

(c) Provide genetic diagnostic and counseling services for eligible families.

(d) Provide medical care and treatment to eligible patients with hereditary coagulation defects, commonly known as hemophilia, who are 21 years of age or older.

Referral of medically eligible children.

Sec. 1203. All children who are determined medically eligible for the children's special health care services program shall be referred to the appropriate locally-based services program in their community.

OFFICE OF DRUG CONTROL POLICY

Byrne formula grant program.

Sec. 1250. In addition to the \$1,800,000.00 in Byrne formula grant program funding the department provides to local drug treatment courts, the department shall provide \$1,800,000.00 in Byrne formula grant program funding to the judiciary by interdepartmental grant.

CRIME VICTIM SERVICES COMMISSION

Forensic nurse examiner programs.

Sec. 1302. From the funds appropriated in part 1 for justice assistance grants, up to \$50,000.00 shall be allocated for expansion of forensic nurse examiner programs to facilitate training for improved evidence collection for the prosecution of sexual assault. The funds shall be used for program coordination, training, and counseling. Unexpended funds shall be carried forward.

Emergency treatment of sexual assault victims.

Sec. 1304. The department shall work with the department of state police, the Michigan hospital association, the Michigan state medical society, and the Michigan nurses association to ensure that the recommendations included in the "Standard Recommended Procedures for the Emergency Treatment of Sexual Assault Victims" are followed in the collection of evidence.

OFFICE OF SERVICES TO THE AGING

Community and nutrition services and home services; eligibility; restrictions.

Sec. 1401. The appropriation in part 1 to the office of services to the aging, for community and nutrition services and home services, shall be restricted to eligible individuals at least 60 years of age who fail to qualify for home care services under title XVIII, XIX, or XX.

Home delivered meals waiting lists; criteria.

Sec. 1403. The office of services to the aging shall require each region to report to the office of services to the aging home delivered meals waiting lists based upon standard criteria. Determining criteria shall include all of the following:

(a) The recipient's degree of frailty.

(b) The recipient's inability to prepare his or her own meals safely.

(c) Whether the recipient has another care provider available.

(d) Any other qualifications normally necessary for the recipient to receive home delivered meals.

Day care, care management, respite care, and certain services; fees.

Sec. 1404. The area agencies and local providers may receive and expend fees for the provision of day care, care management, respite care, and certain eligible home and community-based services. The fees shall be based on a sliding scale, taking client income into consideration. The fees shall be used to expand services.

Respite care program; allocation from tobacco settlement trust funds.

Sec. 1406. The appropriation of \$5,000,000.00 of tobacco settlement trust funds to the office of services to the aging for the respite care program shall be allocated in accordance with a long-term care plan developed by the long-term care working group established in section 1657 of 1998 PA 336 upon implementation of the plan. The use of the funds shall be for direct respite care or adult respite care center services. Not more than 9% of the amount allocated under this section shall be expended for administration and administrative purposes.

Locally based services.

Sec. 1413. The legislature affirms the commitment to locally-based services. The legislature supports the role of local county board of commissioners in the approval of area agency on aging plans. The legislature supports choice and the right of local counties to change membership in the area agencies on aging if the change is to an area agency on aging that is contiguous to that county. The legislature supports the office of services to the aging working with others to provide training to commissions to better understand and advocate for aging issues. It is the intent of the legislature to prohibit area agencies on aging from providing direct services, including home- and community-based services waiver, unless the agencies receive a waiver from the department. The legislature's intent in this section is conditioned on compliance with federal and state laws, rules, and policies.

Frail elderly; services, resources, and assistance.

Sec. 1416. The legislature affirms the commitment to provide in-home services, resources, and assistance for the frail elderly who are not being served by the Medicaid home- and community-based services waiver program.

MEDICAL SERVICES

Remedial services.

Sec. 1601. The cost of remedial services incurred by residents of licensed adult foster care homes and licensed homes for the aged shall be used in determining financial eligibility for the medically needy. Remedial services include basic self-care and rehabilitation training for a resident.

Elderly and disabled persons less than or equal to poverty level.

Sec. 1602. Medical services shall be provided to elderly and disabled persons with incomes less than or equal to 100% of the official poverty level, pursuant to the state's

option to elect such coverage set out at section 1902(a)(10)(A)(ii) and (m) of title XIX, 42 USC 1396a.

Buy-in of medical coverage.

Sec. 1603. (1) The department may establish a program for persons to purchase medical coverage at a rate determined by the department.

(2) The department may receive and expend premiums for the buy-in of medical coverage in addition to the amounts appropriated in part 1.

(3) The premiums described in this section shall be classified as private funds.

Medicaid coverage; receipt of application.

Sec. 1604. If an applicant for Medicaid coverage is found to be eligible, the department shall provide payment for all of the Medicaid covered and appropriately authorized services that have been provided to that applicant since the first day of the month in which the applicant filed and the department of human services received the application for Medicaid coverage. Receipt of the application by a local department of human services office is considered the date the application is received. If an application is submitted on the last day of the month and that day falls on a weekend or a holiday and the application is received by the local department of human services office on the first business day following the end of the month, then receipt of the application is considered to have been on the last day of the previous month. As used in this section, “completed application” means an application complete on its face and signed by the applicant regardless of whether the medical documentation required to make an eligibility determination is included.

Protected income level.

Sec. 1605. (1) The protected income level for Medicaid coverage determined pursuant to section 106(1)(b)(iii) of the social welfare act, 1939 PA 280, MCL 400.106, shall be 100% of the related public assistance standard.

(2) The department shall notify the senate and house of representatives appropriations subcommittees on community health and the state budget director of any proposed revisions to the protected income level for Medicaid coverage related to the public assistance standard 90 days prior to implementation.

Guardian and conservator charges.

Sec. 1606. For the purpose of guardian and conservator charges, the department of community health may deduct up to \$60.00 per month as an allowable expense against a recipient’s income when determining medical services eligibility and patient pay amounts.

Medicaid covered services relating to pregnancy.

Sec. 1607. (1) An applicant for Medicaid, whose qualifying condition is pregnancy, shall immediately be presumed to be eligible for Medicaid coverage unless the preponderance of evidence in her application indicates otherwise. The applicant who is qualified as described in this subsection shall be allowed to select or remain with the Medicaid participating obstetrician of her choice.

(2) An applicant qualified as described in subsection (1) shall be given a letter of authorization to receive Medicaid covered services related to her pregnancy. All qualifying applicants shall be entitled to receive all medically necessary obstetrical and prenatal care without preauthorization from a health plan. All claims submitted for payment for obstetrical and prenatal care shall be paid at the Medicaid fee-for-service rate in the event a contract does not exist between the Medicaid participating obstetrical or prenatal care

provider and the managed care plan. The applicant shall receive a listing of Medicaid physicians and managed care plans in the immediate vicinity of the applicant's residence.

(3) In the event that an applicant, presumed to be eligible pursuant to subsection (1), is subsequently found to be ineligible, a Medicaid physician or managed care plan that has been providing pregnancy services to an applicant under this section is entitled to reimbursement for those services until such time as they are notified by the department that the applicant was found to be ineligible for Medicaid.

(4) If the preponderance of evidence in an application indicates that the applicant is not eligible for Medicaid, the department shall refer that applicant to the nearest public health clinic or similar entity as a potential source for receiving pregnancy-related services.

(5) The department shall develop an enrollment process for pregnant women covered under this section that facilitates the selection of a managed care plan at the time of application.

Cost report grievances.

Sec. 1610. The department of community health shall provide an administrative procedure for the review of cost report grievances by medical services providers with regard to reimbursement under the medical services program. Settlements of properly submitted cost reports shall be paid not later than 9 months from receipt of the final report.

Medical services reimbursement; limitation; level of payment from third-party source.

Sec. 1611. (1) For care provided to medical services recipients with other third-party sources of payment, medical services reimbursement shall not exceed, in combination with such other resources, including Medicare, those amounts established for medical services-only patients. The medical services payment rate shall be accepted as payment in full. Other than an approved medical services copayment, no portion of a provider's charge shall be billed to the recipient or any person acting on behalf of the recipient. Nothing in this section shall be considered to affect the level of payment from a third-party source other than the medical services program. The department shall require a nonenrolled provider to accept medical services payments as payment in full.

(2) Notwithstanding subsection (1), medical services reimbursement for hospital services provided to dual Medicare/medical services recipients with Medicare part B coverage only shall equal, when combined with payments for Medicare and other third-party resources, if any, those amounts established for medical services-only patients, including capital payments.

Electronic billings.

Sec. 1615. Unless prohibited by federal or state law or regulation, the department shall require enrolled Medicaid providers to submit their billings for services electronically.

Medicaid managed care and fee-for-service payments; recovery; authorization of amount.

Sec. 1616. Contingent upon recovery of Medicaid managed care and fee-for-service payments through audits or other recovery procedures, \$8,753,700.00, of which \$3,800,000.00 is general fund/general purpose funds, may be authorized within the hospital services and therapy line.

Pharmaceutical dispensing fee; prescription copayment; mail order pharmacy program.

Sec. 1620. (1) For fee-for-service recipients who do not reside in nursing homes, the pharmaceutical dispensing fee shall be \$2.50 or the pharmacy's usual or customary cash

charge, whichever is less. For nursing home residents, the pharmaceutical dispensing fee shall be \$2.75 or the pharmacy's usual or customary cash charge, whichever is less.

(2) The department shall require a prescription copayment for Medicaid recipients of \$1.00 for a generic drug and \$3.00 for a brand-name drug, except as prohibited by federal or state law or regulation.

(3) For fee-for-service recipients, an optional mail order pharmacy program shall be available.

Prospective drug utilization review and disease management systems.

Sec. 1621. (1) The department may implement prospective drug utilization review and disease management systems. The prospective drug utilization review and disease management systems authorized by this subsection shall have physician oversight, shall focus on patient, physician, and pharmacist education, and shall be developed in consultation with the national pharmaceutical council, Michigan state medical society, Michigan association of osteopathic physicians, Michigan pharmacists association, Michigan health and hospital association, and Michigan nurses' association.

(2) This section does not authorize or allow therapeutic substitution.

Disease management and health management programs; pilot project.

Sec. 1621a. (1) The department, in conjunction with pharmaceutical manufacturers or their agents, may establish pilot projects to test the efficacy of disease management and health management programs.

(2) The department may negotiate a plan that uses the savings resulting from the services rendered from these programs, in lieu of requiring a supplemental rebate for the inclusion of those participating parties' products on the department's preferred drug list.

Maintenance drugs; dispensing 100-day supply.

Sec. 1623. (1) The department shall continue the Medicaid policy that allows for the dispensing of a 100-day supply for maintenance drugs.

(2) The department shall notify all HMOs, physicians, pharmacies, and other medical providers that are enrolled in the Medicaid program that Medicaid policy allows for the dispensing of a 100-day supply for maintenance drugs.

(3) The notice in subsection (2) shall also clarify that a pharmacy shall fill a prescription written for maintenance drugs in the quantity specified by the physician, but not more than the maximum allowed under Medicaid, unless subsequent consultation with the prescribing physician indicates otherwise.

Atypical antipsychotic medications; placement on preferred drug list.

Sec. 1625. The department shall continue its practice of placing all atypical antipsychotic medications on the Medicaid preferred drug list.

Quarterly rebates for outpatient drugs.

Sec. 1627. (1) The department shall use procedures and rebates amounts specified under section 1927 of title XIX, 42 USC 1396r-8, to secure quarterly rebates from pharmaceutical manufacturers for outpatient drugs dispensed to participants in the MICHild program, maternal outpatient medical services program, state medical program, children's special health care services, and EPIC.

(2) For products distributed by pharmaceutical manufacturers not providing quarterly rebates as listed in subsection (1), the department may require preauthorization.

Psychotropic pharmacy administration; committee to study implementation; report.

Sec. 1628. (1) The department shall convene by April 2006 a committee to study the implementation of psychotropic pharmacy administration under Medicare part D for individuals dually enrolled in the Medicare and Medicaid programs. This committee shall study and evaluate the effectiveness of mental health consumer enrollment and medication access through the Medicare part D procedures for pharmaceutical management for dual eligibles.

(2) The committee shall include a representative from each of the following organizations: the medical services administration, the office of services to the aging, the department's mental health and substance abuse services division, mental health association of Michigan, national alliance for the mentally ill of Michigan, Michigan psychiatric society, Michigan association of community mental health boards, Michigan pharmacists association, Michigan protection and advocacy service, international association of psychosocial rehabilitation services, and the pharmaceutical industry. The committee shall elect a chairperson who is not employed by state government.

(3) The committee shall produce a report by September 30, 2006 to the senate and house of representatives appropriations subcommittees on community health and the senate and house fiscal agencies.

Generic drugs; use of maximum allowable cost pricing.

Sec. 1629. The department shall utilize maximum allowable cost pricing for generic drugs that is based on wholesaler pricing to providers that is available from at least 2 wholesalers who deliver in the state of Michigan.

Medicaid coverage for podiatric, adult dental, and chiropractic services; hearing aids.

Sec. 1630. (1) Medicaid coverage for podiatric services, adult dental services, and chiropractic services shall continue at not less than the level in effect on October 1, 2002, except that reasonable utilization limitations may be adopted in order to prevent excess utilization. The department shall not impose utilization restrictions on chiropractic services unless a recipient has exceeded 18 office visits within 1 year.

