

Total full-time equated positions..... 412.2

Full-time equated unclassified positions..... 5.0

Full-time equated classified positions..... 407.2

Unclassified salaries--5.0 FTE positions ..... \$ 537,200

Salaries and wages--300.3 FTE positions ..... 15,509,800

1	Contractual services, supplies, and materials .....	5,025,200
2	Demonstration projects--15.0 FTE positions .....	6,919,700
3	Inspector general salaries and wages--88.0 FTE	
4	positions .....	4,592,900
5	Electronic benefit transfer EBT .....	7,333,600
6	Office of professional development--3.9 FTE positions	<u>261,800</u>
7	GROSS APPROPRIATION .....	\$ 40,180,200
8	Appropriated from:	
9	Federal revenues:	
10	Total federal revenues .....	24,880,200
11	Special revenue funds:	
12	Total private revenues .....	1,219,300
13	Total local revenues .....	200,000
14	State general fund/general purpose .....	\$ 13,880,700
15	<b>Sec. 103. STRONG, INDEPENDENT, &amp; SELF-SUFFICIENT</b>	
16	<b>FAMILIES</b>	
17	Full-time equated classified positions..... 227.0	
18	Teenage parent counseling--2.3 FTE positions .....	\$ 3,808,400
19	Marriage initiative .....	500,000
20	Fatherhood initiative .....	500,000
21	Families first .....	17,448,100
22	Strong families/safe children .....	13,395,300
23	Zero to three .....	4,000,000
24	Family group decision making .....	2,454,700
25	Family reunification program .....	4,062,700
26	Family preservation and prevention services--12.0	
27	FTE positions .....	2,014,500

1	Black child and family institute .....	100,000
2	Family independence program .....	394,595,100
3	Child support enforcement operations--207.7 FTE	
4	positions .....	20,909,400
5	Legal support contracts .....	138,753,600
6	Child support incentive payments .....	32,409,600
7	Child support distribution computer system--5.0 FTE	
8	positions .....	13,671,700
9	Homeless prevention .....	100,000
10	Food for the elderly .....	<u>100,000</u>
11	GROSS APPROPRIATION .....	\$ 648,823,100
12	Appropriated from:	
13	Federal revenues:	
14	Total federal revenues .....	417,469,800
15	Special revenue funds:	
16	Total local revenues .....	340,000
17	Child support collections - restricted .....	47,710,700
18	Public assistance recoupment .....	2,500,000
19	State general fund/general purpose .....	\$ 180,802,600
20	<b>Sec. 104. OPPORTUNITY FOR ADULTS TO LIVE &amp; WORK IN</b>	
21	<b>THE COMMUNITY</b>	
22	Full-time equated classified positions..... 620.0	
23	Employment and training support services .....	\$ 16,529,100
24	Adult services policy and administration--6.0 FTE	
25	positions .....	588,700
26	Income support policy and administration--31.7 FTE	
27	positions .....	5,920,500

1	Wage employment verification reporting .....	1,237,500
2	Urban and rural empowerment/enterprise zones .....	100
3	Nutrition education .....	8,569,900
4	Refugee assistance program--2.9 FTE positions .....	12,683,700
5	State disability assistance payments .....	34,337,600
6	Food assistance program benefits .....	1,218,740,900
7	State supplementation .....	59,835,200
8	State supplementation administration .....	2,493,200
9	Low-income home energy assistance program .....	116,467,700
10	Food bank funding .....	525,000
11	Homeless shelter contracts .....	11,646,700
12	Multicultural assimilation funding .....	1,715,500
13	Indigent burial .....	5,909,300
14	Emergency services local office allocations .....	20,772,200
15	Day care services .....	459,352,800
16	Disability determination operations--545.9 FTE	
17	positions .....	76,418,400
18	Medical consultation program--18.4 FTE positions .....	2,861,100
19	Retirement disability determination--4.1 FTE positions	820,800
20	Bureau of community action and economic	
21	opportunity--11.0 FTE positions .....	1,208,800
22	Community services block grant .....	27,634,600
23	Weatherization assistance .....	<u>18,671,000</u>
24	GROSS APPROPRIATION .....	\$ 2,104,940,300
25	Appropriated from:	
26	Interdepartmental grant revenues:	
27	IDG from DMB - office of retirement systems .....	1,109,800

1	ADJUSTED GROSS APPROPRIATION .....	\$ 2,103,830,500
2	Appropriated from:	
3	Federal revenues:	
4	Total federal revenues .....	1,805,874,500
5	Special revenue funds:	
6	Total state restricted revenues .....	5,104,800
7	State general fund/general purpose .....	\$ 293,961,000
8	<b>Sec. 105. PERMANENCY FOR CHILDREN</b>	
9	Full-time equated classified positions.....	49.5
10	Salaries and wages--29.7 FTE positions .....	\$ 1,715,200
11	Contractual services, supplies, and materials .....	862,000
12	Foster care payments .....	130,694,100
13	Wayne County foster care payments .....	67,011,100
14	Adoption subsidies .....	224,778,500
15	Adoption support services--7.7 FTE positions .....	14,319,800
16	Youth in transition--2.0 FTE positions .....	13,220,400
17	Interstate compact .....	300,000
18	Children's benefit fund donations .....	21,000
19	Child safety and permanency plan .....	16,900,700
20	Children's trust fund administration--4.3 FTE	
21	positions .....	505,500
22	Children's trust fund grants .....	3,615,000
23	Attorney general contracts .....	2,928,000
24	Prosecuting attorney contracts .....	1,061,700
25	Child care fund .....	171,337,900
26	Child care fund administration--5.8 FTE positions ....	<u>822,500</u>
27	GROSS APPROPRIATION .....	\$ 650,093,400

