

FIA

EXECUTIVE BUDGET BILL

A bill to make appropriations for the family independence agency and certain state purposes related to public welfare services for the fiscal year ending September 30, 2004; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

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

FAMILY INDEPENDENCE AGENCY

APPRORPRIATONS SUMMARY:

Full-time equated classified positions	10,765.6	
Full-time equated unclassified positions	6.0	
Total full-time equated positions	10,771.6	
GROSS APPROPRIATION		\$ 3,945,691,300

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers	1,055,800
ADJUSTED GROSS APPROPRIATION	\$ 3,944,635,500
Federal revenues:	
Total federal revenues	2,697,630,071
Special revenue funds:	
Total local revenues	65,097,100
Total private revenues	9,472,150
Total other state restricted revenues	70,096,800
State general fund/general purpose	\$ 1,102,339,379

Sec. 102. EXECUTIVE OPERATIONS

Total full-time equated positions	470.8
Full-time equated unclassified positions	6.0
Full-time equated classified positions	464.8
Unclassified salaries--6.0 FTE positions	\$ 505,800
Salaries and wages--354.8 FTE positions	18,181,700
Contractual services, supplies, and materials	7,109,200
Demonstration projects--7.0 FTE positions	7,804,100
Commission on disability concerns--7.0 FTE positions ..	944,200
Commission for the blind--96.0 FTE positions	17,461,200
Youth low vision program	<u>260,000</u>
GROSS APPROPRIATION	\$ 52,266,200

Appropriated from:

Federal revenues:

Total federal revenues	34,769,600
Special revenue funds:	
Total local revenues	275,000
Total private revenues	1,340,000
Total other state restricted revenues	477,300
State general fund/general purpose	\$ 15,404,300

Sec. 103. FAMILY INDEPENDENCE SERVICES ADMINISTRATION

Full-time equated classified positions 102.8

Salaries and wages--71.7 FTE positions	\$ 3,802,400
Contractual services, supplies, and materials	11,672,900
Employment and training support services	19,689,100
Wage employment verification reporting--2.0 FTE positions	1,907,500
Urban and rural empowerment/enterprise zones	100
Training and staff development--29.1 FTE positions	8,203,000
Community services block grants	<u>24,350,000</u>
GROSS APPROPRIATION	\$ 69,625,000

Appropriated from:

Federal revenues:

Total federal revenues	58,942,700
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Special revenue funds:

State general fund/general purpose	\$ 10,682,300
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Sec. 104. CHILD SUPPORT ENFORCEMENT

Full-time equated classified positions 200.0

Child support enforcement operations--192.0 positions ..	\$	19,521,900
Legal support contracts		139,819,500
Child support incentive payments		32,409,600
Child support distribution computer system--8.0 FTE positions		<u>26,195,300</u>
GROSS APPROPRIATION	\$	217,946,300

Appropriated from:

Federal revenues:

Total federal revenues		199,480,000
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Special revenue funds:

Total local revenues		340,000
State general fund/general purpose	\$	18,126,300

Sec. 105. CHILD AND FAMILY SERVICES

Full-time equated classified positions	94.8	
Salaries and wages--37.8 FTE positions		\$ 1,984,600
Contractual services, supplies, and materials		1,407,500
Refugee assistance program--3.0 FTE positions		12,642,300
Foster care payments		143,224,100
Wayne County foster care payments		71,305,000
Adoption subsidies		219,386,200
Adoption support services--10.0 FTE positions		14,101,100
Youth in transition--6.5 FTE positions		12,295,200
Interstate compact		300,000
Children's benefit fund donations		21,000

Domestic violence prevention and treatment--5.0 FTE	
positions	13,476,300
Family preservation and prevention services--12.0 FTE	
positions	66,285,600
Black child and family institute	100,000
Rape prevention and services	2,600,000
Children's trust fund administration--6.0 FTE positions	439,200
Children's trust fund grants	3,615,000
Attorney general contract	2,481,000
Guardian contract	600,000
Prosecuting attorney contracts	1,061,700
Child care fund	143,200,000
Enhanced child care fund reimbursement for community	
programs	50,000,000
Child care fund administration--7.5 FTE positions	884,000
County juvenile officers	3,754,000
Community support services--7.0 FTE positions.....	<u>1,479,400</u>
GROSS APPROPRIATION	\$ 766,643,200

Appropriated from:

Federal revenues:

Total federal revenues	432,559,100
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Special revenue funds:

Local funds - county payback	34,918,000
Private - children's benefit fund donations	21,000

Private - collections	5,033,900
Children's trust fund	3,271,800
State general fund/general purpose	\$ 290,839,400

Sec. 106. JUVENILE JUSTICE SERVICES

Full-time equated classified positions	820.9
Juvenile justice operations--800.9 FTE positions	\$ 69,354,900
Federally funded activities--12.0 FTE positions	1,727,800
W.J. Maxey memorial fund	45,000
Juvenile accountability incentive block grant--4.0 FTE positions	8,436,200
Committee on juvenile justice administration--4.0 FTE positions	464,800
Committee on juvenile justice grants	<u>5,000,000</u>
GROSS APPROPRIATION	\$ 85,028,700