(2) The department may implement the bulk purchase of hearing aids, impose limitations on binaural hearing aid benefits, and limit the replacement of hearing aids to once every 3 years.

Dental, podiatric, chiropractic, vision, and hearing aid services; copayments.

Sec. 1631. (1) The department shall require copayments on dental, podiatric, chiropractic, vision, and hearing aid services provided to Medicaid recipients, except as prohibited by federal or state law or regulation.

(2) Except as otherwise prohibited by federal or state law or regulations, the department shall require Medicaid recipients to pay the following copayments:

- (a) Two dollars for a physician office visit.
- (b) Three dollars for a hospital emergency room visit.
- (c) Fifty dollars for the first day of an in-patient hospital stay.
- (d) One dollar for an out-patient hospital visit.

Healthy kids dental program.

Sec. 1633. From the funds appropriated in part 1 for auxiliary medical services, the department shall expand the healthy kids dental program statewide if funds become available specifically for expansion of the program.

Ambulance services.

Sec. 1634. From the funds appropriated in part 1 for ambulance services, the department shall continue the 5% increase in payment rates for ambulance services implemented in fiscal year 2000-2001 and increase the ground mileage reimbursement rate per statute mile to \$4.25.

Obstetrical services, Medicaid reimbursement rates.

Sec. 1635. From the funds appropriated in part 1 for physician services and health plan services, \$6,910,800.00, of which \$3,000,000.00 is general fund/general purpose funds, shall be allocated to increase Medicaid reimbursement rates for obstetrical services.

Medicaid personal responsibility agreement.

Sec. 1637. (1) All adult Medicaid recipients shall be offered the opportunity to sign a Medicaid personal responsibility agreement.

(2) The personal responsibility agreement shall include at minimum the following provisions:

- (a) That the recipient shall not smoke.
- (b) That the recipient shall attend all scheduled medical appointments.
- (c) That the recipient shall exercise regularly.
- (d) That if the recipient has children, those children shall be up-to-date on their immunizations.
- (e) That the recipient shall abstain from abusing controlled substances and narcotics.

Cost reports.

Sec. 1641. An institutional provider that is required to submit a cost report under the medical services program shall submit cost reports completed in full within 5 months after the end of its fiscal year.

Psychiatric residency training program.

Sec. 1643. Of the funds appropriated in part 1 for graduate medical education in the hospital services and therapy line item appropriation, not less than \$10,359,000.00 shall be allocated for the psychiatric residency training program that establishes and maintains collaborative relations with the schools of medicine at Michigan State University and Wayne State University if the necessary allowable Medicaid matching funds are provided by the universities.

Graduate medical education.

Sec. 1647. From the funds appropriated in part 1 for medical services, the department shall allocate for graduate medical education not less than the level of rates and payments in effect on April 1, 2005.

Eligibility status of Medicaid recipients; use of toll-free phone line to verify.

Sec. 1648. The department shall maintain an automated toll-free phone line to enable medical providers to verify the eligibility status of Medicaid recipients. There shall be no charge to providers for the use of the toll-free phone line.

Breast and cervical cancer treatment coverage.

Sec. 1649. From the funds appropriated in part 1 for medical services, the department shall continue breast and cervical cancer treatment coverage for women up to 250% of the federal poverty level, who are under age 65, and who are not otherwise covered by insurance.

This coverage shall be provided to women who have been screened through the centers for disease control breast and cervical cancer early detection program, and are found to have breast or cervical cancer, pursuant to the breast and cervical cancer prevention and treatment act of 2000, Public Law 106-354, 114 Stat. 1381.

Managed care enrollment; preference; assignment; exceptions.

Sec. 1650. (1) The department may require medical services recipients residing in counties offering managed care options to choose the particular managed care plan in which they wish to be enrolled. Persons not expressing a preference may be assigned to a managed care provider.

(2) Persons to be assigned a managed care provider shall be informed in writing of the criteria for exceptions to capitated managed care enrollment, their right to change HMOs for any reason within the initial 90 days of enrollment, the toll-free telephone number for problems and complaints, and information regarding grievance and appeals rights.

(3) The criteria for medical exceptions to HMO enrollment shall be based on submitted documentation that indicates a recipient has a serious medical condition, and is undergoing active treatment for that condition with a physician who does not participate in 1 of the HMOs. If the person meets the criteria established by this subsection, the department shall grant an exception to mandatory enrollment at least through the current prescribed course of treatment, subject to periodic review of continued eligibility.

Hospice services.

Sec. 1651. (1) Medical services patients who are enrolled in HMOs have the choice to elect hospice services or other services for the terminally ill that are offered by the HMOs. If the patient elects hospice services, those services shall be provided in accordance with part 214 of the public health code, 1978 PA 368, MCL 333.21401 to 333.21420.

(2) The department shall not amend the medical services hospice manual in a manner that would allow hospice services to be provided without making available all comprehensive hospice services described in 42 CFR part 418.

Implementation and contracting for managed care; conditions.

Sec. 1653. Implementation and contracting for managed care by the department through HMOs shall be subject to the following conditions:

(a) Continuity of care is assured by allowing enrollees to continue receiving required medically necessary services from their current providers for a period not to exceed 1 year if enrollees meet the managed care medical exception criteria.

(b) The department shall require contracted HMOs to submit data determined necessary for evaluation on a timely basis.

(c) Mandatory enrollment of Medicaid beneficiaries living in counties defined as rural by the federal government, which is any nonurban standard metropolitan statistical area, is allowed if there is only 1 HMO serving the Medicaid population, as long as each Medicaid beneficiary is assured of having a choice of at least 2 physicians by the HMO.

(d) Enrollment of recipients of children's special health care services in HMOs shall be voluntary during the fiscal year.

(e) The department shall develop a case adjustment to its rate methodology that considers the costs of persons with HIV/AIDS, end stage renal disease, organ transplants, and other high-cost diseases or conditions and shall implement the case adjustment when it is proven to be actuarially and fiscally sound. Implementation of the case adjustment must be budget neutral.

HMO covered services delivered other than through HMO providers; reimbursement.

Sec. 1654. Medicaid HMOs shall provide for reimbursement of HMO covered services delivered other than through the HMO's providers if medically necessary and approved by the HMO, immediately required, and that could not be reasonably obtained through the HMO's providers on a timely basis. Such services shall be considered approved if the HMO does not respond to a request for authorization within 24 hours of the request. Reimbursement shall not exceed the Medicaid fee-for-service payment for those services.

Lock-in period.

Sec. 1655. (1) The department may require a 12-month lock-in to the HMO selected by the recipient during the initial and subsequent open enrollment periods, but allow for good cause exceptions during the lock-in period.

(2) Medicaid recipients shall be allowed to change HMOs for any reason within the initial 90 days of enrollment.

Expedited complaint review procedure; toll-free telephone number; annual reports.

Sec. 1656. (1) The department shall provide an expedited complaint review procedure for Medicaid eligible persons enrolled in HMOs for situations in which failure to receive any health care service would result in significant harm to the enrollee.

(2) The department shall provide for a toll-free telephone number for Medicaid recipients enrolled in managed care to assist with resolving problems and complaints. If warranted, the department shall immediately disenroll persons from managed care and approve fee-for-service coverage.

(3) Annual reports summarizing the problems and complaints reported and their resolution shall be provided to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget office.

Stabilization of Medicaid recipient in hospital emergency room.

Sec. 1657. (1) Reimbursement for medical services to screen and stabilize a Medicaid recipient, including stabilization of a psychiatric crisis, in a hospital emergency room shall not be made contingent on obtaining prior authorization from the recipient's HMO. If the recipient is discharged from the emergency room, the hospital shall notify the recipient's HMO within 24 hours of the diagnosis and treatment received.

(2) If the treating hospital determines that the recipient will require further medical service or hospitalization beyond the point of stabilization, that hospital must receive authorization from the recipient's HMO prior to admitting the recipient.

(3) Subsections (1) and (2) shall not be construed as a requirement to alter an existing agreement between an HMO and their contracting hospitals nor as a requirement that an HMO must reimburse for services that are not considered to be medically necessary.

(4) Prior to contracting with an HMO for managed care services that did not have a contract with the department before October 1, 2002, the department shall receive assurances from the office of financial and insurance services that the HMO meets the net worth and financial solvency requirements contained in chapter 35 of the insurance code of 1956, 1956 PA 218, MCL 500.3501 to 500.3580.

Hospital access agreement.

Sec. 1658. (1) HMOs shall have contracts with hospitals within a reasonable distance from their enrollees. If a hospital does not contract with the HMO, in its service area, that

hospital shall enter into a hospital access agreement as specified in the MSA bulletin Hospital 01-19.

(2) A hospital access agreement specified in subsection (1) shall be considered an affiliated provider contract pursuant to the requirements contained in chapter 35 of the insurance code of 1956, 1956 PA 218, MCL 500.3501 to 500.3580.

Applicability of certain sections.

Sec. 1659. The following sections of this article are the only ones that shall apply to the following Medicaid managed care programs, including the comprehensive plan, children's special health care services plan, MIChoice long-term care plan, and the mental health, substance abuse, and developmentally disabled services program: 401, 402, 404, 414, 418, 424, 428, 1650, 1651, 1653, 1654, 1655, 1656, 1657, 1658, 1660, 1661, 1662, 1666, 1699, and 1700.

Access of children to EPSDT services; referrals for child hearing and vision screening; providing certain data; well child visits and maternal and infant support services; incentives.

Sec. 1660. (1) The department shall assure that all Medicaid children have timely access to EPSDT services as required by federal law. Medicaid HMOs shall provide EPSDT services to their child members in accordance with Medicaid EPSDT policy.

(2) The primary responsibility of assuring a child's hearing and vision screening is with the child's primary care provider. The primary care provider shall provide age appropriate screening or arrange for these tests through referrals to local health departments. Local health departments shall provide preschool hearing and vision screening services and accept referrals for these tests from physicians or from Head Start programs in order to assure all preschool children have appropriate access to hearing and vision screening. Local health departments shall be reimbursed for the cost of providing these tests for Medicaid eligible children by the Medicaid program.

(3) The department shall require Medicaid HMOs to provide EPSDT utilization data through the encounter data system, and health employer data and information set well child health measures in accordance with the National Committee on Quality Assurance prescribed methodology.

(4) The department shall require HMOs to be responsible for well child visits and maternal and infant support services as described in Medicaid policy. These responsibilities shall be specified in the information distributed by the HMOs to their members.

(5) The department shall provide, on an annual basis, budget neutral incentives to Medicaid HMOs and local health departments to improve performance on measures related to the care of children and pregnant women.

Access of children and pregnant women to MSS/ISS services; coordination of services with other programs.

Sec. 1661. (1) The department shall assure that all Medicaid eligible children and pregnant women have timely access to MSS/ISS services. Medicaid HMOs shall assure that maternal support service screening is available to their pregnant members and that those women found to meet the maternal support service high-risk criteria are offered maternal support services. Local health departments shall assure that maternal support service screening is available for Medicaid pregnant women not enrolled in an HMO and that those women found to meet the maternal support service high-risk criteria are offered maternal support services or are referred to a certified maternal support service provider.

(2) The department shall prohibit HMOs from requiring prior authorization of their contracted providers for any EPSDT screening and diagnosis service, for any MSS/ISS screening referral, or for up to 3 MSS/ISS service visits.

(3) The department shall assure the coordination of MSS/ISS services with the WIC program, state-supported substance abuse, smoking prevention, and violence prevention programs, the department of human services, and any other state or local program with a focus on preventing adverse birth outcomes and child abuse and neglect.

Quality, timeliness, and access to health care services; analysis and evaluation of information; reports; training and technical assistance.

Sec. 1662. (1) The department shall assure that an external quality review of each contracting HMO is performed that results in an analysis and evaluation of aggregated information on quality, timeliness, and access to health care services that the HMO or its contractors furnish to Medicaid beneficiaries.

(2) The department shall provide a copy of the analysis of the Medicaid HMO annual audited health employer data and information set reports and the annual external quality review report to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director, within 30 days of the department's receipt of the final reports from the contractors.

(3) The department shall work with the Michigan association of health plans and the Michigan association for local public health to improve service delivery and coordination in the MSS/ISS and EPSDT programs.

(4) The department shall assure that training and technical assistance are available for EPSDT and MSS/ISS for Medicaid health plans, local health departments, and MSS/ISS contractors.

Enrollment of children born to mothers who are Medicaid eligible.

Sec. 1666. To increase timely repayment of the maternity case rate to health plans and reduce the need to recover revenue from hospitals, the department shall implement system changes to assure that children who are born to mothers who are Medicaid eligible and enrolled in health plans are within 30 days after birth included in the Medicaid eligibility file and enrolled in the same health plan as the mother or any other health plan designated by the mother.

MiChild program; eligibility.

Sec. 1670. (1) The appropriation in part 1 for the MiChild program is to be used to provide comprehensive health care to all children under age 19 who reside in families with income at or below 200% of the federal poverty level, who are uninsured and have not had coverage by other comprehensive health insurance within 6 months of making application for MiChild benefits, and who are residents of this state. The department shall develop detailed eligibility criteria through the medical services administration public concurrence process, consistent with the provisions of this article. Health care coverage for children in families below 150% of the federal poverty level shall be provided through expanded eligibility under the state's Medicaid program. Health coverage for children in families between 150% and 200% of the federal poverty level shall be provided through a state-based private health care program.

