

**MICHIGAN SUPREME COURT
STATE COURT ADMINISTRATIVE OFFICE
MICHIGAN DRUG COURT GRANT PROGRAM
2009
GRANT CONTRACT**

15th District Court -- DWI

Grantee

38-6004534

Federal ID Number

SCAO-2009-048

SCAO Contract Number

\$45,000

Grant Amount

2004 PA 224, effective January 1, 2005, authorizes the creation of drug treatment courts in circuit and district courts and the family division of circuit courts in Michigan. In addition, 2008 PA 250, effective July 18, 2008, provides funding for the Michigan Drug Court Grant Program (MDCGP) for FY 2009. This program is administered by the State Court Administrative Office (SCAO). The purpose of the MDCGP is to provide funding assistance to operational drug treatment courts and drug treatment courts in the planning stage. The grant agreement is designated as a subrecipient relationship.

Funds from the MDCGP are awarded based upon the Grantee's agreement to comply with 2004 PA 224, the policies and procedures set forth in the application assurances and administrative requirements for the program, and this contract.

1. Contract

This contract incorporates the Grantee's approved grant request and final approved budget.

2. Contract Administration

The State Court Administrator or his agent shall have full authority to act for the grantor in the administration of this contract consistent with the following provisions.

3. Term of Contract

This contract shall be effective upon the signature of the State Court Administrator or Deputy State Court Administrator, and the signature of the Grantee's authorizing official and chief judge. The contract shall commence October 1, 2008, and shall terminate on September 30, 2009, unless terminated earlier according to provisions in section 20.

Funding under this contract does not guarantee future funding from the MDCGP.

4. Contract Funding

Upon approval of the Grantee's application and signing of this contract, SCAO agrees to provide funding from the MDCGP in an amount not to exceed the amount of the grant contract. In no event does this contract create a charge against any other funds of SCAO or the Michigan Supreme Court.

5. Conduct of the Project

A. The Grantee shall abide by all terms and conditions required by the application assurances, budget requirements, and the Grantee's approved program outline and budget. The Grantee must obtain prior approval from SCAO before any program changes or budget adjustments exceeding \$1,000 are implemented during the grant period.

B. The Grantee shall operate its drug court project in accordance with the *Ten Key*

Components of drug courts as outlined in the application assurances.

- C. The Grantee shall comply with all applicable federal, state, and local laws, rules, and regulations.
- D. The Grantee agrees that funds awarded under this grant will not be used to support any inherently religious activities, such as worship, religious instruction, or proselytization. If the Grantee refers participants to, or provides, a non-federally funded program or service that incorporates such religious activities: (1) any such activities must be voluntary for program participants, and (2) program participants may not be excluded from participation in a program or otherwise penalized or disadvantaged for any failure to accept a referral or services. If participation in a non-federally funded program or service that incorporates inherently religious activities is deemed a critical treatment or support service for program participants, the Grantee agrees to identify and refer participants who object to the inherently religious activities of such program or service to a comparable secular alternative program or service.

6. *Assignments and Subcontracts*

All provisions and requirements of this contract shall apply to any subcontracts or agreements the Grantee may enter into in furtherance of its obligations under this contract. The Grantee shall provide copies of all subcontracts for services funded in whole or in part by this grant to the SCAO for review and approval prior to entering into a subcontract agreement and shall be responsible for the performance of any subcontractor.

7. *Human Subjects*

The Grantee must submit all research involving human subjects conducted in programs sponsored by SCAO, or in programs that receive funding from or through the state of Michigan, to the Michigan Department of Community Health's (MDCH) Institutional Review Board (IRB) for approval prior to the initiation of the research.

8. *Confidentiality*

Both SCAO and the Grantee shall assure that medical services to, and information contained in medical records of, persons served under this contract, or other such recorded information required to be held confidential by federal or state law, rule, or regulation, in connection with the provision of services or other activity under this agreement shall be privileged communication. It also shall be held confidential, and shall not be divulged without the written consent of either the patient or a person responsible for the patient, except as may be otherwise required by applicable law or regulation. Such information may be disclosed in summary, statistical, or other form, which does not directly or indirectly identify particular individuals.

9. *Health Insurance Portability and Accountability Act and 42 CFR Part 2*

To the extent that this act and these regulations are pertinent to the services that the Grantee provides under this contract, the Grantee assures that it is in compliance with the Health Insurance Portability and Accountability Act (HIPAA) and 42 CFR Part 2 requirements including the following:

- A. The Grantee must not share any protected health or other protected data and information provided by SCAO or any other source that falls within HIPAA

and/or 42 CFR Part 2 requirements, except to a subcontractor as appropriate under this contract.