1	Appropriated from:	
2	Federal revenues:	
3	Total federal revenues .....	360,052,400
4	Special revenue funds:	
5	Private - children's benefit fund donations .....	21,000
6	Private - collections .....	3,840,600
7	Local funds - county payback .....	22,214,700
8	Children's trust fund .....	3,314,400
9	State general fund/general purpose .....	\$ 260,650,300
10	<b>Sec. 106. ABUSE AND NEGLECT</b>	
11	Full-time equated classified positions .....	29.8
12	Executive direction and support--6.0 FTE positions ...	\$ 482,100
13	Domestic violence prevention and treatment--5.5 FTE	
14	positions .....	14,591,400
15	Rape prevention and services .....	2,600,000
16	Guardian contract .....	600,000
17	Child protection/community partners--18.3 FTE	
18	positions .....	<u>5,805,900</u>
19	GROSS APPROPRIATION .....	\$ 24,079,400
20	Appropriated from:	
21	Federal revenues:	
22	Total federal revenues .....	21,804,100
23	Special revenue funds:	
24	State general fund/general purpose .....	\$ 2,275,300
25	<b>Sec. 107. JUVENILE REHABILITATION SERVICES</b>	
26	Full-time equated classified positions .....	708.7
27	High security juvenile services--340.0 FTE positions .	\$ 25,061,000

1	Medium security juvenile services--215.0 FTE positions	13,905,500
2	Low security juvenile services--34.0 FTE positions ...	2,545,600
3	Juvenile justice day programs--37.0 FTE positions ....	2,664,800
4	Juvenile justice field staff, administration and	
5	maintenance--60.0 FTE positions.....	7,807,100
6	Federally funded activities--13.7 FTE positions .....	1,781,700
7	W.J. Maxey memorial fund.....	45,000
8	Juvenile accountability incentive block grant--3.0	
9	FTE positions.....	2,705,600
10	Committee on juvenile justice administration--4.0	
11	FTE positions.....	484,100
12	Committee on juvenile justice grants .....	5,000,000
13	County juvenile officers .....	3,006,900
14	Community support services--2.0 FTE positions .....	<u>1,490,400</u>
15	GROSS APPROPRIATION .....	\$ 66,497,700
16	Appropriated from:	
17	Federal revenues:	
18	Total federal revenues .....	12,079,100
19	Special revenue funds:	
20	Total private revenues .....	645,000
21	Local funds - county payback .....	21,257,700
22	State general fund/general purpose .....	32,515,900
23	<b>Sec. 108. LOCAL OFFICE STAFF AND OPERATIONS</b>	
24	Full-time equated classified positions.....	7,951.1
25	Field staff, salaries and wages--7,827.8 FTE positions \$	355,661,900
26	Contractual services, supplies, and materials .....	14,976,300
27	Medical/psychiatric evaluations .....	4,300,000



1	County donated funds positions--11.0 FTE positions ...	762,300
2	Training and program support--33.5 FTE positions .....	5,234,700
3	Food stamp reinvestment--78.8 FTE positions .....	17,564,400
4	Wayne County gifts and bequests .....	100,000
5	Volunteer services and reimbursement .....	<u>1,293,900</u>
6	GROSS APPROPRIATION .....	\$ 399,893,500
7	Appropriated from:	
8	Federal revenues:	
9	Total federal revenues .....	246,341,100
10	Special revenue funds:	
11	Local funds - donated funds .....	205,800
12	Private funds - donated funds .....	148,600
13	Private funds - hospital contributions .....	2,929,700
14	Private funds - Wayne County gifts .....	100,000
15	State general fund/general purpose .....	\$ 150,168,300
16	<b>Sec. 109. CENTRAL SUPPORT ACCOUNTS</b>	
17	Rent .....	\$ 44,016,700
18	Occupancy charge .....	11,431,800
19	Travel .....	4,152,600
20	Equipment .....	145,300
21	Worker's compensation .....	4,279,000
22	Advisory commissions .....	17,900
23	Human resources optimization user charges .....	561,000
24	Payroll taxes and fringe benefits .....	<u>218,554,800</u>
25	GROSS APPROPRIATION .....	\$ 283,159,100
26	Appropriated from:	
27	Federal revenues:	

1	Total federal revenues .....	182,929,100
2	Special revenue funds:	
3	Local funds - county payback .....	304,400
4	State general fund/general purpose .....	\$ 99,925,600
5	<b>Sec. 110. OFFICE OF CHILDREN AND ADULT LICENSING</b>	
6	Full-time equated classified positions..... 208.0	
7	AFC, children's welfare and day care	
8	licensure--208.0 FTE positions.....	\$ <u>21,839,900</u>
9	GROSS APPROPRIATION .....	\$ 21,839,900
10	Appropriated from:	
11	Federal revenues:	
12	Total federal revenues .....	11,458,000
13	Special revenue funds:	
14	Restricted - licensing fees .....	620,900
15	Restricted - health fees and collections .....	111,200
16	State general fund/general purpose .....	\$ 9,649,800
17	<b>Sec. 111. INFORMATION TECHNOLOGY</b>	
18	Information technology services and projects .....	\$ 80,773,800
19	Child support automation .....	<u>54,172,300</u>
20	GROSS APPROPRIATION .....	\$ 134,946,100
21	Appropriated from:	
22	Federal revenues:	
23	Total federal revenues .....	90,324,900
24	Special revenue funds:	
25	Total other state restricted revenue .....	11,032,200
26	State general fund/general purpose .....	\$ 33,589,000

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## PART 2

## PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2005-2006 is \$1,147,488,300.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$173,786,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

## DEPARTMENT OF HUMAN SERVICES

## PERMANENCY FOR CHILDREN

Adoption subsidies .....	\$	85,048,000
Child care fund .....		84,046,500
County juvenile officers .....		2,616,000

## OPPORTUNITY FOR ADULTS TO LIVE AND WORK IN THE COMMUNITY

State disability program .....		<u>2,076,200</u>
TOTAL .....	\$	173,786,700

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

Sec. 203. As used in this act:

- (a) "AFC" means adult foster care.
- (b) "Department" means the department of human services.
- (c) "FTE" means full-time equated.
- (d) "GED" means general educational development.

