

Revenue collected from private and local sources; carrying forward excess amounts.

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

Medicaid eligibility; determination when disability a factor; other applicants.

Sec. 223. 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 when disability is an eligibility factor. For all other Medicaid applicants, the department shall make a determination of Medicaid eligibility not later than 45 days after all information to make the determination is received from the applicant.

Nursing home patient; approval or denial of Medicaid application.

Sec. 224. The department shall approve or deny a Medicaid application for a patient of a nursing home within 45 days after the receipt of the necessary information.

Nursing home residents; rapid redetermination process.

Sec. 225. The department shall develop a rapid redetermination process for nursing home residents whose Medicaid stay is greater than 90 days. This process shall be implemented not later than January 1, 2007.

Sources of financing authorizations; realignment.

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

Technology-related services and projects; payment of user fees.

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

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

(a) Name and description of base service.

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

(c) Cost of each base service.

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

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

Restructuring local offices.

Sec. 261. The department, in conjunction with the county department of human services boards of directors and the department of management and budget, shall continue to develop and implement a plan to restructure local offices. This plan shall include an emphasis on maximization of service while maintaining a reduction in administrative cost. Duplication of services shall be identified and solutions to remove the duplication shall be detailed in the plan. Any plan presented shall ensure that the department provides a presence and services in every county. The current plan shall be submitted to the senate and house appropriations subcommittees for the department budget by January 15, 2007. The savings resulting from this plan may be allocated to the counties generating the savings to fund additional frontline workers at the county office level and additional staff to reduce wait time for Medicaid eligibility determinations.

Assisting local services delivery effectiveness and efficiency; development and implementation of plan.

Sec. 262. The department, in conjunction with county department of human services boards of directors and the department of management and budget, shall continue to develop and implement a plan to assist local services delivery effectiveness and efficiency by maximizing use of state resources while responding to unique needs in geographic regions of the state. Savings resulting from the plan shall be allocated to county offices to fund additional frontline workers. The department shall submit the current consolidation plan to the house and senate appropriations subcommittees for the department budget by January 1, 2007.

Communication of employee with legislative member or staff.

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

Loss of federal revenue due to escheated child support collections.

Sec. 269. 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.

Client-centered results-oriented programs and services.

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

- (a) Day care assistance.
- (b) Family independence program.
- (c) Adoption subsidy.
- (d) Foster care.
- (e) Juvenile justice services.
- (f) Jobs, education, and training (JET) pilot program and other welfare reform activities.

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

- (a) The average cost per recipient served by the program.
- (b) Measurable performance indicators for each program.

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

(d) Monitored results for each program.

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

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

Child and family services reviews; report.

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

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

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

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

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

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

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

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

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

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

Title IV-E foster care eligibility reviews; report.

Sec. 272. (1) The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director on the result of the title IV-E foster care eligibility reviews. The reviews, conducted in the state by the United States department of health and human services, are intended to assess the department's compliance with the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115, ensuring the department's case files and payments records meet federal regulations, including standards on eligibility for placement reimbursement and the allowable payment rate. The report shall be submitted January 1 and July 1.

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

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

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

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

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

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

(f) Federal penalties assessed against the state.

Policy changes to implement enacted legislation; regulatory reform plan.

Sec. 273. (1) The department shall report no later than October 1, 2006 on each specific policy change made to implement enacted legislation to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services, and the senate and house fiscal agencies and policy offices.

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

(3) Not later than July 1, 2007, 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 the annual regulatory plan submitted to the state office of administrative hearings and rules pursuant to section 53 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.253. The annual regulatory reform plan shall not include proposals for rule promulgation that exceed the statutory authority granted to the department.

(4) Funds for the preparation of the regulatory reform plan shall be provided solely in section 102 of the funds appropriated in part 1. Funds appropriated in part 1 shall not be used to prepare regulatory plans or promulgate rules that would exceed statutory authority granted to the department. If the department fails to provide statutory authority and additional information for its regulatory reform plan pursuant to section 39(1) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.239, no funds shall be expended for the further preparation of that plan or the promulgation of rules in that plan.

(5) Funds appropriated in part 1 shall not be used to prepare regulatory plans or promulgate rules that fail to reduce the disproportionate economic impact on small businesses pursuant to section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(6) Funds appropriated in part 1 shall not be used to prepare regulatory plans or promulgate rules that would grant preferences to private providers of services based on whether they had collective bargaining agreements with workers.

Federal grants for which state applied; report.

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

Revenue maximization services; contract with private consulting firms.

Sec. 278. (1) The department shall contract with 1 or more private consulting firms for revenue maximization services for all caseload services currently provided by the department, including services expanded such as the SSI advocacy program. A contract under this section shall specify that the contractor locate waste, fraud, error, and abuse within the department's services and programs.

(2) A contractor shall not charge the department a fee for services provided under subsection (1). However, a contractor shall receive a negotiated percentage of the savings not to exceed 25% of the gross savings achieved from implementation of a recommendation made by the contractor under this section.

(3) The department shall retain up to \$7,500,000.00 of savings achieved through the revenue maximization services contract as an offset to general fund/general purpose costs. Additional savings shall be allocated within the department for the following purposes:

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

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

(4) The department shall provide a report to the senate and house appropriations subcommittees on the department budget, senate and house standing committees on human services matters, senate and house fiscal agencies and policy offices, and state budget director by December 31, 2006 on the waste, fraud, error, and abuse located under subsection (1). By April 1, 2007, the department shall provide a progress report including the specific changes implemented to achieve savings under this section and the timetable for implementation of the remaining changes.

Contracts relating to human services as performance-based contracts.

Sec. 279. All contracts relating to human services entered into or renewed by the department on or after October 1, 2006 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. During the annual budget presentation, the department shall provide the senate and house appropriations subcommittees on the department budget with the measurable performance indicators, desired outcomes, and the assessment of the quality of services provided for each contract relating to human services entered into by the department during fiscal year 2006-2007.

Information technology improvement initiatives; report.

Sec. 280. The department shall submit a report to the house and senate appropriations subcommittees for the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget director by February 1, 2007 on the status

of the department's information technology improvement initiatives, including the "Bridges" integration project. The report shall include details on the following:

(a) The amounts expended during the previous fiscal year and the first quarter of the current fiscal year by project.

(b) The amounts of appropriations carried forward from previous fiscal years for information technology improvement projects.

(c) A narrative describing the projects and activities undertaken during the previous fiscal year and during the first quarter of the current fiscal year.

Final decisions and recommendations; report.

Sec. 281. (1) The department shall report to the legislature, fiscal agencies, and office of the auditor general quarterly, beginning January 1, 2007, with a summary of final decisions and recommendations rendered by the state office of administrative hearings and rules administrative law judges, administrative law managers, or hearing officers for cases under the jurisdiction of the department.

(2) The report shall be organized by case types.

(3) The report shall indicate whether the administrative law judge, administrative law manager, or hearing officer made a final decision or recommended a decision in favor of the department in whole or in part or if the parties negotiated a settlement. The report shall also delineate if the director agreed or disagreed with the recommendation of the administrative law judge, administrative law manager, or hearing officer.

(4) The report shall include how long each case took from the date of the original filing until the issuance of a decision or recommendation by the administrative law judge, administrative law manager, or hearing officer.

Negative appropriation for budgetary savings; adjustments after transfer approvals.

Sec. 282. (1) The negative appropriation for budgetary savings in part 1 shall be satisfied by savings identified by the department director and approved by the state budget director.

(2) Appropriation authorizations shall be adjusted after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

EXECUTIVE OPERATIONS

Community services block grant funds; public hearing.

Sec. 301. Not later than September 30 of each year, the department shall submit for public hearing to the chairpersons of the house and senate appropriations subcommittees dealing with appropriations for the department budget the proposed use and distribution plan for community services block grant funds appropriated in part 1 for the succeeding fiscal year.

Community services block grant funds; plan for equitable distribution.

Sec. 302. The department shall develop a plan based on recommendations from the department of civil rights and from Native American organizations to assure that the community services block grant funds are equitably distributed. The plan must be developed by October 31, 2006, and the plan shall be delivered to the appropriations subcommittees on the department budget in the senate and house, the senate and house fiscal agencies, and the state budget director.

Community services block grants; award of grants to certain organizations.

Sec. 303. (1) Of the funds appropriated in part 1 for community services block grants, \$2,350,000.00 represents TANF funding earmarked for community action agencies.

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

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

School-based crisis intervention demonstration project in Pontiac.

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

Weatherization program.

Sec. 305. The appropriation in part 1 for the weatherization program shall be expended so that at least 25% of the households weatherized under the program shall be households of families receiving 1 or more of the following:

- (a) Family independence program assistance.
- (b) State disability assistance.
- (c) Food assistance.
- (d) Supplemental security income.

Kinship care resource center administered by Michigan State University school of social work.

Sec. 306. Of the funds appropriated in part 1 for demonstration projects, the department shall allocate \$200,000.00 to support the kinship care resource center administered by the Michigan state university school of social work. Funding is contingent upon the center's reporting of necessary data to the department to demonstrate TANF or maintenance of effort eligibility. The center shall submit quarterly reports to the department detailing expenditures from this appropriation and reviewing program outcomes including the number of families served through counseling, respite care, and other services as well as the number provided with information on kinship care. The department shall submit each quarterly report to the house and senate appropriations subcommittees on the department budget by January 15, April 15, July 15, and October 15 of each year.