- B. The Grantee must require that the subcontractor not share any protected health or other protected data and information from SCAO or any other source that falls under HIPAA and/or 42 CFR Part 2 requirements in the terms and conditions of the subcontract.
- C. The Grantee must use the protected data and information only for the purposes of this contract.
- D. The Grantee must have written policies and procedures addressing the use of protected data and information that falls under the HIPAA and/or 42 CFR Part 2 requirements. The policies and procedures must meet all applicable federal and state requirements including HIPAA and 42 CFR Part 2 regulations. These policies and procedures must include restricting access to the protected data and information by the Grantee's employees.
- E. The Grantee must have a policy and procedure to report to SCAO unauthorized use or disclosure of protected data and information that falls under the HIPAA and/or 42 CFR Part 2 requirements of which the Grantee becomes aware.
- F. Failure to comply with any of these contractual requirements may result in the termination of this contract in accordance with section 20.
- G. In accordance with HIPAA and/or 42 CFR Part 2 requirements, the Grantee is liable for any claim, loss, or damage relating to unauthorized use or disclosure of protected data and information received by the Grantee from SCAO or any other source.

10. *Independent Contractor Status*

- A. Both parties to this contract will be acting in an independent capacity and not as an agent, employee, partner, joint venturer, or associate of one another. The employees or agents of one party shall not be deemed or construed to be the agents or employees of the other party for any purpose.
- B. The Grantee understands and agrees that all persons furnishing services pursuant to this contract are, for purposes of workers' compensation liability or other actions of employee-related liability, not employees of SCAO or the Michigan Supreme Court. The Grantee bears the sole responsibility and liability for furnishing workers' compensation benefits to any of its employees for injuries arising from or connected with services performed pursuant to this contract.

11. *Liability*

All liability to third parties, loss, or damage as a result of claims, demands, costs, or judgments arising out of activities, such as direct service delivery, to be carried out by the Grantee in the performance of this contract shall be the responsibility of the Grantee, and not the responsibility of the State Court Administrative Office, if the liability, loss, or damage is caused by, or arises out of, the actions or failure to act on the part of the Grantee, any subcontractor, or anyone directly or indirectly employed by the Grantee, or any subcontractor, provided that nothing herein shall be construed as a waiver of the governmental immunity that has been provided to the Grantee or its employees by statute or court decision.

12. *Debarment and Suspension*

The Grantee may not contract with or make any award of the SCAO drug court grant funds at any time to any party that has been debarred or suspended or is otherwise excluded from, or ineligible for, participation in federal assistance programs under Executive Order 12549, “Debarment and Suspension.”

13. *Acquisition, Accounting, Recordkeeping, and Inspection*

- A. The Grantee agrees that all expenditures from this contract, including the acquisition of personnel services, contractual services, and supplies, shall be in accordance with: (1) the standard procedures of the Grantee’s unit of government, and (2) the administrative and budget requirements of the MDCGP.
- B. The Grantee agrees to maintain accounting records following generally-accepted accounting principles for the expenditure of funds for the purposes identified in the approved grant request, final approved budget, and any applicable approved contract addendum and/or budget amendment.
- C. The Grantee agrees that the Michigan Supreme Court, State Court Administrative Office, the local government audit division of the Michigan Department of Treasury, the State Auditor General, or any of their duly authorized representatives, including program evaluators and auditors, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, books, accounts, data, time cards, or other records related to this contract. The Grantee shall retain all books and records, including all pertinent cost reports, accounting and financial records, or other documents related to this contract, for five years after final payment at the Grantee’s cost. Federal and/or state auditors, and any persons duly authorized by SCAO, shall have full access to

and the right to examine and audit any of the materials during the term of this contract and for five years after final payment. If an audit is initiated before the expiration of the five-year period, and extends past that period, all documents shall be maintained until the audit is complete. SCAO shall provide audit findings and recommendations to the Grantee. SCAO may adjust future or final payments if the findings of the audit indicate over- or under-payment to the Grantee for the period audited, subject to the availability of funds for such purposes. If an audit discloses an overpayment to the Grantee, the Grantee shall immediately refund all amounts that may be due SCAO. Failure of the Grantee to comply with the requirements of this section shall constitute a material breach of this contract upon which the State Court Administrative Office may cancel, terminate, or suspend this contract.

- D. The Grantee's accounting system must maintain a separate fund or account that segregates MDCGP contract receipts and expenditures from other receipts and expenditures of the Grantee.

14. *Accountability for Michigan Drug Court Grant Program Funds*

The Grantee agrees that it will not expend funds obtained under this contract for any purpose other than those authorized in the administrative requirements specified in the application and revised approved budget for the Michigan Drug Court Grant Program, and will expend grant funds only during the period covered by this contract unless prior written approval is received from SCAO.

15. *Program Review and Monitoring*

The Grantee shall give SCAO and any of its authorized agents access to the drug court at any reasonable time to evaluate, audit, inspect, observe, and monitor the operation of the

program. The inspection methods that may be used include, but are not limited to onsite visits; interviews of staff and drug court participants; and review of case records, receipts, monthly/quarterly statistical reports, and fiscal records.