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

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

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

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

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

20 (2) The state budget director shall grant exceptions to this  
21 hiring freeze when the state budget director believes that the  
22 hiring freeze will result in rendering a state department or agency  
23 unable to deliver basic services, cause loss of revenue to the  
24 state, result in the inability of the state to receive federal  
25 funds, or necessitate additional expenditures that exceed any  
26 savings from maintaining a vacancy. The state budget director shall  
27 report monthly to the chairpersons of the senate and house

1 appropriations committees and the senate and house fiscal agencies  
2 and policy offices on the number of exceptions to the hiring freeze  
3 approved during the previous month and the reasons to justify the  
4 exception.

5       Sec. 207. At least 60 days before beginning any effort to  
6 privatize services, the department shall submit a complete project  
7 plan to the appropriate senate and house of representatives  
8 appropriations subcommittees and the senate and house fiscal  
9 agencies. The plan shall include the criteria under which the  
10 privatization initiative will be evaluated. Sanctions, suspensions,  
11 conditions for provisional license status, and other penalties  
12 shall not be more stringent for private service providers than for  
13 public entities performing equivalent or similar services. The  
14 evaluation shall be completed and submitted to the appropriate  
15 senate and house of representatives appropriations subcommittees  
16 and the senate and house fiscal agencies within 9 months.

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

26       Sec. 209. Funds appropriated in part 1 shall not be used for  
27 the purchase of foreign goods or services, or both, if

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

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

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

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

27       (2) The department shall report to the legislature during the

1 senate and house budget hearings on the status of the food stamp  
2 error rate. The report shall include at least all of the following:

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

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

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

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

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

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

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

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

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

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

19           Sec. 217. (1) Due to the current budgetary problems in this  
20 state, out-of-state travel for the fiscal year ending September 30,  
21 2006 shall be limited to situations in which 1 or more of the  
22 following conditions apply:

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

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



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

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

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

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

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

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

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

26 (b) The destination of each travel occurrence.

27 (c) The dates of each travel occurrence.

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

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

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

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

21 (2) The state budget director shall give prior written notice  
22 to the members of the house and senate appropriations subcommittees  
23 for the department and to the house and senate fiscal agencies and  
24 policy offices of any proposed changes in utilization or  
25 distribution of TANF funding or the distribution of TANF  
26 maintenance of effort spending relative to the amounts reflected in  
27 the annual appropriations acts of all state agencies where TANF

1 funding is appropriated. The written notice shall be given not less  
2 than 30 days before any changes being made in the funding  
3 allocations. This prior notice requirement also applies to new  
4 plans submitted in response to federal TANF reauthorization or  
5 replacement by an equivalent federal law.

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

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

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

26       (4) The department shall follow guidelines related to faith-  
27 based involvement established in section 104 of title I of the

1 personal responsibility and work opportunity reconciliation act of  
2 1996, 42 USC 604a.

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

8 Sec. 223. The department shall report on a quarterly basis to  
9 the senate and house appropriations subcommittees overseeing its  
10 budget summary information on the status of Medicaid applications  
11 in each county. This report shall also be posted on the department  
12 website and shall include all of the following:

13 (a) The number of Medicaid applications filed in each county  
14 during the quarter.

15 (b) The number of Medicaid applications in each county that,  
16 during the quarter, were approved or denied within 45 days of the  
17 receipt of information necessary to make the determination.

18 (c) The number of Medicaid applications in each county that,  
19 during the quarter, were not approved or denied within 45 days of  
20 receipt of the information necessary.

21 Sec. 224. The department shall approve or deny a Medicaid  
22 application for a patient of a nursing home within 45 days after  
23 the receipt of the necessary information. If the department fails  
24 to determine a nursing home patient's Medicaid eligibility in 45  
25 days, the patient shall be presumed eligible for Medicaid services  
26 and payments to the nursing home for Medicaid services shall be  
27 made. If the department determines after 45 days that a recipient

1 of Medicaid services was not eligible to receive Medicaid services,  
2 the department shall collect payment for services rendered from the  
3 ineligible recipient or the ineligible recipient's family or  
4 guardian.

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

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

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

24 (2) During the annual budget presentation, the department  
25 shall report on the interagency agreement with the department of  
26 information technology to the senate and house appropriations  
27 subcommittees for the department budget, house and senate fiscal

1 agencies, and policy offices. The report shall include the base  
2 service priorities in the agreement including, but not limited to,  
3 the following:

4 (a) Name and description of base service.

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

6 (c) Cost of each base service.

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

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

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

19 Sec. 261. The department, in conjunction with the county  
20 family independence agency boards of directors and the department  
21 of management and budget, shall develop a plan to restructure and  
22 consolidate zone offices and local offices. This plan shall  
23 include an emphasis on maximization of service while maintaining a  
24 reduction in administrative cost. Duplication of services shall be  
25 identified and solutions to remove the duplication shall be  
26 detailed in the plan. Any plan presented shall ensure that the  
27 department provides a presence and services in every county. The

1 plan shall be submitted to the senate and house appropriations  
2 subcommittees for the department budget by January 15, 2006 and  
3 shall include an implementation date during the 2005-2006 fiscal  
4 year. Up to 25% of the savings resulting from this plan may be  
5 allocated to the counties generating the savings to fund additional  
6 prevention services. The remaining savings may be retained by the  
7 department to fund local office operations, training and program  
8 support, and travel for case management for child welfare workers.

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

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

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

- 24 (a) Day care assistance.
- 25 (b) Family independence program.
- 26 (c) Adoption subsidy.
- 27 (d) Foster care.

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

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

5           (b) Measurable performance indicators for each program.

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

9           (d) Monitored results for each program.

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

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

15           Sec. 271. (1) The department shall report to the senate and  
16 house appropriations subcommittees on the department budget, the  
17 senate and house standing committees on human services, the senate  
18 and house fiscal agencies, the senate and house policy offices, and  
19 the state budget director on the progress of child and family  
20 services reviews (CFSR). The reviews, conducted in the state by the  
21 children's bureau of the United States department of health and  
22 human services, are intended to assess the department's compliance  
23 with the adoption and safe families act of 1997, Public Law 105-89,  
24 111 Stat. 2115, with the ultimate goal of improving the state child  
25 welfare system and the safety, permanency, and child and family  
26 service outcomes to children and families. The report shall be  
27 submitted October 1, January 1, April 1, and July 1.



