

SENATE BILL No. 256

EXECUTIVE BUDGET BILL

February 21, 2007, Introduced by Senators SCOTT and SCHAUER and referred to the Committee on Appropriations.

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

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

the amounts listed in this part are appropriated for the department for the fiscal year ending September 30, 2008, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF HUMAN SERVICES

APPROPRIATION SUMMARY:

Full-time equated classified positions..... 10,604.1

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

Total full-time equated positions..... 10,609.1

GROSS APPROPRIATION..... \$ 4,545,814,900

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 2,416,000

ADJUSTED GROSS APPROPRIATION..... \$ 4,543,398,900

Federal revenues:

Total federal revenues..... 3,116,678,300

Special revenue funds:

Total local revenues..... 65,255,800

Total private revenues..... 9,039,200

Total other state restricted revenues..... 67,528,600

State general fund/general purpose..... \$ 1,284,897,000

Sec. 102. EXECUTIVE OPERATIONS

Total full-time equated positions..... 480.3

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

Full-time equated classified positions..... 475.3

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

Salaries and wages--330.3 FTE positions..... 18,939,300

1	Contractual services, supplies, and materials	5,901,700
2	Demonstration projects--12.0 FTE positions	7,657,300
3	Inspector general salaries and wages--106.0 FTE	
4	positions	5,752,400
5	Electronic benefit transfer EBT	7,333,600
6	Office of professional development--12.0 FTE	
7	positions	2,352,200
8	Michigan community service commission--15.0	
9	FTE positions	9,733,700
10	State office of administrative hearings and rules	<u>3,538,000</u>
11	GROSS APPROPRIATION	\$ 61,745,400
12	Appropriated from:	
13	Federal revenues:	
14	Total federal revenues	40,330,300
15	Special revenue funds:	
16	Total local revenues	175,000
17	Total private revenues	2,199,600
18	Total other state restricted revenues	25,000
19	State general fund/general purpose	\$ 19,015,500
20	Sec. 103. CHILD SUPPORT ENFORCEMENT	
21	Full-time equated classified positions..... 213.7	
22	Child support enforcement operations--207.7 FTE	
23	positions	\$ 23,636,900
24	Legal support contracts	138,753,600
25	Child support incentive payments	32,409,600
26	State disbursement unit--6.0 FTE positions	<u>18,505,800</u>
27	GROSS APPROPRIATION	\$ 213,305,900

1	Appropriated from:		
2	Federal revenues:		
3	Total federal revenues.....		186,113,100
4	Special revenue funds:		
5	Total local revenues.....		340,000
6	Total other state restricted revenues.....		2,625,000
7	State general fund/general purpose.....	\$	24,227,800
8	Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY		
9	Full-time equated classified positions.....	17.0	
10	Bureau of community action and economic		
11	opportunity operations--17.0 FTE positions.....	\$	1,920,700
12	Community services block grant.....		24,218,000
13	Weatherization assistance.....		<u>18,418,700</u>
14	GROSS APPROPRIATION.....	\$	44,557,400
15	Appropriated from:		
16	Federal revenues:		
17	Total federal revenues.....		44,557,400
18	Special revenue funds:		
19	State general fund/general purpose.....	\$	0
20	Sec. 105. ADULT AND FAMILY SERVICES		
21	Full-time equated classified positions.....	76.2	
22	Executive direction and support--6.0 FTE positions...	\$	525,700
23	Employment and training support services.....		30,259,300
24	Domestic violence prevention and treatment--5.5 FTE		
25	positions		14,684,200
26	Rape prevention and services.....		2,600,000
27	Guardian contract.....		600,000

1	Adult services policy and administration--6.0 FTE		
2	positions		609,700
3	Income support policy and administration--28.7 FTE		
4	positions		4,732,700
5	Wage employment verification reporting		848,700
6	Urban and rural empowerment/enterprise zones		100
7	Nutrition education		13,100,000
8	Job, education and training expansion--30.0 FTE		
9	positions		<u>17,980,800</u>
10	GROSS APPROPRIATION	\$	85,941,200
11	Appropriated from:		
12	Interdepartmental grant revenues:		
13	IDG from DHS		1,300,000
14	ADJUSTED GROSS APPROPRIATION	\$	84,641,200
15	Appropriated from:		
16	Federal revenues:		
17	Total federal revenues		51,545,700
18	Special revenue funds:		
19	State general fund/general purpose	\$	33,095,500
20	Sec. 106. CHILDREN'S SERVICES		
21	Full-time equated classified positions..... 95.2		
22	Salaries and wages--43.7 FTE positions	\$	2,734,900
23	Contractual services, supplies, and materials		936,300
24	Foster care payments		137,021,100
25	Wayne County foster care payments		49,687,200
26	Adoption subsidies		237,375,700
27	Adoption support services--7.7 FTE positions		11,629,200