16. Reports

The Grantee agrees to provide reports as identified in the application assurances and administrative requirements for the Michigan Drug Court Grant Program to SCAO as follows:

- A. **Financial Reports:** Financial reports are due quarterly, one month following each quarter of the fiscal year, with the exception of the 4th quarterly report which will be due October 10, in order to meet fiscal year-end reporting requirements. The financial quarterly reports will be due by January 31, April 30, July 31, and October 10. SCAO will provide copies of the financial report forms upon request.
- B. **Progress Reports:** Progress reports are due semi-annually. The reports will be due on April 30 and October 20. The progress reports will list the drug court program's goals and objectives, detail the status of accomplishments for each goal and objective, discuss any changes in the program's goals and objectives as set forth in the application for grant funding, and describe program activities during the reporting period. The final report must provide a summary of progress toward achieving the goals and objectives of the award, significant results, and any products developed under the award.
- C. **Data Reports:** Recipients of the MDCGP operational funding are required to submit quarterly to SCAO a DCCMIS Data Validation and DCCMIS Data Exception Report :

1. Data Validation Report: The number of admissions, discharges, and open cases for the quarter.
2. Data Exception Report: SCAO will provide to each court a list of cases in which data is either missing or appears to be incorrect. The court must review each case and correct the entry or advise SCAO of the reason(s) for the missing data or why the data submitted appears incorrect.

These reports will be due February 15, May 15, August 15, and November 15.

Should a Grantee awarded funds for planning purposes become operational during the contract period, the Grantee will be responsible for submitting the appropriate Data Validation and Data Exception Report for the quarter immediately following program implementation and for all subsequent quarters as required above for courts receiving operational funding.

- D. **Reporting Compliance**: The Grantee is responsible for the timely submission of each required report as outlined in sections A, B, and C above. If any report is thirty days past the due date, a delinquency notice will be sent out via e-mail notifying courts that they have fifteen days to comply with the reporting requirement. Forty-five days past the due date, a forfeiture notice will be sent out to courts via the U.S. Postal Service notifying them that their funding award has been rescinded due to contract noncompliance.
- E. **Grant Funding Reallocation**: SCAO retains the right to reallocate grant funding if ongoing progress is not being made toward achieving the program's goals and objectives and/or in the implementation of the drug court grant project as defined

in the approved grant request. Reimbursement for grant costs and/or future funding may be withheld or denied if any of the required reports in this section are received forty-five days past their due date.

17. Reimbursement

- A. Reimbursement from SCAO is based on the understanding that SCAO funds will be paid up to the total SCAO allocation as agreed to in the approved budget.
- B. The Grantee should sign up through the online vendor registration process to receive all state of Michigan payments as Electronic Funds Transfers (EFT)/Direct Deposits. Registration information is available through the Department of Management and Budget's website at:

<http://www.cpexpress.state.mi.us>.

18. Budget Modification

Adjustments in expenditures up to \$1,000 within line item categories in the approved budget and transfers up to \$1,000 between line item categories in the approved budget may be made without the prior written approval of SCAO. Requests for adjustments in expenditures within line items and between line item categories exceeding \$1,000 must be made using a Contract Adjustment Request form which can be obtained from SCAO.

19. Funding Hold or Termination

SCAO may place a funding hold on contracted amounts not yet disbursed, or terminate this contract if it concludes that the Grantee is not in compliance with the conditions and provisions of this contract, the application assurances and administrative requirements, or the budget requirements of the MDCGP. SCAO may extend an opportunity for the Grantee to demonstrate compliance. Notification of a funding hold or termination will be in writing.

20. Contract Termination

SCAO may cancel this contract without further liability or penalty to SCAO for any of the following reasons:

- A. This contract may be terminated by either party by giving thirty days written notice to the other party stating the reasons for termination and the effective date.
- B. This contract may be terminated on thirty days prior written notice upon the failure of either party to carry out the terms and conditions of this contract, provided the alleged defaulting party is given notice of the alleged breach and fails to cure the default within the thirty day period.
- C. This contract may be terminated immediately if the Grantee or an official of the Grantee is convicted of any activity referenced in section 12 of this contract during the term of this contract or any extension thereof.
- D. This contract may be terminated immediately without further financial liability to SCAO if funding for this contract becomes unavailable to SCAO.

21. Conflict of Interest

The Grantee and SCAO are subject to the provisions of 1968 PA 317, as amended, MCL 15.321 *et seq.*, MSA 4.1700(51) *et seq.*, and 1973 PA 196, as amended, MCL 15.341 *et seq.*, MSA 4.1700 (71) *et seq.*

22. State of Michigan Contract

This is a state of Michigan contract and is governed by the laws of Michigan. Any litigation arising as a result of this contract shall be resolved in courts of the state of Michigan.

Authorized By:

State Court Administrative Office

Date

Acceptance by Grantee:

Authorizing Official (Signature and Title)

Date

Authorizing Official (please print name and title)

Chief Judge (Signature)

Date

Chief Judge (please print name)