

SENATE BILL No. 308

March 19, 2003, Introduced by Senator SCOTT and referred to the Committee on Appropriations.

EXECUTIVE BUDGET BILL

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, 2004; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

1 LINE-ITEM APPROPRIATIONS

2 Sec. 101. Subject to the conditions set forth in this bill, the
 3 amounts listed in this part are appropriated for the family
 4 independence agency for the fiscal year ending September 30, 2004, from
 5 the funds indicated in this part. The following is a summary of the
 6 appropriations in this part:

7 **FAMILY INDEPENDENCE AGENCY**

8 APPROPRIATIONS SUMMARY:

9	Full-time equated classified positions	10,765.6
10	Full-time equated unclassified positions	6.0
11	Total full-time equated positions	10,771.6
12	GROSS APPROPRIATION	\$ 3,945,691,300
13	Interdepartmental grant revenues:	
14	Total interdepartmental grants and	
15	intradepartmental transfers	1,055,800
16	ADJUSTED GROSS APPROPRIATION	\$ 3,944,635,500
17	Federal revenues:	
18	Total federal revenues	2,697,630,071
19	Special revenue funds:	
20	Total local revenues	65,097,100
21	Total private revenues	9,472,150
22	Total other state restricted revenues	70,096,800
23	State general fund/general purpose	\$ 1,102,339,379

24 **Sec. 102. EXECUTIVE OPERATIONS**

25	Total full-time equated positions	470.8
26	Full-time equated unclassified positions	6.0
27	Full-time equated classified positions	464.8

1	Unclassified salaries--6.0 FTE positions	\$	505,800
2	Salaries and wages--354.8 FTE positions		18,181,700
3	Contractual services, supplies, and materials		7,109,200
4	Demonstration projects--7.0 FTE positions		7,804,100
5	Commission on disability concerns--7.0 FTE positions ..		944,200
6	Commission for the blind--96.0 FTE positions		17,461,200
7	Youth low vision program		<u>260,000</u>
8	GROSS APPROPRIATION	\$	52,266,200
9	Appropriated from:		
10	Federal revenues:		
11	Total federal revenues		34,769,600
12	Special revenue funds:		
13	Total local revenues		275,000
14	Total private revenues		1,340,000
15	Total other state restricted revenues		477,300
16	State general fund/general purpose	\$	15,404,300
17	Sec. 103. FAMILY INDEPENDENCE SERVICES ADMINISTRATION		
18	Full-time equated classified positions102.8		
19	Salaries and wages--71.7 FTE positions	\$	3,802,400
20	Contractual services, supplies, and materials		11,672,900
21	Employment and training support services		19,689,100
22	Wage employment verification reporting--2.0 FTE		
23	positions		1,907,500
24	Urban and rural empowerment/enterprise zones		100
25	Training and staff development--29.1 FTE positions		8,203,000
26	Community services block grants		<u>24,350,000</u>
27	GROSS APPROPRIATION.....	\$	69,625,000

1	Appropriated from:	
2	Federal revenues:	
3	Total federal revenues	58,942,700
4	Special revenue funds:	
5	State general fund/general purpose	\$ 10,682,300
6	Sec. 104. CHILD SUPPORT ENFORCEMENT	
7	Full-time equated classified positions.....	200.0
8	Child support enforcement operations--192.0 positions ..	\$ 19,521,900
9	Legal support contracts.....	139,819,500
10	Child support incentive payments.....	32,409,600
11	Child support distribution computer system--8.0 FTE	
12	positions	<u>26,195,300</u>
13	GROSS APPROPRIATION.....	\$ 217,946,300
14	Appropriated from:	
15	Federal revenues:	
16	Total federal revenues.....	199,480,000
17	Special revenue funds:	
18	Total local revenues.....	340,000
19	State general fund/general purpose.....	\$ 18,126,300
20	Sec. 105. CHILD AND FAMILY SERVICES	
21	Full-time equated classified positions	94.8
22	Salaries and wages--37.8 FTE positions	\$ 1,984,600
23	Contractual services, supplies, and materials	1,407,500
24	Refugee assistance program--3.0 FTE positions	12,642,300
25	Foster care payments	143,224,100
26	Wayne County foster care payments	71,305,000
27	Adoption subsidies	219,386,200