1	Youth in transition--2.0 FTE positions	13,263,700
2	Interstate compact.....	231,600
3	Children's benefit fund donations.....	21,000
4	Strong families/safe children.....	14,328,100
5	Child protection.....	800,000
6	Subsidized guardianship program.....	4,575,000
7	Family preservation and prevention services--32.8 FTE	
8	positions	49,883,700
9	Children's trust fund administration--9.0 FTE	
10	positions	1,027,300
11	Children's trust fund grants.....	3,825,100
12	ECIC, early childhood investment corporation.....	14,823,000
13	Attorney general contracts.....	3,329,300
14	Prosecuting attorney contracts.....	1,061,700
15	Marriage and fatherhood initiatives.....	<u>1,000,000</u>
16	GROSS APPROPRIATION.....	\$ 547,553,900
17	Appropriated from:	
18	Federal revenues:	
19	Total federal revenues.....	324,128,100
20	Special revenue funds:	
21	Local funds - county payback.....	33,578,500
22	Private - children's benefit fund donations.....	21,000
23	Private - collections.....	3,100,000
24	Children's trust fund.....	3,801,600
25	State general fund/general purpose.....	\$ 182,924,700
26	Sec. 107. JUVENILE JUSTICE SERVICES	
27	Full-time equated classified positions..... 635.5	

1	High security juvenile services--268.0 FTE positions ..	\$	25,996,100
2	Medium security juvenile services--254.0 FTE positions		23,901,200
3	Child care fund.....		200,000,000
4	Child care fund administration--5.8 FTE positions		772,300
5	County juvenile officers.....		3,890,400
6	Community support services--2.0 FTE positions		1,495,600
7	Community juvenile justice centers--37.0 FTE positions		3,460,100
8	Juvenile justice field staff, administration, and		
9	maintenance--50.0 FTE positions.....		6,858,200
10	Federally funded activities--13.7 FTE positions		1,859,500
11	W.J. Maxey memorial fund.....		45,000
12	Juvenile accountability incentive block grant--1.0		
13	FTE positions		1,297,600
14	Committee on juvenile justice administration--4.0		
15	FTE positions		510,300
16	Committee on juvenile justice grants.....		<u>5,000,000</u>
17	GROSS APPROPRIATION.....	\$	275,086,300
18	Appropriated from:		
19	Federal revenues:		
20	Total federal revenues.....		96,131,200
21	Special revenue funds:		
22	Local funds - county payback.....		26,246,900
23	State share education funds.....		3,103,400
24	Total private revenues.....		45,000
25	State general fund/general purpose.....	\$	149,559,800
26	Sec. 108. LOCAL OFFICE STAFF AND OPERATIONS		
27	Full-time equated classified positions.....		8,300.9

1	Field staff, salaries and wages--8,019.1 FTE positions	\$	405,350,800
2	Contractual services, supplies, and materials		17,282,300
3	Medical/psychiatric evaluations		6,300,000
4	Donated funds positions--131.0 FTE positions		10,769,400
5	Training and program support--62.0 FTE positions		8,340,900
6	Food stamp reinvestment--78.8 FTE positions		7,343,800
7	Wayne County gifts and bequests		100,000
8	Volunteer services and reimbursement		1,294,900
9	SSI advocates--10.0 FTE positions		888,700
10	GROSS APPROPRIATION	\$	457,670,800
11	Appropriated from:		
12	Federal revenues:		
13	Total federal revenues		259,859,400
14	Special revenue funds:		
15	Local funds - donated funds		1,812,000
16	Private funds - donated funds		643,900
17	Private funds - hospital contributions		2,929,700
18	Private funds - Wayne County gifts		100,000
19	Supplemental security income recoveries		675,200
20	State general fund/general purpose	\$	191,650,600
21	Sec. 109. DISABILITY DETERMINATION SERVICES		
22	Full-time equated classified positions		568.4
23	Disability determination operations--545.9 FTE		
24	positions	\$	82,346,600
25	Medical consultation program--18.4 FTE positions		2,660,900
26	Retirement disability determination--4.1 FTE positions		827,000
27	GROSS APPROPRIATION	\$	85,834,500

1	Appropriated from:	
2	Interdepartmental grant revenues:	
3	IDG from DMB - office of retirement systems	1,116,000
4	ADJUSTED GROSS APPROPRIATION	\$ 84,718,500
5	Appropriated from:	
6	Federal revenues:	
7	Total federal revenues	81,911,500
8	Special revenue funds:	
9	State general fund/general purpose	\$ 2,807,000
10	Sec. 110. CENTRAL SUPPORT ACCOUNTS	
11	Rent	\$ 41,581,300
12	Occupancy charge	8,910,500
13	Travel	5,584,600
14	Equipment	277,300
15	Worker's compensation	4,259,000
16	Advisory commissions	17,900
17	Human resources optimization user charges	652,000
18	Payroll taxes and fringe benefits	<u>258,909,900</u>
19	GROSS APPROPRIATION	\$ 320,192,500
20	Appropriated from:	
21	Federal revenues:	
22	Total federal revenues	187,248,400
23	Special revenue funds:	
24	State general fund/general purpose	\$ 132,944,100
25	Sec. 111. OFFICE OF CHILDREN AND ADULT LICENSING	
26	Full-time equated classified positions	219.0
27	AFC, children's welfare and day care	

