

**SUBSTITUTE FOR  
HOUSE BILL NO. 5516**

A bill to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 2005; 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:**

1

PART 1

2

LINE-ITEM APPROPRIATIONS

3

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

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amounts listed in this part are appropriated for the family

5

independence agency for the fiscal year ending September 30, 2005,

6

from the funds indicated in this part. The following is a summary of

1 the appropriations in this part:

2 **FAMILY INDEPENDENCE AGENCY**

3 APPROPRIATION SUMMARY:

4 Full-time equated classified positions.....10,300.0

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

6 Total full-time equated positions.....10,305.0

7 GROSS APPROPRIATION..... \$ [4,304,680,400]

8 Interdepartmental grant revenues:

9 Total interdepartmental grants and intradepartmental

10 transfers..... 1,084,400

11 ADJUSTED GROSS APPROPRIATION..... \$ [4,303,596,000]

12 Federal revenues:

13 Total federal revenues..... 3,016,323,300

14 Special revenue funds:

15 Total private revenues..... 9,757,600

16 Total local revenues..... 76,743,800

17 Total other state restricted revenues..... 70,321,400

18 State general fund/general purpose..... \$ [1,130,449,900]

19 **Sec. 102. EXECUTIVE OPERATIONS**

20 Total full-time equated positions.....376.1

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

22 Full-time equated classified positions.....371.1

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

24 Salaries and wages--278.3 FTE positions..... 13,482,800

25 Contractual services, supplies, and materials..... 6,700,300

26 Demonstration projects--4.8 FTE positions..... 6,927,000

27 Inspector general salaries and wages--88.0 FTE

1	positions.....		<u>4,463,600</u>
2	GROSS APPROPRIATION.....	\$	32,110,900
3	Appropriated from:		
4	Federal revenues:		
5	Total federal revenues.....		20,428,500
6	Special revenue funds:		
7	Total private revenues.....		1,219,300
8	Total local revenues.....		200,000
9	State general fund/general purpose.....	\$	10,263,100
10	<b>Sec. 103. FAMILY INDEPENDENCE SERVICES</b>		
11	<b>ADMINISTRATION</b>		
12	Full-time equated classified positions.....	111.8	
13	Salaries and wages--56.2 FTE positions.....		\$ 2,721,800
14	Contractual services, supplies, and materials.....		10,746,600
15	Employment and training support services.....		17,029,100
16	Wage employment verification reporting.....		1,387,500
17	Urban and rural empowerment/enterprise zones.....		100
18	Training and staff development--50.1 FTE positions..		8,213,200
19	Community services block grant--5.5 FTE positions...		25,032,700
20	Welfare-to-work.....		10,000,000
21	Homeless prevention and food for the elderly.....		<u>150,000</u>
22	GROSS APPROPRIATION.....	\$	75,281,000
23	Appropriated from:		
24	Federal revenues:		
25	Total federal revenues.....		65,442,000
26	Special revenue funds:		
27	State general fund/general purpose.....	\$	9,839,000

1	<b>Sec. 104. CHILD SUPPORT ENFORCEMENT</b>	
2	Full-time equated classified positions.....174.7	
3	Child support enforcement operations--168.7 FTE	
4	positions.....	\$ 24,359,000
5	Legal support contracts.....	139,819,500
6	Child support incentive payments.....	32,409,600
7	Child support distribution computer system--6.0 FTE	
8	positions.....	<u>26,035,900</u>
9	GROSS APPROPRIATION.....	\$ 222,624,000
10	Appropriated from:	
11	Federal revenues:	
12	Total federal revenues.....	204,107,700
13	Special revenue funds:	
14	Total local revenues.....	340,000
15	State general fund/general purpose.....	\$ 18,176,300
16	<b>Sec. 105. CHILD AND FAMILY SERVICES</b>	
17	Full-time equated classified positions.....100.5	
18	Salaries and wages--39.7 FTE positions.....	\$ 2,072,500
19	Contractual services, supplies, and materials.....	1,295,500
20	Refugee assistance program--2.9 FTE positions.....	12,661,100
21	Foster care payments.....	152,066,800
22	Wayne County foster care payments.....	77,961,400
23	Adoption subsidies.....	227,936,700
24	Adoption support services--7.7 FTE positions.....	14,584,400
25	Youth in transition--2.0 FTE positions.....	12,482,700
26	Interstate compact.....	300,000
27	Children's benefit fund donations.....	21,000

1	Domestic violence prevention and treatment--3.5 FTE	
2	positions.....	13,695,600
3	Teenage parent counseling--2.3 FTE positions.....	3,793,500
4	Families first.....	17,448,100
5	Child safety and permanency plan.....	16,900,700
6	Strong families/safe children.....	14,095,300
7	Child protection/community partners--18.3 FTE	
8	positions.....	5,713,400
9	Zero to three.....	4,000,000
10	Family group decision making.....	2,454,700
11	Family reunification program.....	4,062,700
12	Family preservation and prevention services	
13	administration--12.0 FTE positions.....	1,871,000
14	Black child and family institute.....	100,000
15	Rape prevention and services.....	2,600,000
16	Children's trust fund administration--4.3 FTE	
17	positions.....	473,800
18	Children's trust fund grants.....	3,615,000
19	Attorney general contract.....	2,742,400
20	Guardian contract.....	600,000
21	Prosecuting attorney contracts.....	1,061,700
22	Child care fund.....	171,337,900
23	Child care fund administration--5.8 FTE positions...	883,800
24	County juvenile officers.....	3,754,000
25	Community support services--2.0 FTE positions.....	<u>1,328,700</u>
26	GROSS APPROPRIATION.....	\$ 773,914,400
27	Appropriated from:	

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1	Federal revenues:	
2	Total federal revenues.....	421,020,700
3	Special revenue funds:	
4	Private - children's benefit fund donations.....	21,000
5	Private - collections.....	5,033,900
6	Local funds - county payback.....	48,803,600
7	Children's trust fund.....	3,294,100
8	State general fund/general purpose..... \$	295,741,100
9	<b>Sec. 106. JUVENILE JUSTICE SERVICES</b>	
10	Full-time equated classified positions.....750.4	
11	W.J. Maxey training school--301.0 FTE positions..... \$	[19,251,600]
12	Adrian training school--138.0 FTE positions.....	9,552,000
13	Bay pines center--44.0 FTE positions.....	3,045,000
14	Nokomis challenge center--43.0 FTE positions.....	2,875,000
15	Shawono center--39.0 FTE positions.....	2,775,000
16	Arbor heights--34.0 FTE positions.....	2,875,000
17	Community juvenile justice centers--37.0 FTE	
18	positions.....	3,011,400
19	Juvenile justice field staff, administration and	
20	maintenance--93.7 FTE positions.....	19,446,000
21	Federally funded activities--13.7 FTE positions.....	1,734,100
22	W.J. Maxey memorial fund.....	45,000
23	Juvenile accountability incentive block grant--3.0	
24	FTE positions.....	8,397,900
25	Committee on juvenile justice administration--4.0	
26	FTE positions.....	460,600
27	Committee on juvenile justice grants.....	<u>5,000,000</u>

