SUBSTITUTE FOR

SENATE BILL NO. 956

A bill to make appropriations for the department of human services for the fiscal year ending September 30, 2013; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of human services for the fiscal year ending September 30, 2013, from the following funds:

DEPARTMENT OF HUMAN SERVICES

APPROPRIATION SUMMARY

Full-time equated classified positions..... 11,758.0

Full-time equated unclassified positions..... 6.0

1 Total full-time equated positions..... 11,764.0
2 GROSS APPROPRIATION..... $ 6,553,832,200
3 Interdepartmental grant revenues:
4 Total interdepartmental grants and intradepartmental
5 transfers 30,581,300
6 ADJUSTED GROSS APPROPRIATION..... $ 6,523,250,900
7 Federal revenues:
8 Federal - supplemental nutrition assistance revenues
9 (ARRA) 510,138,400
10 Social security act, temporary assistance for needy
11 families 579,039,800
12 Total other federal revenues..... 4,295,621,300
13 Special revenue funds:
14 Total private revenues..... 7,876,600
15 Total local revenues..... 32,529,400
16 Total other state restricted revenues..... 86,901,500
17 State general fund/general purpose..... $ 1,011,143,900
18 State general fund/general purpose schedule:
19 Ongoing state general fund/general
20 purpose 975,507,100
21 One-time state general fund/general
22 purpose 35,636,800
23 **Sec. 102. EXECUTIVE OPERATIONS**
24 Total full-time equated positions..... 639.7
25 Full-time equated unclassified positions..... 6.0
26 Full-time equated classified positions..... 633.7
27 Unclassified salaries--6.0 FTE positions..... $ 700,000

1	Salaries and wages--257.7 FTE positions	15,700,300
2	Contractual services, supplies, and materials	11,260,700
3	Demonstration projects--7.0 FTE positions	6,447,100
4	Inspector general salaries and wages--132.0 FTE	
5	positions	7,429,000
6	Electronic benefit transfer EBT	13,009,000
7	Michigan community service commission--15.0 FTE	
8	positions	11,348,500
9	AFC, children's welfare and day care licensure--222.0	
10	FTE positions	26,055,000
11	State office of administrative hearings and rules	6,831,000
12	GROSS APPROPRIATION ..... $	98,780,600
13	Appropriated from:	
14	Interdepartmental grant revenues:	
15	IDG from department of education	13,874,900
16	Federal revenues:	
17	Social security act, temporary assistance for needy	
18	families	8,817,600
19	Total other federal revenues	44,807,000
20	Special revenue funds:	
21	Total private revenues	3,836,600
22	Total local revenues	16,400
23	Total other state restricted revenues	5,400
24	State general fund/general purpose ..... $	27,422,700
25	**Sec. 103. CHILD SUPPORT ENFORCEMENT**	
26	Full-time equated classified positions..... 180.7	
27	Child support enforcement operations--174.7 FTE	

1 positions	$	20,038,700
2 Legal support contracts		113,253,600
3 Child support incentive payments		32,409,600
4 State disbursement unit--6.0 FTE positions		8,289,400
5 GROSS APPROPRIATION	$	173,991,300
6 Appropriated from:		
7 Federal revenues:		
8 Total federal revenues		152,169,100
9 State general fund/general purpose	$	21,822,200

10 **Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY**

11 Full-time equated classified positions..... 16.0

12 Bureau of community action and economic opportunity		
13 operations--16.0 FTE positions	$	1,989,700
14 Community services block grant		25,840,000
15 Weatherization assistance		28,340,000
16 GROSS APPROPRIATION	$	56,169,700
17 Appropriated from:		
18 Federal revenues:		
19 Social security act, temporary assistance for needy		
20 families		500
21 Total other federal revenues		56,169,200
22 State general fund/general purpose	$	0

23 **Sec. 105. ADULT AND FAMILY SERVICES**

24 Full-time equated classified positions..... 46.7

25 Executive direction and support--4.0 FTE positions	$	368,900
26 Guardian contract		490,200
27 Adult services policy and administration--6.0 FTE		

1 positions		688,500
2 Office of program policy--34.7 FTE positions		4,372,200
3 Employment and training support services		5,377,800
4 Wage employment verification reporting		547,300
5 Nutrition education--2.0 FTE positions		30,025,000
6 Elder law of Michigan MiCAFE contract		175,000
7 Elder abuse prosecuting attorney		300,000
8 GROSS APPROPRIATION	$	42,344,900
9 Appropriated from:		
10 Interdepartmental grant revenues:		
11 IDG from department of education		22,500
12 Federal revenues:		
13 Social security act, temporary assistance for needy		
14 families		4,860,400
15 Total other federal revenues		32,508,000
16 State general fund/general purpose	$	4,954,000
17 **Sec. 106. CHILDREN'S SERVICES**		
18 Full-time equated classified positions 121.8		
19 Salaries and wages--59.2 FTE positions	$	3,184,200
20 Contractual services, supplies, and materials		1,134,900
21 Interstate compact		179,600
22 Families first		17,950,700
23 Strong families/safe children		12,350,100
24 Child protection and permanency--23.0 FTE positions		16,589,700
25 Family reunification program		3,977,100
26 Family preservation and prevention services		
27 administration--11.0 FTE positions		1,368,200

1	Children's trust fund administration--12.0 FTE	
2	positions	759,200
3	Children's trust fund grants	2,325,100
4	Attorney general contract	3,813,000
5	Prosecuting attorney contracts	2,561,700
6	Child protection	673,900
7	Domestic violence prevention and treatment--14.6 FTE	
8	positions	14,644,200
9	Rape prevention and services--0.5 FTE position	2,572,300
10	Child advocacy centers--0.5 FTE position	1,000,000
11	Child abuse and neglect-children's justice act--1.0	
12	FTE position	613,000
13	Family preservation and prevention services programs .	2,500,000
14	GROSS APPROPRIATION ..... $	88,196,900
15	Appropriated from:	
16	Federal revenues:	
17	Social security act, temporary assistance for needy	
18	families	48,793,400
19	Total other federal revenues	29,603,200
20	Special revenue funds:	
21	Compulsive gaming prevention fund	1,040,000
22	Sexual assault victims' prevention and treatment fund	1,000,000
23	Child advocacy centers fund	1,000,000
24	Children's trust fund	2,038,500
25	State general fund/general purpose ..... $	4,721,800
26	**Sec. 107. CHILD WELFARE SERVICES**	
27	Full-time equated classified positions 4,198.7	

Children's services administration--97.0 FTE positions	$ 6,831,400
Title IV-E compliance and accountability office--4.0 FTE positions	495,600
Child welfare institute--35.0 FTE positions	5,833,900
Child welfare staffing enhancement--577.0 FTE positions	23,320,300
Child protective services workers--1,481.0 FTE positions	65,198,200
Direct care workers--1,073.0 FTE positions	50,583,800
Education planners--14.0 FTE positions	747,400
Permanency planning conference coordinators--55.0 FTE positions	3,218,900
Child welfare first line supervisors--522.0 FTE positions	36,691,400
Administrative support workers--226.0 FTE positions	10,074,700
Second line supervisors and technical staff--45.0 FTE positions	3,278,800
Permanency planning specialists--48.0 FTE positions	3,693,200
Contractual services, supplies, and materials	7,343,200
Settlement monitor	1,625,800
Foster care payments	205,788,600
Serious emotional disturbance - waiver program	3,269,000
Serious emotional disturbance - nonwaiver program	2,925,900
Guardianship assistance program	4,785,300
Child care fund	188,657,800
Child care fund administration--6.2 FTE positions	815,000
Adoption subsidies	215,422,000

