

For Fiscal Year  
Ending Sept. 30,  
2003

Appropriated from:

Federal revenues:

DOI, U.S. fish and wildlife service, Dingell-Johnson .....	\$	3,000,000
Special revenue funds:		
Michigan state waterways fund .....		20,700,000
State general fund/general purpose .....	\$	0

**Department of transportation.**

**Sec. 106. DEPARTMENT OF TRANSPORTATION**

STATE TRUNKLINE FUND

Department buildings and facilities:

Salt storage buildings and brine runoff control systems - contract agencies locations.....	\$	1,000,000
Design and construct washbay additions at various maintenance garages locations.....		500,000
Gaylord, regional office building .....		1,000,000
Grayling, transportation service center .....		1,000,000
Monroe welcome center, construction authorization (total project cost not to exceed \$3,000,000) .....		3,000,000
Purchase property, various statewide locations .....		500,000
Reroof, fence, bituminous surfacing, various locations.....		450,000
Institutional and agency roads .....		750,000
Mason maintenance garage, addition or modification of offices, lunchrooms and restrooms .....		400,000
Miscellaneous remodeling, additions, emergency maintenance.....		1,000,000
GROSS APPROPRIATION .....	\$	<u>9,600,000</u>

Appropriated from:

Special revenue funds:

State trunkline fund .....		9,600,000
State general fund/general purpose .....	\$	0

**Department of transportation.**

**Sec. 107. DEPARTMENT OF TRANSPORTATION**

AERONAUTICS FUND: AIRPORT PROGRAMS

Airport improvement programs.....	\$	212,000,000
Airport safety and protection plan.....		<u>17,000,000</u>
Adrian - Lenawee County airport		
Allegan - Padgham field		
Alma - Gratiot community airport		
Alpena - Alpena County regional airport		
Ann Arbor - Ann Arbor municipal airport		
Atlanta - Atlanta municipal airport		
Bad Axe - Huron County memorial airport		
Baraga - new airport		
Battle Creek - W.K. Kellogg airport		
Bay City - James Clements airport		
Bellaire - Antrim County airport		
Benton Harbor - southwest Michigan regional airport		

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Big Rapids - Roben-Hood airport  
Cadillac - Wexford County airport  
Caro - Tuscola area/Caro municipal airport  
Charlevoix - Charlevoix municipal airport  
Charlotte - Fitch H. Beach airport  
Cheboygan - Cheboygan County airport  
Clare - Clare municipal airport  
Coldwater - Branch County airport  
Detroit - Detroit city airport  
Detroit - Detroit metropolitan airport, Wayne County airport  
Detroit - Willow Run airport  
Dowagiac - Cass County airport  
Drummond Island - Drummond Island airport  
Escanaba - Delta County airport  
Ewart - Ewart municipal airport  
Flint - Bishop international airport  
Frankfort - Frankfort Dow memorial airport  
Fremont - Fremont municipal airport  
Gaylord - Otsego County airport  
Gladwin - Gladwin Zettal memorial airport  
Grand Haven - Grand Haven memorial airpark  
Grand Ledge - Abrams municipal airport  
Grand Rapids - Gerald R. Ford international airport  
Grayling - Grayling army airfield  
Greenville - Greenville municipal airport  
Grosse Ile - Grosse Ile municipal airport  
Hancock - Houghton County memorial airport  
Harbor Springs - Harbor Springs municipal airport  
Hastings - Hastings city/Barry County airport  
Hart Shelby - Oceana County airport  
Hillsdale - Hillsdale municipal airport  
Holland - tulip city airport  
Houghton Lake - Roscommon County airport  
Howell - Livingston County airport  
Ionia - Ionia County airport  
Iron County - county airports  
Iron Mountain - Ford airport  
Ironwood - Gogebic-Iron County (Wisconsin) airport  
Jackson - Jackson County-Reynolds field  
Kalamazoo - Kalamazoo/Battle Creek international airport  
Lakeview - Lakeview-Griffith field  
Lambertville - suburban airport  
Lansing - capital city airport  
Lapeer - Dupont-Lapeer airport  
Linden - Price airport  
Ludington - Mason County airport  
Mackinac Island - Mackinac Island airport  
Manistee - Manistee County airport  
Manistique - Schoolcraft County airport

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Marlette - Marlette Township airport		
Marquette - Sawyer airport		
Marshall - Brooks field		
Mason - Mason Jewett field		
Menominee - Menominee-Marinette twin city airport		
MDOT - airport obstruction analysis		
Midland - Jack Barstow airport		
Monroe - Custer airport		
Mt. Pleasant - Mt. Pleasant municipal airport		
Munising - Hanley field		
Muskegon - Muskegon County airport		
New Hudson - Oakland-southwest airport		
Newberry - Luce County airport		
Niles - Jerry Tyler memorial airport		
Ontonagon - Ontonagon County airport		
Oscoda - Wurtsmith airport		
Owosso - Owosso community airport		
Pellston - Pellston regional airport		
Plymouth - Canton-Plymouth-Mettetal airport		
Pontiac - Oakland County international airport		
Port Huron - St. Clair County international airport		
Rogers City - Presque Isle County/Rogers City airport		
Romeo - Romeo state airport		
Saginaw - Harry W. Browne airport		
Saginaw - MBS international airport		
St. Ignace - Mackinac County airport		
St. James - Beaver Island airport		
Sandusky - Sandusky city airport		
Sault Ste. Marie - Chippewa County international airport		
South Haven - South Haven area regional airport		
Sparta - Sparta airport		
Statewide - various sites		
Sturgis - Kirsch municipal airport		
Three Rivers - Three Rivers municipal, Dr. Haines airport		
Traverse City - cherry capital airport		
Troy - Oakland-Troy airport		
West Branch - West Branch community airport		
White Cloud - White Cloud airport		
GROSS APPROPRIATION .....	\$	229,000,000
Appropriated from:		
Federal revenues:		
DOT, federal aviation administration .....		160,000,000
Special revenue funds:		
Combined comprehensive transportation bond proceeds fund -		
aeronautics .....		12,000,000
Local aeronautics match .....		43,000,000
State aeronautics fund .....		2,000,000
State general fund/general purpose .....	\$	12,000,000

For Fiscal Year  
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**State building authority rent.**

**Sec. 108. STATE BUILDING AUTHORITY RENT**

State building authority rent - state agencies .....	\$	61,585,200
State building authority rent - department of corrections .....		81,893,500
State building authority rent - universities .....		128,031,000
State building authority rent - community colleges.....		19,802,000
GROSS APPROPRIATION .....	\$	<u>291,311,700</u>
Appropriated from:		
Special revenue funds:		
Grand tower facility reimbursement.....		2,150,000
Roosevelt parking reimbursement .....		275,000
State building authority, University of Michigan, third party reimbursement .....		200,000
State lottery funds .....		1,520,000
State general fund/general purpose .....	\$	287,166,700

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

**Total state spending; payments to local units of government; notice of approximate shortfall.**

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources for fiscal year 2002-2003 is estimated at \$362,729,800.00 in part 1 of this appropriation act and state spending from state resources paid to local units of government for fiscal year 2002-2003 is estimated at \$17,425,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

**CAPITAL OUTLAY**

Department of natural resources - waterways .....	\$	3,425,000
State transportation department - state aeronautics program.....		<u>14,000,000</u>
TOTAL .....	\$	17,425,000

(2) If it appears to the principal executive officer of a department or branch that state spending to local units of government will be less than the amount that was projected to be expended under subsection (1), the principal executive officer shall immediately give notice of the approximate shortfall to the state budget director.

**Definitions.**

Sec. 202. As used in this act:

- (a) "ADA" means the Americans with disabilities act.
- (b) "Board" means the state administrative board.
- (c) "Community college" does not include a state agency or university.
- (d) "Department" means the department of management and budget.

- (e) “Director” means the director of the department of management and budget.
- (f) “DAG” means the United States department of agriculture.
- (g) “DOD” means the United States department of defense.
- (h) “DOI” means the United States department of interior.
- (i) “DOT” means the United States department of transportation.
- (j) “Fiscal agencies” means the senate fiscal agency and the house fiscal agency.
- (k) “HHS-HCFA” means the United States department of health and human services, health care financing administration.
- (l) “ICF/MR” means intermediate care facilities for the mentally retarded.
- (m) “IDG” means interdepartmental grant.
- (n) “JCOS” means the joint capital outlay subcommittee of the appropriations committees.
- (o) “MDOT” means the Michigan department of transportation.
- (p) “MIOSHA” means the Michigan occupational safety and health act, 1974 PA 154, MCL 408.1001 to 408.1094.
- (q) “Self-liquidating project” means a project constructed by a community college or university with money raised through the use of a debt instrument or other fund sources including, but not limited to, gifts, grants, federal funds, or institutional sources, that is expected to generate revenues to amortize the loan. A self-liquidating project may or may not be a self-supporting project. Examples of a self-liquidating project include dormitories, parking facilities, and stadia.
- (r) “Self-supporting project” means a project of a community college or university that will house a function or activity from which revenue is generated that will cover all the direct and indirect operating costs of the project without the additional transfer of any other general fund money of the community college or university.
- (s) “SEMCOG” means the southeast Michigan council of governments.
- (t) “State agency” means an agency of state government. State agency does not include a community college or university.
- (u) “State building authority” means the authority created under 1964 PA 183, MCL 830.411 to 830.425.
- (v) “University” means a 4-year university supported by the state. University does not include a community college or a state agency.
- (w) “Utility system” means a utility supply or distribution system, or a combination utility supply and distribution system.

### **Non-Michigan goods or services.**

Sec. 203. Funds appropriated in part 1 shall not be used for the purchase of non-Michigan goods or services, or both, if competitively priced and of comparable quality Michigan goods or services, or both, are available.

## **DEPARTMENT OF AGRICULTURE**

### **Development rights and grant awards.**

Sec. 251. Of the amounts appropriated in part 1 for farmland and open space development acquisition, the funds shall be used for the purchase of development rights and the awarding of grants by the agriculture preservation fund board under the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106.

**DEPARTMENT OF CORRECTIONS****Watchtowers.**

Sec. 301. A maximum security prison that is constructed or completed after October 1, 1986, shall have operating manned watchtowers equipped with the weaponry, lighting, sighting, and communications devices necessary for effective execution of its function. The watchtowers shall be constructed pursuant to the American correctional association standards for watchtowers.

**New correctional facility; unidentified site.**

Sec. 302. (1) An appropriation and authorization contained in this act or a previous appropriations act for the construction of a new correctional facility, including a correctional camp, for which a specific site was not identified with the appropriation shall not be expended until approved by JCOS.

(2) For the purposes of this section, “site” means a city, village, township, or county in which a correctional facility may be located.

**CAPITAL OUTLAY PROCESSES, PROCEDURES, AND REPORTS****Capital outlay project; compliance with §§ 18.1101 to 18.1594.**

Sec. 401. Each capital outlay project authorized in this act or any previous capital outlay act shall comply with the procedures required by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594. Capital outlay projects shall not be funded from operating accounts unless approved by the department and the JCOS.

**Facility operating cost; inclusion with program statement and planning documents.**

Sec. 402. A statement of a proposed facility’s operating cost shall be included with the facility’s program statement and planning documents when the plans are presented to JCOS for approval.

**Planning and construction projects at community colleges and universities; agreement.**

Sec. 403. (1) Before proceeding with final planning and construction for projects at community colleges and universities included in an appropriations bill, the community college or university shall sign an agreement with the department that includes the following provisions:

(a) The university or community college agrees to construct the project within the total authorized cost established by the legislature pursuant to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, and an appropriations act.

(b) The design and program scope of the project shall not deviate from the design and program scope represented in the program statement and preliminary planning documents approved by the department.

(c) Any other items as identified by the department that are necessary to complete the project.

(2) The department retains the authority and responsibility normally associated with the prudent maintenance of the public’s financial and policy interests relative to the state-financed construction projects managed by a community college or university.

**Planning or construction project; reports.**

Sec. 404. (1) The department shall provide the JCOS and the fiscal agencies with reports as considered necessary relative to the status of each planning or construction project financed by the state building authority, by this act, or by previous acts.

(2) Before the end of each fiscal year, the department shall report to the JCOS and the fiscal agencies for each capital outlay project other than lump sums all of the following:

- (a) The account number and name of each construction project.
- (b) The balance remaining in each account.
- (c) The date of the last expenditure from the account.
- (d) The anticipated date of occupancy if the project is under construction.
- (e) The appropriations history for the project.
- (f) The professional service contractor.
- (g) The amount of a project financed with federal funds.
- (h) The amount of a project financed through the state building authority.
- (i) The total authorized cost for the project and the state authorized share if different than the total.

(3) Before the end of each fiscal year, the department shall report the following for each project by a state agency, university, or community college that is authorized for planning but is not yet authorized for construction:

- (a) The name of the project and account number.
- (b) Whether a program statement is approved.
- (c) Whether schematics are approved by the department.
- (d) Whether preliminary plans are approved by the department.
- (e) The name of the professional service contractor.