1	licensure--219.0 FTE positions.....	\$	<u>23,750,900</u>
2	GROSS APPROPRIATION.....	\$	23,750,900
3	Appropriated from:		
4	Federal revenues:		
5	Total federal revenues.....		11,928,100
6	Special revenue funds:		
7	Restricted - licensing fees.....		832,900
8	Restricted - health fees and collections.....		499,400
9	State general fund/general purpose.....	\$	10,490,500
10	Sec. 112. PUBLIC ASSISTANCE		
11	Full-time equated classified positions..... 2.9		
12	Family independence program.....	\$	376,741,500
13	State disability assistance payments.....		36,369,700
14	Food assistance program benefits.....		1,221,340,900
15	State supplementation.....		58,692,000
16	State supplementation administration.....		2,477,100
17	Low-income home energy assistance program.....		116,451,600
18	Food bank council of Michigan emergency food		
19	provisions		525,000
20	Homeless shelter contracts.....		11,646,700
21	Multicultural assimilation funding.....		1,715,500
22	Indigent burial.....		4,431,900
23	Emergency services local office allocations.....		21,865,500
24	Refugee assistance--2.9 FTE positions.....		12,715,800
25	Day care services.....		<u>410,752,400</u>
26	GROSS APPROPRIATION.....	\$	2,275,725,600
27	Appropriated from:		

1	Federal revenues:	
2	Total federal revenues.....	1,734,671,700
3	Special revenue funds:	
4	Child support collections.....	46,141,200
5	Supplemental security income recoveries.....	9,318,300
6	Public assistance recoupment revenue.....	3,610,000
7	State general fund/general purpose.....	\$ 481,984,400
8	Sec. 113. INFORMATION TECHNOLOGY	
9	Information technology services and projects.....	\$ 100,905,300
10	Child support automation.....	<u>53,545,200</u>
11	GROSS APPROPRIATION.....	\$ 154,450,500
12	Appropriated from:	
13	Federal revenues:	
14	Total federal revenues.....	98,253,400
15	Special revenue funds:	
16	State general fund/general purpose.....	\$ 56,197,100

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

20 Sec. 201. Pursuant to section 30 of article IX of the state
 21 constitution of 1963, total state spending from state resources
 22 under part 1 for fiscal year 2007-2008 is \$1,352,425,600.00 and
 23 state spending from state resources to be paid to local units of
 24 government for fiscal year 2007-2008 is \$123,730,383.00. The
 25 itemized statement below identifies appropriations from which

1 spending to local units of government will occur:

2 DEPARTMENT OF HUMAN SERVICES

3 PERMANENCY FOR CHILDREN

4 Child care fund..... \$ 117,930,100

5 County juvenile officers..... 3,570,783

6 OPPORTUNITY FOR ADULTS TO LIVE AND WORK IN THE COMMUNITY

7 State disability program..... \$ 2,229,500

8 TOTAL..... \$ 123,730,383

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

12 Sec. 203. As used in this bill:

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

14 (b) "DCH" means the department of community health.

15 (c) "Department" means the department of human services.

16 (d) "DMB" means the department of management and budget.

17 (e) "ECIC" means early childhood investment corporation.

18 (f) "FTE" means full-time equated.

19 (g) "IDG" means interdepartmental grant.

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

21 (i) "RSDI" means retirement, survivors, disability insurance.

22 (j) "SSI" means supplemental security income.

23 (k) "Temporary assistance for needy families" or "TANF" or
24 "title IV-A" means part A of title IV of the social security act,
25 42 USC 601 to 604, 605 to 608, and 609 to 619.

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

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

3 (n) "VA" means veterans affairs.

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

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

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

27 Sec. 208. The department shall use the Internet to fulfill the

1 reporting requirements of this bill. This requirement may include
2 transmission of reports via electronic mail to the recipients
3 identified for each reporting requirement, or it may include
4 placement of reports on an Internet or Intranet site.

5 Sec. 209. Funds appropriated in part 1 shall not be used for
6 the purchase of foreign goods or services, or both, if
7 competitively priced and of comparable quality American goods or
8 services, or both, are available. Preference should be given to
9 goods or services, or both, manufactured or provided by Michigan
10 businesses if they are competitively priced and of comparable
11 quality.

12 Sec. 210. The director shall take all reasonable steps to
13 ensure businesses in deprived and depressed communities compete for
14 and perform contracts to provide services or supplies, or both.
15 The director shall strongly encourage firms with which the
16 department contracts to subcontract with certified businesses in
17 depressed and deprived communities for services, supplies, or both.