Demonstration projects; distribution; limitation on amount.

Sec. 307. (1) Of the money appropriated in part 1 for demonstration projects, \$100,000.00 shall be distributed as provided in subsection (2). The amount distributed under this subsection shall not exceed 50% of the total operating expenses of the program described in subsection (2), with the remaining 50% paid by local United Way organizations and other non-profit organizations and foundations.

(2) Money distributed under subsection (1) shall be distributed to Michigan 2-1-1, a non-profit corporation organized under the laws of this state that is exempt from federal income

tax under section 501(c)(3) of the internal revenue code, 26 USC 501(c)(3), and whose mission is to coordinate and support a statewide 2-1-1 system. Michigan 2-1-1 shall use the money only to fulfill the Michigan 2-1-1 business plan adopted by Michigan 2-1-1 in January 2005.

(3) Michigan 2-1-1 shall report annually to the department and the house and senate standing committees with primary jurisdiction over matters relating to human services and telecommunications on 2-1-1 system performance, including, but not limited to, call volume by community health and human service needs and unmet needs identified through caller data and customer satisfaction metrics.

ADULT AND FAMILY SERVICES

Fatherhood initiative program.

Sec. 415. (1) In expending money appropriated in part 1 for the fatherhood initiative, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. The independent contractors shall provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. 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 agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

(5) Upon receipt of the promotion of responsible fatherhood funds 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.

Marriage initiative program.

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

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

(3) A marriage initiative program established under this section may include, but is not limited to, 1 or more of the following: public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health; 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.

IDA partnership program.

Sec. 418. From the funds appropriated in part 1 for employment and training support services, the department may expand the availability of individual development accounts (IDAs) with \$200,000.00 for allocation to qualified IDA programs established through the Michigan IDA partnership to serve TANF eligible households in Michigan. The Michigan IDA partnership shall encourage each TANF eligible household served to claim the federal earned income tax credit (EITC) and to incorporate all or part of any tax credit received in the household's IDA savings plan, and shall provide the household with information concerning available free tax assistance resources. In addition, the Michigan IDA partnership and its program sites shall participate in community EITC coalitions established under the plan to increase the EITC participation of TANF families referenced in section 666. The same amount shall be appropriated annually to further expand IDA opportunities to low-income families to become more financially self-sufficient through financial education, saving, wise investment in home ownership, postsecondary education, small business development, or a combination of those programs.

Implementation of IDA program in low-income designated credit unions.

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

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

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

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

Welfare to career innovation grants; replication of Kent County model.

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

Staff training by private foster care and adoption agencies; access to training materials.

Sec. 421. 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. The intent of the legislature is to reduce training and travel costs for both the department and the private agencies.

Crisis prevention and senior food aid projects.

Sec. 423. (1) From the money appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate \$75,000.00 to support ongoing efforts in Barry County to provide programs to women or children, or both, facing crisis situations as a result of domestic violence or abuse.

(2) From the money appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate not less than \$70,000.00 to assist this state's elderly population to participate in the food assistance program. The money 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.

(3) Of the funds appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate \$25,000.00 for a food aid outreach project in Muskegon County and \$25,000.00 for a food aid outreach project in Kent County.

(4) From the money appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate \$50,000.00 for the city of Lansing and \$50,000.00 for the county of Washtenaw for homeless prevention programs.

Effective family formation program by child and family resource council in Kent County.

Sec. 424. Of the funds appropriated in part 1 for employment and training, \$200,000.00 in TANF funds may be used for the effective family formation program by the child and family resource council in Kent County for the purpose of instructing unwed parents in developing family formation and sustaining behaviors.

CHILD AND FAMILY SERVICES

Number of children in foster care; reduction; goal.

Sec. 501. The following goal is established by state law. During fiscal year 2006-2007, not more than 3,000 children supervised by the department shall remain in foster care longer than 24 months. The department shall give priority to reducing the number of children

under 1 year of age in foster care. During the annual budget presentation, the department shall report on the number of children supervised by the department and by private agencies who remain in foster care between 12 and 24 months, and those who remain in foster care longer than 24 months.

Reimbursement to Indian tribal governments for foster care expenditures.

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.

Adoption subsidy payments after eighteenth birthday of adoptee.

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

- (a) Has not yet graduated from high school or passed a high school equivalency examination.
- (b) Is making progress toward completing high school.
- (c) Has not yet reached his or her nineteenth birthday.
- (d) Is not eligible for federal supplemental security income (SSI) payments.

Foster care private collections; satisfaction of appropriation deducts.

Sec. 504. 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 shall include revenues collected during the fiscal year in excess of the amount specified in part 1.

Children's trust fund grants.

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 in an amount not to exceed \$800,000.00.

(2) The state child abuse and neglect prevention board may initiate a joint project with another state agency to the extent that the project supports the programmatic goals of both the state child abuse and neglect prevention board and the state agency. The department may invoice the state agency for shared costs of a joint project in an amount authorized by the state agency, and the state child abuse and neglect prevention board may receive and expend funds for shared costs of a joint project in addition to those authorized by part 1.

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

Preservation or reunion of family; expenditure of funds prohibited; exception.

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

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

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

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

Contracts with service providers; bids not required if only 1 provider in service area.

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

Placement of child in out-of-state facility; expenditure of funds prohibited; exceptions; report.

Sec. 513. (1) The department shall not expend funds appropriated in part 1 to pay for the placement 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, while an out-of-state placement does exist within 100 miles of the child's home.

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

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

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

(2) The department shall submit a report by February 1 of each year on the number of children who were newly 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, and the total cost and average per diem cost of these out-of-state placements to the state.

Children's protective services; report.

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, 2007, 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, socioeconomic status, race, and ethnicity and whether the perpetrator exposed the child victim to criminal drug activity, including the manufacture of illicit drugs, that exposed the child victim to significant health and environmental hazards.

(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.

(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 number of cases in category III closed during the time period covered by the report categorized as follows:

- (i) Transfer to foster care.
- (ii) Risk of further child abuse or neglect has been reduced to an acceptable level.
- (iii) The perpetrator no longer has access to the child victim.
- (iv) Unsatisfactory family response - referral to court not feasible.
- (v) Child protective services not needed - family is receiving services from another program.
- (vi) Client unavailable for services, location of client unknown.
- (vii) Other.

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

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

Foster care services with private, nonprofit agencies; implementation of performance-based managed care; report.

Sec. 515. From the funds appropriated in part 1 for foster care payments and Wayne County foster care payments and related administrative costs, the department shall implement a performance based managed care approach to contracting for foster care services with private, nonprofit agencies. The goal of these contracts shall be to provide incentives for agencies to improve the process of placing children in permanent placements and reducing the time children spend in foster care. 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 office on this foster care permanency program and make recommendations for program expansion to all the counties of this state no later than August 30, 2007. The department shall develop these recommendations with sufficient detail that permanency programs may be implemented as soon as possible after September 30, 2007.

Allocation of funds to multipurpose collaborative bodies; priority; funding community-based collaborative prevention services; "state human services directors" defined.

Sec. 517. (1) From the funds appropriated in part 1, the department is authorized to allocate funds to multipurpose collaborative bodies. Priority for activities and services will be given to at-risk children and families and cases classified by the department as category III or category IV under sections 8 and 8d of the child protection law, 1975 PA 238, MCL 722.628 and 722.628d.

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

- (a) Foster positive parenting skills especially for parents of children under 3 years of age.
- (b) Improve parent/child interaction.
- (c) Promote access to needed community services.
- (d) Increase local capacity to serve families at risk.
- (e) Improve school readiness.
- (f) Support healthy family environments that discourage alcohol, tobacco, and other drug use.

(3) The appropriation provided for in subsection (2) is to fund secondary prevention programs as defined in the children's trust fund's preapplication materials for fiscal year 2006-2007 direct services grants.

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

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

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

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

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

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

Youth in transition, domestic violence prevention and treatment, and teenage parent counseling; TANF funds; report; matching funds.

Sec. 523. (1) From the funds appropriated in part 1 for youth in transition, domestic violence prevention and treatment, and teenage parent counseling, 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.

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

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

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

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

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

(iv) The number of father participants.

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

(i) Adult supervised, supportive living arrangements.

(ii) Pregnancy prevention services or referrals.

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

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

(v) Parenting and life-skills training.

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

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

(viii) Instruction on self-protection.

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

Prevention programs; report.

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

- (a) The average cost per recipient served.
- (b) Measurable performance indicators.
- (c) Desired outcomes or results and goals that can be measured on an annual basis, or desired results for a defined number of years.
- (d) Monitored results.
- (e) Innovations that may include savings or reductions in administrative costs.

Payments to local units of government; formal agreement.