(4) As used in this section, “project” includes appropriation line items made for purchase of real estate.

**Capital outlay appropriation; failure to review by JCOS; notice.**

Sec. 405. (1) If a capital outlay appropriation is contained in a public act that was not reviewed by the JCOS during the legislative process, the director shall notify the JCOS of an expenditure of that capital outlay appropriation not less than 60 days before the expenditure.

(2) For the purposes of this section, “capital outlay appropriation” means an appropriation that provides for the construction, renovation, or repair of a capital facility or acquisition or development of land and that is normally reviewed by the JCOS.

**Availability of federal and other money; use as matching funds.**

Sec. 406. A state agency, college, or university shall take steps necessary to make available federal and other money indicated in this act, to make available federal or other money that may become available for the purposes for which appropriations are made in this act, and to use any part or all of the appropriations to meet matching requirements that are considered to be in the best interest of this state. However, the purpose, scope, and total estimated cost of a project shall not be altered to meet the matching requirements.

**Comparative cost analysis.**

Sec. 407. (1) Before money is released for the construction or lease of a capital outlay project costing over \$1,000,000.00, at the request of the JCOS the department shall submit to the JCOS, with preliminary planning documents, a detailed comparative cost analysis. The cost analysis shall include a comparison of the financial and other benefits of construction, financing, operation, and maintenance of the proposed facility between all of the following:

- (a) The state.
- (b) The private sector.
- (c) A combination of the state and the private sector.
- (d) A lease agreement.

(2) If the department's recommendation for financing is inconsistent with the findings of the comparative cost analysis, the department shall present written documentation to the JCOS outlining the rationale for the recommendation.

(3) For purposes of this section, "capital outlay project" means a construction project or lease requiring JCOS approval including, but not limited to, a general office facility, special use facility, warehouse, institutional facility, or utility system designed for use by a state agency or university. Capital outlay project does not include a special maintenance and remodeling project, grant-in-aid project, prison facility, legislative facility, judicial facility, community college facility, or self-liquidating project constructed by a university.

**Capital outlay plans and priority requests; submission to JCOS and fiscal agencies.**

Sec. 408. Pursuant to section 242(2) of the management and budget act, 1984 PA 431, MCL 18.1242, the department shall submit 5-year capital outlay plans and capital outlay priority requests developed by state agencies (and as approved by the department of management and budget), universities, and community colleges to the chairperson and ranking vice-chairperson of the JCOS and the fiscal agencies upon the release of the executive budget recommendation.

**USE AND FINANCE STATEMENTS****Nonstate-funded project; approval; request for legislative authorization; violation; project estimate more than certain amount; requirements.**

Sec. 501. (1) A university or community college shall not let a contract for new construction of a nonstate-funded project estimated to cost more than \$1,000,000.00 unless the project is authorized by the JCOS through approval of a use and financing statement defined by a policy adopted by the JCOS. The request for legislative authorization shall be initially submitted for review to the JCOS and the department. The use and financing statement for a nonstate-funded project shall contain the estimated total construction cost and all associated estimated operating costs including a statement of anticipated project revenues. As used in this section, "new construction" includes land or property acquisition, remodeling and additions, and maintenance projects.

(2) A project that is constructed in violation of this section shall not receive state appropriations for purposes of operating the project, or support for future infrastructure enhancements that are necessitated, in part or in total, by construction of the project.



(3) A state agency, including the department of military affairs, shall not let a contract, including those for a direct federally-funded capital outlay construction or major maintenance or remodeling project if the total project is estimated to cost more than \$1,000,000.00 and is to be constructed on state-owned lands, unless the project is approved by the department and by the JCOS through approval of a use and financing statement defined by a policy adopted by the JCOS. For projects over \$1,000,000.00, the state agency shall submit a use and financing statement as required for community colleges and universities in subsection (1). As used in this subsection, “direct federally-funded” refers to a project for which federal payments are made directly to the construction vendor and not to the state of Michigan.

(4) A public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual interlocal agreement between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund shall not let a contract for new construction estimated to cost more than \$1,000,000.00 unless the project is authorized by the JCOS through the approval of a use and financing statement defined by a policy adopted by the JCOS. For purposes of this subsection, the use and financing statement for a project shall contain the estimated total construction cost and all associated estimated operating costs. As used in this subsection, “new construction” means land or property acquisition, remodeling or additions, lease or lease purchase, and maintenance projects for the corporate office of the public body corporate described in this subsection.

## **LUMP SUMS AND SPECIAL MAINTENANCE**

### **Lump-sum projects.**

Sec. 601. (1) The director shall allocate lump-sum appropriations made in this act for remodeling and addition, special maintenance, major special maintenance, energy conservation, demolition, ICF/MR, air-conditioning, and fire protection projects. The director shall allocate other lump sums in order of program priority and need of the various state agencies or as otherwise based on actual building inspection reports by regulatory agencies.

(2) The state budget director may authorize that funds appropriated for lump sum special maintenance shall be available for no more than 2 fiscal years following the fiscal year in which the original appropriation was made. Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(3) Before the end of each fiscal year, the department shall submit a report to the JCOS and the fiscal agencies indicating the total cost and status of all lump-sum projects funded under this act and any previous act that have been designated as proposed, designed, bid, under construction, or completed within the current fiscal year.

### **Demolition projects.**

Sec. 602. (1) The department may expend from the lump-sum special maintenance account amounts necessary to demolish any building that is specifically authorized by law to be demolished.

(2) Before the end of each fiscal year, each state agency, community college, and university shall report each year to the department the status of and planned schedule for demolition projects already authorized but not yet started, the estimated cost of the projects, and the anticipated sources of financing of the projects.

**Expenditures; limitation.**

Sec. 603. Pursuant to department policy, state agencies may expend not more than \$1,000,000.00 from their operating budget for special maintenance, remodeling, additions, or other capital outlay purposes, unless specifically authorized by the legislature.

**STATE BUILDING AUTHORITY**

**State building authority projects for lease to state agency; expenditures to meet cash flow requirements; cash advances; repayment.**

Sec. 701. (1) Subject to section 242 of the management and budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the state building authority, the department may expend from the general fund of the state during the fiscal year ending September 30, 2003 an amount to meet the cash flow requirements of those state building authority projects solely for lease to a state agency identified in both part 1 and this section, and for which state building authority bonds or notes have not been issued, and for the sole acquisition by the state building authority of equipment and furnishings for lease to a state agency as permitted by 1964 PA 183, MCL 830.411 to 830.425, for which the issuance of bonds or notes is authorized by a legislative concurrent resolution that is effective for a fiscal year ending September 30, 2003. Any general fund advances for which state building authority bonds have not been issued shall bear an interest cost to the state building authority at a rate not to exceed that earned by the state treasurer's common cash fund during the period in which the advances are outstanding and are repaid to the general fund of the state.

(2) Upon sale of bonds or notes for the projects identified in part 1 or for equipment as authorized by legislative concurrent resolution and in this section, the state building authority shall credit the general fund of the state an amount equal to that expended from the general fund plus interest, if any, as defined in this section.

(3) For state building authority projects for which bonds or notes have been issued and upon the request of the state building authority, the state treasurer shall make advances without interest from the general fund as necessary to meet cash flow requirements for the projects, which advances shall be reimbursed by the state building authority when the investments earmarked for the financing of the projects mature.

(4) In the event that a project identified in part 1 is terminated after final design is complete, advances made on behalf of the state building authority for the costs of final design shall be repaid to the general fund in a manner recommended by the director and approved by the JCOS.

**Construction or renovation of facility collecting excess revenue; reimbursement; credit; audit.**

Sec. 702. (1) State building authority funding to finance construction or renovation of a facility that collects revenue in excess of money required for the operation of that facility shall not be released to a university or community college unless the institution agrees to reimburse that excess revenue to the state building authority. The excess revenue shall be credited to the general fund to offset rent obligations associated with the

retirement of bonds issued for that facility. The auditor general shall annually identify and present an audit of those facilities that are subject to this section. Costs associated with the administration of the audit shall be charged against money recovered pursuant to this section.

(2) As used in this section, “revenue” includes state appropriations, facility opening money, other state aid, indirect cost reimbursement, and other revenue generated by the activities of the facility.

### **Rent obligations and insurance premiums.**

Sec. 703. (1) The state building authority rent appropriations in part 1 may also be expended for the payment of required premiums for insurance on facilities owned by the state building authority or payment of costs that may be incurred as the result of any deductible provisions in such insurance policies.

(2) If the amount appropriated in part 1 for state building authority rent is not sufficient to pay the rent obligations and insurance premiums and deductibles identified in subsection (1) for state building authority projects, there is appropriated from the general fund of the state the amount necessary to pay such obligations.

### **Construction projects; status report.**

Sec. 704. The department shall provide the JCOS and the fiscal agencies a report, not more than 15 days after the reporting date, relative to the status of construction projects associated with state building authority bonds on March 31 and September 30 of each year, or not more than 30 days after a refinancing or restructuring bond issue is sold. The report shall include, but is not limited to, the following:

(a) A list of all completed construction projects for which state building authority bonds have been sold, and which bonds are currently active.

(b) A list of all projects under construction for which sale of state building authority bonds are pending.

(c) A list of all projects authorized for construction or identified in an appropriations act for which approval of schematic/preliminary plans or total authorized cost is pending that have state building authority bonds identified as a source of financing.

### **Hospital rental requirements.**

Sec. 705. It is the intention of the legislature that the University of Michigan take the necessary actions to ensure that eligible interest reimbursements from Medicare and Medicaid programs are made available to the state to satisfy part of the amount appropriated for the University of Michigan adult general hospital facility rent appropriation of \$27,917,000.00 contained within the state building authority rent appropriation in part 1. To the extent of a difference between the estimated and actual amount received, there is appropriated from the general fund of the state the amounts necessary to satisfy the hospital rental requirements of the state building authority’s 1986 revenue refunding bonds, series I. To the extent payments made to the state by the University of Michigan are required to be reimbursed pursuant to the agreement with the University of Michigan, there is appropriated from the general fund the amount necessary for such reimbursement.

## **COLLEGES AND UNIVERSITIES**

### **Community colleges; remodeling and additions, special maintenance, or construction; authorization; receipt of federal money.**

Sec. 801. (1) This section applies only to projects for community colleges.

(2) State support is directed towards the remodeling and additions, special maintenance, or construction of certain community college buildings. The community college shall obtain or provide for site acquisition and initial main utility installation to operate the facility. Funding shall be comprised of local and state shares, and the state share shall include 50% of any federal money awarded for projects appropriated in this act. Not more than 50% of a capital outlay project, not including a lump-sum special maintenance project or remodeling and addition project, for a community college shall be appropriated from state and federal funds, unless otherwise appropriated by the legislature.

(3) An expenditure under this act is authorized when the release of the appropriation is approved by the board upon the recommendation of the director. The director may recommend to the board the release of any appropriation in part 1 only after the director is assured that the legal entity operating the community college to which the appropriation is made has complied with this act and has matched the amounts appropriated as required by this act. A release of funds in part 1 shall not exceed 50% of the total cost of planning and construction of any project, not including lump-sum remodeling and additions and special maintenance, unless otherwise appropriated by the legislature. Further planning and construction of a project authorized by this act or applicable sections of the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, shall be in accordance with the purpose and scope as defined and delineated in the approved program statements and planning documents. This act is applicable to all projects for which planning appropriations were made in previous acts.

(4) The community college shall take the steps necessary to secure available federal construction and equipment money for projects funded for construction in this act if an application was not previously made. If there is a reasonable expectation that a prior year unfunded application may receive federal money in a subsequent year, the college shall take whatever action necessary to keep the application active. If federal money is received, the state share shall be adjusted accordingly as provided by this act.

### **Funds reduction.**

Sec. 802. If matching revenues are received in an amount less than the appropriations contained in this act, the state funds of the appropriation shall be reduced in proportion to the amount of matching revenue received.

### **Project match and governing board approval.**

Sec. 804. (1) The director may require that community colleges and universities that have an authorized project listed in part 1 submit documentation regarding the project match and governing board approval of the authorized project not more than 60 days after the beginning of the fiscal year.

(2) If the documentation required by the director under subsection (1) is not submitted, or does not adequately authenticate the availability of the project match or board approval of the authorized project, the authorization may terminate. The authorization terminates 30 days after the director notifies the JCOS of the intent to terminate the project unless the JCOS convenes to extend the authorization.

### **Authorization for programming and schematic planning; availability of bonding required.**

Sec. 805. The appropriation for planning projects authorized in part 1 provides authorization to complete programming and schematic planning documents. These projects will not receive construction authorization unless there is sufficient bonding capacity available under the state building authority's statutory bond capacity limit.