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

25 Sec. 213. The department may retain all of the state's share
26 of food assistance overissuance collections as an offset to general
27 fund/general purpose costs. Retained collections shall be applied

1 against federal funds deductions in all appropriation units where
2 department costs related to the investigation and recoupment of
3 food assistance overissuances are incurred. Retained collections
4 in excess of such costs shall be applied against the federal funds
5 deducted in the executive operations appropriation unit.

6 Sec. 214. (1) The department shall submit a report to the
7 chairpersons of the senate and house appropriations subcommittees
8 on the department budget, the senate and house fiscal agencies and
9 policy offices, and the state budget director on the details of
10 allocations within program budgeting line items and within the
11 salaries and wages line items in all appropriation units. The
12 report shall include a listing, by account, dollar amount, and fund
13 source, of salaries and wages; longevity and insurance; retirement;
14 contractual services, supplies, and materials; equipment; travel;
15 and grants within each program line item appropriated for the
16 fiscal year ending September 30, 2008.

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

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

26 Sec. 217. (1) Due to the current budgetary problems in this
27 state, out-of-state travel shall be limited to situations in which

1 1 or more of the following conditions apply:

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

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

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

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

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

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

16 (2) If out-of-state travel is necessary but does not meet 1 or
17 more of the conditions in subsection (1), the state budget director
18 may grant an exception to allow the travel. Any exceptions granted
19 by the state budget director shall be reported on a monthly basis
20 to the senate and house standing committees on appropriations.

21 (3) Not later than January 1 of each year, each department
22 shall prepare a travel report listing all travel by classified and
23 unclassified employees outside this state in the immediately
24 preceding fiscal year that was funded in whole or in part with
25 funds appropriated in the department's budget. The report shall be
26 submitted to the chairs and members of the senate and house of
27 representatives standing committees on appropriations, the fiscal

1 agencies, and the state budget director. The report shall include
2 the following information:

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

5 (b) The destination of each travel occurrence.

6 (c) The dates of each travel occurrence.

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

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

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

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

26 Sec. 221. If the revenue collected by the department from
27 private and local sources exceeds the amount spent from amounts

1 appropriated in part 1, the revenue may be carried forward, with
2 approval from the state budget director, into the subsequent fiscal
3 year.

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

13 Sec. 259. From the funds appropriated in part 1 for
14 information technology, the department shall pay user fees to the
15 department of information technology for technology-related
16 services and projects. Such user fees shall be subject to
17 provisions of an interagency agreement between the department and
18 the department of information technology.

19 Sec. 269. If title IV-D-related child support collections are
20 escheated, the state budget director is authorized to adjust the
21 sources of financing for the funds appropriated in part 1 for legal
22 support contracts to reduce federal authorization by 66% of the
23 escheated amount and increase general fund/general purpose
24 authorization by the same amount. This budget adjustment is
25 required to offset the loss of federal revenue due to the escheated
26 amount being counted as title IV-D program income in accordance
27 with federal regulations at 45 CFR 304.50.

1 Sec. 278. (1) The department shall contract with 1 or more
2 private consulting firms for revenue maximization services to
3 increase federal claims and federal funds and to increase state
4 restricted funds.

5 (2) A contractor shall not charge the department a fee for
6 services provided under subsection (1). However, a contractor shall
7 receive a negotiated percentage of the savings achieved from
8 implementation of a recommendation made by the contractor under
9 this section.

10 (3) The department shall retain savings achieved through the
11 revenue maximization services contract as an offset to general
12 fund/general purpose costs.

13 (4) The department shall report quarterly to the senate and
14 house appropriations subcommittees on the department budget, senate
15 and house standing committees on human services matters, senate and
16 house fiscal agencies and policy offices, and state budget director
17 on the status of revenue maximization efforts and the amounts of
18 savings achieved.

19 Sec. 279. All contracts relating to human services entered
20 into or renewed by the department shall be performance-based
21 contracts that employ a client-centered results-oriented process
22 that is based on measurable performance indicators and desired
23 outcomes and includes the annual assessment of the quality of
24 services provided.

25 Sec. 280. The department shall submit a report to the house
26 and senate appropriations subcommittees for the department budget,
27 the house and senate fiscal agencies, the house and senate policy

1 offices, and the state budget director by February 1, 2008 on the
2 status of the department's information technology improvement
3 initiatives, including the "Bridges" integration project. The
4 report shall include details on the following:

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

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

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

13 Sec. 283. Amounts appropriated in part 1 for information
14 technology may be designated as work projects and carried forward
15 to support technology projects under the direction of the
16 department of information technology. Funds designated in this
17 manner are not available for expenditure until approved as work
18 projects under section 451a of the management and budget act, 1984
19 PA 431, MCL 18.1451a.

20 Sec. 284. (1) In addition to the funds appropriated in part 1,
21 there is appropriated an amount not to exceed \$200,000,000.00 for
22 federal contingency funds. These funds are not available for
23 expenditure until they have been transferred to another line item
24 in this bill under section 393(2) of the department of management
25 and budget act, 1984 PA 431, MCL 18.1393.