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

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

- (a) Provide for the department to retain 50% of the federal revenues earned.
- (b) Provide for department review and approval of the local unit's plan for allocating costs to title IV-E.
- (c) Provide for the local unit of government to submit bills at times, and in the format, specified by the department.
- (d) Specify that the local unit of government is responsible for meeting all federal title IV-E regulation requirements, including reporting requirements, with regard to the activities and costs being billed to title IV-E.
- (e) Provide for the local unit of government to pay the state for the amount of any federal revenues paid to the local unit that may subsequently be disallowed by the federal government.
- (f) Be signed by the director of the department, the chief executive officer of the local government agency providing the title IV-E services, the chair of the county board of commissioners, and the chief executive officer of the county.

Child placing agencies and child caring institutions; annual license review and annual contract compliance review.

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

(2) The department shall develop a streamlined licensing contract compliance review process where possible, including potential for utilizing deeming status for nationally accredited agencies. 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, 2007 on the implementation of the licensing and contract compliance review process.

Title IV-E out-of-home care services; payments to nonprofit child placing facilities.

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

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

Geographically based assignment system for foster care; implementation prohibited; exception.

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

Placement of foster children with private nonprofit licensed agencies; conditions; development of methodology for measuring goals, objectives, and performance standards; report.

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

(2) The department, in conjunction with private child placing agencies, shall develop a methodology for measuring goals, objectives, and performance standards for the delivery of foster care and adoption services. These goals, objectives, and performance standards shall apply to both public and private delivery of child welfare services, and data shall be collected from both private and public child welfare programs that can be used to evaluate performance achievements, including, but not limited to, the following:

(a) Average caseload per foster care worker.

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

(c) Range of services provided.

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

(3) The department shall submit a quarterly report to the legislature outlining the progress of the development of the goals, objectives, and performance standards, as well as the information collected through the implementation of the measurement program.

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

Children adjudicated abused, neglected, or delinquent; residential treatment required; placement criteria.

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

of services. The placement criteria shall include a continuum of care settings and options as appropriate for each child and his or her needs at specific times, including home placements, relative placements, shelter placements, and other options.

Accelerated residential treatment; pilot projects.

Sec. 544. The department shall implement pilot projects with applications pending for accelerated residential treatment.

Specialized foster care system.

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

(2) The department shall report to the senate and house appropriations subcommittees for the department budget on the number of new specialized foster care programs required under section 545(3) of 2004 PA 344 not later than January 15, 2007. If no new specialized foster care programs have been authorized, the department shall provide an explanation, a list of all applicants who applied but were denied, and a strategic plan to provide for new specialized foster care programs.

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

Foster care daily rate; increase.

Sec. 546. Of the funds appropriated in part 1 for foster care and Wayne County foster care payments, the legislature intends the increase in funding above the appropriated amounts in fiscal year 2005-2006 to increase the general foster care daily rate to \$19.40.

Disproportionate representation of African-American and other children of color; implementation of task force recommendations; report.

Sec. 548. During the annual budget presentation to the house and senate appropriations subcommittees on the department budget, the department shall report on progress in implementing the recommendations of the task force that studied the disproportionate representation of African-American and other children of color in the child welfare and juvenile justice systems as required under former section 548 of the fiscal year 2005-2006 budget act for the department.

Oversight process for child welfare services; streamlining.

Sec. 549. The department shall meet with personnel employed by the office of the children's ombudsman and the state court administrative office's foster care review board to investigate streamlining the oversight process for child welfare services. The intent of the legislature is to ensure appropriate and adequate oversight while reducing duplication and redundancy between government offices.

Offer of nicotine patches or smoking cessation products to foster parents; pilot project.

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

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

(3) The department shall report to the senate and house appropriations subcommittees for the department budget on the results of the pilot program implemented under subsection (2) not later than September 30, 2007.

Nonsmoking as requirement for foster parenting; report.

Sec. 551. The department shall submit a report not later than September 30, 2007 to the senate and house appropriations subcommittees on the department budget that includes the number of children in foster homes where parents smoke, the subsequent health costs incurred, and what the impact would be on foster care recruitment if being a nonsmoker was a requirement for foster parenting.

Task force on services to at-risk youth transitioning to adulthood.

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

(a) Assess currently available services.

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

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

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

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

(f) Recommend actions to enhance services.

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

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

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

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

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

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

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

(g) The Michigan probate judges association.

(h) The Michigan community mental health boards.

(i) Fight crime: invest in kids – Michigan.

(j) The Michigan association of school administrators.

(k) The Michigan association of united ways.

(l) The Michigan council on crime and delinquency.

(m) The Michigan federation for children and families.

(n) The Michigan network for youth and families.

(o) Michigan's children.

- (p) The school–community health alliance of Michigan.
- (q) The student advocacy center of Michigan.
- (r) The Skillman foundation.
- (s) The W.K. Kellogg foundation.
- (t) The C.S. Mott foundation.
- (u) The Frey foundation.
- (v) The Annie E. Casey foundation.
- (w) Youth and adults who are currently or were formerly served by 1 or more services provided by the department to at-risk youth.
- (x) Representatives of faith-based organizations.

(3) By June 30, 2007, the task force created under subsection (1) shall report to the department. The report shall include the task force findings, assessments, plan, and recommendations under subsection (2).

(4) By September 30, 2007, the department shall provide to the senate and house of representatives standing committees with primary jurisdiction over human service matters, the senate and house of representatives appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget office the task force's report under subsection (3) and identify any actions the department has taken or intends to take as a result of the report.

Report; contents.

Sec. 556. The department shall submit a report to the chairpersons of the senate and house of representatives appropriations committees and the senate and house fiscal agencies and policy offices that includes all of the following:

(a) A description of how the department is complying with federal requirements to notify prospective adoptive parents about adoption subsidies for which those prospective adoptive parents may qualify.

(b) The number of requests received by the department from adoptive parents for funds or reimbursement of costs to attend conferences that include training or discussion of significant adoption issues.

(c) The number of the requests described in subdivision (b) that were approved by the department.

(d) The number of the requests described in subdivision (b) that were denied by the department.

(e) The total amount of money expended on the requests described in subdivision (b) that were approved.

(f) The number of fair hearing requests from adoptive parents received by the department challenging the amount of the adoption subsidy.

(g) The number of challenges described in subdivision (f) alleging that a means test or similar test was used to determine the amount of the adoption subsidy.

(h) The number of challenges described in subdivision (f) alleging that an adoption subsidy amount was reduced without the consent of the adoptive parent.

(i) The number of challenges described in subdivision (f) alleging that a request for an increase in an adoption subsidy amount was denied based on a means test or similar test.

(j) The number of adoption subsidy payments suspended when the child is still in the custody of the adoptive parent, but no longer in the physical care of that adoptive parent.

Conflict between state and federal provisions.

Sec. 559. If a conflict arises between the provisions of state law, department rules, or department policy, and the provisions of title IV-E, the provisions of title IV-E prevail.

Use of audio/video recorders by child protective services workers.

Sec. 560. Of the amount appropriated in section 108 of part 1 for contractual services, supplies, and materials, the department shall expend \$350,000.00 to equip current and new child protective services workers with digital audio/video recorders. All district offices shall have at least 1 digital audio/video recorder. All current and future child protective services workers shall be trained in the use of the digital audio/video recorders. Child protective services workers shall use digital audio/video recorders during their investigations if a public safety officer is not present. It is the intent of the legislature that the use of these recorders will safeguard the information discovered during an investigation for future use in judicial procedures, documentation of child abuse and neglect, and removal of children from a home.

Children's advocacy agencies; preference.

Sec. 561. In making expenditures from the appropriations in part 1, the department shall give preference to children's advocacy agencies that provide a coordinated investigation and comprehensive response to child abuse when granting contracts for child abuse services. These agencies shall provide a multidisciplinary team approach for responding to child abuse allegations. The multidisciplinary team should include representation from the children's advocacy agency, law enforcement, child protective services, prosecuting attorneys, mental health agencies, medical professionals, and victim advocacy.

Placements in secure residential facilities; federal funding; claims.

Sec. 562. The department shall consider allowing a county or counties to submit claims for federal title IV-E foster care funding for placements in secure residential facilities when a county or counties can demonstrate that the reason for the secure placement is a diagnosed medical necessity and not public protection.

Foster care payments and administrative costs; federal waiver.

Sec. 563. From the funds appropriated in part 1 for foster care payments and related administrative costs, the department may implement the federally approved title IV-E demonstration project waiver.

Youth in transition; runaway and homeless youth providers' contract rate; increase.

Sec. 564. Of the funds appropriated in part 1 for youth in transition, the legislature intends the increase in funding above the appropriated amounts in fiscal year 2005-2006 to increase the runaway and homeless youth providers contract rate by 3% beginning April 1, 2007.

Allocation of federal funds to Wayne County; services for adjudicated delinquent youth and abused and neglected youth; condition.

Sec. 565. (1) From the funds appropriated in part 1 for federally-funded family preservation programs, the department shall allocate up to \$2,000,000.00 to Wayne County to provide home-based programs as part of the county expansion of community-based services to serve the county's adjudicated delinquent and abused and neglected youth.

(2) One-half of the total amount allocated to Wayne County shall be used to serve adjudicated delinquent youth, and 1/2 shall be used to serve abused and neglected youth.

(3) Federal revenues shall be paid to Wayne County as reimbursement for actual costs incurred, consistent with established federal requirements.