## House Bill No. 5516 (H-1) as amended March 30, 2004

1	GROSS APPROPRIATION.....	\$	[78,468,600]
2	Appropriated from:		
3	Federal revenues:		
4	Total federal revenues.....		18,352,400
5	Special revenue funds:		
6	Total private revenues.....		645,000
7	Local funds - county payback.....		26,900,100
8	State general fund/general purpose.....	\$	[32,571,100]
9	<b>Sec. 107. LOCAL OFFICE STAFF AND OPERATIONS</b>		
10	Full-time equated classified positions.....		8,004.1
11	Field staff, salaries and wages--		7,889.4 FTE
12	positions.....	\$	336,816,900
13	Contractual services, supplies, and materials.....		24,264,300
14	Outstationed eligibility workers--		29.0 FTE positions
15	County donated funds positions--		6.9 FTE positions...
16	Food stamp reinvestment--		78.8 FTE positions.....
17	Wayne County gifts and bequests.....		100,000
18	Volunteer services and reimbursement.....		<u>1,294,900</u>
19	GROSS APPROPRIATION.....	\$	386,610,300
20	Appropriated from:		
21	Federal revenues:		
22	Total federal revenues.....		236,535,500
23	Special revenue funds:		
24	Local funds - donated funds.....		195,700
25	Private funds - Wayne County gifts.....		100,000
26	Private funds - hospital contributions.....		2,738,400
27	State general fund/general purpose.....	\$	147,040,700

1	<b>Sec. 108. DISABILITY DETERMINATION SERVICES</b>	
2	Full-time equated classified positions.....568.4	
3	Disability determination operations--544.9 FTE	
4	positions.....	\$ 73,050,700
5	Medical consultation program--18.4 FTE positions....	2,756,900
6	Retirement disability determination--5.1 FTE	
7	positions.....	<u>857,400</u>
8	GROSS APPROPRIATION.....	\$ 76,665,000
9	Appropriated from:	
10	Interdepartmental grant revenues:	
11	Department of management and budget - office of	
12	retirement systems.....	1,084,400
13	ADJUSTED GROSS APPROPRIATION.....	\$ 75,580,600
14	Appropriated from:	
15	Federal revenues:	
16	Total federal revenues.....	72,800,000
17	Special revenue funds:	
18	State general fund/general purpose.....	\$ 2,780,600
19	<b>Sec. 109. CENTRAL SUPPORT ACCOUNTS</b>	
20	Rent.....	\$ 44,223,800
21	Occupancy charge.....	10,046,200
22	Grand tower facility reimbursement.....	1,018,200
23	Travel.....	5,593,600
24	Equipment.....	145,300
25	Worker's compensation.....	5,714,000
26	Advisory commissions.....	17,900
27	Human resources optimization user charges.....	561,000

1	Payroll taxes and fringe benefits.....		<u>197,173,000</u>
2	GROSS APPROPRIATION.....	\$	264,493,000
3	Appropriated from:		
4	Federal revenues:		
5	Total federal revenues.....		169,814,700
6	Special revenue funds:		
7	Local funds - county payback.....		304,400
8	State general fund/general purpose.....	\$	94,373,900
9	<b>Sec. 110. OFFICE OF CHILDREN AND ADULT LICENSING</b>		
10	Full-time equated classified positions.....		219.0
11	AFC, children's welfare and day care		
12	licensure--219.0 FTE positions.....	\$	<u>23,047,700</u>
13	GROSS APPROPRIATION.....	\$	23,047,700
14	Appropriated from:		
15	Federal revenues:		
16	Total federal revenues.....		11,258,600
17	Special revenue funds:		
18	Licensing fees.....		585,400
19	Health systems fees and collections.....		94,200
20	State general fund/general purpose.....	\$	11,109,500
21	<b>Sec. 111. PUBLIC ASSISTANCE</b>		
22	Family independence program.....	\$	389,885,200
23	State disability assistance payments.....		31,643,100
24	Food assistance program benefits.....		1,099,429,300
25	State supplementation.....		58,899,100
26	State supplementation administration.....		2,493,200
27	Low-income home energy assistance program.....		116,467,700

1	Food bank funding.....	525,000
2	Homeless shelter contracts.....	11,146,700
3	Multicultural assimilation funding.....	1,715,500
4	Indigent burial.....	6,155,500
5	Emergency services local office allocations.....	21,865,500
6	Weatherization assistance.....	15,940,800
7	Day care services.....	<u>484,503,300</u>
8	GROSS APPROPRIATION..... \$	2,240,669,900
9	Appropriated from:	
10	Federal revenues:	
11	Total federal revenues.....	1,713,100,900
12	Special revenue funds:	
13	Child support collections.....	47,710,700
14	Supplemental security income recoveries.....	5,104,800
15	Public assistance recoupment revenue.....	2,500,000
16	State general fund/general purpose..... \$	472,253,500
17	<b>Sec. 112. INFORMATION TECHNOLOGY</b>	
18	Information technology services and projects..... \$	45,914,500
19	Child support automation.....	56,000,000
20	Client services system.....	12,307,200
21	Data system enhancement.....	<u>16,573,900</u>
22	GROSS APPROPRIATION..... \$	130,795,600
23	Appropriated from:	
24	Federal revenues:	
25	Total federal revenues.....	83,462,300
26	Special revenue funds:	
27	Total other state restricted revenues.....	11,032,200

1 State general fund/general purpose..... \$ 36,301,100

2 PART 2

3 PROVISIONS CONCERNING APPROPRIATIONS

4 GENERAL SECTIONS

5 Sec. 201. Pursuant to section 30 of article IX of the state  
6 constitution of 1963, total state spending from state resources under  
7 part 1 for fiscal year 2004-2005 is [\$1,200,771,300.00] and state  
8 spending from state resources to be paid to local units of government  
9 for fiscal year 2004-2005 is \$191,492,300.00. The itemized statement  
10 below identifies appropriations from which spending to units of local  
11 government will occur:

12 FAMILY INDEPENDENCE AGENCY

13 CHILD AND FAMILY SERVICES

14 Adoption subsidies..... \$ 84,086,600  
15 Child care fund..... 104,700,000  
16 County juvenile officers..... 2,973,200

17 PUBLIC ASSISTANCE

18 State disability program..... 1,158,700

19 TOTAL..... \$ 191,492,300

20 Sec. 202. The appropriations authorized under this act are  
21 subject to the management and budget act, 1984 PA 431, MCL 18.1101 to  
22 18.1594.

23 Sec. 203. As used in this act:

24 (a) "AFC" means adult foster care.

25 (b) "Department" means the family independence agency.

1 (c) "FTE" means full-time equated.

2 (d) "GED" means general educational development.

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

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

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

10 Sec. 204. The department of civil service shall bill the  
11 department at the end of the first fiscal quarter for the 1% charge  
12 authorized by section 5 of article XI of the state constitution of  
13 1963. Payments shall be made for the total amount of the billing by  
14 the end of the second fiscal quarter.

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

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

1 vacancy. The state budget director shall report monthly to the  
2 chairpersons of the senate and house appropriations committees and the  
3 senate and house fiscal agencies and policy offices on the number of  
4 exceptions to the hiring freeze approved during the previous month and  
5 the reasons to justify the exception.

6       Sec. 206. (1) In addition to the funds appropriated in part 1,  
7 there is appropriated an amount not to exceed \$200,000,000.00 for  
8 federal contingency funds. These funds are not available for  
9 expenditure until they have been transferred to another line item in  
10 this act under section 393(2) of the management and budget act, 1984  
11 PA 431, MCL 18.1393.

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

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

24       (4) In addition to the funds appropriated in part 1, there is  
25 appropriated an amount not to exceed \$20,000,000.00 for private  
26 contingency funds. These funds are not available for expenditure  
27 until they have been transferred to another line item in this act

1 under section 393(2) of the management and budget act, 1984 PA 431,  
2 MCL 18.1393.

3       Sec. 207. At least 60 days before beginning any effort to  
4 privatize services, the department shall submit a complete project  
5 plan to the appropriate senate and house of representatives  
6 appropriations subcommittees and the senate and house fiscal  
7 agencies. The plan shall include the criteria under which the  
8 privatization initiative will be evaluated. The evaluation shall be  
9 completed and submitted to the appropriate senate and house of  
10 representatives appropriations subcommittees and the senate and house  
11 fiscal agencies within 9 months.