**DEPARTMENT OF MANAGEMENT AND BUDGET****Federal surplus property warehouses.**

Sec. 901. If the JCOS approves, the department, for purposes of administrative and fiscal efficiency, may consolidate or discontinue federal surplus property warehouses administered under 1961 PA 139, MCL 18.251 to 18.261.

**Privately owned leased space.**

Sec. 902. (1) The department shall provide the JCOS and the fiscal agencies a report, not more than 15 days after the reporting date, of privately owned leased space by state agencies, by March 31 and September 30 of each year, consisting of the following:

- (a) Department.
- (b) Agency division and leased number.
- (c) Building location (address and city).
- (d) Type of building.
- (e) County.
- (f) Name and address of lessor.
- (g) Square footage and net square footage rate.
- (h) Monthly and annual cost.
- (i) Date lease started and expires.
- (j) Options and services.

(2) The lease report shall be summarized for office space, group homes, and other space for the Lansing area and statewide, excepting the Lansing area.

**DEPARTMENT OF NATURAL RESOURCES****Boating facilities; construction and improvement.**

Sec. 1001. The appropriation made in this act for the harbors and docks program is for the purpose of participating with the federal government and assisting political entities and subdivisions of this state in the construction and improvement of recreational boating facilities within this state. Subject to the approval of the board, this money shall be allocated by the department of natural resources to the federal government, or to the political entities or local units of government involved in the particular projects. An allocation shall not exceed the state portion as listed with each project description. The department of natural resources shall take the steps necessary to match federal money available for the construction and improvement of recreational boating facilities within this state, and to meet requirements of the federal government.

**Project status; report; request for reauthorization.**

Sec. 1002. (1) Before the end of each fiscal year, the department of natural resources shall report each year to the JCOS the status of each project that received an appropriation in any capital outlay act, if the project is either not completed or has a balance remaining in its account. The report shall be in the same form and contain the information as required under section 404. The report shall be separated into the following areas, by fund sources:

- (a) Waterways projects.
- (b) Urban recreation projects.
- (c) State park projects.
- (d) Wildlife and fisheries projects.
- (e) Other projects.

(2) A project request for reauthorization by the department of natural resources shall also be identified within the report required by subsection (1). These reauthorization requests shall identify the subsection number of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248, that provides the reason and justification for the requested reauthorization.

(3) A project shall be reauthorized if approved by the JCOS after review by the department.

### **Transfer from harbor development fund to state waterways fund.**

Sec. 1003. The department of natural resources may transfer \$4,900,000.00 from the harbor development fund to the state waterways fund for the purposes appropriated in part 1 of this act.

## **STATE TRANSPORTATION DEPARTMENT**

### **Publicly used airports and landing fields; construction and improvement contracts; local and state allocations; additional federal funds; funding of comprehensive northwest airlines midfield terminal project; allocations for expansion at Detroit-Willow Run airport prohibited.**

Sec. 1101. (1) From federal-state-local project appropriations contained in part 1 for the purpose of assisting political entities and subdivisions of this state in the construction and improvement of publicly used airports and landing fields within this state, the state transportation department may permit the award of contracts on behalf of units of local government for the authorized locations not to exceed the indicated amounts, of which the state allocated portion shall not exceed the amount appropriated in part 1.

(2) Political entities and subdivisions shall provide not less than 5% of the cost of any project under this section. State money shall not be allocated until local money is allocated, and except as provided in subsection (4) state money for any 1 project shall not exceed 1/3 of the total appropriation in part 1 from state funds for airport improvement programs.

(3) The Michigan aeronautics commission may take those steps necessary to match federal money available for airport construction and improvement within this state, and to meet the matching requirements of the federal government. Whether acting alone or jointly with another political subdivision or public agency or with this state, a political subdivision or public agency of this state shall not submit to any agency of the federal government a project application for airport planning or development unless it is authorized in this act and the project application is approved by the governing body of each political

subdivision or public agency making the application, and by the Michigan aeronautics commission.

(4) The department of transportation shall notify the state budget director if additional federal aeronautics funds are anticipated beyond those appropriated in part 1 of this act. In the event that additional federal funds are available, the state budget director shall recommend to the legislature an appropriation of state and local funds necessary to meet any federal matching requirements.

(5) From appropriations contained in part 1 for airport improvement programs, \$12,000,000.00 of the state general fund shall be used as state resources for state-funded components of the comprehensive northwest airlines midfield terminal project. The allocation of state general fund money is subject to audit by the auditor general.

(6) From the appropriations contained in part 1 for airport improvement programs, no funds shall be allocated for any runway extensions, taxiway extensions, or apron extensions at the Detroit-Willow Run airport. Further, it is the intent of the legislature that no state funds shall be expended to improve or repair the airport where the purpose of the improvement or repair is to expand the usage of the airport including, but not limited to, anything approximating a tradeport as that term is defined in the international tradeport development authority act, 1994 PA 325, MCL 152.2521 to 152.2546.

#### **Status report by department of transportation.**

Sec. 1102. Before the end of each fiscal year, the state transportation department shall report to the JCOS the status of projects funded in part 1 with the estimated dollars allocated for each project. If there has to be a delay in reporting, the state transportation department shall notify JCOS in writing of the date the report will be received.

#### **Airport program; availability of planning or construction project; lapse of remaining allocations.**

Sec. 1104. (1) A planning project or construction project appropriated for the airport program shall be made available for no more than 2 fiscal years following the fiscal year in which the original appropriation was made.

(2) Any remaining balance from allocations made in this section shall lapse to the fund from which it was appropriated pursuant to the lapsing of funds as provided in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594. **MISCELLANEOUS**

#### **Antenna site management revolving fund.**

Sec. 1201. (1) Revenue collected from licenses issued under the antenna site management project shall be deposited into the antenna site management revolving fund created for this purpose in the department of management and budget. The department may receive and expend funds from the fund for costs associated with the antenna site management project, including the cost of the third-party site manager. Any excess revenue remaining in the fund at the close of the fiscal year shall be proportionately transferred to the appropriate state restricted funds as designated in statute or by constitution.

(2) An antenna shall not be sited pursuant to this section without prior compliance with the respective local zoning codes and local unit of government processes.

#### **Site preparation economic development fund.**

Sec. 1202. (1) A site preparation economic development fund is hereby created in the department of management and budget. As used in this section, "economic development sites" means those state owned sites declared as surplus property pursuant to section 251

of the management and budget act, 1984 PA 431, MCL 18.1251, that would provide economic benefit to the area or to the state. The Michigan economic development corporation board and the state budget director shall determine whether or not a specific state owned site qualifies for inclusion in the fund created under this subsection.

(2) Proceeds from the sale of any sites designated in subsection (1) shall be deposited into the fund created in subsection (1) and shall be available for site preparation expenditures, unless otherwise provided by law. The economic development sites authorized in subsection (1) are hereby authorized for sale consistent with state law. Expenditures from the fund are hereby authorized for site preparation activities that enhance the marketable sale value of the sites. Site preparation activities include, but are not limited to, demolition, environmental studies and abatement, utility enhancement, and site excavation.

(3) A cash advance in an amount of not more than \$25,000,000.00 is hereby authorized from the general fund to the site preparation economic development fund.

(4) An annual report shall be transmitted to the senate and house of representatives appropriations committees not later than December 31 of each year. This report shall detail both of the following:

- (a) The revenue and expenditure activity in the fund for the preceding fiscal year.
- (b) The sites identified as economic development sites under subsection (1).

This act is ordered to take immediate effect.

Approved July 25, 2002.

Filed with Secretary of State July 25, 2002.

**[No. 519]**

**(SB 1101)**

AN ACT to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS - FISCAL YEAR 2002-2003

**Appropriations; department of community health.**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of community health for the fiscal year ending September 30, 2003, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF COMMUNITY HEALTH**

Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	5,666.3



	For Fiscal Year Ending Sept. 30, 2003
Average population .....	1,438.0
GROSS APPROPRIATION .....	\$ 9,799,182,300
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers ....	\$ 69,172,900
ADJUSTED GROSS APPROPRIATION.....	\$ 9,730,009,400
Federal revenues:	
Total federal revenues.....	5,177,291,200
Special revenue funds:	
Total local revenues .....	1,065,265,900
Total private revenues.....	64,736,600
Tobacco settlement revenue .....	70,768,200
Total other state restricted revenues.....	874,240,600
State general fund/general purpose .....	\$ 2,477,706,900

### Departmentwide administration.

#### Sec. 102. DEPARTMENTWIDE ADMINISTRATION

Full-time equated unclassified positions .....	6.0
Full-time equated classified positions .....	343.5
Director and other unclassified—6.0 FTE positions .....	\$ 581,500
Community health advisory council .....	28,900
Departmental administration and management—319.7 FTE positions.....	26,969,200
Certificate of need program administration—13.0 FTE positions ....	944,800
Worker's compensation program .....	10,506,800
Rent and building occupancy .....	9,020,100
Developmental disabilities council and projects—9.0 FTE positions ..	2,743,600
Rural health services .....	726,000
Michigan essential health care provider program .....	954,100
Palliative and hospice care .....	316,200
Primary care services—1.8 FTE positions .....	2,890,500
GROSS APPROPRIATION .....	\$ 55,681,700
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of treasury, Michigan state hospital finance authority .....	101,600
Federal revenues:	
Total federal revenues.....	14,786,000
Special revenue funds:	
Total private revenues.....	185,900
Total other state restricted revenues.....	2,357,100
State general fund/general purpose .....	\$ 38,251,100

### Mental health/substance abuse services administration and special projects.

#### Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS

Full-time equated classified positions .....	101.0
Mental health/substance abuse program administration—101.0 FTE positions.....	\$ 10,172,600

	For Fiscal Year Ending Sept. 30, 2003
Gambling addiction .....	\$ 3,500,000
Protection and advocacy services support .....	818,300
Mental health initiatives for older persons .....	1,165,800
Community residential and support services .....	4,473,600
Highway safety projects .....	1,837,200
Federal and other special projects .....	1,977,200
GROSS APPROPRIATION .....	\$ 23,944,700
Federal revenues:	
Total federal revenues .....	5,813,100
Special revenue funds:	
Total private revenues .....	190,000
Total other state restricted revenues .....	3,682,300
State general fund/general purpose .....	\$ 14,259,300

**Community mental health/substance abuse services program.**

**Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS**

Full-time equated classified positions .....	2.0
Medicaid mental health services .....	\$ 1,521,686,200
Community mental health non-medicaid services .....	276,930,200
Multicultural services .....	5,663,800
Medicaid substance abuse services .....	26,127,500
Respite services .....	3,318,600
CMHSP, purchase of state services contracts .....	174,651,000
Civil service charges .....	2,606,400
Federal mental health block grant—2.0 FTE positions .....	15,317,400
State disability assistance program substance abuse services .....	6,600,000
Community substance abuse prevention, education and treatment programs .....	79,740,400
GROSS APPROPRIATION .....	\$ 2,112,641,500
Appropriated from:	
Federal revenues:	
Total federal revenues .....	951,551,600
Special revenue funds:	
Total other state restricted revenues .....	134,542,400
State general fund/general purpose .....	\$ 1,026,547,500

**State psychiatric hospitals, centers for persons with developmental disabilities, and forensic and prison mental health services.**

**Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES**

Total average population .....	1,438.0
Full-time equated classified positions .....	4,289.0
Caro regional mental health center-psychiatric hospital-adult—498.0 FTE positions .....	\$ 39,828,900
Average population .....	184.0
Kalamazoo psychiatric hospital-adult—402.0 FTE positions .....	29,559,400

	For Fiscal Year Ending Sept. 30, 2003
Average population .....	136.0
Northville psychiatric hospital-adult—844.0 FTE positions.....	\$ 65,451,800
Average population .....	377.0
Walter P. Reuther psychiatric hospital-adult—440.0 FTE positions.....	35,332,500
Average population .....	232.0
Hawthorn center-psychiatric hospital-children and adolescents— 333.0 FTE positions.....	24,627,200
Average population .....	118.0
Mount Pleasant center-developmental disabilities—498.0 FTE positions.....	36,883,300
Average population .....	181.0
Center for forensic psychiatry—522.0 FTE positions .....	41,835,500
Average population .....	210.0
Forensic mental health services provided to the department of corrections—741.0 FTE positions.....	68,088,700
Revenue recapture .....	750,000
IDEA, federal special education .....	120,000
Special maintenance and equipment .....	947,800
Purchase of medical services for residents of hospitals and centers...	1,358,200
Closed site, transition, and related costs—11.0 FTE positions.....	1,066,900
Severance pay .....	216,900
Gifts and bequests for patient living and treatment environment...	500,000
GROSS APPROPRIATION.....	\$ 346,567,100
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of corrections.....	68,088,700
Federal revenues:	
Total federal revenues .....	33,145,700
Special revenue funds:	
CMHSP, purchase of state services contracts .....	174,651,000
Other local revenues .....	17,121,200
Total private revenues.....	500,000
Total other state restricted revenues .....	10,396,000
State general fund/general purpose .....	\$ 42,664,500