1	Adoption support services--10.0 FTE positions	14,101,100
2	Youth in transition--6.5 FTE positions	12,295,200
3	Interstate compact	300,000
4	Children's benefit fund donations	21,000
5	Domestic violence prevention and treatment--5.0 FTE	
6	positions	13,476,300
7	Family preservation and prevention services--12.0 FTE	
8	positions	66,285,600
9	Black child and family institute	100,000
10	Rape prevention and services	2,600,000
11	Children's trust fund administration--6.0 FTE positions	
12	Children's trust fund grants	3,615,000
13	Attorney general contract	2,481,000
14	Guardian contract	600,000
15	Prosecuting attorney contracts	1,061,700
16	Child care fund	143,200,000
17	Enhanced child care fund reimbursement for community	
18	programs	50,000,000
19	Child care fund administration--7.5 FTE positions	884,000
20	County juvenile officers.....	3,754,000
21	Community support services--7.0 FTE positions.....	<u>1,479,400</u>
22	GROSS APPROPRIATION	\$ 766,643,200
23	Appropriated from:	
24	Federal revenues:	
25	Total federal revenues	432,559,100
26	Special revenue funds:	
27	Local funds - county payback	34,918,000

1	Private - children's benefit fund donations	21,000
2	Private - collections	5,033,900
3	Children's trust fund	3,271,800
4	State general fund/general purpose	\$ 290,839,400
5	Sec. 106. JUVENILE JUSTICE SERVICES	
6	Full-time equated classified positions.....	820.9
7	Juvenile justice operations--800.9 FTE positions	\$ 69,354,900
8	Federally funded activities--12.0 FTE positions	1,727,800
9	W.J. Maxey memorial fund	45,000
10	Juvenile accountability incentive block grant--4.0 FTE	
11	positions	8,436,200
12	Committee on juvenile justice administration--4.0 FTE	
13	positions	464,800
14	Committee on juvenile justice grants	<u>5,000,000</u>
15	GROSS APPROPRIATION	\$ 85,028,700
16	Appropriated from:	
17	Federal revenues:	
18	Total federal revenues	18,154,900
19	Special revenue funds:	
20	Local funds - county payback	29,068,600
21	Total private revenues	645,000
22	State general fund/general purpose	\$ 37,160,200
23	Sec. 107. LOCAL OFFICE STAFF AND OPERATIONS	
24	Full-time equated classified positions	8,468.4
25	Field staff, salaries and wages--8,397.4 FTE positions .	\$
26	Contractual services, supplies, and materials	26,354,300
27	Outstationed eligibility workers--60.0 FTE positions ..	4,664,500

1	Food stamp reinvestment	18,426,300
2	Wayne County gifts and bequests	100,000
3	Volunteer services and reimbursement--11.0 FTE positions	-
4	GROSS APPROPRIATION.....	\$ 387,800,400
5	Appropriated from:	
6	Federal revenues:	
7	Total federal revenues	237,173,150
8	Special revenue funds:	
9	Local funds - donated funds	191,100
10	Private funds - Wayne County gifts	100,000
11	Private funds - hospital contributions	2,332,250
12	State general fund/general purpose	\$ 148,003,900
13	Sec. 108. DISABILITY DETERMINATION SERVICES	
14	Full-time equated classified positions	606.0
15	Disability determination operations--580.0 FTE	
16	positions	\$ 68,756,100
17	Medical consultation program--21.0 FTE positions	2,826,500
18	Retirement disability determination--5.0 FTE positions .	<u>828,800</u>
19	GROSS APPROPRIATION	\$ 72,411,400
20	Appropriated from:	
21	Interdepartmental grant revenues:	
22	Department of management and budget - office of	
23	retirement systems	1,055,800
24	ADJUSTED GROSS APPROPRIATION	\$ 71,355,600
25	Federal revenues:	
26	Total federal revenues	68,534,100
27	Special revenue funds:	