(2) The department may provide up to 1 year of continuous eligibility to children eligible for the MiChild program unless the family fails to pay the monthly premium, a child reaches age 19, or the status of the children's family changes and its members no longer meet the eligibility criteria as specified in the federally approved MiChild state plan.

(3) Children whose category of eligibility changes between the Medicaid and MICHild programs shall be assured of keeping their current health care providers through the current prescribed course of treatment for up to 1 year, subject to periodic reviews by the department if the beneficiary has a serious medical condition and is undergoing active treatment for that condition.

(4) To be eligible for the MICHild program, a child must be residing in a family with an adjusted gross income of less than or equal to 200% of the federal poverty level. The department's verification policy shall be used to determine eligibility.

(5) The department shall enter into a contract to obtain MICHild services from any HMO, dental care corporation, or any other entity that offers to provide the managed health care benefits for MICHild services at the MICHild capitated rate. As used in this subsection:

(a) "Dental care corporation", "health care corporation", "insurer", and "prudent purchaser agreement" mean those terms as defined in section 2 of the prudent purchaser act, 1984 PA 233, MCL 550.52.

(b) "Entity" means a health care corporation or insurer operating in accordance with a prudent purchaser agreement.

(6) The department may enter into contracts to obtain certain MICHild services from community mental health service programs.

(7) The department may make payments on behalf of children enrolled in the MICHild program from the line-item appropriation associated with the program as described in the MICHild state plan approved by the United States department of health and human services, or from other medical services line-item appropriations providing for specific health care services.

MICHild program; marketing and outreach.

Sec. 1671. From the funds appropriated in part 1, the department shall continue a comprehensive approach to the marketing and outreach of the MICHild program. The marketing and outreach required under this section shall be coordinated with current outreach, information dissemination, and marketing efforts and activities conducted by the department.

Premiums; limitation; copayments.

Sec. 1673. (1) The department may establish premiums for MICHild eligible persons in families with income above 150% of the federal poverty level. The monthly premiums shall not exceed \$15.00 for a family.

(2) The department shall not require copayments under the MICHild program.

MICHild program benefits; medically necessary services.

Sec. 1677. The MICHild program shall provide all benefits available under the state employee insurance plan that are delivered through contracted providers and consistent with federal law, including, but not limited to, the following medically necessary services:

(a) Inpatient mental health services, other than substance abuse treatment services, including services furnished in a state-operated mental hospital and residential or other 24-hour therapeutically planned structured services.

(b) Outpatient mental health services, other than substance abuse services, including services furnished in a state-operated mental hospital and community-based services.

(c) Durable medical equipment and prosthetic and orthotic devices.

(d) Dental services as outlined in the approved MICHild state plan.

(e) Substance abuse treatment services that may include inpatient, outpatient, and residential substance abuse treatment services.

(f) Care management services for mental health diagnoses.

(g) Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders.

(h) Emergency ambulance services.

Medicaid nursing home wage pass-through program.

Sec. 1680. (1) Payment increases for enhanced wages and new or enhanced employee benefits provided in previous years through the Medicaid nursing home wage pass-through program shall be continued in fiscal year 2005-2006.

(2) The department shall not implement any increase or decrease in the Medicaid nursing home wage pass-through program in fiscal year 2004-2005.

Home- and community-based services; use of family members, friends, and neighbors.

Sec. 1681. From the funds appropriated in part 1 for home- and community-based services, the department and local waiver agents shall encourage the use of family members, friends, and neighbors of home and community-based services participants, where appropriate, to provide homemaker services, meal preparation, transportation, chore services, and other nonmedical covered services to participants in the Medicaid home- and community-based services program. This section shall not be construed as allowing for the payment of family members, friends, or neighbors for these services unless explicitly provided for in federal or state law.

Enforcement actions; receipt and expenditure of penalty money.

Sec. 1682. (1) The department shall implement enforcement actions as specified in the nursing facility enforcement provisions of section 1919 of title XIX, 42 USC 1396r.

(2) The department is authorized to receive and spend penalty money received as the result of noncompliance with medical services certification regulations. Penalty money, characterized as private funds, received by the department shall increase authorizations and allotments in the long-term care accounts.

(3) Any unexpended penalty money, at the end of the year, shall carry forward to the following year.

Dignity and rights of terminally and chronically ill individuals; programs.

Sec. 1683. The department shall promote activities that preserve the dignity and rights of terminally ill and chronically ill individuals. Priority shall be given to programs, such as hospice, that focus on individual dignity and quality of care provided persons with terminal illness and programs serving persons with chronic illnesses that reduce the rate of suicide through the advancement of the knowledge and use of improved, appropriate pain management for these persons; and initiatives that train health care practitioners and faculty in managing pain, providing palliative care, and suicide prevention.

Medicaid home- and community-based services waiver program.

Sec. 1684. (1) Of the funds appropriated in part 1 for the Medicaid home- and community-based services waiver program, the payment rate allocated for administrative expenses shall be reduced by \$2.00 per person per day.

(2) The savings realized from the reduced administrative rate shall be reallocated to increase enrollment in the waiver program and to provide direct services to eligible program participants.

(3) The department shall provide a report to the house of representatives and senate appropriations subcommittees on community health and the house of representatives and senate fiscal agencies on the number of nursing home patients discharged who are subsequently enrolled in the Medicaid home- and community-based services waiver program, and the associated cost savings.

Nursing home rates.

Sec. 1685. All nursing home rates, class I and class III, must have their respective fiscal year rate set 30 days prior to the beginning of their rate year. Rates may take into account the most recent cost report prepared and certified by the preparer, provider corporate owner or representative as being true and accurate, and filed timely, within 5 months of the fiscal year end in accordance with Medicaid policy. If the audited version of the last report is available, it shall be used. Any rate factors based on the filed cost report may be retroactively adjusted upon completion of the audit of that cost report.

Medicaid long-term care single point of entry services pilot projects.

Sec. 1686. (1) The department shall submit a report by April 30, 2006, to the house of representatives and senate appropriations subcommittees on community health and the house of representatives and senate fiscal agencies on the progress of 3 Medicaid long-term care single point of entry services pilot projects. The department shall also submit a final plan to the house of representatives and senate subcommittees on community health and the house of representatives and senate fiscal agencies 60 days prior to any expansion of the program.

(2) As used in this section, “single point of entry” means a system that enables consumers to access Medicaid long-term care services and supports through 1 agency or organization and that promotes consumer education and choice of long-term care options.

Medicaid recipients requiring Alzheimer’s disease or dementia care; contract with psychiatric facility.

Sec. 1687. (1) From the funds appropriated in part 1 for long-term care services, the department shall contract with a stand alone psychiatric facility that provides at least 20% of its total care to Medicaid recipients to provide access to Medicaid recipients who require specialized Alzheimer’s disease or dementia care.

(2) The department shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the effectiveness of the contract required under subsection (1) to improve the quality of services to Medicaid recipients.

Personal care for elderly and disabled.

Sec. 1688. The department shall not impose a limit on per unit reimbursements to service providers that provide personal care or other services under the Medicaid home- and community-based services waiver program for the elderly and disabled. The department’s per day per client reimbursement cap calculated in the aggregate for all services provided under the Medicaid home- and community-based services waiver is not a violation of this section.

Moving individuals from nursing home to home- and community-based services waiver program.

Sec. 1689. (1) Priority in enrolling additional persons in the Medicaid home- and community-based services waiver program shall be given to those who are currently

residing in nursing homes or who are eligible to be admitted to a nursing home if they are not provided home- and community-based services. The department shall implement screening and assessment procedures to assure that no additional Medicaid eligible persons are admitted to nursing homes who would be more appropriately served by the Medicaid home- and community-based services waiver program. If there is a net decrease in the number of Medicaid nursing home days of care during the most recent quarter in comparison with the previous quarter and a net cost savings attributable to moving individuals from a nursing home to the home- and community-based services waiver program, the department shall transfer the net cost savings to the home- and community-based services waiver program. If a transfer is required, it shall be done on a quarterly basis.

(2) Within 30 days of the end of each fiscal quarter, the department shall provide a report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies that details existing and future allocations for the home- and community-based services waiver program by regions as well as the associated expenditures. The report shall include information regarding the net cost savings from moving individuals from a nursing home to the home- and community-based services waiver program and the amount of funds transferred.

Estate preservation program.

Sec. 1690. The department may work with the federal government to establish an estate preservation program as recommended by the Michigan Medicaid long-term care task force.

Services provided in Michigan schools from federal Medicaid program; reimbursement.

Sec. 1692. (1) The department of community health is authorized to pursue reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. The department and the state budget director are authorized to negotiate and enter into agreements, together with the department of education, with local and intermediate school districts regarding the sharing of federal Medicaid services funds received for these services. The department is authorized to receive and disburse funds to participating school districts pursuant to such agreements and state and federal law.

(2) From the funds appropriated in part 1 for medical services school services payments, the department is authorized to do all of the following:

- (a) Finance activities within the medical services administration related to this project.
- (b) Reimburse participating school districts pursuant to the fund sharing ratios negotiated in the state-local agreements authorized in subsection (1).
- (c) Offset general fund costs associated with the medical services program.

Special adjustor payments appropriation; increase; condition.

Sec. 1693. The special adjustor payments appropriation in part 1 may be increased if the department submits a medical services state plan amendment pertaining to this line item at a level higher than the appropriation. The department is authorized to appropriately adjust financing sources in accordance with the increased appropriation.

Children's hospitals.

Sec. 1694. The department of community health shall distribute \$695,000.00 to children's hospitals that have a high indigent care volume. The amount to be distributed to any given hospital shall be based on a formula determined by the department of community health.

Funds obtained from qualifying health system as state match.

Sec. 1697. (1) As may be allowed by federal law or regulation, the department may use funds provided by a local or intermediate school district, which have been obtained from a qualifying health system, as the state match required for receiving federal Medicaid or children health insurance program funds. Any such funds received shall be used only to support new school-based or school-linked health services.

(2) A qualifying health system is defined as any health care entity licensed to provide health care services in the state of Michigan, that has entered into a contractual relationship with a local or intermediate school district to provide or manage school-based or school-linked health services.

Direct payment for GME and DSH.

Sec. 1699. The department may make separate payments directly to qualifying hospitals serving a disproportionate share of indigent patients in the amount of \$50,000,000.00, and to hospitals providing graduate medical education training programs. If direct payment for GME and DSH is made to qualifying hospitals for services to Medicaid clients, hospitals will not include GME costs or DSH payments in their contracts with HMOs.

Medicaid payment rates to HMOs; plan.

Sec. 1700. (1) The department, in consultation with the Michigan association of health plans, shall develop a plan to assure that Medicaid payment rates to HMOs in fiscal year 2005-2006 meet the federal requirement for actuarially sound rates. The plan shall include the following strategies as well as other alternatives:

- (a) Establish or designate centers for transplant excellence.
- (b) Establish statewide contracts for durable equipment.
- (c) Decreasing administrative costs.
- (d) Shifting end stage renal patients to Medicare.

(2) A copy of the plan shall be submitted to the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies by May 30, 2006.

MIChoice home- and community-based services waiver program; proposed changes to screening process.

Sec. 1710. Any proposed changes by the department to the MIChoice home- and community-based services waiver program screening process shall be provided to the members of the house and senate appropriations subcommittees on community health prior to implementation of the proposed changes.

Medicaid emergency physicians professional services; 2-tier reimbursement methodology.

Sec. 1711. (1) The department shall maintain the 2-tier reimbursement methodology for Medicaid emergency physicians professional services that was in effect on September 30, 2002, subject to the following conditions:

- (a) Payments by case and in the aggregate shall not exceed 70% of Medicare payment rates.
- (b) Total expenditures for these services shall not exceed the level of total payments made during fiscal year 2001-2002, after adjusting for Medicare copayments and deductibles and for changes in utilization.

(2) To ensure that total expenditures stay within the spending constraints of subsection (1)(b), the department shall develop a utilization adjustor for the basic 2-tier payment methodology. The adjustor shall be based on a good faith estimate by the department as to what the expected utilization of emergency room services will be during fiscal year 2005-2006, given changes in the number and category of Medicaid recipients. If expenditure and utilization data indicate that the amount and/or type of emergency physician professional services are exceeding the department's estimate, the utilization adjustor shall be applied to the 2-tier reimbursement methodology in such a manner as to reduce aggregate expenditures to the fiscal year 2001-2002 adjusted expenditure target.

(3) By April 1, 2006, the department shall establish an emergency room observation rate for Medicaid eligibles with a length of stay of not more than 24 hours.

Rural health initiative.

Sec. 1712. (1) Subject to the availability of funds, the department shall implement a rural health initiative. Available funds shall first be allocated as an outpatient adjustor payment to be paid directly to hospitals in rural counties in proportion to each hospital's Medicaid and indigent patient population. Additional funds, if available, shall be allocated for defibrillator grants, EMT training and support, or other similar programs.

(2) Except as otherwise specified in this section, "rural" means a county, city, village, or township with a population of not more than 30,000, including those entities if located within a metropolitan statistical area.

Participation by Michigan dentists in Medicaid program; study.

Sec. 1713. (1) The department, in conjunction with the Michigan dental association, shall undertake a study to determine the level of participation by Michigan licensed dentists in the state's Medicaid program. The study shall identify the distribution of dentists throughout the state, the volume of Medicaid recipients served by each participating dentist, and areas in the state underserved for dental services.