### **Public health administration.**

#### **Sec. 106. PUBLIC HEALTH ADMINISTRATION**

Full-time equated classified positions.....	81.3
Executive administration—12.0 FTE positions .....	\$ 1,129,200
Minority health grants and contracts .....	650,000
Vital records and health statistics—69.3 FTE positions.....	5,610,500
GROSS APPROPRIATION.....	\$ 7,389,700
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from family independence agency .....	447,800
Federal revenues:	
Total federal revenues .....	2,045,100

For Fiscal Year  
Ending Sept. 30,  
2003

Special revenue funds:		
Total other state restricted revenues .....	\$	2,432,200
State general fund/general purpose .....	\$	2,464,600

**Infectious disease control.**

**Sec. 107. INFECTIOUS DISEASE CONTROL**

Full-time equated classified positions .....	44.3	
AIDS prevention, testing, and care programs—9.8 FTE positions ..		\$ 27,608,300
Immunization local agreements .....		14,324,400
Immunization program management and field support—7.7 FTE positions.....		1,699,600
Sexually transmitted disease control local agreements.....		3,541,700
Sexually transmitted disease control management and field support—26.8 FTE positions .....		3,503,500
GROSS APPROPRIATION .....		<u>\$ 50,677,500</u>
Appropriated from:		
Federal revenues:		
Total federal revenues .....		36,057,700
Special revenue funds:		
Total private revenues.....		1,847,000
Total other state restricted revenues .....		7,684,100
State general fund/general purpose .....		\$ 5,088,700

**Laboratory services.**

**Sec. 108. LABORATORY SERVICES**

Full-time equated classified positions .....	113.2	
Laboratory services—113.2 FTE positions .....		\$ 13,326,700
GROSS APPROPRIATION .....		<u>\$ 13,326,700</u>
Appropriated from:		
Interdepartmental grant revenues:		
Interdepartmental grant from environmental quality .....		392,100
Federal revenues:		
Total federal revenues .....		3,411,100
Special revenue funds:		
Total other state restricted revenues .....		3,131,300
State general fund/general purpose .....		\$ 6,392,200

**Epidemiology.**

**Sec. 109. EPIDEMIOLOGY**

Full-time equated classified positions .....	64.5	
AIDS surveillance and prevention program—7.0 FTE positions.....		\$ 1,772,800
Asthma prevention and control.....		675,000
Bioterrorism preparedness—33.0 FTE positions .....		9,503,400
Epidemiology administration—24.5 FTE positions.....		5,624,000
Tuberculosis control and recalcitrant AIDS program .....		867,000
GROSS APPROPRIATION .....		<u>\$ 18,442,200</u>

For Fiscal Year  
Ending Sept. 30,  
2003

Appropriated from:	
Federal revenues:	
Total federal revenues .....	15,936,100
Special revenue funds:	
Total other state restricted revenues .....	179,000
State general fund/general purpose .....	\$ 2,327,100

### **Local health administration and grants.**

#### **Sec. 110. LOCAL HEALTH ADMINISTRATION AND GRANTS**

Full-time equated classified positions .....	3.0	
Implementation of 1993 PA 133, MCL 333.17015 .....		\$ 100,000
Lead abatement program—3.0 FTE positions .....		1,550,200
Local health services .....		223,800
Local public health operations .....		41,070,200
Medical services cost reimbursement to local health departments .....		1,500,000
GROSS APPROPRIATION .....		\$ 44,444,200

Appropriated from:	
Federal revenues:	
Total federal revenues .....	2,949,100
Special revenue funds:	
Total other state restricted revenues .....	101,100
State general fund/general purpose .....	\$ 41,394,000

### **Chronic disease and injury prevention and health promotion.**

#### **Sec. 111. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION**

Full-time equated classified positions .....	30.7	
African-American male health initiative .....		\$ 5,000
AIDS and risk reduction clearinghouse and media campaign .....		1,576,000
Alzheimer's information network .....		440,000
Cancer prevention and control program—13.6 FTE positions .....		12,081,400
Chronic disease prevention .....		1,527,400
Diabetes and kidney program—8.0 FTE positions .....		1,388,500
Health education, promotion, and research programs—2.9 FTE positions .....		1,352,800
Injury control intervention project .....		430,000
Morris Hood Wayne State University diabetes outreach .....		500,000
Obesity program .....		255,000
Physical fitness, nutrition, and health .....		755,000
Public health traffic safety coordination .....		650,000
Smoking prevention program—6.2 FTE positions .....		3,644,700
Tobacco tax collection and enforcement .....		810,000
Violence prevention .....		1,446,900
GROSS APPROPRIATION .....		\$ 26,862,700

Appropriated from:	
Federal revenues:	
Total federal revenues .....	15,203,200

For Fiscal Year  
Ending Sept. 30,  
2003

Special revenue funds:		
Total other state restricted revenues .....	\$	7,625,800
State general fund/general purpose .....	\$	4,033,700

**Community living, children, and families.**

**Sec. 112. COMMUNITY LIVING, CHILDREN, AND FAMILIES**

Full-time equated classified positions .....	84.0	
Childhood lead program—5.0 FTE positions .....		\$ 1,412,200
Children’s waiver home care program.....		22,828,400
Community living, children, and families administration—68.5 FTE positions.....		7,285,100
Dental programs .....		510,400
Dental program for persons with developmental disabilities.....		151,000
Family planning local agreements .....		8,393,900
Family support subsidy .....		14,737,100
Housing and support services—1.0 FTE positions .....		5,579,300
Local MCH services .....		13,050,200
Medicaid outreach and service delivery support .....		6,488,600
Migrant health care.....		200,000
Newborn screening follow-up and treatment services .....		2,428,000
Omnibus budget reconciliation act implementation—9.0 FTE positions.....		12,770,500
Pediatric AIDS prevention and control.....		1,026,300
Pregnancy prevention program .....		2,851,100
Perinatal care outreach and service delivery support .....		4,299,300
Southwest community partnership .....		1,547,300
Special projects—0.5 FTE positions .....		6,337,500
Sudden infant death syndrome program.....		321,300
GROSS APPROPRIATION.....		\$ 112,217,500

Appropriated from:

Federal revenues:		
Total federal revenues .....		73,009,800
Special revenue funds:		
Total private revenues.....		261,100
Total other state restricted revenues .....		8,490,000
State general fund/general purpose .....	\$	30,456,600

**Women, infants, and children food and nutrition programs.**

**Sec. 113. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAMS**

Full-time equated classified positions .....	42.0	
Women, infants, and children program administration and special projects—42.0 FTE positions.....		\$ 4,951,300
Women, infants, and children program local agreements and food costs.....		164,311,000
GROSS APPROPRIATION.....		\$ 169,262,300

For Fiscal Year  
Ending Sept. 30,  
2003

Appropriated from:	
Federal revenues:	
Total federal revenues.....	\$ 121,386,400
Special revenue funds:	
Total private revenues.....	47,875,900
State general fund/general purpose .....	\$ 0

### **Children's special health care services.**

#### **Sec. 114. CHILDREN'S SPECIAL HEALTH CARE SERVICES**

Full-time equated classified positions.....	66.6	
Children's special health care services administration—66.6 FTE positions.....		\$ 5,058,500
Amputee program .....		184,600
Bequests for care and services.....		1,579,600
Case management services .....		3,923,500
Conveyor contract .....		559,100
Medical care and treatment.....		151,600,000
GROSS APPROPRIATION.....		\$ 162,905,300

Appropriated from:	
Federal revenues:	
Total federal revenues.....	77,985,400
Special revenue funds:	
Total private revenues.....	750,000
Total other state restricted revenues.....	650,000
State general fund/general purpose .....	\$ 83,519,900

### **Office of drug control policy.**

#### **Sec. 115. OFFICE OF DRUG CONTROL POLICY**

Full-time equated classified positions.....	17.0	
Drug control policy—17.0 FTE positions.....		\$ 1,973,400
Anti-drug abuse grants .....		28,659,200
GROSS APPROPRIATION.....		\$ 30,632,600

Appropriated from:	
Federal revenues:	
Total federal revenues.....	30,246,600
State general fund/general purpose .....	\$ 386,000

### **Crime victim services commission.**

#### **Sec. 116. CRIME VICTIM SERVICES COMMISSION**

Full-time equated classified positions.....	9.0	
Grants administration services—9.0 FTE positions .....		\$ 1,040,500
Justice assistance grants .....		15,000,000
Crime victim rights services grants.....		7,655,300
GROSS APPROPRIATION.....		\$ 23,695,800

Appropriated from:	
Federal revenues:	
Total federal revenues.....	15,939,900

For Fiscal Year  
Ending Sept. 30,  
2003

Special revenue funds:		
Total other state restricted revenues .....	\$	7,240,900
State general fund/general purpose .....	\$	515,000

**Office of services to the aging.**

**Sec. 117. OFFICE OF SERVICES TO THE AGING**

Full-time equated classified positions .....	41.5	
Commission (per diem \$50.00) .....		\$ 10,500
Long-term care advisor—3.0 FTE positions .....		761,000
Office of services to aging administration—38.5 FTE positions .....		4,201,200
Community services .....		34,589,900
Nutrition services .....		37,289,300
Senior volunteer services .....		5,970,000
Senior citizen centers staffing and equipment .....		1,130,000
Employment assistance .....		2,818,300
Respite care program .....		7,100,000
GROSS APPROPRIATION .....		\$ 93,870,200

Appropriated from:

Federal revenues:		
Total federal revenues .....		48,813,400
Special revenue funds:		
Tobacco settlement revenue .....		5,761,000
Total other state restricted revenues .....		2,600,000
State general fund/general purpose .....	\$	36,695,800

**Medical services administration.**

**Sec. 118. MEDICAL SERVICES ADMINISTRATION**

Full-time equated classified positions .....	333.7	
Medical services administration—333.7 FTE positions .....		\$ 42,419,700
Facility inspection contract - state police .....		132,800
MICchild administration .....		4,527,800
GROSS APPROPRIATION .....		\$ 47,080,300

Appropriated from:

Federal revenues:		
Total federal revenues .....		30,839,700
Special revenue funds:		
State general fund/general purpose .....	\$	16,240,600

**Medical services.**

**Sec. 119. MEDICAL SERVICES**

Hospital services and therapy .....	\$	781,065,800
Hospital disproportionate share payments .....		45,000,000
Physician services .....		176,587,900
Medicare premium payments .....		153,600,000
Pharmaceutical services .....		543,923,100
Home health services .....		26,800,000
Transportation .....		8,300,000
Auxiliary medical services .....		90,300,000
Ambulance services .....		5,000,000



For Fiscal Year  
Ending Sept. 30,  
2003

Long-term care services.....	\$ 1,225,927,400
Home and community based waiver program.....	126,000,000
Elder prescription insurance coverage.....	145,000,000
Health maintenance organizations.....	1,581,188,600
MIChild program.....	57,067,100
MIFamily plan.....	191,091,900
Personal care services.....	20,816,200
Maternal and child health.....	9,234,500
Adult home help.....	187,387,800
Social services to the physically disabled.....	1,344,900
Subtotal basic medical services program.....	5,375,635,200
School-based services.....	65,094,200
Special adjutor payments.....	1,014,000,900
Subtotal special medical services payments.....	1,079,095,100
GROSS APPROPRIATION.....	\$ 6,454,730,300

Appropriated from:

Federal revenues:

Total federal revenues..... 3,679,486,100

Special revenue funds:

Total local revenues..... 873,493,700

Total private revenues..... 13,126,700

Tobacco settlement revenue..... 65,007,200

Total other state restricted revenues..... 681,334,600

State general fund/general purpose..... \$ 1,142,282,000

### Information technology.

#### Sec. 120. INFORMATION TECHNOLOGY

Information technology services and projects.....	\$ 35,834,300
GROSS APPROPRIATION.....	\$ 35,834,300

Appropriated from:

Interdepartmental grant revenues:

Interdepartmental grant from the department of corrections..... 142,700

Federal revenues:

Total federal revenues..... 18,685,200

Special revenue funds:

Total other state restricted revenues..... 1,793,800

State general fund/general purpose..... \$ 15,212,600

### Budgetary savings.

#### Sec. 121. BUDGETARY SAVINGS

Budgetary savings.....	\$ (25,630,600)
GROSS APPROPRIATION.....	\$ (25,630,600)

Appropriated from:

Special revenue funds:

State general fund/general purpose..... \$ (25,630,600)

**Early retirement savings.**

**Sec. 122. EARLY RETIREMENT SAVINGS**

Early retirement savings .....	\$	(5,393,700)
GROSS APPROPRIATION .....	\$	(5,393,700)
Appropriated from:		
State general fund/general purpose .....	\$	(5,393,700)

PART 2

PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 2002-2003

**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 2002-2003 is \$3,422,715,700.00 and state spending from state resources to be paid to local units of government for fiscal year 2002-2003 is \$1,089,306,700.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF COMMUNITY HEALTH  
DEPARTMENTWIDE ADMINISTRATION