26 (2) In addition to the funds appropriated in part 1, there is
27 appropriated an amount not to exceed \$5,000,000.00 for state

1 restricted contingency funds. These funds are not available for
2 expenditure until they have been transferred to another line item
3 in this bill under section 393(2) of the department of management
4 and budget act, 1984 PA 431, MCL 18.11393.

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

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

17 **ADULT AND FAMILY SERVICES**

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

1 shall provide the household with information concerning available
2 free tax assistance resources. In addition, the Michigan IDA
3 partnership and its program sites shall participate in community
4 EITC coalitions established under the plan to increase the EITC
5 participation of TANF families referenced in section 666.

6 CHILDREN'S SERVICES

7 Sec. 501. The following goal is established by state law.
8 During fiscal year 2007-2008, not more than 6,000 children
9 supervised by the department shall remain in foster care longer
10 than 24 months. The department shall give priority to reducing the
11 number of children under 1 year of age in foster care. During the
12 annual budget presentation, the department shall report on the
13 number of children supervised by the department and by private
14 agencies who remain in foster care between 12 and 24 months, and
15 those who remain in foster care longer than 24 months.

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

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

24 (a) Has not yet graduated from high school or passed a high
25 school equivalency examination.

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

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

2 (d) Is not eligible for federal supplemental security income
3 (SSI) payments.

4 Sec. 504. The department's ability to satisfy appropriation
5 deducts in part 1 for foster care private collections shall not be
6 limited to collections and accruals pertaining to services provided
7 only in the current fiscal year but shall include revenues
8 collected during the fiscal year in excess of the amount specified
9 in part 1.

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

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

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

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

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

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

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

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

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

24 (a) Placement in an out of state facility is in the best
25 interest of the child.

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

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

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

7 (2) The department shall submit a report by February 1 of each
8 year on the number of children who were newly placed in out-of-
9 state facilities during the previous fiscal year, the number of
10 Michigan children residing in such facilities at the time of the
11 report, and the total cost and average per diem cost of these out-
12 of-state placements to the state.

13 Sec. 514. The department shall make a comprehensive report
14 concerning children's protective services (CPS) to the legislature,
15 including the senate and house policy offices and the state budget
16 director, by January 1, 2008, that shall include all of the
17 following:

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

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

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

1 victim to criminal drug activity, including the manufacture of
2 illicit drugs, that exposed the child victim to significant health
3 and environmental hazards.

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

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

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

14 (i) The number of cases referred to voluntary community
15 services and closed with no additional monitoring.

16 (ii) The number of cases referred to voluntary community
17 services and monitored for up to 90 days.

18 (iii) The number for which the department entered more than 1
19 determination that there was evidence of child abuse or neglect.

20 (iv) The number that the department reclassified from category
21 III to category II.

22 (v) The number that the department reclassified from category
23 III to category I.

24 (vi) The number that the department reclassified from category
25 III to category I that resulted in a removal.

26 (d) The department policy, or changes to the department
27 policy, regarding termination of parental rights or foster

1 placement for children who have been exposed to the production of
2 illicit drugs in their dwelling place or a place frequented by the
3 children.

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

7 Sec. 515. From the funds appropriated in part 1 for foster
8 care payments and Wayne County foster care payments and related
9 administrative costs, the department shall continue implementation
10 of a performance based approach to contracting for foster care
11 services with private, nonprofit agencies. The goal of these
12 contracts shall be to provide incentives for agencies to improve
13 the process of placing children in permanent placements and
14 reducing the time children spend in foster care. No later than
15 August 30, 2008, the department shall report to the senate and
16 house appropriations subcommittees on the department budget, the
17 senate and house fiscal agencies and policy offices, and the state
18 budget office on the status of the performance based approach, on
19 the results agencies have achieved in improving permanency and
20 decreasing the lengths of foster care stays, and on plans and
21 recommendations for achieving improved permanency results in future
22 foster care contracts.

23 Sec. 517. (1) From the funds appropriated in part 1, for
24 family preservation and prevention services, the department is
25 authorized to allocate funds to multipurpose collaborative bodies.
26 Priority for activities and services will be given to at-risk
27 children and families and cases classified by the department as

1 category III or category IV under sections 8 and 8d of the child
2 protection law, 1975 PA 238, MCL 722.628 and 722.628d.

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

6 (a) Foster positive parenting skills especially for parents of
7 children through 3 years of age.

8 (b) Improve parent/child interaction.

9 (c) Promote access to needed community services.

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

11 (e) Improve school readiness.

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

14 (3) The appropriation provided for in subsection (2) is to
15 fund secondary prevention programs as defined in the children's
16 trust fund's preapplication materials for fiscal year 2007-2008
17 direct services grants.

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

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

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

26 (c) Demonstrate that the planned services are part of a
27 community's integrated comprehensive family support strategy

1 endorsed by the local multipurpose collaborative body.