(2) The study described in subsection (1) shall also include an assessment of what factors may be related to the apparent low participation by dentists in the Medicaid program, and the study shall make recommendations as to how these barriers to participation may be reduced or eliminated.

(3) This study shall be provided to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies no later than April 1, 2006.

Medicaid adult benefits waiver program; enrollment level.

Sec. 1716. The department shall seek to maintain a constant enrollment level within the Medicaid adult benefits waiver program throughout fiscal year 2005-2006.

Distribution of disproportionate share hospital funding; creation of 2 pools.

Sec. 1717. (1) The department shall create 2 pools for distribution of disproportionate share hospital funding. The first pool, totaling \$45,000,000.00, shall be distributed using the distribution methodology used in fiscal year 2003-2004. The second pool, totaling \$5,000,000.00, shall be distributed to unaffiliated hospitals and hospital systems that received less than \$900,000.00 in disproportionate share hospital payments in fiscal year 2003-2004 based on a formula that is weighted proportional to the product of each eligible system's Medicaid revenue and each eligible system's Medicaid utilization.

(2) By November 1, 2005, the department shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the new distribution of funding to each eligible hospital from the 2 pools.

Reduction, suspension, termination, or denial of adult home help services; right to hearing.

Sec. 1718. The department shall provide each Medicaid adult home help beneficiary or applicant with the right to a fair hearing when the department or its agent reduces, suspends, terminates, or denies adult home help services. If the department takes action to reduce, suspend, terminate, or deny adult home help services, it shall provide the beneficiary or applicant with a written notice that states what action the department proposes to take, the reasons for the intended action, the specific regulations that support the action, and an explanation of the beneficiary's or applicant's right to an evidentiary hearing and the circumstances under which those services will be continued if a hearing is requested.

Medicare recovery program.

Sec. 1720. The department shall continue its Medicare recovery program.

Return of funds prepaid to nursing home or health care facility; review; report.

Sec. 1721. The department shall conduct a review of Medicaid eligibility pertaining to funds prepaid to a nursing home or other health care facility that are subsequently returned to an individual who becomes Medicaid eligible and shall report its findings to the members of the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies not later than May 15, 2006. Included in its report shall be recommendations for policy and procedure changes regarding whether any funds prepaid to a nursing home or other health care facility that are subsequently returned to an individual, after the date of Medicaid eligibility and patient pay amount determination, shall be considered as a countable asset and recommendations for a mechanism for departmental monitoring of those funds.

Disproportionate share payments.

Sec. 1722. (1) From the funds appropriated in part 1 for special adjustor and special DSH payments, the department is authorized to make a disproportionate share payment of \$33,167,700.00 for health services provided by Hutzel Hospital, \$17,903,200.00 for health services previously funded through the higher education appropriations act, and \$2,310,000.00 for the Michigan State University institute for health care studies.

(2) The funding authorized under subsection (1) shall only be expended if the necessary Medicaid matching funds are provided by, or on behalf of, the hospital as allowable state match.

Treatment of respiratory syncytial virus; purchase of injectable drugs by pharmacies.

Sec. 1724. The department shall allow licensed pharmacies to purchase injectable drugs for the treatment of respiratory syncytial virus for shipment to physicians' offices to be administered to specific patients. If the affected patients are Medicaid eligible, the department shall reimburse pharmacies for the dispensing of the injectable drugs and reimburse physicians for the administration of the injectable drugs.

Reduction of Medicaid eligibility errors; plan.

Sec. 1725. The department shall work with the department of human services to implement a plan to reduce Medicaid eligibility errors related to basic eligibility requirements and income requirements. The department shall submit the plan to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director by March 15, 2006.

Creatinine test; report by performing clinical laboratory.

Sec. 1726. Any clinical laboratory performing a creatinine test on a Medicaid client shall report the glomerular filtration rate (eGFR) of the patient and shall report it as a percent of kidney function remaining.

Freestanding, electric, lifting, and transferring devices; availability.

Sec. 1728. The department shall make available to qualifying Medicaid recipients, not based on Medicare guidelines, freestanding, electric, lifting, and transferring devices.

Identification of cost reduction measures; establishment of joint committee.

Sec. 1729. The legislature shall establish a bipartisan joint committee comprised of members of each house of the legislature and representatives of the department of community health. The bipartisan joint committee shall identify cost reduction measures for the state Medicaid program including, but not limited to, additional means or methods of identifying and prohibiting Medicaid fraud and increasing Medicaid estate recovery and savings by utilizing enhanced information technology. The bipartisan joint committee shall attempt to identify, at a minimum, \$40,000,000.00 of potential savings for the state Medicaid program.

Restoration of certain Medicaid provider reimbursement rates; condition.

Sec. 1730. The funding in part 1 to restore 1/4 of the 4% reduction in Medicaid provider reimbursement rates for hospital services, physician services, pharmaceutical services, home health services, auxiliary medical services, and nursing home services is contingent upon federal approval of the state's proposal to establish a case rate for inpatient hospital services provided to parents and caretaker relatives who are not required to be covered under federal Medicaid requirements.

Individuals not required coverage under federal Medicaid requirements; asset test.

Sec. 1731. (1) Subject to subsection (2), the department shall establish an asset test to determine Medicaid eligibility for individuals who are parents, caretaker relatives, or individuals between the ages of 18 and 21 and who are not required to be covered under federal Medicaid requirements.

(2) Regardless of the results of the asset test established under subsection (1), an individual who is between the ages of 18 and 21 and is not required to be covered under the federal Medicaid requirements is not eligible for the state Medicaid program if his or her parent, parents, or legal guardian has health care coverage for him or her or has access to health care coverage for him or her.

Reductions in nursing home reimbursement rates; limitation.

Sec. 1732. The department shall assure that, if proposed modifications to the quality assurance assessment program for nursing homes are not implemented, the projected

general fund/general purpose savings shall not be achieved through reductions in nursing home reimbursement rates.

PART 2A

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Total state spending; payments to local units of government.

Sec. 2001. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1A for fiscal year 2004-2005 is \$8,161,100.00. State payments to local units of government under part 1A are \$0.

Appropriations subject to MCL 18.1101 to 18.1594.

Sec. 2002. (1) The appropriations authorized under this article are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(2) Funds for which the state is acting as the custodian or agent are not subject to annual appropriation.

ARTICLE 4

DEPARTMENT OF CORRECTIONS

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations; department of corrections.

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of corrections for the fiscal year ending September 30, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF CORRECTIONS

APPROPRIATION SUMMARY:

Average population	51,425	
Full-time equated unclassified positions	16.0	
Full-time equated classified positions	17,510.2	
GROSS APPROPRIATION		\$ 1,878,447,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		1,043,800
ADJUSTED GROSS APPROPRIATION.....		\$ 1,877,403,300
Federal revenues:		
Total federal revenues		11,410,200
Special revenue funds:		
Total local revenues		411,700
Total private revenues.....		0
Total other state restricted revenues		66,590,000
State general fund/general purpose		\$ 1,798,991,400

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2006

Executive (safety).**Sec. 102. EXECUTIVE (SAFETY)**

Full-time equated unclassified positions	16.0	
Full-time equated classified positions	227.2	
Unclassified positions—16.0 FTE positions		\$ 1,368,800
Executive direction—32.0 FTE positions		3,710,800
Policy and strategic planning—26.0 FTE positions		5,499,200
Prisoner reintegration programs—4.0 FTE positions		12,878,700
Human resources—165.2 FTE positions		14,209,800
Human resources optimization user charges		1,299,200
Training		3,577,300
Worker's compensation		18,899,000
Grant to legislative council		500,000
Sheriffs' coordinating and training office		2,000,000
GROSS APPROPRIATION		\$ 63,942,800
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDSP, Michigan justice training fund		523,800
Federal revenues:		
DOJ, prisoner reintegration		1,035,000
Special revenue funds:		
Local corrections officer training fund		2,000,000
State general fund/general purpose		\$ 60,384,000

Administration and programs (safety).**Sec. 103. ADMINISTRATION AND PROGRAMS (SAFETY)**

Average population	480	
Full-time equated classified positions	291.9	
Administrative services—70.9 FTE positions		\$ 6,412,400
Substance abuse testing and treatment		18,220,900
Inmate legal services		314,900
Prison industries operations—220.0 FTE positions		18,658,700
Rent		2,095,200
Equipment and special maintenance		2,054,000
Compensatory buyout and union leave bank		275,000
Michigan youth correctional facility - lease and management contracts—1.0 FTE position		17,840,700
Average population	480	
Prosecutorial and detainer expenses		4,051,000
GROSS APPROPRIATION		\$ 69,922,800
Appropriated from:		
Federal revenues:		
DOJ, office of justice programs, RSAT		1,093,400
DOJ, office of justice programs, Byrne grants		729,400
Special revenue funds:		
Correctional industries revolving fund		18,758,700
State general fund/general purpose		\$ 49,341,300

Compiler's note: The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoes."

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Field operations administration (safety).

Sec. 104. FIELD OPERATIONS ADMINISTRATION

(SAFETY)

Average population	310	
Full-time equated classified positions	1,976.4	
Field operations—1,796.1 FTE positions		\$ 138,549,100
Parole and probation special operations program		500,000
Parole board operations—27.0 FTE positions.....		2,430,200
Loans to parolees.....		294,400
Parole/probation services.....		2,867,300
Corrections centers—48.0 FTE positions		5,440,300
Average population	310	
Electronic monitoring center—36.0 FTE positions.....		4,637,500
Technical rule violator program—69.3 FTE positions.....		8,690,700
GROSS APPROPRIATION.....		\$ 163,409,500

Appropriated from:

Special revenue funds:

Local - community tether program reimbursement.....	411,700
Parole and probation oversight fees	9,905,100
Tether program, participant contributions	5,530,800
Parole and probation oversight fees set-aside	2,867,300
Corrections centers, resident contributions revenue.....	374,300
Technical rule violator program, public works user fees	182,100
Telephone fees and commissions.....	902,600
State general fund/general purpose	\$ 143,235,600

Community corrections (safety).

Sec. 105. COMMUNITY CORRECTIONS (SAFETY)

Full-time equated classified positions	17.0	
Community corrections administration—17.0 FTE positions		\$ 1,662,800
Residential services.....		16,925,500
Community corrections comprehensive plans and services.....		12,533,000
Public education and training.....		50,000
Regional jail program		100
Alternatives to prison jail program.....		1,619,600
Alternatives to prison treatment program		400,000
Felony drunk driver jail reduction and community treatment program		2,097,400
County jail reimbursement program		13,249,000
GROSS APPROPRIATION.....		\$ 48,537,400

Appropriated from:

Special revenue funds:

Telephone fees and commissions.....	12,289,500
Civil infraction fees	7,000,000
Parole and probation oversight fees set-aside	400,000
State general fund/general purpose	\$ 28,847,900

Consent decrees (safety).

Sec. 106. CONSENT DECREES (SAFETY)

Average population	200
Full-time equated classified positions	471.3

	For Fiscal Year Ending Sept. 30, 2006
Hadix consent decree—138.0 FTE positions	\$ 9,997,700
DOJ, consent decree—106.8 FTE positions	9,014,800
DOJ, psychiatric plan - MDCH mental health services	71,327,600
DOJ, psychiatric plan - MDOC staff and services— 226.5 FTE positions	15,869,400
GROSS APPROPRIATION	\$ 106,209,500
Appropriated from:	
State general fund/general purpose	\$ 106,209,500

Health care (safety).**Sec. 107. HEALTH CARE (SAFETY)**

Full-time equated classified positions	930.6
Health care administration—21.0 FTE positions	\$ 2,272,300
Hospital and specialty care services	58,409,100
Vaccination program	691,200
Northern region clinical complexes—242.4 FTE positions	26,894,700
Southeastern region clinical complexes—362.8 FTE positions	49,354,500
Southwestern region clinical complexes—304.4 FTE positions	33,596,500
GROSS APPROPRIATION	\$ 171,218,300
Appropriated from:	
Special revenue funds:	
Prisoner health care copayments	331,400
State general fund/general purpose	\$ 170,886,900

Correctional facilities administration (safety).**Sec. 108. CORRECTIONAL FACILITIES****ADMINISTRATION (SAFETY)**

Average population	1,382
Full-time equated classified positions	886.2
Correctional facilities administration—44.0 FTE positions	\$ 5,863,300
Housing inmates in federal institutions	552,600
Education services and federal education grants— 10.0 FTE positions	5,671,300
Federal school lunch program	712,800
Leased beds and alternatives to leased beds	100
Inmate housing fund—421.7 FTE positions	40,280,200
Average population	1,382
Academic/vocational programs—410.5 FTE positions	33,860,700
Supplementary operational expenditures	17,840,700
GROSS APPROPRIATION	\$ 104,781,700
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDCH, forensic center food service	520,000
Federal revenues:	
DOJ - BOP, federal prisoner reimbursement	372,600
DED - OESE, title I	517,700
DED - OVAE, adult education	1,877,800
DED, adult literacy grants	305,900
DED - OSERS	100,400

	For Fiscal Year Ending Sept. 30, 2006
DED, vocational education equipment	\$ 275,200
DED, youthful offender/Specter grant	1,279,400
DOJ - OJP, serious and violent offender reintegration initiative.....	1,010,000
DAG - FNS, national school lunch	712,800
SSA - SSI, incentive payment.....	115,100
Federal prison rape grant	1,000,000
Special revenue funds:	
Public works user fees.....	73,200
Resident stores	127,700
State general fund/general purpose	\$ 96,493,900

Northern region correctional facilities (safety).