1	State general fund/general purpose	\$	2,821,500
2	Sec. 109. CENTRAL SUPPORT ACCOUNTS		
3	Rent	\$	44,645,700
4	Occupancy charge		11,448,200
5	Grand tower facility reimbursement		1,905,000
6	Travel		5,967,600
7	Equipment		1,087,400
8	Worker's compensation		5,957,000
9	Advisory commissions		17,900
10	Payroll taxes and fringe benefits		<u>178,733,300</u>
11	GROSS APPROPRIATION	\$	249,762,100
12	Appropriated from:		
13	Federal revenues:		
14	Total federal revenues		160,028,600
15	Special revenue funds:		
16	Local funds - county payback		304,400
17	State general fund/general purpose	\$	89,429,100
18	Sec. 110. PUBLIC ASSISTANCE		
19	Full-time equated classified positions		7.9
20	Family independence program	\$	334,899,600
21	State disability assistance payments		24,045,100
22	Food assistance program benefits		833,011,200
23	State supplementation		59,668,400
24	State supplementation administration		2,624,200
25	Low-income energy assistance program--7.9 FTE		
26	positions		116,467,700
27	State emergency relief		41,408,200

1	Weatherization assistance	15,940,800
2	Day care services	<u>471,794,000</u>
3	GROSS APPROPRIATION	\$ 1,899,859,200
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues	1,395,871,900
7	Special revenue funds:	
8	Child support collections	47,710,700
9	Supplemental security income recoveries	5,104,800
10	Public assistance recoupment revenue	2,500,000
11	State general fund/general purpose	\$ 448,671,800
12	Sec. 111. INFORMATION TECHNOLOGY	
13	Information technology services and projects	\$ 45,467,700
14	Child support automation	70,000,000
15	Client services system	12,307,200
16	Data system enhancement	<u>16,573,900</u>
17	GROSS APPROPRIATION	\$ 144,348,800
18	Appropriated from:	
19	Federal revenues:	
20	Total federal revenues	92,116,021
21	Special revenue funds:	
22	Total other state restricted revenues	11,032,200
23	State general fund/general purpose	\$ 41,200,579
24	PART 2	
25	PROVISIONS CONCERNING APPROPRIATIONS	
26	<u>GENERAL SECTIONS</u>	
27	Sec. 201. Pursuant to section 30 of article IX of the state	

1 constitution of 1963, total state spending from state resources under
2 part 1 for fiscal year 2003-2004 is \$1,172,436,179.00 and state spending
3 from state resources to be paid to units of local government for fiscal
4 year 2003-2004 is \$192,628,700.00. The itemized statement below
5 identifies appropriations from which spending to units of local
6 government will occur:

7 **FAMILY INDEPENDENCE AGENCY**

8 CHILD AND FAMILY SERVICES

9	Adoption subsidies.....	\$	83,796,800
10	Child care fund.....		97,200,000
11	Enhanced child care fund reimbursement for community		
12	programs		7,500,000
13	County juvenile officers.....		2,973,200

14 PUBLIC ASSISTANCE

15	State disability program.....		<u>1,158,700</u>
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16	TOTAL	\$	192,628,700
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17 Sec. 202. The appropriations authorized under this bill are subject
18 to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

19 Sec. 203. As used in this bill:

20 (a) "Department" means the family independence agency.

21 (b) "FTE" means full-time equated.

22 (c) "Temporary assistance for needy families" or "TANF" or "Title
23 IV-A" means part A of title IV of the social security act, chapter 531,
24 49 Stat. 620, 42 U.S.C. 601 to 604, 605 to 608, and 609 to 619.

25 (d) "Title IV-D" means part D of title IV of the social security
26 act, chapter 531, 49 Stat. 620, 42 U.S.C. 651 to 655, 656 to 660, and
27 663 to 669b.

1 (e) "Title IV-E" means part E of title IV of the social security
2 act, chapter 531, 49 Stat. 620, 42 U.S.C. 670 to 673, 673b to 679, and
3 679b.

4 Sec. 204. The department of civil service shall bill departments and
5 agencies at the end of the first fiscal quarter for the 1% charge
6 authorized by section 5 of article XI of the state constitution of
7 1963. Payments shall be made for the total amount of the billing by
8 the end of the second fiscal quarter.

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

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

26 Sec. 206. (1) In addition to the funds appropriated in part 1, there
27 is appropriated an amount not to exceed \$200,000,000.00 for federal

1 contingency funds. These funds are not available for expenditure until
2 they have been transferred to another line item in this bill under
3 section 393(2) of the management and budget act, 1984 PA 431, MCL
4 18.1393.

