

~~(II)~~ (III) SUBJECT TO THE ADJUSTMENT IN ACCORDANCE WITH SUBSECTION (E) OF THIS SECTION.

(2) THE FUNDS PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE USED BY THE SUBCABINET FOR CHILDREN, YOUTH, AND FAMILIES TO CREATE AN INTERAGENCY POOL OF FUNDS TO PROVIDE SERVICES TO CHILDREN WITH DISABILITIES.

(3) THE POOL OF INTERAGENCY FUNDS ESTABLISHED UNDER THIS SUBSECTION SHALL BE USED TO FUND THE COMMUNITY-BASED SERVICES AND COMMUNITY-BASED OUT-OF-HOME PLACEMENTS NEEDED BY CHILDREN WITH MENTAL OR DEVELOPMENTAL DISABILITIES NOT IN STATE CUSTODY, REGARDLESS OF ELIGIBILITY FOR THE STATE MEDICAL ASSISTANCE PROGRAM, IF:

(I) THE CHILD IS IN AN OUT-OF-HOME PLACEMENT AND HAS BEEN RECOMMENDED FOR DISCHARGE BUT THE CHILD'S FAMILY IS UNWILLING OR UNABLE TO HAVE THE CHILD RETURN HOME; OR

(II) THE CHILD REMAINS IN THE HOME BUT THE CHILD'S FAMILY IS UNABLE TO PROVIDE APPROPRIATE CARE FOR THE CHILD WITHOUT ADDITIONAL SERVICES AND THE CHILD IS EITHER AT RISK OF REQUIRING AN OUT-OF-HOME PLACEMENT OR THE TREATING PROFESSIONALS HAVE RECOMMENDED AN OUT-OF-HOME PLACEMENT.

(D) (1) ~~IF FUNDS ARE PROVIDED UNDER SUBSECTION (C) OF THIS SECTION,~~ THE GOVERNOR'S OFFICE FOR CHILDREN, YOUTH, AND FAMILIES SHALL ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF SUBSECTION (C)(3) OF THIS SECTION.

(2) THE REGULATIONS SHALL:

(I) INCLUDE THE CRITERIA FOR ELIGIBILITY AND FOR PRIORITIZATION OF ELIGIBLE CHILDREN; AND

(II) BE DEVELOPED WITH INPUT FROM PARENTS OF A CHILD WITH DISABILITIES, GROUPS REPRESENTING FAMILIES OF POTENTIALLY ELIGIBLE CHILDREN, ADVOCACY ORGANIZATIONS, THE PROTECTION AND ADVOCACY SYSTEM FOR PERSONS WITH DISABILITIES, PROVIDERS, LOCAL AGENCIES SERVING CHILDREN WITH DISABILITIES, AND SUBCABINET AGENCIES.

(E) (1) NOTHING IN THIS SECTION IS INTENDED TO RESULT IN THE REDUCTION OF FEDERAL FUNDS AVAILABLE TO THE DEPARTMENT OF HUMAN RESOURCES OR THE DEPARTMENT OF JUVENILE JUSTICE UNDER TITLE IV-E OF THE SOCIAL SECURITY ACT FOR THE ROOM AND BOARD COSTS OF ELIGIBLE RESIDENTIAL CARE.

(2) IF, AS A RESULT OF ACTIONS TAKEN UNDER THIS SECTION, THE FEDERAL MATCHING FUNDS AVAILABLE TO THE DEPARTMENT OF HUMAN RESOURCES AND THE DEPARTMENT OF JUVENILE JUSTICE UNDER TITLE IV-E OF THE SOCIAL SECURITY ACT ARE REDUCED BECAUSE THE PERCENTAGE OF RESIDENTIAL CARE COSTS ALLOCATED TO TITLE IV-E IS REDUCED, THE GOVERNOR SHALL ADJUST THE AMOUNT OF FUNDS PROVIDED UNDER SUBSECTION (C) OF THIS