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

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

9 Sec. 523. From the funds appropriated in part 1 for youth in
10 transition and domestic violence prevention and treatment, the
11 department is authorized to make allocations of TANF funds only to
12 the agencies that report necessary data to the department for the
13 purpose of meeting TANF eligibility reporting requirements.

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

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

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

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

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

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

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

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

12 Sec. 537. (1) The department shall give first preference in
13 placement of children entering foster care to that placement which
14 best meets the need of the child.

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

24 (a) Average caseload per foster care worker.

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

27 (c) Range of services provided.

1 (d) Program outcomes, including those related to achieving
2 permanency, child safety and child well-being.

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

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

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

17 (2) The department shall report to the senate and house
18 appropriations subcommittees for the department budget on the
19 number of new specialized foster care programs required under
20 section 545(3) of 2004 PA 344 not later than January 15, 2008. If
21 no new specialized foster care programs have been authorized, the
22 department shall provide an explanation, a list of all applicants
23 who applied but were denied, and a strategic plan to provide for
24 new specialized foster care programs.

25 Sec. 549. The department shall meet with personnel employed by
26 the office of the children's ombudsman and the state court
27 administrative office's foster care review board to investigate

1 streamlining the oversight process for child welfare services and
2 to ensure appropriate and adequate oversight while reducing
3 duplication and redundancy between government offices.

4 Sec. 556. The department shall submit a report to the
5 chairpersons of the senate and house of representatives
6 appropriations committees and the senate and house fiscal agencies
7 and policy offices that includes the number of fair hearing
8 requests from adoptive parents received by the department
9 challenging the amount of the adoption subsidy.

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

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

19 Sec. 566. From the funds appropriated in part 1 for the ECIC,
20 the department shall contract for the creation and support of great
21 start communities. Great start collaborative grants will be
22 awarded by competitive bid process to eligible intermediate
23 districts in an amount to be determined by ECIC. The ECIC shall
24 provide technical assistance to great start communities through
25 intermediate school districts or other community agencies for the
26 implementation of their great start community needs assessment and
27 strategic plan.

1 Sec. 567. (1) The department shall provide the house and
2 senate appropriations subcommittees on the department budget with
3 an annual report on the activities of the ECIC. The report is due
4 by February 1 of each year and shall contain at least the following
5 information: detail of the amounts of grants awarded, the grant
6 recipients, the activities funded by each grant, and an analysis of
7 each grant recipient's success in addressing the development of a
8 comprehensive system of early childhood services and supports.

9 (2) All contracts for comprehensive systems planning shall be
10 bid out through a statewide request-for-proposal process, and the
11 department shall send a report to the house and senate
12 appropriations subcommittees on the department budget covering the
13 selection criteria for establishing contracts at the time of the
14 issuance of any request for proposals.

15 Sec. 568. (1) In expending money appropriated in part 1 for
16 the fatherhood initiative, the department may contract with
17 independent contractors from various counties, including, but not
18 limited to, faith-based and nonprofit organizations. The
19 independent contractors shall provide at least 10% in matching
20 funds, through any combination of local, state, or federal funds or
21 in-kind or other donations. An independent contractor that cannot
22 secure matching funds shall not be excluded from consideration for
23 the fatherhood program.

24 (2) The department may choose providers that will work with
25 counties to help eligible fathers under TANF guidelines to acquire
26 skills that will enable them to increase their responsible behavior
27 toward their children and the mothers of their children. An

1 increase of financial support for their children should be a very
2 high priority as well as emotional support.

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

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

20 Sec. 569. (1) In expending money appropriated in part 1 for
21 the marriage initiative, the department may contract with
22 independent contractors from various counties, including, but not
23 limited to, faith-based and nonprofit organizations. The
24 independent contractors shall provide at least 10% in matching
25 funds, through any combination of local, state, or federal funds or
26 in-kind or other donations. An independent contractor that cannot
27 secure matching funds shall not be excluded from consideration for

1 a marriage initiative program.

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

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

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

23 **PUBLIC ASSISTANCE**

24 Sec. 601. (1) The department may terminate a vendor payment
25 for shelter upon written notice from the appropriate local unit of
26 government that a recipient's rental unit is not in compliance with

1 applicable local housing codes or when the landlord is delinquent
2 on property tax payments. A landlord shall be considered to be in
3 compliance with local housing codes when the department receives
4 from the landlord a signed statement stating that the rental unit
5 is in compliance with local housing codes and that statement is not
6 contradicted by the recipient and the local housing authority. The
7 department shall terminate vendor payments if a taxing authority
8 notifies the department that taxes are delinquent.

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

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

23 Sec. 603. (1) The department, as it determines is appropriate,
24 shall enter into agreements with energy providers by which cash
25 assistance recipients and the energy providers agree to permit the
26 department to make direct payments to the energy providers on
27 behalf of the recipient. The payments may include heat and

1 electric payment requirements from recipient grants and amounts in
2 excess of the payment requirements.