5 (2) In addition to the funds appropriated in part 1, there is
6 appropriated an amount not to exceed \$20,000,000.00 for state restricted
7 contingency funds. These funds are not available for expenditure until
8 they have been transferred to another line item in this bill under
9 section 393(2) of the management and budget act, 1984 PA 431, MCL
10 18.1393.

11 (3) In addition to the funds appropriated in part 1, there is
12 appropriated an amount not to exceed \$20,000,000.00 for local
13 contingency funds. These funds are not available for expenditure until
14 they have been transferred to another line item in this bill under
15 section 393(2) of the management and budget act, 1984 PA 431, MCL
16 18.1393.

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

23 Sec. 208. Unless otherwise specified, the department shall use the
24 Internet to fulfill the reporting requirements of this bill. This
25 requirement may include transmission of reports via electronic mail to
26 the recipients identified for each reporting requirement, or it may
27 include placement of reports on an Internet or Intranet site.

1 Sec. 211. The department may receive and expend advances or
2 reimbursements from the department of state police for the
3 administration of the individual and family grant disaster assistance
4 program. An account shall be established in the department for this
5 purpose when a disaster is declared. The authorization and allotment
6 for the account shall be in the amount advanced or reimbursed from the
7 department of state police.

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

15 Sec. 213. The department may retain all of the state's share of food
16 assistance over issuance collections as an offset to general
17 fund/general purpose costs. Retained collections shall be applied
18 against federal funds deductions in all appropriation units where
19 department costs related to the investigation and recoupment of food
20 assistance overissuances are incurred. Retained collections in excess
21 of such costs shall be applied against the federal funds deducted in
22 the executive operations appropriation unit.

23 Sec. 214. (1) The department shall submit a report to the state
24 budget director, the chairpersons of the senate and house appropriations
25 subcommittees on the family independence agency budget, and to the
26 senate and house fiscal agencies on the details of allocations within
27 program budgeting line items and within the salaries and wages line

1 items in the local office staff and operations appropriation unit. The
2 report shall include a listing, by account, dollar amount, and fund
3 source, of salaries and wages; longevity and insurance; retirement;
4 contractual services, supplies, and materials; equipment; travel; and
5 grants within each program line item appropriated for the fiscal year
6 ending September 30, 2004.

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

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

16 Sec. 218. The department shall prepare a semiannual report on the
17 temporary assistance for needy families (TANF) federal block grant.
18 The report shall include projected expenditures for the current fiscal
19 year, an accounting of any previous year funds carried forward, and a
20 summary of all interdepartmental or interagency agreements relating to
21 the use of TANF funds. The report shall be forwarded to the state
22 budget director and the house and senate appropriations subcommittees
23 on the family independence agency budget, the house and senate fiscal
24 agencies, and policy offices on or before January 15, 2004 and May 15,
25 2004.

26 Sec. 219. If title IV-D-related child support collections are
27 escheated, the state budget director is authorized to adjust the

1 sources of financing for the funds appropriated in part 1 for legal
2 support contracts to reduce federal authorization by 66% of the
3 escheated amount and increase general fund/general purpose
4 authorization by the same amount. This budget adjustment is required
5 to offset the loss of federal revenue due to the escheated amount being
6 counted as title IV-D program income in accordance with federal
7 regulations at 45 C.F.R. 304.50.

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

12 Sec. 222. (1) In addition to the amounts appropriated in part 1, in
13 order to encourage administrative efficiencies, there is appropriated
14 to the family independence agency, an amount not to exceed one-half of
15 the unexpended, unreserved general fund portions of fiscal year 2002-
16 2003 appropriations made to the department for salaries and wages
17 expenses, contractual services, supplies and materials expenses,
18 information technology expenses and program operations costs.

19 (2) The appropriations contained in subsection (1) are subject to
20 the approval of the state budget director and shall be spent for the
21 same purposes for which the original appropriation was made in fiscal
22 year 2002-2003.