1	Adoption support services--10.0 FTE positions	24,672,700
2	Youth in transition--5.5 FTE positions	14,439,200
3	Child welfare medical/psychiatric evaluations	6,607,500
4	Psychotropic oversight contracts	1,118,200
5	GROSS APPROPRIATION ..... $	887,437,800
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG from department of education	237,600
9	Federal revenues:	
10	Social security act, temporary assistance for needy	
11	families	205,342,300
12	Total other federal revenues	292,782,300
13	Special revenue funds:	
14	Private - collections	1,600,000
15	Local funds - county chargeback	18,274,500
16	State general fund/general purpose ..... $	369,201,100
17	**Sec. 108. JUVENILE JUSTICE SERVICES**	
18	Full-time equated classified positions..... 183.0	
19	W.J. Maxey training school--69.0 FTE positions ..... $	10,514,300
20	Bay pines center--42.0 FTE positions	4,457,400
21	Shawono center --42.0 FTE positions	4,523,900
22	County juvenile officers	3,649,600
23	Community support services--2.0 FTE positions	941,100
24	Juvenile justice administration and maintenance--23.0	
25	FTE positions	4,362,400
26	Juvenile accountability block grant--1.0 FTE position	1,281,300
27	Committee on juvenile justice administration--4.0 FTE	

1 positions		331,200
2 Committee on juvenile justice grants		5,000,000
3 GROSS APPROPRIATION	$	35,061,200
4 Appropriated from:		
5 Federal revenues:		
6 Total federal revenues		7,091,300
7 Special revenue funds:		
8 Local funds - state share education funds		2,135,800
9 Local funds - county chargeback		8,921,100
10 State general fund/general purpose	$	16,913,000
11 **Sec. 109. LOCAL OFFICE STAFF AND OPERATIONS**		
12 Full-time equated classified positions 5,798.0		
13 Field staff, salaries and wages--5,559.0 FTE positions	$	291,359,000
14 Contractual services, supplies, and materials		12,082,300
15 Medical/psychiatric evaluations		1,420,100
16 Donated funds positions--208.0 FTE positions		13,197,200
17 Training and program support--21.0 FTE positions		2,756,400
18 Volunteer services and reimbursement		1,142,400
19 SSI advocates--10.0 FTE positions		755,500
20 GROSS APPROPRIATION	$	322,712,900
21 Appropriated from:		
22 Interdepartmental grant revenues:		
23 IDG from department of corrections		100,000
24 IDG from department of education		7,835,400
25 Federal revenues:		
26 Social security act, temporary assistance for needy		
27 families		60,630,100

1	Total other federal revenues.....	126,927,600
2	Special revenue funds:	
3	Local funds.....	3,181,600
4	Private funds - donated funds.....	2,440,000
5	Supplemental security income recoveries.....	605,900
6	State general fund/general purpose..... $	120,992,300
7	**Sec. 110. DISABILITY DETERMINATION SERVICES**	
8	Full-time equated classified positions..... 572.4	
9	Disability determination operations--546.9 FTE	
10	positions ..... $	83,048,100
11	Medical consultation program--21.4 FTE positions	2,436,200
12	Retirement disability determination--4.1 FTE positions	411,300
13	GROSS APPROPRIATION..... $	85,895,600
14	Appropriated from:	
15	Interdepartmental grant revenues:	
16	IDG from DTMB - office of retirement services.....	522,800
17	Federal revenues:	
18	Total federal revenues.....	83,114,000
19	State general fund/general purpose..... $	2,258,800
20	**Sec. 111. CENTRAL SUPPORT ACCOUNTS**	
21	Rent..... $	43,603,000
22	Occupancy charge.....	8,236,400
23	Travel.....	7,265,900
24	Equipment.....	62,600
25	Worker's compensation.....	1,928,800
26	Payroll taxes and fringe benefits.....	365,161,900
27	GROSS APPROPRIATION..... $	426,258,600

1 Appropriated from:
2 Interdepartmental grant revenues:
3 IDG from department of education 6,044,500
4 Federal revenues:
5 Social security act, temporary assistance for needy
6 families 97,687,400
7 Total other federal revenues 168,322,700
8 State general fund/general purpose ..... $ 154,204,000
9 **Sec. 112. PUBLIC ASSISTANCE**
10 Full-time equated classified positions..... 7.0
11 Family independence program ..... $ 255,268,500
12 State disability assistance payments 27,103,000
13 Food assistance program benefits 3,007,487,900
14 Food assistance program benefits (ARRA) 510,138,400
15 State supplementation 62,231,500
16 State supplementation administration 2,118,600
17 Low-income home energy assistance program 174,951,600
18 Food bank funding 1,795,000
19 Homeless programs 15,721,900
20 Chaldean community foundation 1,000,000
21 Multicultural integration funding 1,515,500
22 Unclaimed bodies 1,000,000
23 Emergency services local office allocations 16,092,600
24 Refugee assistance program--7.0 FTE positions 27,929,900
25 GROSS APPROPRIATION ..... $ 4,104,354,400
26 Appropriated from:
27 Federal revenues:

1	Federal supplemental nutrition assistance revenues	
2	(ARRA)	510,138,400
3	Social security act, temporary assistance for needy	
4	families	104,720,700
5	Total other federal revenues	3,207,501,800
6	Special revenue funds:	
7	Child support collections	29,145,800
8	Supplemental security income recoveries	14,955,900
9	Merit award trust fund	30,100,000
10	Public assistance recoupment revenue	7,010,000
11	State general fund/general purpose	$ 200,781,800
12	**Sec. 113. INFORMATION TECHNOLOGY**	
13	Information technology services and projects	$ 115,450,900
14	Child support automation	41,735,500
15	GROSS APPROPRIATION	$ 157,186,400
16	Appropriated from:	
17	Interdepartmental grant revenues:	
18	IDG from department of education	1,943,600
19	Federal revenues:	
20	Social security act, temporary assistance for needy	
21	families	15,987,400
22	Total other federal revenues	87,020,000
23	State general fund/general purpose	$ 52,235,400
24	**Sec. 114. ONE-TIME BASIS ONLY**	
25	State employee lump-sum payments	$ 10,541,900
26	Inspector general information technology	2,500,000
27	Before- or after-school program	1,000,000

1 Seita scholarship program		750,000
2 Juvenile justice behavioral health study		500,000
3 Medicaid eligibility review		250,000
4 State emergency relief energy services		59,900,000
5 GROSS APPROPRIATION	$	75,441,900
6 Appropriated from:		
7 Federal revenues:		
8 Social security act, temporary assistance for needy		
9 families		32,200,000
10 Total other federal revenues		7,605,100
11 State general fund/general purpose	$	35,636,800

12 PART 2

13 PROVISIONS CONCERNING APPROPRIATIONS

14 FOR FISCAL YEAR 2012-2013

15 **GENERAL SECTIONS**

16 Sec. 201. Pursuant to section 30 of article IX of the state
17 constitution of 1963, total state spending from state resources
18 under part 1 for fiscal year 2012-2013 is $1,098,045,400.00 and
19 state spending from state resources to be paid to local units of
20 government for fiscal year 2012-2013 is $100,595,000.00. The
21 itemized statement below identifies appropriations from which
22 spending to local units of government will occur:

23 DEPARTMENT OF HUMAN SERVICES		
24 Child care fund	$	93,192,300
25 County juvenile officers		3,401,800

State disability assistance payments		1,564,100
Legal support contracts		2,341,000
Child support enforcement operations		13,500
Family independence program		82,300
TOTAL	$	100,595,000

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

Sec. 203. As used in this act:

(a) "AFC" means adult foster care.