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

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

27       Sec. 210. The director of each department receiving

1 appropriations in part 1 shall take all reasonable steps to ensure  
2 businesses in deprived and depressed communities compete for and  
3 perform contracts to provide services or supplies, or both. Each  
4 director shall strongly encourage firms with which the department  
5 contracts to subcontract with certified businesses in depressed and  
6 deprived communities for services, supplies, or both.

7       Sec. 211. The department may receive and expend advances or  
8 reimbursements from the department of state police for the  
9 administration of the individual and family grant disaster assistance  
10 program. An account shall be established in the department for this  
11 purpose when a disaster is declared. The authorization and allotment  
12 for the account shall be in the amount advanced or reimbursed from the  
13 department of state police.

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

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

1 the executive operations appropriation unit.

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

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

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

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

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

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

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

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

1 ending September 30, 2005.

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

4 Sec. 215. If a legislative objective of this act or the social  
5 welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be implemented  
6 without loss of federal financial participation because implementation  
7 would conflict with or violate federal regulations, the department  
8 shall notify the state budget director, the house and senate  
9 appropriations committees, and the house and senate fiscal agencies  
10 and policy offices of that fact. Upon receipt of the notification, a  
11 joint house and senate committee made up of the members of the house  
12 and senate appropriations subcommittees dealing with appropriations  
13 for the family independence agency may be appointed to meet with the  
14 director of the department to review the substantive, procedural, and  
15 legal ramifications of the legislative objective and to develop a plan  
16 to attain that legislative objective.

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

1           (2) The state budget director shall give prior written notice to  
2 the members of the house and senate appropriations subcommittees for  
3 the family independence agency and to the house and senate fiscal  
4 agencies and policy offices of any proposed changes in utilization or  
5 distribution of TANF funding or the distribution of TANF maintenance  
6 of effort spending relative to the amounts reflected in the annual  
7 appropriations acts of all state agencies where TANF funding is  
8 appropriated.

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

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

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

1 (4) The department shall follow guidelines related to faith-based  
2 involvement established in section 104 of title I of the personal  
3 responsibility and work opportunity reconciliation act of 1996,  
4 42 USC 604a.

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

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

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

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

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

5 (2) During the annual budget presentation, the department shall  
6 report on the interagency agreement with the department of information  
7 technology to the house and senate appropriations subcommittees for  
8 the family independence agency budget, house and senate fiscal  
9 agencies, and policy offices. The report shall include the base  
10 service priorities in the agreement including, but not limited to, the  
11 following:

12 (a) Name and description of base service.

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

14 (c) Cost of each base service.

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

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

23 Sec. 261. (1) The department, with the county family  
24 independence agency boards of directors and the department of  
25 management and budget, shall develop a 5-year plan in every county to  
26 restructure local offices. This plan is to be presented to the house  
27 and senate appropriations subcommittees for the family independence

1 agency budget by February 1, 2005. Issues to be covered shall include  
2 service delivery structure, facility needs, caseload size, and  
3 administrative support. Any plan presented shall ensure that the  
4 department provides a presence and services in every county. Up to  
5 25% of any savings resulting from this plan may be appropriated to the  
6 counties generating the savings to fund additional prevention  
7 services.

8 (2) The department shall meet with the Michigan department of  
9 labor and economic growth and its Michigan works! agencies by  
10 September 30, 2005 to examine possible colocation of offices and  
11 caseworkers. The department shall report to the house and senate  
12 appropriations subcommittees for the family independence agency  
13 budget, the house and senate fiscal agencies and policy offices, and  
14 the state budget director on the results of this meeting no later than  
15 October 15, 2005.

16 Sec. 264. Provided that an employee does not violate federal or  
17 state laws, breach confidentiality, violate civil service rules, or  
18 represent a formal department position without prior written  
19 authorization, the department shall ensure that all department  
20 employees, while on their personal time, are permitted to have  
21 appropriate communications with legislators and their staff.

22 Sec. 269. If title IV-D-related child support collections are  
23 escheated, the state budget director is authorized to adjust the  
24 sources of financing for the funds appropriated in part 1 for legal  
25 support contracts to reduce federal authorization by 66% of the  
26 escheated amount and increase general fund/general purpose  
27 authorization by the same amount. This budget adjustment is required

1 to offset the loss of federal revenue due to the escheated amount  
2 being counted as title IV-D program income in accordance with federal  
3 regulations at 45 CFR 304.50.

4 Sec. 270. (1) A report required to be provided to the  
5 legislature and the state budget director, no later than January 15,  
6 2005, shall include all of the following information for the programs  
7 listed in subsection (2):

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

9 (b) Information on program goals, as well as outcome measures and  
10 results used to monitor progress toward these goals.

11 (2) The programs for which the report in subsection (1) is to be  
12 prepared are the following:

13 (a) Day care assistance.

14 (b) Family independence program.

15 (c) Adoption subsidy.

16 (d) Foster care.

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

1 and families. The report shall be submitted October 1, January 1,  
2 April 1, and July 1.

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

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

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

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

11 (d) A summary of the 7 systemic factors that determine the state's  
12 compliance with the adoption and safe families act of 1997, Public Law  
13 105-89, 111 Stat. 2115.

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

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

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

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

24 Sec. 272. (1) The department shall report to the senate and  
25 house appropriations subcommittees on the family independence agency,  
26 the senate and house standing committees on human services, the senate  
27 and house fiscal agencies, the senate and house policy offices, and

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

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

12 (a) Training programs conducted by the department and the Michigan  
13 judicial institute.

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

16 (c) Department policy changes that impact meeting the statutory  
17 requirements for foster care and adoption, including juvenile justice  
18 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 October  
26 1, 2004 on each specific policy change made to implement enacted  
27 legislation to the senate and house appropriations subcommittees on

1 the family independence agency budget, the senate and house standing  
2 committees on human services, and the senate and house fiscal agencies  
3 and policy offices.

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

12 (3) Not later than July 1, 2005, the department shall report to  
13 the senate and house appropriations subcommittees on the family  
14 independence agency budget, the senate and house fiscal agencies, and  
15 the senate and house policy offices the annual regulatory plan  
16 submitted to the office of regulatory reform pursuant to section 53 of  
17 the administrative procedures act of 1969, 1969 PA 306, MCL 24.253.

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

1           Sec. 276. The departments and agencies receiving appropriations  
2 in part 1 shall receive and retain copies of all reports funded from  
3 appropriations in part 1. The department shall follow all federal  
4 guidelines and state laws regarding short-term and long-term retention  
5 of records.

6           Sec. 277. Not more than 30 days after receiving a published  
7 report from the office of auditor general that states that the  
8 department has not complied with state or federal law, rule, or  
9 regulation, the department shall provide a report to the house and  
10 senate committees having jurisdiction over the family independence  
11 agency. The report shall state the reason for the noncompliance, a  
12 corrective action plan to bring the department into compliance, and  
13 the time frame for implementing and executing the plan.

14           Sec. 278. (1) The department shall contract with a private  
15 consulting firm or firms to evaluate the following:

16           (a) Maximization of federal funds.

17           (b) Child day care program efficiency.

18           (c) Local and central office management efficiency savings.

19           (2) A contractor shall not charge the department a fee for  
20 services provided under subsection (1). However, a contractor shall  
21 receive a negotiated percentage of the savings achieved from  
22 recommendation implementation.

23           (3) As part of the annual budget presentation, the department  
24 shall report to the house and senate appropriations subcommittees for  
25 the family independence agency budget, the house and senate fiscal  
26 agencies and policy offices, and the state budget director on the  
27 recommendations and plans for implementation.