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

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

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

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

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

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

17           (f) Federal recommendations made to the state, including  
18 recommendations to the courts.

19           (g) Federal penalties assessed against the state for  
20 noncompliance.

21           (h) Status of the performance improvement plan submitted to  
22 the federal government.

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

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

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

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

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

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

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

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

24 (f) Federal penalties assessed against the state.

25 Sec. 273. (1) The department shall report no later than  
26 October 1, 2005 on each specific policy change made to implement  
27 enacted legislation to the senate and house appropriations

1 subcommittees on the department budget, the senate and house  
2 standing committees on human services, and the senate and house  
3 fiscal agencies and policy offices.

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

12 (3) Not later than July 1, 2006, the department shall report  
13 to the senate and house appropriations subcommittees on the  
14 department budget, the senate and house fiscal agencies and policy  
15 offices, and the state budget director the annual regulatory plan  
16 submitted to the office of regulatory reform pursuant to section 53  
17 of the administrative procedures act of 1969, 1969 PA 306, MCL  
18 24.253.

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

1 prevention, and youth in transition.

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

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

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

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

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

21       (4) The department shall provide a report to the senate and  
22 house appropriations subcommittees on the department budget, senate  
23 and house standing committees on human services matters, senate and  
24 house fiscal agencies and policy offices, and state budget director  
25 by December 31, 2005 on the waste, fraud, error, and abuse located  
26 under subsection (1). By April 1, 2006, the department shall  
27 provide a progress report including the specific changes

1 implemented to achieve savings under this section and the timetable  
2 for implementation of the remaining changes.

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

#### 15   **EXECUTIVE OPERATIONS**

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

#### 20   **STRONG, INDEPENDENT, AND SELF-SUFFICIENT FAMILIES**

21       Sec. 403. Not later than September 30 of each year, the  
22 department shall submit for public hearing to the chairpersons of  
23 the house and senate appropriations subcommittees dealing with  
24 appropriations for the department budget the proposed use and  
25 distribution plan for community services block grant funds

1 appropriated in part 1 for the succeeding fiscal year.

2       Sec. 404. The department shall develop a plan based on  
3 recommendations from the department of civil rights and from Native  
4 American organizations to assure that the community services block  
5 grant funds are equitably distributed. The plan must be developed  
6 by October 31, 2005, and the plan shall be delivered to the  
7 appropriations subcommittees on the department budget in the senate  
8 and house, the senate and house fiscal agencies, and the state  
9 budget director.

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

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

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

25       Sec. 415. (1) In expending money appropriated in part 1 for  
26 the fatherhood initiative, the department may contract with  
27 independent contractors from various counties, including, but not

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

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

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

26 (4) The department is authorized to make allocations of TANF  
27 funds, of not more than 20% per county, under this section only to

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

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

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

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

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



1 skills, and budgeting; premarital, marital, family, and domestic  
2 violence counseling; effective communication; marriage mentoring  
3 programs which use married couples as role models and mentors in  
4 at-risk communities; anger management; and parenting skills to  
5 improve the family structure.

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

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

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

1 amount shall be appropriated annually to further expand IDA  
2 opportunities to low-income families to become more financially  
3 self-sufficient through financial education, saving, wise  
4 investment in home ownership, postsecondary education, small  
5 business development, or a combination of those programs.

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

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

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

27       (c) Training and technical assistance to CDCUs in the

1 development of support services, such as economic literacy, credit  
2 counseling, budget counseling, and asset management programs for  
3 low-income individuals and families.

4       Sec. 420. From the funds appropriated in part 1 for employment  
5 and training support services, the department may allocate  
6 \$40,000.00 in TANF for welfare to career innovation grants to  
7 replicate the Kent County model with Cascade engineering.

8       Sec. 421. The department shall allow private nationally  
9 accredited foster care and adoption agencies to conduct their own  
10 staff training, based on current department policies and  
11 procedures. The department shall provide any training materials  
12 requested by the private agencies to facilitate this training. The  
13 intent of the legislature is to reduce training and travel costs  
14 for both the department and the private agencies. The department  
15 shall apply for necessary federal approval or waivers to allow  
16 private agencies to provide appropriate training in compliance with  
17 this state's title IV-E plan.

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

26       (2) The department may accept any private money that may be  
27 donated to the department to support food stamp outreach efforts in

1 this state. The department shall request a waiver from the United  
2 States department of agriculture to permit the donated private  
3 money to be used as a match to obtain additional federal food stamp  
4 outreach funds from the United States department of agriculture.  
5 The department shall use both the private donated money and any  
6 federal match funds that may be available as a result of the  
7 donated money to contract for additional outreach services as  
8 authorized by the department's United States department of  
9 agriculture-approved food stamp outreach plan.

10 (3) The department shall make available \$25,000.00 for a food  
11 stamp error rate reduction project in Muskegon County and  
12 \$25,000.00 for a food stamp error rate reduction project in Kent  
13 County.

#### 14 PERMANENCY FOR CHILDREN

15 Sec. 501. The following goal is established by state law.  
16 During fiscal year 2005-2006, not more than 3,000 children  
17 supervised by the department shall remain in foster care longer  
18 than 24 months. The department shall give priority to reducing the  
19 number of children under 1 year of age in foster care. By January  
20 15, 2006, the department shall report to the senate and house  
21 appropriations subcommittees for the department budget, the senate  
22 and house fiscal agencies and policy offices, and the state budget  
23 director on the number of children supervised by the department and  
24 by private agencies who remain in foster care between 12 and 24  
25 months, and those who remain in foster care longer than 24 months.

26 Sec. 502. From the funds appropriated in part 1 for foster

1 care, the department shall provide 50% reimbursement to Indian  
2 tribal governments for foster care expenditures for children who  
3 are under the jurisdiction of Indian tribal courts and who are not  
4 otherwise eligible for federal foster care cost sharing.