Appropriated from:

Federal revenues:

Total federal revenues	18,154,900
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Special revenue funds:

Local funds - county payback	29,068,600
Total private revenues	645,000
State general fund/general purpose	\$ 37,160,200

Sec. 107. LOCAL OFFICE STAFF AND OPERATIONS

Full-time equated classified positions	8,468.4
Field staff, salaries and wages--8,397.4 FTE positions .	\$ 336,299,400

Contractual services, supplies, and materials	26,354,300
Outstationed eligibility workers--60.0 FTE positions ..	4,664,500
Food stamp reinvestment	18,426,300
Wayne County gifts and bequests	100,000
Volunteer services and reimbursement--11.0 FTE positions	<u>1,955,900</u>
GROSS APPROPRIATION	\$ 387,800,400

Appropriated from:

Federal revenues:

Total federal revenues	237,173,150
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Special revenue funds:

Local funds - donated funds	191,100
Private funds - Wayne County gifts	100,000
Private funds - hospital contributions	2,332,250
State general fund/general purpose	\$ 148,003,900

Sec. 108. DISABILITY DETERMINATION SERVICES

Full-time equated classified positions	606.0
Disability determination operations--580.0 FTE	
positions	\$ 68,756,100
Medical consultation program--21.0 FTE positions	2,826,500
Retirement disability determination--5.0 FTE positions .	<u>828,800</u>
GROSS APPROPRIATION	\$ 72,411,400

Appropriated from:

Interdepartmental grant revenues:

Department of management and budget - office of

retirement systems		1,055,800
ADJUSTED GROSS APPROPRIATION	\$	71,355,600

Federal revenues:

Total federal revenues		68,534,100
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Special revenue funds:

State general fund/general purpose	\$	2,821,500
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Sec. 109. CENTRAL SUPPORT ACCOUNTS

Rent	\$	44,645,700
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Occupancy charge		11,448,200
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Grand tower facility reimbursement		1,905,000
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Travel		5,967,600
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Equipment		1,087,400
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Worker's compensation		5,957,000
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Advisory commissions		17,900
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Payroll taxes and fringe benefits		<u>178,733,300</u>
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GROSS APPROPRIATION	\$	249,762,100
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Appropriated from:

Federal revenues:

Total federal revenues		160,028,600
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Special revenue funds:

Local funds - county payback		304,400
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State general fund/general purpose	\$	89,429,100
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Sec. 110. PUBLIC ASSISTANCE

Full-time equated classified positions	7.9
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Family independence program	\$	334,899,600
State disability assistance payments		24,045,100
Food assistance program benefits		833,011,200
State supplementation		59,668,400
State supplementation administration		2,624,200
Low-income energy assistance program--7.9 FTE positions		116,467,700
State emergency relief		41,408,200
Weatherization assistance		15,940,800
Day care services		<u>471,794,000</u>
GROSS APPROPRIATION	\$	1,899,859,200

Appropriated from:

Federal revenues:

Total federal revenues		1,395,871,900
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Special revenue funds:

Child support collections		47,710,700
Supplemental security income recoveries		5,104,800
Public assistance recoupment revenue		2,500,000
State general fund/general purpose	\$	448,671,800

Sec. 111. INFORMATION TECHNOLOGY

Information technology services and projects	\$	45,467,700
Child support automation		70,000,000
Client services system		12,307,200
Data system enhancement		<u>16,573,900</u>

GROSS APPROPRIATION \$ 144,348,800

Appropriated from:

Federal revenues:

Total federal revenues 92,116,021

Special revenue funds:

Total other state restricted revenues 11,032,200

State general fund/general purpose \$ 41,200,579

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

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

FAMILY INDEPENDENCE AGENCY

CHILD AND FAMILY SERVICES

Adoption subsidies \$ 83,796,800

Child care fund 97,200,000

Enhanced child care fund reimbursement for community programs 7,500,000

County juvenile officers 2,973,200

PUBLIC ASSISTANCE

State disability program.	<u>1,158,700</u>
TOTAL	\$ 192,628,700

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

Sec. 203. As used in this bill:

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

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

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

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

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

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

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

within a department.

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

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

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

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$20,000,000.00 for local contingency funds. These funds are not available for expenditure until they have been

transferred to another line item in this bill under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this bill. This requirement 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.

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

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

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

Sec. 214. (1) The department shall submit a report to the state budget director, the chairpersons of the senate and house appropriations subcommittees on the family independence agency budget, and to the senate and house fiscal agencies on the details of allocations within program budgeting line items and within the salaries and wages line items in the local office staff and operations appropriation unit. The report shall include a listing, by account, dollar amount, and fund source, of salaries and wages; longevity and insurance; retirement; contractual services, supplies, and materials; equipment; travel; and grants within each program line item appropriated for the fiscal year ending September 30, 2004.

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

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

senate fiscal agencies of that fact.

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

Sec. 219. 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 C.F.R. 304.50.

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.