Departmental administration and management.....	\$	15,656,500
Rural health services .....		35,000

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES  
ADMINISTRATION AND SPECIAL PROJECTS

Mental health initiatives for older persons .....		1,165,800
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COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE  
SERVICES PROGRAMS

State disability assistance program substance abuse services .....		6,600,000
Community substance abuse prevention, education, and treatment programs .....		19,133,500
Medicaid mental health services .....		660,538,700
Community mental health non-Medicaid services .....		276,930,200
Multicultural services .....		5,663,800
Medicaid substance abuse services.....		11,647,600
Respite services .....		3,318,600

INFECTIOUS DISEASE CONTROL

AIDS prevention, testing and care programs .....		1,466,800
Immunization local agreements .....		2,973,900
Sexually transmitted disease control local agreements.....		452,900

LOCAL HEALTH ADMINISTRATION AND GRANTS

Local public health operations.....		41,070,200
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**CHRONIC DISEASE AND INJURY PREVENTION AND  
HEALTH PROMOTION**

Cancer prevention and control program .....	\$	722,400
Smoking prevention program.....		690,400

**COMMUNITY LIVING, CHILDREN, AND FAMILIES**

Childhood lead program .....		85,000
Family planning local agreements.....		1,301,400
Local MCH services.....		246,100
Omnibus budget reconciliation act implementation .....		2,152,700
Prenatal care outreach and service delivery support .....		1,235,000

**CHILDREN'S SPECIAL HEALTH CARE SERVICES**

Case management services .....		3,319,900
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**MEDICAL SERVICES**

Transportation.....		866,200
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**OFFICE OF SERVICES TO THE AGING**

Community services .....		13,292,900
Nutrition services.....		12,848,500
Senior volunteer services.....		841,400

**CRIME VICTIM SERVICES COMMISSION**

Crime victim rights services grants.....		<u>5,051,300</u>
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TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT.. \$ 1,089,306,700

**Appropriations subject to §§ 18.1101 to 18.1594; state as custodian or agent.**

Sec. 202. (1) The appropriations authorized under this act 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.

**Definitions.**

Sec. 203. As used in this act:

- (a) "ACCESS" means Arab community center for economic and social services.
- (b) "AIDS" means acquired immunodeficiency syndrome.
- (c) "CMHSP" means a community mental health services program as that term is defined in section 100a of the mental health code, 1974 PA 258, MCL 330.1100a.
- (d) "DAG" means the United States department of agriculture.
- (e) "Disease management" means a comprehensive system that incorporates the patient, physician, and health plan into 1 system with the common goal of achieving desired outcomes for patients.
- (f) "Department" means the Michigan department of community health.
- (g) "DSH" means disproportionate share hospital.
- (h) "EPIC" means elder prescription insurance coverage program.

- (i) “EPSDT” means early and periodic screening, diagnosis, and treatment.
- (j) “FTE” means full-time equated.
- (k) “GME” means graduate medical education.
- (l) “Health plan” means, at a minimum, an organization that meets the criteria for delivering the comprehensive package of services under the department’s comprehensive health plan.
- (m) “HIV” means human immunodeficiency virus.
- (n) “HMO” means health maintenance organization.
- (o) “IDEA” means individual disability education act.
- (p) “MCH” means maternal and child health.
- (q) “MSS/ISS” means maternal and infant support services.
- (r) “Title XVIII” means title XVIII of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1395 to 1395b, 1395b-2, 1395b-6 to 1395b-7, 1395c to 1395i, 1395i-2 to 1395i-5, 1395j to 1395t, 1395u to 1395w, 1395w-2 to 1395w-4, 1395w-21 to 1395w-28, 1395x to 1395yy, and 1395bbb to 1395ggg.
- (s) “Title XIX” means title XIX of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396r-6 and 1396r-8 to 1396v.
- (t) “Title XX” means title XX of the social security act, chapter 531, 49 U.S.C. 1397 to 1397f.
- (u) “WIC” means women, infants, and children supplemental nutrition program.

### **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 shall grant exceptions to this hiring freeze when the state budget director believes that the hiring freeze will result in rendering a state department or agency unable to deliver basic services, cause loss of revenue to the state, result in the inability of the state to receive federal funds, or would necessitate additional expenditures that exceed any savings from maintaining the 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 month and the reasons to justify the exception.

### **Contingency funds; availability for expenditure; transfer.**

Sec. 206. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

### **Privatization.**

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.

### **Electronic transmission of reports; use of internet.**

Sec. 208. Unless otherwise specified, the department shall use the internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on the internet or intranet site. Quarterly, the department shall provide to the house of representatives and senate appropriations subcommittees' members, the state budget office, and the house and senate fiscal agencies an electronic and paper listing of the reports submitted during the most recent 3-month period along with the internet or intranet site of each report, if any.

### **Purchase of foreign goods or services.**

Sec. 209. (1) 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.

(2) Funds appropriated in part 1 shall not be used for the purchase of out-of-state goods or services, or both, if competitively priced and comparable quality Michigan goods or services, or both, are available.

### **Businesses in deprived and depressed communities; contracts to provide services or supplies.**

Sec. 210. (1) The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

(2) The director shall take all reasonable steps to ensure equal opportunity for all who compete for and perform contracts to provide services or supplies, or both, for the department. The director shall strongly encourage firms with which the department

contracts to provide equal opportunity for subcontractors to provide services or supplies, or both.

**Carrying forward revenues in excess of fees and collections.**

Sec. 211. If the revenue collected by the department from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward with the approval of the state budget director into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

**Maternal and child health block grant, preventive health and health services block grant, substance abuse block grant, healthy Michigan fund, Michigan health initiative; amounts; report.**

Sec. 212. (1) From the amounts appropriated in part 1, no greater than the following amounts are supported with federal maternal and child health block grant, preventive health and health services block grant, substance abuse block grant, healthy Michigan fund, and Michigan health initiative funds:

(a) Maternal and child health block grant.....	\$	20,627,000
(b) Preventive health and health services block grant.....		6,115,300
(c) Substance abuse block grant .....		61,371,200
(d) Healthy Michigan fund .....		35,200,000
(e) Michigan health initiative.....		9,060,200

(2) On or before February 1, 2003, the department shall report to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on the detailed name and amounts of federal, restricted, private, and local sources of revenue that support the appropriations in each of the line items in part 1 of this act.

(3) Upon the release of the fiscal year 2003-2004 executive budget recommendation, the department shall report to the same parties in subsection (2) on the amounts and detailed sources of federal, restricted, private, and local revenue proposed to support the total funds appropriated in each of the line items in part 1 of the fiscal year 2003-2004 executive budget proposal.

(4) The department shall provide to the same parties in subsection (2) all revenue source detail for consolidated revenue line item detail upon request to the department.

**Departments, agencies, and commissions receiving tobacco tax funds; report.**

Sec. 213. The state departments, agencies, and commissions receiving tobacco tax funds from part 1 shall report by January 1, 2003, to the senate and house of representatives appropriations committees, the senate and house fiscal agencies, and the state budget director on the following:

- (a) Detailed spending plan by appropriation line item including description of programs.
- (b) Description of allocations or bid processes including need or demand indicators used to determine allocations.
- (c) Eligibility criteria for program participation and maximum benefit levels where applicable.
- (d) Outcome measures to be used to evaluate programs.
- (e) Any other information considered necessary by the house of representatives or senate appropriations committees or the state budget director.

**Tobacco tax revenue; prohibited use.**

Sec. 214. The use of state-restricted tobacco tax revenue received for the purpose of tobacco prevention, education, and reduction efforts and deposited in the healthy Michigan fund shall not be used for lobbying as defined in 1978 PA 472, MCL 4.411 to 4.431.

**Write-offs and prior year obligations; report on prior years reimbursements, refunds, adjustments, and settlements.**

Sec. 216. (1) In addition to funds appropriated in part 1 for all programs and services, there is appropriated for write-offs of accounts receivable, deferrals, and for prior year obligations in excess of applicable prior year appropriations, an amount equal to total write-offs and prior year obligations, but not to exceed amounts available in prior year revenues.

(2) The department's ability to satisfy appropriation deductions in part 1 shall not be limited to collections and accruals pertaining to services provided in fiscal year 2002-2003, but shall also include reimbursements, refunds, adjustments, and settlements from prior years.

(3) The department shall report by March 15, 2003 and September 15, 2003 to the house of representatives and senate appropriations subcommittees on community health on all reimbursements, refunds, adjustments, and settlements from prior years.

**Basic health services.**

Sec. 218. Basic health services for the purpose of part 23 of the public health code, 1978 PA 368, MCL 333.2301 to 333.2321, are: immunizations, communicable disease control, sexually transmitted disease control, tuberculosis control, prevention of gonorrhea eye infection in newborns, screening newborns for the 7 conditions listed in section 5431(1)(a) through (g) of the public health code, 1978 PA 368, MCL 333.5431, community health annex of the Michigan emergency management plan, and prenatal care.

**Michigan public health institute; project design and implementation; report.**

Sec. 219. (1) The department may contract with the Michigan public health institute for the design and implementation of projects and for other public health related activities prescribed in section 2611 of the public health code, 1978 PA 368, MCL 333.2611. The department may develop a master agreement with the institute to carry out these purposes for up to a 3-year period. The department shall report to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on or before November 1, 2002 and May 1, 2003 all of the following:

(a) A detailed description of each funded project.

(b) The amount allocated for each project, the appropriation line item from which the allocation is funded, and the source of financing for each project.

(c) The expected project duration.

(d) A detailed spending plan for each project, including a list of all subgrantees and the amount allocated to each subgrantee.

(2) If a report required under subsection (1) is not received by the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on or before the date specified for that report, the disbursement of funds to the Michigan public health institute under

this section shall stop. The disbursement of those funds shall recommence when the overdue report is received.

(3) On or before September 30, 2003, the department shall provide to the same parties listed in subsection (1) a copy of all reports, studies, and publications produced by the Michigan public health institute, its subcontractors, or the department with the funds appropriated in part 1 and allocated to the Michigan public health institute.

### **Michigan public health institute; submission to financial and performance audits.**

Sec. 220. All contracts with the Michigan public health institute funded with appropriations in part 1 shall include a requirement that the Michigan public health institute submit to financial and performance audits by the state auditor general of projects funded with state appropriations.

### **Publications, videos, conferences, and workshops; collection of fees.**

Sec. 223. The department of community health may establish and collect fees for publications, videos and related materials, conferences, and workshops. Collected fees shall be used to offset expenditures to pay for printing and mailing costs of the publications, videos and related materials, and costs of the workshops and conferences. The costs shall not exceed fees collected.

### **Information technology; user fees.**

Sec. 259. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology-related services and projects. The user fees are subject to provisions of any interagency agreement between the department and the department of information technology.

### **Information technology; designation as work project.**

Sec. 260. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support 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.

### **Negative appropriation for early retirement savings; satisfaction by savings from hiring freeze; adjustments.**

Sec. 261. (1) The negative appropriation for early retirement savings in part 1 shall be satisfied by savings realized from not filling all of the positions lost due to the early retirement plan for state employees enacted in 2002 PA 93 amendments to the state employees' retirement act, 1943 PA 240, MCL 38.1 to 38.69.

(2) The negative appropriation for budgetary savings in part 1 shall be satisfied by savings from the hiring freeze imposed under section 205, efficiencies, and other savings identified by the department director and approved by the state budget director.

(3) Appropriation authorization adjustments required due to negative appropriations for early retirement savings and budgetary savings shall be made only after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.



**Failure to expend funds; written explanation; requirements.**

Sec. 262. (1) As a condition of expending funds appropriated in part 1, the department shall provide the members of the house of representatives and senate appropriations subcommittees on community health and the house and senate fiscal agencies with a written explanation of the reason or reasons why the department did not fully expend appropriated funds each time any of the following occurs:

(a) A legislative transfer is proposed that would remove 10% or more of the funding in a line item.

(b) A legislative transfer is proposed that would bring the total of year-to-date transfers out of that line item to 10% or more of the originally appropriated amount.

(c) A legislative transfer is proposed that would remove funding in a line item that is the subject of boilerplate language expressing a legislative intent for program implementation.

(d) When it appears that 10% or more of a line item will lapse to the general fund at the close of the fiscal year.

(e) When it appears that 10% or more of a line item will be proposed to be included in a work project, or when the amount that may be included in a work project plus the sum of legislative transfers out of the line item will total 10% or more of the amount originally appropriated.

(2) A written explanation required by subsection (1)(a), (b), or (c) shall be provided on the same day that the department of management and budget requests approval of the legislative transfer. A written explanation required by subsection (1)(d) or (e) shall be provided by September 15, 2003.

(3) In addition, a written explanation that is provided with regard to an appropriation that is the subject of boilerplate language described in subsection (1)(c), whether or not the explanation is provided to comply with subsection (1)(c) or another subdivision of subsection (1), shall include a copy of the applicable boilerplate language.