(b) "ARRA" means the American recovery and reinvestment act of 2009, Public Law 111-5.

(c) "Children's rights settlement agreement" means the settlement agreement entered in the case of Dwayne B. vs. Snyder, docket no. 2:06-cv-13548 in the United States district court for the eastern district of Michigan.

(d) "Current fiscal year" means the fiscal year ending September 30, 2013.

(e) "Department" means the department of human services.

(f) "Director" means the director of the department of human services.

(g) "FTE" means full-time equated.

(h) "IDG" means interdepartmental grant.

(i) "JET" means jobs, education, and training program.

(j) "Previous fiscal year" means the fiscal year ending September 30, 2012.

(k) "SSI" means supplemental security income.

(*l*) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of title IV of the social security act, 42 USC 601 to 619.

(m) "Title IV-D" means part D of title IV of the social security act, 42 USC 651 to 669b.

(n) "Title IV-E" means part E of title IV of the social security act, 42 USC 670 to 679c.

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

Sec. 207. (1) Sanctions, suspensions, conditions for provisional license status, and other penalties shall not be more stringent for private service providers than for public entities performing equivalent or similar services.

(2) Neither the department nor private service providers or licensees shall be granted preferential treatment or considered automatically to be in compliance with administrative rules based on whether they have collective bargaining agreements with direct care workers. Private service providers or licensees without collective bargaining agreements shall not be subjected to additional requirements or conditions of licensure based on their lack of collective bargaining agreements.

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. This requirement shall include transmission of reports via

electronic mail to the recipients identified for each reporting requirement, and it shall include placement of reports on the Internet.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 211. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside services that the attorney general authorizes.

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

(2) The department's ability to satisfy appropriation fund

sources in part 1 shall not be limited to collections and accruals pertaining to services provided in the current fiscal year, but shall also include reimbursements, refunds, adjustments, and settlements from prior years.

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

Sec. 214. On a quarterly basis, the department shall report on the number of FTEs in pay status by type of staff.

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

Sec. 217. The departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with

1 funds appropriated in the department's budget. The report shall be
2 submitted to the house and senate standing committees on
3 appropriations, the house and senate fiscal agencies, and the state
4 budget director. The report shall include the following
5 information:
6 (a) The dates of each travel occurrence.
7 (b) The total transportation and related costs of each travel
8 occurrence, including the proportion funded with state general
9 fund/general purpose revenues, the proportion funded with state
10 restricted revenues, the proportion funded with federal revenues,
11 and the proportion funded with other revenues.
12 Sec. 219. The department shall maintain a searchable website
13 accessible by the public at no cost that includes, but is not
14 limited to, all of the following:
15 (a) Fiscal year-to-date expenditures by category.
16 (b) Fiscal year-to-date expenditures by appropriation unit.
17 (c) Fiscal year-to-date payments to a selected vendor,
18 including the vendor name, payment date, payment amount, and
19 payment description.
20 (d) The number of active department employees by job
21 classification.
22 (e) Job specifications and wage rates.
23 Sec. 220. The department shall ensure that faith-based
24 organizations are able to apply and compete for services, programs,
25 or contracts that they are qualified and suitable to fulfill. The
26 department shall not disqualify faith-based organizations solely on
27 the basis of the religious nature of their organization or their

1 guiding principles or statements of faith.

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

7 (2) The department shall provide a report on the amount of
8 each revenue stream to be carried forward, as well as the
9 cumulative amount, for the closing fiscal year by October 30, 2013,
10 to the senate and house appropriations subcommittees on the
11 department budget, the senate and house standing committees on
12 families and human services, and the senate and house fiscal
13 agencies and policy offices.

14 Sec. 222. The department shall report no later than April 1 of
15 the current fiscal year on each specific policy change made to
16 implement a public act affecting the department that took effect
17 during the prior calendar year to the house and senate
18 appropriations subcommittees on the budget for the department, the
19 joint committee on administrative rules, and the senate and house
20 fiscal agencies.

21 Sec. 225. The department may hire physicians to be part of the
22 medical review team (MRT) on a temporary basis if Medicaid
23 applications are backlogged more than 2,000. The temporary
24 physicians shall be retained until the backlog has dropped below
25 2,000 for 2 consecutive months. The role of the physicians will be
26 to obtain medical evidence from and grant medical determinations to
27 applicants.

Sec. 240. The department shall notify the house and senate appropriations committees and the house and senate fiscal agencies of any changes to a child welfare master contract that results in increased rates or increased spending on services not less than 30 days before the change takes effect.

Sec. 250. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of technology, management, and budget. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 251. The department and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 259. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of technology, management, and budget for technology-related services and projects. The user fees shall be subject to provisions of an interagency agreement between the department and agencies and the department of technology, management, and budget.

Sec. 264. The department shall not take disciplinary action against an employee for communicating with a member of the

1 legislature or his or her staff.

2 Sec. 265. Within 14 days after the release of the executive
3 budget recommendation, the department shall provide the state
4 budget director, the senate and house appropriations chairs, the
5 senate and house appropriations subcommittees on the department
6 budget, respectively, and the senate and house fiscal agencies with
7 an annual report on estimated state restricted fund balances, state
8 restricted fund projected revenues, and state restricted fund
9 expenditures for the fiscal years ending September 30, 2012 and
10 September 30, 2013.

11 Sec. 274. (1) The department, in collaboration with the state
12 budget office, shall submit to the house and senate appropriations
13 subcommittees on the department budget, the house and senate fiscal
14 agencies, and the house and senate policy offices on the day the
15 governor submits to the legislature the budget for the ensuing
16 fiscal year a report on spending and revenue projections for each
17 of the capped federal funds listed below. The report shall contain
18 actual spending and revenue in the previous fiscal year, spending
19 and revenue projections for the current fiscal year as enacted, and
20 spending and revenue projections within the executive budget
21 proposal for the fiscal year beginning October 1, 2013 for each
22 individual line item for the department budget. The report shall
23 also include federal funds transferred to other departments. The
24 capped federal funds shall include, but not be limited to, all of
25 the following:

26 (a) TANF.

27 (b) Title XX social services block grant.

(c) Title IV-B part I child welfare services block grant.

(d) Title IV-B part II promoting safe and stable families funds.

(2) By February 15 of the current fiscal year, the department shall prepare an annual report of its efforts to identify additional TANF maintenance of effort sources from all of the following, but not limited to:

(a) Other departments.

(b) Local units of government.

(c) Private sources.

Sec. 279. (1) All contracts relating to human services shall be performance-based contracts that employ a client-centered results-oriented process that is based on measurable performance indicators and desired outcomes and includes the annual assessment of the quality of services provided.