1 **EXECUTIVE OPERATIONS**

2       Sec. 303. From the funds appropriated in part 1 for inspector  
3 general salaries and wages, the department shall expend up to  
4 \$204,000.00 to add 4 FTEs as inspector general agents dedicated to  
5 fraud detection in day care services.

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

9       Sec. 305. (1) From the funds appropriated in part 1 for  
10 demonstration projects, the department shall allocate \$75,000.00 for  
11 the purpose of promoting abstinence education and shall provide  
12 abstinence education to teenagers most likely to engage in high-risk  
13 behavior as its primary focus and may include programs that include 9-  
14 to 17-year-olds. Programs funded shall meet all of the following  
15 guidelines:

16       (a) Teach the gains to be realized by abstaining from sexual  
17 activity.

18       (b) Teach abstinence from sexual activity outside of marriage as  
19 the expected standard for all school-age children.

20       (c) Teach that abstinence is the only certain way to avoid  
21 out-of-wedlock pregnancy, sexually transmitted diseases, and other  
22 health problems.

23       (d) Teach that a monogamous relationship in the context of  
24 marriage is the expected standard of human sexual activity.

25       (e) Teach that sexual activity outside of marriage is likely to  
26 have harmful effects.

27       (f) Teach that bearing children out of wedlock is likely to have

1 harmful consequences.

2 (g) Teach young people how to avoid sexual advances and how  
3 alcohol and drug use increases vulnerability to sexual advances.

4 (h) Teach the importance of attaining self-sufficiency before  
5 engaging in sexual activity.

6 (2) Coalitions, organizations, and programs that provide  
7 contraceptives to minors are not eligible for allocations of these  
8 funds.

### 9 **FAMILY INDEPENDENCE SERVICES ADMINISTRATION**

10 Sec. 403. Not later than September 30 of each year, the  
11 department shall submit for public hearing to the chairpersons of the  
12 house and senate appropriations subcommittees dealing with  
13 appropriations for the family independence agency the proposed use and  
14 distribution plan for community services block grant funds  
15 appropriated in part 1 for the succeeding fiscal year.

16 Sec. 404. The department shall develop a plan based on  
17 recommendations from the department of civil rights and from Native  
18 American organizations to assure that the community services block  
19 grant funds are equitably distributed. The plan must be developed by  
20 October 31, 2004, and the plan shall be delivered to the  
21 appropriations subcommittees on the family independence agency in the  
22 house and senate, the senate and house fiscal agencies, and the state  
23 budget director.

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

1           (2) From the funds appropriated in part 1 for community services  
2 block grants, the department is authorized to make allocations of TANF  
3 funds only to the community action agencies that report necessary data  
4 to the department for the purpose of meeting TANF eligibility  
5 reporting requirements. The use of TANF funds under this section  
6 should not be considered an ongoing commitment of funding.

7           (3) In addition to subsection (1), from the funds appropriated in  
8 part 1 for community services block grant, the department shall  
9 allocate an additional \$650,000.00 in TANF to community action  
10 agencies and encourage expansion of earned income tax credit (EITC)  
11 education programs.

12           Sec. 415. (1) From the funds appropriated in part 1 for  
13 employment and training support services, the department shall expend  
14 \$100,000.00 in TANF to fund a fatherhood initiative program. The  
15 department may contract with independent contractors from various  
16 counties, including, but not limited to, faith-based and nonprofit  
17 organizations. The independent contractors shall provide at least 10%  
18 in matching funds, through any combination of local, state, or federal  
19 funds or in-kind or other donations. An independent contractor that  
20 cannot secure matching funds shall not be excluded from consideration  
21 for the fatherhood program.

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

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

13           (4) The department is authorized to make allocations of TANF  
14 funds, of not more than 20% per county, under this section only to  
15 agencies that report necessary data to the department for the purpose  
16 of meeting TANF eligibility reporting requirements. The use of TANF  
17 funds under this section should not be considered an ongoing  
18 commitment of funding.

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

23           Sec. 416. (1) From the funds appropriated in part 1 for  
24 employment and training support services, the department may expend up  
25 to \$100,000.00 in TANF to fund a marriage initiative program. The  
26 department may contract with independent contractors from various  
27 counties, including, but not limited to, faith-based and nonprofit

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

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

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

21 (4) The department is authorized to make allocations of TANF  
22 funds, of not more than 20% per county, under this section only to  
23 agencies that report necessary data to the department for the purpose  
24 of meeting TANF eligibility reporting requirements. The use of TANF  
25 funds under this section should not be considered an ongoing  
26 commitment of funding.

27 (5) Upon receipt of the healthy marriage promotion grant from the

1 United States department of health and human services, the agency  
2 shall use the program criteria set forth in subsection (3) to  
3 implement the program with the federal funds.

4       Sec. 417. The department shall report to the senate and house  
5 appropriations subcommittees for the family independence agency  
6 budget, the senate and house standing committees on human services  
7 matters, and the senate and house fiscal agencies on the  
8 implementation of the bureau of community action and economic  
9 opportunity and the commission on community action and social  
10 opportunity. The report is due October 31, 2004 and shall include all  
11 of the following:

12       (a) Number of full-time equated employees funded.

13       (b) Administrative duties performed.

14       (c) The relationship between duties and the bureau of community  
15 action and economic opportunity and the commission on community action  
16 and social opportunity.

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

1 sites shall participate in community EITC coalitions established under  
2 the plan to increase the EITC participation of TANF families  
3 referenced in section 666. It is the intent of the legislature that  
4 the same amount be appropriated annually to further expand IDA  
5 opportunities to low-income families to become more financially  
6 self-sufficient through financial education, saving, wise investment  
7 in home ownership, postsecondary education, small business  
8 development, or a combination of those programs.

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

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

26       (b) Other related support to assist existing and emerging CDCUs in  
27 becoming self-supporting institutions to assist impoverished Michigan

1 residents in becoming economically independent.

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

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

10 Sec. 421. The department shall allow private nationally  
11 accredited foster care and adoption agencies to conduct their own  
12 staff training, based on current department policies and procedures.  
13 The department shall provide any training materials requested by the  
14 private agencies to facilitate this training. The intent of the  
15 legislature is to reduce training and travel costs for both the  
16 department and the private agencies.

17 Sec. 422. The department shall develop a memorandum of  
18 understanding with the department of labor and economic growth  
19 outlining the distribution of funds appropriated in part 1 for  
20 welfare-to-work. The appropriation shall be used to support the work  
21 first program and shall be expended for grants that provide employment  
22 and training services to family independence program applicants and  
23 recipients. In addition, funds may be expended for grants that  
24 provide employment and training services to former family independence  
25 program recipients, as well as to recipients of noncash public  
26 assistance, specifically child day care, Medicaid, or food stamp  
27 benefits. The work first program, however, shall be not construed to

1 be an entitlement to services.

2 **CHILD AND FAMILY SERVICES**

3       Sec. 501. (1) The following goal is established by state law.  
4 During the fiscal year ending September 30, 2005, not more than 3,000  
5 children supervised by the department shall remain in foster care  
6 longer than 24 months. The department shall give priority to reducing  
7 the number of children under 1 year of age in foster care. By January  
8 15, 2005, the department shall report to the house and senate  
9 appropriations subcommittees for the family independence agency  
10 budget, the house and senate fiscal agencies and policy offices, and  
11 the state budget director on the number of children supervised by the  
12 department and by private agencies who remain in foster care between  
13 12 and 24 months, and those who remain in foster care longer than 24  
14 months.