**Additional appropriations; condition.**

Sec. 263. (1) Subject to subsection (2), in addition to the amount appropriated under part 1, the following amounts are appropriated for the fiscal year ending September 30, 2003:

(a) \$189,100.00 is appropriated to the consumer involvement program.

(b) \$339,100.00 is appropriated to minority health grants and contracts.

(c) \$315,000.00 is appropriated to the African-American male health initiative.

(d) \$1,500,000.00 is appropriated to cancer prevention and control to be allocated pursuant to section 1008.

(e) \$45,000.00 is appropriated to chronic disease prevention for child and adult arthritis.

(f) \$2,647,200.00 is appropriated to the diabetes and kidney program.

(g) \$495,000.00 is appropriated to the injury control intervention project for safe kids program.

(h) \$165,900.00 is appropriated to immunization local agreements for the meningitis initiative.

(i) \$495,000.00 is appropriated to the Michigan essential health provider program.

(j) \$195,000.00 is appropriated to the obesity program.

(k) \$490,000.00 is appropriated to physical fitness, nutrition, and health.

(l) \$3,495,000.00 is appropriated to the pregnancy prevention program.

(m) \$1,900,000.00 is appropriated for smoking prevention.

(n) \$195,000.00 is appropriated for special projects for fetal alcohol syndrome.

(o) \$238,500.00 is appropriated for local health services for training and evaluation.

(2) The appropriation in subsection (1) shall become effective only if the tax on cigarettes under the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, is increased by 30 cents or more per pack of cigarettes on or before September 30, 2002.

## **DEPARTMENTWIDE ADMINISTRATION**

### **Payments in lieu of worker's compensation payments.**

Sec. 301. From funds appropriated for worker's compensation, the department may make payments in lieu of worker's compensation payments for wage and salary and related fringe benefits for employees who return to work under limited duty assignments.

### **Community health advisory council; member per diems; other expenditures.**

Sec. 302. Funds appropriated in part 1 for the community health advisory council may be used for member per diems of \$50.00 and other council expenditures.

### **First-party payments for mental health services; prohibition.**

Sec. 303. The department is prohibited from requiring first-party payment from individuals or families with a taxable income of \$10,000.00 or less for mental health services for determinations made in accordance with section 818 of the mental health code, 1974 PA 258, MCL 330.1818.

### **Loan repayment for certain dentists.**

Sec. 304. The funds appropriated in part 1 for the Michigan essential health care provider program may also provide loan repayment for dentists that fit the criteria established by part 27 of the public health code, 1978 PA 368, MCL 333.2701 to 333.2727.

### **Multicultural agencies providing primary care services.**

Sec. 305. The department is directed to continue support of multicultural agencies that provide primary care services from the funds appropriated in part 1.

### **Federally qualified health services.**

Sec. 307. From the funds appropriated in part 1 for primary care services, an amount not to exceed \$2,890,500.00 is appropriated to enhance the service capacity of the federally qualified health centers and other health centers which are similar to federally qualified health centers.

### **Michigan essential health care provider program; loan repayments.**

Sec. 309. The Breton health center shall be designated as a state-sponsored health center for the purpose of qualifying certified health care providers for loan repayments under the Michigan essential health care provider program.

**Primary care clinics located in designated health professional shortage areas.**

Sec. 310. (1) The department shall identify all primary care clinics located in federally designated health professional shortage areas.

(2) The department shall provide assistance, at the request of any primary care clinic identified in subsection (1), in attaining designation as a state-sponsored health center for the purpose of qualifying certified health care providers for loan repayments under the Michigan essential health care provider program.

(3) The department shall provide bimonthly reports to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the names and locations of all clinics located in federally designated health professional shortage areas and those clinics that have been designated as Michigan essential health care provider sites.

**Palliative care, hospice, and end-of-life care; programs; hospice pilot project.**

Sec. 311. From the amounts appropriated in part 1 for palliative and end-of-life care, \$166,200.00 shall be allocated for education programs on and promotion of palliative care, hospice, and end-of-life care. The department shall provide a report on the interim results of the hospice pilot project to the house of representatives and senate appropriations subcommittees on community health and the house and senate fiscal agencies by October 1, 2002.

**End-of-life care.**

Sec. 312. From the funds appropriated in part 1 for palliative and hospice care, the department shall allocate \$150,000.00 to the Michigan partnership for the advancement of end-of-life care. The funds shall be used for the continued development and implementation of the strategic plan to improve end-of-life care in Michigan. It is the intent of the legislature that the amount of this grant shall decrease by \$50,000.00 in each of the next 3 fiscal years.

**Compulsive gambling; report.**

Sec. 313. By November 1, 2002, the department shall report to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on activities undertaken by the department to address compulsive gambling.

**MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS****Contract with protection and advocacy service; services.**

Sec. 350. The department may enter into a contract with the protection and advocacy service, authorized under section 931 of the mental health code, 1974 PA 258, MCL 330.1931, or a similar organization to provide legal services for purposes of gaining and maintaining occupancy in a community living arrangement which is under lease or contract with the department or a community mental health services program to provide services to persons with mental illness or developmental disability.

**Adolescent suicide; survey and assessment.**

Sec. 352. From the funds appropriated, the department shall conduct a statewide survey of adolescent suicide and assessment of available preventative resources.

**COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS****Community mental health services; authority and responsibility of local CMHSPs; contract.**

Sec. 401. (1) Funds appropriated in part 1 are intended to support a system of comprehensive community mental health services under the full authority and responsibility of local CMHSPs. The department shall ensure that each CMHSP provides all of the following:

(a) A system of single entry and single exit.

(b) A complete array of mental health services which shall include, but shall not be limited to, all of the following services: residential and other individualized living arrangements, outpatient services, acute inpatient services, and long-term, 24-hour inpatient care in a structured, secure environment.

(c) The coordination of inpatient and outpatient hospital services through agreements with state-operated psychiatric hospitals, units, and centers in facilities owned or leased by the state, and privately-owned hospitals, units, and centers licensed by the state pursuant to sections 134 through 149b of the mental health code, 1974 PA 258, MCL 330.1134 to 330.1149b.

(d) Individualized plans of service that are sufficient to meet the needs of individuals, including those discharged from psychiatric hospitals or centers, and that ensure the full range of recipient needs is addressed through the CMHSP's program or through assistance with locating and obtaining services to meet these needs.

(e) A system of case management to monitor and ensure the provision of services consistent with the individualized plan of services or supports.

(f) A system of continuous quality improvement.

(g) A system to monitor and evaluate the mental health services provided.

(h) A system that serves at-risk and delinquent youth as required under the provisions of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106.

(2) In partnership with CMHSPs, the department shall continue the process to ensure the long-term viability of a single entry and exit and locally controlled community mental health system.

(3) A contract between a CMHSP and the department and any other state department or agency shall not be altered or modified without a prior written agreement of the parties to the contract.

**Contracts between department and CMHSPs; provisions; report.**

Sec. 402. (1) From funds appropriated in part 1, final authorizations to CMHSPs shall be made upon the execution of contracts between the department and CMHSPs. The contracts shall contain an approved plan and budget as well as policies and procedures governing the obligations and responsibilities of both parties to the contracts. Each contract with a CMHSP that the department is authorized to enter into under this

subsection shall include a provision that the contract is not valid unless the total dollar obligation for all of the contracts between the department and the CMHSPs entered into under this subsection for fiscal year 2002-2003 does not exceed the amount of money appropriated in part 1 for the contracts authorized under this subsection.

(2) The department shall immediately report to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director if either of the following occurs:

(a) Any new contracts with CMHSPs that would affect rates or expenditures are enacted.

(b) Any amendments to contracts with CMHSPs that would affect rates or expenditures are enacted.

(3) The report required by subsection (2) shall include information about the changes and their effects on rates and expenditures.

### **Multicultural services providers.**

Sec. 403. From the funds appropriated in part 1 for multicultural services, the department shall ensure that CMHSPs continue contracts with multicultural services providers.

### **Report; information to be included.**

Sec. 404. (1) Not later than May 31 of each fiscal year, the department shall provide a report on the community mental health services programs to the members of the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director that includes the information required by this section.

(2) The report shall contain information for each CMHSP and a statewide summary, each of which shall include at least the following information:

(a) A demographic description of service recipients which, minimally, shall include reimbursement eligibility, client population, age, ethnicity, housing arrangements, and diagnosis.

(b) When the encounter data is available, a breakdown of clients served, by diagnosis. As used in this subdivision, "diagnosis" means a recipient's primary diagnosis, stated as a specifically named mental illness, emotional disorder, or developmental disability corresponding to terminology employed in the latest edition of the American psychiatric association's diagnostic and statistical manual.

(c) Per capita expenditures by client population group.

(d) Financial information which, minimally, shall include a description of funding authorized; expenditures by client group and fund source; and cost information by service category, including administration. Service category shall include all department approved services.

(e) Data describing service outcomes which shall include, but not be limited to, an evaluation of consumer satisfaction, consumer choice, and quality of life concerns including, but not limited to, housing and employment.

(f) Information about access to community mental health services programs which shall include, but not be limited to, the following:

(i) The number of people receiving requested services.

(ii) The number of people who requested services but did not receive services.

(iii) The number of people requesting services who are on waiting lists for services.

(iv) The average length of time that people remained on waiting lists for services.

(g) The number of second opinions requested under the code and the determination of any appeals.

(h) An analysis of information provided by community mental health service programs in response to the needs assessment requirements of the mental health code, including information about the number of persons in the service delivery system who have requested and are clinically appropriate for different services.

(i) An estimate of the number of FTEs employed by the CMHSPs or contracted with directly by the CMHSPs as of September 30, 2002 and an estimate of the number of FTEs employed through contracts with provider organizations as of September 30, 2002.

(j) Lapses and carryforwards during fiscal year 2001-2002 for CMHSPs.

(k) Contracts for mental health services entered into by CMHSPs with providers, including amount and rates, organized by type of service provided.

(l) Information on the community mental health Medicaid managed care program, including, but not limited to, both of the following:

(i) Expenditures by each CMHSP organized by Medicaid eligibility group, including per eligible individual expenditure averages.

(ii) Performance indicator information required to be submitted to the department in the contracts with CMHSPs.

(3) The department shall include data reporting requirements listed in subsection (2) in the annual contract with each individual CMHSP.

(4) The department shall take all reasonable actions to ensure that the data required are complete and consistent among all CMHSPs.

### **Employee wage pass-through funds; payment to direct care workers.**

Sec. 405. It is the intent of the legislature that the employee wage pass-through funded to the community mental health services programs for direct care workers in local residential settings and for paraprofessional and other nonprofessional direct care workers in day programs, supported employment, and other vocational programs shall continue to be paid to direct care workers.

### **State disability assistance substance abuse services program; eligibility of clients; reimbursement rate.**

Sec. 406. (1) The funds appropriated in part 1 for the state disability assistance substance abuse services program shall be used to support per diem room and board payments in substance abuse residential facilities. Eligibility of clients for the state disability assistance substance abuse services program shall include needy persons 18 years of age or older, or emancipated minors, who reside in a substance abuse treatment center.

(2) The department shall reimburse all licensed substance abuse programs eligible to participate in the program at a rate equivalent to that paid by the family independence agency to adult foster care providers. Programs accredited by department-approved accrediting organizations shall be reimbursed at the personal care rate, while all other eligible programs shall be reimbursed at the domiciliary care rate.

### **Individuals with mental illness and substance abuse diagnosis; contract with service providers; fee schedule.**

Sec. 407. (1) The amount appropriated in part 1 for substance abuse prevention, education, and treatment grants shall be expended for contracting with coordinating

agencies or designated service providers. It is the intent of the legislature that the coordinating agencies and designated service providers work with the CMHSPs to coordinate the care and services provided to individuals with both mental illness and substance abuse diagnoses.

(2) The department shall establish a fee schedule for providing substance abuse services and charge participants in accordance with their ability to pay. Any changes in the fee schedule shall be developed by the department with input from substance abuse coordinating agencies.

### **Substance abuse prevention, education, and treatment programs; data report.**

Sec. 408. (1) By April 15, 2003, the department shall report the following data from fiscal year 2001-2002 on substance abuse prevention, education, and treatment programs to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget office:

(a) Expenditures stratified by coordinating agency, by central diagnosis and referral agency, by fund source, by subcontractor, by population served, and by service type. Additionally, data on administrative expenditures by coordinating agency and by subcontractor shall be reported.

(b) Expenditures per state client, with data on the distribution of expenditures reported using a histogram approach.

(c) Number of services provided by central diagnosis and referral agency, by subcontractor, and by service type. Additionally, data on length of stay, referral source, and participation in other state programs.

(d) Collections from other first- or third-party payers, private donations, or other state or local programs, by coordinating agency, by subcontractor, by population served, and by service type.