(2) During the annual budget presentation, the department shall provide the senate and house appropriations subcommittees on the department budget and the senate and house fiscal agencies and policy offices a report detailing measurable performance indicators, desired outcomes, and an assessment of the quality of services provided by the department during the previous fiscal year.

Sec. 284. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $200,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act,

1984 PA 431, MCL 18.1393.

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

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

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

(5) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $40,000,000.00 for federal TANF contingency funds. It is the intent of the legislature that these funds shall be used to meet any shortfalls in budgeting for ongoing expenses that meet the eligibility requirements of the TANF block grant and for any other appropriate program expenses. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2)

of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 290. Any public advertisement for state assistance shall also inform the public of the welfare fraud hotline operated by the department.

Sec. 291. (1) The department shall verify, using the e-verify system, that all new department employees, and new hire employees of contractors and subcontractors paid from funds appropriated in this act, are legally present in the United States. The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department.

(2) By March 1 of the current fiscal year, the department shall submit to the house and senate appropriations committees and the house and senate fiscal agencies a report certifying that it has verified, or has required contractors and subcontractors to verify, using the e-verify system, that all new department employees and new hire employees of contractors and subcontractors are legally present in the United States.

Sec. 293. The department may use funds from the funds appropriated in part 1 to strengthen marriage and family relations through the practice of marriage and family therapy for individuals, families, couples, or groups. The goal of the therapy shall be strengthening families by helping them avoid, eliminate, relieve, manage, or resolve marital or family conflict or discord.

Sec. 294. Funds appropriated in part 1 for the statewide automated child welfare information system is contingent upon the approval of an advanced planning document from the administration

for children and families. If the necessary matching funds are identified and legislatively transferred to the information and technology services and projects line item for this purpose, any corresponding federal revenue required shall be appropriated at a 50% federal match rate. This appropriation may be designated as a work project under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a, and carried forward to support completion of this project.

Sec. 296. Not later than November 15, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 298. By March 1 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices an annual report on the supervisor-to-staff ratio by department divisions and subdivisions.

EXECUTIVE OPERATIONS

Sec. 307. (1) From the funds appropriated in part 1 for demonstration projects, $400,000.00 shall be distributed as

1 provided in subsection (2). The amount distributed under this
2 subsection shall not exceed 50% of the total operating expenses of
3 the program described in subsection (2), with the remaining 50%
4 paid by local United Way organizations and other nonprofit
5 organizations and foundations.
6 (2) Funds distributed under subsection (1) shall be
7 distributed to Michigan 2-1-1, a nonprofit corporation organized
8 under the laws of this state that is exempt from federal income tax
9 under section 501(c)(3) of the internal revenue code, 26 USC
10 501(c)(3), and whose mission is to coordinate and support a
11 statewide 2-1-1 system. Michigan 2-1-1 shall use the funds only to
12 fulfill the Michigan 2-1-1 business plan adopted by Michigan 2-1-1
13 in January 2005.
14 (3) Michigan 2-1-1 shall refer to the department any calls
15 received reporting fraud, waste, or abuse of state-administered
16 public assistance.
17 (4) Michigan 2-1-1 shall report annually to the department and
18 the house and senate standing committees with primary jurisdiction
19 over matters relating to human services and telecommunications on
20 2-1-1 system performance, including, but not limited to, call
21 volume by community health and human service needs and unmet needs
22 identified through caller data and customer satisfaction metrics.

23 **ADULT AND FAMILY SERVICES**

24 Sec. 415. (1) If funds become available in part 1, the
25 department may contract with independent contractors from various
26 counties, including, but not limited to, faith-based and nonprofit

organizations. Preference shall be given to independent contractors that provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. However, an independent contractor that cannot secure matching funds shall not be excluded from consideration for the fatherhood program.

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

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

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

1 agencies that report necessary data to the department for the
2 purpose of meeting TANF eligibility reporting requirements.
3 (5) Upon receipt of the promotion of responsible fatherhood
4 funds from the United States department of health and human
5 services, the department shall use the program criteria set forth
6 in subsection (3) to implement the program with the federal funds.
7 Sec. 416. (1) If funds become available in part 1, the
8 department may contract with independent contractors from various
9 counties, including, but not limited to, faith-based and nonprofit
10 organizations. Preference shall be given to independent contractors
11 that provide at least 10% in matching funds, through any
12 combination of local, state, or federal funds or in-kind or other
13 donations. However, an independent contractor that cannot secure
14 matching funds shall not be excluded from consideration for a
15 marriage initiative program.
16 (2) The department may choose providers to work with counties
17 that will work to support and strengthen marriages of those
18 eligible under the TANF guidelines. The areas of work may include,
19 but are not limited to, marital counseling, domestic violence
20 counseling, family counseling, effective communication, and anger
21 management as well as parenting skills to improve the family
22 structure.
23 (3) A marriage initiative program established under this
24 section may include, but is not limited to, 1 or more of the
25 following: public advertising campaigns on the value of marriage
26 and the skills needed to increase marital stability and health;
27 education in high schools on the value of marriage, relationship

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

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

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

Sec. 420. (1) From the funds appropriated in part 1, the department shall contract with the prosecuting attorneys association of Michigan for 2 elder abuse resource prosecuting attorneys positions to provide the support and services necessary to increase the capability of the state's prosecutors, adult protective service system, and criminal justice system to effectively identify, investigate, and prosecute elder abuse and financial exploitation.

(2) By March 1 of the current fiscal year, the prosecuting attorneys association shall provide a report on the efficacy of the contract to the state budget office, the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices.

Sec. 423. From the funds appropriated in part 1 for elder law of Michigan MiCAFE contract, the department shall allocate not less than $175,000.00 to the elder law of Michigan MiCAFE to assist this state's elderly population to participate in the food assistance program. The funds may be used as state matching funds to acquire available United States department of agriculture funding to provide outreach program activities, such as eligibility screen and information services, as part of a statewide food stamp hotline.

Sec. 424. Not later than April 1, 2013, the department may enter into a contract with a nonprofit entity that operates throughout this state to provide vehicle purchases and vehicle repairs for all low-income individuals who the department determines are eligible. The department shall work in conjunction with the nonprofit entity to ensure that the barriers to self-sufficiency are removed for each individual.

Sec. 425. From the funds appropriated in part 1, the department shall provide individuals not more than $500.00 for vehicle repairs, including any repairs done in the previous 12 months. However, the department may in its discretion pay for repairs up to $900.00. Payments under this section shall include the combined total of payments made by the department and work participation program. By December 31, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices a report detailing the number of payments for repairs that exceeded $500.00 in the prior fiscal year.

CHILDREN'S SERVICES

Sec. 501. A goal is established that not more than 35% of all children in foster care at any given time during the current fiscal year will have been in foster care for 24 months or more. During the annual budget presentation, the department shall provide a report describing the steps that will be taken to achieve the specific goal established in this section.

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

Sec. 503. The department shall oversee a contract with an outside vendor to establish per diem rates for private agencies providing foster care, residential care, and juvenile justice, and to establish per diem rates for the department providing same services, using an economic rate-setting methodology that results in a rate that is adequate, reasonable, cost-based, compliant with federal regulations, and supportive of state contractual requirements. The outside vendor shall consult with private providers that have contracts with the department on establishing the costs of providing services. The outside vendor shall establish an agreement among the private providers and the department on the parameters for setting the costs before recommending the per diem rates. The rates shall be established by an outside vendor before the implementation of contracts. The department shall provide to

the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices a report detailing the rates by March 1 of the current fiscal year.