Sec. 109. NORTHERN REGION CORRECTIONAL

FACILITIES (SAFETY)

Average population	14,966
Full-time equated classified positions.....	4,170.2
Alger maximum correctional facility - Munising—	
343.0 FTE positions.....	\$ 30,266,300
Average population	849
Baraga maximum correctional facility - Baraga—	
405.5 FTE positions.....	34,969,000
Average population	1,084
Chippewa correctional facility - Kincheloe—510.3 FTE positions.....	44,492,500
Average population	2,122
Kinross correctional facility - Kincheloe—581.3 FTE positions.....	53,520,400
Average population	2,719
Marquette branch prison - Marquette—374.8 FTE positions	34,643,900
Average population	1,070
Newberry correctional facility - Newberry—345.4 FTE positions ...	29,183,300
Average population	1,144
Oaks correctional facility - Eastlake—349.5 FTE positions	32,515,600
Average population	1,156
Ojibway correctional facility - Marenisco—281.2 FTE positions.....	24,011,300
Average population	1,282
Pugsley correctional facility - Kingsley—220.4 FTE positions.....	18,338,800
Average population	954
Saginaw correctional facility - Freeland—356.0 FTE positions.....	31,942,300
Average population	1,480
Standish maximum correctional facility - Standish—	
402.8 FTE positions.....	36,368,000
Average population	1,106
GROSS APPROPRIATION	\$ 370,251,400
Appropriated from:	
Special revenue funds:	
Public works user fees.....	497,200
Resident stores	1,167,600
State general fund/general purpose	\$ 368,586,600

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Southeastern region correctional facilities (safety).

Sec. 110. SOUTHEASTERN REGION CORRECTIONAL FACILITIES (SAFETY)

Average population	15,733	
Full-time equated classified positions.....	4,194.9	
Cooper Street correctional facility - Jackson—		
267.8 FTE positions.....		\$ 24,599,500
Average population	1,360	
G. Robert Cotton correctional facility - Jackson—		
429.3 FTE positions.....		37,807,200
Average population	1,854	
Charles E. Egeler correctional facility - Jackson—		
530.4 FTE positions.....		50,354,900
Average population	1,591	
Gus Harrison correctional facility - Adrian—		
515.8 FTE positions.....		45,702,800
Average population	2,262	
Macomb correctional facility - New Haven—		
321.5 FTE positions.....		27,668,400
Average population	1,228	
Mound correctional facility - Detroit—284.8 FTE positions.....		24,522,600
Average population	1,051	
Parnall correctional facility - Jackson—264.4 FTE positions.....		23,765,000
Average population	1,348	
Ryan correctional facility - Detroit—309.8 FTE positions		27,352,200
Average population	1,059	
Robert Scott correctional facility - Plymouth—		
332.5 FTE positions.....		28,327,800
Average population	880	
Southern Michigan correctional facility - Jackson—		
418.8 FTE positions.....		35,484,800
Average population	1,481	
Thumb correctional facility - Lapeer—313.8 FTE positions		27,804,900
Average population	1,219	
Special alternative incarceration program - Cassidy Lake—		
126.0 FTE positions.....		10,785,900
Average population	400	
Jackson area support and services - Jackson—80.0 FTE positions ..		13,587,900
GROSS APPROPRIATION.....		\$ 377,763,900
Appropriated from:		
Federal revenues:		
DOJ, state criminal alien assistance program		985,500
Special revenue funds:		
Public works user fees.....		365,400
Resident stores		1,403,900
State general fund/general purpose		\$ 375,009,100

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2006

Southwestern region correctional facilities (safety).

Sec. 111. SOUTHWESTERN REGION CORRECTIONAL FACILITIES (SAFETY)

Average population	18,354	
Full-time equated classified positions	4,344.5	
Bellamy Creek correctional facility - Ionia—472.1 FTE positions		\$ 43,074,500
Average population	1,830	
Earnest C. Brooks correctional facility - Muskegon—		
478.9 FTE positions.....		43,002,100
Average population	2,200	
Carson City correctional facility - Carson City—		
502.6 FTE positions.....		44,686,300
Average population	2,200	
Richard A. Handlon correctional facility - Ionia—		
256.2 FTE positions.....		23,344,900
Average population	1,320	
Ionia maximum correctional facility - Ionia—323.8 FTE positions...		27,894,400
Average population	667	
Lakeland correctional facility - Coldwater—689.3 FTE positions.....		61,811,400
Average population	2,992	
Muskegon correctional facility - Muskegon—254.4 FTE positions ...		24,229,800
Average population	1,310	
Pine River correctional facility - St. Louis—231.6 FTE positions		20,097,800
Average population	1,120	
Riverside correctional facility - Ionia—519.8 FTE positions		47,338,100
Average population	2,331	
St. Louis correctional facility - St. Louis—615.8 FTE positions		52,854,500
Average population	2,384	
GROSS APPROPRIATION.....		\$ 388,333,800
Appropriated from:		
Special revenue funds:		
Public works user fees.....		240,300
Resident stores		1,638,200
State general fund/general purpose		\$ 386,455,300

Information technology (safety).

Sec. 112. INFORMATION TECHNOLOGY (SAFETY)

Information technology services and projects.....	\$	14,076,000
GROSS APPROPRIATION.....	\$	14,076,000
Appropriated from:		
Special revenue funds:		
Correctional industries revolving fund.....		11,200
Parole and probation oversight fees set-aside		523,500
State general fund/general purpose	\$	13,541,300

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

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

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2005-2006 is \$1,865,581,400.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$87,830,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF CORRECTIONS

Field operations - assumption of county probation staff.....	\$	43,561,000
Public service work projects		10,643,800
Community corrections comprehensive plans and services.....		12,533,000
Community corrections residential services.....		16,925,500
Community corrections public education and training.....		50,000
Felony drunk driver jail reduction and community treatment program		2,097,400
Alternatives to prison jail program.....		1,619,600
Alternatives to prison treatment program.....		400,000
Regional jail program		100
TOTAL	\$	<u>87,830,400</u>

Appropriations subject to MCL 18.1101 to 18.1594.

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

Definitions.

Sec. 203. As used in this article:

- (a) "DAG" means the United States department of agriculture.
- (b) "DAG-FNS" means the DAG food and nutrition service.
- (c) "DED" means the United States department of education.
- (d) "DED-OESE" means the DED office of elementary and secondary education.
- (e) "DED-OSERS" means the DED office of special education and rehabilitative services.
- (f) "DED-OVAE" means the DED office of vocational and adult education.
- (g) "Department" or "MDOC" means the Michigan department of corrections.
- (h) "DOJ" means the United States department of justice.
- (i) "DOJ-BOP" means the DOJ bureau of prisons.
- (j) "DOJ-OJP" means the DOJ office of justice programs.
- (k) "FTE" means full-time equated.
- (l) "IDG" means interdepartmental grant.
- (m) "IDT" means intradepartmental transfer.
- (n) "MDCH" means the Michigan department of community health.
- (o) "MDSPP" means the Michigan department of state police.
- (p) "MPRI" means the Michigan prisoner reentry initiative.

- (q) “OCC” means the office of community corrections.
- (r) “SSA” means the United States social security administration.
- (s) “SSA-SSI” means SSA supplemental security income.

Billing by department of civil service.

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.

Hiring freeze; exceptions.

Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time 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 may grant exceptions to the hiring freeze imposed under subsection (1) 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 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.

Communication by employee with legislative member.

Sec. 206. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Privatization; project plan.

Sec. 207. At least 120 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months.

Use of Internet; transmission of reports.

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

Purchase of foreign goods or services.

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

Submission to controlled substance test by employment applicant.

Sec. 211. (1) Pursuant to the provisions of civil service rules and regulations and applicable collective bargaining agreements, individuals seeking employment with the department shall submit to a controlled substance test. The test shall be administered by the department.

(2) Individuals seeking employment with the department who refuse to take a controlled substance test or who test positive for the illicit use of a controlled substance on such a test shall be denied employment.

Charging fees and collecting revenues; limitation.

Sec. 212. The department may charge fees and collect revenues in excess of appropriations in part 1 not to exceed the cost of offender services and programming, employee meals, parolee loans, academic/vocational services, custody escorts, compassionate visits, union steward activities, public work programs, and services provided to units of government. The revenues and fees collected shall be appropriated for all expenses associated with these services and activities.

Michigan growers and processors; preference.

Sec. 214. Preference should be given to purchasing produce from Michigan growers and processors when their produce is competitively priced and of comparable quality.

Revenue sources; report.

Sec. 216. By February 15, 2006, the department shall provide the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with a report detailing nongeneral fund/general purpose sources of revenue, including, but not limited to, federal revenues, state restricted revenues, local and private revenues, offender reimbursements and other payments, revolving funds, and 1-time sources of revenue, whether or not such revenues were appropriated. The report shall include statements detailing for each account the total amount of revenue received during fiscal year 2004-2005, the amount by which the revenue exceeded any applicable appropriated fund source, the amount spent during fiscal year 2004-2005, the account balance at the close of fiscal year 2004-2005, and the projected revenues and expenditures for fiscal year 2005-2006.

Payment of user fees to department of information technology.

Sec. 217. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. The user fees are subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

Amounts appropriated for information technology; designation as work projects; approval.

Sec. 218. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support department of corrections technology 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.

Out-of-state travel.

Sec. 221. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2006 is limited to situations in which 1 or more of the following conditions apply:

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

EXECUTIVE**Prison population projection updates; report.**

Sec. 401. The department shall submit 3-year and 5-year prison population projection updates by February 1, 2006 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. The report shall include explanations of the methodology and assumptions used in developing the projection updates.

Technical rule violator program, community residential program, electronic tether program and special alternative to incarceration program; individual reports.

Sec. 402. The department shall prepare by April 1, 2006 individual reports for the technical rule violator program, the community residential program, the electronic tether program, and the special alternative to incarceration program. The reports shall be submitted to the house and senate appropriations subcommittees on corrections, the house and senate fiscal agencies, and the state budget director. Each program's report shall include information on all of the following:

- (a) Monthly new participants.
- (b) Monthly participant unsuccessful terminations, including cause.
- (c) Number of successful terminations.
- (d) End month population by facility/program.
- (e) Average length of placement.
- (f) Return to prison statistics.
- (g) Description of each program location or locations, capacity, and staffing.
- (h) Sentencing guideline scores and actual sentence statistics for participants, if applicable.
- (i) Comparison with prior year statistics.
- (j) Analysis of the impact on prison admissions and jail utilization and the cost effectiveness of the program.

Ratios; report.

Sec. 404. The department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director by April 1, 2006 on the ratio of correctional officers to prisoners for each correctional institution, the ratio of shift command staff to line custody staff, and the ratio of noncustody institutional staff to prisoners for each correctional institution.

Alternatives to prison; policy options; transfer of funds; use of parole violator processing guidelines; reports on probationers and parolees.

Sec. 405. (1) The department shall review and revise as necessary policy proposals that provide alternatives to prison for offenders being sentenced to prison as a result of technical probation violations and technical parole violations. To the extent the department has insufficient policies or resources to affect the continued increase in prison commitments among these offender populations, the department shall explore other policy options to allow for program alternatives, including department or OCC-funded programs, local level programs, and programs available through private agencies that may be used as prison alternatives for these offenders.

(2) To the extent policies or programs described in subsection (1) are used, developed, or contracted for, the department may request that funds appropriated in part 1 be transferred under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, for their operation.

(3) The department shall continue to utilize parole violator processing guidelines that require parole agents to utilize all available appropriate community-based, nonincarcerative postrelease sanctions and services when appropriate. The department shall periodically evaluate such guidelines for modification, in response to emerging information from the pilot projects for substance abuse treatment provided under this article and applicable provisions of prior budget acts for the department.

(4) By May 1, 2006, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the number of all parolees returned to prison and probationers sentenced to prison for either a technical violation or new sentence from October 1, 2005 through March 30, 2006. After May 1, 2006, the department shall provide monthly reports. The reports shall include the following information each for probationers, parolees after their first parole, and parolees who have been paroled more than once:

(a) The number of offenders returned for a new crime with a comparison of original versus new offenses by major offense type: assaultive, nonassaultive, drug, and sex.

(b) The number of offenders returned for a technical violation and the type of violation, including, but not limited to, zero gun tolerance and substance abuse violations.

(c) The educational history of those offenders, including how many had a G.E.D. or high school diploma prior to incarceration in prison, how many received a G.E.D. while in prison, and how many received a vocational certificate while in prison.

(d) The number of offenders who participated in the MPRI versus the number of those who did not.

Sheriff's coordinating and training office; use of funds.

Sec. 406. Funds included in part 1 for the sheriffs' coordinating and training office are appropriated for and may be expended to defray costs of continuing education, certification, recertification, decertification, and training of local corrections officers, the personnel and administrative costs of the sheriffs' coordinating and training office, the local corrections officers advisory board, and the sheriffs' coordinating and training council under the local corrections officers training act, 2003 PA 125, MCL 791.531 to 791.546.