15       (2) By October 1, 2004, the department shall discontinue the  
16 Michigan children's institute (MCI) preliminary consent denial review  
17 process implemented in August 2003. The department shall report to  
18 the house and senate appropriations subcommittees for the family  
19 independence agency budget, the house and senate fiscal agencies and  
20 policy offices, and the state budget director on MCI standards for  
21 timely review and consent for adoption cases by January 15, 2005.

22       (3) From the funds appropriated in part 1 for salaries and wages  
23 within child and family services, the department shall expend up to  
24 \$52,700.00 to add 1 FTE within the MCI.

25       Sec. 502. From the funds appropriated in part 1 for foster care,  
26 the department shall provide 50% reimbursement to Indian tribal

1 governments for foster care expenditures for children who are under  
2 the jurisdiction of Indian tribal courts and who are not otherwise  
3 eligible for federal foster care cost sharing.

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

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

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

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

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

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

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

23       (2) The state child abuse and neglect prevention board may  
24 initiate a joint project with another state agency to the extent that  
25 the project supports the programmatic goals of both the state child  
26 abuse and neglect prevention board and the state agency. The  
27 department may invoice the state agency for shared costs of a joint

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

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

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

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

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

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

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

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

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

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

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

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

13           Sec. 514. The department shall make a comprehensive report  
14 concerning children's protective services (CPS) to the legislature,  
15 including the senate and house policy offices, by January 1, 2005,  
16 that shall include all of the following:

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

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

24           (ii) Characteristics of perpetrators of abuse or neglect and the  
25 child victims, such as age, relationship, socioeconomic status, race,  
26 and ethnicity.

27           (iii) The mandatory reporter category in which the individual who

1 made the report fits, or other categorization if the individual is not  
2 within a group required to report under the child protection law, 1975  
3 PA 238, MCL 722.621 to 722.638.

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

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

10 (i) Transfer to foster care.

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

13 (iii) The perpetrator no longer has access to the child victim.

14 (iv) Unsatisfactory family response - referral to court not  
15 feasible.

16 (v) Child protective services not needed - family is receiving  
17 services from another program.

18 (vi) Client unavailable for services, location of client unknown.

19 (vii) Other.

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

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

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

6           (b) Improve parent/child interaction.

7           (c) Promote access to needed community services.

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

9           (e) Improve school readiness.

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

12          (3) The appropriation provided for in subsection (2) is to fund  
13 secondary prevention programs as defined in the children's trust  
14 fund's preapplication materials for fiscal year 2004-2005 direct  
15 services grants.

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

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

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

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

27          (d) Provide a 25% local match of which not more than 10% is

1 in-kind goods or services unless the maximum percentage is waived by  
2 the state human services directors.

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

7 Sec. 523. (1) From the funds appropriated in part 1 for youth in  
8 transition, domestic violence prevention and treatment, and teenage  
9 parent counseling, the department is authorized to make allocations of  
10 TANF funds only to the agencies that report necessary data to the  
11 department for the purpose of meeting TANF eligibility reporting  
12 requirements. The use of TANF funds under this section should not be  
13 considered an ongoing commitment of funding.

14 (2) The agencies receiving teenage parent counseling TANF funds  
15 shall report to the family independence agency on both of the  
16 following:

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

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

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

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

23 (iv) The number of father participants.

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

26 (i) Adult supervised, supportive living arrangements.

27 (ii) Pregnancy prevention services or referrals.

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

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

5 (v) Parenting and life-skills training.

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

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

8 (viii) Instruction on self-protection.

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

12 Sec. 524. The department shall submit a report on prevention  
13 programs for which funds are appropriated in part 1 to the senate and  
14 house appropriations subcommittees on the family independence agency,  
15 the senate and house standing committees having jurisdiction over  
16 human services matters, the senate and house fiscal agencies, and the  
17 senate and house policy offices no later than January 15, 2005 that  
18 includes all of the following information:

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

20 (b) Information on program goals and outcome measures and results  
21 used to monitor progress toward these goals.

22 Sec. 531. (1) From the funds appropriated in part 1, the  
23 department may make claims for and pay to local units of government a  
24 portion of federal title IV-E revenues earned as a result of eligible  
25 costs incurred by local units of government.

26 (2) The department shall make payments under subsection (1) only  
27 to local units of government that have entered into formal agreements

1 with the department. The agreement must include all of the  
2 following:

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

5 (b) Provide for agency review and approval of the local unit's  
6 plan for allocating costs to title IV-E.

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

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

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

16 (f) Be signed by the director of the department, the chief  
17 executive officer of the local government agency providing the title  
18 IV-E services, the chair of the county board of commissioners, and the  
19 chief executive officer of the county.

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

1 process.

2 (2) The department shall develop a streamlined licensing contract  
3 compliance review process where possible, including potential for  
4 utilizing deeming status for nationally accredited agencies. The  
5 department shall report to the house and senate appropriations  
6 subcommittees on the family independence agency budget, the house and  
7 senate fiscal agencies and policy offices, and the state budget  
8 director on or before January 15, 2005 on the implementation of the  
9 licensing and contract compliance review process.

10 Sec. 533. The family independence agency shall make payments to  
11 private nonprofit child placing facilities for title IV-E out-of-home  
12 care services within 30 days of receiving all necessary documentation  
13 from those agencies.

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

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

27 (2) The department, in conjunction with private child placing  
agencies, shall develop a methodology for measuring goals, objectives,  
and performance standards for the delivery of foster care and adoption

1 services. These goals, objectives, and performance standards shall  
2 apply to both public and private delivery of child welfare services,  
3 and data shall be collected from both private and public child welfare  
4 programs that can be used to evaluate performance achievements,  
5 including, but not limited to, the following:

6 (a) Average caseload per foster care worker.

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

9 (c) Range of services provided.

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

12 (3) The department shall submit a quarterly report to the  
13 legislature, beginning December 31, 2004, outlining the progress of  
14 the development of the goals, objectives, and performance standards,  
15 as well as the information collected through the implementation of the  
16 measurement program.

17 Sec. 539. The department shall work in collaboration with  
18 representatives from private nonprofit child placing agencies to  
19 ensure appropriate placement for children who have been adjudicated  
20 abused, neglected, or delinquent and for whom residential treatment is  
21 required. The department and the representatives from the private  
22 nonprofit child placing agencies shall focus on statewide placement  
23 criteria to address the best interest of the child in need of  
24 services.

25 Sec. 540. Counties shall be subject to 50% charge-back for the  
26 use of alternative regional detention services, if those detention  
27 services do not fall under the basic provision of section 117e of the

1 social welfare act, 1939 PA 280, MCL 400.117e, or if a county operates  
2 those detention services programs primarily with professional rather  
3 than volunteer staff.

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

10       Sec. 542. As a condition of receiving funds appropriated in part  
11 1 for the child care fund, by February 15, 2005, counties shall have  
12 an approved service spending plan for the fiscal year ending September  
13 30, 2005. Counties must submit the service spending plan to the  
14 department by December 15, 2004 for approval.

15       Sec. 543. The department shall develop a comprehensive plan to  
16 provide education and training to reduce the incidences of criminal  
17 sexual conduct involving underage youth. The plan shall be designed  
18 to reach state and local law enforcement officials, schools and  
19 education agencies, health care, counseling, and pregnancy prevention  
20 services, and any other agency the department considers relevant. The  
21 department shall issue a report, by November 1, 2004, to the house and  
22 senate appropriations subcommittees on the family independence agency  
23 budget, the house and senate fiscal agencies and policy offices, and  
24 the state budget director that shall contain at least all of the  
25 following:

26       (a) The names of the task force members or committee members, and  
27 their representative organizations, who helped develop the plan.