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

8 (a) Has not yet graduated from high school or passed a high  
9 school equivalency examination.

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

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

12 (d) Is not eligible for federal supplemental security income  
13 (SSI) payments.

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

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

25 (2) The state child abuse and neglect prevention board may  
26 initiate a joint project with another state agency to the extent  
27 that the project supports the programmatic goals of both the state

1 child abuse and neglect prevention board and the state agency. The  
2 department may invoice the state agency for shared costs of a joint  
3 project in an amount authorized by the state agency, and the state  
4 child abuse and neglect prevention board may receive and expend  
5 funds for shared costs of a joint project in addition to those  
6 authorized by part 1.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17           (i) Transfer to foster care.

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

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

25           Sec. 515. From the funds appropriated in part 1 for foster  
26 care payments and Wayne County foster care payments and related  
27 administrative costs, the department shall implement a performance



1 based managed care approach to contracting for foster care services  
2 with private, nonprofit agencies. The goal of these contracts shall  
3 be to provide incentives for agencies to improve the process of  
4 placing children in permanent placements and reducing the time  
5 children spend in foster care. The department shall report to the  
6 senate and house appropriations subcommittees on the department  
7 budget, the senate and house fiscal agencies and policy offices,  
8 and the state budget office on this foster care permanency program  
9 and make recommendations for program expansion to all the counties  
10 of this state no later than August 30, 2006. The department shall  
11 develop these recommendations with sufficient detail that  
12 permanency programs may be implemented as soon as possible after  
13 September 30, 2006.

14       Sec. 517. (1) From the funds appropriated in part 1, the  
15 department is authorized to allocate funds to multipurpose  
16 collaborative bodies to address issues raised in the Binsfeld  
17 children's commission report issued in July 1996. Priority for  
18 activities and services will be given to at-risk children and  
19 families and cases classified by the department as category III or  
20 category IV under sections 8 and 8d of the child protection law,  
21 1975 PA 238, MCL 722.628 and 722.628d.

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

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

27       (b) Improve parent/child interaction.

1 (c) Promote access to needed community services.

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

3 (e) Improve school readiness.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15           (iv) The number of father participants.

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

18           (i) Adult supervised, supportive living arrangements.

19           (ii) Pregnancy prevention services or referrals.

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

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

25           (v) Parenting and life-skills training.

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

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

1 (viii) Instruction on self-protection.

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

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

10 (a) The average cost per recipient served.

11 (b) Measurable performance indicators.

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

15 (d) Monitored results.

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

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

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

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

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

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

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

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

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

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

25 (2) The department shall develop a streamlined licensing  
26 contract compliance review process where possible, including  
27 potential for utilizing deeming status for nationally accredited

1 agencies. The department shall report to the senate and house  
2 appropriations subcommittees on the department budget, the senate  
3 and house fiscal agencies and policy offices, and the state budget  
4 director on or before January 15, 2006 on the implementation of the  
5 licensing and contract compliance review process.

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

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

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

16       Sec. 537. (1) The department shall offer private nonprofit  
17 licensed agencies the first opportunity to provide foster care  
18 services for new foster children entering the system in a county  
19 when the department's direct care caseload for foster care is  
20 greater than 20 cases per foster care worker. This section only  
21 applies if the private nonprofit licensed agency has an available  
22 placement at the time the child needs to be placed, the placement  
23 is not contrary to the best interests of the child or the child's  
24 siblings, and the private nonprofit licensed agency has a direct  
25 care caseload for foster care that is no greater than 20 cases per  
26 foster care caseworker.

27       (2) The department, in conjunction with private child placing

1 agencies, shall develop a methodology for measuring goals,  
2 objectives, and performance standards for the delivery of foster  
3 care and adoption services. These goals, objectives, and  
4 performance standards shall apply to both public and private  
5 delivery of child welfare services, and data shall be collected  
6 from both private and public child welfare programs that can be  
7 used to evaluate performance achievements, including, but not  
8 limited to, the following:

9 (a) Average caseload per foster care worker.

10 (b) Average cost per case to the department and any other  
11 governmental agency.

12 (c) Range of services provided.

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

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

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

27 Sec. 539. The department shall work in collaboration with

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

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

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

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



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

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

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

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

20       Sec. 548. (1) The director of the department shall convene a  
21 task force to study the disproportionate representation of African-  
22 American and other children of color in the child welfare and  
23 juvenile justice systems of this state. The department shall  
24 collaborate with private sector entities to develop a methodology  
25 for the task force to follow in conducting the study and to seek  
26 public or private funding for the task force. At a minimum, the  
27 task force shall examine the level of involvement of African-

1 American and other children of color at each stage in the systems,  
2 including the points of entry and each point at which a treatment  
3 decision is made and the outcomes for children exiting the systems.

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

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

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

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

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

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

23 Sec. 549. The department shall meet with personnel employed by  
24 the office of the children's ombudsman and the state court  
25 administrative office's foster care review board to investigate  
26 streamlining the oversight process for child welfare services. The  
27 intent of the legislature is to ensure appropriate and adequate

1 oversight while reducing duplication and redundancy between  
2 government offices.

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

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

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

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

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

1 (a) Assess currently available services.

2 (b) Determine the extent of coordination and cooperation among  
3 currently available programs and services administered by the  
4 department and by other departments and agencies of this state.

5 (c) Identify methods to enhance coordination of current  
6 services delivery.

7 (d) Identify potential available public and private resources  
8 and services.

9 (e) Develop a plan to ensure that all current public and  
10 private resources and services are effectively organized and  
11 available.

12 (f) Recommend actions to enhance services.

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

16 (a) The director of the department of community health or the  
17 director's designee.

18 (b) The director of the department of labor and economic  
19 growth or the director's designee.

20 (c) The superintendent of public instruction or the  
21 superintendent's designee.

22 (d) The state court administrator or his or her designee.

23 (e) The association for children's mental health.

24 (f) The children's chapter of the courts of Michigan.