(4) As a condition of receipt of federal funds pursuant to subsection (1), Wayne County shall provide the department with a plan for the use of allocated funds in a format to be specified by the department. The county shall also provide the department with all information required to demonstrate the appropriateness and allowability of expenditures and to meet federal financial and programmatic reporting requirements.

PUBLIC ASSISTANCE

Noncompliance with local housing codes or delinquency in property tax payments; termination of vendor payments; conditions for participation in vendoring programs.

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

(2) 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.

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

Agreements with energy providers; payments; caps; standard utility allowance.

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

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

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

State disability program; operation; eligibility.

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 as defined in subdivision (a), (b), (e), or (f) above.

(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 to applicants 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.

(4) A refugee or asylee who loses his or her eligibility for the federal supplemental security income program by virtue of exceeding the maximum time limit for eligibility as delineated in 8 USC 1612 and who otherwise meets the eligibility criteria under this section shall be eligible to receive benefits under the state disability assistance program.

Level of reimbursement.

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.

Receipt of retroactive supplemental security income benefits; repayment to state disability assistance program.

Sec. 606. County department offices shall require each recipient of 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 state disability assistance program upon receipt of retroactive supplemental security income benefits.

Net recoveries received during current fiscal year.

Sec. 607. 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 shall include all related net recoveries received during the current fiscal year.

Adult foster care facilities or homes for the aged; limitation on reimbursement rates.

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.

State supplementation level; reduced level prohibited; notice required.

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 during the fiscal year beginning October 1, 2006 and ending September 30, 2007. The legislature shall be notified not less than 30 days before any proposed reduction in the state supplementation level.

State emergency relief program; good cause criteria.

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

Indigent burial services; collection of additional payment.

Sec. 611. (1) A provider of indigent burial services may collect additional payment from relatives or other persons on behalf of the deceased if the total additional payment does not exceed \$2,600.00.

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

(3) A provider of indigent burial services under the indigent burial services pilot project begun in fiscal year 2005-2006 shall not request or accept payment from a relative of the deceased or from another individual, other than payment under the pilot project.

Housing affordability eligibility; requirement.

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

Indigent burial services pilot project.

Sec. 613. (1) Beginning January 1, 2007, the department shall begin statewide implementation of the indigent burial services pilot project begun in fiscal year 2005-2006.

(2) If the department, in consultation with representatives of funeral establishments, determines on or before December 31, 2006 that continued implementation of the indigent

burial services pilot program will lead to excessive demands upon appropriated funds for the program, the department shall notify the senate and house subcommittees with jurisdiction over the department's budget that it is suspending the program.

(3) If the program is suspended pursuant to subsection (2), the department shall immediately implement payments for services according to the payment standards used in fiscal year 2005-2006.

(4) Providers of burial services shall be responsible for expenses in excess of appropriated amounts for the period of the indigent burial services project's implementation, but the department shall not increase those expenses by untimely delays in acting upon a request from representatives of funeral establishments that the program be suspended and notice sent to the legislative subcommittees referred to in subsection (2).

Burial services; availability of funds.

Sec. 614. Until January 1, 2007, the funds available in part 1 for burial services shall be available if the deceased was an eligible recipient and an application for emergency relief funds was made within 10 days of the burial or cremation of the deceased person. Each provider of burial services shall be paid directly by the department.

Public assistance to illegal alien prohibited; exception.

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 or emergency shelter providers who may, as a normal part of doing business, provide food or emergency shelter to individuals.

Minor parent's adult supervised household; partner as supervising adult prohibited.

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

Reduction, termination, or suspension of assistance without prior notice.

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

- (a) The only eligible recipient has died.
- (b) A recipient member of a program group or family independence assistance group has died.
- (c) A recipient child is removed from his or her family home by court action.
- (d) A recipient requests in writing that his or her assistance be reduced, terminated, or suspended.
- (e) A recipient has been approved to receive assistance in another state.
- (f) A change in either state or federal law that requires automatic grant adjustments for classes of recipients.
- (g) The only eligible recipient in the household has been incarcerated.
- (h) A recipient is no longer a Michigan resident.
- (i) A recipient is closed on 1 case to be activated on another.

(j) Federal payments (other than RSDI, railroad retirement, or VA) to the group have begun or increased.

(k) A recipient is disqualified for intentional program violation.

(l) When the department's negative action is upheld in an administrative hearing.

Federal assistance benefits; exemption from denial; conditions.

Sec. 619. The department shall exempt from the denial of title IV-A assistance and food assistance benefits, contained in 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.

Food assistance program benefits; increase in federal spending authority; authorization adjustment.

Sec. 620. The department with the approval of the state budget director is authorized to increase federal spending authority for food assistance program benefits if projected caseload spending will exceed the spending authority in part 1. This authorization adjustment shall be made 15 days after notifying the chairs of the house and senate appropriations subcommittees on the department budget and house and senate fiscal agencies.

Multicultural assimilation and support services.

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

Day care services; EQUIP funds.

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

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

Policies and procedures.

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

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

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

(c) In accordance with a determination of good cause, the waiving of certain requirements of family independence programs where compliance with those requirements would make it more difficult for the individual to escape domestic violence or would unfairly penalize

individuals who have been victims of domestic violence or who are at risk of further domestic violence.

Child day care provider; payments; determination whether provider listed on child abuse and neglect central registry.

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

Infant and toddler incentive payments.

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

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

R.E.A.D.Y. kits.

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

Admission of families to homeless shelters; TANF eligibility.

Sec. 643. As a condition of receipt of federal TANF funds, homeless shelters 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 shelter contracts, 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 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.

Living temporarily with others to escape domestic violence; consideration as homeless.

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.

Food assistance; exemption from limitation for victim of domestic violence.

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.

Before- or after-school programs.

Sec. 657. (1) The department shall fund a statewide before- or after-school program to provide youth with a safe, engaging environment to motivate and inspire learning outside the traditional classroom setting. Before- or after-school program eligibility is limited to 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. Before-school programs are limited to elementary school-aged children. Effective before- or after-school programs combine academic, enrichment, and recreation activities to guide learning and inspire children and youth in various activities. The before- or after-school programs can meet the needs of the communities served by the programs.

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

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

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

- (a) Abstinence-based pregnancy prevention.
- (b) Chemical abuse and dependency including nonmedical services.
- (c) Gang violence prevention.
- (d) Preparation toward future self-sufficiency.
- (e) Leadership development.
- (f) Case management or mentoring.
- (g) Parental involvement.
- (h) Anger management.

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

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

(7) By January 30, 2007, the department before- or after-school program expenditures shall be audited and the department shall work in collaboration with independent contractors to provide a report on the before- or after-school program to the senate and house standing committees dealing with human services, the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies, and the senate and

house policy offices. The report shall include the number of participants and the average cost per participant, as well as changes noted in program participants in any of the following categories:

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

Grand Rapids youth commonwealth; allocation of funds for programs at camp O'Malley.

Sec. 658. From the funds appropriated in part 1 for day care services, \$126,500.00 in TANF funds shall be allocated to Grand Rapids youth commonwealth to support after-school and summer programs at camp O'Malley. As a condition for receiving funds, Grand Rapids youth commonwealth shall comply with all policies and reporting requirements placed on recipients of before- and after-school grants awarded under section 657.

Food bank funding; allocation of TANF funds.

Sec. 660. From the funds appropriated in part 1 for food bank funding, 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. The agencies that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive allocations in excess of those received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Public transportation; use of TANF funding.

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

Participation in federal earned income tax credit; increase.

Sec. 666. The department shall continue efforts to increase the participation of eligible family independence program recipients in the federal earned income tax credit.

Community-based program; collaboration with boys and girls clubs; allocation of TANF funds; priority.

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

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

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

Cash and food assistance; electronic use of debit cards; clothing allowance.

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

(2) The department shall allocate up to \$7,167,500.00 for the annual clothing allowance. The allowance shall be granted to all eligible children as defined by the department.

Kinship care.

Sec. 670. The funds appropriated in part 1 for kinship care in the fiscal year ending September 30, 2007 reflect the legislature's commitment to reduce the benefit discrepancy between kinship care and a similar family size within the family independence program (FIP). The legislature recognizes the commitment of relatives to provide family continuity, nurturance, and care for this special population of children who can no longer remain in their parents' care due to abuse, neglect, or other social problems.

Child day care program; notice to provider of reduced or eliminated eligibility of client.

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

Child day care program; plan to reduce waste, fraud, and abuse.

Sec. 674. The department shall develop and implement a plan to reduce waste, fraud, and abuse within the child day care program, including feasibility for expanding wage match and employer verification, unannounced home call verification at day care sites, compliance with recommendations of the auditor general in the May 2005 performance audit of the child day care and child welfare licensing divisions, and other process changes. Beginning December 31, 2006, the department shall report annually to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on plan details and implementation status, including, at least, the following measurable performance indicators:

- (a) The success or failure of the expansion of wage match and employer verification.
- (b) The success or failure of unannounced home call verification at day care sites.
- (c) The success or failure of complying with the recommendations of the auditor general in the May 2005 performance audit of the child day care and child welfare licensing divisions.
- (d) The amount of money recovered as a result of the plan for the preceding fiscal year.
- (e) The amount of money saved as a result of the plan for the preceding fiscal year.
- (f) The number of day care case closures as a result of the plan.
- (g) The number of criminal convictions as a result of the plan.
- (h) Any policy changes related to the plan.