Sec. 504. The department shall establish the statewide automated child welfare information system by September 30, 2013.

Sec. 505. By March 1 of the current fiscal year, the department and Wayne County shall provide to the senate and house appropriations committees on the department budget and the senate and house fiscal agencies and policy offices a report for youth served in the previous fiscal year and in the first quarter of the current fiscal year outlining the number of youth served within each juvenile justice system, the type of setting for each youth, performance outcomes, and financial costs or savings.

Sec. 506. The department shall guarantee that a child under state or court supervision who receives Medicaid will continue to receive Medicaid with no break in coverage if the child moves to another county and remains under the supervision of the state or court. The state or court supervision in this section may be provided through public or private service providers.

Sec. 507. The department's ability to satisfy appropriation deducts in part 1 for foster care private collections shall not be limited to collections and accruals pertaining to services provided only in the current fiscal year but may include revenues collected during the current fiscal year for services provided in prior fiscal years.

Sec. 508. (1) In addition to the amount appropriated in part 1 for children's trust fund grants, money granted or money received as gifts or donations to the children's trust fund created by 1982 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure.

(2) The department and the child abuse neglect and prevention board shall collaborate to ensure that administrative delays are avoided and the local grant recipients and direct service providers receive money in an expeditious manner. The department and board shall seek to have the children's trust fund grants distributed no later than October 31 of the current fiscal year.

Sec. 510. The department, in conjunction with the legislature and representatives from the counties and private child welfare providers, shall carry out a work group to determine how the state can best assist counties on identifying and providing performance-based community programs for foster care and juvenile justice. By March 1, 2013, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices a report detailing the work group findings.

Sec. 511. (1) By February 1, 2013, the department, in conjunction with the legislature, representatives from private providers, state court administrators, and other interested parties, shall carry out a work group to determine which statewide, standardized assessment tools will be used for children in both the foster care and juvenile justice systems, and the costs of implementing the tools. The tools shall be used by the state, the

private providers, and the courts for all children under their supervision. By March 1, 2013, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices a report detailing the work group findings.

(2) The department shall track the number and percentage of children who received both a physical and mental health assessment before placement in the foster care and juvenile justice systems and provide quarterly reports to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices on the number and percentage of children who received the assessments.

Sec. 512. The department shall conduct an analysis of expenses in the child care fund at the county level. By March 1, 2013, the department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices a report detailing the findings.

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

(a) There is no appropriate placement available in this state as determined by the department interstate compact office.

(b) An out-of-state placement exists that is nearer to the child's home than the closest appropriate in-state placement as determined by the department interstate compact office.

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

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

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

(2) The department shall not expend money for a child placed in an out-of-state facility without approval of the deputy director for children's services. The department shall notify the appropriate state agency in that state including the name of the out-of-state provider who accepted the placement.

(3) The department shall submit a report by February 1 of the current fiscal year on the number of children who were placed in out-of-state facilities during the previous fiscal year, the number of Michigan children residing in such facilities at the time of the report, the total cost and average per diem cost of these out-of-state placements to this state, and a list of each such placement arranged by the Michigan county of residence for each child.

Sec. 514. The department shall make a comprehensive report concerning children's protective services (CPS) to the legislature, including the senate and house policy offices and the state budget director, by January 1 of the current fiscal year, that shall

include all of the following:

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

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

(*ii*) Characteristics of perpetrators of abuse or neglect and the child victims, such as age, relationship, race, and ethnicity and whether the perpetrator exposed the child victim to drug activity, including the manufacture of illicit drugs, that exposed the child victim to substance abuse, a drug house, or methamphetamine.

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

(*iv*) The number of cases that resulted in the separation of the child from the parent or guardian and the period of time of that separation, up to and including termination of parental rights.

(*v*) For the reported complaints of abuse or neglect by teachers, school administrators, and school counselors, the number of cases classified under category I or category II and the number of cases classified under category III, category IV, or category V.

(*vi*) For the reported complaints of abuse or neglect by teachers, school administrators, and school counselors, the number

of cases that resulted in separation of the child from the parent or guardian and the period of time of that separation, up to and including termination of parental rights.

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

(c) The information contained in the report required under section 8d(5) of the child protection law, 1975 PA 238, MCL 722.628d, on cases classified under category III.

(d) The department policy, or changes to the department policy, regarding children who have been exposed to the production or manufacture of methamphetamines.

Sec. 515. The department, in conjunction with court and county personnel and representatives of the private child welfare agencies operating in Kent County, shall conduct a work group that will identify a plan for implementing a pilot program to privatize all foster care and adoption services, except for child protective services, in Kent County by September 30, 2013.

Sec. 516. The department shall prepare a report by county that includes the number and percentage of foster care parents who were successfully retained in the foster care program and compares figures at the beginning of the fiscal year to the end-of-year totals and provide the report by October 30, 2013 to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy

1 offices.

2 Sec. 517. The department, in conjunction with the legislature,
3 shall conduct a work group on the feasibility of implementing a
4 dual-track child protective services pilot program and shall
5 examine the state's definition of child abuse and shall determine
6 whether the definition should be amended. By March 1, 2013, the
7 department shall provide a report on the findings of the work group
8 to the senate and house appropriations subcommittees on the
9 department budget, the senate and house standing committees on
10 families and human services, and the senate and house fiscal
11 agencies and policy offices.

12 Sec. 519. The department shall permit any private agency that
13 has an existing contract with this state to provide foster care
14 services to be also eligible to provide treatment foster care
15 services.

16 Sec. 523. (1) By March 15 of the current fiscal year, the
17 department shall report on family preservation programs for which
18 money is appropriated in part 1 to the senate and house
19 appropriations subcommittees on the department budget. The report
20 shall contain all of the following for each program:

21 (a) The average cost per recipient served.

22 (b) Measurable performance indicators.

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

26 (d) Monitored results.

27 (e) Innovations that may include savings or reductions in

1 administrative costs.
2 (2) If money becomes available in part 1 for youth in
3 transition and domestic violence prevention and treatment, the
4 department is authorized to make allocations of TANF funds only to
5 agencies that report necessary data to the department for the
6 purpose of meeting TANF eligibility reporting requirements.
7 Sec. 525. The department shall implement the same on-site
8 evaluation processes for privately operated child welfare and
9 juvenile justice residential facilities as is used to evaluate
10 state-operated facilities. Penalties for noncompliance shall be the
11 same for privately operated child welfare and juvenile justice
12 residential facilities and state-operated facilities.
13 Sec. 526. From the funds appropriated in part 1 for foster
14 care payments and related administrative costs, the department may
15 implement the federally approved title IV-E child welfare waiver
16 demonstration project.
17 Sec. 527. Per the department's request for 577.0 additional
18 FTEs, the funds to cover these costs shall be transferred from the
19 child welfare staffing enhancement line item to the appropriate
20 salary and wages, central support, information technology, and
21 contractual services, supplies, and materials line items. These
22 funds are not available for expenditure until they have been
23 transferred to another line item in this act under section 393(2)
24 of the management and budget act, 1984 PA 431, MCL 18.1393.
25 Sec. 532. (1) The department, in collaboration with
26 representatives of private child and family agencies, shall revise
27 and improve the annual licensing review process and the annual

contract compliance review process for child placing agencies and child caring institutions. The improvement goals shall be safety and care for children. Improvements to the review process shall be directed toward alleviating administrative burdens so that agency resources may be focused on children. The revision shall include identification of duplicative staff activities and information sought from child placing agencies and child caring institutions in the annual review process. The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on or before January 15 of the current fiscal year on the findings of the annual licensing review.