Prisoner reintegration programs; report; reports on recidivism levels and rates.

Sec. 407. (1) From the funds appropriated in part 1 of this article for prisoner reintegration programs, the department shall continue to develop and maintain reentry programs at Cooper Street correctional facility, the Huron Valley complex, and Macomb correctional facility.

(2) By April 1, 2006, the department shall provide a report on prisoner reintegration programs to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. At a minimum, the report shall include all of the following information:

(a) Allocations and projected expenditures for each project funded and for each project to be funded, itemized by service to be provided and service provider.

(b) An explanation of the objectives and results measures for each program.

(c) An explanation of how the programs will be evaluated.

(d) A discussion of the evidence and research upon which each program is based.

(e) A discussion and estimate of the impact of prisoner reintegration programs on reoffending and returns to prison.

(f) A progress report on applicable results of each program, including, but not limited to, the estimated bed space impact of prisoner reintegration programs.

(3) The department shall provide monthly reports to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the status and recidivism levels of offenders who participated in the MPRI and have been released. The data should be broken out by the following 4 offender types: drug, nonassaultive, assaultive, and sex.

(4) By September 30, 2006, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director a comparison of the overall recidivism rates and length of time prior to prison return of offenders who participated in the MPRI with those of offenders who did not. The report should disaggregate the information by each pilot site in order to compare the practices and success rates of each pilot.

(5) If practicable, the department shall include prisoners nearing their maximum sentence in the prison phases of the MPRI.

Offender tracking information system.

Sec. 408. From the funds appropriated in part 1, the department shall maintain and make publicly accessible the files of all felony offenders even after an offender is no longer under the department's jurisdiction on the offender tracking information system in the same manner as files of current offenders.

Offenders serving maximum sentence and released in last 5 years; report.

Sec. 409. By March 1, 2006, the department shall report to the senate and house subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on offenders who have served their maximum sentence and been released from prison in the last 5 years. The report shall include the following information:

(a) The number of offenders who were paroled and returned to prison prior to serving their maximum sentence compared to the number of offenders who served their maximum sentence without ever having been paroled.

(b) The number of offenders disaggregated by major offense type: assaultive, nonassaultive, drug, and sex.

(c) The educational history of those offenders, including how many had a G.E.D. or high school diploma prior to incarceration in prison, how many received a G.E.D. while in prison, and how many received a vocational certificate while in prison.

(d) A comparison of each offender's original offense to the offender's new offense by major offense type: assaultive, nonassaultive, drug, and sex, for offenders who have since returned to prison with a new commitment after previously serving a maximum sentence.

Michigan state industries clothing textile manufacturing and sales; expansion in private market.

Sec. 410. By January 1, 2006, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the potential for expansion of Michigan state industries clothing textile manufacturing and sales in the private market of clothing textiles not currently being manufactured in Michigan.

Reduction of recidivism rates; plan.

Sec. 411. As a condition of expending funds appropriated for policy and strategic planning and prisoner reintegration programs under section 102 of this article, the department shall by January 31, 2006 and each January 31 thereafter provide a plan to reduce recidivism rates among prisoners released from correctional facilities to the members of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director. The plan shall include detailed information on recidivism rates in this state for the most recent 5-year period, a detailed comparison of those rates to rates in other states and a national average, and details on how the department plans to improve recidivism rates. The plan also shall include details on how the department proposes to measure the success of the plan.

ADMINISTRATION AND PROGRAMS**Housing and custody of parole violators and offenders; reimbursement.**

Sec. 501. From the funds appropriated in part 1 for prosecutorial and detainer expenses, the department shall reimburse counties for housing and custody of parole violators and offenders being returned by the department from community placement who are available for return to institutional status and for prisoners who volunteer for placement in a county jail.

Alcohol and drug screening; priority.

Sec. 502. (1) The department shall screen and assess each prisoner for alcohol and other drug involvement to determine the need for further treatment. The assessment process shall be designed to identify the severity of alcohol and other drug addiction and determine the treatment plan, if appropriate.

(2) Subject to the availability of funding resources, the department shall provide substance abuse treatment to prisoners with priority given to those prisoners who are most in need of treatment and who can best benefit from program intervention based on the screening and assessment provided under subsection (1).

Residential treatment services funds; availability; reports.

Sec. 503. (1) In expending residential substance abuse treatment services funds appropriated under this article, the department shall ensure to the maximum extent possible that residential substance abuse treatment services are available statewide.

(2) By April 1, 2006, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the allocation, distribution, and expenditure of all funds appropriated by the substance abuse testing and treatment line item during fiscal year 2004-2005 and projected for fiscal year 2005-2006. The report shall include, but not be limited to, an explanation of an anticipated year-end balance, the number of participants in substance abuse programs, and the number of offenders on waiting lists for residential substance abuse programs. Information required under this subsection shall, where possible, be separated by MDOC administrative region and by offender type, including, but not limited to, a distinction between prisoners, parolees, and probationers.

(3) By April 1, 2006, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on substance abuse testing and treatment program objectives, outcome measures, and results, including program impact on offender behavior and recidivism.

Mental health and substance abuse services; data.

Sec. 504. The department shall cooperate with the department of community health in providing information for and developing the report required under section 425 of article 3. The report shall, by April 1, 2006, provide the following data concerning mental health and substance abuse services during fiscal year 2004-2005:

(a) The number of prisoners receiving substance abuse services, including a description and breakdown of the type of substance abuse services provided to prisoners.

(b) The number of prisoners with a primary diagnosis of mental illness and the number of those prisoners receiving mental health services, including a description and breakdown, encompassing, at a minimum, the categories of inpatient, residential, and outpatient care, of the type of mental health services provided to those prisoners.

(c) The number of prisoners with a primary diagnosis of mental illness and receiving substance abuse services, including a description and breakdown, encompassing, at a minimum, the categories of inpatient, residential, and outpatient care, of the type of treatment provided to those prisoners.

(d) Data indicating if prisoners receiving mental health services for a primary diagnosis of mental illness were previously hospitalized in a state psychiatric hospital for persons with mental illness.

(e) Data indicating whether prisoners with a primary diagnosis of mental illness and receiving substance abuse services were previously hospitalized in a state psychiatric hospital for persons with mental illness.

Sec. 505. The department shall provide quarterly reports on the Michigan youth correctional facility to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. The reports shall provide information relevant to an assessment of the safety and security of the institution, including, but not limited to, information on the number of critical incidents by type occurring at the facility, the number of custody staff at the facility, staff turnover rates, staff vacancy rates, overtime reports, prisoner grievances, and number and severity of assaults occurring at the facility. The reports also shall provide information on programming available at the facility and on program enrollments, including, but not limited to, academic/vocational programs, counseling programs, mental health treatment programs, substance abuse treatment programs, and cognitive restructuring programs.

Sec. 506. By April 1, 2006, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on programs provided during the previous fiscal year at the Michigan youth correctional facility. For each program, the report shall include information on program objectives, outcome measures, and results, including the program's impact on offender behavior and recidivism.

Sec. 507. The department shall require the contract monitor for the Michigan youth correctional facility to provide a manual to each prisoner at intake that details programs and services available at the facility, the processes by which prisoner complaints and grievances can be pursued, and the identity of staff available at the facility to answer questions regarding the information in the manual. The contract monitor shall obtain written verification of receipt from each prisoner receiving the manual. The contract monitor also shall answer prisoner questions regarding facility programs, services, and grievance procedures.

Sec. 508. (1) It is the intent of the legislature that the department renegotiate both the management contract and the lease for the Michigan youth correctional facility with the GEO corporation, with the aim of identifying and achieving \$1,000,000.00 in savings for fiscal year 2005-2006 and each year thereafter. Savings, including savings pertaining to changes in security level, shall be reflected in contract and lease revisions.

(2) If reopened, the management contract shall require that the Michigan youth correctional facility fulfill the same standards for operating and staffing guard towers as are in place in a department facility of the same security level.

(3) By November 1, 2005, the department shall provide a detailed report to the members of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director on the feasibility of changing the operational security level of the Michigan youth correctional facility. At a minimum, the report shall identify the contractual and statutory changes necessary to operate the facility at security levels other than level V, and on the savings that could be achieved through operating all or part of the facility at 1 or more security levels other than level V.

Sec. 509. From the funds appropriated in part 1, the department shall provide training and materials developed with the receipt of the federal prison rape elimination grant to the staff and prisoners at the Michigan youth correctional facility in addition to the department's facilities.

Assaultive offender program.

Sec. 510. The department shall develop and maintain a statewide waiting list for offenders referred for assessment for the assaultive offender program for parole eligibility and, if possible, shall transfer prisoners into facilities where assaultive offender programs are available in order to facilitate timely participation and completion prior to parole eligibility hearings.

Youth in juvenile and adult correction systems; study; contract.

Sec. 511. The department may contract with a nationally recognized, experienced agency within the state of Michigan to conduct a complete and thorough quantitative and qualitative study of youth in the juvenile and adult correction systems. The study shall include, but not be limited to, demographic characteristics including race, ethnicity, and gender; offenses; adjudication; programs available and utilization of those programs; outcomes; and aftercare. The department shall submit the results of this study to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director by October 30, 2006.

FIELD OPERATIONS ADMINISTRATION

Field agents; caseload audit.

Sec. 601. From the funds appropriated in part 1, the department shall conduct a statewide caseload audit of field agents. The audit shall address public protection issues and assess the ability of the field agents to complete their professional duties. The results of the audit shall be submitted to the senate and house appropriations subcommittees on corrections and the senate and house fiscal agencies, and the state budget office by September 30, 2006.

Community service work program.

Sec. 602. (1) Of the amount appropriated in part 1 for field operations, a sufficient amount shall be allocated for the community service work program and shall be used for salaries and wages and fringe benefit costs of community service coordinators employed by the department to supervise offenders participating in work crew assignments. Funds shall also be used to cover motor transport division rates on state vehicles used to transport offenders to community service work project sites.

(2) The community service work program shall provide offenders with community service work of tangible benefit to a community while fulfilling court-ordered community service work sanctions and other postconviction obligations.

(3) As used in this section, “community service work” means work performed by an offender in an unpaid position with a nonprofit or tax-supported or government agency for a specified number of hours of work or service within a given time period.

Electronic tether program.

Sec. 603. (1) All prisoners, probationers, and parolees involved with the electronic tether program shall reimburse the department for the equipment costs and telephone charges associated with their participation in the program. The department may require community service work reimbursement as a means of payment for those able-bodied individuals unable to pay for the cost of the equipment.

(2) Program participant contributions and local community tether program reimbursement for the electronic tether program appropriated in part 1 are related to program expenditures and may be used to offset expenditures for this purpose.

(3) Included in the appropriation in part 1 is adequate funding to implement the community tether program to be administered by the department. The community tether program is intended to provide sentencing judges and county sheriffs in coordination with local community corrections advisory boards access to the state’s electronic tether program to reduce prison admissions and improve local jail utilization. The department shall determine the appropriate distribution of the tether units throughout the state based upon locally developed comprehensive corrections plans under the community corrections act, 1988 PA 511, MCL 791.401 to 791.414.

(4) For a fee determined by the department, the department shall provide counties with the tether equipment, replacement parts, administrative oversight of the equipment’s operation, notification of violators, and periodic reports regarding county program participants. Counties are responsible for tether equipment installation and service. For an additional fee as determined by the department, the department shall provide staff to install and service the equipment. Counties are responsible for the coordination and apprehension of program violators.

(5) Any county with tether charges outstanding over 60 days shall be considered in violation of the community tether program agreement and lose access to the program.

Community-placement prisoners and parolees; reimbursement.

Sec. 604. Community-placement prisoners and parolees shall reimburse the department for the total costs of the program. As an alternative method of payment, the department may develop a community service work schedule for those individuals unable to meet reimbursement requirements established by the department.

Parole and probation agent workloads; study.

Sec. 606. (1) It is the intent of the legislature that the department shall conduct or contract for a study of parole and probation agent workloads. The study shall analyze agent workloads, caseloads, and responsibilities and provide recommendations for changes to workload computations and offender-agent workload or caseload ratios.

(2) By April 1, 2006, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the results of the study, including information on study timelines, objectives, and methodology.

Contact with parole or probation agents.

Sec. 607. It is the intent of the legislature that the department shall implement means by which parolees and probationers may timely contact their parole or probation agents, and develop procedures that preclude any necessity for an offender to have access to an agent's home telephone number or other personal information pertaining to the agent.

Field agents conducting unscheduled visits; funding law enforcement officer escorts.

Sec. 608. (1) Funds appropriated in part 1 for the parole and probation special operations program are appropriated for the purpose of funding law enforcement officer escorts for field agents making unscheduled visits to verify offenders' whereabouts and activities in selected precincts in cities with a population of more than 750,000 according to the most recent United States decennial census. As used in this section, "unscheduled visits" means visits to locations other than governmental offices between the hours of 5 p.m. and 8 a.m. and made without appointment with the supervised offender.

(2) It is the intent of the legislature that in the course of expending funds appropriated under part 1 for field operations, the department shall cooperate with the department of attorney general and law enforcement agencies either located in or with jurisdiction in cities with a population of more than 750,000 according to the most recent United States decennial census in assigning field agents to conduct unscheduled visits in selected police precincts in cities with a population of more than 750,000 according to the most recent United States decennial census.