23 Sec. 227. The family independence agency, with the approval of the
24 state budget director, is authorized to realign sources of financing
25 authorizations in order to maximize temporary assistance for needy
26 families' maintenance of effort countable expenditures. This
27 realignment of financing shall not be made until 15 days after

1 notifying the chairs of the house and senate appropriations
2 subcommittees on the family independence agency and house and senate
3 fiscal agencies, and shall not produce an increase or decrease in any
4 line-item expenditure authorization.

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

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

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

24 **EXECUTIVE OPERATIONS**

25 Sec. 302. The appropriation in part 1 for the Michigan commission
26 for the blind includes funds for case services. These funds may be
27 used for tuition payments for blind clients for the school year
28 beginning September 2003.

1 FAMILY INDEPENDENCE SERVICES ADMINISTRATION

2 Sec. 403. Not later than September 30 of each year, the department
3 shall submit for public hearing to the chairpersons of the house and
4 senate appropriations subcommittees dealing with appropriations for the
5 family independence agency the proposed use and distribution plan for
6 community services block grant funds appropriated in part 1 for the
7 succeeding fiscal year.

8 Sec. 404. The department shall develop a plan based on
9 recommendations from the department of civil rights and from Native
10 American organizations to assure that the community services block
11 grant funds are equitably distributed. The plan must be developed by
12 October 31, 2003, and the plan shall be delivered to the appropriations
13 subcommittees on the family independence agency in the house and
14 senate.

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

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

24 CHILD AND FAMILY SERVICES

25 Sec. 501. The following goal is established by state law. During
26 the fiscal year ending September 30, 2004, not more than 3,000 children
27 supervised by the department shall remain in foster care longer than 24

1 months. The department shall give priority to reducing the number of
2 children under 1 year of age in foster care.

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

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

11 (a) Has not yet graduated from high school or passed a high
12 school equivalency examination.

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

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

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

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

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

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

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

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

14 (a) A child would be living in the same household with a parent
15 or 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
18 or 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 bids
26 contracts with service providers if currently only 1 provider in the
27 service area exists.

1 Sec. 513. The department shall not expend funds appropriated in part
2 1 to pay for the placement of a child in an out-of-state facility unless
3 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
6 standards 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 records
11 and reports on the facility and believes that the facility is an
12 appropriate placement for the child.

13 Sec. 515. From the funds appropriated in part 1 for foster care
14 payments and related administrative costs, the department may incur
15 costs and make payments required to finish and close out the federally
16 approved title IV-E child welfare waiver managed care demonstration
17 project.

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

26 (2) From the funds appropriated in part 1 for family preservation
27 and prevention services, up to \$4,000,000.00 may be used to fund

1 community-based collaborative prevention services designed to do any of
2 the following:

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

5 (b) Improve parent/child interaction.

6 (c) Promote access to needed community services.

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

8 (e) Improve school readiness.

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

11 (3) The allocation provided for in subsection (2) may fund
12 secondary prevention programs as defined in the children's trust fund's
13 pre-application materials for fiscal year 2003-2004 direct services
14 grants.

15 (4) Projects funded through the allocation provided for in
16 subsection (2) may be required to meet the following criteria:

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

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

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

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

1 state human services directors.

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

6 Sec. 521. Foster care administrative rates shall be reduced by a
7 total of \$453,000.00 in a manner that results in more uniform rates.

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

15 Sec. 531. (1) From the funds appropriated in part 1, the family
16 independence agency may make claims for and pay to local units of
17 government a portion of federal title IV-E revenues earned as a result
18 of eligible costs incurred by local units of government.

19 (2) The family independence agency shall make payments under
20 subsection (1) only to local units of government which have entered into
21 formal agreements with the family independence agency. Such agreement
22 must include all of the following:

23 (a) Provide for the family independence agency to retain 50% of
24 the federal revenues earned.

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

27 (c) Provide for the local unit of government to submit bills at

1 times, and in the format, specified by the family independence agency.

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

6 (e) Provide for the local unit of government to pay the state for
7 the amount of any federal revenues paid to the local unit which may
8 subsequently be disallowed by the federal government.

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

13 Sec. 540. (1) From the funds appropriated in part 1, the department
14 may pay to units of local government a portion of federal TANF revenues
15 earned as a result of claims made for TANF eligible in-home care
16 programs operated and funded through the child care fund.