(2) The department shall conduct licensing reviews no more than once every 2 years for child placing agencies and child caring institutions that are nationally accredited and have no outstanding violations.

Sec. 533. (1) The department shall make payments to child placing facilities for in-home and out-of-home care services and adoption services within 30 days of receiving all necessary documentation from those agencies.

(2) The department shall establish a work group in conjunction with the legislature and private service providers to develop a plan to implement electronic invoices and payments for all contracts with child placing agencies.

(3) The department shall provide a report on the activities under this section by March 1, 2013 for implementation in the fiscal year ending September 30, 2014.

Sec. 537. The department, in collaboration with child placing agencies, shall develop a strategy to implement section 115o of the social welfare act, 1939 PA 280, MCL 400.115o. The strategy shall include a requirement that a department caseworker responsible for preparing a recommendation to a court concerning a juvenile placement shall provide, as part of the recommendation, information regarding the requirements of section 115o of the social welfare act, 1939 PA 280, MCL 400.115o.

Sec. 540. If a physician or psychiatrist who is providing services to state or court wards placed in a residential facility submits a formal request to the department to change the psychotropic medication of a ward, the department shall, if the ward is a state ward, make a determination on the proposed change within 30 days after the request or, if the ward is a temporary court ward, seek parental consent within 7 business days after the request.

Sec. 546. (1) From the funds appropriated in part 1 for foster care payments and from child care fund, the department shall pay providers of foster care services not less than a $37.00 administrative rate.

(2) From the funds appropriated in part 1 for foster care payments and from child care fund, the department shall pay providers of general independent living services not less than a $28.00 administrative rate.

(3) From the funds appropriated in part 1, the department shall reinstate the specialized independent living services administrative rate to levels that were in place for the fiscal

1 year ending September 30, 2011.

2 Sec. 556. The department shall provide an annual report to the
3 subcommittees of the senate and house appropriations committees on
4 the department budget with the number of complaints filed by
5 adoptive parents who were not notified that their adopted child had
6 special needs.

7 Sec. 574. (1) From the funds appropriated in part 1 for foster
8 care payments, $2,500,000.00 is allocated to support contracts with
9 child placing agencies to facilitate the licensure of relative
10 caregivers as foster parents. Agencies shall receive $2,300.00 for
11 each facilitated licensure. The agency facilitating the licensure
12 would retain the placement and continue to provide case management
13 services for at least 50% of the newly licensed cases for which the
14 placement was appropriate to the agency. Up to 50% of the newly
15 licensed cases would have direct foster care services provided by
16 the department.

17 (2) From the funds appropriated for foster care payments,
18 $375,000.00 is allocated to support family incentive grants to
19 private and community-based foster care service providers to assist
20 with home improvements or payment for physical exams for applicants
21 needed by foster families to accommodate foster children.

22 Sec. 583. By February 1 of the current fiscal year, the
23 department shall implement the recommendations of the work group
24 conducted in the fiscal year ending September 30, 2012 to determine
25 what caused individuals participating as foster parents during the
26 previous fiscal year to drop out of the program. The department
27 shall provide to the senate and house appropriations subcommittees

on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices a report detailing the department's progress in implementing the recommendations.

Sec. 585. (1) The department shall allow private nationally accredited foster care and adoption agencies to conduct their own staff training, based on current department policies and procedures, provided that the agency trainer and training materials are accredited by the department and that the agency documents to the department that the training was provided. The department shall provide access to any training materials requested by the private agencies to facilitate this training.

(2) The department shall post on the department's website a list of all relevant departmental training materials available to private child placing agencies that are allowed to conduct their own training in accordance with this section. The department shall also provide to private child placing agencies that are allowed to conduct their own training any updated training materials as they become available.

Sec. 588. (1) Concurrently with public release, the department shall transmit all reports from the court-appointed settlement monitor, including, but not limited to, the needs assessment and period outcome reporting, to the state budget office, the senate and house appropriations subcommittees on the department budget, and the senate and house fiscal agencies, without revision.

(2) The department shall report quarterly to the state budget office, the senate and house appropriations subcommittees on the

department budget, and the senate and house fiscal agencies, on the number of children enrolled in the guardianship assistance and foster care - children with serious emotional disturbance waiver programs.

Sec. 589. (1) From the funds appropriated in part 1 to facilitate the transfer of foster care cases currently under department supervision from department supervision to private child placing agency supervision, the department shall not transfer any foster care cases that require a county contribution to the private agency administrative rate.

(2) On a monthly basis, the department shall report on the number of all foster care cases administered by the department and all foster care cases administered by private providers.

PUBLIC ASSISTANCE

Sec. 601. Whenever a client agrees to the release of his or her name and address to the local housing authority, the department shall request from the local housing authority information regarding whether the housing unit for which vendoring has been requested meets applicable local housing codes. Vendoring shall be terminated for those units that the local authority indicates in writing do not meet local housing codes until such time as the local authority indicates in writing that local housing codes have been met.

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

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

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

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

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

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

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

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

(g) A caretaker of a disabled person who meets the requirements specified in subdivision (a), (b), (e), or (f).

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

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

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

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

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

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

Sec. 607. (1) The department's ability to satisfy

appropriation deductions in part 1 for state disability assistance/supplemental security income recoveries and public assistance recoupment revenues shall not be limited to recoveries and accruals pertaining to state disability assistance, or family independence assistance grant payments provided only in the current fiscal year, but may include revenues collected during the current year that are prior year related and not a part of the department's accrued entries.

(2) The department may use supplemental security income recoveries to satisfy the deduct in any line in which the revenues are appropriated, regardless of the source from which the revenue is recovered.

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

Sec. 609. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced

1 during the current fiscal year. The legislature shall be notified
2 not less than 30 days before any proposed reduction in the state
3 supplementation level.
4 Sec. 610. (1) In developing good cause criteria for the state
5 emergency relief program, the department shall grant exemptions if
6 the emergency resulted from unexpected expenses related to
7 maintaining or securing employment.
8 (2) For purposes of determining housing affordability
9 eligibility for state emergency relief, a group is considered to
10 have sufficient income to meet ongoing housing expenses if their
11 total housing obligation does not exceed 75% of their total net
12 income.
13 (3) State emergency relief payments shall not be made to
14 individuals who have been found guilty of fraud in regard to
15 obtaining public assistance.
16 (4) State emergency relief payments shall not be made
17 available to persons who are out-of-state residents or illegal
18 immigrants.
19 (5) State emergency relief payments for rent assistance shall
20 be distributed directly to landlords and shall not be added to
21 Michigan bridge cards.
22 Sec. 611. The state supplementation level under the
23 supplemental security income program for the living independently
24 or living in the household of another categories shall not exceed
25 the minimum state supplementation level as required under federal
26 law or regulations.
27 Sec. 612. The department shall implement an asset test as part

of the eligibility determination for applicants and existing recipients of the refugee assistance program medical benefits.