Child day care; implementing rate structure; identification of barriers to services.

Sec. 675. (1) The department shall continue to explore policy options and the potential costs of implementing a child day care rate structure that more accurately reflects the market cost and availability of care by vicinity.

(2) The department shall work with family independence program recipients, employers, and day care or kinship providers to identify barriers to day care services for custodial

parents working nontraditional work schedules or engaged in education and training programs with nontraditional times and shall report recommendations to the legislature during the annual budget presentation to the senate and house subcommittees with jurisdiction over the department's budget. These recommendations shall include measures to increase awareness and access to day care for those recipients.

Michigan after-school partnership.

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

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

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

Percentage of FIP cases involved in employment activities; report; plan to increase.

Sec. 677. The department shall establish a state goal for the percentage of family independence program (FIP) cases involved in employment activities. The percentage established shall not be less than 50%. On a monthly basis, 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 the current percentage of FIP cases involved in employment activities and the current percentage of JET pilot program cases involved in employment activities. If the FIP case percentage is below the goal for more than 2 consecutive quarters, the department shall develop a plan to increase the percentage of FIP cases involved in employment-related activities. The department shall deliver the plan during the next annual budget presentation to the senate and house appropriations subcommittees on the department budget.

Early childhood investment corporation; report; contracts.

Sec. 678. (1) The department shall provide the house and senate appropriations subcommittees on the department budget with an annual report on the activities of the early childhood investment corporation (ECIC). The report is due by February 1 of each year and shall contain at least the following information:

(a) Expenditures for the prior fiscal year and planned expenditures for the current fiscal year for ECIC administration and for each program administered by the ECIC.

(b) The projected funding sources for the ECIC expenditures in subdivision (a).

(c) A list of all new and ongoing contracts for ECIC programs.

(2) All contracts shall be bid out through a statewide request-for-proposal process, and the department shall send a report to the house and senate appropriations subcommittees on the department budget covering the selection criteria for establishing contracts at least 30 days before the issuance of any request for proposals.

Distribution of food assistance program benefits; implementation of policy changes.

Sec. 681. By December 1, 2006, the department shall implement policy changes in the distribution of food assistance program benefits to address concerns expressed by grocers, food providers, and the Michigan food policy council. The distribution change shall seek to achieve a more uniform flow of food assistance expenditures in any given month and also consider the needs of recipients. A report on the implemented policy changes shall be provided to the house and senate appropriations committees, the house and senate fiscal agencies, and the house and senate policy offices by December 1, 2006.

JUVENILE JUSTICE SERVICES**Juvenile justice services; authorization for expansion; public hearing required.**

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

Juvenile justice residential programs; goals, objectives, and performance standards; budget presentation.

Sec. 705. (1) The department, in conjunction with private juvenile justice residential programs, shall develop a methodology for measuring goals, objectives, and performance standards for the delivery of juvenile justice residential programs based on national standards and best practices. These goals, objectives, and performance standards shall apply to both public and private delivery of juvenile justice residential programs, and data shall be collected from both private and public juvenile justice residential programs that can be used to evaluate performance achievements, including, but not limited to, the following:

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

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

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

(2) The department during the annual budget presentation shall outline the progress of the development of the goals, objectives, and performance standards, as well as the information collected through the implementation of the performance measurement program. The presentation shall include all of the following:

(a) Trends in census and population demographics.

(b) Program outcomes.

(c) Staff and resident safety.

(d) Facility profile.

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

Alternative regional detention services; charge-back.

Sec. 706. Counties shall be subject to 50% charge-back 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.

Reimbursement for child care fund expenditures; reporting requirements.

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.

Service spending plan; submission by counties.

Sec. 708. As a condition of receiving funds appropriated in part 1 for the child care fund, by February 15, 2007, counties shall have an approved service spending plan for the fiscal year ending September 30, 2007. Counties must submit the service spending plan to the department by December 15, 2006 for approval.

Juvenile justice information networks.

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

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

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

(4) The department shall report to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director by January 15, 2007 on department efforts to encourage county information networks development described in subsection (1).

Status of implementing recommendations of 2001 joint house and senate task force; report.

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

(2) The department shall report to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director by October 30, 2006 on the status of implementing recommendations of the 2001 joint house and senate task force on juvenile justice, including, but not limited to, the following:

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

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

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

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

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

(f) Multisystem therapy.

(g) Youth service projects.

(h) Community services projects.

Closure or change in status of state juvenile justice facility; notice to legislature.

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

High security juvenile services.

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

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

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

(a) Lower recidivism rates.

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

(c) Shorter average stays in a residential facility.

(d) Lower average cost per resident.

(e) Availability of appropriate services to residents.

(4) The department shall comply with section 1150 of the social welfare act, 1939 PA 280, MCL 400.1150, regarding placement of juvenile offenders, and shall refer to that statutory requirement in making referral recommendations to courts for secure residential programs.

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

Entry of juvenile offenders into society; treatment.

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

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

(a) Reduced rates of recidivism.

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

(c) Shorter average stays in a residential facility.

(d) Availability of appropriate services to residents.

(3) The department shall comply with section 1150 of the social welfare act, 1939 PA 280, MCL 400.1150, regarding the placement of juvenile offenders, and shall refer to that statutory requirement in making referral recommendations to courts for residential treatment programs.

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

Juvenile justice day programs; allocation of money.

Sec. 722. (1) The goal of community juvenile justice centers shall be the effective treatment and rehabilitation of juvenile offenders in appropriate community settings.

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

- (a) Reduced rates of recidivism.
- (b) Higher rates of high school or GED completion.
- (c) Availability of appropriate services to offenders.

Security levels; funding.

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

LOCAL OFFICE SERVICES

Out-stationed eligibility specialists; maintenance.

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

School-based family resource centers; guidelines; notice.

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

- (a) The center is supported by the local school district.
- (b) The programs and information provided at the center do not conflict with sections 1169, 1507, and 1507b of the revised school code, 1976 PA 451, MCL 380.1169, 380.1507, and 380.1507b.
- (c) Notwithstanding subdivision (b), the center shall provide information regarding crisis pregnancy centers or adoption service providers in the area.

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

- (a) A list of eligible schools.
- (b) The selection criteria to be used.
- (c) The projected number to be opened.
- (d) The financial implications for expansion, including funding sources.

Train-the-trainer program.

Sec. 753. 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, 2006 on each specific policy change made to implement enacted legislation and the plans to implement the recommendations, including time lines, 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.

DISABILITY DETERMINATION SERVICES

Medical disability retirement for state employees, state police, judges, and school teachers.

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

CHILD SUPPORT ENFORCEMENT

Federal child support incentive payment.

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 and expended for child support program expenses.

(3) From the federal money received for child support incentive payments, \$14,500,000.00 shall be paid to the counties based on each county's performance level for each of the federal performance measures as established in the code of federal regulations, CFR 45.305.2.

(4) If the child support incentive payment to the state from the federal government is greater than \$26,500,000.00, then 100% of the excess shall be retained by the state and is appropriated until the total retained by the state reaches \$15,397,400.00.

(5) If the child support incentive payment to the state from the federal government is greater than the amount needed to satisfy the provisions identified in subsections (1), (2), (3), and (4), the additional funds shall be subject to appropriation by the legislature.

(6) If the child support incentive payment to the state from the federal government is less than \$26,500,000.00, then the state and county share shall each be reduced by 50% of the shortfall.

Child support computer system; funding; reports.

Sec. 902. (1) The department shall continue its work to fix and improve the child support computer system using the funding carried forward from fiscal year 2005-2006 appropriations.

(2) The department shall consult with the department of treasury and any outside consultant with collections expertise under contract with the department of treasury to develop a plan to maximize the collection of child support and child support arrearage settlement for the purposes of this section.

(3) The department, through the child support leadership group, shall provide quarterly reports to the legislature concerning money expended and improvements made as a result of this section.

Child support statewide database; update and maintenance of health insurance information; contracts.

Sec. 903. The department may facilitate with the department of community health a program under which the departments independently or jointly contract with local friend of the court offices to update and maintain the child support statewide database with health insurance information in cases in which the court has ordered a party to the case to maintain health insurance coverage for the minor child or children involved in the case and to assist in the recovery of money paid by the state for health care costs that are otherwise recoverable from a party to the case. The program shall be in addition to a program or programs under existing contract between either or both of the departments with a private entity on September 1, 2005. The program shall be entirely funded with state and federal funds from money first recovered or through costs that are avoided by charging the insurance coverage for minor children from state programs to private insurance.

Fees relating to tax intercept and offset programs; chargeback to counties prohibited.

Sec. 904. The department is prohibited from charging back to the counties any of the fees paid that are charged by the internal revenue service or the department of treasury related to the tax intercept and offset programs. The state share of those fees shall be paid from money otherwise provided for office of child support programs.

Legal services; local match.