25 (g) The Michigan probate judges association.

26 (h) The Michigan community mental health boards.

27 (i) Fight crime: invest in kids - Michigan.

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(j) The Michigan association of school administrators.

(k) The Michigan association of united ways.

(l) The Michigan council on crime and delinquency.

(m) The Michigan federation for children and families.

(n) The Michigan network for youth and families.

(o) Michigan's children.

(p) The school-community health alliance of Michigan.

(q) The student advocacy center of Michigan.

(r) The Skillman foundation.

(s) The W.K. Kellogg foundation.

(t) The C.S. Mott foundation.

(u) The Frey foundation.

(v) The Annie E. Casey foundation.

(w) Youth and adults who are currently or were formerly served by 1 or more services provided by the department to at-risk youth.

<<(x) Representatives of faith-based organizations.>>

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

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

1     OPPORTUNITY FOR ADULTS TO LIVE AND WORK IN THE COMMUNITY

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

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

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

26           Sec. 603. (1) The department, as it determines is appropriate,

1 shall enter into agreements with energy providers by which cash  
2 assistance recipients and the energy providers agree to permit the  
3 department to make direct payments to the energy providers on  
4 behalf of the recipient. The payments may include heat and electric  
5 payment requirements from recipient grants and amounts in excess of  
6 the payment requirements.

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

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

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

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

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

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

1 center.

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

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

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

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

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

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

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

16 (3) Except for a person described in subsection (1)(c) or (d),  
17 a person is not disabled for purposes of this section if his or her  
18 drug addiction or alcoholism is a contributing factor material to  
19 the determination of disability. "Material to the determination of  
20 disability" means that, if the person stopped using drugs or  
21 alcohol, his or her remaining physical or mental limitations would  
22 not be disabling. If his or her remaining physical or mental  
23 limitations would be disabling, then the drug addiction or  
24 alcoholism is not material to the determination of disability and  
25 the person may receive state disability assistance. Such a person  
26 must actively participate in a substance abuse treatment program,  
27 and the assistance must be paid to a third party or through vendor



1 payments. For purposes of this section, substance abuse treatment  
2 includes receipt of inpatient or outpatient services or  
3 participation in alcoholics anonymous or a similar program.

4 (4) A refugee or asylee who loses his or her eligibility for  
5 the federal supplemental security income program by virtue of  
6 exceeding the maximum time limit for eligibility as delineated in  
7 section 402 of title IV of the personal responsibility and work  
8 opportunity reconciliation act of 1996, 8 USC 1612, and who  
9 otherwise meets the eligibility criteria under this section shall  
10 be eligible to receive benefits under the state disability  
11 assistance program.

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

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

22 Sec. 607. The department's ability to satisfy appropriation  
23 deductions in part 1 for state disability assistance/supplemental  
24 security income recoveries and public assistance recoupment  
25 revenues shall not be limited to recoveries and accruals pertaining  
26 to state disability assistance, or family independence assistance  
27 grant payments provided only in the current fiscal year, but shall

1 include all related net recoveries received during the current  
2 fiscal year.

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

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

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

24       Sec. 611. (1) The department shall not require providers of  
25 burial services to accept state payment for indigent burials as  
26 payments in full. Each provider shall be permitted to collect  
27 additional payment from relatives or other persons on behalf of the

1 deceased. The total in additional payments shall not exceed  
2 \$2,600.00.

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

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

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

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

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

27 Sec. 616. The appropriation in part 1 for the weatherization

1 program shall be expended in such a manner that at least 25% of the  
2 households weatherized under the program shall be households of  
3 families receiving 1 or more of the following:

4 (a) Family independence assistance.

5 (b) State disability assistance.

6 (c) Food assistance.

7 (d) Supplemental security income.

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

13 Sec. 618. The department may only reduce, terminate, or  
14 suspend assistance provided under the social welfare act, 1939 PA  
15 280, MCL 400.1 to 400.119b, without prior notice in 1 or more of  
16 the following situations:

17 (a) The only eligible recipient has died.

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

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

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

24 (e) A recipient has been approved to receive assistance in  
25 another state.

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

1 (g) The only eligible recipient in the household has been  
2 incarcerated.

3 Sec. 619. The department shall exempt from the denial of title  
4 IV-A assistance and food assistance benefits, contained in section  
5 115 of title I of the personal responsibility and work opportunity  
6 reconciliation act of 1996, 21 USC 862a, any individual who has  
7 been convicted of a felony that included the possession, use, or  
8 distribution of a controlled substance, after August 22, 1996,  
9 provided that the individual is not in violation of his or her  
10 probation or parole requirements. Benefits shall be provided to  
11 such individuals as follows:

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

14 (b) An authorized representative shall be required for food  
15 assistance receipt.

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

20 Sec. 627. (1) From the funds appropriated in part 1 for day  
21 care services, the department may contract to administer an amount  
22 not to exceed \$1,350,000.00 for the "enhance quality improvement  
23 program" (EQUIP) grants. A priority for the expenditure of EQUIP  
24 funds shall be given to providers to expand access to child care,  
25 specifically 24-hour care, care for children of parents working  
26 evening or night shifts, and weekend care. A child care program  
27 shall not be eligible for an EQUIP grant unless 25% or more of its

1 clients receive day care payments from the department.

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

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

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

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

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

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

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

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

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

13          Sec. 643. As a condition of receipt of federal TANF funds,  
14   homeless shelters shall collaborate with the department to obtain  
15   necessary TANF eligibility information on families as soon as  
16   possible after admitting a family to the homeless shelter. From the  
17   funds appropriated in part 1 for homeless shelter contracts, the  
18   department is authorized to make allocations of TANF funds only to  
19   the agencies that report necessary data to the department for the  
20   purpose of meeting TANF eligibility reporting requirements.

21   Homeless shelters that do not report necessary data to the  
22   department for the purpose of meeting TANF eligibility reporting  
23   requirements will not receive reimbursements which exceed the per  
24   diem amount they received in fiscal year 2000. The use of TANF  
25   funds under this section should not be considered an ongoing  
26   commitment of funding.