Sec. 613. The department shall provide reimbursements for the final disposition of indigent persons if the deceased's remains have not been claimed by a person having the right to control the disposition of the body regardless of whether there is no person with that right, the person cannot be located, or the person fails or refuses to exercise that right. The maximum allowable reimbursement for the final disposition shall be $800.00. In addition, reimbursement for a cremation permit fee of up to $75.00 and for mileage at the standard rate will also be made available for an eligible cremation. The reimbursements under this section shall be used for disposal by cremation unless the deceased's expressed religious preference prohibits cremation.

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

Sec. 616. The department shall require retailers that participate in the electronic benefits transfer program to charge no more than $2.50 in fees for cash back as a condition of participation.

Sec. 617. The department shall prepare a report on the number and percentage of public assistance recipients, categorized by type

of assistance received, who were no longer eligible for assistance because of their status in the law enforcement information network and provide the report by October 1, 2013 to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices.

Sec. 619. (1) Subject to subsection (2), the department shall exempt from the denial of title IV-A assistance and food assistance benefits under 21 USC 862a any individual who has been convicted of a felony that included the possession, use, or distribution of a controlled substance, after August 22, 1996, provided that the individual is not in violation of his or her probation or parole requirements. Benefits shall be provided to such individuals as follows:

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

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

(2) Subject to federal approval, an individual is not entitled to the exemption in this section if the individual was convicted in 2 or more separate cases of a felony that included the possession, use, or distribution of a controlled substance after August 22, 1996.

Sec. 643. As a condition of receipt of federal TANF funds, homeless shelters and human services agencies shall collaborate with the department to obtain necessary TANF eligibility information on families as soon as possible after admitting a

family to the homeless shelter. From the funds appropriated in part 1 for homeless programs, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. Homeless shelters or human services agencies that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive reimbursements which exceed the per diem amount they received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

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

Sec. 653. From the funds appropriated in part 1 for food assistance, an individual who is the victim of domestic violence and does not qualify for any other exemption may be exempt from the 3-month in 36-month limit on receiving food assistance under 7 USC 2015. This exemption can be extended an additional 3 months upon demonstration of continuing need.

Sec. 657. The department shall notify persons eligible for extended family independence program benefits under section 57s of the social welfare act, 1939 PA 280, MCL 400.57s, that receiving extended family independence program benefits will count toward the

1 federal and state lifetime limits.
2 Sec. 660. From the funds appropriated in part 1 for food bank
3 funding, the department is authorized to make allocations of TANF
4 funds only to the agencies that report necessary data to the
5 department for the purpose of meeting TANF eligibility reporting
6 requirements. The agencies that do not report necessary data to the
7 department for the purpose of meeting TANF eligibility reporting
8 requirements will not receive allocations in excess of those
9 received in fiscal year 2000. The use of TANF funds under this
10 section should not be considered an ongoing commitment of funding.
11 Sec. 669. The department shall allocate up to $2,880,000.00
12 for the annual clothing allowance. The allowance shall be granted
13 to all eligible children in a family independence program group
14 that does not include an adult.
15 Sec. 672. (1) The department's office of inspector general
16 shall report to the senate and house of representatives
17 appropriations subcommittees on the department budget, the senate
18 and house fiscal agencies, and the senate and house policy offices
19 by March 1 of the current fiscal year on department efforts to
20 reduce inappropriate use of Michigan bridge cards. The department
21 shall provide information on the number of recipients of services
22 who used their electronic benefit transfer card inappropriately and
23 the current status of each case, the number of recipients whose
24 benefits were revoked, whether permanently or temporarily, as a
25 result of inappropriate use, and the number of retailers that were
26 fined or removed from the electronic benefit transfer program for
27 permitting inappropriate use of the cards.

1 (2) As used in this section, "inappropriate use" means not
2 used to meet a family's ongoing basic needs, including food,
3 clothing, shelter, utilities, household goods, personal care items,
4 and general incidentals.
5 Sec. 677. The department shall establish a state goal for the
6 percentage of family independence program (FIP) cases involved in
7 employment activities. The percentage established shall not be less
8 than 50%. On a monthly basis, the department shall report to the
9 senate and house appropriations subcommittees on the department
10 budget, the senate and house fiscal agencies and policy offices,
11 and the state budget director on the current percentage of FIP
12 cases involved in JET employment activities and an estimate of the
13 current percentage of FIP cases that meet federal work
14 participation requirements.
15 Sec. 686. (1) The department shall ensure that program policy
16 requires caseworkers to confirm that individuals presenting
17 personal identification issued by another state seeking assistance
18 through the family independence program, food assistance program,
19 state disability assistance program, or medical assistance program
20 are not receiving benefits from any other state.
21 (2) The department shall require caseworkers to confirm the
22 address provided by any individual seeking family independence
23 program benefits or state disability assistance benefits.
24 (3) The department shall prohibit individuals with property
25 assets assessed at a value higher than $500,000.00 from accessing
26 assistance through department-administered programs, unless such a
27 prohibition would violate federal rules and guidelines.

(4) The department shall require caseworkers to obtain an up-to-date telephone number during the eligibility determination or redetermination process for individuals seeking medical assistance benefits. On a monthly basis, the department shall provide the department of community health an updated list of telephone numbers for medical assistance recipients.

Sec. 696. From the funds appropriated in part 1, the department shall allocate $1,000,000.00 to the Chaldean community foundation. This money shall be utilized to provide translation services, health care services, youth tutoring and mentoring programs, and refugee resettlement services.

JUVENILE JUSTICE SERVICES

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

Sec. 707. In order to be reimbursed for child care fund expenditures, counties are required to submit department-developed reports to enable the department to document potential federally claimable expenditures. This requirement is in accordance with the reporting requirements specified in section 117a(7) of the social welfare act, 1939 PA 280, MCL 400.117a.

Sec. 708. As a condition of receiving funds appropriated in part 1 for the child care fund line item, by December 15 of the

current fiscal year, counties shall have an approved service spending plan for the current fiscal year. Counties must submit the service spending plan to the department by October 1 of the current fiscal year for approval. The department shall approve within 30 calendar days after receipt a properly completed service plan that complies with the requirements of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

Sec. 710. The department, Wayne County, and the third circuit court may rewrite the memorandum of understanding (MOU) that permits Wayne County to manage its juvenile justice system so that the MOU takes into account all interested parties, including, but not limited to, the legislature.

Sec. 719. The department shall notify the legislature at least 30 days before closing or making any change in the status, including the licensed bed capacity and operating bed capacity, of a state juvenile justice facility.

Sec. 721. If the demand for placements at state-operated juvenile justice residential facilities exceeds capacity, the department shall not increase the available occupancy or services at the facilities, and shall post a request for proposals for a contract with not less than 1 private provider of residential services for juvenile justice youth to be a residential facility of last resort.

LOCAL OFFICE SERVICES

Sec. 750. The department shall maintain out-stationed

eligibility specialists in community-based organizations, community mental health agencies, nursing homes, and hospitals unless a community-based organization, community mental health agency, nursing home, or hospital requests that the program be discontinued at its facility.

Sec. 753. By January 1, 2012, the department shall implement the recommendations of the 2004 public private partnership initiative's training committee to define, design, and implement a train-the-trainer program to certify private agency staff to deliver child welfare staff training, explore the use of e-learning technologies, and include consumers in the design and implementation of training. The intent of the legislature is to reduce training and travel costs for both the department and the private agencies. The department shall report no later than December 1 of the current fiscal year on each specific policy change made to implement enacted legislation and the plans to implement the recommendations, including timelines, to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services matters, the senate and house fiscal agencies and policy offices, and the state budget director.