17 (2) Unless otherwise prohibited by law, the department may
18 reimburse units of local government for 75% of the cost of in-home care
19 programs that achieve outcomes and other criteria established by the
20 department, up to the amount appropriated in part 1 for enhanced child
21 care fund reimbursement for community programs. If expenditures under
22 this subsection are expected to exceed the amount appropriated in part
23 1 for enhanced child care fund reimbursement for community programs,
24 reimbursement shall be prorated as necessary to manage to the
25 appropriation, but in no case shall be less than 50%.

26 (3) To qualify for the 75% reimbursement, the units of local
27 government shall submit a separate application using forms and in

1 compliance with policies established by the department, and shall enter
2 into a memorandum of understanding with the department. Continuation
3 of the enhanced reimbursement shall be based on the achievement of
4 outcomes. The use of TANF funds under this section should not be
5 considered an ongoing commitment of funding.

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

12 Sec. 542. As a condition of receiving funds appropriated in part 1
13 for the child care fund, by February 15, 2004, counties shall have an
14 approved service spending plan for the fiscal year ending September 30,
15 2004. Counties must submit the service spending plan to the department
16 by December 15, 2003 for approval.

17 **PUBLIC ASSISTANCE**

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

1 notifies the department that taxes are delinquent.

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

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

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

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

24 (3) The department may review and adjust the standard utility
25 allowance for the state food assistance program to ensure that it
26 reflects current energy costs in the state.

27 Sec. 604. (1) The department shall operate a state disability

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

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

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

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

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

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

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

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

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

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

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

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

15 (4) A refugee or asylee who loses his or her eligibility for the
16 federal supplemental security income program by virtue of exceeding the
17 maximum time limit for eligibility as delineated in section 402 of
18 title IV of the personal responsibility and work opportunity
19 reconciliation act of 1996, Public Law 104-193, 8 U.S.C. 1612, and who
20 otherwise meets the eligibility criteria under this section shall be
21 eligible to receive benefits under the state disability assistance
22 program.

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

27 Sec. 606. County family independence agencies shall require each

1 recipient of state disability assistance who has applied with the
2 social security administration for supplemental security income to sign
3 a contract to repay any assistance rendered through the state
4 disability assistance program upon receipt of retroactive supplemental
5 security income benefits.

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

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

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

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

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

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

13 Sec. 613. From the funds appropriated in part 1 for state emergency
14 relief, the maximum allowable charge limit for indigent burials shall be
15 \$947.00. The funds shall be distributed as follows: \$603.00 for funeral
16 directors; \$200.00 for cemeteries or crematoriums; and \$144.00 for the
17 provider of the vault.

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

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

1 business, provide food or emergency shelter to individuals.

2 Sec. 616. The appropriation in part 1 for the weatherization program
3 shall be expended in such a manner that at least 25% of the households
4 weatherized under the program shall be households of families receiving
5 1 or more of the following:

6 (a) Family independence assistance.

7 (b) State disability assistance.

8 (c) Food assistance.

9 (d) Supplemental security income.

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

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

18 (a) The only eligible recipient has died.

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

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

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

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

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

1 Sec. 619. The department shall exempt from the denial of title IV-A
2 assistance and food assistance benefits, contained in section 115 of
3 title I of the personal responsibility and work opportunity
4 reconciliation act of 1996, Public Law 104-193, 21 U.S.C. 862a, any
5 individual who has been convicted of a felony that included the
6 possession, use, or distribution of a controlled substance, after August
7 22, 1996, provided that the individual is not in violation of his or her
8 probation or parole requirements. Benefits shall be provided to such
9 individuals as follows:

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

12 (b) An authorized representative shall be required for food
13 assistance receipt.

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

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

26 (2) From the funds appropriated in part 1 for day care services,
27 the department shall establish an additional fund of at least

1 \$350,000.00 for a grant pool for an "enhance quality improvement
2 program" (EQUIP) specifically to establish new family and group home
3 day care providers.

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

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

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

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

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

1 amount they received in fiscal year 2000. The use of TANF funds under
2 this section should not be considered an ongoing commitment of funding.

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

10 Sec. 648. From the funds appropriated in part 1 for assistance
11 payments, the department shall continue to make assistance payments to
12 recipients beyond the federal 5-year limit set under the personal
13 responsibility and work opportunity reconciliation act of 1996, Public
14 Law 104-193, 110 Stat. 2105, providing the recipient is complying with
15 asset, income, and participation standards set as a condition of
16 eligibility to receive assistance.