Sec. 905. Of the funds appropriated in part 1 for child support collections, \$1,000,000.00 shall be allocated to counties for the local match for friend of the court services legal support contracts and to payments to county prosecutors for related legal services.

Legal support contracts; payments under MCL 400.18a.

Sec. 906. From the funds appropriated in part 1 for legal support contracts, \$1,000,000.00 shall be allocated and paid pursuant to section 18a of the social welfare act, 1939 PA 280, MCL 400.18a.

Contract with public or private collection agency; pilot program.

Sec. 907. The office of child support in cooperation with the state court administrative office shall establish a pilot program to examine the effectiveness of contracting with a public or private collection agency as authorized under section 10 of the office of child support act, 1971 PA 174, MCL 400.240. The pilot program shall be implemented during fiscal year 2006-2007. Any restricted revenue collected pursuant to this section shall not be expended until the department and representatives from counties and the friends of the court meet and agree upon recommendations for use of the revenue. The revenue is subject to appropriation by the legislature.

OFFICE OF CHILDREN AND ADULT LICENSING**Licensing and regulating child care organizations and adult foster care facilities; fees.**

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

Juvenile residential services; evaluation reports.

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

Lead hazards; inspection; remediation.

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

Additional licensing investigators; use of funds.

Sec. 1004. From the funds appropriated in part 1 for AFC, children's welfare, and day care licensure, \$358,800.00 shall be used to hire 5 additional licensing investigators. At least 50% of the investigators hired shall specifically investigate those allegations classified by the department as high risk. An investigation would be in the high risk category if it involves the following: death or serious injury; alleged physical, sexual, or emotional abuse, neglect, endangerment, or exploitation; or any situation that threatens the life of a child in care.

Performance-based licensing system; plan.

Sec. 1005. The department shall develop a plan for a performance-based licensing system. The plan shall include an approach that emphasizes site visits for new licensees and licensees with violations or filed complaints and random, but not required, site visits for licensees who have been in business for 5 years or more with no violations or filed complaints. The plan shall direct the licensing staff and field consultants to prioritize resources and site reviews on new licensees and those with documented complaints. The plan activities shall also be based on risk to the vulnerable children and adults receiving services from licensees. The plan shall include an implementation date for fiscal year 2006-2007 and be submitted, by January 31, 2007, 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.

ARTICLE 11

JUDICIARY

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations; judiciary.

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the judicial branch for the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

For Fiscal Year
Ending Sept. 30,
2007

JUDICIARY

APPROPRIATION SUMMARY:

Full-time equated exempted positions.....	509.0		
GROSS APPROPRIATION.....		\$	259,428,100
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			2,563,500
ADJUSTED GROSS APPROPRIATION.....		\$	256,864,600
Federal revenues:			
Total federal revenues.....			4,626,400
Special revenue funds:			
Total local revenues			3,612,400
Total private revenues.....			842,500
Total other state restricted revenues.....			87,178,500
State general fund/general purpose		\$	160,604,800

Supreme court (safety).

Sec. 102. SUPREME COURT (SAFETY)

Full-time equated exempted positions.....	235.0		
Supreme court administration—97.0 FTE positions.....		\$	11,361,800
Judicial institute—16.0 FTE positions.....			2,756,500
State court administrative office—62.0 FTE positions			10,562,100
Judicial information systems—18.0 FTE positions			3,291,100
Direct trial court automation support—26.0 FTE positions.....			3,612,400
Foster care review board—12.0 FTE positions.....			1,277,800
Community dispute resolution—4.0 FTE positions			2,277,300
Other federal grants.....			275,000
Drug treatment courts.....			4,729,000
GROSS APPROPRIATION.....		\$	40,143,000

Appropriated from:

Interdepartmental grant revenues:			
IDG from department of community health.....			1,800,000
IDG from department of labor and economic growth.....			40,000
IDG from state police - Michigan justice training fund.....			300,000
Federal revenues:			
DOJ, victims assistance programs.....			50,000
DOJ, drug court training and evaluation			300,000
DOT, national highway traffic safety administration			800,000
HHS, access and visitation grant			387,000
HHS, children's justice grant			206,300
HHS, court improvement project.....			1,160,000
HHS, title IV-D child support program.....			907,700
HHS, title IV-E foster care program			540,400
Other federal grant revenues.....			275,000
Special revenue funds:			
Local - user fees.....			3,612,400
Private			169,000
Private - interest on lawyers trust accounts.....			232,700

		For Fiscal Year Ending Sept. 30, 2007
Private - state justice institute	\$	370,800
Community dispute resolution fund		2,277,300
Law exam fees		482,100
Drug court fund		1,920,500
Miscellaneous revenue		227,900
Justice system fund		700,000
State court fund		339,000
State general fund/general purpose	\$	23,044,900

Court of appeals (safety).**Sec. 103. COURT OF APPEALS (SAFETY)**

Full-time equated exempted positions.....	212.0	
Court of appeals operations—212.0 FTE positions	\$	19,615,700
GROSS APPROPRIATION	\$	19,615,700
Appropriated from:		
Special revenue funds:		
Court filing/motion fees		1,958,500
Miscellaneous revenue		77,800
State general fund/general purpose	\$	17,579,400

Branchwide appropriations (safety).**Sec. 104. BRANCHWIDE APPROPRIATIONS (SAFETY)**

Full-time equated exempted positions.....	4.0	
Branchwide appropriations—4.0 FTE positions	\$	8,200,000
GROSS APPROPRIATION	\$	8,200,000
Appropriated from:		
State general fund/general purpose	\$	8,200,000

Justices' and judges' compensation (safety).**Sec. 105. JUSTICES' AND JUDGES' COMPENSATION (SAFETY)**

Full-time judges positions.....	617.0	
Supreme court justices' salaries—7.0 judges	\$	1,152,300
Court of appeals judges' salaries—28.0 judges		4,240,300
District court judges' state base salaries—258.0 judges		23,877,200
District court judicial salary standardization		11,796,800
Probate court judges' state base salaries—103.0 judges.....		9,498,100
Probate court judicial salary standardization.....		4,599,700
Circuit court judges' state base salaries—221.0 judges		20,723,000
Circuit court judicial salary standardization		10,059,300
Judges' retirement system defined contributions		3,094,600
OASI, social security.....		4,978,900
GROSS APPROPRIATION	\$	94,020,200
Appropriated from:		
Special revenue funds:		
Court fee fund		7,090,200
State general fund/general purpose	\$	86,930,000

For Fiscal Year
Ending Sept. 30,
2007

Judicial agencies (safety).

Sec. 106. JUDICIAL AGENCIES (SAFETY)

Full-time equated exempted positions.....	8.0		
Judicial tenure commission—8.0 FTE positions		\$	1,023,500
GROSS APPROPRIATION.....		\$	1,023,500
Appropriated from:			
State general fund/general purpose		\$	1,023,500

Indigent defense - criminal (safety).

Sec. 107. INDIGENT DEFENSE - CRIMINAL (SAFETY)

Full-time equated exempted positions.....	50.0		
Appellate public defender program—42.0 FTE positions.....		\$	4,903,500
Appellate assigned counsel administration—8.0 FTE positions			894,200
GROSS APPROPRIATION.....		\$	5,797,700
Appropriated from:			
Interdepartmental grant revenues:			
IDG from state police - Michigan justice training fund.....			423,500
Special revenue funds:			
Private - interest on lawyers trust accounts.....			70,000
Miscellaneous revenue			113,100
State general fund/general purpose		\$	5,191,100

Indigent civil legal assistance (safety).

**Sec. 108. INDIGENT CIVIL LEGAL ASSISTANCE
(SAFETY)**

Indigent civil legal assistance.....		\$	7,937,000
GROSS APPROPRIATION.....		\$	7,937,000
Appropriated from:			
Special revenue funds:			
State court fund			7,937,000
State general fund/general purpose		\$	0

Trial court operations (safety).

Sec. 109. TRIAL COURT OPERATIONS (SAFETY)

Court equity fund reimbursements.....		\$	69,075,900
Judicial technology improvement			4,465,000
GROSS APPROPRIATION.....		\$	73,540,900
Appropriated from:			
Special revenue funds:			
Court equity fund			50,440,000
Judicial technology improvement fund			4,465,000
State general fund/general purpose		\$	18,635,900

Grants and reimbursements to local government (safety).

**Sec. 110. GRANTS AND REIMBURSEMENTS TO LOCAL
GOVERNMENT (SAFETY)**

Drug case-flow program.....		\$	250,000
Drunk driving case-flow program.....			2,300,000
Juror compensation reimbursement.....			6,600,000

		For Fiscal Year Ending Sept. 30, 2007
Transcript fee reimbursement	\$	100
GROSS APPROPRIATION	\$	9,150,100
Appropriated from:		
Special revenue funds:		
Drug fund		250,000
Drunk driving fund		2,300,000
Juror compensation fund		6,600,000
Transcript fee fund		100
State general fund/general purpose	\$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS**Total state spending; payments to local units of government.**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2006-2007 is \$247,783,300.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is estimated at \$124,419,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

JUDICIARY

SUPREME COURT

State court administrative office	\$	511,900
Drug treatment courts		4,429,000

TRIAL COURT OPERATIONS

Court equity fund reimbursements	\$	69,075,900
Judicial technology improvement fund		4,465,000

JUSTICES' AND JUDGES' COMPENSATION

District court judicial salary standardization	\$	11,796,800
Probate court judges' state base salaries		9,498,100
Probate court judicial salary standardization		4,599,700
Circuit court judicial salary standardization		10,059,300
Grant to OASI contribution fund, employers share, social security		833,200

GRANTS AND REIMBURSEMENTS TO LOCAL GOVERNMENT

Drunk driving case-flow program	\$	2,300,000
Drug case-flow program		250,000
Juror compensation reimbursement		6,600,000
Transcript fee reimbursement		100
TOTAL	\$	124,419,000

Appropriations subject to MCL 18.1101 to 18.1594; expenditure or transfer of funds; approval.