1 (b) The recommendations the department is making to each of the  
2 following:

3 (i) State and local law enforcement agencies.

4 (ii) Schools and education agencies.

5 (iii) Health care professionals.

6 (iv) Counseling agencies.

7 (v) Pregnancy prevention programs.

8 (c) The annual goals for reporting and reducing incidences of  
9 criminal sexual conduct involving underage youth.

10 (d) A summary of past plans and their outcomes submitted in  
11 compliance with federal guidelines.

12 Sec. 544. The department shall consider approval of pilot  
13 projects with applications pending for accelerated residential  
14 treatment.

15 Sec. 545. (1) From the funds appropriated in part 1 for foster  
16 care payments, Wayne County foster care payments, and adoption support  
17 services, \$5,968,000.00 shall be used to provide a 4.0% rate increase  
18 to child placing agencies and residential facilities beginning October  
19 1, 2004.

20 (2) From the funds appropriated in part 1 for foster care payments  
21 and Wayne County foster care payments, \$1,000,000.00 shall be used to  
22 provide an increase in the administrative rate paid to agencies for  
23 specialized foster care. The increase will take effect April 1, 2005  
24 unless prior to that date the department has, in conjunction with  
25 representatives of the private child placement agencies, developed a  
26 new specialized foster care funding system.

27 (3) The department shall provide for approval of new specialized

1 foster care programs.

2       Sec. 546. From the funds appropriated in part 1 for domestic  
3 violence prevention and treatment, the department shall allocate  
4 \$75,000.00 of existing funds to Barry county to support a domestic  
5 violence shelter.

6       Sec. 547. The department shall develop and implement a plan to  
7 review each court order placing a child into foster care within 60  
8 days to verify federal compliance and shall report on the results by  
9 October 1, 2004 to the senate and house appropriations subcommittees  
10 for the family independence agency budget, the senate and house fiscal  
11 agencies and policy offices, and the state budget director.

## 12 **PUBLIC ASSISTANCE**

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

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

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

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

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

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

21 (3) It is the intent of the legislature that the department review  
22 and adjust the standard utility allowance for the state food  
23 assistance program to ensure that it reflects current energy costs in  
24 the state.

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

1 States or aliens exempted from the supplemental security income  
2 citizenship requirement who are at least 18 years of age or  
3 emancipated minors meeting 1 or more of the following requirements:

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

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

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

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

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

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

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

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

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

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

26 (3) Except for a person described in subsection (1)(c) or (d), a  
27 person is not disabled for purposes of this section if his or her drug

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

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

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

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

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

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

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

23       Sec. 609. The state supplementation level under the supplemental  
24 security income program for the personal care/adult foster care and  
25 home for the aged categories shall not be reduced during the fiscal  
26 year beginning October 1, 2004 and ending September 30, 2005.

27       Sec. 610. In developing good cause criteria for the state

1 emergency relief program, the department shall grant exemptions if the  
2 emergency resulted from unexpected expenses related to maintaining or  
3 securing employment.

4       Sec. 611. (1) The department shall not require providers of  
5 burial services to accept state payment for indigent burials as  
6 payments in full. Each provider shall be permitted to collect  
7 additional payment from relatives or other persons on behalf of the  
8 deceased. The total in additional payments shall not exceed  
9 \$2,600.00.

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

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

17       Sec. 613. From the funds appropriated in part 1 for state  
18 emergency relief, the maximum allowable charge limit for indigent  
19 burials shall be \$947.00. The funds shall be distributed as follows:  
20 \$603.00 for funeral directors; \$200.00 for cemeteries or crematoriums;  
21 and \$144.00 for the provider of the vault.

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

27       Sec. 615. Except as required by federal law or regulations,

1 funds appropriated in part 1 shall not be used to provide public  
2 assistance to a person who is an illegal alien. This section shall  
3 not prohibit the department from entering into contracts with food  
4 banks or emergency shelter providers who may, as a normal part of  
5 doing business, provide food or emergency shelter to individuals.

6 Sec. 616. The appropriation in part 1 for the weatherization  
7 program shall be expended in such a manner that at least 25% of the  
8 households weatherized under the program shall be households of  
9 families receiving 1 or more of the following:

10 (a) Family independence assistance.

11 (b) State disability assistance.

12 (c) Food assistance.

13 (d) Supplemental security income.

14 Sec. 617. In operating the family independence program with  
15 funds appropriated in part 1, the department shall not approve as a  
16 minor parent's adult supervised household a living arrangement in  
17 which the minor parent lives with his or her partner as the  
18 supervising adult.

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

23 (a) The only eligible recipient has died.

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

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

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

3 (e) A recipient has been approved to receive assistance in another  
4 state.

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

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

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

18 (b) An authorized representative shall be required for food  
19 assistance receipt.

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

24 Sec. 627. (1) From the funds appropriated in part 1 for day care  
25 services, the department may contract to administer an amount not to  
26 exceed \$1,350,000.00 for the "enhance quality improvement program"  
27 (EQUIP) grants. A priority for the expenditure of EQUIP funds shall

1 be given to providers to expand access to child care, specifically  
2 24-hour care and weekend care. A child care program shall not be  
3 eligible for an EQUIP grant unless 25% or more of its clients receive  
4 day care payments from the department.

5 (2) From the funds appropriated in part 1 for day care services,  
6 the department may establish an additional fund of at least  
7 \$350,000.00 for a grant pool for an "enhance quality improvement  
8 program" (EQUIP) specifically to establish new family and group home  
9 day care providers.

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

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

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

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

23 Sec. 632. The department shall calculate the food assistance  
24 allotment for applicants who are United States citizens and who live  
25 in a household with legal immigrants in a manner that maximizes the  
26 food assistance available to these United States citizens under  
27 federal law.

1           Sec. 635. Within 6 business days of receiving all information  
2 necessary to process an application for payments for child day care,  
3 the family independence agency shall determine whether the child day  
4 care provider to whom the payments, if approved, would be made, is  
5 listed on the child abuse and neglect central registry. If the  
6 provider is listed on the central registry, the family independence  
7 agency shall immediately send written notice denying the applicant's  
8 request for child day care payments.

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

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

15           Sec. 643. As a condition of receipt of federal TANF funds,  
16 homeless shelters shall collaborate with the family independence  
17 agency to obtain necessary TANF eligibility information on families as  
18 soon as possible after admitting a family to the homeless shelter.  
19 From the funds appropriated in part 1 for homeless shelters within  
20 state emergency relief, the department is authorized to make  
21 allocations of TANF funds only to the agencies that report necessary  
22 data to the department for the purpose of meeting TANF eligibility  
23 reporting requirements. Homeless shelters that do not report  
24 necessary data to the department for the purpose of meeting TANF  
25 eligibility reporting requirements will not receive reimbursements  
26 which exceed the per diem amount they received in fiscal year 2000.  
27 The use of TANF funds under this section should not be considered an

1 ongoing commitment of funding.

2       Sec. 645. An individual or family is considered homeless, for  
3 purposes of eligibility for state emergency relief, if living  
4 temporarily with others in order to escape domestic violence. For  
5 purposes of this section, domestic violence is defined and verified in  
6 the same manner as in the family independence agency's policies on  
7 good cause for not cooperating with child support and paternity  
8 requirements.

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

17       Sec. 653. From the funds appropriated in part 1 for food  
18 assistance, an individual who is the victim of domestic violence and  
19 does not qualify for any other exemption may be exempt from the  
20 3-month in 36-month limit on receiving food assistance under section  
21 6(o)(6) of the food stamp act of 1977, Public Law 88-525, 7 USC 2015.  
22 This exemption can be extended an additional 3 months upon  
23 demonstration of continuing need.