COMMUNITY CORRECTIONS**Offender reintegration.**

Sec. 701. The office of community corrections shall provide and coordinate the delivery and implementation of services in communities to facilitate successful offender reintegration into the community. Programs and services to be offered shall include, but are not limited to, technical assistance for comprehensive corrections plan development, new program start-up funding, program funding for those programs delivering services for eligible offenders in geographic areas identified by the office of community corrections as having a shortage of available services, technical assistance, referral services for education, employment services, and substance abuse and family counseling. As used in this article:

(a) "Alternative to incarceration in a state facility or jail" means a program that involves offenders who receive a sentencing disposition that appears to be in place of incarceration in a state correctional facility or jail based on historical local sentencing patterns or that amounts to a reduction in the length of sentence in a jail.

(b) "Goal" means the intended or projected result of a comprehensive corrections plan or community corrections program to reduce prison commitment rates, to reduce the length of stay in a jail, or to improve the utilization of a jail.

(c) "Jail" means a facility operated by a local unit of government for the physical detention and correction of persons charged with or convicted of criminal offenses.

(d) "Offender eligibility criteria" means particular criminal violations, state felony sentencing guidelines descriptors, and offender characteristics developed by advisory boards

and approved by local units of government that identify the offenders suitable for community corrections programs funded through the office of community corrections.

(e) “Offender target population” means felons or misdemeanants who would likely be sentenced to imprisonment in a state correctional facility or jail, who would not increase the risk to the public safety, who have not demonstrated a pattern of violent behavior, and who do not have criminal records that indicate a pattern of violent offenses.

(f) “Offender who would likely be sentenced to imprisonment” means either of the following:

(i) A felon or misdemeanor who receives a sentencing disposition that appears to be in place of incarceration in a state correctional facility or jail, according to historical local sentencing patterns.

(ii) A currently incarcerated felon or misdemeanor who is granted early release from incarceration to a community corrections program or who is granted early release from incarceration as a result of a community corrections program.

Alternative to incarceration; award of community corrections comprehensive plans and residential services funds.

Sec. 702. (1) The funds included in part 1 for community corrections comprehensive plans and services are to encourage the development through technical assistance grants, implementation, and operation of community corrections programs that serve as an alternative to incarceration in a state facility or jail. The comprehensive corrections plans shall include an explanation of how the public safety will be maintained, the goals for the local jurisdiction, offender target populations intended to be affected, offender eligibility criteria for purposes outlined in the plan, and how the plans will meet the following objectives, consistent with section 8(4) of the community corrections act, 1988 PA 511, MCL 791.408:

(a) Reduce admissions to prison of nonviolent offenders who would have otherwise received an active sentence, including probation violators.

(b) Improve the appropriate utilization of jail facilities, the first priority of which is to open jail beds intended to house otherwise prison-bound felons, and the second priority being to appropriately utilize jail beds so that jail crowding does not occur.

(c) Open jail beds through the increase of pretrial release options.

(d) Reduce the readmission to prison of parole violators.

(e) Reduce the admission or readmission to prison of offenders, including probation violators and parole violators, for substance abuse violations.

(2) The award of community corrections comprehensive plans and residential services funds shall be based on criteria that include, but are not limited to, the prison commitment rate by category of offenders, trends in prison commitment rates and jail utilization, historical trends in community corrections program capacity and program utilization, and the projected impact and outcome of annual policies and procedures of programs on prison commitment rates and jail utilization.

(3) Funds awarded for residential services in part 1 shall provide for a per diem reimbursement of not more than \$47.50.

Comprehensive corrections plans; provisions; strategies.

Sec. 703. The comprehensive corrections plans shall also include, where appropriate, descriptive information on the full range of sanctions and services that are available and utilized within the local jurisdiction and an explanation of how jail beds, residential

services, the special alternative incarceration program (boot camp), probation detention centers, the electronic monitoring program for probationers, and treatment and rehabilitative services will be utilized to support the objectives and priorities of the comprehensive corrections plan and the purposes and priorities of section 8(4) of the community corrections act, 1988 PA 511, MCL 791.408. The plans shall also include, where appropriate, provisions that detail how the local communities plan to respond to sentencing guidelines found in chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, and the use of the county jail reimbursement program under section 706 of this article. The state community corrections board shall encourage local community corrections boards to include in their comprehensive corrections plans strategies to collaborate with local alcohol and drug treatment agencies of the department of community health for the provision of alcohol and drug screening, assessment, case management planning, and delivery of treatment to alcohol- and drug-involved offenders, including, but not limited to, probation and parole violators who are at risk of revocation.

Comprehensive corrections plan; biannual report.

Sec. 704. (1) As part of the March biannual report specified in section 12(2) of the community corrections act, 1988 PA 511, MCL 791.412, that requires an analysis of the impact of that act on prison admissions and jail utilization, the department shall submit to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director the following information for each county and counties consolidated for comprehensive corrections plans:

(a) Approved technical assistance grants and comprehensive corrections plans including each program and level of funding, the utilization level of each program, and profile information of enrolled offenders.

(b) If federal funds are made available, the number of participants funded, the number served, the number successfully completing the program, and a summary of the program activity.

(c) Status of the community corrections information system and the jail population information system.

(d) Data on residential services, including participant data, participant sentencing guideline scores, program expenditures, average length of stay, and bed utilization data.

(e) Offender disposition data by sentencing guideline range, by disposition type, number and percent statewide and by county, current year, and comparisons to the previous 3 years.

(2) The report required under subsection (1) shall include the total funding allocated, program expenditures, required program data, and year-to-date totals.

Jail data.

Sec. 705. (1) The department shall identify and coordinate information regarding the availability of and the demand for community corrections programs, jail-based community corrections programs, and basic state-required jail data.

(2) The department is responsible for the collection, analysis, and reporting of state-required jail data.

(3) As a prerequisite to participation in the programs and services offered through the department, counties shall provide basic jail data to the department.

County jail reimbursement program.

Sec. 706. (1) The department shall administer a county jail reimbursement program from the funds appropriated in part 1 for the purpose of reimbursing counties for housing in jails felons who otherwise would have been sentenced to prison.

(2) The county jail reimbursement program shall reimburse counties for housing and custody of convicted felons if the conviction was for a crime committed on or after January 1, 1999 and 1 of the following applies:

(a) The felon's sentencing guidelines recommended range upper limit is more than 18 months, the felon's sentencing guidelines recommended range lower limit is 12 months or less, the felon's prior record variable score is 35 or more points, and the felon's sentence is not for commission of a crime in crime class G or crime class H under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69.

(b) The felon's minimum sentencing guidelines range minimum is more than 12 months.

(3) State reimbursement under this section for prisoner housing and custody expenses per diverted offender shall be \$43.50 per diem for up to a 1-year total.

(4) From the funds appropriated in part 1 for the county jail reimbursement program, the department shall contract for an ongoing study to determine the impact of the new legislative sentencing guidelines. The study shall analyze sentencing patterns of jurisdictions as well as future patterns in order to determine and quantify the population impact on prisons and jails of the new guidelines as well as to identify and define felon or crime characteristics or sentencing guidelines scores that indicate a felon is a prison diversion. The department shall contract for a local and statewide study for this purpose and provide periodic reports regarding the status and findings of the study to the house and senate appropriations subcommittees on corrections, the house and senate fiscal agencies, and the state budget director.

(5) The department, the Michigan association of counties, and the Michigan sheriffs' association shall review the periodic findings of the study required in subsection (4) and, if appropriate, recommend modification of the criteria for reimbursement contained in subsection (2). Any recommended modification shall be forwarded to the house and senate appropriations subcommittees on corrections and the state budget office.

(6) The department shall reimburse counties for offenders in jail based upon the reimbursement eligibility criteria in place on the date the offender was originally sentenced for the reimbursable offense.

(7) County jail reimbursement program expenditures shall not exceed the amount appropriated in part 1 for the county jail reimbursement program. Payments to counties under the county jail reimbursement program shall be made in the order in which properly documented requests for reimbursements are received. A request shall be considered to be properly documented if it meets MDOC requirements for documentation. The department shall by October 15, 2005 distribute the documentation requirements to all counties.

Award of funds; properly prepared and approved plan required.

Sec. 707. (1) As a condition of receipt of the funds appropriated in part 1 for community corrections plans and services and probation residential centers, the department shall only award those funds requested under a properly prepared and approved comprehensive corrections plan submitted under section 8 of the community corrections act, 1988 PA 511, MCL 791.408, or directly applied for under section 10 of the community corrections act, 1988 PA 511, MCL 791.410.

(2) The department shall only halt funding for an entity funded under section 8 of the community corrections act, 1988 PA 511, MCL 791.408, in instances of substantial non-compliance during the period covered by the plan.

Felony drunk driver jail reduction and community treatment program.

Sec. 708. (1) Funds included in part 1 for the felony drunk driver jail reduction and community treatment program are appropriated for and may be expended for any of the following purposes:

(a) To increase availability of treatment options to reduce drunk driving and drunk driving-related deaths by addressing the alcohol addiction of felony drunk drivers who otherwise likely would be sentenced to jail or a combination of jail and other sanctions.

(b) To divert from jail sentences or to reduce the length of jail sentences for felony drunk drivers who otherwise would have been sentenced to jail and whose recommended minimum sentence ranges under sentencing guidelines established under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, have upper limits of 18 months or less, through funding programs that may be used in lieu of incarceration and that increase the likelihood of rehabilitation.

(c) To provide a policy and funding framework to make additional jail space available for housing convicted felons whose recommended minimum sentence ranges under sentencing guidelines established under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, have lower limits of 12 months or less and who likely otherwise would be sentenced to prison, with the aim of enabling counties to meet or exceed amounts received through the county jail reimbursement program during fiscal year 2002-2003 and reducing the numbers of felons sentenced to prison.

(2) Expenditure of funds included in part 1 for the felony drunk driver jail reduction and community treatment program shall be by grant awards consistent with standards developed by a committee of the state community corrections advisory board. The chairperson of the committee shall be the board member representing county sheriffs. Remaining members of the committee shall be appointed by the chairperson of the board.

(3) In developing annual standards, the committee shall consult with interested agencies and associations. Standards developed by the committee shall include application criteria, performance objectives and measures, funding allocations, and allowable uses of the funds, consistent with the purposes specified in this section.

(4) Allowable uses of the funds shall include reimbursing counties for transportation, treatment costs, and housing felony drunk drivers during a period of assessment for treatment and case planning. Reimbursements for housing during the assessment process shall be at the rate of \$43.50 per day per offender, up to a maximum of 5 days per offender.

(5) The standards developed by the committee shall assign each county a maximum funding allocation based on the amount the county received under the county jail reimbursement program in fiscal year 2001-2002 for housing felony drunk drivers whose recommended minimum sentence ranges under the sentencing guidelines described in subsection (1)(c) had upper limits of 18 months or less.

(6) Awards of funding under this section shall be provided consistent with the local comprehensive corrections plans developed under the community corrections act, 1988 PA 511, MCL 791.401 to 791.414. Funds awarded under this section may be used in conjunction with funds awarded under grant programs established under that act. Due to the need for felony drunk drivers to be transitioned from county jails to community treatment services, it is the intent of the legislature that local units of government utilize funds received under this section to support county sheriff departments.

(7) As used in this section, "felony drunk driver" means a felon convicted of operating a motor vehicle under the influence of intoxicating liquor or a controlled substance, or

both, third or subsequent offense, under section 625(9)(c) of the Michigan vehicle code, 1949 PA 300, MCL 257.625, or its predecessor statute, punishable as a felony.

Report; programs.

Sec. 709. (1) By April 1, 2006, the department shall report to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on each of the following:

- (a) The county jail reimbursement program.
- (b) The felony drunk driver jail reduction and community treatment program.
- (c) The alternatives to prison jail and treatment programs.
- (d) The jail capacity expansion program.
- (e) New initiatives to control prison population growth funded under residential services and comprehensive plans and services.

(2) For each program listed under subsection (1), the report under subsection (1) shall include information on each of the following:

- (a) Program objectives and outcome measures.
- (b) Expenditures by location.
- (c) The impact on jail utilization.
- (d) The impact on prison admissions.
- (e) Other information relevant to an evaluation of the program.

CONSENT DECREES

Consent decree.

Sec. 801. Funding appropriated in part 1 for consent decree line items is appropriated into separate control accounts created for each line item. Funding in each control account shall be distributed as necessary into separate accounts created for the purpose of separately identifying costs and expenditures associated with each consent decree.

HEALTH CARE

Prisoner sex change.

Sec. 901. The department shall not expend funds appropriated under part 1 for any surgery, procedure, or treatment to provide or maintain a prisoner's sex change unless it is determined medically necessary by the chief medical officer of the department.

Health care services provided to prisoners; status of payment from contractors to vendors; bidding by local health care providers.

Sec. 902. (1) As a condition of expenditure of the funds appropriated in part 1, the department shall report to the senate and house appropriations subcommittees on corrections on January 1, 2006 and July 1, 2006 the status of payments from contractors to vendors for health care services provided to prisoners, as well as the status of the contracts, and an assessment of prisoner health care quality.

(2) It is the intent of the legislature that, in the interest of providing the most efficient and cost-effective delivery of health care, local health care providers shall be considered and given the opportunity to competitively bid as vendors under future managed care contracts.

Nurses working regular pay hours; intent to hire or retain full complement.