Sec. 202. (1) The appropriations authorized under this article are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(2) Funds appropriated in part 1 to an entity within the judicial branch shall not be expended or transferred to another account without written approval of the authorized agent of the judicial entity. If the authorized agent of the judicial entity notifies the state budget director of its approval of an expenditure or transfer, the state budget director shall immediately make the expenditure or transfer. The authorized judicial entity agent shall be designated by the chief justice of the supreme court.

Definitions.

Sec. 203. As used in this article:

- (a) "DOJ" means the United States department of justice.
- (b) "DOT" means the United States department of transportation.
- (c) "FTE" means full-time equated.
- (d) "HHS" means the United States department of health and human services.
- (e) "IDG" means interdepartmental grant.
- (f) "OASI" means old age survivor's insurance.

Communication of employee with legislative member or staff.

Sec. 204. The judicial branch shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Reporting requirements; use of Internet.

Sec. 208. The reporting requirements of this article shall be completed with the approval of, and at the direction of, the supreme court. Unless otherwise specified, the judicial branch shall use the Internet to fulfill the reporting requirements of this article. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Receipt and retention of reports.

Sec. 212. As a condition of expending appropriations made under part 1, the judicial branch shall receive and retain copies of all reports funded from appropriations in part 1 and shall follow federal and state guidelines for short-term and long-term retention of such reports and records.

Purchase of foreign goods or services.

Sec. 214. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and 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.

Out-of-state travel.

Sec. 215. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2007 shall be limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the chief justice or his or her designee may grant an exception to allow the travel. Any exceptions granted by the chief justice or his or her designee shall be reported on a monthly basis to the house and senate appropriations committees.

(3) Not later than January 1 of each year, the state court administrative office shall prepare a travel report listing all travel by judicial branch employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the budget for the judicial branch. The report shall be submitted to the chairs and members of the house and senate appropriations committees, the fiscal agencies, and the state budget director. The report shall include the following information:

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

JUDICIAL BRANCH

Direct trial court automation support program; fees to cover actual costs; list of user service charges.

Sec. 301. (1) The direct trial court automation support program of the state court administrative office shall recover direct and overhead costs from trial courts by charging for services rendered. The fee shall cover the actual costs incurred to the direct trial court automation support program in providing the service, including development of future versions of case management systems. A report of amounts collected in excess of funds identified as user service charges in part 1 shall be submitted to the state budget director and to the house and senate appropriations subcommittees on judiciary 30 days before expenditure by the direct trial court automation support program.

(2) From funds appropriated in part 1, the direct trial court automation support program of the state court administrative office shall provide to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies before January 1 of each year, a detailed list of user service charges collected during the immediately preceding state fiscal year.

Expenditures; approval by supreme court required.

Sec. 302. Funds appropriated within the judicial branch shall not be expended by any component within the judicial branch without the approval of the supreme court.

Circuit court and court of claims; reimbursements.

Sec. 303. Of the amount appropriated in part 1 for the judicial branch, \$325,000.00 is allocated for circuit court reimbursement under section 3 of 1978 PA 16, MCL 800.453, and \$186,900.00 is allocated for court of claims reimbursement under section 6413 of the revised judicature act of 1961, 1961 PA 236, MCL 600.6413.

Audits.

Sec. 304. As a condition of expending appropriations made under part 1, the judicial branch shall cooperate with the auditor general regarding audits of the judicial branch conducted under section 53 of article IV of the state constitution of 1963.

Status of accounts; report by supreme court.

Sec. 305. As a condition of expending appropriations made under part 1, and to avoid the overexpenditure of funds appropriated under this article, the supreme court shall report quarterly to members of the senate and house appropriations subcommittees on the judiciary, the senate and house fiscal agencies, and the state budget director on the status of accounts set forth in part 1. The report required by this section shall include quarterly, year-to-date, and projected expenditures by funding source for each line item, and beginning balances and quarterly, year-to-date, and projected revenues for each source of revenue other than general fund/general purpose revenues.

Collection of judgments; assistance to local trial courts.

Sec. 306. The supreme court and the state court administrative office shall continue to maintain, as a priority, the assisting of local trial courts in improving the collection of judgments.

Delay reduction; use of revenue amounts.

Sec. 307. It is the intent of the legislature that from the funds appropriated in part 1 for court of appeals operations, the judiciary shall use the following revenue amounts for the purpose of delay reduction:

(a) \$225,000.00 of additional filing fee revenue raised from the increase from \$250.00 to \$375.00 in court of appeals filing fees under section 321(1)(a) of the revised judicature act of 1961, 1961 PA 236, MCL 600.321.

(b) \$87,500.00 of additional fee revenue raised from the increase in court of appeals motion fees from \$75.00 to \$100.00 and from the increase from \$150.00 to \$200.00 in fees for motions for immediate consideration or expedited appeal under section 321(1)(b) and (c) of the revised judicature act of 1961, 1961 PA 236, MCL 600.321.

Payment of judges' compensation; appropriation.

Sec. 308. If sufficient funds are not available from the court fee fund to pay judges' compensation, the difference between the appropriated amount from that fund for judges' compensation and the actual amount available after the amount appropriated for trial court reimbursement is made shall be appropriated from the state general fund for judges' compensation.

Drug treatment court programs; contracts with third parties for evaluation and monitoring; report.

Sec. 310. From the funds appropriated in part 1 for drug treatment court programs, under the direction of the supreme court, the state court administrative office shall contract

with 1 or more independent third parties for evaluation and monitoring of drug court programs funded by the judiciary. The evaluation shall include measures of the impact of drug court programs in changing offender criminal involvement (recidivism) and substance abuse and in reducing prison admissions. The evaluation of a program funded with federal Byrne funds shall be consistent with any requirements contained in the federal Byrne grant for that program. Evaluations required by this section shall, to the extent feasible, compare offenders treated under the programs with other offenders of similar characteristics. Not later than April 1 of each year, the state court administrative office shall provide a progress report regarding the status and findings of the evaluation to the senate and house appropriations subcommittees on the judiciary, the senate and house fiscal agencies, and the state budget director.

Drug treatment court programs; administration and use of funds; powers and duties; personnel; training; grant priorities; use of Byrne formula grant funding.

Sec. 311. (1) The funds appropriated in part 1 for drug treatment courts shall be administered by the state court administrative office to operate drug treatment court programs. A drug treatment court program shall not receive funds for more than 5 years. A drug treatment court shall be responsible for handling cases involving substance abusing nonviolent offenders through comprehensive supervision, testing, treatment services, and immediate sanctions and incentives. A drug treatment court shall use all available county and state personnel involved in the disposition of cases including, but not limited to, parole and probation agents, prosecuting attorneys, defense attorneys, and community corrections providers. The funds may be used in connection with other federal, state, and local funding sources.

(2) Local units of government are encouraged to refer to federal drug treatment court guidelines to prepare proposals. However, federal agency approvals are not required for funding under this section.

(3) From the funds appropriated in part 1, the chief justice shall allocate sufficient funds for the judicial institute to provide in-state training for those identified in subsection (1), including training for new drug treatment court judges.

(4) For drug treatment court grants, consideration for priority may be given to those courts where higher instances of substance abuse cases are filed.

(5) The judiciary shall receive \$1,800,000.00 in Byrne formula grant funding as an inter-departmental grant from the department of community health to be used for expansion of drug treatment courts, to assist in avoiding prison bed space growth for nonviolent offenders in collaboration with the department of corrections.

Minors seeking court-issued waiver of parental consent; statistical report.

Sec. 312. From the funds appropriated in part 1, the state court administrator shall produce a statistical report regarding the implementation of the parental rights restoration act, 1990 PA 211, MCL 722.901 to 722.908, as it pertains to minors seeking a court-issued waiver of parental consent. The state court administrative office shall report the total number of petitions filed and the total number of petitions granted in accordance with section 208.

Expert witnesses; training of judges.

Sec. 313. It is the intent of the legislature that from the funds appropriated in part 1 for the judicial institute, training shall be provided to judges on judicial responsibilities under Michigan rules of evidence pertaining to expert witnesses. Training shall include, but not be limited to, instruction on the responsibility of the courts to guard against and exclude

unreliable expert testimony, including whether the manner in which an expert witness extrapolates and interprets data is science-based with sufficient facts to support the data.

Transcript fees; reimbursement for additional costs.