Sec. 222. (1) In addition to the amounts appropriated in part 1, in order to encourage administrative efficiencies, there is appropriated to the family

independence agency, an amount not to exceed one-half of the unexpended, unreserved general fund portions of fiscal year 2002-2003 appropriations made to the department for salaries and wages expenses, contractual services, supplies and materials expenses, information technology expenses and program operations costs.

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

Sec. 227. The family independence agency, 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 family independence agency and house and senate fiscal agencies, and shall not produce an increase or decrease in any line-item expenditure authorization.

Sec. 259. 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. Such user fees shall be subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 260. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support family independence agency projects under the direction of the department of information

technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

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

EXECUTIVE OPERATIONS

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

FAMILY INDEPENDENCE SERVICES ADMINISTRATION

Sec. 403. 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 family independence agency the proposed use and distribution plan for community services block grant funds appropriated in part 1 for the succeeding fiscal year.

Sec. 404. 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, 2003, and the plan

shall be delivered to the appropriations subcommittees on the family independence agency in the house and senate.

Sec. 414. (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) From the funds appropriated in part 1 for community services block grants, the department is authorized to make allocations of TANF funds only to the community action agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

CHILD AND FAMILY SERVICES

Sec. 501. The following goal is established by state law. During the fiscal year ending September 30, 2004, 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.

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

Sec. 503. The department shall 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.

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.

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 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.

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.

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.

Sec. 513. 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.

(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.

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

Sec. 517. (1) From the funds appropriated in part 1 for family preservation and prevention services, the department is authorized to allocate funds to multipurpose collaborative bodies to address issues raised in the Binsfeld children's commission report issued in July 1996. Priority for activities and services may 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) From the funds appropriated in part 1 for family preservation and prevention services, up to \$4,000,000.00 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 allocation provided for in subsection (2) may fund secondary prevention programs as defined in the children's trust fund's pre-application materials for fiscal year 2003-2004 direct services grants.

(4) Projects funded through the allocation provided for in subsection (2) may be required to meet 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 family independence agency.

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

Sec. 523. From the funds appropriated in part 1 for youth in transition and domestic violence prevention and treatment, 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 use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 531. (1) From the funds appropriated in part 1, the family independence agency may 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 family independence agency shall make payments under subsection (1) only to local units of government which have entered into formal agreements with the family independence agency. Such agreement must include all of the following:

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

(b) Provide for agency 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 family independence agency.

(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 which 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.

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

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

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

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

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

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

PUBLIC ASSISTANCE

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.

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 may review and adjust the standard utility allowance for the state food assistance program to ensure that it reflects current

energy costs in the state.

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 section 402 of title IV of the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 8 U.S.C. 1612, and who otherwise meets the eligibility criteria under this section shall be eligible to receive benefits under the state disability assistance program.

Sec. 605. The level of reimbursement provided to state disability

assistance recipients in licensed adult foster care facilities shall be the same as the prevailing supplemental security income rate under the personal care category.

Sec. 606. County family independence agencies 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.

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.

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

Sec. 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.

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

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.

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

Sec. 614. 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.

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.

Sec. 616. The appropriation in part 1 for the weatherization program shall be expended in such a manner 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 assistance.
- (b) State disability assistance.
- (c) Food assistance.
- (d) Supplemental security income.

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.

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.

Sec. 619. The department shall exempt from the denial of title IV-A assistance and food assistance benefits, contained in section 115 of title I of the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 21 U.S.C. 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.

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.

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 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.

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.

Sec. 643. As a condition of receipt of federal TANF funds, homeless shelters shall collaborate with the family independence agency 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 shelters within state emergency relief, 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.

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 family independence agency's policies on good cause for not cooperating with child support and paternity requirements.

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

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

(2) The department shall allocate up to \$4,300,000.00 for the annual

school clothing allowance. The allowance shall be granted to all eligible children 4 to 18 years of age.

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 section 6(o)(6) of the food stamp act of 1977, Public Law 88-525, 7 U.S.C. 2015. This exemption can be extended an additional 3 months upon demonstration of continuing need.

Sec. 660. From the funds appropriated in part 1 for food bank council activities within state emergency relief, 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.

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

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

JUVENILE JUSTICE SERVICES

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.

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

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

DISABILITY DETERMINATION SERVICES

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

CHILD SUPPORT ENFORCEMENT

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

(2) In addition to the amount retained in subsection (1), additional incentives may be retained and used by the state for special, enhanced, or centralized initiatives or services that are reasonably calculated by the department, in consultation with the state court administrative office and the state budget office, to result in an equivalent or greater increase in child support collections or child support incentive payments received from the federal government. If payment from the federal government for collection performance incentives exceeds the amount received by the state for the fiscal year 2000, the total amount paid to counties shall be no less than the total amount paid from federal performance incentives in fiscal year 2001.

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

(4) A county shall not be penalized due to the failure to comply with federal child support enforcement system requirements if the department

determines that all of the following conditions are met:

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

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

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

(d) The friend of the court and county prosecuting attorney's office use the statewide system upon availability to monitor and process title IV-D cases.

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