24       Sec. 657. (1) The department shall fund a statewide before- or  
25 after-school program to provide youth with a safe, engaging  
26 environment to motivate and inspire learning outside the traditional  
27 classroom setting. Before-school programs are limited to elementary

1 school-aged children. Effective before- or after-school programs  
2 combine academic, enrichment, and recreation activities to guide  
3 learning and inspire children and youth in various activities. The  
4 before- or after-school programs can meet the needs of the communities  
5 served by the programs.

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

13 (3) The department shall, through a competitive bid process,  
14 provide grants or contracts up to \$5,000,000.00 in TANF funds for the  
15 program based on community needs. A county shall receive no more than  
16 20% of the funds appropriated in part 1 for this program. From the  
17 funds appropriated in part 1 for before- or after-school programs  
18 within day care services, the department is authorized to make  
19 allocations of funds only to the agencies that report necessary data  
20 to the department for the purpose of meeting TANF and maintenance of  
21 effort eligibility reporting requirements. The use of funds under  
22 this section should not be considered an ongoing commitment of  
23 funding.

24 (4) The before- or after-school programs shall include, at a  
25 minimum, at least 3 of the following topics:

26 (a) Abstinence-based pregnancy prevention.

27 (b) Chemical abuse and dependency including nonmedical services.

1 (c) Gang violence prevention.

2 (d) Academic assistance, including assistance with reading and  
3 writing.

4 (e) Preparation toward future self-sufficiency.

5 (f) Leadership development.

6 (g) Case management or mentoring.

7 (h) Parental involvement.

8 (i) Anger management.

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

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

19 (7) By August 30, 2005, the department before- or after-school  
20 program expenditures shall be audited and the department shall work in  
21 collaboration with independent contractors to provide a report on the  
22 before- or after-school program to the senate and house standing  
23 committees dealing with human services, the senate and house  
24 appropriations subcommittees for the family independence agency  
25 budget, the senate and house fiscal agencies, and the senate and house  
26 policy offices. The report shall include the number of participants  
27 and the average cost per participant, as well as changes noted in

1 program participants in any of the following categories:

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

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

18 Sec. 665. The department shall partner with the department of  
19 transportation to use TANF and other sources of available funding to  
20 support public transportation needs of TANF-eligible individuals. By  
21 January 1, 2005, the department shall report on the new transportation  
22 initiatives developed to the senate and house appropriations  
23 subcommittees on the family independence agency, senate and house  
24 standing committees on human services matters, the senate and house  
25 fiscal agencies, the senate and house policy offices, and the state  
26 budget director.

27 Sec. 666. The department shall continue to implement the plan

1 developed during the fiscal year ending in 2004 to increase the  
2 participation of eligible family independence program recipients in  
3 the federal earned income tax credit. The department shall report the  
4 details of the plan to the senate and house appropriations  
5 subcommittees on the family independence agency budget, the senate and  
6 house standing committees on human services, the senate and house  
7 fiscal agencies and policy offices, and the state budget director no  
8 later than December 31, 2004.

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

13       (2) The department shall make allocations of TANF funds under this  
14 section only to agencies that report necessary data to the department  
15 for the purpose of meeting the TANF eligibility reporting  
16 requirements. The use of TANF funds under this section should not be  
17 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 that  
22 cannot meet the matching requirement shall not be excluded from  
23 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 \$5,925,000.00 for the  
27 annual school clothing allowance. The allowance shall be granted to

1 all eligible children 4 to 18 years of age. At least 2 weeks prior to  
2 the clothing allowance transfer, the department shall notify  
3 assistance recipients eligible for the allowance of actual and  
4 potential participating retail establishments that offer discounts  
5 under the clothing allowance program. It is the intent of the  
6 legislature that the department expand outreach to retailers  
7 encouraging them to offer discounts.

8       Sec. 670. It is the intent of the legislature that the funds  
9 appropriated in part 1 for kinship care in the fiscal year ending  
10 September 30, 2005 reflect the legislature's commitment to reduce the  
11 benefit discrepancy between kinship care and a similar family size  
12 within the family independence agency program (FIP). The legislature  
13 recognizes the commitment of relatives to provide family continuity,  
14 nurturance, and care for this special population of children who can  
15 no longer remain in their parents' care due to abuse, neglect, or  
16 other social problems.

17       Sec. 671. The department shall work with private nonprofit  
18 service providers to implement an Internet-based information system  
19 providing centralized benefit eligibility information and electronic  
20 application forms and application submission. This system may be used  
21 by volunteer counselors to assist users in obtaining all available  
22 public assistance.

23       Sec. 672. By January 1, 2005, the department shall report to the  
24 house and senate appropriations subcommittees for the family  
25 independence agency budget, the house and senate standing committees  
26 on human services, the house and senate fiscal agencies and policy  
27 offices, and the state budget director on the department's food

1 assistance outreach efforts.

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

6       Sec. 674. The department shall develop and implement a plan to  
7 reduce waste, fraud, and abuse within the child day care program,  
8 including feasibility for expanding wage match and employer  
9 verification, unannounced home call verification at day care sites,  
10 and other process changes. Quarterly, beginning December 31, 2004,  
11 the department shall report to the house and senate appropriations  
12 subcommittees for the family independence agency budget, the house and  
13 senate fiscal agencies and policy offices, and the state budget  
14 director on plan details and implementation status.

15       Sec. 675. By September 30, 2005, the department shall establish  
16 a new rate structure that more accurately reflects costs of care by  
17 vicinity for the child day care program based on the most recent  
18 market survey.

19       Sec. 676. (1) The department shall collaborate with the state  
20 board of education to extend the duration of the Michigan after-school  
21 initiative, to be renamed the Michigan after-school partnership, and  
22 oversee its efforts to implement the policy recommendations and  
23 strategic next steps identified in the Michigan after-school  
24 initiative's report of December 15, 2003.

25       (2) From the funds appropriated in part 1, \$25,000.00 may be used  
26 to support the Michigan after-school partnership and shall be used to  
27 leverage other private and public funding to engage the public and

1 private sectors in building and sustaining high-quality  
2 out-of-school-time programs and resources. The cochairs shall name a  
3 fiduciary agent and may authorize the fiduciary to expend funds and  
4 hire people to accomplish the work of the Michigan after-school  
5 partnership.

6 (3) Participation in the Michigan after-school partnership shall  
7 be expanded beyond the membership of the initial Michigan after-school  
8 initiative to increase the representation of parents, youth,  
9 foundations, employers, and others with experience in education, child  
10 care, after-school and youth development services, and crime and  
11 violence prevention, and to include representation from the department  
12 of community health. Each year, on or before December 31, the  
13 Michigan after-school partnership shall report its progress in  
14 reaching the recommendations set forth in the Michigan after-school  
15 initiative's report to the legislature and the governor.

#### 16 **JUVENILE JUSTICE SERVICES**

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

22 Sec. 703. A juvenile adjudicated and placed in a state-operated  
23 maximum security program funded under part 1 for juvenile justice  
24 services shall not be allowed to leave the property of the maximum  
25 security facility at which the program is located except when required  
26 to leave the property for medical treatment, court appearances, or

1 other good cause approved by the facility director. For purposes of  
2 this section, "juvenile" means that term as defined in section 115n of  
3 the social welfare act, 1939 PA 280, MCL 400.115n.

4 Sec. 704. New facilities funded under part 1 for juvenile  
5 justice services shall not be located within 1,500 feet of property in  
6 use for a K-12 educational program.

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

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

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

20 (c) Program outcomes including recidivism rates for youth served  
21 by the facility.