Sec. 317. From the funds appropriated in part 1 for transcript fee reimbursement, the judiciary shall reimburse counties for additional costs incurred in the event of a statutory increase in transcript fees under section 2543 of the revised judicature act of 1961, 1961 PA 236, MCL 600.2543.

ARTICLE 12
LABOR AND ECONOMIC GROWTH

PART 1
LINE-ITEM APPROPRIATIONS

Appropriations; department of labor and economic growth.

Sec. 101. The amounts listed in this part are appropriated for the department of labor and economic growth, subject to the conditions set forth in this article, for the fiscal year ending September 30, 2007, from the funds identified in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF LABOR AND ECONOMIC GROWTH
APPROPRIATION SUMMARY:**

Full-time equated unclassified positions	58.5	
Full-time equated classified positions	4,238.5	
GROSS APPROPRIATION		\$ 1,231,476,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		23,485,800
ADJUSTED GROSS APPROPRIATION		\$ 1,207,990,400
Federal revenues:		
Total federal revenues		795,345,800
Special revenue funds:		
Total local revenues		15,824,300
Total private revenues		2,314,300
Total other state restricted revenues		347,069,300
State general fund/general purpose		\$ 47,436,700

Departmental administration.

Sec. 102. DEPARTMENTAL ADMINISTRATION

Full-time equated unclassified positions	58.5	
Full-time equated classified positions	180.0	
Unclassified salaries		\$ 5,349,400
Executive director programs—53.0 FTE positions		6,190,600
Regulatory efficiency improvements/backlog reduction initiative		665,600
Property management		11,071,100
Rent		17,215,600
Worker’s compensation		2,396,000
Special project advances		940,000

	For Fiscal Year Ending Sept. 30, 2007
HR optimization charges.....	\$ 252,800
Administrative services—127.0 FTE positions.....	12,952,200
GROSS APPROPRIATION.....	\$ 57,033,300
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of community health.....	300,000
Federal revenues:	
DED-OEERE, multiple grants.....	9,100
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....	4,904,500
DOL-ETA, unemployment insurance	14,434,400
DOL-ETA, workforce investment act	861,500
DOL, federal funds.....	2,330,100
DOL, multiple grants for safety and health	733,900
Federal revenues	850,300
HHS, temporary assistance for needy families.....	347,000
HHS, titles XVIII and XIX	34,700
Special revenue funds:	
Private - special project advances	940,000
Local revenues	134,100
Bank fees.....	527,500
Boiler fees	244,000
Construction code fund.....	1,124,800
Consumer finance fees.....	180,900
Contingent fund, penalty and interest account.....	885,300
Contingent fund, regular penalty and interest	3,900
Corporation fees.....	5,224,100
Credit union fees.....	358,000
Elevator fees	268,600
Fees and collections/asbestos	78,400
Fire service fees	615,300
Insurance licensing and regulation fees	2,031,100
Insurance regulatory fees	1,071,800
Licensing and regulation fees.....	790,400
Liquor license revenue	100,000
Liquor purchase revolving fund.....	6,219,400
Manufactured housing commission fees.....	279,700
Michigan state housing development authority fees and charges.....	3,644,700
Motor carrier fees.....	185,200
Public utility assessments	2,223,200
Private occupational school license fees	14,000
Rehabilitation services fees	90,300
Safety education and training fund	560,300
Second injury fund	253,500
Securities fees	2,414,400
Self-insurers security fund.....	83,300
Silicosis and dust disease fund	101,300
Tax tribunal fees.....	199,200
State general fund/general purpose	\$ 1,381,100

For Fiscal Year
Ending Sept. 30,
2007

Office of financial and insurance services.

Sec. 103. OFFICE OF FINANCIAL AND INSURANCE

SERVICES

Full-time equated classified positions	284.0	
Administration—9.0 FTE positions		\$ 2,730,100
Policy conduct and consumer assistance—123.0 FTE positions		18,379,200
Financial evaluation—152.0 FTE positions		21,991,600
GROSS APPROPRIATION		\$ 43,100,900
Appropriated from:		
Federal revenues:		
Federal regulatory project revenue		50,400
Special revenue funds:		
Bank fees		7,704,500
Consumer finance fees		4,215,600
Credit union fees		5,066,400
Deferred presentment service transaction fees		725,700
Insurance continuing education fees		829,600
Insurance licensing and regulation fees		3,289,600
Insurance regulatory fees		18,936,600
Multiple employer welfare arrangement		67,500
Securities fees		2,215,000
State general fund/general purpose		\$ 0

Michigan broadband development authority.

Sec. 104. MICHIGAN BROADBAND DEVELOPMENT

AUTHORITY

Full-time equated classified positions	2.0	
Administration		\$ 501,800
GROSS APPROPRIATION		\$ 501,800
Appropriated from:		
Special revenue funds:		
Michigan broadband authority fees and charges		501,800
State general fund/general purpose		\$ 0

Public service commission.

Sec. 105. PUBLIC SERVICE COMMISSION

Full-time equated classified positions	166.0	
Administration, planning and regulation—155.0 FTE positions		\$ 20,128,800
Energy office—9.0 FTE positions		5,307,300
Children's protection registry administration—2.0 FTE positions		264,700
GROSS APPROPRIATION		\$ 25,700,800
Appropriated from:		
Federal revenues:		
DOE-OEERE, multiple grants		4,828,100
DOT-RSPA, gas pipeline safety		984,900
Special revenue funds:		
Private - oil overcharge		30,000
Children's protection registry fund		264,700

		For Fiscal Year Ending Sept. 30, 2007
Motor carrier fees.....	\$	2,144,600
Public utility assessments		17,448,500
State general fund/general purpose	\$	0

Liquor control commission.**Sec. 106. LIQUOR CONTROL COMMISSION**

Full-time equated classified positions.....	152.0	
Management support services—28.0 FTE positions.....	\$	3,211,100
Liquor licensing and enforcement—124.0 FTE positions		11,756,900
GROSS APPROPRIATION.....	\$	14,968,000
Appropriated from:		
Special revenue funds:		
Liquor license revenue		6,143,500
Liquor purchase revolving fund.....		8,824,500
State general fund/general purpose	\$	0

Michigan state housing development authority.**Sec. 107. MICHIGAN STATE HOUSING DEVELOPMENT
AUTHORITY**

Full-time equated classified positions.....	266.0	
Payments on behalf of tenants	\$	135,000,000
Housing and rental assistance program—266.0 FTE positions		33,984,400
GROSS APPROPRIATION.....	\$	168,984,400
Appropriated from:		
Federal revenues:		
HUD, lower income housing assistance program.....		135,000,000
Special revenue funds:		
Michigan state housing development authority fees and charges.....		33,984,400
State general fund/general purpose	\$	0

Tax tribunal.**Sec. 108. TAX TRIBUNAL**

Full-time equated classified positions.....	15.0	
Operations—15.0 FTE positions	\$	1,804,000
GROSS APPROPRIATION.....	\$	1,804,000
Appropriated from:		
Special revenue funds:		
Corporation fees.....		195,100
Securities fees		265,100
Tax tribunal fees.....		1,343,800
State general fund/general purpose	\$	0

Occupational regulation.**Sec. 109. OCCUPATIONAL REGULATION**

Full-time equated classified positions.....	420.0	
Boiler inspection program—25.0 FTE positions.....	\$	2,679,700
Fire fighters training council.....		1,710,400
Fire marshal program.....		432,600

	For Fiscal Year Ending Sept. 30, 2007
Fire safety program funding—57.0 FTE positions	\$ 4,190,100
Code enforcement—120.0 FTE positions	12,650,300
Commercial services—155.0 FTE positions.....	20,069,200
Elevator inspection program—30.0 FTE positions	2,842,300
Local manufactured housing communities inspections	250,000
Manufactured housing and land resources program— 22.0 FTE positions.....	2,935,700
Property development group—11.0 FTE positions	1,528,600
GROSS APPROPRIATION	\$ 49,288,900
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of community health, inspection contract.....	68,500
IDG from department of state police, homeland security.....	754,300
Federal revenues:	
FEMA	28,000
DOT.....	47,000
HHS, titles XVIII and XIX	700,000
Special revenue funds:	
Boiler fee revenue	3,069,600
Construction code fund	12,567,400
Corporation fees.....	10,285,700
Elevator fees	3,205,300
Fire alarm fees	95,000
Fire service fees	1,640,300
Homeowner construction lien recovery fund.....	1,532,800
Licensing and regulation fees.....	9,486,100
Manufactured housing commission fees.....	2,515,700
Michigan boxing fund.....	206,200
Property development fees.....	275,500
Real estate appraiser continuing education fund	45,000
Real estate education fund.....	267,500
Remonumentation fees	691,100
Securities fees	1,499,900
Security business fund.....	308,000
State general fund/general purpose	\$ 0

Employment relations.

Sec. 110. EMPLOYMENT RELATIONS

Full-time equated classified positions	21.0
Employment and labor relations—21.0 FTE positions.....	\$ 3,121,200
GROSS APPROPRIATION	\$ 3,121,200
Appropriated from:	
Federal revenues:	
EEOC, federal funds.....	10,000
Special revenue funds:	
Securities fees	3,056,700
State general fund/general purpose	\$ 54,500