(2) The department shall take all reasonable actions to ensure that the required data reported are complete and consistent among all coordinating agencies.

### **Substance abuse services; funding priority to providers furnishing child care services.**

Sec. 409. The funding in part 1 for substance abuse services shall be distributed in a manner that provides priority to service providers that furnish child care services to clients with children.

### **Substance abuse treatment as condition for public assistance.**

Sec. 410. The department shall assure that substance abuse treatment is provided to applicants and recipients of public assistance through the family independence agency who are required to obtain substance abuse treatment as a condition of eligibility for public assistance.

### **Jail diversion services.**

Sec. 411. (1) The department shall ensure that each contract with a CMHSP requires the CMHSP to implement programs to encourage diversion of persons with serious mental illness, serious emotional disturbance, or developmental disability from possible jail incarceration when appropriate.

(2) Each CMHSP shall have jail diversion services and shall work toward establishing working relationships with representative staff of local law enforcement agencies,

including county prosecutors' offices, county sheriffs' offices, county jails, municipal police agencies, municipal detention facilities, and the courts. Written interagency agreements describing what services each participating agency is prepared to commit to the local jail diversion effort and the procedures to be used by local law enforcement agencies to access mental health jail diversion services are strongly encouraged.

Sec. 412. The department shall contract directly with the Salvation Army harbor light program and Salvation Army turning point of west Michigan to provide non-Medicaid substance abuse services at not less than the amount contracted for in fiscal year 2001-2002. To fund the contracts described in this section, the department shall make an administrative allocation from its existing appropriation of not less than 10% of the amount contracted for in fiscal year 2001-2002 for these programs of the Salvation Army.

### **Recalculating capitation rates.**

Sec. 413. By October 10, 2002, the department shall report to the house of representatives and senate appropriations subcommittees on community health and the house and senate fiscal agencies on the methodology utilized and the adjustments made in recalculating the capitation rates payable to CMHSPs and other managing entities under the federal waiver for Michigan managed specialty services and supports program.

### **Managed care plan for specialized substance abuse services.**

Sec. 414. Medicaid substance abuse treatment services shall be managed by selected CMHSPs pursuant to the centers for Medicare and Medicaid services' approval of Michigan's 1915(b) waiver request to implement a managed care plan for specialized substance abuse services. The selected CMHSPs shall receive a capitated payment on a per eligible per month basis to assure provision of medically necessary substance abuse services to all beneficiaries who require those services. The selected CMHSPs shall be responsible for the reimbursement of claims for specialized substance abuse services. The CMHSPs that are not coordinating agencies may continue to contract with a coordinating agency. Any alternative arrangement must be based on client service needs and have prior approval from the department.

### **Psychotropic medications.**

Sec. 416. (1) Of the funds appropriated in part 1 for pharmaceutical services, community mental health boards shall not be held liable for the cost of prescribed psychotropic medications during fiscal year 2002-2003.

(2) In calculating the available amount of lapses for use in offsetting overexpenditures resulting from the implementation of this section, those lapses credited to community mental health line items shall only include appropriation lapses in excess of the amount calculated for the 5% carryforward defined in state statute.

(3) The department shall provide quarterly reports to the senate and house of representatives appropriations subcommittees on community health, their respective fiscal agencies, and community mental health boards that include data on psychotropic medications regarding the type, number, cost and prescribing patterns of Medicaid providers.

(4) Should expenditures for Medicaid mental health services and Medicaid substance abuse services exceed the appropriations contemplated in part 1 due to an increase in the



number or mix of Medicaid eligibles, the department shall request the transfer of appropriation lapses or supplemental funding as may be necessary to offset such expenditures.

### **Regional partnerships.**

Sec. 417. (1) It is the intent of the legislature that the department support projects by community mental health boards to establish regional partnerships. Community mental health boards located in counties within a 45-mile radius of each other shall be allowed to collaborate for the purpose of forming regional partnerships.

(2) The purpose of the regional partnerships should be to expand consumer choice, promote service integration, and produce system efficiencies through the coordination of efforts, or other outcomes, as may be determined by participating community mental health boards.

(3) The projects described in this section shall be completely voluntary and be based on projects proposed by the community mental health boards. Each proposed project shall be consistent with the scope, duration, risks, and inducements contained in the plan for competitive procurement that the department submits to the centers for Medicare and Medicaid services as part of the renewal request for the section 1915(b) managed specialty services waiver.

(4) As an additional incentive for community mental health boards to engage in the projects described in this section, the department shall allow any regional partnership formed under this section to retain 100% of any net lapses generated by the regional partnership.

### **Medicaid managed mental health care program; funding report.**

Sec. 418. On or before the tenth of each month, the department shall report to the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the amount of funding paid to the CMHSPs to support the Medicaid managed mental health care program in that month. The information shall include the total paid to each CMHSP, per capita rate paid for each eligibility group for each CMHSP, and number of cases in each eligibility group for each CMHSP, and year-to-date summary of eligibles and expenditures for the Medicaid managed mental health care program.

Sec. 419. From the funds appropriated in part 1 for community substance abuse prevention, education, and treatment programs, the department and a CMHSP that contract with a substance abuse coordinating agency shall include a provision in the contract that allows the agency to carry forward up to 5% of its federal block grant revenue.

### **Management of psychotropic drug costs; pilot projects; reports.**

Sec. 422. (1) It is the intent of the legislature that the department support pilot projects by CMHSPs to control and manage psychotropic drug costs associated with the managed specialty services and supports program.

(2) The purpose of the pilot projects is to allow CMHSPs to develop the necessary management and financial tools to assume risk for the responsibility of managing psychotropic drug costs.

(3) The pilot projects described in this section shall be completely voluntary and based on projects proposed by the CMHSPs.

(4) The department shall provide quarterly reports to the house of representatives and senate appropriations subcommittees on community health, the state budget office, and

the house and senate fiscal agencies as to any activities by CMHSPs to pilot projects under this section.

**Substance abuse prevention, education, and treatment programs; delivery.**

Sec. 423. The department shall work cooperatively with the family independence agency and the departments of corrections, education, state police, and military and veterans affairs to coordinate and improve the delivery of substance abuse prevention, education, and treatment programs within existing appropriations. The department shall report by March 15, 2003 on the outcomes of this cooperative effort to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director.

**Claims processing and payment procedure.**

Sec. 424. Each community mental health services program that contracts with the department to provide services to the Medicaid population shall adhere to the following timely claims processing and payment procedure for claims submitted by health professionals and facilities:

(a) A “clean claim” as described in section 111i of the social welfare act, 1939 PA 280, MCL 400.111i, must be paid within 45 days after receipt of the claim by the community mental health services program. A clean claim that is not paid within this time frame shall bear simple interest at a rate of 12% per annum.

(b) A community mental health services program must state in writing to the health professional or facility any defect in the claim within 30 days after receipt of the claim.

(c) A health professional and a health facility have 30 days after receipt of a notice that a claim or a portion of a claim is defective within which to correct the defect. The community mental health services program shall pay the claim within 30 days after the defect is corrected.

**Mental health and substance abuse services; data report.**

Sec. 425. By April 1, 2003, the department, in conjunction with the department of corrections, shall report the following data from fiscal year 2001-2002 on mental health and substance abuse services to the house of representatives and senate appropriations subcommittees on community health and corrections, the house and senate fiscal agencies, and the state budget office:

(a) The number of prisoners receiving substance abuse services which shall include a description and breakdown on the type of substance abuse services provided to prisoners.

(b) The number of prisoners receiving mental health services which shall include a description and breakdown on the type of mental health services provided to prisoners.

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

**Mental health services to court-referred minors; report.**

Sec. 426. (1) By May 31, 2003, the department shall assist the family independence agency in providing the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director with a report on mental health services to minors assigned or referred by the courts and found to meet CMHSP clinical and financial eligibility determination requirements for fiscal year 2001-2002.

(2) The report described in subsection (1) shall contain information for each CMHSP calculated by the department from fiscal year 2001-2002 data reporting requirements and a statewide summary, each of which shall contain at least the following information:

(a) The number of minors meeting the criteria in subsection (1) and evaluated as a result of court assignment or referral.

(b) The number of minors meeting the criteria in subsection (1) and receiving treatment after the court assignment or referral.

(c) A breakdown of minors meeting the criteria in subsection (1) receiving treatment, by the following categories:

(i) Age.

(ii) Primary diagnosis, stated as a specifically named condition corresponding to the terminology employed in the latest version of the diagnostic and statistical manual of the American psychiatric association.

(iii) Whether or not the score on the state designated outcome instrument indicated marked or severe functional impairment.

(iv) Average length of stay in CMHSP treatment.

(v) Unduplicated count of the number receiving residential service and average length of stay in residential service.

(vi) Number of recipients served under each categorical children's service heading maintained by the department for standard reporting purposes.

### **CMH Medicaid capitation rates; change.**

Sec. 427. (1) Unless required by federal law, the department shall not enact any contract changes concerning capitation payments to CMHSPs for Medicaid eligibles unless agreed to by contract with CMHSPs.

(2) In the event that the federal government mandates that the department make any changes in eligibility or payment rates for CMHSP Medicaid capitation payments, the department shall inform the members of the senate and house of representatives appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director within 2 weeks of the estimated change in CMH Medicaid expenditures due to the federally mandated policy change.

(3) The department may not alter CMH Medicaid capitation rates in order to offset any increases in costs due to increases in Medicaid caseload or case mixture.

(4) Before submitting any state plan amendment to the federal waiver for the managed specialty services and supports program to the centers for Medicare and Medicaid services, the department shall submit a copy of the amendment to the legislature.

### **Increase in capitation rates for CMHSPs; funds; distribution; basis; noncompliance with federal laws or regulations.**

Sec. 428. (1) The department of community health shall establish a separate contingency appropriations account, in an amount not to exceed \$100,000,000.00. The sole purpose of this account shall be to provide funding for an increase in Medicaid capitation rates, payable to CMHSPs, for Medicaid mental health services.

(2) Each CMHSP and affiliation of CMHSPs shall provide, from internal resources, local funds to be used as a bona fide part of the state match required under the Medicaid program in order to increase capitation rates for CMHSPs and affiliations of CMHSPs. These funds shall not include either state funds received by a CMHSP for services provided to non-Medicaid recipients or the state matching portion of the Medicaid capitation payments made to a CMHSP or an affiliation of CMHSPs.

(3) The distribution of the aforementioned increases in the capitation payment rates, if any, shall be based on a formula developed by a committee established by the department, including representatives from CMHSPs or affiliations of CMHSPs and department staff.

(4) The Medicaid capitation rate increase distribution formula, developed by the committee specified in subsection (3), shall be based upon an analysis of recipient characteristics, comparative needs, actuarial trends, equitable adjustments among funding sources, and other relevant considerations. The committee may also recommend changes in community mental health non-Medicaid (funding formula) payments to CMHSPs in conjunction with establishing the formula noted above in order to maximize funding for all CMHSPs. The committee shall report its findings by February 1, 2003 to the senate and house of representatives appropriations subcommittees on community health.

(5) The enactment of this section shall not result in any increase in the local match or county match obligation above the level of funding provided for mental health services in fiscal year 2001-2002. This section shall further confirm that the Medicaid program for specialty services and supports is part of the county-based community mental health services program system.

(6) This section shall not be implemented if it is found not to be in compliance with federal laws or regulations governing these types of transactions.

Sec. 430. From the funds appropriated in part 1 for community mental health non-Medicaid services, CMHSPs that contract with local providers of mental health services and services for persons with developmental disabilities, under a capitated reimbursement system, may include a provision in the contract that allows the providers to carry forward up to 5% of unobligated capitation payments.

Sec. 431. From the funds appropriated in part 1 for Medicaid mental health services, CMHSPs that contract with local providers of mental health services and services for persons with developmental disabilities, under a capitated reimbursement system, may include a provision in the contract that allows the providers to carry forward up to 5% of unobligated capitation payments.

### **Competitive procurement of services.**

Sec. 432. It is the intent of the legislature that all community mental health services programs establish regular ongoing discussions with local providers of mental health services, substance abuse services, and services to persons with developmental disabilities in preparation for competitive procurement of these services as described in the plan approved by the centers for Medicare and Medicaid services. These discussions shall include representatives of the county or counties included in the service area of the community mental health services program and should take into account maintaining continuity of care for patients and service recipients in the transition to competitive procurement of services.

### **“System of change” grant.**

Sec. 433. The department shall apply for a “system of change” grant from the centers for Medicare and Medicaid services. This grant is intended to support self-determination initiatives, including a consumer cooperative proposal, for persons with developmental disabilities and persons with mental illness.

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

**Matching funds; installments.**

Sec. 435. A county required under the provisions of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide matching funds to a CMHSP for mental health services rendered to residents in its jurisdiction shall pay the matching funds in equal installments on not less than a quarterly basis throughout the fiscal year, with the first payment being made by October 1, 2002.