22 (2) The department shall submit a quarterly report to the  
23 legislature, beginning December 31, 2004, outlining the progress of  
24 the development of the goals, objectives, and performance standards,  
25 as well as the information collected through the implementation of the  
26 performance measurement program. The report shall include the  
27 following:

- 1 (a) Trends in census and population demographics.
- 2 (b) Program outcomes.
- 3 (c) Staff and resident safety.
- 4 (d) Facility profile.
- 5 (e) Fiscal information necessary for qualitative understanding of
- 6 program operations and comparative costs of public and private
- 7 facilities.

8 Sec. 713. (1) The department shall work cooperatively with  
9 judiciary and with the departments of community health and career  
10 development to coordinate and improve the delivery of mental health  
11 and substance abuse treatment and education and training services to  
12 individuals leaving the juvenile justice system, especially those  
13 aging out of the system identified as continuing to pose a serious  
14 risk to themselves or others.

15 (2) As required by section 18 of chapter XIIA of the probate code  
16 of 1939, 1939 PA 288, MCL 712A.18, juveniles committed to an  
17 institution operated by the department shall receive medical, dental,  
18 surgical, or other health care as necessary. The Medicaid  
19 reimbursable rate scale shall be used as the standard for allowable  
20 charges for services rendered. The family independence agency shall  
21 reimburse providers for the actual charges less than or equal to the  
22 Medicaid reimbursable rate scale for each service provided.

23 Sec. 714. (1) The family independence agency shall provide  
24 technical assistance for counties to develop information networks  
25 including, but not limited to, serious habitual offenders  
26 comprehensive action program (SHOCAP), juvenile justice on-line  
27 technology (JJOLT), and juvenile violent reporting system (JVRS).

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

4           (3) The local units of government shall report to the department  
5 on expenditures of their juvenile justice information networks in  
6 concert with their requests for reimbursement from the child care  
7 fund.

8           (4) The department shall report to the house and senate  
9 appropriations subcommittees for the family independence agency  
10 budget, the house and senate fiscal agencies and policy offices, and  
11 the state budget director by January 15, 2005 on department efforts to  
12 encourage county information networks development described in  
13 subsection (1).

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

18           (2) The department shall report to the house and senate  
19 appropriations subcommittees for the family independence agency  
20 budget, the house and senate fiscal agencies and policy offices, and  
21 the state budget director by October 30, 2004 on the status of  
22 implementing recommendations of the 2001 joint house and senate task  
23 force on juvenile justice, including, but not limited to, the  
24 following:

25           (a) Mentoring programs that focus on improving communication and  
26 collaboration, encourage quality mentoring programs, recruitment of  
27 mentors, and increasing public awareness of and participation in

1 programs for at-risk youth.

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

5 (c) Discussion of the possibility of implementing a program  
6 modeled after the "Wisconsin citizenship initiative" to collaborate  
7 with the before- or after-school programs offered under the authority  
8 of this act.

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

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

15 (f) Multisystem therapy.

16 (g) Youth service projects.

17 (h) Community services projects.

18 Sec. 716. It is the intent of the legislature that the  
19 department continue to review juvenile justice facilities and maximize  
20 cost and efficiency. By January 15, 2005, the department shall report  
21 to the house and senate appropriations subcommittees for the family  
22 independence agency budget, the house and senate fiscal agencies and  
23 policy offices, and the state budget director on utilization of  
24 juvenile justice facilities and potential consolidation efforts.

25 Sec. 717. The department shall assist the state court  
26 administrator, as appropriate, in the development of a statistical  
27 report on offenders under age 18 who are convicted of felonies or

House Bill No. 5516 (H-1) as amended March 30, 2004

1 adjudicated for offenses that would be felonies if committed by an  
2 adult. The report shall provide the following information by age and  
3 gender of offender:

4 (a) Offense by Michigan Compiled Laws/prosecuting attorneys  
5 coordinating council (MCL/PACC) code.

6 (b) Disposition and, if applicable, length of sentence.

[Sec. 718. Contingent upon the receipt of funds from the sale of W. J. Maxey training school property identified by the department as parcels 1, 3, and 4, a total of \$2,961,200.00 is appropriated for the W. J. Maxey training school, in addition to the funds appropriated in part 1.]

7 **LOCAL OFFICE SERVICES**

8 Sec. 750. The department shall maintain out-stationed  
9 eligibility specialists in community-based organizations and hospitals  
10 in the same locations and at staffing levels no less than in fiscal  
11 year 2002-2003.

12 Sec. 751. The department shall consult with the chairs and vice  
13 chairs of the house and senate appropriations subcommittees for the  
14 family independence agency budget on all new family resource center  
15 implementation plans.

16 **DISABILITY DETERMINATION SERVICES**

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

22 **CHILD SUPPORT ENFORCEMENT**

23 Sec. 901. (1) From the federal money received for child support  
24 incentive payments, up to \$15,397,400.00 shall be retained by the

1 state and expended for legal support contracts and child support  
2 program expenses.

3 (2) In addition to the amount retained in subsection (1),  
4 additional incentives may be retained and used by the state for  
5 special, enhanced, or centralized initiatives or services that are  
6 reasonably calculated by the department, in consultation with the  
7 child support program leadership group, which consists of  
8 representatives of the state court administrative office, the friend  
9 of the court association, the prosecuting attorney's association of  
10 Michigan, the Michigan department of information technology, the  
11 family independence agency office of child support, and the state  
12 budget office, to result in an equivalent or greater increase in child  
13 support collections or child support incentive payments received from  
14 the federal government. If payment from the federal government for  
15 collection performance incentives exceeds the amount received by the  
16 state for the fiscal year 2000, the total amount paid to counties  
17 shall be no less than the total amount paid for federal performance  
18 incentives in fiscal year 2001.

19 (3) At the end of the current fiscal year, the department may, if  
20 it is cost beneficial to the state and counties, withhold from  
21 submitting to the federal office of child support administrative  
22 expenses eligible for federal financial participation. The department  
23 may recoup earned but unclaimed federal funds from the resulting  
24 increased federal child support incentive. The recoupment by the  
25 department shall be made prior to distribution of the increased  
26 incentive to the counties. Any incentive funds retained by the state  
27 under this section shall be separate and apart from incentive funds

1 retained in any other section of this act.

2 (4) For the purpose of providing title IV-D child support  
3 enforcement funding, the department, as the IV-D agency, shall, within  
4 30 days of the passage of this act, maintain a cooperative agreement  
5 with the state attorney general for IV-D funding to support the child  
6 support enforcement activities of the office of the attorney general.  
7 The department to the extent possible under federal law shall provide  
8 to the office of the attorney general any information used by the  
9 office of child support enforcement to locate parents who fail to pay  
10 court-ordered child support, to collect child support, or to enforce  
11 child support orders.

## 12 OFFICE OF CHILDREN AND ADULT LICENSING

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

20 Sec. 1002. The department shall furnish the clerk of the house,  
21 the secretary of the senate, the senate and house fiscal agencies, the  
22 state budget office, and all members of the house and senate  
23 appropriations committees with a summary of any evaluation reports and  
24 subsequent approvals or disapprovals of juvenile residential  
25 facilities operated by the department, as required by section 6 of  
26 1973 PA 116, MCL 722.116. If no evaluations are conducted during the

1 fiscal year, the department shall notify the fiscal agencies and all  
2 members of the appropriate subcommittees of the house and senate  
3 appropriations committees.

4       Sec. 1003. If federal funds become available to support a lead  
5 testing program, the department shall, before issuing a license for a  
6 day care facility and as part of licensing review and facility  
7 inspection, require documentation verifying the facility is  
8 lead-safe.

9       Sec. 1004. The department shall evaluate the potential for  
10 licensing of secure adult foster care facilities.