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

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

9 Sec. 604. (1) The department shall operate a state disability
10 assistance program. Except as provided in subsection (3), persons
11 eligible for this program shall include needy citizens of the
12 United States or aliens exempted from the supplemental security
13 income citizenship requirement who are at least 18 years of age or
14 emancipated minors meeting 1 or more of the following requirements:

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

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

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

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

27 (e) A person diagnosed as having acquired immunodeficiency

1 syndrome.

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

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

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

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

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

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

27 (4) A refugee or asylee who loses his or her eligibility for

1 the federal supplemental security income program by virtue of
2 exceeding the maximum time limit for eligibility as delineated in 8
3 USC 1612 and who otherwise meets the eligibility criteria under
4 this section shall be eligible to receive benefits under the state
5 disability assistance program.

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

10 Sec. 606. County department offices shall require each
11 recipient of state disability assistance who has applied with the
12 social security administration for supplemental security income to
13 sign a contract to repay any assistance rendered through the state
14 disability assistance program upon receipt of retroactive
15 supplemental security income benefits.

16 Sec. 607. The department's ability to satisfy appropriation
17 deductions in part 1 for state disability assistance/supplemental
18 security income recoveries and public assistance recoupment
19 revenues shall not be limited to recoveries and accruals pertaining
20 to state disability assistance, or family independence assistance
21 grant payments provided only in the current fiscal year, but shall
22 include all related net recoveries received during the current
23 fiscal year.

24 Sec. 608. Adult foster care facilities providing domiciliary
25 care or personal care to residents receiving supplemental security
26 income or homes for the aged serving residents receiving
27 supplemental security income shall not require those residents to

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

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

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

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

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

25 Sec. 613. From the funds appropriated in part 1 for state
26 emergency relief, the maximum allowable reimbursement limit for
27 indigent burials shall be \$680.00. The funds shall be distributed

1 as follows: \$435.00 for funeral directors; \$145.00 for cemeteries
2 or crematoriums; and \$100.00 for the provider of the vault.

3 Sec. 614. The funds available in part 1 for burial services
4 shall be available if the deceased was an eligible recipient and an
5 application for emergency relief funds was made within 10 days of
6 the burial or cremation of the deceased person. Each provider of
7 burial services shall be paid directly by the department.

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

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

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

23 (a) The only eligible recipient has died.

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

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

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

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

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

7 (g) The only eligible recipient in the household has been
8 incarcerated.

9 (h) A recipient is no longer a Michigan resident.

10 (i) A recipient is closed on 1 case to be activated on
11 another.

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

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

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

18 Sec. 619. The department shall exempt from the denial of title
19 IV-A assistance and food assistance benefits, contained in 21 USC
20 862a, any individual who has been convicted of a felony that
21 included the possession, use, or distribution of a controlled
22 substance, after August 22, 1996, provided that the individual is
23 not in violation of his or her probation or parole requirements.
24 Benefits shall be provided to such individuals as follows:

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

27 (b) An authorized representative shall be required for food

1 assistance receipt.

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

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

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

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

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

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

26 Sec. 635. Prior to authorizing a payment, the department shall
27 determine whether the child day care provider to whom the payments

1 would be made is listed on the child abuse and neglect central
2 registry. If the provider is listed on the central registry, the
3 department shall immediately send written notice denying the
4 applicant's request for child day care payments.

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

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

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

26 Sec. 645. An individual or family is considered homeless, for
27 purposes of eligibility for state emergency relief, if living

1 temporarily with others in order to escape domestic violence. For
2 purposes of this section, domestic violence is defined and verified
3 in the same manner as in the department's policies on good cause
4 for not cooperating with child support and paternity requirements.

5 Sec. 653. From the funds appropriated in part 1 for food
6 assistance, an individual who is the victim of domestic violence
7 and does not qualify for any other exemption may be exempt from the
8 3-month in 36-month limit on receiving food assistance under 7 USC
9 2015. This exemption can be extended an additional 3 months upon
10 demonstration of continuing need.

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

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

27 Sec. 666. The department shall continue efforts to increase

1 the participation of eligible family independence program
2 recipients in the earned income tax credit.

3 Sec. 669. The department shall allocate up to \$7,167,500.00
4 for the annual clothing allowance. The allowance shall be granted
5 to all eligible children as defined by the department.

6 Sec. 674. The department shall develop and implement a plan to
7 reduce waste, fraud, and abuse within the child day care program.
8 Beginning December 31, 2007, the department shall report annually
9 to the senate and house appropriations subcommittees for the
10 department budget, the senate and house fiscal agencies and policy
11 offices, and the state budget director on plan details and
12 implementation status.

13 Sec. 677. The department shall establish a state goal for the
14 percentage of family independence program (FIP) cases involved in
15 employment activities. The percentage established shall not be
16 less than 50%. On a monthly basis, the department shall report to
17 the senate and house appropriations subcommittees on the department
18 budget, the senate and house fiscal agencies and policy offices,
19 and the state budget director on the current percentage of FIP
20 cases involved in employment activities and the current percentage
21 of JET pilot program cases involved in employment activities. If
22 the FIP case percentage is below the goal for more than 2
23 consecutive quarters, the department shall develop a plan to
24 increase the percentage of FIP cases involved in employment-related
25 activities. The department shall deliver the plan during the next
26 annual budget presentation to the senate and house appropriations
27 subcommittees on the department budget.