**Specialty services and support waiver bidding process; minimal service disruptions.**

Sec. 436. CMHSPs, regional partnerships, and other entities who are chosen to provide public mental health services through the 1915(b) specialty services and support waiver bidding process shall endeavor to minimize disruptions in services to their clientele due to potential changes in their contracts with providers.

**Placement of persons in community residential settings; pilot projects; reports.**

Sec. 439. (1) It is the intent of the legislature that the department, in conjunction with CMHSPs, support pilot projects that facilitate the movement of adults with mental illness from state psychiatric hospitals to community residential settings.

(2) The purpose of the pilot projects is to encourage the placement of persons with mental illness in community residential settings who may require any of the following:

- (a) A secured and supervised living environment.
- (b) Assistance in taking prescribed medications.
- (c) Intensive case management services.
- (d) Assertive community treatment team services.
- (e) Alcohol or substance abuse treatment and counseling.
- (f) Individual or group therapy.
- (g) Day or partial day programming activities.
- (h) Vocational, educational, or self-help training or activities.

(i) Other services prescribed to treat a person's mental illness to prevent the need for hospitalization.

(3) The pilot projects described in this section shall be completely voluntary.

(4) The department shall provide quarterly reports to the house of representatives and senate appropriations subcommittees on community health, the state budget office, and the house and senate fiscal agencies as to any activities undertaken by the department and CMHSPs to pilot projects under this section.

**MI-Family services.**

Sec. 442. (1) It is the intent of the legislature that the \$40,000,000.00 in funding transferred from the community mental health non-Medicaid services line to the Medicaid mental health services line be used to provide state match for increases in Medicaid funding for mental health services provided to MI-Family enrollees and for economic increases for the Medicaid specialty services and supports program. Such redirection may only occur for these 2 purposes.

(2) The department shall assure that persons eligible for mental health services under the priority population sections of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, will receive mandated services under this plan.

(3) Capitation payments to CMHSPs for persons that become enrolled in Medicaid under the MI-Family program shall be made at the same rates as payments for current Medicaid beneficiaries.

(4) If payments made to CMHSPs for MI-Family services are less than the revenue included in the Medicaid mental health services line for services to MI-Family enrollees, the general fund match for those unused federal dollars shall be transferred back to the community mental health non-Medicaid services line. The department is authorized to transfer up to \$18,000,000.00 from the community mental health non-Medicaid services line to provide state match for increases in Medicaid funding for MI-Family services to the extent that persons are enrolled in the program. The department shall report quarterly to the senate and house of representatives appropriations subcommittees on community health the number of persons enrolled in the MI-Family program, the amount of funding transferred from the community mental health non-Medicaid services line per this subsection, the amount of Medicaid federal funds drawn down as a result of each transfer, and the services provided to MI-Family enrollees with these funds.

(5) The department shall establish a committee comprised of representatives of the department and the CMHSPs to establish a formula for distribution of payments for economic increases for the Medicaid specialty services and supports program referenced under subsection (1). The committee may recommend changes in community mental health non-Medicaid (funding formula) payments to CMHSPs in conjunction with establishing the formula noted above in order to maximize funding for all CMHSPs. The committee shall determine the level and cost of mental health services provided as a result of the MI-Family program and determine the amount of general fund dollars available to serve priority populations required by the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106. The committee shall report its findings by February 1, 2003 to the senate and house of representatives appropriations subcommittees on community health.

### **Mental and behavioral health services for children; preventive measures.**

Sec. 444. The department shall ensure that appropriate continuum of mental and behavioral health services are available to meet the needs of children which include inpatient services, outpatient services, in-home visits, and family respite care. The department shall also promote mental health preventive measures for children which include school-based risk assessments of children and collaborative efforts between the state, communities, schools, and families.

Sec. 447. The department shall provide to the CMHSPs a fixed net cost rate for services provided by the state. This rate shall be equal to the operating cost of providing services minus that part of operating cost paid by federal and private funds, less the amount received by the state as reimbursement from those persons and insurers who are financially liable for the cost of such service. These rates shall be developed by October 1, 2002, and shall be included in the contract between the department and the CMHSPs. The department shall use these rates for CMHSP authorizations as well as for the rates which the department bills CMHSPs for state services.

Sec. 448. As required under section 1903(w)(7)(A)(viii) of title XIX, 42 U.S.C. 1396b, a CMHSP or affiliate of a CMHSP that receives funds under this act for participating in the Medicaid managed specialty mental health and substance abuse program administered by the department shall comply with the provisions of section 224b of the insurance code of 1956, 1956 PA 218, MCL 500.224b, as if it were a health maintenance organization. The quality assurance assessment fee charged to the CMHSP or affiliate shall not exceed 6%.

Sec. 449. From the funds appropriated in part 1 for multicultural services, \$2,500,000.00 shall be allocated for persons with severe mental, developmental, physical, or emotional disabilities who are not currently served under this program.

### **STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES**

#### **Third-party payments for services.**

Sec. 601. (1) In funding of staff in the financial support division, reimbursement, and billing and collection sections, priority shall be given to obtaining third-party payments for services. Collection from individual recipients of services and their families shall be handled in a sensitive and nonharassing manner.

(2) The department shall continue a revenue recapture project to generate additional revenues from third parties related to cases that have been closed or are inactive. Revenues collected through project efforts are appropriated to the department for departmental costs and contractual fees associated with these retroactive collections and to improve ongoing departmental reimbursement management functions so that the need for retroactive collections will be reduced or eliminated.

#### **Gifts and bequests; purpose; use.**

Sec. 602. Unexpended and unencumbered amounts and accompanying expenditure authorizations up to \$500,000.00 remaining on September 30, 2003 from pay telephone revenues and the amounts appropriated in part 1 for gifts and bequests for patient living and treatment environments shall be carried forward for 1 fiscal year. The purpose of gifts and bequests for patient living and treatment environments is to use additional private funds to provide specific enhancements for individuals residing at state-operated facilities. Use of the gifts and bequests shall be consistent with the stipulation of the donor. The expected completion date for the use of gifts and bequests donations is within 3 years unless otherwise stipulated by the donor.

#### **Forensic mental health services.**

Sec. 603. The funds appropriated in part 1 for forensic mental health services provided to the department of corrections are in accordance with the interdepartmental plan developed in cooperation with the department of corrections. The department is authorized to receive and expend funds from the department of corrections in addition to the appropriations in part 1 to fulfill the obligations outlined in the interdepartmental agreements.

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

**Semiannual report.**

Sec. 604. (1) The CMHSPs shall provide semiannual reports to the department on the following information:

- (a) The number of days of care purchased from state hospitals and centers.
  - (b) The number of days of care purchased from private hospitals in lieu of purchasing days of care from state hospitals and centers.
  - (c) The number and type of alternative placements to state hospitals and centers other than private hospitals.
  - (d) Waiting lists for placements in state hospitals and centers.
- (2) The department shall semiannually report the information in subsection (1) to the house of representatives and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director.

**Closures or consolidations of state hospitals, centers, or agencies; conditions; closure plan; transfer of fund balance.**

Sec. 605. (1) The department shall not implement any closures or consolidations of state hospitals, centers, or agencies until CMHSPs have programs and services in place for those persons currently in those facilities and a plan for service provision for those persons who would have been admitted to those facilities.

(2) All closures or consolidations are dependent upon adequate department-approved CMHSP plans that include a discharge and aftercare plan for each person currently in the facility. A discharge and aftercare plan shall address the person's housing needs. A homeless shelter or similar temporary shelter arrangements are inadequate to meet the person's housing needs.

(3) Four months after the certification of closure required in section 19(6) of the state employees' retirement act, 1943 PA 240, MCL 38.19, the department shall provide a closure plan to the house of representatives and senate appropriations subcommittees on community health.

(4) Upon the closure of state-run operations and after transitional costs have been paid, the remaining balances of funds appropriated for that operation shall be transferred to CMHSPs responsible for providing services for persons previously served by the operations.

**Patient reimbursement; adjustment; carrying forward excess revenue.**

Sec. 606. The department may collect revenue for patient reimbursement from first- and third-party payers, including Medicaid, to cover the cost of placement in state hospitals and centers. The department is authorized to adjust financing sources for patient reimbursement based on actual revenues earned. If the revenue collected exceeds current year expenditures, the revenue may be carried forward with approval of the state budget director. The revenue carried forward shall be used as a first source of funds in the subsequent year.

**INFECTIOUS DISEASE CONTROL****Prevention, education, and outreach services; priority to adolescents.**

Sec. 801. In the expenditure of funds appropriated in part 1 for AIDS programs, the department and its subcontractors shall ensure that adolescents receive priority for prevention, education, and outreach services.



**AIDS provider education activities; funding to Michigan state medical society.**

Sec. 802. In developing and implementing AIDS provider education activities, the department may provide funding to the Michigan state medical society to serve as lead agency to convene a consortium of health care providers, to design needed educational efforts, to fund other statewide provider groups, and to assure implementation of these efforts, in accordance with a plan approved by the department.

**AIDS drug assistance program; eligibility criteria and drug formulary.**

Sec. 803. The department shall continue the AIDS drug assistance program maintaining the prior year eligibility criteria and drug formulary. This section is not intended to prohibit the department from providing assistance for improved AIDS treatment medications.

Sec. 805. (1) From the funds appropriated in part 1 for immunization local agreements, the department shall establish a Natalia Horak and Matthew Knueppel meningitis prevention initiative fund in the amount of \$334,100.00, unless otherwise adjusted pursuant to section 263. The department shall ensure that the fund may accept private and local contributions.

(2) The purpose of this fund shall be to provide grants to qualified organizations that will develop education modules targeted towards groups at increased risk of becoming infected with meningitis. The education modules shall provide information on the benefits and risks of vaccination as well as on early detection and treatment for all forms of the disease. Education pertaining to early detection, isolation, and treatment may also be developed for primary medical care providers and local health officers.

(3) The department shall establish the qualification criteria for organizations and shall provide quarterly reports on this initiative to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies.

**EPIDEMIOLOGY****Asthma intervention program.**

Sec. 851. From the funds appropriated in part 1 for asthma prevention and control, \$300,000.00 shall be allocated for an asthma intervention program, including surveillance, community-based programs, and awareness and education. The department shall seek federal funds as they are made available for asthma programs.

Sec. 852. From the funds appropriated in part 1 for bioterrorism preparedness from federal bioterrorism hospital preparedness funding and consistent with federal requirements, the department shall make the following allocations: \$300,000.00 to Sault Ste. Marie War Memorial Hospital, \$300,000.00 to Traverse City Munson Healthcare, \$300,000.00 to Battle Creek Health System, \$500,000.00 to Grand Rapids Metropolitan Medical Response System, \$1,000,000.00 to Sparrow Health System, and \$1,000,000.00 to Detroit Medical Center.

Sec. 853. From the funds appropriated in part 1 for epidemiology administration, \$100.00 shall be allocated to allow and support a collaborative and ongoing research

initiative between the department, Michigan State University, and the Michigan farm bureau to be proactive in human health concerns regarding the mutation and transmission of traditionally animal-borne diseases to the human population.

## **LOCAL HEALTH ADMINISTRATION AND GRANTS**

### **Implementation of § 333.17015; reimbursement.**

Sec. 901. The amount appropriated in part 1 for implementation of the 1993 amendments to sections 9161, 16221, 16226, 17014, 17015, and 17515 of the public health code, 1978 PA 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and 333.17515, shall reimburse local health departments for costs incurred related to implementation of section 17015(15) of the public health code, 1978 PA 368, MCL 333.17015.

### **Dissolution of district health department; penalty.**

Sec. 902. If a county that has participated in a district health department or an associated arrangement with other local health departments takes action to cease to participate in such an arrangement after October 1, 2002, the department shall have the authority to assess a penalty from the local health department's operational accounts in an amount equal to no more than 5% of the local health department's local public health operations funding. This penalty shall only be assessed to the local county that requests the dissolution of the health department.

### **Lead abatement program.**

Sec. 903. The department shall provide a report annually to the house of representatives and senate appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the expenditures and activities undertaken by the lead abatement program. The report shall include, but is not limited to, a funding allocation schedule, expenditures by category of expenditure and by subcontractor, revenues received, description of program elements, and description of program accomplishments and progress.

### **Immunizations, infectious disease control, sexually transmitted disease control and prevention, hearing screening, vision services, food protection, public water supply, private groundwater supply, and on-site sewage management.**

Sec. 904. (1) Funds appropriated in part 1 for local public health operations shall be prospectively allocated to local health departments to support immunizations, infectious disease control, sexually transmitted disease control and prevention, hearing screening, vision services, food protection, public water supply, private groundwater supply, and on-site sewage management. Food protection shall be provided in consultation with the Michigan department of agriculture. Public water supply, private groundwater supply, and on-site sewage management shall be provided in consultation with the Michigan department of environmental quality.

(2) Local public health departments will be held to contractual standards for the services in subsection (1).

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