17 Sec. 649. (1) The department may distribute cash and food assistance
18 to recipients electronically by using debit cards.

19 (2) The department shall allocate up to \$4,300,000.00 for the
20 annual school clothing allowance. The allowance shall be granted to
21 all eligible children 4 to 18 years of age.

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

1 continuing need.

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

12 Sec. 666. The department shall develop and implement a plan to
13 increase the participation of eligible family independence program
14 recipients in the federal earned income tax credit.

15 Sec. 667. The department may expend funds necessary to perform child
16 day care provider background checks from fees collected.

17 **JUVENILE JUSTICE SERVICES**

18 Sec. 706. Counties shall be subject to 50% charge back for the use
19 of alternative regional detention services, if those detention services
20 do not fall under the basic provision of section 117e of the social
21 welfare act, 1939 PA 280, MCL 400.117e, or if a county operates those
22 detention services programs primarily with professional rather than
23 volunteer staff.

24 Sec. 713. (1) The department shall work cooperatively with judiciary
25 and with the departments of community health and career development to
26 coordinate and improve the delivery of mental health and substance abuse
27 treatment and education and training services to individuals leaving the

1 juvenile justice system, especially those aging out of the system
2 identified as continuing to pose a serious risk to themselves or others.

3 (2) As required by section 18 of chapter XIIIA of the probate code
4 of 1939, 1939 PA 288, MCL 712A.18, juveniles committed to an
5 institution operated by the department shall receive medical, dental,
6 surgical, or other health care as necessary. The Medicaid reimbursable
7 rate scale shall be used as the standard for allowable charges for
8 services rendered. The family independence agency shall reimburse
9 providers for the actual charges less than or equal to the Medicaid
10 reimbursable rate scale for each service provided.

11 **DISABILITY DETERMINATION SERVICES**

12 Sec. 801. The family independence agency disability determination
13 services in agreement with the department of management and budget
14 office of retirement systems will develop the medical information and
15 determine eligibility of medical disability retirement for state
16 employees, state police, judges, and school teachers.

17 **CHILD SUPPORT ENFORCEMENT**

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

22 (2) In addition to the amount retained in subsection (1),
23 additional incentives may be retained and used by the state for special,
24 enhanced, or centralized initiatives or services that are reasonably
25 calculated by the department, in consultation with the state court
26 administrative office and the state budget office, to result in an
27 equivalent or greater increase in child support collections or child

1 support incentive payments received from the federal government. If
2 payment from the federal government for collection performance
3 incentives exceeds the amount received by the state for the fiscal year
4 2000, the total amount paid to counties shall be no less than the total
5 amount paid from federal performance incentives in fiscal year 2001.

6 (3) At the end of the current fiscal year, the department may,
7 when it is cost beneficial to the state and counties, withhold from
8 submitting to the federal office of child support administrative
9 expenses eligible for federal financial participation. The department
10 may recoup earned but unclaimed federal funds from the resulting
11 increased federal child support incentive. The recoupment by the
12 department shall be made prior to distribution of the increased
13 incentive to the counties. Any incentive funds retained by the state
14 under this section shall be separate and apart from incentive funds
15 retained in any other section of this bill.

16 (4) A county shall not be penalized due to the failure to comply
17 with federal child support enforcement system requirements if the
18 department determines that all of the following conditions are met:

19 (a) The county, friend of the court, and the department have a
20 written agreement that outlines the county's commitment to participate
21 in the system.

22 (b) The county and the friend of the court are fully and timely
23 cooperating with the work plan outlined in the child support enforcement
24 memorandum of understanding between the department and the county.

25 (c) The county and the friend of the court are implementing the
26 child support enforcement system required for federal certification.

27 (d) The friend of the court and county prosecuting attorney's

1 office use the statewide system upon availability to monitor and process
2 title IV-D cases.

3 (5) In addition to the amount specified in subsection (1),
4 the family independence agency may retain any federal title IV-D
5 incentive payment revenues withheld from counties pursuant to the
6 imposition of financial penalties, and may use the federal revenues
7 retained for any child support program purpose.