27          Sec. 645. An individual or family is considered homeless, for

1 purposes of eligibility for state emergency relief, if living  
2 temporarily with others in order to escape domestic violence. For  
3 purposes of this section, domestic violence is defined and verified  
4 in the same manner as in the department's policies on good cause  
5 for not cooperating with child support and paternity requirements.

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

15       Sec. 653. From the funds appropriated in part 1 for food  
16 assistance, an individual who is the victim of domestic violence  
17 and does not qualify for any other exemption may be exempt from the  
18 3-month in 36-month limit on receiving food assistance under  
19 section 6(o)(6) of the food stamp act of 1977, 7 USC 2015. This  
20 exemption can be extended an additional 3 months upon demonstration  
21 of continuing need.

22       Sec. 657. (1) The department shall fund a statewide before- or  
23 after-school program to provide youth with a safe, engaging  
24 environment to motivate and inspire learning outside the  
25 traditional classroom setting. Before- or after-school program  
26 eligibility is limited to geographic areas near school buildings  
27 that do not meet federal no child left behind annual yearly



1 progress (AYP) requirements and that include the before- or after-  
2 school programs in the AYP plans as a means to improve outcomes.  
3 Before-school programs are limited to elementary school-aged  
4 children. Effective before- or after-school programs combine  
5 academic, enrichment, and recreation activities to guide learning  
6 and inspire children and youth in various activities. The before-  
7 or after-school programs can meet the needs of the communities  
8 served by the programs.

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

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

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

4           (a) Abstinence-based pregnancy prevention.

5           (b) Chemical abuse and dependency including nonmedical  
6 services.

7           (c) Gang violence prevention.

8           (d) Preparation toward future self-sufficiency.

9           (e) Leadership development.

10          (f) Case management or mentoring.

11          (g) Parental involvement.

12          (h) Anger management.

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

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

23          (7) By January 30, 2006, the department before- or after-  
24 school program expenditures shall be audited and the department  
25 shall work in collaboration with independent contractors to provide  
26 a report on the before- or after-school program to the senate and  
27 house standing committees dealing with human services, the senate

1 and house appropriations subcommittees for the department budget,  
2 the senate and house fiscal agencies, and the senate and house  
3 policy offices. The report shall include the number of participants  
4 and the average cost per participant, as well as changes noted in  
5 program participants in any of the following categories:

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

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

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

27 Sec. 666. The department shall continue efforts to increase

1 the participation of eligible family independence program  
2 recipients in the federal earned income tax credit. The department  
3 shall report on the efforts to increase participation to the senate  
4 and house appropriations subcommittees on the department budget,  
5 the senate and house standing committees on human services, the  
6 senate and house fiscal agencies and policy offices, and the state  
7 budget director no later than December 31, 2005.

8       Sec. 668. (1) In coordination with the Michigan alliance of  
9 boys and girls clubs, the department may expend \$250,000.00 in TANF  
10 funds to make allocations for a statewide collaborative project to  
11 develop a community-based program available to children ages 6 to  
12 15.

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

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

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

26       (2) The department shall allocate up to \$7,167,500.00 for the  
27 annual clothing allowance. The allowance shall be granted to all

1 eligible children as defined by the department.

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

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

15       Sec. 674. The department shall develop and implement a plan to  
16 reduce waste, fraud, and abuse within the child day care program,  
17 including feasibility for expanding wage match and employer  
18 verification, unannounced home call verification at day care sites,  
19 compliance with recommendations of the auditor general in the May  
20 2005 performance audit of the child day care and child welfare  
21 licensing divisions, and other process changes. Beginning December  
22 31, 2005, the department shall report annually to the senate and  
23 house appropriations subcommittees for the department budget, the  
24 senate and house fiscal agencies and policy offices, and the state  
25 budget director on plan details and implementation status.

26       Sec. 675. The department shall utilize the most recent market  
27 rate survey to explore potential costs to implement a child day

1 care rate structure that more accurately reflects the costs of care  
2 by vicinity. By March 1, 2006, the department shall report the  
3 results of the analysis to the senate and house subcommittees on  
4 the department budget, the senate and house fiscal agencies and  
5 policy offices, and the state budget office.

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

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

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

25 Sec. 677. The department shall establish a state goal for the  
26 percentage of family independence program (FIP) cases involved in  
27 employment activities. The percentage established shall not be

1 less than 50%. On a quarterly basis, the department shall report  
2 to the senate and house appropriations subcommittees on the  
3 department budget, the senate and house fiscal agencies and policy  
4 offices, and the state budget director on the current percentage of  
5 FIP cases involved in employment activities. If the FIP case  
6 percentage is below the goal for more than 2 consecutive quarters,  
7 the department shall develop a plan to increase the percentage of  
8 FIP cases involved in employment related activities. The  
9 department shall deliver the plan during the next annual budget  
10 presentation to the senate and house appropriations subcommittees  
11 on the department budget.

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

27 (a) The cost.

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

#### 4 **JUVENILE REHABILITATION SERVICES**

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

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

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

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

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

26 (2) The department during the annual budget presentation shall



1 outline the progress of the development of the goals, objectives,  
2 and performance standards, as well as the information collected  
3 through the implementation of the performance measurement program.

4 The presentation shall include all of the following:

5 (a) Trends in census and population demographics.

6 (b) Program outcomes.

7 (c) Staff and resident safety.

8 (d) Facility profile.

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

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

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

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

25 (4) The department shall report to the senate and house  
26 appropriations subcommittees for the department budget, the senate  
27 and house fiscal agencies and policy offices, and the state budget

1 director by January 15, 2006 on department efforts to encourage  
2 county information networks development described in subsection  
3 (1).

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

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

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

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

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

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

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

4 (f) Multisystem therapy.

5 (g) Youth service projects.

6 (h) Community services projects.

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

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

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

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

23 (a) Lower recidivism rates.

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

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

26 (d) Lower average cost per resident.

27 (e) Availability of appropriate services to residents.

