

**SUBSTITUTE FOR  
SENATE BILL NO. 1086**

A bill to amend 1974 PA 150, entitled  
"Youth rehabilitation services act,"  
by amending section 5 (MCL 803.305), as amended by 1998 PA 517.

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

1           Sec. 5. (1) Except as provided in ~~subsection (3)~~, **SUBSECTIONS**  
2   **(3) TO (5)**, the county from which the public ward is committed is  
3   liable to the state for 50% of the cost of his or her care, but  
4   this amount may be reduced by the use of funds from the annual  
5   original foster care grant of the state to the county, or  
6   otherwise, for any period in respect to which the department has  
7   made a finding that the county is unable to bear 50% of the cost of  
8   care. If the department reduces a county's liability under this  
9   section, the director shall inform the respective chairpersons of  
10  the appropriations committees of the senate and house of

1 representatives at least 14 days before granting the reduction. The  
2 county of residence of the public ward is liable to the state,  
3 rather than the county from which the youth was committed, if the  
4 juvenile division of the probate court or the family division of  
5 circuit court of the county of residence withheld consent to a  
6 transfer of proceedings under section 2 of chapter XIIIA of **THE**  
7 **PROBATE CODE OF 1939**, 1939 PA 288, MCL 712A.2, as determined by the  
8 department. The finding that the county is unable to bear 50% of  
9 the expense shall be based on a study of the financial resources  
10 and necessary expenditures of the county made by the department.

11 (2) ~~The~~ **EXCEPT AS PROVIDED IN SUBSECTION (5), THE** department  
12 shall determine the cost of care on a per diem basis using the  
13 initial annual allotment of appropriations for the current fiscal  
14 year exclusive of capital outlay and the projected occupancy  
15 figures upon which that allotment was based. That cost of care  
16 applies in determining required reimbursement to the state for care  
17 provided during the calendar year immediately following the  
18 beginning of the current fiscal year for which the state  
19 expenditures were allotted.

20 (3) ~~A~~ **EXCEPT AS PROVIDED IN SUBSECTIONS (4) AND (5), A** county  
21 that is a county juvenile agency is liable for the entire cost of a  
22 public ward's care while he or she is committed to the county  
23 juvenile agency.

24 (4) **NOTWITHSTANDING THE PROVISIONS IN SUBSECTION (1) AND**  
25 **SUBJECT TO APPROPRIATIONS, IN A COUNTY WITH A POPULATION OF NOT**  
26 **LESS THAN 575,000 OR MORE THAN 650,000, FOR THE PURPOSE OF THIS**  
27 **SUBSECTION ONLY FOR CASES TRANSFERRED BY THE DEPARTMENT TO A CHILD**

1 PLACING AGENCY, THE DEPARTMENT SHALL PAY 100% OF THE ADMINISTRATIVE  
2 RATE TO PROVIDERS RESPONSIBLE FOR FOSTER CARE CASE MANAGEMENT  
3 SERVICES TO FAMILIES OF CHILDREN WHO ARE COURT-ORDERED INTO FOSTER  
4 CARE DUE TO ABUSE OR NEGLECT AND PLACED IN THE CARE AND SUPERVISION  
5 OF THE DEPARTMENT, REGARDLESS OF PLACEMENT SETTING UNTIL THE  
6 PROSPECTIVE PAYMENT SYSTEM DESCRIBED IN SUBSECTION (5) IS  
7 IMPLEMENTED. THIS SUBSECTION DOES NOT APPLY AFTER MAY 1, 2018.

8 (5) NOTWITHSTANDING THE PROVISIONS IN SUBSECTIONS (1) AND (2)  
9 AND SUBJECT TO APPROPRIATIONS, THE DEPARTMENT SHALL IMPLEMENT A  
10 PROSPECTIVE PAYMENT SYSTEM AS PART OF A STATE-ADMINISTERED  
11 PERFORMANCE-BASED CHILD WELFARE SYSTEM IN A COUNTY WITH A  
12 POPULATION OF NOT LESS THAN 575,000 OR MORE THAN 650,000, FOR  
13 FOSTER CARE CASE MANAGEMENT IN ACCORDANCE WITH SECTION 503 OF  
14 ARTICLE X OF 2014 PA 252. THE COUNTY IS ONLY REQUIRED TO CONTRIBUTE  
15 TO FOSTER CARE SERVICES PAYMENTS IN AN AMOUNT THAT DOES NOT EXCEED  
16 THE AVERAGE OF THE ANNUAL NET CONTRIBUTION MADE BY THE COUNTY FOR  
17 CASES RECEIVED UNDER SECTION 2(B) OF CHAPTER XIIA OF THE PROBATE  
18 CODE OF 1939, 1939 PA 288, MCL 712A.2, IN THE 5 PREVIOUS FISCAL  
19 YEARS BEFORE OCTOBER 1, 2015. THE PROSPECTIVE PAYMENT SYSTEM AS  
20 PART OF THE STATE-ADMINISTERED PERFORMANCE-BASED CHILD WELFARE  
21 SYSTEM SHALL BE IMPLEMENTED AS DESCRIBED IN THIS SUBSECTION BUT  
22 SHALL NOT INCLUDE IN-HOME CARE SERVICE FUNDING. THIS SUBSECTION  
23 DOES NOT APPLY AFTER MAY 1, 2018.

24 (6) SUBSECTIONS (4) AND (5) ONLY IMPACT ABUSE AND NEGLECT  
25 SERVICES AND NOT JUVENILE JUSTICE PROGRAM FUNDING. THIS SUBSECTION  
26 DOES NOT APPLY AFTER MAY 1, 2018.