1 Sec. 682. Funding in Part 1 for the Jobs, Education and
2 Training (JET) statewide expansion in fiscal year 2008 shall not be
3 allotted and released by the State Budget Director until savings
4 are achieved and documented from the fiscal year 2007 JET program
5 implementation in fifty percent of the state. The method for
6 documenting JET savings for fiscal year 2007 shall be proposed by
7 the department and approved by the State Budget Director.

8 **JUVENILE JUSTICE SERVICES**

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

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

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

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

25 (2) The department during the annual budget presentation shall
26 outline the progress of the development of the goals, objectives,

1 and performance standards, as well as the information collected
2 through the implementation of the performance measurement program.

3 The presentation shall include all of the following:

4 (a) Trends in census and population demographics.

5 (b) Program outcomes.

6 (c) Staff and resident safety.

7 (d) Facility profile.

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

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

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

23 Sec. 708. As a condition of receiving funds appropriated in part 1
24 for the child care fund, by February 15, 2008, counties shall have
25 an approved service spending plan for the fiscal year ending
26 September 30, 2008. Counties must submit the service spending plan
27 to the department by December 15, 2007 for approval.

1 **LOCAL OFFICE SERVICES**

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

5 (a) The center is supported by the local school district.

6 (b) The programs and information provided at the center do not
7 conflict with sections 1169, 1507, and 1507b of the revised school
8 code, 1976 PA 451, MCL 380.1169, 380.1507, and 380.1507b.

9 (c) Notwithstanding subdivision (b), the center shall provide
10 information regarding crisis pregnancy centers or adoption service
11 providers in the area.

12 (2) The department shall report to the senate and house
13 subcommittees on the department budget, the senate and house fiscal
14 agencies, and policy offices, and the state budget office on family
15 resource center expansion efforts, budget implications, and
16 outcomes by August 2008.

17 Sec. 754. The department shall allow private nationally
18 accredited foster care and adoption agencies to conduct their own
19 staff training, based on current department policies and procedures
20 provided that the agency trainer and training materials are
21 accredited by the department, and that the agency documents to the
22 department that the training was provided. The department shall
23 provide access to any training materials requested by the private
24 agencies to facilitate this training.

25 **DISABILITY DETERMINATION SERVICES**

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

6 CHILD SUPPORT ENFORCEMENT

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

9 (2) From the federal money received for child support
10 incentive payments, \$12,000,000.00 shall be retained by the state
11 and expended for child support program expenses.

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

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

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

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

4 Sec. 902. (1) The department shall continue its work to fix
5 and improve the child support computer system using the funding
6 carried forward from fiscal year 2006-2007 appropriations.

7 (2) The department shall develop and implement a plan to
8 maximize the collection of child support and child support
9 arrearages.

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

14 **OFFICE OF CHILDREN AND ADULT LICENSING**

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

23 Sec. 1002. The department shall furnish the clerk of the
24 house, the secretary of the senate, the senate and house fiscal
25 agencies and policy offices, the state budget office, and all
26 members of the house and senate appropriations committees with a

1 summary of any evaluation reports and subsequent approvals or
2 disapprovals of juvenile residential facilities operated by the
3 department, as required by section 6 of 1973 PA 116, MCL 722.116.
4 If no evaluations are conducted during the fiscal year, the
5 department shall notify the fiscal agencies and all members of the
6 appropriate subcommittees of the house and senate appropriations
7 committees.

8 Sec. 1005. The department shall implement a performance-based
9 licensing model with available resources that will assure
10 compliance with department policy and statutory mandates. This
11 model will prioritize licensing activities based on risk to the
12 vulnerable children and adults residing in or receiving services
13 from licensees.

14 **COMMUNITY ACTION AND ECONOMIC OPPORTUNITY**

15 Sec. 1101. Not later than September 30 of each year, the
16 department shall submit for public hearing to the chairpersons of
17 the house and senate appropriations subcommittees dealing with
18 appropriations for the department budget the proposed use and
19 distribution plan for community services block grant funds
20 appropriated in part 1 for the succeeding fiscal year.

21 Sec. 1102. The department shall develop a plan based on
22 recommendations from the department of civil rights and from Native
23 American organizations to assure that the community services block
24 grant funds are equitably distributed. The plan must be developed
25 by October 31, 2007, and the plan shall be delivered to the
26 appropriations subcommittees on the department budget in the senate

1 and house, the senate and house fiscal agencies, and the state
2 budget director.

3 Sec. 1103. The appropriation in part 1 for the weatherization
4 program shall be expended so that at least 25% of the households
5 weatherized under the program shall be households of families
6 receiving 1 or more of the following:

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