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

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

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

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

16           (a) Reduced rates of recidivism.

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

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

19           (d) Availability of appropriate services to residents.

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

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

1 in residential care.

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

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

8 (a) Reduced rates of recidivism.

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

10 (c) Availability of appropriate services to offenders.

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

15 **LOCAL OFFICE SERVICES**

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

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

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

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

26 (c) Notwithstanding subdivision (b), the center shall provide

1 information regarding crisis pregnancy centers or adoption service  
2 providers in the area.

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

10 (a) A list of eligible schools.

11 (b) The selection criteria to be used.

12 (c) The projected number to be opened.

13 (d) The financial implications for expansion, including  
14 funding sources.

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

1 the senate and house fiscal agencies and policy offices, and the  
2 state budget director.

3 **DISABILITY DETERMINATION SERVICES**

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

9 **CHILD SUPPORT ENFORCEMENT**

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

14 (2) From the amounts retained by the state under subsection  
15 (1), the state shall pay through the legal support contracts with  
16 counties for friend of the court and prosecuting attorney services  
17 the same local match supplement that was paid in fiscal year 2003-  
18 2004.

19 (3) The aggregate payment to counties shall be not less than  
20 the amount paid in fiscal year 2000-2001. If the payment to the  
21 state from the federal government is less than was paid in fiscal  
22 year 2000-2001, the payment to the counties shall be prorated in a  
23 like percentage amount.

24 (4) Notwithstanding any other provision of this act, the  
25 amounts appropriated in part 1 for child support automation and

1 child support automation improvement are designated as work  
2 projects, and any unexpended funds at the conclusion of the fiscal  
3 year shall be carried forward for continuation of improvements.

4 (5) It is the intention of the legislature that, in addition  
5 to the money required annually for maintenance and operation of the  
6 child support computer system (MiCSES) that an additional  
7 \$17,800,000.00 will be provided for use in fiscal year 2005-2006  
8 and fiscal year 2006-2007 to fix and improve the system. The  
9 department, through the office of child support leadership group,  
10 shall provide quarterly reports to the legislature concerning the  
11 money expended and the improvements made as a result of this  
12 subsection.

13 (6) If collections from the revenue sources identified to fix  
14 and improve the system fall short of money appropriated in this  
15 act, the department shall reduce expenditures to match those  
16 collections.

17 (7) The department shall consult with the department of  
18 treasury and any outside consultant with collections expertise  
19 under contract with the department of treasury to develop a plan to  
20 maximize the collection of child support for the purposes of this  
21 section.

22 Sec. 902. The first \$1,000,000.00 of child support collections  
23 that otherwise would be escheated to the state general fund shall  
24 be retained by the department and allocated for improvements to  
25 MiCSES. Unexpended money remaining at the end of the fiscal year  
26 shall be carried forward in a work project for expenditure in the  
27 following year for the same purpose.



1       Sec. 903. Money collected under a department program for  
2 settlement of outstanding child support arrearages due to the state  
3 are allocated for child support enforcement with the first  
4 \$5,052,000.00 to be used for improvements to MiCSES. Any amount  
5 collected above \$5,052,000.00 shall be allocated in the following  
6 manner: 60% to legal support contracts for friend of the court  
7 services and 40% to the office of child support for central office  
8 operations. The money shall not be expended until the state budget  
9 director has reviewed and approved an allotment schedule submitted  
10 by the department. The 60% allocated for friend of the court  
11 services shall supplement the amount originally allocated for such  
12 services in fiscal year 2004-2005 and shall not be used by counties  
13 to supplant other state or federal funds paid to the county for  
14 such services.

15       Sec. 904. The department shall facilitate with the department  
16 of community health a program under which the departments  
17 independently or jointly contract with local friend of the court  
18 offices to update and maintain the child support statewide database  
19 with health insurance information in cases in which the court has  
20 ordered a party to the case to maintain health insurance coverage  
21 for the minor child or children involved in the case and to assist  
22 in the recovery of money paid by the state for health care costs  
23 that are otherwise recoverable from a party to the case. The  
24 program shall be entirely funded with state and federal funds from  
25 money first recovered or through costs that are avoided by changing  
26 the insurance coverage for minor children from state programs to  
27 private health insurance.

1       Sec. 905. The department is prohibited from charging back to  
2 the counties any of the fees paid that are charged by the internal  
3 revenue service or the department of treasury related to the tax  
4 intercept and offset programs. The state share of those fees shall  
5 be paid from money otherwise provided for office of child support  
6 programs.

7       Sec. 906. In addition to money provided by this act, if child  
8 support payments reimbursed to the state exceed the \$47,000,000.00  
9 appropriated to child support collections in part 1, \$1,530,767.00  
10 shall be allocated from the excess to the counties for the local  
11 match for friend of the court services legal support contracts.

12       Sec. 907. From money allocated to the office of child support,  
13 the department shall reimburse the counties for money expended to  
14 clean up the statewide child support enforcement system database.

15       **OFFICE OF CHILDREN AND ADULT LICENSING**

16       Sec. 1001. The department shall assess fees in the licensing  
17 and regulation of child care organizations as defined in 1973 PA  
18 116, MCL 722.111 to 722.128, and adult foster care facilities as  
19 defined in the adult foster care facility licensing act, 1979 PA  
20 218, MCL 400.701 to 400.737. Fees collected by the department shall  
21 be used exclusively for the purpose of licensing and regulating  
22 child care organizations and adult foster care facilities.

23       Sec. 1002. The department shall furnish the clerk of the  
24 house, the secretary of the senate, the senate and house fiscal  
25 agencies and policy offices, the state budget office, and all  
26 members of the house and senate appropriations committees with a

1 summary of any evaluation reports and subsequent approvals or  
2 disapprovals of juvenile residential facilities operated by the  
3 department, as required by section 6 of 1973 PA 116, MCL 722.116.

4 If no evaluations are conducted during the fiscal year, the  
5 department shall notify the fiscal agencies and all members of the  
6 appropriate subcommittees of the house and senate appropriations  
7 committees.

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

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