CHILD SUPPORT ENFORCEMENT

Sec. 901. (1) The appropriations in part 1 assume a total federal child support incentive payment of $26,500,000.00.

(2) From the federal money received for child support incentive payments, $12,000,000.00 shall be retained by the state

1 and expended for child support program expenses.
2 (3) From the federal money received for child support
3 incentive payments, $14,500,000.00 shall be paid to the counties
4 based on each county's performance level for each of the federal
5 performance measures as established in 45 CFR 305.2.
6 (4) If the child support incentive payment to the state from
7 the federal government is greater than $26,500,000.00, then 100% of
8 the excess shall be retained by the state and is appropriated until
9 the total retained by the state reaches $15,397,400.00.
10 (5) If the child support incentive payment to the state from
11 the federal government is greater than the amount needed to satisfy
12 the provisions identified in subsections (1), (2), (3), and (4),
13 the additional funds shall be subject to appropriation by the
14 legislature.
15 (6) If the child support incentive payment to the state from
16 the federal government is less than $26,500,000.00, then the state
17 and county share shall each be reduced by 50% of the shortfall.
18 Sec. 909. (1) If statewide retained child support collections
19 exceed $38,300,000.00, 75% of the amount in excess of
20 $38,300,000.00 is appropriated to legal support contracts. This
21 excess appropriation may be distributed to eligible counties to
22 supplement and not supplant county title IV-D funding.
23 (2) Each county whose retained child support collections in
24 the current fiscal year exceed its fiscal year 2004-2005 retained
25 child support collections, excluding tax offset and financial
26 institution data match collections in both the current year and
27 fiscal year 2004-2005, shall receive its proportional share of the

75% excess.

Sec. 910. (1) If title IV-D-related child support collections are escheated, the state budget director is authorized to adjust the sources of financing for the funds appropriated in part 1 for legal support contracts to reduce federal authorization by 66% of the escheated amount and increase general fund/general purpose authorization by the same amount. This budget adjustment is required to offset the loss of federal revenue due to the escheated amount being counted as title IV-D program income in accordance with federal regulations at 45 CFR 304.50.

(2) The department shall notify the chairs of the house and senate appropriations subcommittees on the department budget and the house and senate fiscal agencies within 15 days of the authorization adjustment in subsection (1).

COMMUNITY ACTION AND ECONOMIC OPPORTUNITY

Sec. 1105. The department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office by February 1 of the current fiscal year on the number of homes, the approximate value of each home, and the square footage of each home weatherized through the appropriations in section 104 during the preceding quarter of the calendar year.

ONE-TIME BASIS ONLY

Sec. 1201. From the funds appropriated in part 1, the

department shall allocate $2,500,000.00 for information technology improvements that will improve the office of inspector general's efforts to reduce waste, fraud, and abuse.

Sec. 1203. The department shall allocate $1,000,000.00 for the operation of a statewide before- or after-school program targeted to children in kindergarten through ninth grade. Eligible programs must serve geographic areas near school buildings that do not meet federal no child left behind annual yearly progress (AYP) requirements and that include the before- or after-school programs in the AYP plans as a means to improve outcomes and serve children living in households with income below 200% of the federal poverty guidelines as established by the United States department of health and human services.

Sec. 1205. (1) From the funds appropriated in part 1, the department shall allocate $500,000.00 to enter into a contract with a state university or outside research entity to conduct a behavioral health study of juvenile justice facilities operated or contracted for by the state. The study shall utilize diagnostic clinical interviews with and records reviews for a representative random sample of juvenile justice system detainees to develop a report on each of the following:

(a) The proportion of juvenile justice detainees with a primary diagnosis of emotional disorder, the percentage of those detainees considered to currently require mental health treatment, and the proportion of those detainees currently receiving mental health services, including a description and breakdown, encompassing, at a minimum, the categories of inpatient,

1 residential, and outpatient care, of the type of mental health
2 services provided to those detainees.
3 (b) The proportion of juvenile justice detainees with a
4 primary diagnosis of addiction disorder, the percentage of those
5 detainees considered to currently require substance abuse
6 treatment, and the proportion of those detainees currently
7 receiving substance abuse services, including a description and
8 breakdown, encompassing, at a minimum, the categories of
9 residential and outpatient care, of the type of substance abuse
10 services provided to those detainees.
11 (c) The proportion of juvenile justice detainees with a dual
12 diagnosis of emotional disorder and addiction disorder, the
13 percentage of those detainees considered to currently require
14 treatment for their condition, and the proportion of those
15 detainees currently receiving that treatment, including a
16 description and breakdown, encompassing, at a minimum, the
17 categories of mental health inpatient, mental health residential,
18 mental health outpatient, substance abuse residential, and
19 substance abuse outpatient, of the type of treatment provided to
20 those detainees.
21 (d) Data indicating whether juvenile justice detainees with a
22 primary diagnosis of emotional disorder, a primary diagnosis of
23 addiction disorder, and a dual diagnosis of emotional disorder and
24 addiction disorder were previously hospitalized in a state
25 psychiatric hospital for persons with mental illness. These data
26 shall be broken down according to each of these 3 respective
27 categories.

(e) Data indicating whether and with what frequency juvenile justice detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder have been detained previously. These data shall be broken down according to each of these 3 respective categories.

(f) Data classifying the types of offenses historically committed by juvenile justice detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder. These data shall be broken down according to each of these 3 respective categories.

(g) Data indicating whether juvenile justice detainees have previously received services managed by a community mental health program or substance abuse coordinating agency. These data shall be broken down according to the respective categories of detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder.

(2) The report referenced under subsection (1) would be provided not later than June 30 of the current fiscal year to the senate and house appropriations subcommittees on human services, the senate and house fiscal agencies and policy offices, and the state budget director.

Sec. 1207. (1) The department shall make a determination of Medicaid eligibility not later than 60 days after all information to make the determination is received from the applicant if

disability is an eligibility factor. For all other Medicaid applicants, including patients of a nursing home, the department shall make a determination of Medicaid eligibility within 45 days of application.

(2) From the funds appropriated in part 1, the department shall implement at 2 local offices a LEAN process to increase the efficiency of Medicaid eligibility determination not later than December 1, 2012. The goals of the LEAN process shall include, but not be limited to, identifying ways to reduce the number of days that a determination is made for applicants who have submitted all required information from 60 days to 45 days for applicants for whom disability is an eligibility factor, and 45 days to 30 days for patients who reside in nursing homes and all other Medicaid applicants.

(3) Not later than April 1, 2013, the department shall provide a report to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices detailing the outcomes of the LEAN process, the department's progress in achieving the eligibility standard of promptness at the 2 local offices, and the department's plan for implementing efficiency standards identified in the LEAN process statewide.

Sec. 1208. From the funds appropriated in part 1 for Seita scholarship program, the department shall allocate $750,000.00 to the Seita scholarship program.

PART 2A

PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

FOR FISCAL YEAR 2013-2014

GENERAL SECTIONS

Sec. 1301. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2014 for the line items listed in part 1. The fiscal year 2013-2014 appropriations are anticipated to be the same as those for fiscal year 2012-2013, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2013 consensus revenue estimating conference.