Sec. 903. There are sufficient funds and FTEs appropriated in part 1 to provide a full complement of nurses for clinical complexes working regular pay hours and it is the intent of the legislature that sufficient nurses be hired or retained to limit the use of overtime other-than-holiday pay.

Providers of ambulance services; reimbursement.

Sec. 905. It is the intent of the legislature that, with the funds appropriated in part 1 for hospital and specialty care services, the department shall ensure that local providers of ambulance services to prisoners be reimbursed within 60 days of the filing of any uncontested claim for service.

Prisoners obtaining transportation to off-site medical care; limit when unnecessary.

Sec. 906. (1) The department shall identify and manage prisoners who abuse the availability of medical services by obtaining transportation to off-site medical care when unnecessary or reasonably avoidable. In doing this, the department shall, when appropriate, consult with off-site medical facilities on how to accomplish this goal.

(2) By April 1, 2006, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on its activities and progress in implementing this section.

Hepatitis C; information.

Sec. 907. The bureau of health care services shall develop information on Hepatitis C prevention and the risks associated with exposure to Hepatitis C, and the health care providers shall disseminate this information verbally and in writing to each prisoner at the health screening and full health appraisal conducted at admissions, at the annual health care screening 1 week before or after a prisoner's birthday, and prior to release to the community by parole, transfer to community residential placement, or discharge on the maximum.

ALT test.

Sec. 908. From the funds appropriated in part 1, the department shall offer an alanine aminotransferase (ALT) test to each prisoner who has received positive parole action. An explanation of results of the test shall be provided confidentially to the prisoner prior to release on parole, and if appropriate based on the test results, the prisoner shall also be provided a recommendation to seek follow-up medical attention in the community. The test shall be voluntary; if the prisoner refuses to be tested, that decision shall not affect parole release, conditions of parole, or parole supervision.

Transfer of medications.

Sec. 909. The department shall ensure that all medications for a prisoner be transported with that prisoner when the prisoner is transferred from 1 correctional facility to another.

INSTITUTIONAL OPERATIONS

Smoking areas; designation.

Sec. 1001. As a condition of expenditure of the funds appropriated in part 1, the department shall ensure that smoking areas are designated for use by prisoners and staff at each facility. At a minimum, all outdoor areas within each facility's perimeter shall be designated for smoking, except that smoking may be forbidden within 20 feet of any building designated as nonsmoking or smoke-free.

Pilot children's visitation program.

Sec. 1002. From the funds appropriated in part 1, the department shall allocate sufficient funds to develop a pilot children's visitation program. The pilot program shall teach parenting skills and arrange for day visitation at these facilities for parents and their children, except for the families of prisoners convicted of a crime involving criminal sexual conduct in which the victim was less than 18 years of age or involving child abuse.

Use of Internet; prohibition.

Sec. 1003. The department shall prohibit prisoners access to or use of the Internet or any similar system.

Hepatitis B vaccination; receipt by employee.

Sec. 1004. Any department employee who, in the course of his or her job, is determined by a physician to have had a potential exposure to the Hepatitis B virus, shall receive a Hepatitis B vaccination upon request.

Inmate housing fund; use; expenditures.

Sec. 1006. (1) The inmate housing fund shall be used for the custody, treatment, clinical, and administrative costs associated with the housing of prisoners other than those specifically budgeted for elsewhere in this article. Funding in the inmate housing fund is appropriated into a separate control account. Funding in the control account shall be distributed as necessary into separate accounts created to separately identify costs for specific purposes.

(2) Quarterly reports on all expenditures from the inmate housing fund shall be submitted by the department to the state budget director, the senate and house appropriations subcommittees on corrections, and the senate and house fiscal agencies.

Agencies that benefit from public work services; uniform rate.

Sec. 1007. The department shall establish a uniform rate to be paid by agencies that benefit from public work services provided by special alternative incarceration participants and prisoners.

Cognitive restructuring programs.

Sec. 1008. It is the intent of the legislature that from the funds appropriated in part 1 for prison operations the department maintain on a voluntary basis 1 or more cognitive restructuring programs.

Academic/vocational programs; report.

Sec. 1009. By April 1, 2006, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on academic/vocational programs for the most recently completed

appropriation year. The report shall provide information relevant to an assessment of the department's academic and vocational programs, including, but not limited to, the following:

(a) The number of prisoners enrolled in each program, the number of prisoners completing each program, and the number of prisoners on waiting lists for each program.

(b) The steps the department has undertaken to improve programs and reduce waiting lists.

(c) An explanation of the value and purpose of each program, e.g., to improve employability, reduce recidivism, reduce prisoner idleness, or some combination of these and other factors.

(d) An identification of program outcomes for each academic and vocational program.

(e) An explanation of the department's plans for academic and vocational programs.

Offenders having high school diploma or G.E.D. certificate; recidivism rates; reports.

Sec. 1010. (1) By February 1, 2006, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director, the percent of offenders included in the prison population intake for fiscal years 2003-2004 and 2004-2005 who have a high school diploma or a general educational development (G.E.D.) certificate.

(2) By February 1, 2006, the department shall provide the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with statistical reports on the efficacy of both department-provided prison general education and vocational education programs in reducing offender recidivism rates. At a minimum, the report should compare the recidivism rates of the following groups of offenders:

(a) Offenders who completed a G.E.D. while in prison and participated in the MPRI.

(b) Offenders who completed a G.E.D. while in prison but did not participate in the MPRI.

(c) Offenders who completed a vocational education program while in prison and participated in the MPRI.

(d) Offenders who completed a vocational education program while in prison but did not participate in the MPRI.

Prisoners enrolled in G.E.D. programs; plan to increase certification rates.

Sec. 1011. As a condition of expending funds appropriated for academic/vocational programs under section 108 of this article, the department shall by January 31, 2006 and each January 31 thereafter provide a plan to increase certification rates among prisoners enrolled in general educational development (G.E.D.) programs at correctional facilities to the members of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director. The plan shall include detailed information on certification rates for the most recent 5-year period, a comparison with prisoner certification rates in other states and a national average, and details on how the department plans to improve certification rates.

Michigan Braille transcribing fund.

Sec. 1012. The department shall allow the Michigan Braille transcribing fund program to operate at its current location. The donation of the building by the Michigan Braille transcribing fund at the G. Robert Cotton correctional facility in Jackson is acknowledged

and appreciated. The department shall continue to encourage the Michigan Braille transcribing fund to produce high quality materials for use by the visually impaired.

Maintenance of safety and security; sufficient number of correctional officers; report on critical incidents.

Sec. 1013. (1) From the appropriations in part 1, the department shall ensure that all prisoner activities shall include the presence of a sufficient number of correctional officers needed to maintain the safety and security of the institution.

(2) By February 1, 2006, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director the number of critical incidents occurring each month by type and the number and severity of assaults occurring each month at each facility during calendar year 2005.

Male corrections staff in female prisons; removal; sexual assault or harassment claims; referral of complaints.

Sec. 1014. (1) The department shall implement a plan to remove male corrections staff from the housing units in female prisons.

(2) The department shall make the process of filing a claim of sexual assault or harassment less intimidating by designating a staff person in each facility to assist prisoners in filing a complaint to ensure that it is not illegible or vague and does not contain extraneous information.

(3) The department shall refer all complaints of criminal conduct to the Michigan state police.

Supplementary operational expenditures; use to offset certain costs.

Sec. 1015. It is the intent of the legislature that the funds appropriated in part 1 for supplementary operational expenditures be used to offset costs of employee wage and salary increases, contractual obligations to pay dry cleaning allowances, and jail capacity grants.

ARTICLE 5

DEPARTMENT OF EDUCATION

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations; department of education.

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of education for the fiscal year ending September 30, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF EDUCATION

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	417.5	
GROSS APPROPRIATION		\$ 117,825,600

For Fiscal Year
Ending Sept. 30,
2006

Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	\$ 0
ADJUSTED GROSS APPROPRIATION.....	\$ 117,825,600
Appropriated from:	
Federal revenues:	
Total federal revenues	70,519,400
Special revenue funds:	
Local cost sharing (schools for blind/deaf)	5,151,100
Local school district service fees	292,900
Total local revenues	5,444,000
Private gifts, bequests, and donations.....	504,900
Private foundations	1,393,700
Total private revenues.....	1,898,600
Total local and private revenues.....	7,342,600
Certification fees.....	4,489,400
Commodity distribution fees	75,100
Lansing, Michigan school for the blind rent	1,811,100
Michigan merit award trust funds.....	16,359,300
Student insurance revenues	214,600
Teacher testing fees	313,700
Tenant rent	150,000
Training and orientation workshop fees.....	100,000
Total other state restricted revenues.....	23,513,200
State general fund/general purpose	\$ 16,450,400

State board of education/office of the superintendent (kids succeeding).

Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT (KIDS SUCCEEDING)

Full-time equated unclassified positions	6.0
Full-time equated classified positions.....	16.0
State board of education, per diem payments.....	\$ 24,400
Unclassified positions—6.0 FTE positions.....	515,600
State board/superintendent operations—16.0 FTE positions	3,130,000
GROSS APPROPRIATION	\$ 3,670,000
Appropriated from:	
Federal revenues:	
Federal revenues	1,816,900
Special revenue funds:	
Certification fees.....	184,100
Private foundations	24,500
State general fund/general purpose	\$ 1,644,500

Central support (kids succeeding).

Sec. 103. CENTRAL SUPPORT (KIDS SUCCEEDING)

Full-time equated classified positions	27.0
Central support—27.0 FTE positions	\$ 3,485,500
Worker's compensation.....	45,000
Building occupancy charges - property management services	1,532,400
Training and orientation workshops	100,000

	For Fiscal Year Ending Sept. 30, 2006
Terminal leave payments	\$ 620,400
Tenant rent	150,000
Human resources optimization user charges	29,500
GROSS APPROPRIATION	\$ 5,962,800
Appropriated from:	
Federal revenues:	
Federal revenues	3,639,400
Special revenue funds:	
Certification fees	284,100
Local cost sharing (schools for blind/deaf)	93,400
Commodity distribution fees	7,000
Teacher testing fees	14,100
Tenant rent	150,000
Training and orientation workshop fees	100,000
State general fund/general purpose	\$ 1,674,800

Information technology services (kids succeeding).

Sec. 104. INFORMATION TECHNOLOGY SERVICES

(KIDS SUCCEEDING)

Information technology operations	\$ 2,532,900
GROSS APPROPRIATION	\$ 2,532,900
Appropriated from:	
Federal revenues:	
Federal revenues	1,551,500
Special revenue funds:	
Certification fees	183,400
Local cost sharing (schools for blind/deaf)	48,800
State general fund/general purpose	\$ 749,200

Special education services (kids succeeding).

Sec. 105. SPECIAL EDUCATION SERVICES

(KIDS SUCCEEDING)

Full-time equated classified positions	52.0
Special education operations—52.0 FTE positions	\$ 11,278,500
GROSS APPROPRIATION	\$ 11,278,500
Appropriated from:	
Federal revenues:	
Federal revenues	10,923,300
Special revenue funds:	
Certification fees	37,500
Private foundations	102,300
State general fund/general purpose	\$ 215,400

Lansing, Michigan school for the blind former site (effective government).

**Sec. 106. LANSING, MICHIGAN SCHOOL FOR THE
BLIND FORMER SITE (EFFECTIVE GOVERNMENT)**

General services	\$ 1,821,100
GROSS APPROPRIATION	\$ 1,821,100

For Fiscal Year
Ending Sept. 30,
2006

Appropriated from:

Special revenue funds:

Lansing, Michigan school for the blind rent	\$	1,811,100
Gifts, bequests, and donations.....		10,000
State general fund/general purpose	\$	0

Michigan schools for the deaf and blind (kids succeeding).

Sec. 107. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND (KIDS SUCCEEDING)

Full-time equated classified positions	88.0	
Michigan schools for the deaf and blind operations—		
87.0 FTE positions.....		\$ 10,641,600
Summer institute		90,000
Camp Tuhsmebeta—1.0 FTE position.....		250,100
Private gifts - blind		90,000
Private gifts - deaf.....		50,000
GROSS APPROPRIATION		\$ 11,121,700

Appropriated from:

Federal revenues:

Federal revenues		5,120,800
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Special revenue funds:

Local cost sharing (schools for blind/deaf).....		5,008,900
Local school district service fees		282,500
Gifts, bequests, and donations.....		494,900
Student insurance revenue		214,600
State general fund/general purpose	\$	0

Professional preparation services (kids succeeding).

Sec. 108. PROFESSIONAL PREPARATION SERVICES (KIDS SUCCEEDING)

Full-time equated classified positions	31.0	
Professional preparation operations—31.0 FTE positions.....		\$ 5,542,800
Department of attorney general.....		50,000
GROSS APPROPRIATION		\$ 5,592,800

Appropriated from:

Federal revenues:

Federal revenues		2,658,600
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Special revenue funds:

Certification fees.....		2,634,600
Teacher testing fees		299,600
State general fund/general purpose	\$	0

Early childhood education and family services (kids succeeding).

Sec. 109. EARLY CHILDHOOD EDUCATION AND FAMILY SERVICES (KIDS SUCCEEDING)

Full-time equated classified positions	23.0	
Early childhood education and family services operations—		
23.0 FTE positions.....		\$ 4,030,300
GROSS APPROPRIATION		\$ 4,030,300